

**Date:** Thursday, 24 October 2024  
**To:** Peter Chiang  
Legal Department, T.S. Lines Ltd.  
**From:** Alain Charles J. Veloso / Michael Macapagal / Alvin R. Tan / Shiela Marie Rabaya  
**Re:** **Legal Opinion on the Investigation by the Philippine Competition Commission of Ben Line Agencies Philippines, Inc.**

Dear Peter,

We refer to the captioned matter.

## **I. REQUEST FOR LEGAL OPINION**

In connection with its proposed initial public offering in Hong Kong, we understand that T.S. Lines Ltd. ("**T.S. Lines**") would like to request for our legal opinion with regard to the pending investigation by the Philippine Competition Commission ("**PCC**") - Competition Enforcement Office ("**CEO**") on Ben Line Agencies Philippines, Inc. ("**Ben Line**") ("**PCC Investigation**").

Furthermore, T.S. Lines would like us to:

1. provide background on the PCC Investigation, including but not limited to the relevant entities, the current status of the investigation, and any other actions taken by the PCC - CEO or other relevant Philippine government authorities;
2. on whether there are legal grounds under the PCC Investigation that would make Ben Line's historical freight rates and/or surcharge adjustments during the period subject of the PCC Investigation in violation of Philippine competition laws; and
3. advise on the maximum penalty and legal risk exposure to Ben Line, its parent, affiliates, subsidiaries, and related companies (the "**Group**") in relation to the PCC Investigation, as well as the possible outcomes of such investigation.

For the purpose of this opinion, we have assumed without further inquiry or investigation, the veracity, accuracy, and completeness of the factual representations previously provided to us by T.S. Lines and Ben Line. The opinions expressed herein are confined to and given on the basis of the laws of the Philippines at the date hereof, as currently applied by the courts of the Philippines. We have not investigated and we do not express or imply any opinion on the laws of another jurisdiction. Our opinion is strictly limited to the matters stated in it and does not apply by implication to other matters.

This opinion has been prepared for, and is addressed solely to the addressee, and may only be relied on by the addressee. However, this opinion may be relied upon by another person if it is disclosed to that person and such disclosure has been expressly made known to the addressee.

We discuss below.

## **II. DISCUSSION**

### **A. Background on the PCC Investigation**

PCC investigations on potential anti-competitive agreements (including horizontal agreements like cartels) are often initiated on the basis of various sources of information, including whistle blowers, leniency applications, dawn raids, market raids, media information, agency intelligence databases, and government referrals.

We provide the background of the PCC Investigation, as follows:

- The entity subject of the investigation is Ben Line, as agent for T.S. Lines. We are not aware of other parties or shipping companies involved in the PCC Investigation.
- Ben Line is the port agent of T.S. Lines based on a Port Agency Agreement entered into by the parties.<sup>1</sup> T.S. Lines is engaged in port agent affairs / tally service and, pursuant to this agreement, T.S. Lines designates Ben Line as its port agent in the Philippines. In particular, Ben Line will provide port agency services to T.S. Lines, including handling the vessel in and out, customs or port authority declaration, container condition checking, security and safety inspection, among others.
- On 17 May 2021, a *subpoena duces tecum* ("**Subpoena**") with SUB No. CEO-143- 2021 dated 14 May 2021 was issued to Mr. Avelino S. Tendero, General Manager of Ben Line, directing him to produce and submit before the PCC - CEO electronic and hard copies of the following information on or before 28 May 2021:
  - Data on daily rates of TS Lines for freight and surcharges per container size and type for the period of 1 January 2015 to 30 April 2021, for all Philippine-bound container shipments originating from all ports in Southeast Asia and Northeast Asia countries, namely Brunei, Cambodia, China, Hong Kong SAR, Taiwan PRC, Indonesia, Japan, Korea, Malaysia, Myanmar, Vietnam, Singapore, and Thailand; and
  - Container shipping services transaction data of TS Lines Ltd. for the period of 1 January 2015 to 30 April 2021, for all Philippine-bound container shipments originating from all ports in Southeast Asia and Northeast Asia countries, namely Brunei, Cambodia, China, Hong Kong SAR, Taiwan PRC, Indonesia, Japan, Korea, Malaysia, Myanmar, Vietnam, Singapore, and Thailand.

