Securities and Exchange Commission
PHILIPPINES

BAGONG PILIPINAS

ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

IN THE MATTER OF:

ST. TIMOTHY CONSTRUCTION CORPORATION
SEC Company Reg. No. CS201413029

SEC EIPD CASE NO. 2025-8064
FOR: VIOLATION OF SEC MEMORANDUM CIRCULAR NO. 15, SERIES OF 2019, OTHERWISE KNOWN AS THE 2019 REVISION OF THE GENERAL INFORMATION SHEET (GIS) AS AMENDED BY SEC MEMORANDUM CIRCULAR NO. 10, SERIES OF 2022

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RESOLUTION

TO THE PRESIDENT
ST. TIMOTHY CONSTRUCTION CORPORATION
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Brgy. Bambang Pasig City
E-mail: st.timothyconstruction@yahoo.com
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THE MEMBERS OF THE BOARD OF DIRECTORS

Attention:

This refers to the *11 December 2025 Motion for Reconsideration* filed by **ST. TIMOTHY CONSTRUCTION CORPORATION**. (hereafter referred to as "**ST. TIMOTHY**"/"**Corporation**"), received on the same date, in relation to *Notice and Order dated 11 September 2025, and Resolution* dated *26 November 2025* issued by the Enforcement and Investor Protection Department of the Securities and Exchange Commission (SEC) finding **ST. TIMOTHY** in violation of *SEC Memorandum Circular No. 15, Series of 2019*, as amended by *SEC Memorandum Circular No. 10, Series of 2022*.

ANTECEDENT FACTS AND STATEMENT OF THE CASE

This instant case stemmed from the conduct of a beneficial ownership verification by this Department of the Beneficial Declaration Pages submitted by corporations, to determine compliance with the beneficial ownership disclosure and transparency requirements under *SEC Memorandum Circular No. 15, series of 2019*, as amended *by SEC Memorandum Circular No. 10, Series of 2022*.

During a Senate Blue Ribbon Committee hearing held on 01 September 2025, **MS. CEZARAH ROWENA CRUZ-DISCAYA** (hereafter referred to as "**MS. DISCAYA**"), under oath, responded to queries from the Senators and stated that she is the owner and officer of **ST. TIMOTHY**.

However, records of the SEC show that **ST. TIMOTHY** submitted false beneficial ownership information, in violation of *SEC Memorandum Circular No. 15, series of 2019*, as amended *by SEC Memorandum Circular No. 10, Series of 2022,* by failing to disclose **MS. DISCAYA** as its beneficial owner in its Beneficial Declaration pages from 2022 to 2024.

Contrary to **ST. TIMOTHY**'s claim in the antecedent facts of its *Motion for Reconsideration* that *"on September 3, 2025, this Honorable Commission immediately issued a Notice and Order"*[1], based on records, the *Notice and Order* is dated 11 September 2025, and was sent via email on 12 September 2025, addressed to **ST. TIMOTHY**, its President, and the Members of its Board of Directors, assessing a penalty of **TWO MILLION PESOS (PHP2,000,000.00)** for false declaration of beneficial ownership information of **ST. TIMOTHY**, and giving the latter fifteen (15) calendar days, or until 27 September 2025, to submit its reply.

On 30 September 2025, this Department received a *Formal Entry of Appearance with Motion for Extension of Time*, informing the Commission that **ST. TIMOTHY** would be represented by Samaniego & Associates Law Office with a request for an extension until 31 October 2025 within which to file its reply and comply with the *Notice and Order*. On 12 November 2025, another *Motion for Extension of Time* was received, requesting a further extension until 24 November 2025. However, the 2016 Rules of Procedure of the SEC, Rule 3, Section 3-3 expressly provides:

> *"Sec.3-3 Prohibited Pleadings. – The following pleadings or any submission filed or made under a similar guise or title shall not be allowed:*
>
> a. *Motion to Dismiss;*
> b. *Motion for Bill of Particulars;*
> c. *Motion for New Trial, or Reopening of Trial;*
> d. *Petition for relief from judgment;*
> e. ***Motion for extension of time to file pleadings, affidavits, or any other submission of similar intent;***
> f. *Motion to declare a party in default;*
> g. *Motion for postponement and any other motions of similar intent; and*
> h. *Motion for leave to amend pleadings."*

[1] *11 December 2025 Motion for Reconsideration*, Page 3, Item 6.

