

Cage Vs. Cassidy

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Court : US Supreme Court

Decided On : 1859

Appeal No. : 64 U.S. 109

Appellant : Cage

Respondent : Cassidy

Judgement :

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Cage v. Cassidy

64 U.S. (23 How.) 109

APPEAL FROM THE CIRCUIT COURT OF THE UNITED

STATES FOR THE SOUTHERN DISTRICT OF MISSISSIPPI

SYLLABUS

Where the surety upon an administration bond was sued, and judgment recovered against him in Mississippi, and a court in Tennessee where the principals upon the bond resided decided that but a small amount was due by the administrators upon

their account, and that the judgment against the surety had been obtained in defiance of an injunction issued by the Tennessee court, and also by fraudulent representations made to the surety, and it was admitted that the decree in Tennessee was supported by the proofs, the surety was entitled to relief by the court in Mississippi, and the creditor must be perpetually enjoined from proceeding upon his judgment.

This was a bill filed by Robert H. Cage, in his lifetime, to stay execution on a forthcoming bond under the circumstances stated in the opinion of the Court.

The circuit court granted a temporary injunction in the outset of the case, but upon the final decree adjudged that the injunction be dissolved, and that Cassidy be permitted to sue out executions at law upon the judgments of the court, then restrained by injunction.

From this decree the complainant appealed to this Court.

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MR. JUSTICE CAMPBELL delivered the opinion of the Court.

R. H. Cage, the testator of the appellants, filed his bill in the circuit court, to be relieved from a judgment rendered there in favor of the appellee, A. A. Cassidy, in November, 1852.

The pleadings and proofs contained in the record disclose that the testator, in 1841, became surety to the Probate Court of Madison County, Mississippi, for William Douglass and William Hall, on their bond as administrators of the estate of Henry L. Douglass deceased. In 1848, their letters of administration were revoked and Cassidy, the husband of Mary Douglass the widow of Henry L. Douglass and the guardian of Henrietta Douglass their only child, was appointed administrator *de bonis non*.

In 1849, the probate court cited the administrators to account,

and upon their nonappearance rendered a decree against them for \$6,822.87, and subsequently ordered that payment should be made to Cassidy and wife and Henrietta Douglass -- one moiety to each, being their legal share, and in default of payment authorized a suit on the administration bond. In 1850, suits were instituted on the bond against Cage, the surety, in the circuit court, by Cassidy and Henrietta Douglass; but no suit was commenced against the principals, who resided in Tennessee. Judgments were rendered in 1851 against Cage for the amount of the decree, and these were settled by his giving a note to Cassidy for their amount, payable one year after date, and by paying the costs.

During the year 1851, Cage visited Tennessee with a view to have a settlement between Douglass and Hall, his principals, and Cassidy, and to obtain an indemnity from those who had induced him to sign their bond. His negotiations were unproductive, and he filed a bill in the Court of Chancery in Sumner County, Tennessee, to which Cassidy and wife, Henrietta Douglass and Douglass and Hall and others were made parties.

In this bill he stated his relation as surety, and his legal claim to be exonerated from his obligation, and from his impending danger of loss. He insisted that his creditors, the distributees, and his principals, the administrators, should adjust their accounts, and that the balance should be settled. He charged that he had not made defense against the judgments in Mississippi, because the defendant, Cassidy, had assured him that he was not to be vexed or injured, and the suit was simply to serve as an instrument to bring his absent principles to a fair settlement. He charges that the account stated in the probate court was erroneous, within the knowledge of Cassidy, who had procured it, and that the balance was subject to credits that he knew to be just. He obtained an injunction against Cassidy, requiring him not to transfer his note or to commence any suit upon it pending the injunction.

The several defendants answered the bill; and in 1854 the cause came on for a hearing upon pleadings, proofs, orders, and a report upon the administration

accounts.

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Before this time the administrators had obtained a writ of error upon the judgment rendered in probate court, and in January, 1853, this judgment was annulled by the Court of Errors and Appeals of Mississippi.

