

Title: Caalim-Verzonilla v. Pascua (674 Phil. 550)

Facts:

1. On September 15, 2001, Atty. Victoriano G. Pascua prepared and notarized two Deeds of Extra-Judicial Settlement of the Estate of the Deceased Lope Caalim with Sale.
2. The first deed was for P250,000, signed by Lope's widow, Caridad Tabarrejos, and children, including complainant Pacita Caalim-Verzonilla, Virginia Caalim-Inong, and Marivinia Caalim, in favor of Madki and Shirley Mipanga, while the second deed was for P1,000,000 for the same parties and purpose.
3. Both deeds bore identical registration numbers, page numbers, and book numbers.
4. Complainant alleged that all signatures in the deeds were falsified. Marivinia was confined in a medical facility from before May 3, 1999, diagnosed with "Substance Induced Psychosis" and "Schizophrenia," until February 6, 2004, hence incapable of signing.
5. The Community Tax Certificates (CTCs) displayed unauthorized signatures procured without their presence or acknowledgment.
6. The deeds aimed to annul a previous simulated deed of sale from June 20, 1979, when Shirley was only 16 years old.
7. Respondent Pascua claimed legitimate preparation and notarization requested by the complainant and co-heirs, and understanding that the real transaction value was P1,000,000.
8. To reduce tax liabilities, a second deed was notarized at the reduced amount of P250,000 on the parties' insistence.
9. IBP's investigation recommended Pascua's suspension for notarial malpractice.
10. The Supreme Court reviewed the Commission's findings.

Issues:

1. Whether Pascua's notarization of deeds with a false consideration breached professional and notarial obligations.
2. Whether Pascua facilitated government tax evasion through his legal services.
3. Whether he maintained ethical standards expected of attorneys and notaries public.

Court's Decision:

1. The Supreme Court affirmed that Pascua notarized a deed with an untruthful consideration knowing its intention for tax evasion. This act was contrary to Canon 1 of the Code of Professional Responsibility, disallowing lawyers from aiding in unlawful conduct.
2. By affixing his notarial seal, Pascua represented the deed as authentic, while he knew the document's illegal nature. His role as notary demands higher fidelity to public interest.
3. The concurrent use of the same notarial registration details for the two deeds violated Rule VI, Section 2 of the 2004 Rules on Notarial Practice, aimed at ensuring integrity and accuracy in notary practice.

Doctrine:

- Canon 1 of the Code of Professional Responsibility and Rule IV, Section 4 of the 2004 Rules on Notarial Practice govern a lawyer's conduct with regards to unlawful transactions and notary duties.
- Notarial documents are presumed credible; misuse of this responsibility can result in legal sanctions.
- A lawyer may be disciplined for any act resulting in moral compromise or untruthfulness, affecting the justice system's integrity.

Class Notes:

Key elements:

- Ethical duty: Uphold the truth, prevent fraud.
- Notarization: Legal solemnity. Must ascertain identity and voluntary signatory.
- Unlawful purpose in documents indicates severe penalties.

Statutes/Provisions:

Rule 1.02, Canon 1, Code of Professional Responsibility.

- "A lawyer shall not counsel or abet activities aimed at defiance of the law."

Historical Background:

This case stems from historical issues concerning truthful representation in legal documents and the notarial system's integrity within Philippine jurisprudence. It underscores recurring challenges in enforcing stringent practices among legal professionals amid complex familial and property transactions.