IN THE MATTER OF THE EXTENSION OF THE CORPORATE TERM OF LIS INVESTMENT CORPORATION

LIS INVESTMENT CORPORATION,
Appellant.

-versus- **SEC EN BANC CASE NO. 02-14-318**

COMPANY REGISTRATION AND MONITORING DEPARTMENT
Appellee.
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DECISION

This is an Appeal from the Company Registration and Monitoring Department's ("CRMD") denial of the application for extension of corporate term of LIS Investment Corporation ("Appellant Corporation"), for filing the same after the expiration of its corporate life.

ANTECEDENT FACTS AND PROCEEDINGS

As borne out by the evidence on record, the following are the antecedent facts and proceedings:

Appellant Corporation is a stock corporation duly registered with the Commission on 08 January 1962, with SEC Registration No. 0000019996. It has a corporate term of fifty (50) years or until 07 January 2012.

On 10 February 2014, Appellant Corporation filed a Compliance[1] before the CRMD questioning the 19 February 2013[2] letter of the said Department which denied its application for extension of corporate life. As alleged in the said Compliance, Appellant Corporation filed its Amended Articles of Incorporation ("AOI") extending its corporate term, via registered mail on 22 December 2011, or sixteen (16) days before the expiration of its corporate term. As proof of the timeliness of filing of the application, Appellant Corporation attached to its Compliance, copies of 2 postal money order checks[3] with Nos. J0150038829 and J0150038830

[1] Compliance dated 03 February 2014, Records, pp. 1-10.
[2] *Ibid,* Annex "A" (Letter from the CRMD dated 19 February 2013), Records, p. 4.
[3] *Ibid,* Annexes "B" and "B-1", Records, p. 2.

which reflect a date of 22 December 2011, and a Certification[4] from the Chief of the Record Section of Sual Post Office dated 17 April 2013. Consequently, Appellant Corporation argued that the date "22 December 2011" is the actual date of filing of the amended AOI and thus said amendments were timely filed. Appellant Corporation likewise argued that it faithfully complied with all the requirements necessary to extend its corporate term of existence. Hence, Appellant Corporation prayed that a Decision be issued setting aside the 19 February 2013 CRMD letter, and extending its corporate term of existence for another fifty (50) years.

On 12 February 2014, the CRMD treated the Compliance as an Appeal and indorsed the same to the Commission *En Banc* for appropriate action.[5] Accordingly, an Order dated 14 February 2014 was issued directing the CRMD to file its Reply Memorandum.

In its Reply Memorandum[6], the CRMD argued the following:

a. Appellant Corporation's corporate term expired on 08 January 2012;

b. The CRMD received Appellant Corporation's application for extension of term via mail only on 16 November 2012, or ten months after the expiration of its corporate term. Thus, pursuant to the provision of the Corporation Code of the Philippines[7] and SEC Res. No. 394, series of 2008[8], the CRMD was constrained to deny the application;

c. The matter that the application was mailed by registered mail; the date of its posting; the circumstance that the mailing was made outside the municipality where the principal office of the corporation is located; the genuineness of the Certification issued by the Post Master of Sual, Pangasinan; the fact of the

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[4] *Ibid*, Annex "C", Records, p. 1.
[5] Memorandum for the Commission Secretary from the CRMD dated 12 February 2014, Records, p. 24.
[6] Reply Memorandum of CRMD dated 28 February 2014, Records pp. 25-34.
[7] ***Section 16. Amendment of Articles of Incorporation.*** – Unless otherwise prescribed by this Code or by special law, and for legitimate purposes, any provision or matter stated in the articles of incorporation may be amended by a majority vote of the board of directors or trustees and the vote or written assent of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, without prejudice to the appraisal right of dissenting stockholders in accordance with the provisions of this Code, or the vote or written assent of at least two-thirds (2/3) of the members if it be a non-stock corporation. The original and amended articles together shall contain all provisions required by law to be set out in the articles of incorporation. Such articles, as amended shall be indicated by underscoring the change or changes made, and a copy thereof duly certified under oath by the corporate secretary and a majority of the directors or trustees stating the fact that said amendment or amendments have been duly approved by the required vote of the stockholders or members, shall be submitted to the Securities and Exchange Commission. **The amendments shall take effect upon their approval by the Securities and Exchange Commission or from the date of filing with the said Commission if not acted upon within six (6) months from the date of filing for a cause not attributable to the corporation.**
[8] *"RESOLVED, to ADOPT the policy that corporations with expired terms of existence be not allowed to file any amended articles of incorporation extending their corporate life."*

