Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City

Office of the General Counsel

August 22, 2013

SEC OGC Opinion No. 13-08
Effects of Lifting the
Order of Revocation

MARKET PURSUITS, INC.
Mancel Building
25 Lacson Street
Bacolod City

Attention: **Mr. Carlos Jose V. Lopez**

Gentlemen:

We refer to your letter, dated May 9, 2010, requesting for an opinion involving the Order, dated November 24, 2008, setting aside the Order of the Commission revoking the Certificate of Registration of Market Pursuits, Inc. (MPI).

In your letter, you mentioned that sometime in April of 2008, MPI filed with the Commission a Petition to Set Aside Order of Revocation which was granted on November 24, 2008. Prior to the filing of the petition, however, MPI executed, on January 31, 2008, a Contract of Sub-Lease for a period of one (1) year ending on February 2009. You further stated that the Sub-Lessee violated certain provisions of the contract and refused to recognize it on the ground that MPI already lost its juridical personality. Accordingly, you now seek clarification on the effects of the lifting of Order of Revocation on said contract.

Please be advised that as a matter of policy, the Commission refrains from rendering an opinion on matters involving the substantial and contractual rights of the private parties who would, in all probability, contest the same in court if the opinion turns out to be adverse to their interest. Such is the nature of your query, involving as it does, question on the validity or enforcement of a lease contract. However, for purposes of information only, the following are imparted.

SEC - OGC

Section 122 of the Corporation Code provides:

> *"Sec. 122. Corporate liquidation. - Every corporation whose charter expires by its own limitation or is annulled by forfeiture or otherwise, or whose corporate existence for other purposes is terminated in any other manner, shall nevertheless be continued as a body corporate for three (3) years after the time when it would have been so dissolved, for the purpose of prosecuting and defending suits by or against it and enabling it to settle and close its affairs, to dispose of and convey its property and to distribute its assets, but not for the purpose of continuing the business for which it was established. xxx*

The Commission, however, in SEC Opinion No. 06-06[1], citing Fletcher Cyclopedia Corporation[2], opined on the effects of setting aside the Order of Revocation, to wit:

> "Generally, the effect of the reinstatement of the corporation is that it relates back to the date of dissolution [or revocation] as if the dissolution [or revocation] had never occurred."

Moreover, Fletcher in his book asserts that "the reinstatement has the effect of ratifying and confirming all acts and proceedings of the corporation's officers, directors, and stockholders which would have been legal and valid but for the dissolution."

Finally, in a similar case[3] in which a petitioner asked the Commission to lift the order of revocation, the Commission reiterated Flecther[4] and cited SEC Opinion No. 06-06 on the effect of the reinstatement of the corporation.

The foregoing opinion is rendered based solely on the facts disclosed in the query and relevant solely to the particular issues raised therein and shall not be used in the nature of a standing rule binding upon the Courts or upon the Commission whether of similar or dissimilar circumstances.[5] If, upon investigation, it is disclosed that the facts relied upon are different, this opinion shall be rendered void.

Very truly yours,

CAMILO S. CORREA
General Counsel

---

[1] Dated January 31, 2006 and addressed to Atty. Marilyn O. Ngo.
[2] Page 357, §8112.3, Volume 16A Permanent Edition
[3] Perfecto Pondo, et al. vs. Federation of Rural Workers Organization, Inc. et al., SEC En Banc Case No. 05-07-98
[4] Note 2, supra.
[5] SEC Memorandum Circular No. 15, Series of 2003

SEC - OGC