

Title: Dominga Velasco Ordonio vs. Atty. Josephine Palogan Eduarte

Facts:

1. **Initial Legal Action**: On July 18, 1983, Antonia Ulibari filed a case in the Regional Trial Court (RTC) of Cabagan, Isabela (Civil Case No. 391) for the annulment of a document titled "Affidavit of Adjudication of the Estate of Felicísimo Velasco and Quitclaim Thereof" against her children. The case was initially handled by Atty. Henedino Eduarte. After his appointment as a Regional Trial Court judge on October 26, 1984, his wife, Atty. Josephine Palogan-Eduarte, took over as counsel.
2. **Trial Court Ruling**: On August 22, 1985, the RTC ruled in favor of Antonia Ulibari. Dominga Velasco-Ordonio, one of Antonia's children, appealed, while the rest of the defendants did not.
3. **Contested Transactions**: On June 13, 1987, during the pendency of the appeal in the Court of Appeals, Antonia Ulibari executed deeds of absolute sale, prepared and notarized by respondent Atty. Eduarte, transferring parcels of her land to her children. On the same day, she ostensibly conveyed 20 hectares of land to Atty. Eduarte and her husband as attorney's fees. The land titles remained under Antonia Ulibari's name.
4. **Filing of Disbarment Case**: On April 4, 1988, Dominga Velasco-Ordonio filed a disbarment complaint against Atty. Eduarte. The complaint was based on an affidavit by Antonia Ulibari dated March 2, 1988, averring that she never conveyed the land as attorney's fees and that she did not receive any consideration for sales supposedly made to her children.
5. **Findings of the Commission**: On August 10, 1989, the Commission on Bar Discipline of the Integrated Bar of the Philippines found the charges credible and recommended Atty. Eduarte's suspension.

Issues:

1. Did Atty. Eduarte defraud Antonia Ulibari by getting her to sign the Deed of Conveyance for the 298,420 square meter land as attorney's fees?
2. Did Atty. Eduarte violate Art. 1491 of the Civil Code by acquiring an interest in property subject to litigation?
3. Did Atty. Eduarte violate her oath and ethical obligations by preparing and notarizing deeds of sale which falsely reflected consideration for the conveyed properties?

Court's Decision:

1. **Fraudulent Conveyance**: The Court found that Antonia Ulibari did not knowingly convey the parcel of land to Atty. Eduarte as attorney's fees. Even if she had, executing the deed while an appeal was pending constituted a violation of Art. 1491.
2. **Violation of Art. 1491**: Atty. Eduarte breached Art. 1491 of the Civil Code, which prohibits lawyers from acquiring interests in properties involved in litigation. The transfer was void because it occurred while the appeal was ongoing, showcasing fraudulent intent and unethical conduct.
3. **Falsehood in Legal Documents**: The preparation and notarization of deeds of absolute sale without genuine consideration constituted falsehoods, violating both her professional oath and Rule 10.01 of the Code of Professional Responsibility.

Doctrine:

- **Prohibition Under Art. 1491 of the Civil Code**: Lawyers cannot acquire property involved in litigation they are handling due to the potential undue influence over clients.
- **Rule 10.01 of the Code of Professional Responsibility**: Lawyers must not engage in or enable falsehoods and deception within legal documents.

Class Notes:

- **Art. 1491, Civil Code**: Lawyers cannot acquire interests in any property involved in ongoing litigation where they are participating by virtue of their profession.
- **Ethical Standards for Lawyers**: Professional integrity requires truthful representation in documentation. Court documents must reflect genuine transactions and considerations.
- **Key Principles**: Undue influence, ethics in legal practice, proper conveyance of property rights, and integrity in notarization.

Historical Background:

In the late 20th century, legal ethics bolstered increased oversight with improved bar discipline mechanisms. This case reflects a during heightened awareness and regulation of attorney conduct, particularly regarding potential conflicts of interest and ethical violations in the practice of law. It underscores judicial efforts to uphold fairness and integrity integral to the rule of law, protecting client rights from potential exploitation by legal practitioners.