

**REPUBLIC OF THE PHILIPPINES
NATIONAL CAPITAL JUDICIAL REGION
REGIONAL TRIAL COURT
BRANCH 147
CITY OF MAKATI**

**IN THE MATTER OF THE
LIQUIDATION OF PRUDENTIALIFE
PLANS, INC.,**

R-MKT-17-02195-SP

INSURANCE COMMISSION,

Petitioner.

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**URGENT OMNIBUS MOTION
(Re: Order dated July 4, 2018)**

Appointed Liquidator **ATTY. DIONNE MARIE MERCADO SANCHEZ** (the "Liquidator"), most respectfully files the instant Omnibus Motion, and in support thereof, avers:

1. On July 4, 2018, this Honorable Court held a hearing for the instant case to discuss the Liquidation Plan. While this Honorable Court did not have issues with most of the proposals, this Honorable Court expressed concern of the undersigned liquidator's recommendation to approve a compromise agreement with the Bureau of Internal Revenue ("BIR"), amounting to twenty percent (20%) of the basic tax amount of One Billion Five Hundred Fifty Nine Million Two Hundred Nineteen Thousand Seven Pesos and Ninety Two Centavos (Php1,559,219,007.92), plus one hundred percent (100%) of the total Withholding Tax Expanded and Withholding Tax Compensation. Said figure results in a compromise offer to the BIR amounting to Three Hundred Twenty Seven Million Nine Hundred Twenty One Thousand Seven Hundred Thirty Two Pesos and Forty Two Centavos (Php327,921,732.42).

2. As per this Honorable Court, while it understands the need to expedite matters, it would nonetheless be best to consider and prioritize the plight of Prudentialife Plans, Inc.'s ("PPI") creditors and planholders by attempting to maximize their distributable amount by potentially lowering the amount to be allocated as payment to the BIR. Hence, it was agreed upon during the July 4, 2018 hearing that it would be best to begin formal negotiations with the BIR by offering a compromise amount of ten percent

(10%) (the minimum amount required by law), or the total amount of One Hundred Seventy Three Million Four Hundred Nine Thousand One Hundred Forty Three Pesos and Forty Two Centavos (Php173,409,143.42),¹ inclusive of Withholding Tax Expanded and Withholding Tax Compensation.

3. As per the BIR, actual payment must be tendered in order to formally initiate the approval of the compromise proposal. As per the BIR, payment must be made within July 16, 2018 to July 18, 2018, in order to increase the likelihood of approval, as the said collection shall be included in the collection report submitted by the BIR to be highlighted in the the President’s State of the Nation Address to be held on the last week of July 2018, potentially slated on Monday, July 23, 2018.

4. To meet this impending timeline, and given the fact that PPI has zero (0) cash on hand, the undersigned liquidator needs the assistance of this Honorable Court to infuse PPI with much needed funds.

5. Accordingly, the undersigned liquidator now respectfully moves for this Honorable Court’s approval of a modified compromise offer to the BIR from twenty percent (20%), to ten percent (10%) to the BIR; and consequently, in order to fund payment to the BIR, respectfully prays for the necessary approval of the Liquidation of Shares in Prudentialife Realty Holdings, Inc. (“PRHI”) and Akean Resorts Corporation (“ARC”).²

6. For this Honorable Court’s convenience, the undersigned reiterates that approval of the PHRI and ARC transaction would result in the availability of Seven Hundred Million One Hundred Thirty Thousand Two Hundred Fifty Five Pesos and Fifty Centavos (Php700,130,255.50) (“Purchase Price”), net of applicable taxes and transfer fees. The PHRI and ARC transaction is an absolute necessity as not only will it result in a gain from the sale of PPI’s assets, but also more importantly, the transaction will provide the necessary funds to pay the BIR and PPI’s other creditors and planholders.

¹ The BIR compromise amount is breakdown as follows:

Assessment Number	Tax Type	Basic
IT-116-LOA-00000105-09-13-230	IT	110,980,259.02
VT-116-LOA-00000105-09-13-231	VT	43,514,898.79
WE-116-LOA-00000105-09-13-232	WE	15,462,504.50
WC-116-LOA-00000105-09-13-233	WC	2,633,908.57
DS-116-LOA-00000105-09-13-234	DS	596,924.96
	DS	69,647.58
MC-116-LOA-00000105-09-13-235	MC	150,000.00
	Total	173, 408,143.42

² Please see, Section IV(a)(1) of the Liquidation Plan.

7. Considering that PPI is effectively the one hundred percent (100%) owner of PRHI, which has been consistently reporting yearly losses and thus a negative stockholders equity, and considering that such a potential windfall shall immediately more than double the corporate assets of PPI and increase the cash position of PPI by the Purchase Price amount, the undersigned liquidator most respectfully recommends that this Honorable Court **approve the proposed liquidation of the PRHI and ARC shares owned by PPI as follows:**

- a. Approval of the Contract to Sell,³ upon which approval, the entire Purchase Price shall be deposited in an escrow account for the benefit of the PPI corporate liquidation in accordance with the provisions of the Contract to Sell;
- b. Approval of the buy-back / redemption agreement or share purchase agreement over the PRHI and ARC shares owned by PPI, as the case may be, and upon which approval, the first tranche shall be released to the undersigned for settlement of the BIR ten percent (10%) compromise agreement; and
- c. Approval of the Deed of Absolute Sale to be executed upon completion by Akean Landholdings, Inc. of all the conditions under the Contract to Sell, upon which approval, balance of the Purchase Price shall be released to the undersigned for the settlement of claims, which shall then constitute full and final liquidation of PPI's direct ownership in PRHI and ARC, and indirect stake in ARC, ALHI, and the Boracay Gateway Project.

