Republic of the Philippines
Department of Finance
Securities and Exchange Commission
PICC Secretariat Building, PICC Complex, Pasay City

In the matter of:

SEC Case No. 04-05-58

NEW INTERNATIONAL ENVIRONMENTAL UNIVERSALITY, INC.
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DECISION

This resolves the **Petition**[1] filed on 28 April 2005 by the *then* Compliance and Enforcement Department—*now known as* the **Enforcement and Investor Protection Department (EIPD)**—praying that the Commission:

- REVOKE the **Certificate of Filing of Amended Articles of Incorporation dated 11 July 2012**, erroneously issued in the name of [sic] New International Environmental University, Inc., for the benefit of New International Environmental Universality, Inc., SEC Registration No. D2001-00879;

- CANCEL/REJECT the **Amendments to Article II (Primary Purpose)** of New Universality (SEC Registration No. D2001-00879) filed on 10 July 2002;

- PURGE/CLEAN the **SEC Records pertaining to New International Environmental Universality, Inc., SEC Registration No. D2001-00879**, such that all filings containing the erroneous name "New International Environmental University, Inc." be removed; and

- ORDER New International Environmental Universality, Inc., SEC Registration No. D2001-00879 to submit a **new application for Amendments to Article II (Primary Purpose)** of its Articles of Incorporation.

ISSUE

The sole issue[2] is whether the evidence presented warrants a cleaning of the records of SEC Registration No. D2001-00879, such its only corporate name throughout is New International Environmental Universality, Inc.

RELEVANT FACTS

A. "NEW UNIVERSALITY" HAS IN ITS SEC RECORD THE ERRONEOUS NAME "NEW UNIVERSITY"

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[1] Dated 18 April 2005.
[2] Much delay has resulted from subsequent investigations that are not prejudicial to the determination of this case.

1. New International Environmental Universality **("NEW UNIVERSALITY"),** SEC Registration No. **D2001-00879**, is a domestic corporation, registered via the SEC Davao Extension Office on 3 September 2001.

2. **NEW UNIVERSALITY**'s SEC records[3] contain a 11 July 2002 Amendment to its Primary Purpose (Article II, Articles of Incorporation) containing the name New International Environmental University **("NEW UNIVERSITY"),** even though (a) it clearly indicated, by underlining, that its proposed amendment was limited to its corporate purpose; and (b) it evidently did not propose to become an institution of higher learning, as it did not submit the necessary requirements to become one. Furthermore, its amended purpose had nothing to do with becoming a university.

B. THERE IS A SIMILARLY-NAMED, RELATED "OLD UNIVERSALITY," BUT NO SEPARATE "NEW UNIVERSITY"

3. There is only one other entity in the SEC record with a similar name. International Environmental Universality **("OLD UNIVERSALITY"),** SEC Registration No. **D2000-00494**, is a domestic corporation, registered via the SEC Davao Extension Office on 22 June 2000.

4. Apart from the *nearly-identical* names,[4] the SEC records reveal that NEW UNIVERSALITY and OLD UNIVERSALITY are related, *viz*:

	"NEW UNIVERSALITY"	**"OLD UNIVERSALITY"**
Corporate Name	**NEW INTERNATIONAL ENVIRONMENTAL UNIVERSALITY, INC.** [Erroneously indicated in the SEC records as "**NEW INTERNATIONAL ENVIRONMENTAL UNIVERSITY**" in its 2012 Amendment to Primary Purpose]	**INTERNATIONAL ENVIRONMENTAL UNIVERSALITY, INC.**
Place of Registration	SEC Davao Extension Office	SEC Davao Extension Office
Domestic/Foreign	Domestic	Domestic
Stock/Non-Stock	Stock	Stock
Filipino Equity	**60%** (3 out of 5 SHs Filipino)	**57%** (4 out of 7 SHs Filipino)
Registration Date	3 September 2001	22 June 2000
Registration Number	D2001-00879	D2000-00494
Principal Address	Hangar 3, IEU Building, Sasa	Hangar 3, IEU Building, Sasa

[3] Last accessed on SEC I-View, 26 March 2017.
[4] Note that much confusion has resulted from focusing on the word "Universality" that is shared by these two entities. This can be avoided by likewise focusing on the first word, "New," that is only part of the name of one entity (New Universality). It was only New Universality that was erroneously re-named (as New University) in the SEC records.