deficiencies noted in the application including insufficiency of the filing fee enclosed; and whether under said circumstances the CRMD can give the application due course were submitted to the Commission *En Banc* for its consideration. Accordingly, the Commission determined that the matter should be properly threshed out in an Appeal to be lodged in accordance with the Commission's 2006 SEC Rules of Procedure.

d. Aside from the late filing of Appellant Corporation's application, evaluation of the application documents revealed deficiencies therein as to the: 1) insufficiency of the filing fee tendered, 2) lack of the required monitoring clearance, and 3) Secretary Certificate of no pending intra-corporate dispute. Clearly, there is no full compliance with the requirements for extension of corporate term;

e. Considering that the application for extension of term was received by the CRMD on 16 November 2012, and the same was acted upon through a letter denial dated 19 February 2013, the 6-month inaction period provided in Section 16 of the Corporation Code of the Philippines has not lapsed. Neither could the 6-month period be reckoned from 22 December 2011 considering that from said date up to the Commission's receipt, 11 months have already lapsed. This would result in an absurd situation where the Commission shall be deemed to have approved an application that it has no notice about and while still in transit, even if the same is non-compliant. Further, it must be noted that the 6-month period is reckoned from the date of filing of an application which is deemed filed upon compliance with all requirements and payment of the proper filing fee.

f. Through its 24 September 2013[9] Letter-reply, which was received by the Appellant Corporation on 11 October 2013[10], the CRMD informed Appellant Corporation that it should file the necessary appeal to the Commission *En Banc* in accordance with the 2006 Rules.

g. Despite the receipt of the 24 September 2013 Letter-reply, Appellant Corporation reiterated its request for reconsideration.[11] Thus, in a letter dated

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[9] Reply Memorandum of CRMD dated 28 February 2014, Annex "2" (Letter addressed to Atty. Julio Ma. Edmundo D. Maningat, Counsel of LIS Corporation dated 24 September 2013) Records, p. 26.
[10] *Ibid*, Annex " 3" (Return Slip) Records, p. 25.
[11] *Ibid*, paragraph 1, Records, p. 30.

05 December 2013, the CRMD replied and reiterated its 24 September 2013 Letter-reply.[12]

Consequently, Appellant Corporation raised the following assignment of errors:

I. The CRMD erred when it did not admit Appellant Corporation's timely filing of its Amended AOI; and

II. The CRMD erred in denying the extension of Appellant Corporation's corporate term.

On 01 September 2014, an Order[13] was issued directing Appellant Corporation to file a Manifestation explaining why its Application for Amendment of AOI, which was mailed on 22 December 2011, was only received by the Commission on 16 November 2012, or almost one year thereafter. Appellant Corporation was likewise directed to produce the original envelope used in mailing its Application and the necessary certifications from the Postmasters as to the day of their receipt and forwarding to the next post office, as may be applicable.

On 20 October 2014, after granting its Motion for Extension of time[14], Appellant Corporation filed its Partial Compliance with a Final Motion For Extension of Time[15] ("Partial Compliance"). In its Partial Compliance, Appellant Corporation attached the Sworn Affidavit[16] dated 20 October 2014 of Mr. Irvin Saet ("Mr. Saet"), the liaison officer of Reyes Rojas and Associate Law, who personally handled the filing of the Application in Sual, Pangasinan. The attached affidavit states, among others, *viz:*