With a Motion for Extension of Time being a prohibited pleading in this proceeding, the same was expunged from the records.

Further, with **ST. TIMOTHY** failing to submit any compliance or responsive pleading within the 15 day period, and even until 24 November 2025, assuming arguendo that this Department recognized and gave due course to the request for extension, *Resolution* dated *26 November 2025,* which is the subject of **ST. TIMOTHY**'s *11 December 2025 Motion for Reconsideration,* was issued by this Department finding implied admission of the facts established on record and waiver of right to be heard by the former.

ISSUES

I. Whether or not the finding of violation of *Section 11, I-A of SEC Memorandum Circular No. 15, Series of 2019*, as amended by *SEC Memorandum Circular No. 10, Series of 2022* against **ST. TIMOTHY** is not supported by substantial evidence;

I I. Whether or not the penalties imposed on **ST. TIMOTHY** are inconsistent with the principle of proportionality in administrative law; and

III. Whether or not **ST. TIMOTHY** was deprived of its right to a fair opportunity to contest the allegation with evidence.

RULING

I. **THE RESOLUTION IS SUPPORTED BY SUBSTANTIAL EVIDENCE**

Before we discuss the sufficiency of evidence at hand, this Department finds it appropriate to discuss the quantum of proof it requires in its resolutions.

The Supreme Court in a string of cases has consistently held that in administrative proceedings, necessary for a finding of guilt is substantial evidence or such relevant evidence as a reasonable mind may accept as adequate to support a conclusion. It does not require overwhelming or conclusive evidence. Rather, it calls for "more than a mere scintilla" of evidence but "less than preponderance" that is demanded in ordinary civil action, grounded on the idea that administrative bodies, which are not strictly bound by technical rules of procedure, must have a flexible yet reliable standard of proof. By adopting this lower threshold than "preponderance of evidence," these bodies can more efficiently decide matters that require expertise in areas such as regulatory issues, without being hamstrung by the stricter technicalities of trial courts. (citations omitted)

Contrary to **ST. TIMOTHY**'s claim that the *Resolution* is only based on the sworn declaration of **MS. DISCAYA**, the following are the basis of the 26 November 2025 Resolution:

a. Undisputed and uncontroverted fact of the admission of ownership, under oath, by **MS. DISCAYA** of **ST. TIMOTHY** during the September 1, 2025 Senate Blue Ribbon Committee hearing;

b. Undisputed and uncontroverted fact that **ST. TIMOTHY** did not disclose **MS. DISCAYA** in its beneficial ownership declaration from 2022 to 2024; and

c. Implied admission of **ST. TIMOTHY** on the matter for its non-compliance to the *11 September 2025 Notice and Order*, it being in the position to controvert the findings and question the assessment, but nonetheless failed to do so despite the explicit provision in the *Notice and Order* stating:

> *"Failure to submit the required explanation and corrective filing within the prescribed period shall be construed as a waiver of your right to be heard, and this assessment shall be deemed final without prejudice to the imposition of additional penalties for continuing non-compliance".*

ST. TIMOTHY was clearly notified of the finding of its violation of *SEC Memorandum Circular no. 15 series of 2019*, as amended by the *SEC Memorandum Circular no. 10, series of 2022* through the *Notice and Order.* Despite having the knowledge as to its beneficial owners; having been ordered by the Commission to respond to the *Notice and Order*, which will subject the corporation to penalties and fines for its inaction; and having been given the opportunity to deny and or explain the same within an ample time of 15 days upon receipt of the Notice and Order, in accordance to the *Section 11, I-A of SEC Memorandum Circular No. 10 of 2022*, **ST. TIMOTHY** nonetheless chose, and continuously has chosen, not to submit any explanation, clarification, or documentary refutation thereto when it could easily have done so.

From the above, it is but rational for this Department to find a conclusion that **ST. TIMOTHY** has committed the subject violations.

