Republic of the Philippines
Supreme Court
Manila

EN BANC

NENITA KO,
Complainant,

- *versus* -

ATTY. LADIMIR IAN G. MADURAMENTE and ATTY. MERCY GRACE L. MADURAMENTE,
Respondents.

A.C. No. 11118
(Formerly CBD Case No. 08-2140)

Present:

PERALTA, *C.J.*,
PERLAS-BERNABE,
LEONEN,
CAGUIOA,
GESMUNDO,
REYES, J. JR.,
HERNANDO,
CARANDANG,
LAZARO-JAVIER,
INTING,
ZALAMEDA,
LOPEZ,
DELOS SANTOS, and
GAERLAN, *JJ.*

Promulgated:

July 14, 2020

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DECISION

PER CURIAM:

This is a Petition[1] for disbarment filed by Nenita Ko (Nenita) against respondents Atty. Ladimir Ian G. Maduramente (Atty. Ladimir) and Atty. Mercy Grace L. Maduramente (Atty. Mercy; collectively, respondent lawyers) for committing dishonest acts and grave misconduct in violation of the Code of Professional Responsibility (CPR).

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[1] *Rollo*, pp. 2-10.

The Factual Antecedents

Nenita alleged that sometime in July 2006, Atty. Ladimir and Atty. Mercy informed her that the Manila Prince Hotel in San Marcelino, Manila, owned by the Manila Prince Hotel Corporation and affiliated with Manila Hotel, was for sale. Respondent lawyers allegedly made representations that:

a. They knew the President of Manila Hotel, former Senator Joey Lina;
b. The ₱50,000,000.00 purchase price was a reasonable consideration, and lower than the fair market value of the property.
c. They can get a preferential rate because Atty. Mercy had close relations with the hotel owners since she worked at the Malacañang Palace;
d. The hotel is immediately operational without any legal issues, complete with necessary equipment, furniture, and fixtures;
e. The payment scheme is on installment basis which made it more affordable and not burdensome on the part of Nenita;
f. The return of investment will only be for a short period since the hotel business is booming;
g. A mere ₱5,000,000.00 as down payment is required for Nenita to possess and control the hotel, subject to the payment of the balance in accordance with the agreed payment scheme; and
h. Nenita would only pay ₱32,000,000.00 since respondent lawyers will pay the balance of the purchase price as part of their joint/conjugal investment as industrial partners.[2]

Persuaded by the representations of respondent lawyers, Nenita agreed to buy the hotel. She later issued three checks in the amounts of ₱5,000,000.00, ₱6,000,000.00, and another ₱6,000,000.00, all payable to the order of Atty. Mercy.[3] Upon receipt of the checks, Atty. Mercy executed an Acknowledgment[4] to Nenita.

A few days later, Nenita inquired from respondent lawyers about the status of the sale. To her dismay, respondent lawyers informed her that there would be a delay in the turnover of the hotel as they were still working on the documents for its transfer. Nenita then asked Atty. Ladimir and Atty. Mercy to give her a list of the inventoried equipment, fixtures, and furniture in the hotel, but no list was given to her. Nenita thus suspected that something is amiss in the sale transaction.

Upon inquiry with her financial consultant, she discovered that no sale

[2] Id. at 3-4.
[3] Id. at 11-13.
[4] Id. at 14.

transaction was concluded with respect to the said hotel.

Nenita thus confronted respondent lawyers about her discovery. Still, they insisted that the hotel was validly sold to her and that she had nothing to worry about. However, when Nenita demanded from them to produce the documents of the purported sale, they failed to comply.

Instead, Atty. Mercy berated Nenita for attributing to her the botched sale transaction. She also bragged about her alleged connections in the Office of the President in order to dissuade Nenita from filing any complaint against her and Atty. Ladimir. Consequently, Nenita asked respondent lawyers to just return the two remaining checks to her which they did.

Since the first check in the amount of ₱5,000,000.00 was already encashed, Nenita requested Atty. Ladimir and Atty. Mercy to return the value thereof. However, Atty. Ladimir admitted that they already used the said amount. Respondent lawyers then requested for some time to return the money to which Nenita agreed.

Unfortunately, Atty. Ladimir and Atty. Mercy still failed to return the amount despite repeated demands prompting Nenita to inform them of her intention of filing a case against them. Atty. Ladimir pleaded for additional time to return the amount.