	Airport, Davao City	Airport, Davao City
Authorized Capital Stock	PHP 3,000,000 divided into 30,000 shares with a par value of PHP 100 per share	PHP 1,000,000 divided into 10,000 shares with a par value of PHP 100 per share
Type of License	**Primary License only.** Granted separate juridical personality but not allowed to sell securities.	**Primary License only.** Granted separate juridical personality but not allowed to sell securities.
Primary Purpose	To engage in, conduct and maintain the business of water treatment, waste recycling, soil rehabilitation, treatment of organic and inorganic materials, biomolecular separation and construction, metal processing and manufacture of new metals and materials by electron and neutron rearrangement and to conduct research, development and introduction of new innovative engineering and alternative power. [**PROPOSED AMENDMENT** in 2002: To engage in **processing and exportation of metals, minerals and rural products**, conduct and maintain the business of water treatment, waste recycling, soil rehabilitation, treatment of organic and inorganic materials, biomolecular separation and construction, metal processing and manufacture of new metals and materials by electron and neutron rearrangement and to conduct research, development and introduction of new innovative engineering and alternative power.]	To engage in, conduct and maintain the business of water treatment, waste recycling, soil rehabilitation, treatment of organic and inorganic materials, biomolecular separation and construction, metal processing and manufacture of new metals and materials by electron and neutron rearrangement and to conduct research, development and introduction of new innovative engineering and alternative power
Secondary Purpose	*To conduct symposium, seminars and training for practical and theoretical application including research and development of aqua-culture, agriculture, earthworks, engineering construction, cold storage, multi-purpose cannery, and the research and development of mineral extraction application procedures [*Added in 2001]	[none]
Name, Nationality, and Residence of Incorporators and Initial Directors (with interlocking directors shaded)	**Allan J. Clarke** (Australian) 4148 Meadowslon Circle, Las Vegas, Nevada, USA	**Allan J. Clarke** (Australian) 4148 Meadowslon Circle, Las Vegas, Nevada, USA
	Robert A. Clarke	**Robert A. Clarke**

	(Australian) 4148 Meadowslen Circle, Las Vegas, Nevada, USA	(Australian) 4148 Meadowslen Circle, Las Vegas, Nevada, USA
	Engr. Reynaldo Hibionada (Filipino) Km. 17 Ilang, Tibungko, Davao City	**Andrew J. Clarke** (Australian) 4148 Meadowslen Circle, Las Vegas, Nevada, USA
	Ma. Lina Fe D. Clarke (Filipino) Block 11 Lot 5 Akle St., Novatiera, Davao City	**Raul J. Hollero** (Filipino) 236 Summerville Village, Lanang, Davao City
	Marietta U. Razon (Filipino) 363 Rizal St., Davao City	**Ruth A. Hollero** (Filipino) 236 Summerville Village, Lanang, Davao City
		Beverly R. Palamara (Filipino) Brgy. W. Aquino, Agdao, Davao City
		Edmund E. Abug (Filpino) 220 Summerville Village, Lanang, Davao City

5. Apart from the errors in the SEC records of New Universality (SEC Registration No. **D2001-00879**), there is no record of a separate entity by the name of New International Environmental University (**"New University"**).

C. THE ERRONEOUS 2002 AMENDMENTS WERE ACCEPTED BY SEC-DAVAO

6. On 10 July 2002, New Universality filed an Amendment to its Articles of Incorporation (AOI) with SEC Davao Extension Office (SEC-Davao), specifically its Primary Purpose which was *certified*[5] by its Directors and *underlined*[6] in accordance with the Corporation Code.[7]

7. The Directors' Certification of "Additional Text for Primary Purpose" and the proposed Amended AOI *both* contained the erroneous name New University.[8] This change of name was not underlined, nor was there any certification concerning its amendment.

8. On 11 July 2002, the Amended AOI was approved and a Certificate of Filing[9] issued by SEC Davao Extension Office, signed by its officer-in-charge, Atty. Godofredo M. Duremdes III ("Atty. Duremdes"). The Amendments *approved* and *certified* by SEC-Davao were (a) the primary purpose, and (b) the corporate name, from New Universality to New University. **This**

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[5] Directors' Certification of the proposed amendment was attached as **Annex A of Petition.**
[6] Amended AOI (with Primary Purpose underlined) was attached as **Annex B of Petition.**
[7] 2nd Sentence, 2nd Paragraph of **Section 16, Corporation Code**: "xxx Such articles, as amended shall be indicated by **underscoring** the change or changes made xxx"
[8] *Supra*, Note 5 and 6.
[9] The Certificate of Filing Amended AOI was attached as **Annex C of the Petition**.

approval/certificate caused the error in the SEC records and is the document sought to be purged.

