

ALTO SURETY & INSURANCE CO., INC. PLAINTIFF AND APPELLANT, VS. ALEJANDRO ANDAN, UY SIOK KIAO, TAN*G.R. No. L-8961. November 28, 1956*

Ponente: PADILLA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/55869b49e007/>**PADILLA, J.:**

On 22 June 1948 the plaintiff filed a bond in the sum of P8,000 for the release on bail of Valeriano Dizon y Alvarez, the defendant in criminal case No, 3717 of the Court of First Instance of Manila (Exhibit A). On the same day, the defendants agreed to indemnify, jointly and severally, the plaintiff for any damage it may suffer as a consequence of having filed a bail bond for the release of the defendant in the aforesaid criminal case (Exhibit B). For failure of the defendant Dizon to appear at the trial of the criminal case notwithstanding due notice to him and to the plaintiff as bondsman, on 30 June 1950 the Court ordered the forfeiture of the bond in favor, of the Government (Exhibit C); and as the plaintiff failed to produce the defendant in court within the 30-day period as provided for by the rules, on 14 November 1950 the Court rendered judgment against it for the amount of the bond (Exhibit D).

On 10 March 1951 the plaintiff brought an action in the Court of First Instance of Manila against the defendants to recover the amount of the bond, stipulated interest, attorney's fees and costs. The defendants Tan Lee, Quien Tong and Uy Siok Kiao were declared in default for failure to answer the complaint within the reglementary period. The defendant Alejandro Andan filed his answer but failed to appear at the trial of the case on 15 May 1952 despite due notice. The Court then proceeded to hear the plaintiff's evidence. On June 6, 1952 the Court dismissed the complaint on the ground that as the plaintiff had not yet satisfied the judgment rendered against it for the amount of the bond, the plaintiff had no cause of action against the defendants. After denial of its motion for reconsideration, the plaintiff has appealed.

In Exhibit A, which was the bond filed by the plaintiff for the release of the defendant Valeriano Dizon y Alvarez, the plaintiff—

* * * binds itself that Valeriano Dizon y Alvarez will pay such fine as the appellate Court may render, or will surrender himself, * * * to the orders and processes of the Court and will at all times hold himself, * * * amenable to the orders and processes of the Court of First Instance of Manila, the Court of Appeals and the Supreme Court of the Republic of the Philippines, or if he, * * * fails to perform any of these conditions, that it will pay to the Government of the Philippines the sum of eight thousand pesos (P8,000). (Exhibit A.)

In Exhibit B, which is the indemnity contract executed by the defendants' in favor of the plaintiff, for and "In consideration of the responsibility undertaken by the COMPANY, for the original bond," the defendants jointly and severally undertook—

* * * To indemnify the COMPANY for any damages, payments, advances, prejudices, loss, costs, and expenses of whatever kind and nature, including counsel or attorney's fees, which the COMPANY may, at any time, sustain or incur, as a consequence of having executed the above-mentioned Bond, * * *.

* * * The said indemnities will be paid to the COMPANY as soon as demand is received from the creditor, or as soon as it becomes liable to make payment of any sum under the terms of the above-mentioned Bond, its renewals, extensions or substitutions, whether the said sum or sums or part thereof, have been actually paid or not. * * *. (Exhibit B.)

The Court took the view that as the plaintiff had not yet satisfied the judgment rendered against it for the amount of the bond, it had not suffered any damage and for that reason had. no cause of action against the defendants. Section 15, Rule 110, of the Rules of Court provides:

When the appearance of the defendant is required by the court, his sureties shall be notified to produce him before the court on a given date. If the defendant fails to appear as required, the bond is declared forfeited and the bondsmen are given thirty days within which to produce their principal and to show cause why a judgment should not be rendered against them for the amount of their bond. Within, the said period of thirty days, the bondsmen (a) must produce the body of their principal or give the reason for its non-production; and (b) must explain satisfactorily why the defendant did not appear before the court when first required so to do. Failing in these two requisites, a judgment shall be rendered against the bondsmen.

The defendant failed to appear at the trial of the case set for 30 June 1956. For that reason the Court ordered the forfeiture of the bond in favor of the Government and granted the plaintiff as bondsmen thirty days within which to produce the body of the defendant and to show cause why judgment should not be rendered against it for the amount of the bond (Exhibit C). Notwithstanding the lapse of the thirty-day period and the extensions granted by the Court within which to produce the body of the defendant the plaintiff as bondsman failed to do so. On 14 November 1950 the Court ordered the plaintiff as bondsman to pay the Government the Sum of P8,000, the amount of the bond filed by it for the provisional release of the defendant (Exhibit D). On 17 November 1950 the Court issued a writ of execution (Exhibit E).

The dismissal of the complaint by the trial court is erroneous because the defendants undertook to indemnify "the Company" as soon as demand is received from the Creditor, or as soon as it becomes liable to make payment of any sum under the terms of the above-mentioned bond,* * *s whether the said sum or sums or part thereof, have been actually paid or not." (Exhibit B.) The condition of the bail was breached when the accused Valeriano Dizon y Alvarez failed to appear on the date set for trial of the case and the plaintiff as bondsman failed to produce the body of the defendant, or give the reason for his non-production, and to explain satisfactorily why the accused did not appear when required so to do. Therefore, the plaintiff as bondsman became liable to make payment to the Government on the bond as the Court has so ordered (Exhibit B). And by the writ of execution issued by the Court (Exhibit E), the Government has demanded payment thereof. Pursuant to the terms of the indemnity contract, the defendants in turn became liable to the plaintiff for whatever amount the plaintiff was required to pay to the Government.

The judgment appealed from is reversed and the defendants jointly and severally are ordered to pay the sum of P8,000 to plaintiff, 12 per cent, interest per annum thereon from the time payment of the amount of the bond is made until repaid by the defendants, 15 per cent of the amount due as attorney's fees, and costs in both instances.

Paras, C. J., Bengzon, Montemayor, Bautista Angelo, Labrador, Concepcion, Reyes, J. B. L.; Endencia and Felix, 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.