Eventually, respondent lawyers returned the amount of ₱500,000.00 to Nenita. As to the remaining ₱4,500,000.00, Atty. Ladimir executed a Deed of Undertaking[5] stating that the ₱500,000.00 shall be paid through bank transfer to Nenita's account, while the remaining ₱4,000,000.00 would be covered by a check[6] dated September 30, 2007. Pursuant to the Undertaking, Atty. Ladimir and Atty. Mercy transferred ₱500,000.00 to Nenita's account. Sadly, however, the check issued by Atty. Ladimir in the amount of ₱4,000,000.00 was dishonored due to closed account.

On November 7, 2007, Nenita, through her counsel, sent a final demand letter to Atty. Ladimir and Atty. Mercy asking them to pay the remaining ₱4,000,000.00. But her demand fell on deaf ears. Hence, this complaint for disbarment against Atty. Ladimir and Atty. Mercy for utter violation of the CPR.

In her Answer,[7] Atty. Mercy denied that she and Atty. Ladimir convinced Nenita to purchase or invest in the Manila Prince Hotel for ₱50,000,000.00. She averred that Nenita expressed her interest in purchasing not the hotel but the M/V Asian Princess, also known as Manila Floating

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[5] Id. at 15.
[6] Id. at 15 and 16.
[7] Id. at 53-71.

Restaurant. However, it was Atty. Ladimir who actually offered it to Nenita who received the documents of the restaurant.

Atty. Mercy claimed that what she actually offered to sell to Nenita were shares of stocks of the Manila Prince Corporation. She also disclaimed Nenita's allegation that she made representations that she could get a preferential rate because of her work connections. Lastly, Atty. Mercy insisted that she did not encash the check in the amount of ₱5,000,000.00. Neither did she own the bank account in which the check was deposited.

Atty. Ladimir also filed his Answer[8] wherein he asserted that it was Atty. Mercy who mentioned to Nenita the sale of Manila Prince Hotel in the amount of ₱50,000,000.00. However, he himself did not get involved in the sale transaction to avoid conflict of interest.

Atty. Ladimir narrated that it was Atty. Mercy who persuaded Nenita to enter into a partnership agreement because of her connections. Atty. Ladimir claimed that he had no idea about the details of the transaction and that he only learned that the deal materialized when he was informed by his office staff, Flordeliza Sarmiento, that Nenita already issued postdated checks to Atty. Mercy.

Atty. Ladimir explained that he suspected that something went wrong when Atty. Mercy presented a Special Power of Attorney stating the amount of US$50,000,000.00 instead of Philippine pesos and when Nenita demanded the return of the ₱5,000,000.00, the amount of the first check that was encashed, as well as the other checks she issued. Atty. Ladimir professed that he did not know where the initial payment of ₱5,000,000.00 was used. All he knew was that Atty. Mercy failed to make good her promise to return the same.

One day, Nenita met with Atty. Ladimir demanding for the reimbursement of her payment. He called Atty. Mercy who agreed to refund the remaining balance of ₱4,000,000.00 within two months. To pacify Nenita, Atty. Ladimir issued a check in her favor for the sole purpose of showing it to her husband. He informed her that the check would be replaced by an actual refund as soon as it becomes available.

The Initial Report and Recommendation of the Integrated Bar of the Philippines (IBP)

In his Report and Recommendation,[9] Investigating Commissioner Oliver A. Cachapero found Atty. Mercy guilty of dishonesty and immoral misconduct for her failure to account for and return the money entrusted to her by Nenita. The Investigating Commissioner found sufficient proof that

[8] Id. at 138-146.
[9] Id. at 192-197.

Atty. Mercy offered to Nenita the sale of the Manila Prince Hotel, and benefited therefrom when she encashed the check valued at ₱5,000,000.00 that was issued in her name. The Investigating Commissioner thus recommended that Atty. Mercy be suspended for a period of two (2) years from the practice of law.

Anent Atty. Ladimir, the Investigating Commissioner recommended the dismissal of the complaint against him for lack of sufficient basis.