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> 3. Kinabukasan, ika-22 ng Disyembre 2011, aking ihinulog ang mga nasabing dokumento(ng) sa Sual Post Office, at ako pa nga ay bumili ng postal money order para sa filing fees. Makikita ang petsa na 22 December 2011 ng aking paghulog ng dokumento sa postal office sa sobre at postal money order;
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> 4. Matapos and ilang buwan, minsan noong Oktubre 2012, ako ay naatasang magfollow up sa SEC sapagkat wala pa kaming natatanggap na kahit anong komunikasyon mula sa nasabing opisina ukol sa pagpapahaba ng corporate term ng Lis

[12] Ibid, paragraph 2, Records, p. 30.
[13] Order dated 01 September 2014, Records p. 37
[14] Motion for Extension of Time dated 15 September 2014 which was granted on 10 October 2014, Records pp. 40-41 and 45.
[15] Partial Compliance with a Final Motion for Extension of Time dated 20 October 2014, Records pp. 53-57. Final Motion for Extension was granted on 12 November 2014, Records p. 59.
[16] Sworn Affidavit of Irvin S. Saet dated 20 October 2014, Record pp. 53-54.

Investment Corporation. Nasabi sa akin sa SEC na wala raw sa kanilang record ang anumang dokumentong ukol dito;

5. Nang aking sabihin ito sa mga abogado, ako ay naatasang taluntinin kung nasaan na ang mga nasabing dokumento. Kaya naman, noong huling linggo ng Oktubre, sinimulan ko ang aking imbestigasyon sa Sual, Pangasinan kung saan ko ihinulog ang mga nasabing dokumento.

6. Nang tignan naming ang records ng Sual Post Office, nalamang hindi pala naipadala ang mga nasabing dokumento kahit pa man ilang buwan na ang nakalipas matapos kong ihulog ang mga ito. Pagkatapos ang masusing paghahanap, nakita rin ang mga nasabing dokumento sa Sual Post Office.

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8. Nang makita na ang mga nasabing dokumento, ako naman ay inatasang bitbitin na ito pa-Maynila para mapadali na ang lahat. Dahil ako na naman ay kakapusin sa oras para sa mga ilang pang kailangang lakarin, ako ay pinayagang ihulog na lang ulit ang mga nasabing dokumento sa Mandaluyong Post Office.

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Thereafter, on 21 November 2014, the Commission received the Compliance of Appellant-Corporation dated 19 November 2014 which explained that the original envelope used in the mailing of its Application is in the custody of the Commission (i.e., CRMD).

On 10 August 2015, the CRMD submitted its Comment to Appellant-Corporation's Compliance dated 19 November 2014 and maintains that the original envelope was never submitted to the custody of the said Department. Further, the CRMD noted paragraphs (6) and (8) of the Affidavit of Mr. Irvin Saet.

ISSUES:

i. Whether the Appeal in the form of a Compliance was timely filed;

ii. Whether Appellant Corporation's application for extension of corporate term was filed on time; and

iii. Whether Appellant Corporation complied with all the requirements necessary to extend its corporate term.

RULING:

After an assiduous review of the evidence and the applicable laws, rules and jurisprudence, we find the instant Appeal to be **meritorious.**

Fairness and due process demands liberal Application and relaxation of rules of procedure

At the onset, it is obvious that the present case deviates from the appeal procedure required by the 2006 SEC Rules of Procedure. As provided for in the said rules:

> SEC. 11-1. Ordinary Appeal. – An Appeal to the Commission En Banc may be taken from a decision, order, or resolution issued by an Operating Department if there are questions of fact, of law, or mixed question of fact and law.
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> SEC. 11-2. How Appeal is Taken. – Appeal may be taken by serving upon the adverse party and filing with the Commission En Banc **within fifteen (15) days from notice of Decision, Order or Ruling**[17], a Notice of Appeal and a Memorandum on Appeal and paying the corresponding docket fee therefor. Provided, that **no appeal shall be given due course unless it includes a certification of non-filing of multiple petitions and complaints**[18] provided for in Section 3-5 hereof.
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> SEC. 11-4. Memorandum on Appeal; Form and Contents of Appeal. The Memorandum on Appeal shall specify the parties to the appeal; designate the Decision, Order or Ruling or part thereof appealed from; and **shall indicate the material dates to show that the appeal was seasonably filed**[19]

In the present case, instead of submitting an Appeal Memorandum and filing the same before the Office of the General Counsel, the Appellant Corporation filed a Compliance before the CRMD. The Compliance is also not in the form required by the Rules as it lacks the verification and certification of non-forum shopping. Further, the said Compliance was filed beyond the reglementary period for filing an appeal.

