Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Bldg. EDSA, Greenhills, Mandaluyong City

IN THE MATTER OF

ODA WARA MANUFACTURING CORPORATION
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SEC Admin Case No. 01-08-92
CED Case No. 07-2863
For: Revocation of Corporate Registration

DECISION

For consideration of the Commission *En Banc* is the Petition for Revocation of Corporate Registration of Oda Wara Manufacturing Corporation ("Oda Wara" for brevity) dated 08 January 2008, filed by the Compliance and Enforcement Department[1] ("CED" for brevity) on the ground of filing falsified and spurious treasurer's affidavit and certificate of bank deposit for purposes of registration, in violation of Section 6(l)(1) of Presidential Decree No. 902-A, as amended.

FACTS OF THE CASE

Oda Wara is a corporation duly registered with the Commission on 31 May 2005 under SEC Registration No. CS200509384 with principal office at 21 Kingsway corner Bel Air Streets, Fairlane Subdivision, Marikina City.

In a letter-complaint dated 19 August 2005 addressed to Chairperson Fe Barin, three (3) of the incorporators of Oda Wara namely: Saburo Odawara, Ma. Agnes C. Alvarez and Rosela A. Lingatong (hereinafter referred to as "complainants"), seek the revocation of the corporate registration of Oda Wara. In the letter-complaint, complainants aver that they entrusted the registration of said corporation to Manuel A. Co and Perfecto A. Nafuran, the other two (2) incorporators. In the process, they were made to sign in blank the SEC form of Articles of Incorporation and By-laws of Oda Wara. In addition, they gave twenty five thousand pesos (P25,000.00) to be deposited by Co in trust for their corporation as paid-up capital with the Bank of Commerce, Bayan-Bayanan, Concepcion, Marikina City.

Upon getting hold of the registration papers, complainants noticed that the Treasurer's Affidavit signed by Co reflected that Oda Wara has a paid-up capital of one million pesos (P1,000,000.00). Furthermore, the Certificate of Bank Deposit issued by a certain Aurora del Rosario purportedly of Bank of Commerce, West Triangle Branch stated that the amount of one million two hundred eighty thousand

[1] Now known as the Enforcement and Prosecution Department.

pesos (P1,280,000,00) was deposited in the said bank in trust for Oda Wara. Complainants subsequently found out, however, that Oda Wara's bank account with Bank of Commerce West Triangle Branch does not exist, the respective addresses of Co and Nafuran as indicated in the Articles of Incorporation Oda Wara are fictitious, and that the signatures of Daiki Odawara and Ma. Agnes Alvarez on the registration documents, were forged.

On 10 January 2008, the CED, on the basis of its own findings, filed a petition for the revocation of corporate registration of the said corporation.

On 07 April 2010, an Order was issued directing the CED to cause the publication of the said Order together with the Summons once in a newspaper of general circulation. In addition, the CED was likewise directed to cause the posting of the said Order and Summons in the Commission's website (www.sec.gov.ph) for thirty (30) days.

On 08 June 2010, the CED filed a Compliance stating the submission of the following documents:

1. A copy of the Affidavit of Publication dated 26 May 2010 affirming that the 07 April 2010 and 05 February 2010 Orders of the Office of the General Counsel were published in the Business Mirror on 30 April 2010;[2]

2. The Certification dated 04 June 2010 from the Director of the Economic Research and Information Department stating that the mentioned Orders were posted in the Commission's website;[3]

3. The Certification dated 17 May 2010 from the Director of Commission's Human Resource and Administrative Department stating that the said Orders were posted in the bulletin board at the ground lobby for fifteen (15) days.[4]

ISSUE

The sole issue to be resolved in this case is whether or not there is a sufficient ground to revoke Oda Wara's certificate of registration.

We rule in the affirmative.

Upon the Order of the Commission for Oda Wara to file its Answer to the Petition, respondent corporation has yet to file the same. Thus, pursuant to Section

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[2] CED's Compliance, Annex C.
[3] Id., Annex D.
[4] Id., Annex E.

3-12[5] of the 2006 Rules of Procedure of the Commission, Oda Wara shall be considered as in default.

We now resolve the case on its merits.

Section 6(l)(1) of Presidential Decree No. 902-A, as amended, provides for the power of the Commission to revoke a corporation's certificate of registration, to wit:

> "Sec. 6. In order to effectively exercise such jurisdiction, the Commission shall possess the following powers:
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> x x x
>
> (l) To suspend, or revoke, after proper notice and hearing, the franchise or certificate of registration of corporations, partnerships or associations, upon any of the grounds provided by law, including the following:
>
> 1. Fraud in procuring its certificate of registration;
>
> x x x"

From the records[6], it appears that Oda Wara has an authorized capital of ten million pesos (P10,000,000.00), five million pesos (P5,000,000.00) of which was subscribed, and out of the amount subscribed, the amount of one million two hundred eighty thousand pesos (P1,280,000.00) was paid.

As part of the requirements for its incorporation, Oda Wara submitted a Certificate of Bank Deposit and Treasurer's Affidavit. However, upon investigation by the CED, it was found out that the Certificate of Bank Deposit was fabricated and spurious, bearing the forged signature of Aurora R. del Rosario, business manager of Bank of Commerce-West Triangle Branch. Likewise, the Treasurer's affidavit prepared by Manuel A. Co, reflecting that an amount of one million pesos (P1,000,000.00) representing Oda Wara's paid-up capital was deposited in the said bank under his name as treasurer in trust for the corporation, was also found to be untrue. In fact, in a sworn affidavit, Aurora R. del Rosario vehemently denied issuing the questioned bank certificate and that no account has ever been opened in the Bank of Commerce-West Triangle Branch under the name of Manuel A. Co for Oda Wara. More so, she vigorously denied having signed the said bank certificate and maintained that the signature appearing thereon was not her own.

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[5] SEC. 3-12. Effect of Failure to Answer. If the respondent fails to answer the complaint within the abovestated period, he shall be considered as in default. The Hearing Panel or Officer shall, *motu proprio*, proceed to render judgment granting the complainant such relief as the complaint may warrant, unless the Hearing Panel or Officer determines that the complainant should be required to submit *ex parte* additional evidence.

[6] Articles of Incorporation of Oda Wara.

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From the foregoing, and after having established that the Certificate of Bank Deposit and the Treasurer's Affidavit filed by respondent for its application for registration were spurious and untrue, respectively, there was, indeed, a clear violation of Section 6(l)(1) of P.D. 902-A, as amended. Thus, the revocation of the certificate of registration of Oda Wara is warranted.

WHEREFORE, premises considered, the Petition is hereby **GRANTED**. Oda Wara Manufacturing Corporation's Certificate of Incorporation (Reg. No. CS200509384) is hereby **REVOKED**.

Let a copy of this Decision be furnished to the Company Monitoring Department for its appropriate action, as well as to the Economic Research and Information Department and the Commission's extension offices for dissemination to the general public.

SO ORDERED.

Mandaluyong City, 08 July 2010.

FE B. BARIN
Chairperson

MA. JUANITA E. CUETO
Commissioner

RAUL J. PALABRICA
Commissioner

MANUEL HUBERTO B. GAITE
Commissioner

ELADIO M. JALA
Commissioner