On April 15, 2013, the IBP Board of Governors (BOG) issued a Resolution[10] adopting the Investigating Commissioner's recommendation. The Resolution reads:

> RESOLUTION NO. XX-2013-432
> CBD Case No. 08-2140
> Nenita Ko vs.
> Atty. Ladimir Ian G. Maduramente and
> Atty. Mercy Grace L. Maduramente
>
> RESOLVED to ADOPT and APPROVE, as it is hereby unanimously ADOPTED and APPROVED, the Report and Recommendation of the Investigating Commissioner in the above-entitled case, herein made part of this Resolution as Annex "A", and finding the recommendation fully supported by the evidence on record and the applicable laws and rules and considering that Respondent Mercy Grace L. Maduramente is guilty of gross misconduct, Atty. Mercy Grace L. Maduramente is hereby SUSPENDED from the practice of law for two (2) years. However, considering that the complaint against Atty. Ladimir Ian G. Maduramente is without merit, the case is hereby DISMISSED.

Atty. Mercy filed a Motion for Reconsideration[11] before the IBP-BOG. Meantime, Nenita likewise filed a complaint for estafa against respondent lawyers before the Regional Trial Court, Branch 87 of Quezon City (RTC-Quezon City) docketed as Crim. Case No. R-QZN-14-01681-CR.

On June 5, 2015, the IBP-BOG issued Resolution No. XXI-2015-401[12] denying Atty. Mercy's Motion for Reconsideration for lack of merit, to wit:

> RESOLUTION NO. XXI-2015-401
> CBD Case No. 08-2140
> Nenita Ko vs.
> Atty. Ladimir Ian G. Maduramente and
> Atty. Mercy Grace L. Maduramente
>
> RESOLVED to DENY Respondent's Atty. Mercy Grace L. Maduramente Motion for Reconsideration, there being no cogent reason to reverse the findings and the resolution of the matters which had already been threshed out

[10] Id. at 190.
[11] Id. at 198-213.
[12] Id. at 291.

and taken into consideration. Thus, Resolution No. XX-2013-432, dated April 15, 2013, is hereby AFFIRMED.

Subsequently, Atty. Mercy filed a Manifestation[13] dated September 17, 2015 stating that during the testimony of Nenita in the Estafa case pending before the RTC-Quezon City, it was discovered that she (Atty. Mercy) did not endorse the check valued at ₱5,000,000.00 and that the same was also not deposited in her alleged bank account as evidenced by the certification[14] from the bank. It was Nenita's husband, William Ko, who actually issued the subject check contrary to Nenita's claim in the disbarment complaint.[15]

Upon receipt of the June 5, 2015 IBP-BOG Resolution No. XXI-2015-401, Atty. Mercy filed a Petition for Review on *Certiorari* with Urgent Motion for Reinvestigation[16] before this Court. She averred that the IBP did not consider her September 17, 2015 Manifestation which would have reversed its April 15, 2013 Resolution. Atty. Mercy then filed a Motion with Leave of Court to Amend Petition for Review with Motion for Reinvestigation[17] claiming that the IBP gravely abused its discretion because: (a) it did not clearly state the facts and reasons for the denial of her Motion for Reconsideration; and (b) it failed to consider evidence which would exonerate her from any liability.

Atty. Mercy insisted that she was not part of the sale transaction and that she did not deceive Nenita. She averred that she only introduced Nenita and William Ko to Senator Joey Lina, then President of the Manila Hotel which is affilitated with the Manila Prince Hotel Corporation.

Atty. Mercy further alleged that she received the three checks which she held in trust for Nenita as payment for the assignment of shares of the Manila Prince Hotel. However, the checks were actually endorsed and turned over to Atty. Ladimir. Atty. Mercy posited that it was Atty. Ladimir who transacted the first check amounting to ₱5,000,000.00 which was deposited to an unnamed account. Since the check did not bear her endorsement and that its amount was not deposited to her account, Atty. Mercy asserted that she had no obligation to account for the ₱5,000,000.00.

On April 5, 2016, this Court issued a Resolution[18] referring the petition to the Office of the Bar Confidant (OBC) for evaluation, report and recommendation.

Report and Recommendation of the OBC:

[13] Id. at 220-223.
[14] Id. at 265.
[15] Id. at 264.
[16] Id. at 266-277.
[17] Id. at 305-309.
[18] Id. at 569-570.