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<sup>1</sup> We have only seen the Port Agency Agreement of the parties with effectivity date of 1 January 2023 and valid until 31 December 2023. We are not aware if the same agency agreement was in effect from 2015 to 2021, which is the period covered by the PCC investigation. Nonetheless, under Philippine laws, agency may be express or implied. It is generally not required to be in writing; the contract may be oral unless the law requires a specific form. Thus, even without a Port Agency Agreement in effect during the period of 2015 to 2021, it can still be said that there was an agency relationship between T.S. Lines and Ben Line. T.S. Lines confirmed that Ben Line continued to provide the same services covered by the Port Agency Agreement to Ben Lines for the period of 2015 to 2021.

The Subpoena was issued pursuant to a full administrative investigation on the charges imposed by international shipping lines on local importers and exporters for possible existence of an anti-competitive conduct prohibited under Section 14(a)(1) of the Philippine Competition Act ("PCA").

- Ben Line submitted a request for additional time and alternative means to comply with the Subpoena. The request was granted by the PCC - CEO. Subsequently, Ben Line submitted data and information on 20 July 2021 and 31 August 2021. The response to the Subpoena dated 31 August 2021 included historical information on when the destination charges / surcharges were charged, the quantum of the charges, and how the charges progressed and changed from 01 January 2015 to 31 December 2016. However, Ben Line was unable to submit information on the daily rates of T.S. Lines for ocean freight and loading port charges per container size and type for the period from 01 January 2015 to 31 December 2016, as required by the Subpoena.
- In a letter dated 31 August 2021, Ben Line requested for an additional period of 45 days or until 15 October 2021 to either provide the specific information (i.e., daily rates of T.S. Lines for ocean freight and loading port charges per container size and type for the period from 01 January 2015 to 31 December 2016) required by the PCC or to confirm that these are no longer available or accessible from Ben Line's files. Ben Line explained that its principal, T.S. Lines, "is coordinating with Ben Line to confirm if the latter has maintained records of the transactions in 2015 and 2016 and to confirm if these records contained the specific information required by the PCC." In the letter, Ben Line also explained that it changed its enterprise resource planning systems resulting in the loss of data prior to the change.
- In a Resolution dated 17 September 2021, the PCC - CEO granted Ben Line only until 30 September 2021 to fully comply with the Subpoena.
- On 30 September 2021, Ben Line submitted additional data and information to the CEO, in compliance with the Resolution. The submission included a cover letter explaining that, in spite of best efforts to gather information required by the PCC, neither T.S. Lines nor Ben Line is able to provide information on the daily rates of T.S. Lines for ocean freight and loading port charges per container size and type for the period from 01 January 2015 to 31 December 2016.
- T.S. Lines and Ben Line offered to meet with representatives of the PCC, should the PCC wish to further discuss the circumstances of the 2015/2016 data, and to allow the parties to further explain why the same is no longer available / accessible. The PCC, however, has not responded to this offer as of the date of this legal opinion.

As of 17 October 2024, we are not aware any further correspondence or communication from the PCC on the PCC Investigation.

## **B. Legal Merits of the PCC Investigation**

We briefly discuss the Philippine competition laws that may be relevant to the PCC Investigation.

The PCA generally prohibits: (a) anti-competitive agreements; (b) abuse of a dominant position; and (c) anti-competitive mergers and acquisitions.

Based on the tenor of the Subpoena, the PCC Investigation focuses on "the charges imposed by international shipping lines on local importers and exporters for possible existence of an anti-competitive conduct prohibited under Section 14(a)(1) of the PCA."<sup>2</sup> In view of this, for purposes of our discussion below, we will only discuss the prohibition against anti-competitive agreements, as items (b) and (c) in the preceding paragraph do not appear to be relevant to T.S. Lines or Ben Line, or to the PCC Investigation.

There are three categories of anticompetitive agreements:

- horizontal agreements that are illegal *per se*, or those (i) that restrict competition as to price, or components thereof, or other terms of trade (covered by Section 14(a)(1) or "**price-fixing**"), and (ii) that fix the price at an auction or in any form of bidding including cover bidding, bid suppression, bid rotation and market allocation and other analogous practices of bid manipulation (covered by Section 14(a)(2) or "**bid-rigging**");

The PCC does not require proof that an agreement has an anticompetitive object or effect, and it will be sufficient for the PCC to establish the existence of the agreement for successful prosecution of this offense under the PCC. This pertains to agreements that are so inherently anticompetitive and damaging to the market that they warrant condemnation and are conclusively presumed to be anticompetitive without any need to consider their effects in practice or the existence of any objective justification. These agreements are conclusively presumed to substantially prevent, restrict, or lessen competition without having to prove their object or effect. The PCC only needs to establish that the specific anticompetitive agreement was reached for it to be punished under this section.