Additionally, it is being noted that in respondent's *Motion for Reconsideration*, it still avoided to directly confirm or deny **MS. DISCAYA**'s beneficial ownership thereto, and even attempted to pass of as fact her admissions in the Senate hearing as merely an *"inadvertent admission"* by quoting snippets of her testimony in the Senate hearing, which this department found in pages 45 and 51 of the transcript of stenographic notes (TSN) of the hearing, in total disregard of her numerous direct admissions to ownership of the corporation as may be found in pages 57, 60, 62, 226 of the same note, to wit:

TSN Page 57

xxx

" SEN. ESTRADA. **Madam Discaya, Sarah, it is common knowledge that you own nine companies, namely:** St. Gerrard, **St. Timothy**, Alpha and Omega, Elite General Contractor and Development Corporation, St. Matthew, Great Pacific Builders, YPR General Contractor, Amethyst Horizon Builders, and Way Maker OPC. Am I correct?

MS. DISCAYA. **Yes, po**

SEN. ESTRADA. **Hanggang ngayon? Up to now you own these nine construction companies**?

MS. DISCAYA. **Yes, po.**"

xxx

TSN Page 60

xxx

" SEN. ESTRADA. Okay. Sa mga bidding na sinalihan mo, **itong siyam na kumpanya, ilang beses kayong nanalo**? At ilang beses--kung natatalo rin kayo sa bidding, ilang beses kayong natatalo?

MS. DISCAYA. Actually, I don't have the actual figures. Pero sa napapanalunan, very minimal lang po talaga, mga two percent. Pero ang dami **naming** projects po na sinasalihan na bidding."

xxx

TSN Page 62

" SEN. ESTRADA. **What about the other companies? What about the other eight remaining companies that you own**?

MS. DISCAYA. **I don't have statistics for that because I was only called as Alpha and Omega.**"

SEN. ESTRADA. **You admitted earlier when I asked you if you own these nine companies and you answered in the affirmative.** xxx. **Kanina sabi mo ikaw ang may-ari ng siyam**, why can't you answer in behalf of the eight companies?

MS. DISCAYA. **Kasi po iyon lang iyong na-prepare po namin for today's hearing.**"

xxx

TSN Page 226

" SEN. ESTRADA. **Mrs. Discaya, iyong siyam na pag-aari mo ng construction company, mayroon bang pagkakataon na sila-sila naglalaban sa isang bidding, sa isang kontrata**?

MS. DISCAYA. Hindi po.

SEN. ESTRADA. Sigurado ka?

MS. DISCAYA. Iyon po ang pagkakaalam ko.

SEN. ESTRADA. **Kapag makakuha ako ng records sa DPWH na si St. Timothy**, St. Gerrard, si Alpha and Omega - sino pa?

MS. DISCAYA. Si Alpha and St. Gerrard, hindi po sila nagsasali sa isang bidding. **Pero iyong ibang licenses magkakasama sila minsan**.

xxx"

TSN Page 227

" xxx

SEN. ESTRADA. **Noong tinanong kita ulit, in-enenumerate ko lahat iyong siyam na korporasyon, inamin mo sa iyo lahat iyon, hindi ba**? Records will bear me out.

MS. DISCAYA. **Opo**.

SEN. ESTRADA. Ngayon, ang tinatanong ko sa iyo, iyon bang siyam na korporasyon na iyon naglalaban-laban ba sa bidding iyan?

MS. DISCAYA. Yes po.

THE CHAIRPERSON. Panglimang tanong na iyan eh. Sabi mo kanina last question.

SEN. ESTRADA. Hindi pa sumasagot. Ayaw sumagot. Sagutin mo.

MS. DISCAYA. Yes po. Sumagot ako, opo.

SEN. ESTRADA. **So kapag naglalaban-laban iyong siyam na korporasyon sa isang kontrata at kung sino ang manalo roon, kahit isa sa siyam na manalo, sa iyo pa rin iyon, ikaw pa rin ang panalo, correct**?

MS. DISCAYA. **Opo**.

SEN. ESTRADA. **So, kapag naglaban-laban iyong siyam na korporasyon sa isang kontrata at kung sino ang manalo roon, kahit is sa siyam na manalo, sa iyo pa rin iyon, ikaw pa rin ang panalo, correct**?

MS. DISCAYA. **Opo**.

xxx" (emphasis ours)

showing clear and willful admissions from **MS. DISCAYA** herself.

With everything considered, together with **ST. TIMOTHY**'s continued avoidance to clarify and/or contravert the findings and its self-serving act of claiming inadvertence of **MS. DISCAYA** without any supporting proof, when it could have easily done so and provide proof thereto, fortifies this Department's conclusion that **ST. TIMOTHY** was in violation of the subject Memorandum Circular.

