Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Bldg. EDSA, Greenhills, Mandaluyong City

OFFICE OF THE GENERAL COUNSEL

18 July 2007
SEC-OGC Opinion No. 07-15
(Reportorial Requirements)

received 7 Aug '07.

Mr. JOSE MA. FRANCISCO
2485 Atis St., United Hills Village
Paranaque City

Jose Ma. Francisco

Dear Mr. Francisco,

This pertains to your letter dated April 21, 2007, regarding the proposed Joint Venture of your company with Project Movers Realty & Development Corporation (PMRDC) in which you stated that the Certificate of Registration of PMRDC was revoked on August 11, 2003. We now respond to your queries:

1. Can PMRDC be revived by complying with the reportorial requirements? How much would it cost to do so?

The Order of Revocation of PMRDC may be lifted based on meritorious grounds. PRMDC may file a Petition to Lift its Order of Revocation within three (3) years from the date of the revocation. Upon expiration of this period the Order of Revocation shall become final and executory unless otherwise decided by the Commission *En Banc* in meritorious cases.*

The petition should contain all of the material information including the reasons for failure to file the reportorial requirements on time. In addition, PMRDC would have to comply with the documentary requirements for such a petition. A blank form of the petition, and the list of all the requirements, are attached for reference.

The filing fee for such a petition is Two Thousand Twenty

* SEC Resolution No. 10, Series of 2007.

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Pesos (P2,020.00), in addition to which PMDRC, having been delinquent in the submission of its reportorial requirements, must also pay the corresponding penalties, which will be assessed by the Company Registration and Monitoring Department, Law and Regulation Division.

2. Has there been any step for its dissolution (in the affirmative)? Has the dissolution been final and executory in the sense that its revival or authority to continue business is remote?

There are two affirmative steps which may be taken towards its dissolution: a Petition for Voluntary Dissolution filed by PMDRC itself and a Petition for Involuntary Dissolution filed by another party-in-interest, such as a creditor. There is no such petition in our records, so the answer to your first question would have to be no, there has been no action on the part of PMRDC to have itself dissolved. With respect to your second question, we refer you to our response to your first query.

3. What is the status of the properties (the 24 CCTs) in PMRDC's name which were acquired before the revocation of the registration?

4. What is the net effect of the revocation of the Certificate of Registration, and consequently, on the license to sell over the rest of the CCTs not covered by the dacion en pago, but are still in the name of PMRDC and spouses Eliseo and Aurora C. Santos?

5. In the absence of any transaction affecting any third party, how could said remaining CCTs, or the units they represent, be dealt with by the parties, i.e. PMRDC and the spouses Eliseo and Aurora C. Santos. And,

6. Since the contractor abandoned the project, of what value are the 56 CCTs representing those phantom condominium units?

Questions 3, 4, 5 and 6 are all covered by Section 5 of SEC Memorandum Circular No. 15, Series of 2003, which we quote:

"5. As a matter of policy, the Commission shall refrain from rendering opinion on the following:

5.1 Issues which had been decided by the courts or have been elevated to the court and are pending therein;

5.2 Matters which involve the substantive and contractual rights of private parties who would, in all

probability, contest the same in court if the opinion turns out to be adverse to their interest;

5.3 Matters which would necessarily require a review and interpretation of contracts or an opinion on the validity of contracts since interpretation of contract is justiciable in nature and contract review calls for legal examination of contract on a general basis and not on specific legal issues;

5.4 Questions which are too general in scope or hypothetical, abstract, speculative and anticipatory in character and those pertaining to undisclosed entities;"

Attached is a copy of the above mentioned Circular.

Your third, fourth, and in part your fifth queries fall under Sections 5.2 and 5.3, as they involve substantive and contractual rights, specifically the property rights to the Condominium Certificates of Title and the rights under the license to sell, which would require a review and interpretation of such contracts, which fall under the jurisdiction of the regular courts.

Your fifth and sixth queries fall under Section 5.4, being general and speculative, especially the sixth query. For these reasons, we cannot answer your remaining queries.

Please be guided accordingly.

Very truly yours,

VERNETTE G. UMALI-PACO
General Counsel

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