- horizontal agreements in respect (i) setting, limiting, or controlling production, markets, technical development, or investment, and (ii) dividing or sharing the market whether by volume of sales or purchases, territory, by type of goods or services, buyers or sellers, or any other means, which have the object or effect of substantially preventing, restricting or limiting competition in the relevant market; and
- other agreements, which have the object or effect of substantially preventing, restricting or limiting competition in the relevant market; provided that an agreement which contributes to the improvement of production or distribution of goods and services, or promotes technical and economic progress while giving consumers a fair share of benefits, will not necessarily violate the PCA.

In relation to all of the prohibited agreements above, the PCA broadly defines an "agreement" as any type or form of contract, arrangement, understanding, collective recommendation, or concerted action, whether formal or informal, explicit or tacit, written or oral.

The expansive definition of an "agreement" may be interpreted to cover parallel conduct arising from information sharing between competitors (e.g., through bilateral exchanges, trade meeting discussions, or active/ passive receipt of information), which may fall under the category of "concerted action" under the PCA.

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<sup>2</sup> Section 14(a)(1) of the PCA provides, as follows:

"Sec. 14. Anti-Competitive Agreements. – (a) The following agreements, between or among competitors, are per se prohibited: (1) Restricting competition as to price, or components thereof, or other terms of trade; xxx "

### *Information Exchanges*

As mentioned above, the broad definition of "agreement" may cover concerted action resulting from exchanges of non-public, competitively sensitive information between or among competitors including information relating to price, elements of price or price strategies, customers, production costs, quantities, turnover, sales, capacity, product quality, marketing plans, risks, investments, technologies and innovations.

Information may be directly shared between competitors, or shared indirectly through a common agency (for example, a trade association) or a third party such as a market research organization or through the companies' suppliers or retailers. Information sharing may be through formal or informal channels.

Although information exchanges may have pro-competitive effects, it may risk a violation of competition law:

- when the same facilitates alignment of competitive behavior and results in restrictions to competition in situations where it allows entities to be aware of and coordinate market strategies of their competitors;
- it may be deemed as indicative of an agreement or a concerted practice with the object of fixing, in particular, prices or quantities; and
- it may facilitate the implementation of a cartel by enabling companies to monitor whether the participants comply or deviate from a concerted practice among competitors.

### **As Applied to T.S. Lines and Ben Line**

As discussed, Section 14(a)(1) of the PCA, which is the violation deemed covered by the PCC Investigation, refers to price-fixing between or among competitors.

Based on the information requested by the PCC - CEO, the subject of the PCC Investigation appears to cover the "daily rates" of T.S. Lines for "freight and surcharges per container size and type" for all Philippine-bound container shipments originating from all ports in Southeast Asia and Northeast Asia countries.

Based on our previous conferences and correspondence with T.S. Line and Ben Line, we understand that:

- T.S. Lines and Ben Line have not entered into any type or form of contract, arrangement, or understanding with any other shipping lines in the Philippines that offer shipping services for Philippine-bound container shipments.

Furthermore, as there are approximately twenty (20) to thirty (30) market players for intra-Asia shipping, T.S. Lines and Ben Line have not engaged in any form of information exchange with any of their competitors or engaged in any form of concerted action relating to the freight rates and surcharges charged to Philippine customers.

- T.S. Lines and Ben Line independently and internally determine their own pricing for freight rates and surcharges for the Philippine market. T.S. Lines and Ben Line has not engaged in discussions with other market players (including competitors, suppliers, vendors, trade associations, etc.). Freight charges are

negotiated by T.S. Lines and Ben Line with their customers, and T.S. Lines and Ben Line do not set non-negotiable freight charges to its customers.

Other surcharges are charged by T.S. Lines and Ben Line based on fixed and standard costs, such as terminal handling charges that are pegged by terminal operators. Thus, essentially, a number of these fixed and standard surcharges are merely passed on by T.S. Lines and Ben Line to their customers.