II. PENALTIES IMPOSED ARE PROPER

The *Securities Regulation Code*, together with the *Corporation Code of the Philippines*, as amended by the *Revised Corporation Code of the Philippines*, has vested SEC with the power to impose sanctions for the violation of laws, rules regulations and orders issued pursuant thereto, including the power to suspend or revoke certificate of registration of corporations, and disqualification of its officers.

SEC Memorandum Circular No. 10, series of 2022 states that:

> "I-A. False Declaration. The Commission, upon its finding motu proprio or upon referral by a competent authority that a corporation submitted false beneficial ownership information, shall send Notice and Order to the corporation stating that:
>
> 1. The fact of false disclosure of beneficial ownership information; and
> 2. Giving the corporation fifteen (15) calendar days to comply and submit complete and accurate beneficial ownership information and a written explanation for the false disclosure.
>
> **If after fifteen (15) days from receipt by the Corporation of the Notice & Order from the commission has lapsed without compliance with the abovementioned**, or after a finding by the Commission through its Resolution that the the corporation indeed submitted false Beneficial Ownership Information, **<u>the Corporation shall be penalized with a fine up to Two Million Pesos (Php 2,000,000.00) and be subsequently dissolved</u>**.
>
> II. Liability of Directors/Trustees and Officers of the Corporation. xxx
>
> Provided, that **if the violation pertains to false declaration under Section 11 (1-A) of this Circular, <u>the directors, trustees and officers</u>**, found responsible in the commission thereof or **in the non-compliance of the related Notice and Order issued therefor shall, after due notice and hearing, each be penalized with a fine up to Two Hundred Thousand Pesos (P200,000.00) and <u>shall be disqualified to be directors, trustees and officers of any corporation for a period of five (5) years.</u>**"
>
> (Emphasis and underscoring ours.)

The above Circular clearly states that the corporation shall be penalized with a fine up to Two Million Pesos and shall subsequently be dissolved, with its directors, trustees and officers shall be disqualified for five (5) years for non-compliance to the Notice and Order. The Circular leaves no room for interpretation other than said penalties are consequences of non-compliance, and are explicitly to be imposed thereupon.

With regard to respondent's claim that the penalties should be reserved for egregious violations involving fraud or deliberate concealment and not on mere procedural lapses, this department would like to emphasize that false declaration of beneficial ownership information is deemed by the Commission as a serious violation. This is out of SEC's commitment to adhere to international standards, particularly, the Financial Action Task Force Recommendation number 24 on Beneficial Ownership transparency of legal persons, wherein establishing clear liability and effective, proportionate, and dissuasive imposition of sanctions are considered as a key feature to prevent corporations, as among others, from being used for illicit purposes such as circumventing anti-money laundering and counter terrorist financing measures. In fact, SEC in its *Memorandum Circular no. 10, series of 2022* was specifically promulgated to increase the penalty for such declarations to make it a point that false declaration is considered as a serious violation by the Commission.

In view of the foregoing, penalties imposed in the *26 November 2025 Resolution* are deemed proper and require no further reconsideration.

III ST. TIMOTHY WAS ACCORDED WITH FAIR OPPORTUNITY TO CONTEST THE ALLEGATION

ST. TIMOTHY's claim that it has been deprived of its right to a fair opportunity to contest the allegation with evidence is without merit.

The Supreme Court has consistently held that administrative due process is anchored on fairness and equity in procedure. It is satisfied if the party is properly notified of the charge against it and is given a fair and reasonable opportunity to explain or defend itself.

At the case at hand, it is undisputed that the company was duly notified of the findings of its violation of *SEC Memorandum Circular No. 15, series of 2019*, as amended by *SEC Memorandum Circular No. 10, series of 2022* for false declaration of Beneficial Ownership Information and the assessed P2,000,000.00 penalty through the *Notice and Order*, and was given 15 calendar days from receipt thereof to comply and/or submit a responsive pleading thereto.

The latter nonetheless failed to defend and/or explain itself in the given period. Clearly, a fair and reasonable opportunity to explain and/or defend itself was accorded.

With the above considered, this Department finds no reason to reverse its *26 November 2025 Resolution*.

SO ORDERED.

Makati, Philippines, 19 January 2026.

ATTY. FILBERT CATALINO F. FLORES III, MNSA, CESO IV
Director