In its August 1, 2016 Report and Recommendation,[19] the OBC recommended that Atty. Mercy's Motion for Reinvestigation be granted and the IBP be directed to conduct further investigation and to submit its report and recommendation within 90 days.

In Our April 18, 2017 Resolution,[20] the IBP was directed to conduct further investigation on this case and to submit its report and recommendation thereon.

Final Report and Recommendation of the IBP:

By way of compliance, the IBP submitted its Report and Recommendation[21] dated June 9, 2017. This time, the IBP found both Atty. Ladimir and Atty. Mercy to have violated the CPR for their failure to account for and return their client's money despite demand. Worse, they misappropriated the same for their own use in violation of Nenita's trust and to her prejudice. Thus, the IBP recommended that the penalty of suspension from the practice of law for two years be imposed against both respondent lawyers.

Issue

The sole issue is whether respondent lawyers are both guilty of dishonesty and grave misconduct.

The Court's Ruling

Time and again, the Court has emphasized that being a lawyer is a privilege burdened with conditions.[22] As a member of the bar, he/she must maintain the integrity and dignity of the legal profession by refraining from committing acts which might diminish in any degree the confidence of the public in the fidelity, honesty and integrity of the profession.[23] He/she is thus expected to preserve the trust and confidence reposed upon him/her by his/her clients, his/her profession, the courts and the public.[24] He/she must also retain a high sense of morality, and fair dealing to continue his/her membership in good standing. Otherwise, a lawyer may be "disciplined for any conduct that is wanting of the above standards whether in their professional or in their private capacity."[25]

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[19] Id. at 578-582.
[20] Id. at 615.
[21] Id. at 632-637.
[22] *Saladaga v. Atty. Astorga,* 748 Phil. 1, 5 (2014).
[23] *Berbano v. Atty. Barcelona,* 457 Phil. 331, 335-336 (2003).
[24] Id. at 335.
[25] *Tumbokon v. Atty. Pefianco,* 692 Phil. 202, 207 (2012).

The Court, after a judicious review of the records, adopts the findings of the IBP, but with modification as regards the recommended penalty.

Indeed, Atty. Ladimir and Atty. Mercy failed to live up to the high moral standards required of them as members of the legal profession.

The defenses raised by Atty. Mercy deserve scant consideration.

Atty. Mercy proffered that she did not own the bank account wherein the first check valued at ₱5,000,000.00 was deposited. She also averred that her participation was limited only to introducing Nenita and William Ko to the management of the Manila Prince Hotel and that she was not privy to the said transaction.

These defenses of denial cannot outweigh the evidence presented by Nenita.

Records show that the checks[26] issued by Nenita for the sale of the Manila Prince Hotel were all payable to the order of Atty. Mercy. Atty. Mercy duly received the checks as evidenced by the Acknowledgment[27] which she herself executed. Remarkably, the checks were also crossed checks which meant that these were for deposit only by Atty. Mercy in her bank account.[28]

Further, if Atty. Mercy was not a participant in the purported sale transaction, it baffles this Court as to why the checks were payable to her order instead of the Manila Prince Hotel Corporation, the owner of the Manila Prince Hotel. Unfortunately, Atty. Mercy failed to give a plausible explanation as to why the checks were payable to her name. Atty. Mercy did not even dispute her signature in the Acknowledgment. Having received the checks in due course, it is presumed that the same were in her possession and disposed of or used by her. She failed to present any convincing evidence that it was Atty. Ladimir or any other person who endorsed said checks.

Atty. Ladimir's claim that he was not a party to the purported sale lacks merit.

The Court is likewise not persuaded by Atty. Ladimir's declaration that he had limited or no participation at all in the alleged sale transaction.

It is undisputed that Atty. Ladimir introduced his wife, Atty. Mercy, to Nenita. The proposal to purchase the hotel was made to Nenita in Atty.

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[26] *Rollo*, pp. 11-13.
[27] Id. at 14.
[28] *Security Bank Corp. v. Court of Appeals*, G.R. No. 170149, August 17, 2016.