9. On 25 November 2004, the SEC received a letter[10] from a certain Engr. Priscilo B. Paz ("Engr. Paz") requesting for the issuance of a Cease and Desist Order (CDO) against **New Universality**, owned by a certain Allan J. Clarke, which had been representing itself as New University in its business dealings in Davao City. Engr. Paz also cited **Old Universality** as another company owned by Clarke.

10. For the purpose of disproving the existence of New University, Engr. Paz obtained a Negative Certification dated 9 November 2004[11] from the SEC. This document, however, had the unintended effect of validating the existence of New Universality and Old Universality.

11. On 21 December 2004, Atty. Duremdes issued a Show Cause Order against Clarke, but no response from the latter was ever filed.

D. TO RECTIFY, SEC-DAVAO RECALLED THE DUPLICATE-ORIGINALS IN 2005

12. On 17 January 2005, the [EIPD] issued an Order[12] against Clarke (as Incorporator/Director of New Universality), signed by Dir. Hubert B. Guevara ("Dir. Guevara"), recalling the duplicate-originals of (a) the Certificate of Registration, (b) the full-text of the approved Amended AOI, and (c) any other document that erroneously reflects the word "University" instead of the correct word "Universality."

13. On 27 January 2005, consistent with the [EIPD] Order, Atty. Duremdes sent a letter[13] to the then SEC Chair, Fe B. Barin, stating that he had already obtained the duplicate-originals[14] of (a) the Certificate of Registration and (b) the full-text of the approved Amended AOI.

14. On 7 March 2005, Engr. Priscilo Paz (using the title "Capt. Priscilo Paz") sent another letter[15] requesting for a CDO against Allan J. Clarke for the use of the corporate name New University in business.

15. On 11 April 2005, the SEC issued an Order,[16] signed by then General Counsel Vernette Umali-Paco ("GC Paco"), that (a) **enjoined** New Universality, and any persons connected with it, from using the name New University, and (b) **ordered** New Universality to confine its operations to the primary and

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[10] Engr. Paz's 2004 Letter to the SEC was attached as **Annex D of the Petition**.
[11] The Negative Certification against New University was attached as **Annex D-1 of the Petition**.
[12] The 17 January 2005 [EIPD] Order to Recall was attached as **Annex F-1 of the Petition**.
[13] Atty. Duremdes' Letter dated 27 January 2005 was attached as **Annex G of the Petition**.
[14] The duplicate-originals of the Certificate and AOI were attached as **Annex H of the Petition**.
[15] Engr. Paz's 2005 Letter to the SEC was attached as **Annex I of the Petition**.
[16] The Order of the SEC En Banc dated 11 April 2005 was attached as **Annex J-1 of the Petition**.

secondary[17] purposes in its AOI. These purposes do not refer to running an educational institution.

E. ENGR. PAZ MADE FURTHER ALLEGATIONS OF FRAUD THAT WERE NOT PROVEN

16. On 9 December 2006, Engr. Paz sent another letter[18] to the SEC, alleging fraud not only on New Universality and Allan J. Clarke, but also on officials of SEC Davao Extension Office, including Atty. Duremdes.

17. In his letter, Engr. Paz claimed there are two entities, New Universality and New University, both covered by SEC Registration No. D2001-00879. He attached supposed photocopies of the Certificates of Incorporation, under SEC Registration No. D2001-00879, issued in the names of New Universality and New University. **However, these documents were not consistent with the official records.**

18. Rather, it is clear that SEC Registration No. D2001-00879 pertains only to New Universality. In all the official records, including Engr. Paz's own negative certification,[19] New Universality is the only name that appears for that registration number. A search on the current I-View yielded the same result.[20]

19. On 17 January 2007, Dir. Guevara sent a Memo[21] to GC Paco, stating *inter alia* that "There has been **no findings of fraud** in the said issuance by the Davao Extension Office of the Certificate of Filing Amended Articles of Incorporation dated July 11, 2002."

20. On 1 March 2007, the Company Registration and Monitoring Division (CRMD) issued another Negative Certification[22] against New University. At the same time, it represented that a similarly named entity, New Universality appears under SEC Registration No. 2001-00879.

