

Republic of the Philippines  
**Supreme Court**  
Manila  
EN BANC

**RUFINA LUY LIM,**  
Complainant,

**A.C. No. 10261**

**Present:**

BERSAMIN, C.J.,  
CARPIO,  
PERALTA,  
DEL CASTILLO,\*  
PERLAS-BERNABE,\*  
LEONEN,  
JARDELEZA,  
CAGUIOA,  
REYES, A. JR.,  
GESMUNDO,  
REYES, J. JR.,  
HERNANDO,  
CARANDANG,  
LAZARO-JAVIER, and  
INTING, JJ.

- versus -

**ATTY. MANUEL V. MENDOZA,**  
Respondent.

**Promulgated:**

July 16, 2019

X ----- X

**DECISION**

***PER CURIAM:***

Before the Court is a Complaint<sup>1</sup> for Disbarment filed by Rufina Luy Lim (Rufina) against Atty. Manuel V. Mendoza (Atty. Mendoza) for violation of Canon 1, Rules 1.01 and 1.02, Canon 7, Rule 7.03, Canon 8, Rule 8.01, Canon 10, Rule 10.01, Canon 11, Rule 11.03, and Canon 19, Rule 19.01 of the Code of Professional Responsibility (CPR) and Section 20, Rule 138 of the Rules of Court.

\* On official leave.

<sup>1</sup> *Rollo*, Vol. I, pp. 2-11.

Rufina is the surviving spouse of Pastor Y. Lim (Pastor) who died on June 11, 1994. She claimed that during his lifetime, Pastor used conjugal funds to organize several dummy corporations<sup>2</sup> (Skyline International, Inc. (Skyline), Nell Mart, Inc. (Nell Mart), *etc.*) using his mistresses and employees as incorporators and/or stockholders, in order to defeat her claims to said properties.<sup>3</sup>

On March 17, 1995, Rufina filed a Joint Petition before the Regional Trial Court (RTC) of Quezon City for the settlement of Pastor's estate. Miguel Lim (Miguel), brother of Pastor, on behalf of his mother Yao Hiong, filed a Petition for Intervention dated August 17, 1995 categorically stating under oath that Skyline, *etc.*, are dummy corporations and that the persons whose names appear as incorporators, stockholders and officers thereof were mere dummies. The Petition also averred that the parcels of lands titled under the names of the corporations were really owned by Pastor.<sup>4</sup>

The Petition for Intervention was executed before Atty. Mendoza, as notary public.<sup>5</sup> He also notarized the affidavits of Teresa T. Lim, Lani G. Wenceslao, Susan Sarcia-Sabado and Miguel, who all admitted under oath that: Pastor created dummy corporations; the purported stockholders thereof did not pay a single centavo for shares under their names; and, the affiants as directors, stockholders, or officers did not have any actual participation in the operation of said companies.<sup>6</sup>

Later, however, Atty. Mendoza, as counsel of Skyline, argued that Skyline is the registered owner of several real properties and that it has all the right to protect its interest against Rufina. Rufina averred that Atty. Mendoza made such allegation despite his knowledge that Skyline is a dummy corporation and it has been judicially declared as conjugal property of Rufina and Pastor.

Rufina also claimed that Atty. Mendoza, acting as Vice-President of Nell Mart demanded from the tenants of lots covered by Transfer Certificates of Title (TCT) Nos. 236236 and 236237 to vacate the property, claiming that Nell Mart owned the same, even while knowing that Nell Mart is a dummy corporation.

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<sup>2</sup> These are: Skunac Corporation, Skunac International, Inc., Leslim Corporation, Nell Mart, Inc. formerly Marcas Corporation, Precise Distributing, Inc., Uniwide Distributing, Inc., Accurate Distributing, Inc., Nellim Distributing, Inc., Alliance Marketing, Inc., Speed Distributing, Inc., Skyline Realty, Inc., Autotruck TBA Corporation, Universum Sales Corporation, Active Distributors, Inc., Skyline International, Inc., Skyline Sales Corporation, Terelim Corporation, Action Company and Maganda Marketing; *id.* at 3.

<sup>3</sup> *Id.* at 2.

<sup>4</sup> *Id.* at 3-4.

<sup>5</sup> Registered in his Notarial Books as Doc. No. 309, Page No. 63, Book No. III, Series of 1995, *id.* at 4 and 20.

