

FIRST DIVISION

[A.C. No. 12280, September 16, 2020]

**EDWIN JET M. RICARDO, JR., COMPLAINANT, VS. ATTY.
WENDELL L. GO, RESPONDENT.**

R E S O L U T I O N

REYES, J. JR., J.:

In a complaint^[1] for malpractice or unethical conduct, Edwin Jet M. Ricardo, Jr. (complainant) charges Atty. Wendell L. Go (respondent) with having interest, and in fact having acquired, a property under litigation. Also, complainant charges respondent with extortion for sending a demand letter dated February 4, 2018 for payment of rentals.

The following are the relevant factual antecedents of the case:

Involved in this administrative case is a house and lot located in Banawa, Cebu City, originally covered by Transfer Certificate of Title (TCT) No. 58099 in the name of Spouses Edwin Ricardo, Sr. and Divinagracia Ricardo (Spouses Ricardo).^[2]

On June 13, 1997, Spouses Ricardo executed a real estate mortgage over the property in favor of Standard Chartered Bank (Standard Chartered) to secure their obligation under a credit line agreement.^[3] When Spouses Ricardo defaulted on their obligation to pay, Standard Chartered, through its counsel, Atty. Mark Anthony P. Lim of the Go & Lim Offices (respondent's law firm), filed a petition for extrajudicial foreclosure of the mortgage.^[4] On May 22, 2006, the property was subjected to a public auction, wherein Integrated Credit and Corporate Services Co. (ICCSC) emerged as the highest bidder. On May 23, 2006, a certificate of sale was issued in favor of ICCSC. On May 24, 2006, the certificate of sale was registered and annotated on TCT No. 58099. Upon failure to redeem the property, ICCSC consolidated its ownership and thus, TCT No. 189957 was issued in the name of ICCSC.^[5]

On May 30, 2007, complainant and his brother, Jake Ricardo, sons of Spouses Ricardo, filed a complaint for annulment/reformation of contract, among others, against Standard Chartered, Sheriff Arthur Cabigon of the Regional Trial Court (RTC) of Cebu City, and the Register of Deeds of Cebu City, docketed as **Civil Case No. CEB-33420** before the RTC of Cebu, Branch 10 (Branch 10). The complaint was amended to include ICCSC as additional defendant and to add annulment of the consolidation of ownership as cause of action. This case was anchored on complainant and his brother's claim on the invalidity of the mortgage executed by their parents on their "family home" due to the lack of consent on their part as beneficiaries.^[6]

Notably, in Civil Case No. CEB-33420, Standard Chartered's counsels of record were Attys. Joselito Ramon O. Castillo and Leo L. Senires of the Calderon Davide Trinidad Tolentino & Castillo law firm, while ICCSC was represented by Attys. Jose Luis V. Agcaoili and Donald G. Delegencia of Agcaoili & Associates.^[7]

While Civil Case No. CEB-33420 was pending, ICCSC, through its counsel, Agcaoili & Associates, filed an *ex parte* issuance of writ of possession, docketed as **LRC Case No. 3732** before the RTC of Cebu, Branch 16 (Branch 16), which was granted in an Order^[8] dated November 16, 2011.^[9] This Order was affirmed by the Court of Appeals (CA) in its Resolution dated April 24, 2012 in CA-G.R. SP No. 06685.^[10] The Court also affirmed the grant of said writ of possession in its Resolution^[11] dated September 27, 2017 in G.R. No. 204921. Complainant and his brother's motion for reconsideration was denied with finality by the Court in its Resolution dated February 19, 2018.^[12]

