



Republic of the Philippines  
**Supreme Court**  
 Manila

**FIRST DIVISION**

**EDWIN JET M. RICARDO, JR.,**  
 Complainant,

**A.C. No. 12280**

**Present:**

- versus -

PERALTA, *C J., Chairperson,*  
 CAGUIOA,  
 REYES, J. JR.,  
 LAZARO-JAVIER, and  
 LOPEZ, *JJ.*

**ATTY. WENDELL L. GO,**  
 Respondent.

**Promulgated:**

**SEP 16 2020**

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**RESOLUTION**

**REYES, J. JR., J.:**

In a complaint<sup>1</sup> 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).<sup>2</sup>

On June 13, 1997, Spouses Ricardo executed a real estate mortgage over the property in favor of Standard Chartered Bank (Standard Chartered)

<sup>1</sup> *Rollo*, pp. 1-3.

<sup>2</sup> *Id.* at 1.

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to secure their obligation under a credit line agreement.<sup>3</sup> 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.<sup>4</sup> 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.<sup>5</sup>

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.<sup>6</sup>

Notably, in Civil Case No. CEB-33420, Standard Chartered's counsels of record were Attys. Joselito Ramon O. Castillo and Leo L. Señires 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.<sup>7</sup>

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<sup>8</sup> dated November 16, 2011.<sup>9</sup> This Order was affirmed by the Court of Appeals (CA) in its Resolution dated April 24, 2012 in CA-G.R. SP No. 06685.<sup>10</sup> The Court also affirmed the grant of said writ of possession in its Resolution<sup>11</sup> 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.<sup>12</sup>

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<sup>3</sup> Id. at 6-9.

<sup>4</sup> Id. at 420-422.

<sup>5</sup> Id. at 284.

<sup>6</sup> Id. at 295.

<sup>7</sup> Id. at 321.

<sup>8</sup> Id. at 18-20.

<sup>9</sup> Id. at 2.

<sup>10</sup> Penned by Associate Justice Gabriel T. Ingles, with Justices Eduardo B. Peralta, Jr. and Pamela Ann Abella Maxino, concurring; id. at 294.

<sup>11</sup> Id. at 294-300.

<sup>12</sup> Id. at 301-302.

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.<sup>13</sup> In an Order<sup>14</sup> 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.<sup>15</sup> In a Decision<sup>16</sup> 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<sup>17</sup> 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.<sup>18</sup>

Meanwhile, a Decision<sup>19</sup> 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.<sup>20</sup> An appeal to the CA was then filed, pending at present per allegations in the complaint before us.<sup>21</sup>

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

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<sup>13</sup> Id. at 21-34.

<sup>14</sup> Id. at 35-37.

<sup>15</sup> Id. at 196.

<sup>16</sup> Penned by Justice Josep Y. Lopez with Justices Pamela Ann Abella Maxino and Germano Francisco D. Legaspi, concurring; id. at 193-203.

<sup>17</sup> Penned by Justice Pamela Ann Abella Maxino with Justices Gabriel T. Ingles and Germano Francisco D. Legaspi, concurring; id. at 204-209.

<sup>18</sup> *Rollo*, p. 50.

<sup>19</sup> Id. at 284-291.

<sup>20</sup> Id. at 178.

<sup>21</sup> Id. at 1.

<sup>22</sup> Id. at 318-320.

<sup>23</sup> Id. at 417-419.

<sup>24</sup> Id. at 57-58.

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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.<sup>25</sup>

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,<sup>26</sup> 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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<sup>25</sup> Id. at 59-60.

<sup>26</sup> Id. at 170-182.

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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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(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 they exercise their respective functions; this prohibition includes the act of acquiring by assignment and **shall apply to lawyers, with respect to the property and rights which may be the object of any litigation in which they may take part by virtue of their profession.** (Emphasis supplied)

Undeniably, the Civil Code, in relation to the canons of professional ethics, prohibit the purchase by lawyers of any interest in the subject matter of the litigation in which they participated by reason of their profession. The rationale behind this prohibition is founded on public policy, which disallows such transactions in view of the fiduciary relationship involved, *i.e.*, the relation of trust and confidence and the peculiar control exercised by these persons. The prohibition seeks to prevent the undue advantage that an attorney, by virtue of his office, may take through the credulity and ignorance of his client.<sup>27</sup>

Guided by the foregoing, it should be emphasized that for the prohibition to apply, the sale or assignment of the property must take place during the pendency of the litigation involving the property to which the lawyer participated.

In this regard, we sustain respondent's position that the prohibition under Article 1491(5) is inapplicable.

Contrary to complainant's misleading allegations in this case, respondent's interest in the subject property was acquired *before* he intervened as collaborating counsel for ICCSC and that said interest is, in fact, not inconsistent with that of his client.<sup>28</sup> Too, it is noteworthy that the authority given by ICCSC to respondent to represent it as collaborating counsel was specifically limited to LRC Case No. 3732,<sup>29</sup> which already attained finality per the Court's Resolution dated February 19, 2018.

