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A victim, not a crony

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‘Would the shares of PHC be worthless if, at the persistence of the legal board of PHC, the annotations on titles of the land were lifted?’



THE Presidential Commission on Good Government would not have entered into a compromise settlement with businessman Potenciano Ilusorio if it believed 40 percent of the shares of Philippine Overseas Telecommunications Corp. registered in the names of Mid-Pasig Land Development Corp. and Interland Corp. were beneficially owned by the Marcos family.

As frequently reported on this space, Jose Y. Campos, a close friend of the deposed Chief Executive, surrendered the two companies to the PCGG saying he was keeping them for Ferdinand Marcos and his family.

The heirs of Marcos never contested the surrender obviously because they could not show proof the family paid for the shares. Ilusorio claimed the shares belonged to him but were taken or grabbed from him by Ferdinand Marcos. Ilusorio, a key figure in the establishment of satellite communications in the Philippines must have paid for the shares. The courts believed him. The PCGG “awarded” Ilusorio five percent of the shares.

The presumption that the 40 percent was ill-gotten is wrong. Otherwise, why was Ilusorio awarded five percent? If they are his, why didn’t he fight in the courts to take the shares back?

Then President Fidel Ramos approved the compromise agreement. The Supreme Court sanctified it by ordering the transfer of the shares in the name of the Republic of the Philippines. I saw the stock certificate myself.

The court-approved settlement would have resolved the issue of ill-gotten wealth used to buy the shares of POTC. However, the PCGG would not accept the fact that the state became owners of 35 percent as a result of compromise settlement although it kept the stock certificate for three years and claimed the state owns 40 percent.

The ignoble, if not criminal, purpose of claiming so is or was to justify the majority presence of PCGG nominees in the company. Saying the state owns 40 percent left the PCGG’s “controlling” 53 percent of

POTC shares including the portion the agency claimed was sequestered.

If the five percent awarded to Ilusorio were to be lopped off from the 53 percent, the PCGG would have a minority of 48 percent. It would never be able to control the board of directors of POTC and its subsidiaries, principally Philippine Communications Satellite Corp., the operating arm of the mother company.

The sequestration of POTC was patently illegal. Executive Order No. 1 (or is it No. 2?) clearly provides the order of sequestration requires prior investigation clearly in observance of due process. When convinced by documentary evidence the shares were acquired with ill-gotten money, sequestration shall proceed without delay if the order has the approval proven by the signatures of two of three PCGG commissioners. The sequestration order served on POTC had the signature of only one commissioner. Therefore, the PCGG violated the rules. Therefore, the sequestration was illegal. It remained so until the Supreme Court declared the group of Ilusorio/Enrile was the legal board.

By the time the Supreme Court order was handed down, Philcomsat Holdings Corp., capitalized to the extent of 80 percent (P800 million) of Philcomsat funds, was almost bone dry. Its funds were practically looted by PCGG nominees. There is documentary evidence to prove the theft of the funds. As if that was not bad enough, the Securities and Exchange Commission suspended the public trading of PHC shares at the behest of PCGG Commissioners. PHC shares are listed with the Philippine Stock Exchange. There is no record the PCGG objected to the listing.

The legal board of PHC tirelessly asked the SEC to lift the suspension. PCGG Commissioner Richard Anurao, son-in-law of Ilocos Sur Congressman Eric Singson, objected to the lifting. Ignoring the effects of the continued suspension on about 1,500 stockholders of PHC, the SEC just as tirelessly refused to lift its own order even after the PCGG transferred to the Department of Finance the stock certificate covering the 35 percent of POTC shares that belongs to the state.

The transfer made the DOF the custodian of the shares. It is for that reason that the finance department nominated two of its officials to the board of POTC acting as proxy for the state, the beneficial owners of the shares.

Except for an order transferring the supervision of the PCGG to the Department of Justice, no state official ever found it necessary to correct the anomaly. The indifference of the Executive Branch of government might have encouraged the likes of Richard Amurao to perpetuate the fraud.

We repeat here what has been said a few times before. In objecting to the lifting of suspension of trading of PHC shares, Amurao told the SEC lifting might result in the public trading worthless shares.

Who made the shares worthless in the mind of Amurao? The legitimate board as declared by the Supreme Court or the PCGG commissioners, particularly Amurao?

What reason was there for the PCGG to cause the annotation of the titles of 700 hectares of PHC land along both sides of the highway in barrio Pinugay in Tanay, Rizal? The land was the most precious fixed asset of PHC.

Would the shares of PHC be worthless if, at the persistence of the legal board of PHC, the annotations on titles of the land were lifted? It would be in the mind of Amurao?

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