

BPI executive told to explain huge Philcomsat withdrawals

THE MAKATI Regional Trial Court has ordered Bank of Philippine Islands (BPI) President and Chief Executive Aurelio R. Montinola III to explain tomorrow huge withdrawals from the accounts of Philcomsat Holdings Corp.

The directive was issued by Branch 62 Judge Selma Palacio Alaras.

BPI lawyer Alfonso B. Versoza said the bank cannot comment pending the receipt of subpoena.

In requesting the subpoena last week, Philcomsat said Mr. Montinola's testimony "will show [BPI's] conduct and/or treatment of [Philcomsat's] accounts...."

The Philcomsat board, led by Victor Africa and Erlinda K. Ilusorio-Bildner, filed the case in September 2007 after the Ayala-led bank allegedly refused to grant their request to freeze the company's assets.

In filing the case, Philcomsat claimed that "the bank continued to allow the disbursements of some P100 million in less than one year to the [rival group in the board led by Enrique L. Locsin]."

Philcomsat counsel Dennis R. Manzanal said: "BPI failed to apply the conventional 'Know Your Client' banking practice... especially when the bank is reluctant to freeze an account...." — IPP