Ladimir's presence in his law office, and therefore, with his knowledge. He and Atty. Mercy even volunteered to oversee the execution of the deed of sale and to process other documents related thereto. Further, Atty. Ladimir even admitted that he, Atty. Mercy and Nenita met with Senator Lina on several occasions for the sale of the hotel. In fact, the preparation and drafting of the deed of sale as well as its registration and annotation on the title, were entrusted to him and to Atty. Mercy.

Moreover, Atty. Ladimir and Atty. Mercy were husband and wife hence, it is impossible that he did not know anything about the sale especially since it involved his client, Nenita. As husband and wife, Atty. Ladimir would have benefited from the purported sale even if the checks were in the name of Atty. Mercy only. This is in accordance with the legal presumption that the money acquired by reason of the encashment of the check belongs to their conjugal partnership.[29]

Further, Atty. Ladimir admitted to Nenita that he and Atty. Mercy misappropriated for themselves the ₱5,000,000.00, and even requested Nenita to simply consider the same as a loan. He even executed an Undertaking[30] promising to pay Nenita the alleged loaned amount by depositing ₱500,000.00 to the latter's account, and issuing a postdated check for ₱4,000,000.00. Indeed, Atty. Ladimir's admission and contemporaneous acts strengthen the plausible inference that he took part in the purported sale together with his estranged wife, Atty. Mercy, and benefited from the same at the expense of Nenita. Besides, no person in his right mind would undertake to pay such a huge amount on behalf of another person if he himself did not benefit therefrom. Records also show that Atty. Ladimir personally issued the check[31] for ₱4,000,000.00 pursuant to the terms of the Undertaking that he himself voluntarily executed.

Atty. Ladimir and Atty. Mercy are guilty of Dishonesty and Gross Misconduct in violation of Canons 7, 15, 17, and 18, and Rules 1.01, 7.03, and 16.03 of the CPR

It is, therefore, undisputed that Atty. Ladimir and Atty. Mercy are guilty of dishonesty and gross misconduct. They have breached the trust reposed upon them by their client, Nenita, in violation of the Lawyer's Oath and Canons 7, 15, 17, and 18, and Rules 1.01, 7.03, and 16.03 of the CPR which read:

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[29] New Civil Code, Article 160.

Article 160. All property of the marriage is presumed to belong to the conjugal partnership, unless it be proved that it pertains exclusively to the husband or to the wife.

[30] *Rollo*, p. 15.

[31] Id.

> RULE 1.01 A lawyer shall not engage in unlawful, dishonest, immoral or deceitful conduct.
>
> CANON 7 – A Lawyer shall at all times uphold the integrity and dignity of the legal profession and support the activities of the integrated bar.
>
> Rule 7.03 - A lawyer shall not engage in conduct that adversely reflects on his fitness to practice law, nor shall he whether in public or private life, behave in a scandalous manner to the discredit of the legal profession.
>
> CANON 15 — A lawyer shall observe candor, fairness and loyalty in all his dealings and transactions with his client.
>
> Rule 16.03 – A lawyer shall deliver the funds and property of his client when due or upon demand. However, he shall have a lien over the funds and may apply so much thereof as may be necessary to satisfy his lawful fees and disbursements, giving notice promptly thereafter to his client. He shall also have a lien to the same extent on all judgments and executions he has secured for his client as provided for in the Rules of Court.
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> CANON 17 — A lawyer owes fidelity to the cause of his client and he shall be mindful of the trust and confidence reposed in him.
>
> CANON 18 — A lawyer shall serve his client with competence and diligence.

Atty. Ladimir and Atty. Mercy acted both as agents and as lawyers of Nenita in the purported sale transaction. This is in contravention of our settled rule discouraging lawyers to engage in business transactions with their clients. As aptly held in *HDI Holdings Philippines, Inc. v. Atty. Cruz*:[32]

> As a rule, a lawyer is not barred from dealing with his client but the business transaction must be characterized with utmost honesty and good faith. The measure of good faith which an attorney is required to exercise in his dealings with his client is a much higher standard that is required in business dealings where the parties trade at arm's length. Business transactions between an attorney and his client are disfavored and discouraged by the policy of the law. Hence, courts carefully watch these transactions to assure that no advantage is taken by a lawyer over his client. This rule is founded on public policy for, by virtue of his office, an attorney is in an easy position to take advantage of the credulity and ignorance of his client. Thus, no presumption of innocence or improbability of wrongdoing is considered in an attorney's favor. x x x

Worse, Atty. Ladimir and Atty. Mercy's failure to return upon demand the ₱5,000,000.00 gave rise to the presumption that they appropriated the money for themselves in violation of the trust reposed in them by Nenita.[33] In *Egger v. Duran,*[34] the Court stressed that the relationship between a lawyer and his client is highly fiduciary, *viz.*:

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[32] A.C. No. 11724, July 31, 2018.
[33] Id.
[34] 795 Phil. 9 (2016).

