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Makati court freezes funds of PHC

By Daxim L. Lucas

PRIVATE SHAREHOLDERS OF THE Philcomsat group of companies scored a victory yesterday after the Makati Regional Trial Court froze the funds of a subsidiary controlled by a government-appointed rival camp.

Almost immediately, however, the directors of Philcomsat Holdings Corp. (PHC)—led by the Locsin-Poblador group—asked Makati RTC Branch 62 presiding judge Selma Palacio Alaras to inhibit herself from the proceedings, saying that her freeze order on the company's funds violated an earlier ruling of the Court of Appeals on the issue.

"The undue haste with which the honorable presiding judge disposed of the substantive matters raised by defendant-in-intervention clearly reveals her honor's manifest bias and partiality in favor of the plaintiff (the Africa-Bildner group), which is the only party who benefits from these rulings," according to the motion for inhibition filed by the Locsin-Poblador group yesterday.

The long-running corporate dispute pits private shareholders of the Philcomsat group with directors appointed in the past by the Presidential Commission on Good Government (PCGG). At stake is control of the three telecommunications companies and approximately P1 billion in liquid assets held by the group.

The Locsin-Poblador group had earlier found an ally in the Bank of the Philippine Islands (BPI) which manages the bank accounts of the publicly listed firm. Last Sept. 18, 2007, BPI asked the court to dismiss

a move by the Africa-Bildner group to access the accounts allegedly "without authority from the incumbent board of directors of PHC."

The decision of the Makati RTC, however, is a setback for the Locsin-Poblador group which has now been denied access to company funds.

In a text message to the INQUIRER, representatives of the Africa-Bildner group said the injunction issued by Makati RTC Branch 62 on BPI enjoins the bank from "allowing the Locsin group and their representatives from inquiring, withdrawing or transacting on any PHC account

with the bank."

"During the hearing, [the] BPI service manager, who admitted to 'personally servicing' the PHC staff for their [banking] needs, confirmed that one PHC account of P150 million as of Nov. 16, 2006 had been 'dramatically reduced' to P26.6 million, or P125 million was 'removed and spent' in less than one year," the representative said.

The Locsin-Poblador group countered that the Makati RTC's decision was made in complete disregard of an earlier decision by the Court of Appeals and pending motion before the Supreme Court.