Nonetheless, the CRMD accepted the Compliance and assessed the Appellant Corporation for petition fee which the Appellant Corporation immediately paid. The Compliance was later treated by the CRMD as an appeal and was referred to the Commission *En Banc* for adjudication.

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[17] Emphasis ours.
[18] Emphasis ours.
[19] Emphasis ours.

At this juncture, it must be noted that the CRMD should not have accepted the submission of the Compliance and made the corresponding assessment of docket fees only to thereafter refer the same to the Commission *En Banc*. These are irregular, to say the least, and contrary to the established Rules of the Commission.

Nevertheless, despite these aberrations and seeming irregularities, we find that the minimum requirement of fairness and due process demands the liberal application and relaxation of rules of procedure. Instead of outrightly dismissing this case, which appears to be largely insufficient in form and untimely filed, prudence mandates that we should look beyond technicalities and evaluate the merits of the present Appeal. Moreover, "procedural rules were conceived to aid the attainment of justice. If a stringent application of the rules would hinder rather than serve the demands of substantial justice, the former must yield to the latter"[20]

Date of mailing via registered mail is considered
As the date of Filing; 22 September 2011 must be considered as
Date of Filing

In its Reply Memorandum, the CRMD alleged that it received the application for extension of corporate term sent by registered mail only on 16 November 2012 and pursuant to the provisions of the Corporation Code and SEC Res. No. 394, series of 2008, it was constrained to deny the application through its 19 February 2013 letter, *viz:*

> This has reference to the Amended Articles of Incorporation of the above-named corporation amending Article IV-extending its corporate term for fifty (50) years from January 8, 2012, **which you filed with this Commission via registered mail last November 16, 2012**[21].
>
> Based on our records, the above-name corporation was registered with this Commission on January 8, 1962 with a corporate term of existence for fifty (50) years from and after the date of the issuance of its certificate of incorporation. **Since its corporate life had already expired last January 8, 2012, we regret to inform you that the same cannot be extended for another fifty years pursuant to SEC Res. No. 394, series of 2008**[22], as follows:
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> *"RESOLVED, To ADOPT the policy that corporations with expired terms of existence be not allowed to file any amended articles of incorporation extending their corporate life."* xxx

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[20] *City of Dumaguete v. Philippine Ports Authority*, G.R. No. 168973, 24 August 2011.
[21] Emphasis ours.
[22] Emphasis ours.

From the foregoing, it is apparent that the CRMD construed the date of receipt of Appellant Corporation's amended AOI extending its corporate term, via registered mail, as the date of filing the same with the Commission.

Although the 2006 SEC Rules of Procedure does not expressly provide for the manner of filing of pleadings, appearances, motions, notices, orders, judgments and all other papers, i.e. Application for Amendment of AOI extending corporate term, we find guidance in Rule 13 of the Rules of Court, considering that the technical rules of evidence used in the regular courts shall, whenever practicable, be suppletory to the SEC Rules of Procedures.