The defendant, Cassidy, in 1852, notwithstanding the injunction in Tennessee, commenced a suit upon the note of the surety, Cage, in the circuit court, and in November, 1852, recovered a judgment for the full amount, and sued out execution for its collection. Thereupon Cage filed the bill for injunction and relief with which the proceedings in the cause before this Court were commenced.

In this bill he charges that the account as stated in the probate court is unjust. That Cassidy was aware of the injustice of the charges when they were made. That he had quieted the mind of the plaintiff, by assurances that he meditated no harm to him, but merely expected to bring the administrators to a fair settlement by that course, and only expected to hold the claim against him for that purpose. He specifies the errors in the account, and the efforts he had made to bring the parties to a settlement, and the pendency of his suit in Tennessee. Cassidy answered the bill, taking issue upon some of the material averments.

Thus the cause stood when the Court of Chancery in Sumner County, Tennessee, rendered its final decree in 1854. The court declared that the settlement in the probate court, the judgments in the circuit court on the bond, and the execution of the promissory note by Cage in liquidation were superinduced by the promises and assurances of Cassidy to Cage, that he was not to be held personally, but they were to be used to bring the principals to a fair accounting. That Cassidy knew that the statement of the account in the probate court was erroneous, and unjust to the administrators, and that the recovery of the judgment on the note of Cage was a breach of the injunction, and a fraud upon him.

The court finds that instead of a debt of \$6,822.87, as reported against the administrators in 1849, there was only due the sum of \$850.37. It charges against this sum the costs paid by Cage in the litigation to which he has been subjected,

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and required the remainder to be paid into court; and thereupon entered a decree against Cassidy, enjoining him from proceeding further upon the judgment in the circuit court on the note.

This decree was presented to the circuit court in Mississippi in suitable pleadings, and was considered by that court under a stipulation of the solicitors of the respective parties to this effect:

"It is admitted that proof before the Chancery Court of Tennessee was sufficient to establish the state of accounts of Hall and Douglass as administrators of H. L. Douglass in Mississippi and Tennessee, as decreed by the chancellor in the Tennessee case, filed in this cause as an exhibit. This agreement is made, in order to dispense with obtaining a copy of the proof before the chancery court of Tennessee, or retaking the depositions of the witnesses. In other words, all that is intended to be admitted hereby, and that is admitted, that the decree of said chancery court was supported by the proof."

Upon the hearing in the circuit court, that court determined that the injunction which had been granted in the preliminary stage of this cause was improvidently allowed, and that the bill must be dismissed. From this decree this appeal is taken.

The natural limit of the obligation of a surety is to be found in the obligation of the principal; and when that is extinguished, the surety is in general liberated. In some codes, the obligation of a surety cannot extend beyond or exist under conditions more onerous than that of his principal. The obligation of the administrators, Douglass and Hall, has been ascertained by the decree of the Court of Chancery in Tennessee, upon proof, conceded to be sufficient, and has been fully discharged by its order. Notwithstanding this, the appellee Cassidy seeks to enforce a judgment for nearly ten times the amount of the debt found to be due in

that decree, and now discharged. It is apparent that the effort is unconscionable, and can only be allowed under the influence of some inflexible and imperious rule of the court, that deprives the appellants of any title to its interposition. But the Court

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of Chancery of Tennessee, upon sufficient proof, has declared that the surety had been "lulled into security" by the delusive promises of his creditor, and that he has been the victim of artifice and circumvention; that the judgment against him was obtained in contempt of the injunction of the court, and that the assertion of any right under it would be fraudulent. This decree remains in full force and effect.

These circumstances furnish additional motives for the intervention of the equitable powers of the court for the relief of the appellants.

It is the opinion of this Court that the decree of the circuit court is erroneous, and must be reversed. The cause is remanded with directions to the circuit court to enter a decree perpetuating the injunction.

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