



# MEMORANDUM No.2009-0475

## The Philippine Stock Exchange, Inc.

<input type="checkbox"/> Trading Rules	<input type="checkbox"/> Computer Systems Update
<input type="checkbox"/> Membership Rules	<input type="checkbox"/> Administrative Matters
<input type="checkbox"/> Listing Rules	<input checked="" type="checkbox"/> Others: <b><u>Receipt of SEC directive</u></b>

To : **THE INVESTING PUBLIC**

Company : **BENGUET CORPORATION**

Date : **October 26, 2009**

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This refers to Memorandum No. 2009-0465 dated October 19, 2009 regarding the trading suspension to be imposed on the shares of Benguet Corporation (“BC” or the “Corporation”) for BC’s repeated failure to comply with the unstructured disclosure requirements of the Exchange.

On October 22, 2009, the Exchange received a copy of the letter of BC to the Securities and Exchange Commission (the “Commission”) explaining to the Commission that BC is not in violation of the PSE Revised Disclosure Rules for non-disclosure of the subject notices of default. The Corporation alleged non-compliance with the procedural requirements of collective notice based on existing agreements with creditors.

In the morning of October 26, 2009, the Exchange advised BC that the decision of the Exchange stands and shall be implemented as originally scheduled, unless otherwise directed in writing by the Commission. For your reference, we attach as Annex “A” a copy of the letter of the Exchange to BC dated October 26, 2009.

However, the Exchange received this afternoon a strict directive from the Commission for the Exchange, its directors, officers, agents and assigns “not to impose the penalties, or do any act that may render moot or ineffectual whatever action the Commission may take in connection with the said letter” pending consideration by the Commission of BC’s letter. The Commission required the Exchange to comment on the letter of BC within five business days. The Exchange will provide the Commission with the relevant information

FID/CSD	Market Regulation Division	Issuer Regulation Division	Information Technology Division	Capital Markets Dev't Division	Office of the General Counsel
Tel. No. 688-7561/688-7508	Tel. No. 688-7541	Tel. No. 688-7510	Tel. No. 688-7480	Tel. No. 688-7534	Tel. No. 688-7411



# MEMORANDUM

## The Philippine Stock Exchange, Inc.

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|---|--|
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| <input type="checkbox"/> Membership Rules | <input type="checkbox"/> Administrative Matters                                    |
| <input type="checkbox"/> Listing Rules    | <input checked="" type="checkbox"/> Others: <b><u>Receipt of SEC directive</u></b> |

on the violations committed by the Corporation as well as the basis for the imposition by the Exchange of the corresponding penalties. For your reference, we attach as Annex "B" a copy of the letter of the SEC to the Exchange dated October 26, 2009.

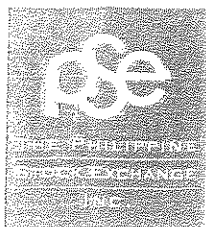
**In compliance with the strict directive of the Commission, please be advised that the Exchange will not implement the trading suspension originally scheduled tomorrow, Tuesday, October 27, 2009.**

The Exchange shall inform the Trading Participants and the investing public of further developments on the matter.

For your information and guidance.

***(Original Signed)***  
**FRANCISCO ED. LIM**  
***President & CEO***

FID/CSD	Market Regulation Division	Issuer Regulation Division	Information Technology Division	Capital Markets Dev't Division	Office of the General Counsel
Tel. No. 688-7561/688-7508	Tel. No. 688-7541	Tel. No. 688-7510	Tel. No. 688-7480	Tel. No. 688-7534	Tel. No. 688-7411



**ANNEX "A"**

October 23, 2009

BENGUET CORPORATION  
7/F, Universal Re-Building  
106 Paseo de Roxas  
1226 Makati City

Attention: Mr. Benjamin Philip G. Romualdez  
*Chairman and President/CEO*

Gentlemen:

We are in receipt of your letter to the Securities and Exchange Commission (the "Commission") dated October 22, 2009 requesting for a dialogue to avert the trading suspension of the shares of Benguet Corporation (the "Corporation"), which will be effective Tuesday, October 27, 2009.


As the Board of Directors had not reversed its decision regarding the penalties contained in the Memorandum to the investing public dated October 19, 2009, despite the following additional documents you submitted to the Exchange on October 20 and 21, 2009:

1. Corporation's letter dated October 20, 2009;
2. Restructuring Agreement dated 20 December 1993;
3. Mortgage Trust Indenture dated 22 December 1993;
4. PNB Letter dated 21 October 2009; and
5. Corporation's Supplemental letter dated October 21, 2009,

we merely take note of your letter. We will await official action of the Commission on your request. In the meanwhile, please be advised that the decision of the Board stands and shall be implemented as originally scheduled, unless otherwise directed in writing by the Commission.

Thank you.

Very truly yours,

  
FRANCISCO D. LIM  
*President/CEO*

# ANNEX "B"



Republic of the Philippines  
Department of Trade and Industry

## SECURITIES AND EXCHANGE COMMISSION

SEC Bldg., EDSA, Greenhills, Mandaluyong City

Tel Nos. 584-09-23 to 25

Website: <http://www.sec.com.ph>

26 October 2009

### THE PHILIPPINE STOCK EXCHANGE INC.

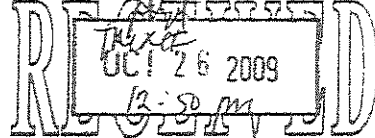
Philippine Stock Exchange Centre

Exchange Road, Ortigas Centre

Pasig City 1605

Facsimile No.: (632) 634-5113

The Philippine Stock Exchange, Inc.  
Office of the President



Attention : ATTY. FRANCISCO ED. LIM  
President and CEO

Gentlemen:

Last October 23, 2009, the Securities and Exchange Commission received a letter from Benguet Corporation dated October 22, 2009, a copy of which together with its attachments is enclosed, requesting the exercise by the Commission of its "supervisory authority over the Philippine Stock Exchange" in connection with the imposition by the PSE of certain penalties on the said company for alleged violation of disclosure rules.

Without passing upon the merits of the issues raised in the company's letter, the Commission, pursuant to Sections 40.6(b) and 40.7, of the Securities Regulation Code, hereby directs the PSE to give its comments to the said letter within five business days from receipt hereof.

Moreover, the PSE, its directors, offices, agents and assigns are hereby directed not to impose the penalties subject of the company's letter, or do any act that may render moot or ineffectual whatever action the Commission may take in connection with the said letter.

For your strict compliance.

Very truly yours,

For the Commission En Banc:

A handwritten signature in black ink, appearing to read "C. A. GERARD M. LUKBAN".  
C. A. GERARD M. LUKBAN  
Commission Secretary