



Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
 SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila



CORPORATION FINANCE DEPARTMENT

IN THE MATTER OF

CAPITOL HILLS GOLF AND COUNTRY CLUB, INC.

SEC-CFD ORDER NO. 145
 SERIES OF 2004

X-----X

ORDER

Before the Commission is the Motion for Reconsideration filed on February 19, 2004 by **CAPITOL HILLS GOLF AND COUNTRY CLUB, INC.** ("Company", for brevity) in relation to the Order of Revocation (SEC-CFD Order No. 18, Series of 2004) issued on February 11, 2004.

On February 11, 2004, the Commission issued SEC-CFD Order No. 18, Series of 2004, revoking the effectivity of the Company's Registration of Securities and Permit to Sell Securities to the Public for the following violations:

| <i>Violation</i> | <i>Penalty</i> | <i>Amount</i> |
|--|----------------|---------------------|
| Failure to timely submit Amended 2001 Annual Report (SEC Form 17-A) | P 166,300.00 | |
| Failure to timely submit Current Report (SEC Form 17-C) covering the postponement of its 2002 Annual Stockholders' Meeting | 53,000.00 | |
| Failure to timely submit Information/Proxy Statement (SEC Form 17-IS/20) for its 2002 Annual Stockholders' Meeting | 101,200.00 | P 320,500.00 |
| Misrepresentation in its 2002 audited financial statements, in violation of SRC Rule 68 | 100,000.00 | 100,000.00 |
| Total | | P 420,500.00 |

On June 24, 2004, the Company filed a request for a reduction of the P320,500.00 aggregate penalty imposed against it for failure to timely file the required reports or P180,125.00, payable in ten (10) equal installments or P18,012.50 per month.

Acting on said request, the Commission, on July 5, 2004, resolved to reduce the P320,500.00 aggregate penalty for failure to timely file the subject reports by 75% or P80,125.00. However, the P100,000.00 assessed penalty for misrepresentation in its 2002 audited financial statements, in violation of SRC Rule 68, was not reduced. The Company was further directed to pay the reduced penalty totalling P180,125.00 in ten (10) equal monthly installments or P18,012.50 beginning July 31, 2004. Any default would have made the entire balance due and demandable.

In compliance with said directive, the Company made the following payments:

| | <i>Date</i> | <i>Amount</i> |
|------------------------------|-------------------|---------------------|
| 1 st installment | August 5, 2004 | P 18,012.50 |
| 2 nd installment | August 31, 2004 | 18,012.50 |
| 3 rd installment | September 9, 2004 | 18,012.50 |
| 4 th installment | October 29, 2004 | 18,012.50 |
| 5 th installment | November 26, 2004 | 18,012.50 |
| 6 th installment | January 3, 2005 | 18,012.50 |
| 7 th installment | February 2, 2005 | 18,012.50 |
| 8 th installment | March 1, 2005 | 18,012.50 |
| 9 th installment | April 8, 2005 | 18,012.50 |
| 10 th installment | May 5, 2005 | 18,012.50 |
| Total | | P 180,125.00 |

In view, however, of the misrepresentation committed by the Company in its 2002 Audited Financial statements, the Commission, in its meeting on July 12, 2007, resolved to deny the Motion for Reconsideration of the Order of Revocation (SEC-CFD Order No. 18, Series of 2004). Accordingly, the Company continues to be prohibited from selling/offering for sale its securities to the public. However, the Company shall continue to be covered by the applicable regulations and reportorial requirements of the Securities Regulation Code (SRC), pursuant to SEC Resolution No. 274, Series of 2007.

Mandaluyong City, August ~~30~~, 2007


JUSTINA F. CALLANGAN
Director