

****Title:**** *Dumaran v. Llamedo, Magallanes, and Cubeta, G.R. No. [CASE NUMBER]*

****Facts:****

Ignacio S. Dumaran operated as a dealer for Pilipinas Shell Philippines, managing two gas stations in General Santos City. Sharon Magallanes, a former employee, introduced Teresa Llamedo and Ginalyn Cubeta to Dumaran in September 2009. They discussed a business arrangement where Dumaran would supply them with diesel and gasoline fuel, which they would initially pay for in cash, followed by post-dated checks from Llamedo.

In November 2009, Dumaran claimed that Llamedo, Magallanes, and Cubeta, having incurred a debt amounting to PHP 7,416,918.55, issued dishonored checks. Consequently, Dumaran filed a Complaint for Sum of Money, Damages, and Attorney's Fees along with a Prayer for Ex-Parte Issuance of a Writ of Preliminary Attachment. He alleged inability to contact the respondents and their efforts to dispose of properties to defraud creditors.

On December 7, 2009, the RTC, Branch 37, General Santos City, issued the Writ of Attachment and Notice of Levy. Llamedo, Magallanes, and Cubeta filed a Motion to Quash the Writ, citing violation of due process and improper issuance. On February 23, 2010, the RTC denied the motion, which was followed by a denial of their Motion for Reconsideration on January 20, 2011.

Subsequently, respondents filed a Petition for Certiorari before the CA against the RTC judge and Dumaran. The CA initially dismissed the petition due to technicalities but later reinstated it. On August 13, 2014, the CA ruled that Dumaran had not sufficiently demonstrated fraud to justify the writ, which was reiterated in a denial of Dumaran's Motion for Reconsideration on February 11, 2015.

****Issues:****

1. Whether the CA erred in holding that Dumaran's allegations did not meet legal requirements for a writ of attachment based on fraud.
2. Whether the CA erred in not requiring a counter-bond for the discharge of the writ of preliminary attachment.

****Court's Decision:****

The Supreme Court affirmed the CA's decisions, addressing the legal issues as follows:

****1. Allegations of Fraud:****

The Court evaluated if Dumaran's complaint provided sufficient facts to establish fraud

under Sec. 1(d), Rule 57 of the Rules of Court. Fraud requires that the debtor intended from the beginning not to fulfill their obligations. Dumaran failed to prove that Llamedo, Magallanes, and Cubeta had such intent at the contract's inception. Non-payment, by itself, does not signify fraud. The court decided that Dumaran's allegation of fraud was inadequately supported since the respondents had initially made payments.

****2. Requirement of Counter-bond:****

The Supreme Court agreed with the CA that a counter-bond is not necessary if a writ is found to be improperly issued. Under Rule 57, Section 13, a writ can be challenged if it is issued irregularly. The CA found the writ improperly issued due to insufficient grounds for fraud, negating the need for respondents to post a counter-bond.

****Doctrine:****

From this case, two significant doctrines were emphasized:

1. ****Fraud in Contracting Obligation****: The fraudulent act under Sec. 1(d), Rule 57 necessitates that fraud be shown at the contract's formation, not merely in its execution.
2. ****Issuance and Discharge of Writ of Attachment****: A writ can be discharged without a counter-bond if proven to be improperly issued.

****Class Notes:****

Civil Law & Procedure:

1. ****Essential Requirements for a Writ of Attachment****:
 - Clear demonstration of fraud at contract formation (Sec. 1(d), Rule 57).
 - Irregular issuance of a writ can be grounds for its discharge without needing a counter-bond (Rule 57, Sections 12 & 13).
2. ****Provisional Remedies****:
 - The writ of preliminary attachment is considered a severe remedy and should be granted based on substantial evidence, not mere assertions.
 - Specificity in alleging fraud is critical for such provisional remedies.

Relevant Legal Statutes:

- ****Rule 57, Sec. 1(d) and Sec. 12-13 of the Rules of Court.****

****Historical Background:****

This case reflects broader judicial principles regarding non-payment disputes and

provisional remedies in the Philippines. The context furnishes important procedural safeguards against improper issuance of writs and reiterates the distinction between non-payment and fraud. It emphasizes the judiciary's role in preventing abuse of provisional remedies while ensuring fair trial procedures. This case builds on established jurisprudence like **Republic v. Mega Pacific eSolutions, Inc.** and **PCL Industries Manufacturing Corporation v. Court of Appeals**, further clarifying fraud-related procedures in civil actions.