- Furthermore, T.S. Lines and Ben Line do not publish or share their freight rates to the market (e.g., to competitors, suppliers, vendors, trade associations, etc.). Instead, T.S. Lines and Ben Line strictly require their customers to maintain strict confidentiality of their freight rates (from other market players including competitors).

Similarly, T.S. Lines and Ben Line do not and have no access to freight rates of other shipping lines catering the same market. Other market players in the industry also do not publish their freight charges (or even if they do so, T.S. Lines and Ben Line do not rely on such rates in setting its own freight rates and surcharges).

- Outside freight rates and surcharges, T.S. Lines and Ben Line also do not share any non-public, competitively sensitive information such as those relating to price strategies, customers, production costs, quantities, turnover, sales, capacity, product quality, marketing plans, risks, investments, technologies and innovations.

Based on the foregoing, we are of the opinion that the PCC Investigation will not likely result to a finding of violation of T.S. Lines and Ben Line of Section 14(a)(1) of the PCA, as there appears to be no sufficient factual or legal basis to support the allegation that T.S. Lines and Ben Line have engaged in price-fixing with their competitors in the relevant market.

Notwithstanding the foregoing, we cannot foreclose the risk that the PCC - CEO commence a case against T.S. Lines and Ben Line, if they find sufficient basis that T.S. Lines and Ben Line have violated Section 14(a)(1) of the PCA, if the PCC - CEO have in their possession information and evidence that we are currently not aware of.

## **C. Risk Exposure and Penalties**

### *Potential Outcomes*

Under the PCC's rules of procedure, the investigation can lead to two possible scenarios:

- the PCC - CEO will file a "Statement of Objections" to formally commence an administrative case against the respondents (including T.S. Lines) for violation of the PCA, if the PCC - CEO finds sufficient basis (i.e., there are facts and circumstances that would lead to a reasonable belief of a violation); or
- The PCC - CEO will close the PCC Investigation, which will typically be indicated through an order from the CEO.

The PCC rules do not provide for a period within which its investigations must be completed. As such and considering that any of the two possible outcomes above have not yet occurred, the PCC Investigation by the PCC - CEO cannot be deemed as "closed" yet. Consequently, further proceedings may still be conducted by the PCC - CEO.

Based on our experience, an investigation by the PCC can take a few years prior to the filing of a Statement of Objections or the closure of the investigation. The PCC Investigation in this case may have been further delayed, as the initial part of the proceedings were conducted in 2020 and 2021, when the Philippines was under stricter COVID-19 related restrictions.

#### *Potential Penalties*

Given the analysis that the PCC Investigation will not likely result to a finding of violation of T.S. Lines and /or Ben Line of Section 14(a)(1) of the PCA, it is unlikely for the PCC to impose any of the following penalties. The penalties under the PCA will only be imposed by the PCC if there is a violation under the PCA.

Based on available information, and assuming that the PCC - CEO does not have in their possession information and evidence that we are currently not aware of, there appears to be no sufficient factual or legal basis (amounting to substantial evidence) to support the allegation that T.S. Lines and Ben Line have entered into anti-competitive agreements with competitors. In any case, we discuss below the potential penalties in case of violation of Section 14(a)(1) of the PCA, for your reference.

#### a. Administrative Penalties

Section 29 of the PCA provides that the PCC, after due notice and hearing, may impose administrative fines on any entity found to have violated Section 14 of the PCA. Section 29, as adjusted by Memorandum Circular No. 21-001, also provides the following schedule of administrative fines:

1. Up to PHP 110 Million (approx. USD 1,962,000) for the 1st offense;
2. PHP 110 Million to PHP 275 Million (approx. USD 1,962,000 to USD 4,904,000) for the 2nd offense; or
3. PHP 165 Million to PHP 275 Million (approx. USD 2,943,000 to USD 4,904,000) for the 3rd and succeeding offense.

Generally, the "first offense" is reckoned upon the issuance of a decision / adjudication by the PCC on a particular Statement of Objections. Nonetheless, there is no clear definition under the PCA / other relevant regulations of what constitutes a "first offense" for the determination of imposable penalties under the PCA. Thus, it is possible that a final adjudication on the Statement of Objections is not required for there to be a "first offense", and that there may already be a "first offense" based on admissions and stipulations by the entity subject of the investigation.

