

VIRGINIA R. SAMBRANO, ET AL., PETITIONERS, VS. CORAZON DE CASTRO ET AL., RESPONDENTS.*G.R. No. L-7868. June 23, 1955*

Ponente: MONTEMAYOR, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/210c31225526/>**MONTEMAYOR, J.:**

On and before February 15, 1953, petitioners Virginia R. Sambrano and Santiago Sambrano, wife and husband, were the owners of the Northern Luzon Bus Line, a common carrier engaged in the transportation of passengers and freight from Manila to Laoag, Ilocos Norte and vice-versa. On the date abovementioned Jose Castro boarded a bus of the carrier in Manila to go to Laoag, but on the way, and in the town of Sison, Pangasinan, the bus instead of curving into and entering the Artacho bridge, ran straight on and plunged into a ravine causing the death of several passengers, among them Jose Castro. His widow Corazon de Castro in her own behalf and on behalf of her children William and Josefina Castro filed an action in the Court of First Instance of Ilocos Norte against Alfredo Formoso, supposed Manager of the carrier, and petitioners Virginia and Santiago to recover damages for the death of her husband and obtained a favorable judgment ordering the defendants spouses Santiago and Virginia to pay jointly and severally to plaintiffs the sum of P25,000.00. and P1,200.00 as damages and attorney's fees, respectively, and to pay the costs. The complaint was dismissed as against Alfredo. Defendant couple filed a notice of appeal on October 24, 1953 and deposited the appeal bond of P60.00 but upon motion of plaintiffs, now respondents, the lower court in its order of March 31, 1954, dismissed the appeal because of appellants' failure for three times to comply with the orders of the court regarding the filing of their amended record on appeal, although there is a motion for reconsideration of said order of dismissal which up to the present time has not yet been heard due to the absence until lately of a Judge to preside over the lower court; so that it may be said that the appeal is pending approval.

On October 30, 1953. plaintiffs (now herein respondents) filed an urgent motion for execution of judgment before the expiration of the time within which to appeal, opposed by the defendants-petitioners on the ground that no affidavits of merit were presented to support the motion. In an order dated October 31, 1953, after considering the special reasons alleged by the plaintiffs, as sufficient, the trial court ordered the issuance of a writ of execution upon the filing by plaintiffs of a bond in the amount of P5,000.00, which bond plaintiffs later filed. Subsequently, the Sheriff of the City of Manila by reason of the writ of execution proceeded to levy on the certificate of public convenience for the line covered by the carrier Northern Luzon Bus Line. The Sheriff set the auction sale of the said certificate for May 14, 1954, but it was postponed to May 22nd and again to May 27th by mutual agreement of the parties. Defendants-petitioners filed with the trial court an urgent motion dated May 10, 1954, to lift the execution and attaching thereto a supersedeas bond in the sum of P25,000.00 bearing the same date, and expressing their willingness to file a bond in any amount that may be fixed by the court. Acting on the said urgent motion, the lower court in an order dated May 13, 1954, granted the motion to lift the execution on condition that defendants file a bond in the amount of P28,000.00.

On May 20, 1954 defendants-petitioners filed an urgent motion for approval of bond attaching thereto their

corresponding bond in the sum of P28,000.00. Plaintiffs respondents objected to the approval of the bond on the ground that it was not conditioned for the performance of the judgment appealed from in case it be affirmed wholly or in part. On May 21, 1954 the lower court disapproved the bond for not conforming to the provisions of Rule 39, section 2. of the Rules of Court, On May 25, 1954, defendants-petitioners filed another urgent motion for approval of a supersedeas bond in the amount of P28,000.00, but the lower court upon objection of plaintiffs respondents by order of May 31, 1954, disapproved the supersedeas bond on the ground that the amount mentioned as attorney's fees was only P1,000.00 instead of P1,200.00 as ordered in the judgment; that the bond further stated that an appeal had been perfected from the decision in the Civil Case when in fact the appeal had been dismissed although there was a motion for reconsideration pending hearing. Because during all said proceedings before the lower court, the latter did not suspend the auction sale scheduled by the Sheriff of Manila for May 27, 1954, the Sheriff held the sale as previously set by him and sold the certificate of public convenience of the carrier to plaintiff-respondent Corazon de Castro, the sole bidder, for the sum of P3,000.00, who on the same date filed an application for approval of the sale with the Public Service Commission. On June 5, 1954, defendants-petitioners filed with the Public Service Commission an opposition to any application for the approval of the sale of the certificate. On June 7, 1954, Corazon de Castro sold her interest in the certificate to the estate of Florencio P. Buan for P10,000.00.

On June 18, 1954, defendants Virginia and Santiago filed the present petition for certiorari against Corazon de Castro and her two children, the Judge of the trial court, the Sheriff of Manila, the Public Service Commission and the Estate of Florencio P. Buan, to annul the trial court's order of October 31, 1953, allowing the issuance of a writ of execution pending appeal as well as all proceedings taken thereunder by the Sheriff of the City of Manila, including the sale of the certificate of public convenience in question; to set aside the order of May 13, 1954 insofar as it fixed the supersedeas bond in the sum of P28,000.00, the latter to be declared void as being excessive; to set aside the order of May 21, 1954 insofar as it disapproved the supersedeas bond of P28,000.00, and for failing to suspend the auction sale scheduled by the Sheriff of Manila; to declare void the order of May 31, 1954 insofar as it disapproved the supersedeas bond and for failure to suspend the auction sale scheduled by the Sheriff of Manila on May 27, 1954; and to declare illegal the sale of the certificate of public convenience by the Manila Sheriff to Corazon de Castro on May 27, 1954.