Section 3 of Rule 13 of the Rules of Court provides that the filing of pleadings and all other papers shall be made personally to the clerk of court or by sending them by registered mail. If personally made, the clerk of court shall endorse on the pleading the date and hour of filing, while if sent through registered mail, the date of its mailing, as shown by the post office stamp on the envelope or the registry receipt, shall be considered as the date of filing, payment, or deposit in court.[23]

Consequently, the Supreme Court interpreted Section 3 of Rule 13 of the Rules of Court in a number of cases, to wit:

> "Section 3, Rule 13 of the Rules of Court provides that if a pleading is filed by registered mail, **then the date of mailing shall be considered as the date of filing. It does not matter when the court actually receives the mailed pleading.**" [24] (Emphasis ours)

Hence, from the foregoing, it is well-settled that the date of mailing, via registered mail, shall be considered as the date of filing. Applying this in the present case, the date of mailing the Amended AOI by Appellant Corporation is deemed the date of its filing with the CRMD and not the date of actual receipt by said Department.

As to the proof of mailing, Section 3 of Rule 13 of the Rules of Court states that the date of the mailing of motions, pleadings, or any other papers or payments or deposits, as shown by the post office stamp on the envelope or the registry receipt, shall be considered as the date of their filing, payment, or deposit in court. Moreover, Section 12 of the same rule provides that if a pleading is filed by registered mail, the filing shall be proved by the registry receipt and by the affidavit of the person who did the mailing, containing a full statement of

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[23] Section 13, Rule 13, Rules of Court.
[24] *Alma B. Russel v. Teofista Ebasan and Agapito Austria*, G.R. No. 184542, 23 April 2010; *Charter Chemical and Coating Corporation v. Herbert Tan and Amalia Sonsing*, G.R. No. 163891, 21 May 2009; *Heirs of Numeriano Miranda, Sr. v. Pablo R. Miranda*, G.R. No. 179638, 08 July 2013.

the date and place of depositing the mail in the post office in a sealed envelope addressed to the court, with postage fully prepaid, and with instructions to the postmaster to return the mail to the sender after ten (10) days if not delivered.[25]

In *San Miguel Corporation v. NLRC et al.*[26], the Supreme Court explained that:

> Under Section 1, Rule 13 of the Rules of Court, where the filing of pleadings, appearances, motions, notices, orders and other papers with the court are made by sending them by registered mail, the date of mailing as shown by the post office stamp on the envelope or the registry receipt shall be considered as the date of filing.
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> **Thus, such date of filing is determinable from two sources, that is, from the post office stamp on the envelope or from the registry receipt, either of which may suffice to prove the timeliness of the filing of the pleadings.**[27] If the date stamped on one is earlier than the other, the former may be accepted as the date of filing.

Hence, in order to prove the date of mailing via registered mail, the following must be shown: 1) the date stamped by the post office on the envelope or 2) the registry receipt when the pleading was mailed, and 3) in both cases, by the affidavit of the person who did the mailing, containing a full statement of the date and place of depositing the mail in the post office in a sealed envelope addressed to the Commission, with postage fully prepaid, and with instructions to the postmaster to return the mail to the sender after ten (10) days if not delivered.

Accordingly, the question now is whether Applicant Corporation filed its Amended AOI, via registered mail, prior to its supposed expiration?

In its Compliance (which was treated as an Appeal), and in all the proceedings before the CRMD, the Appellant Corporation asserts that it filed its Amended AOI, via registered mail on **22 December 2011** by **delivering and depositing the same for mailing before the Philippine Postal Corporation at Sual, Pangasinan.**

As proof that the application was filed on the said date, Appellant Corporation attached copies of the following documents:

1) Two (2) postal money orders payable to "SECURITIES AND EXCHANGE COMMISSION ("SEC')" from LIS INVESTMENT CORPORATION dated 22 December 2011; and

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[25] Section 12, Rule 13, Rules of Court.
[26] G.R. No. 72572, 19 December 1989.
[27] Emphasis ours.

2) Certification of Renato S. Posadas, as Chief of the Record Section of the post office in Sual, Pangasinan and signing for the postmaster, which states that "the registered letter no. 103 was posted on 22 December 2011 by LIS INVESTMENT CORPORATION addressed to SECURITIES AND EXCHANGE COMMISSION" was "dispatched under bill no.54, page no.1, column no.1, line no. 4, dated 22 December 2011."

