

## **EN BANC**

**[ A.C. No. 11118 (Formerly CBD Case No. 08-2140), July 14, 2020 ]**

**NENITA KO, COMPLAINANT, VS. ATTY. LADIMIR IAN G. MADURAMENTE AND ATTY. MERCY GRACE L. MADURAMENTE, RESPONDENTS.**

### **DECISION**

#### **PER CURIAM:**

This is a Petition<sup>[1]</sup> 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).

#### **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 P50,000,000.00 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 P5,000,000.00 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 P32,000,000.00 since respondent lawyers will pay the balance of the purchase price as part of their joint/conjugal investment as industrial partners.<sup>[2]</sup>

Persuaded by the representations of respondent lawyers, Nenita agreed to buy the hotel. She later issued three checks in the amounts of P5,000,000.00, P6,000,000.00, and another P6,000,000.00, all payable to the order of Atty. Mercy.<sup>[3]</sup> Upon receipt of the checks, Atty. Mercy executed an Acknowledgment<sup>[4]</sup> 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 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 P5,000,000.00 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 P500,000.00 to Nenita. As to the remaining P4,500,000.00, Atty. Ladimir executed a Deed of Undertaking<sup>[5]</sup> stating that the P500,000.00 shall be paid through bank transfer to Nenita's account, while the remaining P4,000,000.00 would be covered by a check<sup>[6]</sup> dated September 30, 2007. Pursuant to the Undertaking, Atty. Ladimir and Atty. Mercy transferred P500,000.00 to Nenita's account. Sadly, however, the check issued by Atty. Ladimir in the amount of P4,000,000.00 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 P4,00,000.00. 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,<sup>[7]</sup> Atty. Mercy denied that she and Atty. Ladimir convinced Nenita to purchase or invest in the Manila Prince Hotel for P50,000,000.00. She averred that Nenita expressed her interest in purchasing not the hotel but the M/V Asian Princess, also known as Manila Floating 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 P5,000,000.00. Neither did she own the bank account in which the check was deposited.

Atty. Ladimir also filed his Answer<sup>[8]</sup> wherein he asserted that it was Atty. Mercy who mentioned to Nenita the sale of Manila Prince Hotel in the amount of P50,000,000.00. 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 P5,000,000.00, 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 P5,000,000.00 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 P4,000,000.00 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,<sup>[9]</sup> 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 Atty. Mercy offered to Nenita the sale of the Manila Prince Hotel, and benefited therefrom when she encashed the check valued at P5,000,000.00 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<sup>[10]</sup> 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<sup>[11]</sup> 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<sup>[12]</sup> denying Atty. Mercy's Motion for Reconsideration for lack of merit, to wit:

RESOLUTION NO. XXI-2015-401  
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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 and taken into consideration. Thus, Resolution No. XX-2013-432, dated April 15, 2013, is hereby AFFIRMED.

Subsequently, Atty. Mercy filed a Manifestation<sup>[13]</sup> 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 P5,000,000.00 and that the same was also not deposited in her alleged bank account as evidenced by the certification<sup>[14]</sup> 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.<sup>[15]</sup>

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<sup>[16]</sup> 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<sup>[17]</sup> 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 affiliated 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 P5,000,000.00 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 P5,000,000.00.

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

#### *Report and Recommendation of the OBC:*

In its August 1, 2016 Report and Recommendation,<sup>[19]</sup> 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,<sup>[20]</sup> 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<sup>[21]</sup> 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