

## Listed PHC shares not traded because of PCGG

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**P**HILCOMSAT Holdings Corp. (PHC) has 996.4 million outstanding common shares, of which 60 million shares are listed. Philippine Communications Satellite Corp. (Philcomsat) owns 796.6 million shares, or 79.95 percent, which makes PHC its subsidiary. Stockbroker and businessman Prudencio Somera Jr., the second biggest stockholder, makes PHC public because he is an outsider but a significant stockholder owning 100 million shares, or 10.04 percent.

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As a public company, trading in PHC shares has remained suspended since May 2, 2007, causing uncertainty among the few investors, probably including Somera, who are forced to hold on to their PHC shares longer than they want to. At its last reported session before the trading suspension on May 2, 2007, PHC closed at P1.40. At this price, Somera would have been very rich on paper, with his PHC holdings having a market value of P140 million. Could he be this rich even today? Probably not.

Nobody knows PHC's market value today, which could not be P1.40 per share anymore, which was how much it was worth 18 years ago. As of March 31, 2015, PHC has piled up deficits of P101.37 million. Is it because of the Presidential Commission on Good Government, or is it despite PCGG chairman Juan Andres Bautista, who was appointed in 2010 to the PCGG by Malacañang's temporary chief occupant?

### PHC listed but damaged

Because of public doubt on PHC's financial recovery and the PCGG's

presence in the group of companies to which PHC belongs, it is time to assess whatever damage Bautista, as PCGG chairman, may have caused the listed company. His performance as PCGG chief should be the subject of a comprehensive audit, the results of which would determine his fitness as chairman of the Commission on Elections. If the members of Commission on Appointments (CA) would listen to reason and consider the opposition to the aspiration of the former PCGG chief to head Comelec, they would rebuff Bautista's aspiration to further broaden his little kingdom, which was what PCGG had become under his watch.

It is not yet too late for the CA to correct Bautista's five-year misrule at PCGG by rejecting his appointment as Comelec chairman. By simply looking back at how Bautista performed as PCGG head, the CA would know how he had discharged his duty as the government's chief conservator of sequestered assets. Did he take advantage of companies in which PCGG has placed under sequestration blocks of shares suspected to belong to associates of the late President Ferdinand E. Marcos?

Only the CA could put an end to Bautista's continuing quest for a new role much bigger than what he had as PCGG chief. Its members may want to review his credentials as head of the government's sequestration arm, which is under the Department of Justice.

### PCGG's voting power

The sequestration era began in 1986 when President Corazon C. Aquino became Malacanang's temporary chief occupant, succeeding the late Ferdinand E. Marcos. As the first PCGG chairman, former Senate President Jovito R. Salonga did not get himself elected to the board using sequestered blocks of shares of stocks in suspected crony companies.

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Neither did Ramon Diaz, who succeeded Salonga as PCGG chairman in 1988, and his successors, crave for or elect themselves to the boards using shares of stocks covered by writs of sequestration. Instead, they dutifully performed only their assigned task as protector and conservator of government interest in suspected crony companies.

Diaz and other PCGG top officials, before the present Aquino regime, attended stockholders' meetings but used these forums only to nominate and vote government nominees to the boards using sequestered shares. They did not vote themselves to enjoy the pay and perks that went with directorships.

### New PCGG

That was then. Today, a new PCGG has emerged under the present regime. As an old saying goes, charity begins at home.

"Mr. Bautista's conduct, beginning with deliberate illegal machinations to obtain his position as director and chairman of POTC, began with his refusal to comply with prior PCGG resolutions and directives from the Department of Justice, the PCGG's administrative superior."

The above quotation was lifted from a letter opposing Bautista's nomination as Comelec chairman. The letter, which was sent to the Commission on Appointments, was signed by Lin Ilusorio Bildner, vice chairperson of Philippine Overseas Telecommunication, and Jose Ma. Ozamiz, former PHC independent director and chairman of the audit committee.

This disclosure by Bildner and Ozamiz raises a series of questions. How did Bautista get the POTC chairmanship when he

was also the PCGG head? Even if POTC is not a public company, shouldn't the chairman of its board be an independent director? It should be noted that POTC is the parent company of Philcomsat which, in turn, is the majority stockholder of Philcomsat Holdings, which is a listed company.

As POTC chairman, Bautista could have either influenced PHC as a public company or damaged its reputation among its public stockholders.

With PCGG's clout hanging over it, PHC would have nowhere to go but down. With its shares still untraded—courtesy of the PCGG, with the connivance and approval of the Securities and Exchange Commission—the direction the price of the company's shares would take would never be known.

What about the public stockholders of Philcomsat Holdings? Bautista did not care about them at all because he was too busy as POTC chairman. Will the Commission on Appointments do them justice by not sending Bautista to the Comelec? (Last take on this on Monday)

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