Complainant and his brother moved to intervene in LRC Case No. 3732, praying for Branch 16 to reconsider its November 16, 2011 Order, claiming rights over the subject property adverse to their parents who mortgaged the same without their consent.^[13] In an Order^[14] dated November 7, 2012, Branch 16 denied said motion for intervention. On September 18, 2013, complainant and his brother's motion for reconsideration was denied.^[15] In a Decision^[16] dated July 31, 2015 in CA-G.R. No. 08089, the CA affirmed the denial of the motion for intervention. The motion for reconsideration therein was likewise denied in the CA Resolution^[17] dated May 4, 2016. The petition for review filed by complainant and his brother, questioning the denial of their motion for intervention suffered the same fate as the Court denied said petition in a Resolution dated October 19, 2016. An entry of judgment was issued thereon on March 29, 2017.^[18]

Meanwhile, a Decision^[19] dated March 20, 2015 was issued in Civil Case No. CEB-33420. Branch 10 dismissed the complaint for lack of merit. In the said case the RTC found that: (a) complainant and his brother failed to establish that the subject property was a family home; (b) even if it was established as a family home, it is not exempt from execution, forced sale, or attachment pursuant to Article 155(3) of the Family Code as it was made as a security for a loan; (c) complainant and his brother are strangers to the mortgage contract entered into by their parents, who notably are still alive and not assailing the validity of the mortgage as well as its foreclosure, and as such, have no standing to assail the validity of the contract entered into by their parents; and (d) complainant and his brother cannot be considered as beneficiaries of a family home as they are not dependent upon their parents for legal support. On October 7, 2016, the motion for reconsideration was denied.^[20] An appeal to the CA was then filed, pending at present per allegations in the complaint before us.^[21]

On April 1, 2017, ICCSC, as seller, and respondent, as buyer, executed a Deed of Absolute Sale^[22] for the sale of the subject property. On October 12, 2017, TCT No. 107-2017005446^[23] was then issued in respondent's name. Sometime in February 2018, respondent, through counsel, sent a demand letter^[24] to complainant and his brother for payment of rentals for the use of the property until possession thereof is surrendered.

Relevant in this administrative case, as well, is the fact that on January 11, 2018, Go & Lim Offices, through respondent, entered its appearance as collaborating counsel for ICCSC in LRC Case No. 3732.^[25]

These developments prompted complainant to file the instant administrative case. Complainant charges respondent of having interest over a property under litigation; and of extorting money by sending a demand letter for payment of rentals.

In his Comment,^[26] respondent vehemently denies the charges against him. He avers that he did not represent any party in any of the cases above-cited prior to his acquisition of the property in April 2017, until his appearance as collaborating counsel for ICCSC in LRC Case No. 3732. He emphasizes that he was already the legal owner of the property when he stood as collaborating counsel for ICCSC, particularly for the writ of possession case. As such, respondent maintains that the prohibition under Article 1491(5) is inapplicable. Respondent further points out that as legal owner of the property, he has every right to appear as collaborating counsel and avail all legal remedies in order to protect his rights and interests as the owner, particularly the recovery of possession of the property, which complainant and his brother had deprived him of, as well as his predecessor-in-interest, ICCSC. Lastly, his legal remedies as owner of the property include his right to send a demand letter for the payment of rentals as he was continuously deprived of the use and possession of his property due to complainant and his brother's unjustified insistence that their parents wrongfully mortgaged their "family home".

We resolve.

Basically, complainant alleges connivance among Standard Chartered, ICCSC, and respondent to dispossess him and his brother of their family home. It is complainant's contention that respondent, as Standard Chartered's counsel in the extra-judicial foreclosure, and later on as ICCSC's collaborating counsel in LRC Case No. 3732, cannot acquire the property subject of litigation without violating the Civil Code and his ethical duties as a member of the Bar.

The Court does not agree.

Article 1491(5) of the Civil Code provides:

Article 1491. The following persons cannot acquire by purchase, even at a public or judicial auction, either in person or through the mediation of another:

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x x x x

(5) Justices, judges, prosecuting attorneys, clerks of superior and inferior courts, and other officers and employees connected with the administration of justice, the property and rights in litigation or levied upon an execution before the court within whose jurisdiction or territory