



CIRCULAR FOR BROKERS No. 2091-2002

Philippine Stock Exchange, Inc.

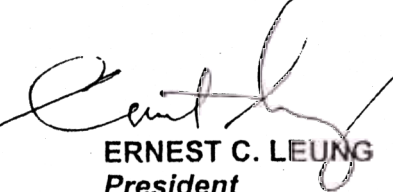
<input type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others: _____
<input type="checkbox"/> Dividend Update	<input checked="" type="checkbox"/> SEC / Gov't. Issuance	_____
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice	_____

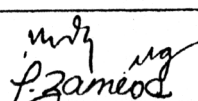
Date : **August 12, 2002**
Subject : **PICOP RESOURCES, INC.**

This is in reference to Circular for Brokers No. 1901-2002 dated July 24, 2002 in connection with the expiration of the corporate life of **PICOP RESOURCES CORPORATION** (the "Company") on March 31, 2002.

The Exchange is in receipt of a letter from the Securities and Exchange Commission (SEC) pertaining to the status of the Company's corporate life. Attached is the copy of the said letter of the SEC for your information and guidance.

In view of the cessation of the corporate life of the Company, as stated in the attached letter of the SEC, the Exchange will impose an ***indefinite suspension*** on the trading of the shares of the Company effective today, August 12, 2002.


ERNEST C. LEUNG
President

					
Finance / Admin / Membership	Compliance & Surveillance Grp.	Listings & Disclosure Grp.	COO / Automated Trading Grp.	Business Dev't Group	CEO / Legal
Tel. No. 634-5112	Tel. No. 634-6903	Tel. No. 636-0122	Tel. No. 633-1311	Tel. No. 634-5089	Tel. No. 637-8805



Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills, City of Mandaluyong

OSCAR L. GOMEZ
2007 AUG -2 11:51

August 6, 2002

MR. JOSE G. CERVANTES
Senior Vice President
The Philippine Stock Exchange
Phil. Stock Exchange Centre,
Exchange Road,
Oritgas Center, Pasig City

Sir:

Reference is made to your letter dated August 6, 2002 requesting for advice as to whether the claim of Picop Resources, Inc. (PICOP) "that it continues to exist as a de jure corporation, or at least de facto corporation with all the rights and subject to all the liabilities of a corporation de jure" despite the expiration of its term of existence on March 31, 2002 and therefore, may continue trading its securities. Said corporation also claims that it filed its application for extension of its corporate life on March 31, 2002 by mistakenly paying the amount of Php 210.00, for which the same is currently considered rejected by the Commission.

Relative thereto, please be informed that under Sec. 37 of the Corporation Code it is specifically stated that :

"Power to extend or shorten corporate term. - A private corporation may extend or shorten its term as stated in the articles of incorporation when approved by a majority vote of the board of directors or trustees and ratified at a meeting by the stockholders representing a least two-thirds (2/3) of the outstanding capital stock or by at least two-thirds (2/3) of the members in case of non-stock corporations. x x x."

Section 37 is silent as to when the amendment changing the term takes effect, and what procedure needs to be followed after the stockholders or members have approved it. This being the case, these matters must be governed by the general provisions on amendment in Section 16, i.e., a duly certified copy of the articles of incorporation as amended must be filed with the SEC and the amendment shall take effect upon the SEC's approval. However, if the SEC does not act on the amendment within six months from such filing, the amendment will take effect even without the SEC's approval unless the cause for such lack of action is attributable to the corporation. (Campos, The Corporation Code, Vol. 2, pp. 297-298).

It has been held that all steps necessary for the extension of the corporate term must be taken and its approval by the Commission secured, before the expiration of its original or extended term otherwise, the term can no longer be extended. For after the term has expired, the corporation can continue for a period of three (3) years only

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for the purpose of liquidation and not for the purpose of continuing the business for which it was established [(PNB v. CFI of Rizal, 209 SCRA 294(1992))]. The reason being obvious. Since the privilege of extension is purely statutory, all of the statutory conditions must be taken during the life of the corporation, and before the expiration of the term of existence as fixed by its Articles, for the corporation is ipso facto dissolved as soon as the term expires. The amendment extending the term must be adopted within five (5) years prior to its expiry date and filed with the Commission before such date, so as to save the life of the corporation. Accordingly, a corporation can no longer extend its term by amending its articles of incorporation after the expiration of its original or subsequent term but within the three-year period for its liquidation for there is nothing more to extend [(Alhambra Cigar and Cigarette Mfg. Co. v. SEC, 24 SCRA 269 (1969))].

It is apparent that there is no fixed period under the cited provision as to when the amendment changing the term shall take effect. Its effectivity is dependent on whether the SEC may act on the application for extension of term within the six (6) month period or even beyond. Obviously, the six (6) month automatic approval shall not apply considering that the reason for the inaction and its resultant rejection, on the part of the Commission, is the refusal of PICOP to pay the corresponding filing fee.

Since the effectivity of the amendment does not relate back to its filing with the Commission except when the latter fails to act within six (6) months from such filing for reasons not attributable to the corporation, the amendment extending the term must be filed with the Commission before said six-month period prior to the expiration of the term, to ensure its approval before its term expires (Agpalo, Comments on the Corp. Code, 2001 ed. p. 198)

On 9 April 2002, the Commission had occasion to inform PRI of the deficiency in filing fee and gave the corporation thirty (30) days to rectify the same. Failing to do so would mean a rejection or disapproval of application.

To date no such rectification has been made by PRI and the Commission, by law, is deemed to have rejected or disapproved their application. Letters of reconsideration have been sent by counsels for PRI for Commission consideration however, the Commission finds no basis to hold such letters as sufficient basis to stall the period within which PRI was required, by law, to have completed the filing procedure. As such, PRI's corporate life has expired and the corporation is properly apprised of such fact. If the corporation had paid the required fee, even if under protest, the issue would have been viewed otherwise.

We hope this advice shall assist you in your evaluation of this matter.

Very truly yours,


JESUS ENRIQUE C. MARTINEZ
Commissioner