

PAUL D. PALTING, Plaintiff
v.
FRANCISCO C. GUERRERO and
MARIANA C. GUERRERO, Defendants

Civil Action No. 253
Trial Division of the High Court
Mariana Islands District

December 16, 1968

Action by attorney for compensation for services rendered. The Trial Division of the High Court, R. K. Shoecraft, Chief Justice, held that court could not enforce an agreement for compensation for legal services where part of the compensation was an interest in land as only citizens of the Trust Territory could hold title to land and attorney in question was not a citizen, however, fees would be awarded on the basis of quantum meruit.

1. Attorney and Client—Agreement for Fees

An agreement for compensation between an attorney and client which provides that part of the attorney's fees will be an interest in land in the Trust Territory will not be enforced by the court where the attorney is not a citizen of the Trust Territory.

2. Trust Territory—Land Law—Ownership Disqualification

Pursuant to the Trust Territory Code only citizens of the Trust Territory may hold title to land in the Trust Territory. (T.T.C., Sec. 900)

3. Attorney and Client—Agreement for Fees

An agreement between the parties as to the furnishing of legal services was not an illegal agreement in itself, the illegality if any, went to that portion of the agreement dealing with the compensation of the plaintiff.

4. Contracts—Generally

There is a distinction between contracts that are illegal merely because of some improper provision therein relating to compensation, and contracts that are illegal because services rendered thereunder are, in their nature, intrinsically illegal, improper or against public policy, and in the first kind mentioned a recovery is allowed on a quantum meruit for the reasonable value of the services.

SHOECRAFT, *Chief Justice*

This is an action by plaintiff, an Attorney-at-Law, for compensation for services alleged to have been rendered on

behalf of the defendants in Civil Action No. 221, 3 T.T.R. 546, which was basically an action for distribution of certain real property in the estate of a decedent.

Plaintiff claimed in his complaint:—

“3. In consideration of such legal services, defendants promised and agreed to compensate plaintiff in the following manner: an undivided one-tenth (1/10) interest in and to said real properties.

“4. That the reasonable value of plaintiff’s services is in excess of \$10,000.00.

“5. Plaintiff further expended for and in behalf of defendants the sum of approximately \$1800.00 to \$2200.00.”

Defendants, in their answer, denied that plaintiff rendered the services mentioned in his complaint, and also denied the above numbered allegations of the plaintiff.

Plaintiff prays the court “For an Order requiring the defendants to execute a Deed of Conveyance in and to one-tenth (1/10) interest in and to Lot No. 1742, District of Garapan, Saipan, Mariana Islands,” or, “In the alternative, judgment against said defendants in the sum of \$10,000.”

The issues to be decided are:—

1. Whether or not plaintiff rendered legal services on behalf of the defendants as alleged.

2. Whether there was an agreement between the parties as to the compensation of the plaintiff for those services and, if so, what were the terms of the agreement.

3. Whether, if the terms of such an agreement were as alleged by the plaintiff, it is such an agreement which may be enforced by this court.

4. Whether, if the terms of such an agreement were as alleged by the plaintiff but may not be enforced because said terms are contrary to law and public policy, plaintiff is entitled to compensation for the reasonable value of his services on the basis of quantum meruit.

FINDINGS OF FACT

1. That the plaintiff rendered certain legal services on behalf of the defendants and that those services were in connection with Civil Action No. 221, 3 T.T.R. 546.

2. That there was an agreement between the parties whereby the plaintiff would represent the defendants in Civil Action No. 221, 3 T.T.R. 546, and that the defendants accepted the legal services of the plaintiff. The evidence is insufficient for the court to determine just what the terms of that agreement were with respect to compensation of the plaintiff.

3. That the reasonable value of the services rendered by plaintiff on behalf of the defendants is commensurate with legal fees charged by counsel for other parties involved in Civil Action No. 221, 3 T.T.R. 546.

4. There was insufficient evidence to establish that plaintiff had expended certain sums of money on behalf of the defendants.

OPINION

[1-4] If the terms of the agreement for compensation of the plaintiff were as alleged by the plaintiff, such an agreement may not be enforced by this court as contrary to law and public policy, as expressed in Section 900 of the Code of the Trust Territory which provides that only citizens of the Trust Territory may hold title to land in the Trust Territory. The plaintiff is not a citizen of the Trust Territory. The only questions remaining are whether the plaintiff is entitled to any compensation for services rendered on behalf of the defendants and, if so, the reasonable value of those services. The evidence is clear that the plaintiff did render legal services for the defendants and that those services were accepted by the defendants. The agreement of the parties as to the furnishing of those services, although the terms of that agreement have not been

established, is not an illegal agreement in itself. The illegality if any, goes to that portion of the agreement dealing with the compensation of the plaintiff. There is a distinction between contracts that are illegal merely because of some improper provision therein relating to compensation, and contracts that are illegal because services to be rendered thereunder are, in their nature, intrinsically illegal, improper or against public policy. With respect to contracts of the kind first mentioned, a recovery is allowed on a quantum meruit for the reasonable value of the legal services. 7 Am. Jur. 2d, Attorneys at Law, § 229.

In this case, the court is of the opinion that the plaintiff is entitled to compensation for his services but that the reasonable value of plaintiff's services may not be based on the value of the land involved in Civil Action No. 221, 3 T.T.R. 546, for to do so would give effect to the illegal portion of the agreement for services as alleged by the plaintiff. Testimony in this case by opposing counsel in Civil Action No. 221, 3 T.T.R. 546, was that his total fee for representation in that case amounted to the sum of \$150.00, and we determine, based upon the evidence adduced at the trial of this matter, that this amount is the reasonable value of the services rendered by the plaintiff for the defendants.

It is ordered, adjudged, and decreed as follows:—

1. Plaintiff is awarded judgment against the defendants in the amount of One Hundred Fifty and 00/100 Dollars (\$150.00).
2. Court costs are assessed against the defendants.