> The relationship between a lawyer and his client is highly fiduciary and prescribes on a lawyer a great fidelity and good faith. The highly fiduciary nature of this relationship imposes upon the lawyer the duty to account for the money or property collected or received for or from his client. Thus, a lawyer's failure to return upon demand the funds held by him on behalf of his client, as in this case, gives rise to the presumption that he has appropriated the same for his own use in violation of the trust reposed in him by his client. Such act is a gross violation of general morality, as well as of professional ethics.[35]

Undoubtedly, Atty. Ladimir and Atty. Mercy utterly disregarded the trust reposed in them by Nenita. Their acts are in gross violation of general morality, as well as of professional ethics.[36]

Atty. Mercy is likewise guilty of influence peddling, and of commingling of funds with client.

Atty. Mercy is likewise guilty of influence peddling in violation of Canon 7 of the CPR mandating that a "lawyer shall at all times uphold the integrity and dignity of the legal profession," as well as of Rule 15.06 proscribing a lawyer from stating or implying "that he is able to influence any public official, tribunal or legislative body."

Here, Atty. Mercy boasted that her connections with influential persons would get Nenita a favorable rate for the sale of the hotel. At the same time, she used her alleged connections to discourage Nenita from filing a complaint against her and Atty. Ladimir.

The judiciary has been working tirelessly to preserve its integrity and independence. It continuously strives to maintain an orderly administration of justice by ensuring that those who marred its reputation would be properly sanctioned. By giving the impression that justice is served depending on one's connections, and insinuating that the administration of justice is susceptible to corruption and misconduct, Atty. Mercy has placed the judiciary in a bad light thereby eroding the public's trust and confidence in the judicial system.

As an officer of the court, Atty. Mercy failed to uphold a high regard to the profession by staying true to her oath and keeping her actions beyond reproach.[37] She also did not observe her bounden duty as a lawyer to keep the

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[35] Id. at 17.
[36] *HDI Holdings Philippines, Inc. v. Atty. Cruz*, supra note 32.
[37] *Francia v. Atty. Abdon*, 739 Phil. 299, 313 (2014).

reputation of the courts untarnished.[38] As expounded in *Francia v. Abdon*,[39] citing *Berbano v. Barcelona*:[40]

> A lawyer is an officer of the courts; he is, "like the court itself, an instrument or agency to advance the ends of justice.' [x x x]. His duty is to uphold the dignity and authority of the courts to which he owes fidelity, 'not to promote distrust in the administration of justice." [x x x] Faith in the courts a lawyer should seek to preserve. For, to undermine the judicial edifice "is disastrous to the continuity of the government and to the attainment of the liberties of the people." [x x x]. Thus has it been said of a lawyer that "[a]s an officer of the court, it is his sworn and moral duty to help build and not destroy unnecessarily that high esteem and regard towards the courts so essential to the proper administration of justice."

Further, Atty. Mercy should not have consented to the issuance of the checks by Nenita in her name. This alone constitutes a violation of the Code which mandates lawyers to keep the "funds of each client separate and apart from his own and those of others kept by him."[41]

The appropriate penalty

Section 27, Rule 138 of the Rules of Court enumerates the grounds when a lawyer may be suspended from the practice of law or be disbarred, to wit:

> SEC. 27. Disbarment or suspension of attorneys by Supreme Court; grounds therefor. — A member of the bar may be disbarred or suspended from his office as attorney by the Supreme Court for any deceit, malpractice, or other gross misconduct in such office, grossly immoral conduct, or by reason of his conviction of a crime involving moral turpitude, or for any violation of the oath which he is required to take before admission to practice, or for a willful disobedience of any lawful order of a superior court, or for corruptly or willfully appearing as an attorney for a party to a case without authority so to do. The practice of soliciting cases at law for the purpose of gain, either personally or through paid agents or brokers, constitutes malpractice.

