



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **02 September 2020** which reads as follows:*

“G.R. No. 248631 (Subic Bay Distribution, Inc. v. Malayan Insurance Co., Inc.). – After a judicious study of this case, the Court resolves to **DENY** the instant petition¹ and **AFFIRM** the March 21, 2019 Decision² and the July 30, 2019 Resolution³ of the Court of Appeals (CA) in CA-G.R. CV No. 106630 for failure of petitioner Subic Bay Distribution, Inc. (petitioner) to sufficiently show that the CA committed any reversible error in affirming the January 20, 2015 Decision⁴ of the Regional Trial Court of Makati City, Branch 145 (RTC) in Civil Case No. 02-1523, which dismissed the complaint for sum of money filed by petitioner against respondent Malayan Insurance Co., Inc. (respondent surety).

As correctly ruled by the CA, the extension of the stipulated credit term and the increase in the credit limit granted to the principal debtor, Prime Asia Sales and Services, Inc., without the consent or knowledge of respondent surety, extinguishes the latter’s obligation under the surety bonds. An extension of time given to the principal debtor by the creditor without the surety’s consent would deprive the surety of his right to pay the creditor and to be immediately subrogated to the creditor’s remedies against the principal debtor upon the maturity date as a measure of protection to avoid the contingency of the principal debtor becoming insolvent during the extended period.⁵

¹ *Rollo*, pp. 8-43.

² *Id.* at 50-61. Penned by Associate Justice Carmelita Salandanan Manahan with Associate Justices Priscilla J. Baltazar-Padilla (now a member of the Court) and Germano Francisco D. Legaspi, concurring.

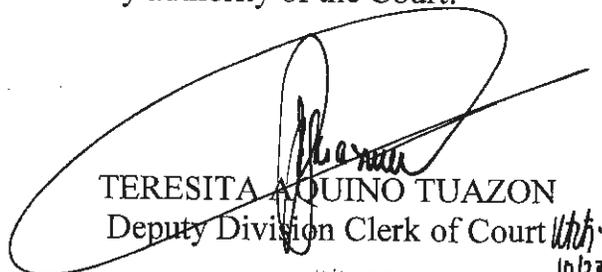
³ *Id.* at 63-65. Penned by Associate Justice Germano Francisco D. Legaspi with Associate Justices Priscilla J. Baltazar-Padilla (now a member of the Court) and Nina G. Antonio-Valenzuela, concurring.

⁴ *Id.* at 302-318. Penned by Presiding Judge Carlito B. Calpatura.

⁵ See *Trade and Investment Development Corp. of the Phils. v. Asia Paces Corp.*, 726 Phil. 555, 566-567, citing *Security Bank and Trust Co., Inc. v. Cuenca*, 396 Phil. 108, 125 (2000).

SO ORDERED. (Baltazar-Padilla, *J.*, no part due to prior action in the CA; Carandang, *J.*, designated Additional Member per Raffle dated August 19, 2020.)”

By authority of the Court:



TERESITA AQUINO TUAZON
Deputy Division Clerk of Court *Wth*
23 OCT 2020 10/23

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HON. PRESIDING JUDGE (reg)
Regional Trial Court, Branch 145
Makati City
(Civil Case No. 02-1523)

JUDGMENT DIVISION (x)
Supreme Court, Manila

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Please notify the Court of any change in your address.
GR248631. 09/02/2020B(180)URES