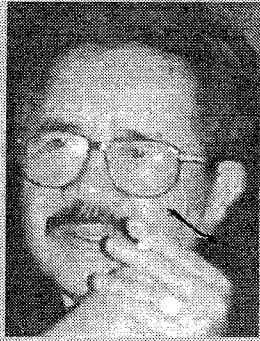


# It's the liars who figure

**AMADO P. MACASAET**

*'Now Amurao makes it appear the present management of Philcomsat Holdings Corp., is incompetent. Wish he had checked his facts.'*



**F**OR ages people have been saying "figures do not lie, but liars can figure." The truth of this adage is found in what Richard Amurao, commissioner of the Securities and Exchange Commission, has been doing to stop the re-listing for trading of shares of Philcomsat Holdings Corp., slightly more than 81 percent owned by Philippine Communications Satellite Corp.

In opposing the re-listing, Amurao claims - quite senselessly - the present management of PHC is unfit and may not have the capability to make the public company grow for the benefit of the stockholders.

If the truth must be told, it is precisely the SEC that "extended" the theft of PHC funds by an illegal group composed of Benito Araneta, Enrique L. Locsin, Manuel Nieto, ambassador to Spain in the regime of Ferdinand Marcos; Manuel Andal, Julio Jalandoni, and their "assigns."

There were expectations based on court rulings that the "legitimate" group would take over from the Araneta clique during the stockholders' annual meeting scheduled on May 9, 2006.

Strangely and without as much as saying one word, the SEC cancelled the meeting but allowed the stockholders to extend PHC corporate life which was to expire on May 9, 2006.

The effect of the cancellation was to allow the Araneta Group (headed by Benito, called Bomboy by friends) to continue the pillage of the company's finances. The present management and board say they have documents proving the loss of P700 million of PHC funds which were withdrawn and alleged to have been pocketed by the Araneta Group.

I personally know the Araneta Group caused the issuance of millions of pesos in checks paid to cash. There are no explanations on the supporting vouchers where the money went.

Another case is an entry in the records of the company of a statement "P2 million for Supreme Court TRO." There was a similar entry for the same amount for TRO from the Sandiganbayan.

The money went to Luis K. Lokin, the company lawyer who turned against Potenciano Ilusorio, the principal brains behind the organization of the Philippine Overseas Telecommunications Corp.

The Sandiganbayan found Lokin guilty of contempt. He was penalized with a light imprisonment but has not served his term presumably because Sandigan Justice Gregory Ong refused to enforce the ruling.

Ong was dismissed by the Supreme Court last month for involvement with Janet Lim Napoles who was cleared in a case involving the AFP acquisition of bullet-proof helmets.

While the opposing Ponce Enrile Group was fighting in court the Araneta Group over the question of which group is legitimate, the latter group withdrew the bulk of corporate funds deposited with the Bank of the Philippine Islands. The withdrawal was illegal because the court has not determined which group is legitimate. The Araneta group failed to document how corporate funds deposited with BPI were disbursed.

The records of the company show Manuel Andal, nominee of the PCGG although PHC is not sequestered, took P850,000 in advances but paid only P140,850 deducted from his salary.

Johnny Tan, supposed to be the company's accountant, also took P1,427,111 in advances. Of this amount, P700,000 was in the form of board meeting per diems. The same Tan had P847,455.74 in advances but the liquidations are not accompanied by accounting requirements of proper particulars/descriptions. At one time, PHC had a beginning balance of P7.593 million documented by the Araneta group as advances to Philcomsat and includes the salary of Philip Brodett, variously described as a corporate communications officer whose main duty is to protect what appeared to be shenanigans of the Araneta group.

As a minimal stockholder of 100,000 shares bought at par of P1, I attended the cancelled stockholders' annual stockholders meeting on May 9, 2006 with Juan Ponce Enrile, one of the founders of POTC.

He extracted information from Brodett that PHC was broke. He moved for the liquidation of the company so that the value of the remaining assets could be distributed to the stockholders.

By the time JPE made the motion, the matter of extending the life of the corporation had already been approved. As Enrile was trying to get deeper into what he thought was a financial mess committed by the Araneta Group, somebody in the crowd, a stockholder stood up and moved to adjourn the meeting. It was duly seconded and approved. The meeting was over.

Eventually, the court ruled the Ponce Enrile group as the legitimate board and management. Jackie Enrile, daughter of JPE, was elected chairman. Erlinda Bildner, daughter of Ilusorio, has an executive position but her main occupation is watching the finances of PHC. The legitimate group is slowly recouping the illegal losses incurred by the illegal group.

The company is back in financial health. It has more than P500 million in cash assets.

In a letter dated Aug. 27, 2014 to Vicente Graciano P. Felizminom, head of SEC's market and securities registration department, Amurao declared the suspension of trading of PHC shares should not be lifted to protect the public interest.

Amurao also said PHC admitted "it is already suffering from losses in the amount of P273 million. PHC is unable to demonstrate a stable financial condition and prospects and prospects for continuing growth." Amurao went on to say "listing of its (PHC) shares at this time may result in the public purchasing worthless shares of stock."

Did it ever occur to Amurao to ask who was responsible for the depletion of the funds and assets of PHC? No. He never thought of it. If he had asked, he would have discovered the company almost turned belly up precisely because of the abuses of the old management and board ordered removed by the court.

Now Amurao makes it appear the present management is incompetent. It is being punished for the sins of the Araneta group. Wish he had checked his facts.

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