Based on the confirmation from Ben Line and TS Lines and our independent searches of publicly-available information, there is no charge of Section 14 violation as of the date of this legal opinion. . Nonetheless, based on



the analysis above, and assuming that there was no prior PCC investigation on Ben Line / TS Lines, it is highly likely that only the first level of fine is applicable for the present investigation.

The PCA may also impose the following fines for other violations:

1. Fines ranging from PHP 55,000 to PHP 2.2 Million (approx. USD 1,000 to USD 40,000) for failure to comply with an order of the PCA. Businesses that fail or refuse to comply with a ruling, order, or decision issued by the PCC are required to pay the above penalty for each violation, and a similar amount of penalty for each day afterwards, until the business fully complies. These fines shall only accumulate daily starting on the 45th day from the time that the PCC's ruling, order, or decision was received. Based on the confirmation from Ben Line and TS Lines and our independent searches of publicly-available information, there is no indication that Ben Line or TS Lines had failed to comply with any order, ruling or decision of the PCC as of the date of this legal opinion.
2. Fines of up to PHP 1.1 Million (approx. USD 20,000) for the supply of incorrect or misleading information. This fine is applicable to any entity that intentionally or negligently supplies incorrect or misleading information on any document, application, or other paper filed with or submitted to the PCC; or supplies incorrect or misleading information in an application for a binding ruling, a proposal for a consent judgment, proceedings relating to a show cause order, or application for modification of the PCC's ruling, order or approval, as the case may be. Based on the confirmation from Ben Line and TS Lines and our searches on the PCC's official website, there is no penalties imposed against Ben Line and TS Lines as of the date of this legal opinion.
3. Fines worth at least PHP 55,000 (approx. USD 1,000) for any other violations not specifically penalized under the relevant provisions of the PCA.

b. Criminal Penalties

Section 30 of the PCA also provides criminal penalties for violations of Section 14(a) of the PCA. Violating entities may be penalized by imprisonment from two (2) to seven (7) years, and a fine of not less than PHP 50 Million (approx. USD 892,000) but not more than PHP 250 Million (approx. USD 4,460,000).

c. Civil Damages

Section 45 of the PCA also allows for a private action for damages against parties that violated the PCA. It provides that any person who suffers direct injury by reason of any violation of the PCA may institute a separate and independent civil action after the PCC has completed its preliminary inquiry.

d. Other Penalties

Aside from the financial impact of the administrative fines that may be imposed by the PCC (as outlined above), T.S. Lines and Ben Line may also be affected by the PCC's potential exercise of its powers under Section 12(d) of the PCA, which provides that:



Upon finding, based on substantial evidence, that an entity has entered into an anti-competitive agreement or has abused its dominant position after due notice and hearing, stop or redress the same, by applying remedies, such as, but not limited to, **issuance of injunctions, requirement of divestment, and disgorgement of excess profits under such reasonable parameters** that shall be prescribed by the rules and regulations implementing this Act;

The issuance of an injunction may have an impact on the business operations of Ben Line and T.S. Lines, while the requirement of divestment and / or disgorgement of excess profits may have an impact on the financial performance of Ben Line and T.S. Lines.

Currently, the PCA does not impose penalties which result to the revocation, modification or non-renewal of licenses or authorizations.

#### *Other Matters*

Notwithstanding the agency agreement between T.S. Lines and Ben Line, the penalties will be imposed on the party responsible for the violation. In this case, the entity that is found to have been engaged in price-fixing with other competitors in the Philippines will be the entity punishable under the PCA.

However, while there is no precedent on the matter yet, and applying general principles under Philippine laws on agency under the Civil Code of the Philippines, T.S. Lines and Ben Line may be held solidarily liable for civil liabilities arising from the violation of the PCA. Thus, provided that Ben Line acted within the scope of its authority under the agency agreement, T.S. Lines may likewise be held solidarily liable for civil liabilities. The same is true even if Ben Line exceeded its authority under the agency agreement but T.S. Lines allowed Ben Line to act as such as though it had full authority. The Supreme Court has applied the same in other agency relationships in the Philippines where the agent violated Philippine laws (e.g., recruitment agencies).

We believe that it is unlikely that T.S. Lines would be held jointly and solidarily liable with Ben Line, based on the current facts (i.e., that T.S. Lines and Ben Line have not entered into any type or form of contract / arrangement with other competitors, that the entities independently and internally determine their own pricing, and that they do not share the said rates or any other non-public sensitive information). If no sufficient factual basis supports any finding against Ben Line, T.S. lines will not be held jointly and solidarily liable.