<sup>6</sup> *Id.* at 4.

Rufina finally averred that Atty. Mendoza used intemperate language in his pleadings particularly when he said that Rufina collected “BILLIONS OF PESOS” as rentals which were “DISSIPATED ON HER GAMBLING VICES.”<sup>7</sup>

Atty. Mendoza, in his Answer, countered that Rufina and Pastor were separated for more than 26 years by the time Pastor died. On May 11, 1972, the couple entered into an Agreement where they already partitioned their conjugal properties. As for the issue on dummy corporations, the RTC of Quezon City, Branch 99 already held in Special Proceeding Case No. Q-95-23334 that “the bank deposits in the names of [Nell Mart] and Skunac Corporation x x x which were found to be properties distinct from the estate, are x x x not properties of the estate of x x x Pastor x x x and are, therefore, ordered excluded therefrom x x x.”<sup>8</sup>

While he admitted having filed the Petition for Intervention, he said that it was “pre-arranged between Rufina Luy Lim and Miguel Y. Lim.” Unfortunately, Miguel and Yao Hiong died before they could testify, hence the statements made in the Petition for Intervention are mere hearsay.<sup>9</sup>

Atty. Mendoza further pointed out that this is the second complaint filed by Rufina against him before the Integrated Bar of the Philippines (IBP) involving the same issue of ownership of the properties covered by TCT Nos. 236236 and 236237 registered in the name of Nell Mart. He claimed that Rufina filed the disbarment complaints against him in retaliation for her losses in other cases.<sup>10</sup>

### **IBP Report and Recommendation**

On March 4, 2009, Commissioner Norberto B. Ruiz of the IBP Commission on Bar Discipline (IBP-CBD) issued his Report and Recommendation<sup>11</sup> recommending the suspension of Atty. Mendoza from the practice of law for two years.

The Report noted that although Atty. Mendoza admitted that the 1972 Agreement may be improper, he still argues that the same is valid between the parties. Respondent’s insistence on the validity of the Agreement only betrays his ignorance of the law which contravenes Canons 1<sup>12</sup> and 5<sup>13</sup> of the CPR.

The Report further observed that assuming that respondent drafted the Petition for Intervention, since he signed the same, the presumption is that

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

<sup>8</sup> Id. at 131-132.

<sup>9</sup> Id. at 133.

<sup>10</sup> Id. at 135-137.

<sup>11</sup> Id. at 616-622.

<sup>12</sup> Canon 1 – A lawyer shall uphold the constitution, obey the laws of the land and promote respect for law and legal processes.

<sup>13</sup> Canon 5 – A lawyer shall keep abreast of legal developments, participate in continuing legal education programs, support the efforts to achieve high standards in law schools as well as in the practical training of law students and assist in disseminating information regarding the law and jurisprudence.

the contents thereof are true and correct, as in fact, his client attested to the truthfulness of the contents thereof. To later assail the truthfulness of the Petition for Intervention, alleging that it was a pre-arranged agreement between his client and the complainant, shows that respondent actually lied to the courts.

The Report further noted that despite his knowledge about the irregularity in the issuance of shares in Nell Mart, he still acquired shares of stocks and even claimed to be a buyer in good faith.

As a notary, he notarized affidavits which in effect attested to repeated violations of the Corporation Code, without any showing that he even attempted to caution his clients of the illegality of their acts. Respondent also did not deny using offensive language in his pleadings. Finally, the Report noted that respondent's Position Paper lacked Professional Tax Receipt Number, IBP Receipt or Lifetime Number, Roll of Attorneys Number and his Mandatory Continuing Legal Education (MCLE), in clear violation of Bar Matter Nos. 1132 and 1922.<sup>14</sup>

On April 16, 2013, the IBP Board of Governors passed a Resolution approving and adopting the Commission's report and recommendation.

It reads:

**RESOLUTION No. XX-2013-510**  
**CBD Case No. 08-2263**  
**Rufina Luy Lim vs.**  
**Atty. Manuel V. Mendoza**

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 violated Canons 1, 5, 10 and Rule 10.01 of the Code of Professional Responsibility, Atty. Manuel V. Mendoza is hereby **SUSPENDED from the practice of law for two (2) years.**<sup>15</sup>

### **The Court's Ruling**

We adopt the findings of the IBP Board of Governors. Considering however that this is not the respondent's first infraction, the penalty of disbarment, instead of mere suspension, is in order.

