

FOURTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )

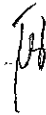
SENATE  
OFFICE OF THE SECRETARY

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Senate

P. S. No. 945

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Introduced by Senator Juan Ponce Enrile

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**A RESOLUTION**

**CALLING FOR THE IMMEDIATE RESIGNATION OF THE OFFICIALS OF THE SECURITIES AND EXCHANGE COMMISSION AND STRONGLY CONDEMNING THEIR INCOMPETENCE, FAILURE AND INUTILITY IN PERFORMING THEIR MANDATE TO PROTECT THE PUBLIC FROM PREDATORY AND UNSCRUPULOUS PRACTICES OF INDIVIDUALS AND COMPANIES ESPECIALLY IN THE PRE-NEED INDUSTRY SUCH AS THE LEGACY CONSOLIDATED PLAN CAUSING THE LOSS OF MILLIONS OF PESOS IN INVESTMENTS OF THOUSANDS OF PLAN-HOLDERS WHO WERE VICTIMIZED BY THESE COMPANIES**

**Whereas**, under Section 2 of Republic Act No. 8799 or the Securities Regulations Code, it is the declared policy of the state to promote the development of the capital market, protect investors, minimize if not totally eliminate insider trading and other fraudulent or manipulative devices and practices which create distortions in the free market;

**Whereas**, RA No. 8799 likewise mandates the Securities and Exchange Commission to effectively regulate and monitor the capital market and widely disseminate reliable information for the protection of the investing public;

**Whereas**, with regard to the pre-need industry, the Securities and Regulations Commission was given the widest leeway to prescribe rules and regulations on the pre-need industry, including registration of pre-need plans, licensing of persons involved in the sale of pre-need plans, requiring disclosures to prospective plan holders, imposing capital, bonding and other financial responsibility, and establishing trust funds for the payment of benefits under such plans;

**Whereas**, in the case of the Legacy Consolidated Plan, the SEC as regulator has evidently failed to closely monitor the operations of the pre-need company. Furthermore, the SEC's pronouncements that they were "surprised" when the company filed for dissolution were a clear indication that the SEC had not been dutifully performing its mandated task to the detriment of the plan holders of this particular pre-need company;

**Whereas**, similar incidents have already taken place in the past involving pre-need giants, such as the College Assurance Plan and the Pacific Educational Plan companies, which clearly demonstrated the need to amend and/or revise the SEC's rules and regulations on the pre-need industry to minimize, if not eliminate, the same problems now faced by the clientele of the Legacy Consolidated Plan who have invested their life savings in various plans to secure their personal retirement as well as their children's education through these companies' services;

**Whereas**, as guardian of the securities and capital market, the SEC clearly failed to perform its duties and exercise its powers in dealing with dubious business practices and outright

scams which have resulted in the loss of billions of hard-earned money of Filipino investors such as in the cases of Standard Charter Bank, Philcomsat Holdings, and other pyramiding scams similar to Singaporean Michael Liew's Performance Products Investment (PIPC) scheme;

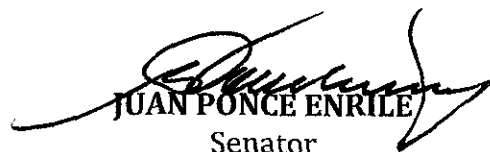
**Whereas**, worse, based on the testimonies presented during the public hearings conducted by the Senate Committees on Trade and Industry, and Banks, Financial Institutions and Currencies, there is sufficient evidence to show that the SEC's failure was not only a nonfeasance nor a case of incompetence but attended by questionable and corrupt practices of the officials of this government agency;

**Whereas**, despite the ample authority vested upon the SEC, the agency has been sordidly negligent of its duties and responsibilities, has remained passive in exercising its oversight functions, and was unacceptably slow in acting upon the problems falling within their mandate;

**Now, therefore, be it resolved, as it is hereby resolved**, to strongly condemn the incompetence and failure of the Securities and Exchange Commission and the inutility of its officials in performing their mandate to protect the public from predatory and unscrupulous practices of individuals and companies especially in the pre-need industry such as the Legacy Consolidated Plan causing the loss of millions of pesos in investments of thousands of plan-holders who were victimized by these companies;

**Be it resolved further** that the Senate calls for the immediate resignation of the officials of the Securities and Exchange Commission and urges the Executive Department to hold these officials accountable by filing the necessary cases against them who have not only been remiss in their duty but have aided or served as agents in carrying out such grand schemes to defraud the people.

Adopted

  
JUAN PONCE ENRILE  
Senator