8. Factoring a ten percent (10%) compromise offer to the BIR, the following figures summarize the expected balance of funds:

	Amount (Php)
Amount acquired from the approval of the Contract to Sell	700,130,255.50
Ideal amount to be paid to BIR	(173,409,143.42)
Amount to be paid to creditor Signature Furnishings Inc.	(29,596,109.00)
Total amount to be paid to Individual Planholders	(16,364,238.00)
Expenses ⁴	(2,119,801.09)
Amount to be reserved	(50,000,000.00)
Total	428,640,963.99

9. Again, the funds from the PHRI and ARC transaction are currently ready and waiting in a bank account, to be released by La Belle

³ Please see, Annex "MM" of the Liquidation Plan.

⁴ Please see, Section III of the Liquidation Plan.

Plume Realty, Inc. once the corresponding Contract to Sell and liquidation of PRHI and ARC are approved. Henceforth, once the forgoing transactions are approved, the undersigned liquidator prays that she be allowed to pay the BIR the said ten percent (10%) compromise offer, or any other amount to be finally assessed or counter-offered by the BIR from the resulting funds. Any moneys thereafter can remain in escrow until this Honorable Court's final approval of the Liquidation Plan, held in trust for the court liquidation creditors and the planholders.

10. At the risk of being repetitive, the undersigned liquidator wishes to emphasize that the immediate settlement of the BIR assessment through the approval of the PHRI and ARC sale will both best serve the needs of the government and PPI's creditors. Accordingly, the undersigned liquidator would appreciate the expedited approval of the instant Motion.

PRAYER

WHEREFORE, premises considered, the Liquidator prays that this Omnibus Motion be given due course, and that this Honorable Court:

- a) Approve a compromise offer to the BIR in the amount of ten percent (10%) of the basic tax due, plus one hundred percent (100%) of both Withholding Tax Expanded and Withholding Tax Compensation, amounting to One Hundred Seventy Three Million Four Hundred Nine Thousand One Hundred Forty Three Pesos and Forty Two Centavos (Php173,409,143.42), or such compromise offer needed in order to garner the BIR's final acceptance and approval;
- b) Partially approve the Liquidation Plan, by approving the liquidation of Prudential Realty Holdings, Inc. and Akean Resorts Corporation shares through the execution of the Contract to Sell between Akean Landholdings, Inc. and La Belle Plume Realty, Inc., as well as the Share Purchase or Buy Back Agreement over the Prudential Realty Holdings, Inc. and Akean Resorts Corporation shares owned by Prudentiallife Plans, Inc.;
- c) Allow the undersigned liquidator to tender payment to the BIR of the said ten percent (10%) compromise amount within the period of July 16, 2018 to July 18, 2018, or moving forward, any such final offer demanded by the BIR in the course of the approval process; and
- d) That any excess funds from the PHRI and ARC transaction be held in escrow pending final approval of the Liquidation Plan.

Further, considering the BIR's time constraints, it is also respectfully prayed that the instant Omnibus Motion be given due course as quickly as possible. Last, the undersigned liquidator likewise prays for such other reliefs as may be deemed just and equitable under the premises.

Respectfully submitted.

Pasig City for Makati, July 4, 2018.

DIONNE MARIE M. SANCHEZ

PTR No. 3723704 / 01-04-2018 / Pasig City

IBP Lifetime Member No. 012253 / O.R. No. 953017 / Quezon City

Roll No. 56054

MCLE Compliance No. V – 0020000 / 04-20-2016

Email address: dmsanchez@symecslaw.com

REQUEST FOR HEARING

THE BRANCH CLERK OF COURT

Regional Trial Court

Branch 147, Makati City

Greetings:

Please submit the foregoing Omnibus Motion for the approval of the Honorable Court on July 6, 2018, at 8:30am or at a date and time subject to this Honorable Court's schedule. The undersigned apologizes for the short notice.

DIONNE MARIE M. SANCHEZ

NOTICE OF HEARING/COPY FURNISHED

OFFICE OF THE SOLICITOR GENERAL

134 Amorsolo St., Legaspi Village

1229 Makati City

Atty. Robel C. Lomibao

PICAZO BUYCO TAN FIDER & SANTOS

Counsel for Prudentialife Landholdings, Inc. and PLPI Finance, Inc.

Penthouse Liberty Center
104 H.V. Dela Costa St., Salcedo Village
1227 Makati City

Atty. Francis Arvy Agorilla

MENDOZA & PANGAN

Counsel for Signature Furnishings, Inc.
Unit 11-I V. Madrigal Bldg.
6793 Ayala Avenue, Makati City 1226

Greetings:

Please note that the foregoing Omnibus Motio is set for the approval of the Honorable Court on July 6, 2018, at 8:30am or at a date and time subject to the Honorable Court's schedule. The undersigned apologizes for the short notice.

DIONNE MARIE M. SANCHEZ

WRITTEN EXPLANATION FOR SERVICE

Please be informed that the undersigned liquidator caused the service of the foregoing by personal service. Due to the urgency of the matter, the instant Omnibus Motion is also posted to the undersigned's firm's website at <http://www.symecslaw.com>; as well as the website of the Honorable Insurance Commission at <http://www.insurance.gov.ph>.

DIONNE MARIE M. SANCHEZ