It has been pronounced, time and again, that the practice of law is a privilege bestowed on those who show that they possess and continue to possess the legal qualifications for it. Lawyers are expected to maintain at all times a high standard of legal proficiency and morality, including honesty,

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<sup>14</sup> *Rollo*, Vol. I, pp. 618-622.

<sup>15</sup> *Id.* at 615.

integrity and fair dealing. They must perform a four-fold duty to society, the legal profession, the courts and their clients, in accordance with the values and norms of the legal profession as embodied in the CPR.<sup>16</sup>

The Lawyer's Oath enjoins every lawyer, not just to obey the laws of the land, but also to refrain from doing any falsehood in or out of court or from consenting to the doing of any in court, and to conduct himself according to the best of his knowledge and discretion with all good fidelity to the courts, as well as to his clients. All lawyers are servants of the law, and have to observe and maintain the rule of law, as well as be exemplars worthy of emulation by others. It is by no means a coincidence, therefore, that the CPR emphatically reiterates the core values of honesty, integrity, and trustworthiness.<sup>17</sup>

Canon 10 of the CPR stresses that a lawyer owes candor, fairness and good faith to the court.

While Rule 10.01 states:

Rule 10.01 — A lawyer shall not do any falsehood, nor consent to the doing of any in Court; nor shall he mislead, or allow the Court to be misled by any artifice.

As properly observed by the IBP-CBD, respondent drafted and signed the Petition for Intervention which avers in essence that the subject corporations, Skyline, *etc.*, were mere dummies created by the late Pastor Lim.<sup>18</sup> He also notarized the affidavits of Teresa Lim, Lani Wenceslao and Susan Sabado stating in essence that they were dummies in the corporations of Pastor.<sup>19</sup>

Respondent in his Position Paper before the IBP-CBD claimed however that the statements in the Petition for Intervention, as well as the Affidavits in support thereto were not his statements. The petition was filed pursuant to "agreed arrangements" between complainant and the late Miguel Lim and that the assignment of shares of stock by Miguel to him, was a "pre-arranged agreement as payments for attorney's fees and for reimbursements of whatever litigations [sic] expenses advanced by the respondent."<sup>20</sup>

The flip-flopping averments of respondent in his pleadings betray a lack of forthrightness and transparency on his part. He initially averred, through the Petition for Intervention and supporting affidavits which he

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<sup>16</sup> *Molina v. Atty. Magat*, 687 Phil. 1, 5 (2012).

<sup>17</sup> *Samonte v. Jumamil*, A.C. No. 11668, July 17, 2017, 831 SCRA 180, 188, citing *Spouses Umaguing v. Atty. De Vera*, 753 Phil. 11, 19 (2015).

<sup>18</sup> *Rollo*, Vol. I, pp. 14-21.

<sup>19</sup> *Id.* at 22-24.

<sup>20</sup> *Id.* at 431.

signed and notarized, that the corporations were dummies of Pastor. He now claims, however, that the statements in the Petition were mere hearsay and that the shares of stocks he now owns in the corporations were actually payments to him for his services and advances.

With the incompatibility of the two positions, it is clear that respondent has been less than truthful in at least one occasion. This, we cannot countenance.

As officers of the court, lawyers are expected to act with complete candor. They may not resort to the use of deception, not just in some, but in all their dealings. The CPR bars lawyers from committing or consenting to any falsehood, or from misleading or allowing the court to be misled by any artifice or guile in finding the truth. Needless to say, complete and absolute honesty is expected of lawyers when they appear and plead before the courts. Any act that obstructs or impedes the administration of justice constitutes misconduct which merits disciplinary action on lawyers.<sup>21</sup>

As a lawyer, respondent is expected to be a disciple of truth, having sworn upon his admission to the Bar that he would do no falsehood nor consent to the doing of any in court, and that he would conduct himself as a lawyer according to the best of his knowledge and discretion with all good fidelity as well to the courts as to his clients.<sup>22</sup>

Respondent should bear in mind that as an officer of the court, his high vocation is to correctly inform the court upon the law and the facts of the case and to aid it in doing justice and arriving at a correct conclusion. Courts meanwhile are entitled to expect only complete honesty from lawyers appearing and pleading before them.<sup>23</sup>

This respondent failed to do.

