

PCGG abets own mistake

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IN the complaint filed with the Office of the Ombudsman, lawyer Jose Ma. Ozamiz points out that the Securities and Exchange Commission suspended the trading of the shares of Philcomsat Holdings Corp. (PHC) because the company, then under PCGG control, failed to file annual reports for 2006 and 2007 and quarterly reports for the first three quarters of 2007.

The legitimate board later installed by a ruling of the Supreme Court had to bear the brunt of the stupid mistakes of the PCGG nominees in not filing annual reports.

The new board paid a fine of more than P10 million to the SEC to teach the company a lesson that its requirements are not to be ignored.

Any normal person, regardless of gender, would expect that the payment of the fine would automatically force the SEC to lift the suspension of trading of the shares.

Not so. The same people who failed to comply with the requirement of filing annual reports are objecting to the lifting of the suspension. It is as if Pedro paid for the mistakes of Juan but suffers for it instead of being appreciated for his kind act.

That is the meat of what a certain Richard Amurao, PCGG commissioner, told the SEC in his letter received by the SEC on July 24, 2014. He objects to the lifting of the suspension for a slew of stupid reasons that does not remotely suggest that his group was responsible for the suspension.

Instead he took pains to explain irrelevant matters not remotely related to the request of the legitimate board and public stockholders like the aging Ozamiz, who walks wobbly with a cane while his wife is ravaged by disease, in objecting to the lifting of suspension.

Amurao makes so much noise about the dismissal by the Sandigahabayan - for lack of jurisdiction - the request of the new legitimate board for the lifting of the SEC order of suspension of trading.

Amurao invokes the support of the Office of the Solicitor General in the case elevated by the legal board to the Supreme Court in the form of a petition for certiorari.

All these are legalese, a tactic to keep the suspension perpetual if Amurao can find a way to do it. Little does Amurao know the OSG as statutory counsel of the government will depend or prosecute all cases for government, right or wrong.

Amurao goes on to tell the SEC "as noted by the OSG with PHC admission that it is already suffering from losses in the amount of P273 million and that its income in 2012 was only P2 million, PHC is unable to handle its corporate business."

When and how did PHC come to this situation? Wasn't it during the time when the illegal board of the company was running the show? In fact, a suit for the alleged crime of graft and corruption has been filed with the Ombudsman against two former illegal nominees for allegedly facilitating or willingly participating in the pillage of the funds of PHC - all P800 million of it - which was solely provided by Philcomsat that controls the holding company to the extent of 81 percent.

Amurao chose to look uninformed when he told the SEC it should "consider any evaluation currently being undertaken by the Department of Finance as to the commercial and financial aspects of the request of PHC considering the Republic's interest in PHC, Philcomsat and POTC."

Who will be held liable for what the evaluation may reveal in relation to the dissipation of the funds of PHC? The current legal board installed by the Supreme Court or the nominees of the PCGG who nearly run the company to the ground?

What have any of these got to do with the lifting of the suspension of trading of PHC shares? None! The suspension of trading was a penalty imposed by the SEC for the failure of the PCGG-dominated board and management to file regulatory reports with the SEC.

The issues of suspension and the request to lift it are not legal matters. They are normal in the course of business. The PCGG also claims resolution of cases on ownership of shares as a basis for objecting to the lifting of suspension. The ownership issue has been resolved with finality by the Supreme Court when it ordered that a stock certificate for 35 percent of the 40 percent of POTC shares surrendered by Jose Y. Campos be made in the name of the Republic of the Philippines.

The question of ownership of shares by private stockholders is not remotely related to the suspension of trading. Should it turn out, theoretically, speaking, that the questioned shares owned by some stockholders are ill-gotten, would that mean the shares of PHC bought by about 1,500 stockholders are also ill-gotten?

At the behest of the nominees of PCGG, the stockholders were denied the right to dispose of their shares for a profit or loss. Prospective investors were also denied to buy the shares.

Amurao does not appear to have a sense of shame. He does not seem to regret the fact that the SEC suspended trading for the failure of his group to comply with the filing of a general information sheet.

He does not feel embarrassed by the fact that it was the legal board that paid more than P10 million in fines to the SEC as a penalty for the failure of the illegal board to comply with SEC requirements.

Now he objects to the lifting of suspension saying resumption of trading may affect the public because investors may be buying worthless shares. The question is who made them worthless? The legal group or usurpers from the PCGG?

Let us do some thinking, Mr. Amurao.

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