The Court is mindful that the power to disbar must be exercised with great caution. Disbarment should be imposed in clear cases of misconduct that seriously affect the standing and character of the lawyer as an officer of the court and as member of the bar, or the misconduct borders on the criminal, or committed under scandalous circumstance.[42] "The appropriate penalty on an errant lawyer depends on the exercise of sound judicial discretion based on the surrounding facts."[43]

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[38] Id.
[39] Id.
[40] *Supra* note 23 at 345.
[41] Canon 16, Rule 16.02, Code of Professional Responsibility.
[42] *Tumbokon v. Atty. Pefianco, supra* note 25 at 208-209.
[43] *De Borja v. Atty. Mendez, Jr.*, A.C. No. 11185, July 4, 2018.

Here, Atty. Ladimir and Atty. Mercy both showed an absolute disregard of their bounden duties inscribed in the Lawyer's Oath and the CPR. They misappropriated the funds given by Nenita for the purchase of the Manila Prince Hotel. These only demonstrate their absence of good moral character, a continuous requirement for membership in the bar.[44]

Moreover, Atty. Mercy commingled the funds with her account by allowing the checks be payable to her order. Worse, she tarnished the reputation of the judiciary by using her political connections not only to gain the trust of Nenita but also to discourage her from filing any complaint against her and Atty. Ladimir before the courts thereby impressing upon Nenita that this Court can be swayed by political connections.

Clearly, these actuations of Atty. Ladimir and Atty. Mercy demonstrated that they do not possess not even a scintilla of high moral fiber thereby making them unworthy of public confidence, and of being members of the legal profession. Their violations clearly caused damage and prejudice to their client, and had put the administration of justice in a bad light. Thus, the Court finds it appropriate to impose on both respondent lawyers the most severe penalty of disbarment and their names stricken off the Roll of Attorneys.[45]

WHEREFORE, Atty. Ladimir Ian Maduramente and Atty. Mercy Grace Maduramente are found **GUILTY** of violating Canons 7, 15, 17, and 18, and Rules 1.01, 7.03, 15.06, 16.02 and 16.03 of the Code of Professional Responsibility, and of the Lawyer's Oath. They are thus ordered **DISBARRED** from the practice of law and their names stricken off the Roll of Attorneys, effective immediately.

Moreover, Atty. Ladimir Ian Maduramente and Atty. Mercy Grace Maduramente are **ORDERED** to **RETURN** to complainant Nenita Ko the amount of Four Million Pesos (₱4,000,000.00), if it is still unpaid, with interest of six percent (6%) per *annum* reckoned from the date of finality of this Decision until full payment.[46]

Let a copy of this Decision be furnished to the Office of the Bar Confidant to be entered into the respective records of Atty. Ladimir and Atty. Mercy. Copies shall likewise be furnished to the (a) Integrated Bar of the Philippines, which shall disseminate copies thereof to all its Chapters; (b) all administrative and quasi-judicial agencies of the Republic of the Philippines; and (c) the Office of the Court Administrator for circulation to all courts concerned.

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[44] *Ong v. Atty. Delos Santos*, 728 Phil. 332, 337 (2014).
[45] *Domingo v. Atty. Sacdalan*, A.C. No. 12475, March 26, 2019.
[46] See *Domingo v. Sacdalan*, id. and *HDI Holdings Philippines, Inc. v. Atty. Cruz, supra* note 32.

SO ORDERED.

DIOSDADO M. PERALTA
Chief Justice

ESTELA M. PERLAS-BERNABE
Associate Justice

MARVIC M.V.F. LEONEN
Associate Justice

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

ALEXANDER G. GESMUNDO
Associate Justice

JOSE C. REYES, JR.
Associate Justice

RAMON PAUL L. HERNANDO
Associate Justice

ROSMARI D. CARANDANG
Associate Justice

AMY C. LAZARO-JAVIER
Associate Justice

HENRI JEAN PAUL B. INTING
Associate Justice

RODIL V. ZALAMEDA
Associate Justice

MARIO V. LOPEZ
Associate Justice

EDGARDO L. DELOS SANTOS
Associate Justice

SAMUEL H. GAERLAN
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