Respondent also cannot feign ignorance as to the veracity of the statements in the petition because he signed the same.<sup>24</sup> Lest respondent forgot, a counsel's signature on a pleading is neither an empty formality nor even a mere means for identification. It is a solemn component of legal practice that through a counsel's signature, a positive declaration is made. In certifying through his signature that he has read the pleading, that there is ground to support it, and that it is not interposed for delay, a lawyer asserts his competence, credibility, and ethics.<sup>25</sup>

Respondent also erred in asserting that while the May 11, 1972 Agreement between Rufina and Pastor was "improper for notarial act," it has "binding effect against third persons." The Agreement in essence was a

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<sup>21</sup> *Heirs of the late Romero v. Atty. Reyes, Jr.*, 499 Phil. 624, 630-631 (2005).

<sup>22</sup> *Apolinar-Petilo v. Maramot*, A.C. No. 9067, January 31, 2018.

<sup>23</sup> *Id.*

<sup>24</sup> *See rollo*, Vol. I, p. 20.

<sup>25</sup> *Intestate Estate of Jose Uy v. Atty. Maghari*, 768 Phil. 10, 22 (2015).

contract entered into by the parties, separating their present and future properties, with Rufina waiving her support from Pastor and both spouses waiving any future action between them, whether civil or criminal.<sup>26</sup>

The sworn obligation of every lawyer to respect the law and the legal processes is a continuing condition for retaining membership in the profession.<sup>27</sup> He is also expected to keep abreast of legal developments.<sup>28</sup> To claim that such agreement is binding against third persons shows either respondent's ignorance of the law or his wanton disregard for the laws of the land. Either of which deserves disciplinary sanction.

Respondent likewise failed to use temperate and respectful language in his pleading against complainant. In his Comment in Special Proceeding Case No. Q-95-23334 before RTC-QC Branch 77, respondent averred that Rufina collected "BILLIONS OF PESOS" in rent which were "DISSIPATED ON HER GAMBLING VICES."<sup>29</sup>

The Code provides that a "lawyer shall not, in his professional dealings, use language that is abusive, offensive or otherwise improper." Lawyers are instructed to be gracious and must use such words as may be properly addressed by one gentleman to another. Our language is rich with expressions that are emphatic but respectful, convincing but not derogatory, illuminating but not offensive.<sup>30</sup>

Here, respondent, in his eagerness to advance his client's cause, imputed on Rufina derogatory traits that are damaging to her reputation.

Finally, respondent failed to indicate in his Position Paper material information required by the rules. These are, the Professional Tax Receipt Number, IBP Receipt or Lifetime Number, Roll of Attorneys Number and his MCLE, in violation of Bar Matter Nos. 1132 and 1922.

These requirements are not vain formalities or mere frivolities. Rather, these requirements ensure that only those who have satisfied the requisites for legal practice are able to engage in it. To willfully disregard them is to willfully disregard mechanisms put in place to facilitate integrity, competence and credibility in legal practice.<sup>31</sup>

In *Sosa v. Atty. Mendoza*,<sup>32</sup> this Court found respondent guilty of violating Rule 1.01 of the CPR, for his willful failure to pay a loan in the amount of ₱500,000.00. The Court ordered his suspension from the practice of law for one year with a stern warning that a commission of the same or similar offense will result in the imposition of a more severe penalty. In said

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<sup>26</sup> See rollo, Vol. I, p. 617.

<sup>27</sup> *Ortigas Plaza Development Corp. v. Tumalak*, A.C. No. 11385, March 14, 2017, 820 SCRA 232, 246.

<sup>28</sup> See Code of Professional Responsibility, Canon 5.

<sup>29</sup> Rollo, Vol. I, pp. 122-123.

<sup>30</sup> *Washington v. Atty. Dicen*, A.C. No. 12137, July 9, 2018.

<sup>31</sup> *Intestate Estate of Jose Uy v. Maghari*, supra note 25, at 26.

<sup>32</sup> 756 Phil. 490 (2015).

case, the Court declared that Atty. Mendoza's "failure to honor his just debt constitutes dishonest and deceitful conduct x x x [which is] compounded by Atty. Mendoza's act of interjecting flimsy excuses that only strengthened the conclusion that he refused to pay a valid and just debt."<sup>33</sup>

The string of offenses committed by respondent betrays his propensity to ignore, disrespect and make a mockery of the judicial institution he has vowed to honor and protect. His violations, in not just one instance, show his recalcitrant character, undeserving of the privilege to practice in the legal profession.