Acting upon that part of the petition that a writ of preliminary injunction be issued against the Public Service Commission enjoining it from approving the sale of the certificate of public convenience, the corresponding writ was issued after petitioners had filed a bond in the sum of P1,000.00.

As regards the order of May 13, 1954, the trial court was warranted in requiring a supersedeas bond in the sum of P28,000.00 or the reasons said to have been given by the Judge in open court that said sum would cover the amount of damages (25,000.00) and attorney's fees (P1,200.00) awarded to the plaintiffs, plus legitimate expenses to be incurred such as Sheriff's fee, cost of publication and cost of the sale at public auction, and costs. Now, with regard to the order of May 21, 1954, the trial court was equally justified in disapproving the bond submitted by defendants-petitioners dated May 18, 1954, on the ground that the bond was conditioned not for the performance of any final judgment to be obtained by the plaintiffs but for the redelivery of the attached property to be released. In other words, the bond was filed for the lifting of an attachment and not for the stay of execution of a judgment as required by Rule 39, section 2, of the Rules of Court, As to the order of May 31, 1954, which disapproved the last supersedeas bond filed by defendants-petitioners, the trial court was in part right in disapproving the bond for the reason that the same made incorrect, not to say false statements, saying for instance, that the attorney's fees awarded to the plaintiffs-respondents was P1,000.00 instead of P1,200.00 and that the appeal being taken by defendants from the judgment against them had been perfected, when as a matter of fact the same was dismissed although from the said order of dismissal there had been filed a motion for reconsideration

not yet acted upon. In this connection, we notice that the filing of the several supersedeas bonds on behalf of defendants-petitioners cannot be said to have been done efficiently and with due care and the trial court itself was apparently irked by the same and said so in a paragraph of its order of May 31, 1954 which we quote:

"The Court cannot overlook the fact of the tendency of the defendants to make false and irregular consideration as have been stated above and also on May 12, 1953, the first supersedeas bond submitted to the Court for approval was only subscribed by Alfredo Formoso whose case was dismissed by the Court and not by his co-defendants, Santiago Sambrano and Virginia Sambrano, against whom such judgment was rendered by the Court. So then on May 13, 1954, this Court have to order both defendants to execute the bond with their sureties jointly and severally. On May 20, 1954, the defendants instead of filing a supersedeas bond in accordance with Section 2, Rule 39, Rules of Court, they filed a defendant's bond for the dissolution of the attachment in accordance with Section, Rule 39, Rules of Court, So the Court on May 21, 1954 has to disapprove the supersedeas bond again as it is in this case."

As stated in the paragraph above copied, the first supersedeas bond filed by defendants was subscribed by Alfredo Formoso as principal. But the complaint had already been dismissed as to him; consequently, he was in no way civilly liable to the plaintiffs. The second supersedeas bond as already stated, was one for the lifting of an attachment instead of staying execution of judgment under the provisions of Section 2, Rule 39, Rules of Court. And, finally, the third bond as already stated contained statements contrary to the facts. But all these notwithstanding, we believe that the certificate of public convenience should not have been sold by the Sheriff. In the first place, instead of being levied upon on execution, said certificate of public convenience could well have been merely attached, for an attachment could have served the same purpose as far as the plaintiffs were concerned, at the same time not unduly prejudicing the interests of the defendants. A certificate of public convenience is not like any ordinary property from the standpoint of its owner, especially a big land transportation company like the Northern Luzon Bus Line. The personnel, motor units and all equipment and facilities of a land transportation company would be useless and of no benefit unless it had the corresponding certificate of public convenience. Take that certificate away from it and all its operations and activities are paralyzed because it cannot operate without it, whereas by merely attaching the same, the owner can continue to operate and even make money which may later be attached or even levied on execution, all for the benefit of the plaintiffs themselves. Here, the certificate of public convenience was sold at public auction by the Sheriff for only P3,000.00, clearly way below its actual value as shown by the fact that several days later it was resold by the successful bidder and buyer for P10,000.00. We cannot blame the Sheriff for making the sale despite the protest of the defendants-petitioners because he was merely acting under orders of the court. He had made the levy under a writ of execution, scheduled the sale which was postponed twice and because the trial court did not suspend the sale as scheduled, he carried it out. The trial court should have suspended said sale knowing that it had granted stay of execution upon the filing of a supersedeas bond in the sum of P28,000.00 and although defendants-petitioners thrice failed to prepare and file a satisfactory bond, it was perfectly possible and feasible for them to file one to the full satisfaction of the court. Moreover, and this is important, as early as May 13, 1954, when the trial court in its order of the same date, granted "the lifting of the writ of execution", the writ of execution previously issued was set aside, or at least suspended so that there was no execution, valid and effective, under which the certificate could be lawfully sold; consequently, the sale was void.

In view of all the foregoing, we find that the trial court gravely abused its discretion in failing to suspend the auction sale by the Sheriff of the certificate of public convenience; that said certificate should not have been sold, nor could it be validly sold, and so we declare its sale, null and void. It follows that there could be no valid sale of such certificate of public convenience to be acted upon by the Public Service Commission against whom we have previously issued a writ of preliminary injunction. Petition granted, with costs against plaintiffs-respondents. The writ of injunction issued against the Public Service Commission is made permanent.

Bengzon, Padilla, Reyes, Jugo, Bautista Angelo, Labrador, Concepcion, and Reyes, J.B.L., JJ., concur.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.