At this juncture, please note that, although the foregoing documents clearly suggest that the subject Amended AOI was filed, delivered, received and recorded by the Sual Post Office, records also show that the said document was actually received by the CRMD only on 16 November 2012, or almost a year after the date of intended filing.

Apparently, the delay was due to the fact that, although the subject Amended AOI was filed and received by the Sual Post Office in the usual course of business on 22 December 2011, **the said Amended AOI was not sent and delivered by the post office to the SEC as the intended recipient** and it is only when Mr. Saet, the liaison officer who personally handled the filing of the application, discovered the said irregularity sometime in October 2012 that the Amended AOI was actually sent and delivered to the SEC via registered mail thru the Mandaluyong City Post Office.

As narrated by Mr. Saet in his Sworn Affidavit:

> 4. Matapos and ilang buwan, **minsan noong Oktubre 2012**, ako ay naatasang magfollow up sa SEC sapagkat wala pa kaming natatanggap na kahit anong komunikasyon mula sa nasabing opisina ukol sa pagpapahaba ng corporate term ng Lis Investment Corporation. Nasabi sa akin sa SEC na wala raw sa kanilang record ang anumang dokumentong ukol dito;
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> 5. Nang aking sabihin ito sa mga abogado, ako ay naatasang taluntinin kung nasaan na ang mga nasabing dokumento. Kaya naman, **noong huling linggo ng Oktubre**, sinimulan ko ang aking imbestigasyon sa Sual, Pangasinan kung saan ko ihinulog ang mga nasabing dokumento.
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> 6. Nang tignan naming ang records ng Sual Post Office, **nalamang hindi pala naipadala ang mga nasabing dokumento kahit pa man ilang buwan na ang nakalipas matapos kong ihulog ang mga ito.** Pagkatapos ang masusing paghahanap, nakita rin ang mga nasabing dokumento sa Sual Post Office.
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> xxx xxx

8. Nang makita na ang mga nasabing dokumento, ako naman ay inatasang bitbitin na ito pa-Maynila para mapadali na ang lahat. **Dahil ako na naman ay kakapusin sa oras para sa mga ilang pang kailangang lakarin, ako ay pinayagang ihulog na lang ulit ang mga nasabing dokumento sa Mandaluyong Post Office.**[28] (Emphasis ours)

The CRMD postulates that the Appellant Corporation filed its Amendment of AOI on 16 November 2012 or the date that it actually received the same. Hence, the CRMD denied the Appellant Corporation's application for extension of corporate term and concluded that since its corporate life had already expired last January 8, 2012, the same cannot be extended for another fifty years.

We disagree.

Although this case is plagued by many unfamiliar irregularities, there is no evidence to show that such irregularities could be directly attributed to the Appellant Corporation. On the contrary, absent any proof of actual neglect, there appears to be a bona fide intention on the part of the Appellant Corporation to comply with the legal requirements for the extension of its corporate term and, thus, deserves a consideration from the Commission.

Indeed, it is evident that the Sual Post Office was remiss in its duty when it did not send and deliver the Amended AOI to its intended recipient, the SEC. We could also conclude that Mr. Saet erroneously withdrew the said documents from Sual Post Office and, instead of directly filing it with the SEC, mailed the Amended AOI at the Mandaluyong Post Office.

However, the records of this case are bereft of any indication that Appellant Corporation has, in any way, participated in all these irregularities. There is no evidence to show that Appellant Corporation was negligent or was at fault when the Amended AOI was not sent and delivered to the SEC. In fact, Mr. Saet appears to be acting under the instructions of Reyes Rojas & Associates Law Firm and not of the Appellant Corporation.

As borne by the records, there is substantial evidence to prove that the Appellant Corporation was in good faith when it filed its Amended Article of Incorporation before the Sual Post Office. Suffice it to say that the Appellant Corporation relied on the competence and integrity of Sual Post Office and that in the ordinary course of its operations, the Amended AOI shall reach the SEC without delay.

