

[PRESIDENTIAL DECREE NO. 1717, August 21, 1980]

THE REHABILITATION OF THE AGRIX GROUP OF COMPANIES FOR AND FOR OTHER PURPOSES.

WHEREAS, Agrix Marketing, Inc. and its subsidiary and affiliate corporations had induced the public to invest funds upon the promise of excessive rates of interest under schemes the Securities and Exchange Commission has declared to be illegal devices;

WHEREAS, Agrix Marketing, Inc. and its subsidiary and affiliate corporations have defaulted on the on the payment of the promised yields including the principal, as a result of the deterioration of their financial position;

WHEREAS, pursuant to its powers under PD 902-A, the Securities and Exchange Commission found that these high interest-yielding investment contracts were illegal devices or schemes amounting to misrepresentations which are detrimental to the interest of the public particularly the small investors;

WHEREAS, after study and evaluation of the existing assets and liabilities, earnings and operations of the Agrix Group of corporations, it has been determined that the best way to salvage and protect the interests of its investors and creditors is to consolidate the assets and liabilities of the Agrix Group of Companies into a single corporation which will then be rehabilitated with, the assistance of government;

WHEREAS, under Letter of Instructions No. 1021, the National Development Company has been deputized to formulate and adopt a rehabilitation program, for the Agrix Complex corporations to best protect the interests of its investors and creditors;

WHEREAS, in view of the magnitude of investments and the number of small investors involved, there is a need to act expeditiously in order to protect the investing public and creditors and insure stability of the economy;

NOW, THEREFORE, I, FEDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers vested, in me by the Constitution, do hereby order:

SECTION 1. *Rehabilitation Program.* — The rehabilitation program of Agrix Marketing, Inc., and its subsidiary and affiliate corporations as formulated by the National Development Company is hereby approved, under terms and conditions set forth below.

SEC. 2. *Dissolution of the Agrix Group of Companies and Organization of New Agrix, Inc.* — In line with the rehabilitation program, the corporations comprising the Agrix Group of Companies are to be dissolved and their assets and liabilities are to be transferred to New Agrix, Inc. which is hereby authorized to be organized by a private stock corporation. The Securities and Exchange Commission is hereby instructed to permit the incorporation of New Agrix, Inc. with an authorized capital stock of Two Hundred Million Pesos (P200,000,000.00) divided into 200 million common shares with a par value of One (1) Peso per share.