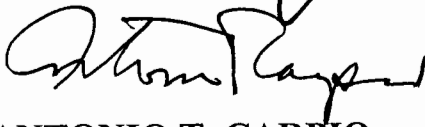
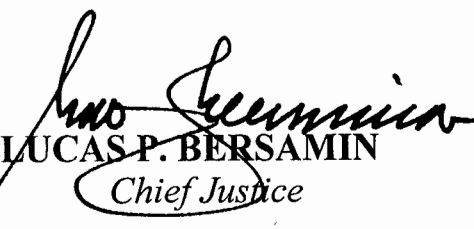

It cannot be stressed enough that membership in the Bar is a privilege laden with conditions, granted only to those who possess the strict intellectual and moral qualifications required of lawyers as instruments in the effective and efficient administration of justice. As officers of the courts and keepers of the public's faith, lawyers are burdened with the highest degree of social responsibility. They are mandated to behave at all times in a manner that is consistent with truth and honor and are expected to maintain not only legal proficiency, but also a high standard of morality, honesty, integrity and fair dealing.<sup>34</sup>

**WHEREFORE**, Atty. Manuel V. Mendoza is **DISBARRED** from the practice of law for violation of Canons 1, 5, and 10 and Rule 10.01 of the Code of Professional Responsibility, and his name is ordered **STRICKEN OFF** the Roll of Attorneys.

This Decision shall be immediately executory.

Let copies of this Decision be furnished the Office of the Court Administrator for its distribution to all courts of the land; the Integrated Bar of the Philippines; and the Office of the Bar Confidant, to be entered into Atty. Mendoza's personal records as a member of the Philippine Bar.

**SO ORDERED.**

 <b>ANTONIO T. CARPIO</b> <i>Associate Justice</i>	 <b>LUCAS P. BERSAMIN</b> <i>Chief Justice</i>	 <b>DIOSDADO M. PERALTA</b> <i>Associate Justice</i>
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<sup>33</sup> Id. at 499.

<sup>34</sup> *Cobalt Resources, Inc. v. Atty. Aguado*, 784 Phil. 318, 332-333 (2016).

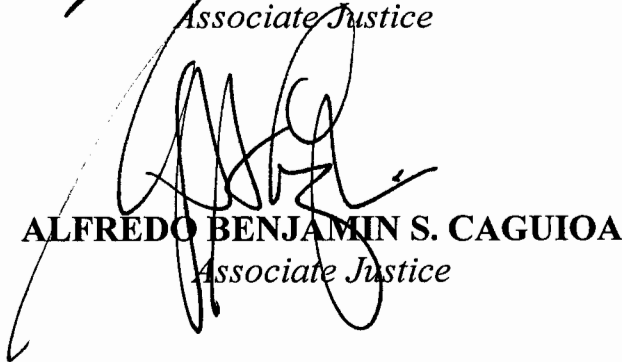


(On Official Leave)  
**MARIANO C. DEL CASTILLO**  
*Associate Justice*

(On Official Leave)  
**ESTELA M. PERLAS-BERNABE**  
*Associate Justice*

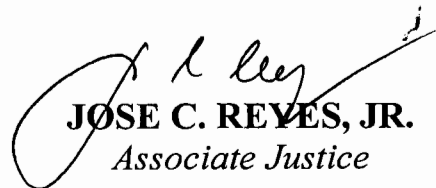
  
**MARVIC M.V. F. LEONEN**  
*Associate Justice*

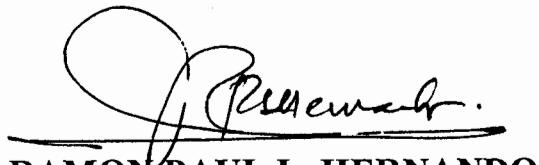
  
**FRANCIS H. JARDELEZA**  
*Associate Justice*

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

  
**ANDRES B. REYES, JR.**  
*Associate Justice*

  
**ALEXANDER G. GESMUNDO**  
*Associate Justice*

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

  
**RAMON PAUL L. HERNANDO**  
*Associate Justice*

  
**ROMARI D. CARANDANG**  
*Associate Justice*

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

  
**HENRI JEAN PAUL B. INTING**  
*Associate Justice*