F. THE ERRONEOUS NAME REMAINS IN SEC RECORDS, EVEN IN THE LATEST I-VIEW

21. To reiterate, New Universality is a duly-registered corporation under SEC Registration No. D2001-00879. In 2002, certain documents containing the erroneous name, New University, became part of its records. The SEC, upon realizing this error, successfully recalled the duplicate-originals in 2005. The only place where the "New University" name still appears is in the SEC official records.

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[17] Added in a 2001 amendment (where there was no error in the corporate name).
[18] Engr. Paz's 2006 Letter to the SEC is attached here as **Appendix 1**.
[19] *Supra*, Note 11.
[20] *Supra*, Note 3.
[21] Dir. Guevara's Memo to GC Paco is attached here as **Appendix 2**.
[22] The CRMD negative Certification dated 1 March 2007 is attached here as **Appendix 3**.

22. To date, the erroneous Certificate of Filing and approved Amended AOI remains in the SEC records of New Universality. The documents are visible to the public through SEC I-View.[23]

DISCUSSION

It cannot be gainsaid that any further attempts to investigate fraud **do not pose a prejudicial question** to the sought-for Cleaning/Purging of the records of New Universality, SEC Registration No. D2001-00879. It is precisely to prevent fraud and/or confusion that we must, with haste, validate and finalize the SEC En Banc Order dated 11 April 2005, enjoining the use of the name "New University." The recall of documents and the subsequent injunction against the use of the name New University in business are clearly correct.

Under **Section 17 of the Corporation Code**, the SEC "may reject the articles of incorporation or ***disapprove any amendment thereto*** if the same is not in compliance with the requirements of this Code" (Emphasis supplied).

Section 17(1) provides specifically that an amendment may be disapproved if it is "not in accordance with the form prescribed herein" As already stated, **Section 16** requires that proposed changes must be underscored in the Amended AOI and accompanied by a Certification by the Directors.

Furthermore, **Section 18** provides that "No corporate name may be allowed by the [SEC] if the proposed name is identical or confusingly similar to that or of any existing corporation or to any other name already protected by law or is patently deceptive, confusing, or contrary to existing laws."

The circumstances of this case, affecting both the public and the government, prove that the name New University is *confusingly similar* to New Universality and the change should not be allowed.

Moreover, New Universality cannot use New University because it is not a university. It does not have any license from the Commission on Higher Education or other appropriate agency to operate as such, and it would be "patently deceptive" to present itself to the public as an educational institution by the use of that name.

The EIPD may indeed continue investigating New Universality, with or without the assistance of Engr. Paz, for these same or other corporate offenses, but that is a matter for a separate case. Based on the record, it is worth looking into the following grounds for Revocation/Suspension:

(1) Non-filing of annual GIS and FS;
(2) Possible fraud in certification;
(3) Possible ultra vires; and
(4) Possible violation of foreign equity rules.

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[23] *Supra*, note 3.

As to Old Universality, which Engr. Paz claims is also fraudulent, an investigation would be moot, because it was revoked on 27 June 2006.

WHEREFORE, premises considered, the Petition is hereby partially granted.

The CRMD is hereby directed to:

- REVOKE the **Certificate of Filing of Amended Articles of Incorporation dated 11 July 2012**, erroneously issued in the name of [sic] New International Environmental University, Inc., for the benefit of New International Environmental Universality, Inc., SEC Registration No. D2001-00879;

- CANCEL/REJECT the **Amendments to Article II (Primary Purpose)** of New Universality (SEC Registration No. D2001-00879) filed on 10 July 2002;

- PURGE/CLEAN the **SEC Records pertaining to New International Environmental Universality, Inc., SEC Registration No. D2001-00879**, such that all filings containing the erroneous name "New International Environmental University, Inc." be removed; and

- ORDER New International Environmental Universality, Inc., SEC Registration No. D2001-00879 to submit a **new application for Amendments to Article II (Primary Purpose)** of its Articles of Incorporation.

The EIPD is hereby directed to:

- CONDUCT AN INVESTIGATION into **New International Environmental Universality, Inc., SEC Registration No. D2001-00879**, for possible violations of laws within the mandate of the Commission; and

- INITIATE/FILE the appropriate cases.

SO ORDERED.

Pasay City, Philippines; 18 July 2017.

TERESITA J. HERBOSA
Chairperson

ANTONIETA F. IBE
Commissioner

EPHYRO LUIS B. AMATONG
Commissioner

BLAS JAMES G. VITERBO
Commissioner

***EMILIO B. AQUINO**
Commissioner

*On Leave