

SECOND DIVISION

[G.R. No. 191995, August 03, 2011]

**PHILIPPINE VETERANS BANK, PETITIONER, VS. JUSTINA
CALLANGAN, IN HER CAPACITY AS DIRECTOR OF THE
CORPORATION FINANCE DEPARTMENT OF THE SECURITIES AND
EXCHANGE COMMISSION AND/OR THE SECURITIES AND
EXCHANGE COMMISSION, RESPONDENT.**

R E S O L U T I O N

BRION, J.:

We resolve the motion for reconsideration^[1] filed by petitioner Philippine Veterans Bank (*the Bank*) dated August 5, 2010, addressing our June 16, 2010 Resolution that denied the Bank's petition for review on *certiorari*.

Factual Antecedents

On March 17, 2004, respondent Justina F. Callangan, the Director of the Corporation Finance Department of the Securities and Exchange Commission (*SEC*), sent the Bank a letter, informing it that it qualifies as a "public company" under Section 17.2 of the Securities Regulation Code (*SRC*) in relation with Rule 3(1)(m) of the Amended Implementing Rules and Regulations of the *SRC*. The Bank is thus required to comply with the reportorial requirements set forth in Section 17.1 of the *SRC*.^[2]

The Bank responded by explaining that it should not be considered a "public company" because it is a private company whose shares of stock are available only to a limited class or sector, *i.e.*, to World War II veterans, and not to the general public.^[3]

In a letter dated April 20, 2004, Director Callangan rejected the Bank's explanation and assessed it a total penalty of One Million Nine Hundred Thirty-Seven Thousand Two Hundred Sixty-Two and 80/100 Pesos (P1,937,262.80) for failing to comply with the *SRC* reportorial requirements from 2001 to 2003. The Bank moved for the reconsideration of the assessment, but Director Callangan denied the motion in SEC-CFD Order No. 085, Series of 2005 dated July 26, 2005.^[4] When the SEC *En Banc* also dismissed the Bank's appeal for lack of merit in its Order dated August 31, 2006, prompting the Bank to file a petition for review with the Court of Appeals (*CA*).^[5]

On March 6, 2008, the *CA* dismissed the petition and affirmed the assailed SEC ruling, with the modification that the assessment of the penalty be recomputed from May 31, 2004.^[6]

The CA also denied the Bank's motion for reconsideration,^[7] opening the way for the Bank's petition for review on *certiorari* filed with this Court.^[8]

On June 16, 2010, the Court denied the Bank's petition for failure to show any reversible error in the assailed CA decision and resolution.^[9]

The Motion for Reconsideration

The Bank reiterates that it is not a "public company" subject to the reportorial requirements under Section 17.1 of the SRC because its shares can be owned only by a specific group of people, namely, World War II veterans and their widows, orphans and compulsory heirs, and is not open to the investing public in general. The Bank also asks the Court to take into consideration the financial impact to the cause of "veteranism"; compliance with the reportorial requirements under the SRC, if the Bank would be considered a "public company," would compel the Bank to spend approximately P40 million just to reproduce and mail the "Information Statement" to its 400,000 shareholders nationwide.

The Court's Ruling

We DENY the motion for reconsideration for lack of merit.

To determine whether the Bank is a "public company" burdened with the reportorial requirements ordered by the SEC, we look to Subsections 17.1 and 17.2 of the SRC, which provide:

Section 17. Periodic and Other Reports of Issuers. -

17.1. Every issuer satisfying the requirements in Subsection 17.2 hereof shall file with the Commission:

a) Within one hundred thirty-five (135) days, after the end of the issuer's fiscal year, or such other time as the Commission may prescribe, an annual report which shall include, among others, a balance sheet, profit and loss statement and statement of cash flows, for such last fiscal year, certified by an independent certified public accountant, and a management discussion and analysis of results of operations; and

b) Such other periodical reports for interim fiscal periods and current reports on significant developments of the issuer as the Commission may prescribe as necessary to keep current information on the operation of the business and financial condition of the issuer.

17.2. The reportorial requirements of Subsection 17.1 shall apply to the following:

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