#### a. Liabilities of Directors

Under Section 30 of the PCA, the penalty of imprisonment may be imposed upon the responsible officers, and directors of the entity. When the entities involved are juridical persons, the penalty of imprisonment shall be imposed on its officers, directors, or employees holding managerial positions, who are knowingly and willfully responsible for the Section 14 violation. Thus, it is possible that directors of T.S. Lines and Ben Line<sup>3</sup> may also be penalized.

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<sup>3</sup> Based on the General Information Sheet for the year 2022, the following are the corporate officers of Ben Line: Chairman of the Board and President: Robert Chua; VP Marine Agency Services: Terence Uytingban, Corporate Secretary: Rodelle Bolante, and Treasurer: Rose

Based on the current facts (i.e., that T.S. Lines and Ben Line have not entered into any type or form of contract / arrangement with other competitors, that the entities independently and internally determine their own pricing, and that do not share the said rates or any other non-public sensitive information), it is unlikely that directors of T.S. Lines will be held liable.

Penalties provided in the PCA (i.e. particularly, imprisonment) shall be imposed only on the officers, directors, or employees holding managerial positions, who are knowingly and willfully responsible for such violation.

As the current facts do not form a reasonable basis for such violation, there should also be no reasonable basis to hold the directors liable.

**b. Liabilities of the Group**

The liabilities of Ben Line should generally not extend to the other entities within the Group.

Under Philippine corporate law, the liabilities of a subsidiary organized as a Philippine stock corporation do not extend to its shareholders, including the parent company (affiliates, and subsidiaries), and vice versa. The extent of the parent company's liability for the subsidiary's obligations is generally limited to its investments in the subsidiary, subject to situations that justify piercing the corporate veil.

The separate juridical personality of Ben Line and its parent company (affiliates, and subsidiaries) may subject to piercing only in cases of fraud, bad faith or circumstances in which it is shown that the transfer of business was made only to avoid obligations that are in fact due from the transferor. The Supreme Court has ruled that there are three basic areas where piercing the corporate veil is justifiable:

- defeat of public convenience, where the corporation is used as a vehicle for the evasion of existing obligation;
- fraud cases, where the corporation is used to justify wrong, protect fraud, defend a crime; or
- alter ego cases, where the corporation is merely a farce and is a mere alter ego or business conduit of a person, or where the corporation is so organized and controlled and its affairs are conducted as to make it merely an instrumentality, agency, conduit or adjunct of another corporation.

The Supreme Court held that to pierce the corporate veil, the wrongdoing cannot be presumed and must be clearly and convincingly established. The mere fact that one corporation is affiliated with another company does not by itself allow the piercing of the corporate veil. For reasons of public policy and in the interest of justice, the corporate veil will justifiably be impaled only when it becomes a shield for fraud, illegality or inequity committed against third persons.

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Marie Chan. The following are its directors: Robert Chua, Terence Uytingban, Rodelle Bolante, Rose Marie Chan, Kristian Vandermeer, and Domingo Castillo.

Thus, in a recent case decided by the Supreme Court, it enunciated the following tests to determine whether the corporate veil may be pierced to make the shareholders liable:

- control test, which requires that the subsidiary be completely under the control and domination of the parent;
- fraud test, which requires that the parent corporation's conduct in using the subsidiary corporation be unjust, fraudulent or wrongful; and
- harm test, which requires the plaintiff to show that the defendant's control, exerted in a fraudulent, illegal or otherwise unfair manner toward it, caused the harm suffered.

The concurrence of all three elements must be present in order to justify the piercing of the corporate veil.

- As discussed above, the likelihood of a finding by the PCC that Ben Lines and T.S. Lines violated the PCA and Philippine competitions laws is low. Consequently, it is also not likely that there will be a finding of fraud or bad faith for purposes of piercing the corporate veil of Ben Lines or T.S. Lines. As mentioned, fraud or bad faith under Philippine laws cannot be presumed and it must be established by clear and convincing evidence.

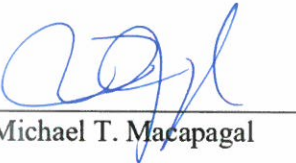
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Yours sincerely,

**Quisumbing Torres**



Alain Charles J. Veloso



Michael T. Macapagal