To the Appellant Corporations' credit, the postal money orders obtained on the alleged date of filing (i.e., 22 December 2011) by such corporation which is payable to the Commission

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[28] Paragraph 8 of the Sworn Affidavit, *Ibid.*

and the certification of the postmaster of Sual Post Office are strong indications of its intention to comply with the requirements of law on the extension of its corporate term and to continue its business operations. These evidence likewise carry with them the presumption that official duties have been regularly performed in their issuance. Admittedly, this is merely a disputable presumption. However, in the absence of any clear and convincing evidence of bad faith, mistake or irregularity which would negate this presumption, it becomes undisputable and stands to remain.

To our mind, the fact that the Amended AOI did not reach the SEC cannot be taken against the Appellant Corporation. It would, thus, be unfair that the Appellant Corporation be deprived of its corporate existence due to the mistakes committed by others.

Due to the peculiar circumstances of the present case, justice and equity demand a liberal application of our own rules and to consider **22 December 2011** as the date of filing of the Appellant Corporation's Amendment of AOI. Therefore, for all legal intents and purposes, the Amendment of AOI was timely filed.

Appellant Corporation should have been Properly apprised of the deficiencies in its Application

As to the argument of the CRMD that evaluation of the application documents revealed deficiencies therein (i.e., insufficiency of the filing fee tendered, lack of the required monitoring clearance and Secretary Certificate of no pending intra-corporate dispute), it must be pointed out that records fail to disclose that Appellant Corporation was properly apprised of such deficiencies. To reiterate, the basis of denying Appellant Corporation's application was due to its late filing because CRMD construed the date of receipt as the date of filing.[29] Also, in its 19 February 2013, 24 September 2013 and 05 December 2013 letters, CRMD did not inform Appellant Corporation that the application was deficient. Accordingly, due process requires that "the parties to a litigation should be informed of how it was decided, with an explanation of the factual and legal reasons that led to the conclusions of the court. xxx. The losing party is entitled to know why he lost, so he may appeal to the higher court, if permitted, should he believe that the decision should be reversed. A decision that does not clearly and distinctly state the facts and the law on which it is based leaves the parties in the dark as to how it was reached and is precisely prejudicial to the losing party, who is unable to pinpoint the possible errors of the court for review by a higher tribunal."[30] Further, as held in *Company Registration and Monitoring Department and Securities and Exchange Commission, En Banc*

[29] Letter of CRMD addressed to LIS Investment Corporation dated 19 February 2013, Records p. 4.
[30] *Brother "Mike" Velarde v. Social Justice Society*, G.R. No. 159357, 28 April 2004.

v. Ching Bee Trading Corporation[31], "the SEC must give a reasonable time to an applicant within which to make the necessary corrections should there be objectionable portions in the amendment."

In this case, it is already settled that Appellant Corporation's application was filed before its expiration. Consequently, if CRMD, at the onset, 1) correctly considered the date of mailing as the date of filing of Appellant Corporation's application, 2) acted upon said application, and 3) informed such Corporation of the deficiencies in the application, then Appellant Corporation would have had the opportunity to supplant the deficiencies even before 07 January 2012 or the date of its expiration.

WHEREFORE, considering the peculiar circumstances of the present case, We hereby resolve this case, only for this purpose and only in this instance, *pro hac vice*, and, in the interest of justice, in favor of LIS INVESTMENT CORPORATION. The 19 February 2013 Resolution of the Company Registration and Monitoring Department is hereby **REVERSED** and **SET ASIDE**. The CRMD is ordered to immediately **ACCEPT** and **ACT** upon the Application for Extension of Corporate Term of LIS INVESTMENT CORPORATION and give the said corporation reasonable time to comply with the deficiencies.

SO ORDERED.

Mandaluyong City, 05 November 2015.

TERESITA J. HERBOSA*
Chairperson

MANUEL HUBERTO B. GAITE
Commissioner

ANTONIETA F. IBE
Commissioner

EPHYRO LUIS B. AMATONG**
Commissioner

BLAS JAMES G. VITERBO
Commissioner

*On Official Travel
**On Official Travel

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[31] G.R. No. 205291, 12 November 2014.