



Republic of the Philippines  
Department of Finance  
Securities and Exchange Commission  
SEC Bldg. EDSA, Greenhills, Mandaluyong City  
**CORPORATION FINANCE DEPARTMENT**

In the Matter of:

No. 079  
Series of 2009

**SUBIC BAY GOLF AND COUNTRY CLUB, INC.**

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**ORDER**

The records on file with this Commission show that the Club committed the following violations:

<b>VIOLATION</b>	<b>DATE DUE</b>	<b>DATE FILED</b>	<b>FREQUENCY OF VIOLATION</b>	<b>PENALTY</b>
Late filing of 2007 Annual Report (SEC Form 17-A); Failure to attach Audited Financial Statements for the year ended 12/31/07	4/15/08	12/10/08 <sup>1</sup>	1 <sup>st</sup>	reprimand
Late filing of 2007 2 <sup>nd</sup> Quarter Report	8/15/07 <sup>2</sup>	10/15/08	2 <sup>nd</sup>	P 78,100.00
Late filing of 2007 3 <sup>rd</sup> Quarter Report	11/14/07	10/15/08	3 <sup>rd</sup>	P261,600.00
Late filing of 2008 1 <sup>st</sup> Quarter Report	5/15/08	12/10/08	4 <sup>th</sup>	suspension
Late filing of 2008 2 <sup>nd</sup> Quarter Report	8/15/08	12/10/08	5 <sup>th</sup>	suspension
Late filing of 2008 3 <sup>rd</sup> Quarter Report	11/14/08	12/10/08	6 <sup>th</sup>	suspension
Non-filing of 2008 Information Statement	At least 25 business days before the 2008 Annual Stockholders' Meeting (per BL the ASM is any day in June)	Not filed	1 <sup>st</sup>	reprimand

<sup>1</sup> With 2006 AFS attached.

<sup>2</sup> On August 7, 2007, the Club informed the Department of its inability to file its 2<sup>nd</sup> Quarter Report because of SBMA's takeover of the Club's premises.

<b>VIOLATION</b>	<b>DATE DUE</b>	<b>DATE FILED</b>	<b>FREQUENCY OF VIOLATION</b>	<b>PENALTY</b>
Non-filing of sworn certification on the extent of the Club's compliance with its Manual on Corporate Governance for 2008.	01/30/08	-	3rd	P 96,000.00 <sup>3</sup>
Non-filing of sworn certification on the attendance of directors to the 2008 board meetings.	01/30/08	-	3rd	P96,000.00 <sup>4</sup>
Failure to attach to the 2008 Annual Report (SEC Form 17-A) the Audited Financial Statements for the year ended 12/31/08	04/15/09	-	2 <sup>nd</sup>	For issuance of assessment letter
<b>TOTAL</b>				<b>P531,700.00<sup>5</sup></b>

In addition, the Club was previously assessed penalties in the total amount of P219,000.00 for the following violations:

<b>VIOLATION</b>	<b>DATE DUE</b>	<b>DATE FILED</b>	<b>FREQUENCY OF VIOLATION</b>	<b>PENALTY</b>
Late filing of sworn certification on the extent of the Club's compliance with its Manual on Corporate Governance for 2006.	1/30/07	4/23/07	2 <sup>nd</sup>	P 65,500.00 <sup>6</sup>
Late filing of sworn certification on the attendance of directors to the 2006 board meetings.	12/31/06	3/01/07	2 <sup>nd</sup>	P53,500.00 <sup>7</sup>
For engaging the services of an external auditor who is not accredited by the Commission, in violation of SEC Memorandum Circular No. 13, Series of 2003.				P100,000.00
<b>TOTAL</b>				<b>P219,000.00<sup>8</sup></b>

It likewise failed to pay the fine imposed in the Order dated July 1, 2003 in the amount of P100,000.00.

In spite of notice and demand, the Club has failed to submit the required reports and pay the assessed penalties.

3 Computed as of date of assessment on 19 March 2009

4 Computed as of date of assessment on 19 March 2009

5 On November 17, 2008, the company requested a waiver of the P339,700 (P78,100.00 + P261,600.00) assessed penalty in view of SBMA's takeover of the Club's premises since June 2007. The company likewise requested consideration from the Commission to be temporarily discharged from filing the required reports under the SRC until it regains the golf course operation through a proper legal forum.

6 Computed per 2005 Consolidated Scale of Fines, as follows: P25,000(basic penalty) + 500 (81 days of delay)

7 Computed per 2005 Consolidated Scale of Fines, as follows: P25,000(basic penalty) + 500 (57 days of delay)

8 Upon the company's failure to pay the P219,000.00 penalty, the matter was calendared for a hearing for suspension on June 7, 2007. However, the Club's representative did not appear on the said date, despite due notice through receipt of the Notice of Hearing by an employee, Ms. Shirley Cruz, on June 6, 2007.

In a letter dated April 2, 2009 which the Commission received on April 15, 2009, the Club, through its President, sought reconsideration of the assessed penalties for the non-filing of the required sworn certifications raising the following justifications:

- The Club had no operation since it was taken over by SBMA in June 2007; and
- The Club premises and golf course, facilities and equipment are operated by Hanafil Golf and Tour, Inc.

It further reiterated its previous request to temporarily exempt it from complying with the reportorial requirements under the Securities Regulation Code.

Pursuant to the Resolution of the Commission in its meeting on 20 May 2009, the Club's request for reconsideration of the penalties imposed on the non-filing of the required sworn certifications on the extent of its compliance with the Manual on Corporate Governance for the year 2008 and on the attendance of directors to the 2008 board meetings is hereby DENIED and its Registration of Securities and Certificate of Permit to Sell Securities to the Public are hereby SUSPENDED.

The Commission further resolved to reduce the assessed penalties of Seven Hundred Fifty Thousand Seven Hundred Pesos (P750,700.00)<sup>9</sup> by 75%, or a total reduced penalty of One Hundred Eighty Seven Thousand Six Hundred Seventy-Five Pesos (P187,675.00)<sup>10</sup>. The Club is hereby directed to pay within fifteen (15) days from the date of this Order the reduced penalty of One Hundred Eighty Seven Thousand Six Hundred Seventy-Five Pesos (P187,675.00) plus the P100,000.00 fine (Order dated July 1, 2003), or the total amount of Two Hundred Eighty Seven Thousand Six Hundred Seventy-Five Pesos (P287,675.00), by way of cash, Cashier or Manager's check.

Should the company fail to submit the required reports and pay the reduced penalty of Two Hundred Eighty Seven Thousand Six Hundred Seventy-Five Pesos (P287,675.00) within the said period, the Commission shall immediately initiate proceedings for the revocation of its Registration of Securities and Certificate of Permit to Sell Securities to the Public.

Let a copy of this Order be posted in the Commission's official website for the information and guidance of the public.

**SO ORDERED.**

Signed this <sup>22<sup>nd</sup></sup> day of May 2009 at Mandaluyong City, Philippines,

For the Commission:

  
**JUSTINA F. CALLANGAN**  
Director

<sup>9</sup> P531,700.00 + 219,000.00

<sup>10</sup> P750,700.00 \* (100% - 75%)