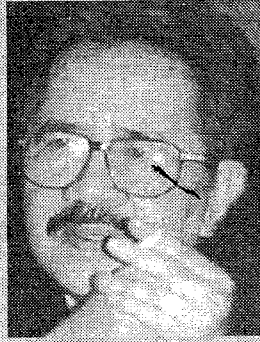


Thirst for authority that does not exist

AMADO P. MACASAET

'PHC is not a sequestered company. Therefore, the PCGG has no authority over what the company does or fails to do.'



RICHARD Amurao signed his name in a letter to the market and securities department of the Securities and Exchange Commission as "commissioner."

I made the mistake of saying he is commissioner of the SEC.

The truth is Amurao is a commissioner of the Presidential Commission on Good Government.

We now come to the matter of where a PCGG Commissioner like Amurao draws authority to tell the SEC to hold the lifting of the suspension of trading of shares of Philcomsat Holdings Corp., a subsidiary of Philippine Communications Satellite Corp. which is in turn is wholly owned by Philippine Overseas Telecommunications Commission.

Amurao told the market and securities department of the SEC his request to hold the lifting of the suspension is supported by the Office of the Solicitor General. He said the OSG "is of the opinion that that Office should defer resolution of PHC's request to enable the judicial process to take its full course.

I cannot figure out what judicial process Amurao is talking about. To begin with, the OSG did not enter its appearance in the case. In fact there is no case. The OSG as counsel of the state does not issue legal opinions. That job belongs to the Department of Justice.

PHC is not a sequestered company. Therefore, the PCGG has no authority over what the company does or fails to do. It is precisely the fact of not being sequestered that the Supreme Court affirmed a lower court decision throwing out the so-called Araneta Group from PHC and ordering the takeover by the Enrile Group headed by Katrina Ponce Enrile, only daughter of Sen. Juan Ponce Enrile. (I made another mistake of saying the group is headed by Jackie Enrile, JPE's son.)

In any case I maintain Amurao, as PCGG commissioner, has no right to interfere in the question of PHC asking the SEC to lift the suspension of trading. After all, the SEC accepted the compromise settlement of P5 million in fines imposed on the company for the failure of the illegal management and board to submit annual statements for about one decade.

The SEC implements the Corporation Law and the Securities Act. The PCGG, on the other hand, has the duty of ensuring the non-encumbrance or dissipation of the assets of sequestered firms.

If we must assume that PHC is a sequestered company the PCGG dissipated its financial assets in the hundreds of millions of pesos. The records prove all these. Worse the dissipation in the hundreds of millions of pesos was committed by the illegal board which styled itself as the Araneta (Benito) Group.

The other anomaly is the desire of Amurao and Ephyro Amatong, a former assistant secretary of the Department of Finance to sit in the board of Philcomsat on the baseless authority of a letter from the PCGG.

Amurao and Amatong were both denied the seats by the board of Philcomsat. Amatong was undersecretary of finance. He is now commissioner of the SEC.

There is no information they will raise the issue to higher authorities. Neither of them can, precisely because they both know the supervision and control of the PCGG has been transferred from the Office of the President to the Department of Justice.

On this basis, the President has long stopped writing "I desire" letters to commissioners of the PCGG naming directors of sequestered firms.

The PCGG never acquired the right to nominate anybody to the board of a sequestered company. If that right does not exist, how did Amurao summon the courage to meddle in the negotiation for the lifting of the suspension of trading of PHC shares with the SEC?

For all its faults, the SEC is considered an efficient agency that implements the Securities Act. Amurao, as PCGG commissioner, cannot interfere in the negotiation between the SEC and PHC over the lifting of the suspension of trading shares.

If the 35 percent share of the state in POTC is big enough for a seat or two Amurao may ask Finance Secretary Cesar Purisima who is in possession of the stock certificate proving the ownership by the state of 35 percent of POTC shares to nominate him and Amatong to the POTC board. Members of any corporate board are elected during annual stockholders meeting.

Why Amatong and Amurao failed convince Purisima or the secretary of justice to nominate them to the POTC in representation of the state says a lot about how the duo had always intended to skirt the corporation law.

They want to do the same to the Securities Act by opposing the lifting of suspension of trading of PHC shares. Amatong and Amurao should have had a vivid recollection of how Richard Abcede (RIP) convinced the SEC to cancel at the last minute the annual stockholders meeting of PHC in May 2006.

The meeting was held only for the specific purpose of extending the company's life.

By that time, an additional P180 million has been "stolen" from the company by the illegal board. The extension of PHC corporate life, in spite of the objections of Juan Ponce Enrile, an original founder of POTC, facilitated the documented theft of company funds until the Supreme Court affirmed the ruling of an inferior court that the legitimate board was the Ponce Enrile Group.

The legal group took pains to put back the company in fine financial shape. Amurao closed his mind to the theft of funds of PHC where the government has 28 percent share that cascaded from POTC.

He also chose to be blind to what the present legal group has done. On the contrary, he told the market and securities division of the SEC that lifting of suspension may well result in the public trading worthless shares. Indeed the shares were worthless during the watch of the illegal group.

Amurao now creates the impression that the Enrile Group which took pains to give the shares some worth is not competent to run the company. He is alone in that belief but he wants to impose his will on the SEC.

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