

THE PHILIPPINE GUARANTY CO., INC., PETITIONER VS. LAURA DINIO, PEDRO MANALASTAS, IN HIS CAPACITY AS ADMINISTRATOR OF THE INTESTATE ESTATE OF RAYMUNDO MANALASTAS, AND VALENTINA P...

G. R. No. 10547. January 31, 1958

Ponente: LABRADOR, J.

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LABRADOR, J.:

Appeal by certiorari from a judgment of the Court of Appeals, reversing that of the Court of First Instance of Nueva Ecija, in favor of the petitioner and against Laura Dinio and Pedro Manalastas for the payment by the latter of the sum of P11,000 in favor of the plaintiff, with interest and costs. The facts as found by the Court of Appeals are stated by that court as follows:

"It appears that in Civil Case No. C-194 of the Court of First Instance of Ilocos Sur, Laura Dinio was sued by one Consolacion Nolasco. Said Court of First Instance issued a writ of preliminary attachment which was levied on the property of the defendant in that case, consisting of trucks, trailers, and wreckers, all of various tonnage, to answer for the judgment that might be rendered against her.

"On December 21, 1946, defendant Laura Dinio and the Philippine Guaranty Co. Inc. filed a bond in the amount of P11,000 with the Court of First Instance of Ilocos Sur for the lifting of the attachment; said bond was to secure payment to the plaintiff of any judgment she may recover against the defendant. On the same day, December 21, 1946, said Laura Dinio and Raymundo Manalastas executed a counter-guaranty with mortgage (Exh. C) in favor of the Philippine Guaranty Co., Inc. (the plaintiff-appellee in the present case) in order to indemnify the latter for any damage, prejudice, losses, costs, payments, advances and any other expenses of whatever kind and nature, including attorney's fees which the said Philippine Guaranty Co., Inc. might incur as a consequence of any execution that might be levied on said bond. The counter guaranty with mortgage above mentioned was registered with the respective offices of the register of deeds of Ilocos Sur and Pampanga, inasmuch as the real property of Raymundo Manalastas, subject matter of the mortgage described in Exhibit C, is situated in Pampanga."

On June 30, 1948, judgment was rendered in said Civil Case No. C-194, ordering defendant Laura Dinio to return to plaintiff Consolacion Nolasco the sum of P10,000. Laura Dinio failed to satisfy the judgment so the Philippine Guaranty Co., Inc., petitioner herein, deposited the amount of P10,000 with the sheriff of the City of Manila to satisfy the judgment. Thereafter, petitioner herein demanded the payment of the sum paid by it to satisfy the judgment in Civil Case No. C-194 and as the payment demanded was not forthcoming, the present action was brought against respondents Laura Dinio and Pedro Manalastas in execution of the counterbond that they had filed in favor of the petitioner. The Court of First Instance of Nueva Ecija found for the plaintiff-petitioner but on appeal to the Court of Appeals the latter reversed the judgment, holding that, the counterbond executed by Raymundo Manalastas was executed without any valuable consideration. It further held that as the property covered by the counterbond was conjugal property of Raymundo Manalastas and Valentina Pelayo and as the

encumbrance created by Manalastas was in fraud of his spouse, Article 1413 of the Civil Code should be made applicable and in accordance therewith, as Raymundo Manalastas is already dead, an inventory of the conjugal property be made and the obligation created by the counterbond be charged against his share in the conjugal property, the incumbrance created by the counterbond being null and void insofar as the same could not be covered by the share of Manalastas in the conjugal property. The court, therefore, in a final order rendered after a motion to reconsider the original decision had been presented, ordered that the case be returned to the Court of First Instance for the reception of additional evidence and for such other important proceedings as may be necessary and proper to determine whether or not the rights and interests of Valentina Pelayo, as surviving spouse of Raymundo Manalastas, was prejudiced by the incumbrance in question. Petition for certiorari was filed in this Court against said decision and the same was given due course.

The important question presented to Us for decision is whether or not the counterbond, Exhibit "C," which Raymundo Manalastas, jointly with Laura Dinio, executed in favor of the petitioner, The Philippine Guaranty Co., Inc., is null and void for lack of valuable consideration in favor of Raymundo Manalastas.

It is evident that the counterbond executed jointly by Raymundo Manalastas with Laura Dinio, Exhibit "C," was executed by them in order to secure the bond by the Philippine Guaranty Co., Inc., in favor of Laura Dinio. The fact that the bond was for the benefit of Laura Dinio, and not for Raymundo Manalastas, jointly or singly, does not mean that the counterbond was executed by Manalastas without any valuable consideration. The consideration in such case is that which supports the principal debtor's obligation.

"The claim of the appellants that there was no consideration for their guaranty can not be sustained. The consideration which supports the obligation as to the principal debtor is a sufficient consideration to support the obligation of the sureties. It is not necessary to prove any consideration as between them and the creditor." (Pyle vs. Johnson, et al., 9 Phil. 249, 251.)

"The proof shows that the money claimed in this action has never been paid and is still owing to the plaintiff; and the only defense worth noting in this decision is the assertion on the part of Enrique Echaus that he received nothing for affixing his signature as guarantor to the contract which is the subject of suit and that in effect the contract was lacking in consideration as to him.

"The point is not well taken. A guarantor or surety is bound by the same consideration that makes the contract effective between the principal parties thereto. (Pyle vs. Johnson, 9 Phil. 249.) * * * "

See also Enriquez de la Cavada vs. Diaz, 37 Phil. 982; Acuña vs. Veloso, 50 Phil. 241.

The execution of the bond by the Philippine Guaranty Co., Inc., petitioner herein, in favor of Laura Dinio, is, therefore, the consideration for the execution of the counterbond by Raymundo Manalastas. It is not necessary that such consideration, the execution of the bond by the Philippine Guaranty Co., Inc., redound directly to the benefit of Raymundo Manalastas; it is enough that it was favorable to Laura Dinio.

In view of the foregoing, the decision of the Court of Appeals is hereby reversed and set aside and that of the Court of First Instance, affirmed, with costs against the respondents.

Paras, C. J., Bengzon, Padilla, Montemayor, Reyes, A., Bautista Angelo, Concepcion, Reyes, J. B. L., Endencia, and Felix, JJ., concur.

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