The fact that his law firm was Standard Chartered's counsel in the extra-judicial foreclosure proceedings is likewise of no moment. Records show that his firm's participation in the proceedings was already concluded after the consolidation of title in ICCSC's name upon Spouses Ricardo's failure to exercise their right of redemption, or even before the institution of Civil Case No. CEB-33420. It is important to emphasize that after said

<sup>27</sup> *Santos v. Atty. Arrojado*, A.C. No. 8502 citing *Peña v. Delos Santos*, 782 Phil. (2016).

<sup>28</sup> *See Del Rosario v. Millado*, 136 Phil. 94 (1969).

<sup>29</sup> Secretary's Certificate, *Rollo*, pp. 61-62.

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3732. Evidently, it was not professional misconduct or unethical practice for respondent to acquire the property as the same was not involved in any litigation he was handling when he acquired the same.<sup>30</sup>

It is also important to point out that aside from complainant's bare allegations, the records are bereft of any shred of evidence that ICCSC acted or mediated on behalf of respondent or that the latter was the ultimate beneficiary when it acquired the property at the public auction. Neither was there any proof adduced, much less substantial evidence, to prove complainant's claim of connivance among Standard Chartered, ICCSC, and respondent for the latter to acquire the mortgaged property.

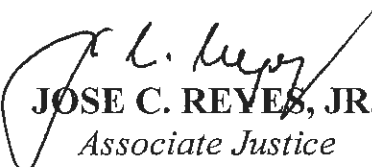
Likewise, the charge of extortion lacks legal or factual anchorage to warrant consideration. As it is at present, records show that respondent is the registered owner of the subject property. Needless to say, a property owner's act of issuing a demand letter against persons who unjustifiably occupy his property and refuse to surrender the same does not suffice to prove the serious allegation of extortion.

Section 1, Rule 139-B of the Rules of Court, as amended by Bar Matter No. 1645, states that administrative complaints against lawyers must be verified and supported by affidavits of persons who have personal knowledge of the facts alleged therein or by documents which may substantiate said allegations. Jurisprudence dictates that in administrative proceedings, complainants bear the burden of proving the allegations in their complaints by substantial evidence.<sup>31</sup> This, the complainant failed to discharge.

Where a lawyer's integrity is questioned through an administrative complaint for disbarment, suspension, or discipline, this Court, as the ultimate arbiter of such proceedings, is duty-bound to ascertain the veracity of the charges involved. When the charges lack merit, as in this case, the Court will not hesitate to dismiss the case.

**WHEREFORE**, the present administrative case is **DISMISSED** for lack of merit.

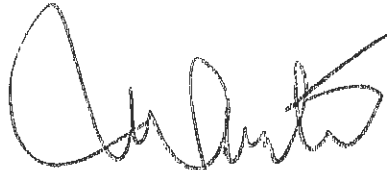
**SO ORDERED.**

  
**JOSE C. REYES, JR.**  
*Associate Justice*

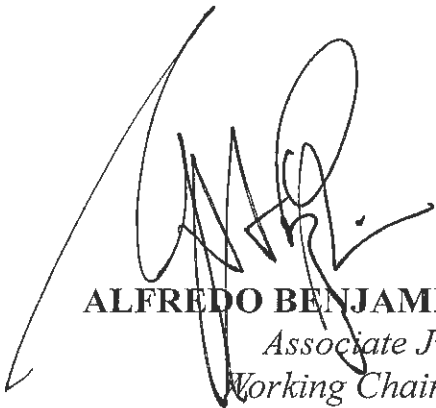
<sup>30</sup> See *Guevara v. Calalang*, 202 Phil. 328, 332 (1982).

<sup>31</sup> *Re: Letter of Lucena Ofendoreyes Alleging Illicit Activities of a Certain Atty. Cajayon Involving Cases in the Court of Appeals, Cagayan de Oro City*, 810 Phil. 369, 374 (2017).

**WE CONCUR:**



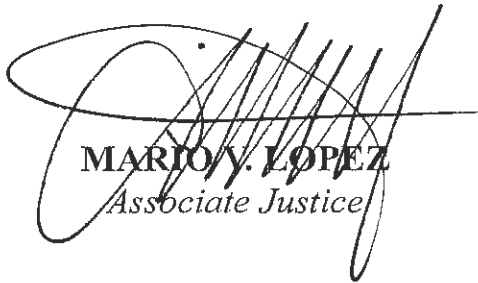
**DIOSDADO M. PERALTA**  
*Chief Justice*



**ALFREDO BENJAMIN S. CAGUIOA**  
*Associate Justice*  
*Working Chairperson*



**AMY C. LAZARO-JAVIER**  
*Associate Justice*



**MARIO V. LOPEZ**  
*Associate Justice*

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