


SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17 THEREUNDER

1. **March 31, 2015**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **168063**
3. BIR Tax Identification No. **000-065-142-000**
4. **PRYCE CORPORATION**
Exact name of issuer as specified in its charter
5. Province, country or other jurisdiction of incorporation **Philippines**
6.  (SEC Use Only)
Industry Classification Code
7. Address of principal office:
17th Floor PRYCE CENTER
1179 Chino Roces Avenue
corner Bagtikan Street
Makati City
8. Issuer's telephone number, including area code: **(+632) 899 4401**
9. Former name or former address, if changed since last report:
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA as of February 28, 2015:

Title of Each Class

Number of Shares of Common Stock
Outstanding

Total Outstanding (all Common) 2,000,000,000

Subscribed and Issued	1,998,750,000
Subscribed (partially paid)	1,250,000

11. Indicate the item numbers reported herein: Item 5.

Item 5. Legal Proceedings

On March 31, 2015, the Issuer received the *Resolution* of the Land Registration Authority (LRA) in Consulta No. 4440. As previously reported, the issue elevated *en consulta* by the petitioner, the Register of Deeds of Cagayan de Oro City, is the registrability of the Affidavit of Consolidation executed on behalf of China Banking Corporation ("China Bank") pertaining to 36 certificates of title covering properties foreclosed by China Bank. If the LRA found it registrable, ownership to the properties would have been transferred to China Bank instead of remaining with Pryce Corporation. The foreclosure took place prior to the issuance by the Supreme Court *en banc* of its Resolution in G.R. No. 172302 in February 18, 2014 upholding the validity of, among others, the Stay Order issued by the rehabilitation court. The *Resolution* of the LRA states in part:

"China Bank, being a secured creditor, had all the right to foreclose on the real estate mortgage, but in light of the Rehabilitation Court's July 13, 2004 Stay Order having been upheld by the Supreme Court in GR No. 172302, the registration of the subject Affidavit of Consolidation must necessarily be denied.

"WHEREFORE, premises considered, this Authority holds that the Affidavit of Consolidation is *not registrable*.

"SO ORDERED."

The titles involved cover 34 saleable lots in an upscale subdivision, one (1) raw land property near residential areas, and a five (5)-hectare portion of a first-class memorial park with saleable inventories of family estates, garden lots, and lawn lots. All of such titles are located in Cagayan de Oro City.

We attach a copy of the *Resolution* for your reference.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned duly authorized for the purpose.

PRYCE CORPORATION

Issuer

By:


ERIKA P. ENCABO
*Corporate Information and
Compliance Officer*

Date: March 31, 2015



REPUBLIKA NG PILIPINAS
KAGAWARAN NG KATARUNGAN
PANGASIWAAN SA PATALAAN NG LUPAIN
(LAND REGISTRATION AUTHORITY)
East Avenue cor. NIA Road
Quezon City

RPC
MAR 31 2015

REGISTER OF DEEDS OF
CAGAYAN DE ORO CITY,
Petitioner.

CONSULTA NO. 4440

X-----X

RESOLUTION

Elevated *en consulta* by the Register of Deeds of Cagayan De Oro City is the issue of registrability of an Affidavit of Consolidation dated May 30, 2006 by Peter S. Dee, of the China Banking Corporation ("China Bank" for brevity) involving thirty six (36) transfer certificates of title all registered in the name of Pryce Properties Corporation (PPC for brevity).

Records show that PPC mortgaged the properties in favor of China Bank and registered the Real Estate Mortgage, with the Register of Deeds of Cagayan De Oro City on May 31, 2001. Said mortgage was annotated on the 36 titles under Entry No. 352184. For failure of PPC to make good on its obligations, China Bank started foreclosure proceedings on the mortgage. Subsequently, a Temporary Restraining Order dated December 7, 2005 was issued by the Regional Trial Court of CDO Branch 20 restraining China Bank and its representatives from proceeding with the foreclosure sale of the 36 properties of PPC. Said TRO was annotated on the 36 titles under Entry No. 12121.

However, after several months a Certificate of Sale (COS), dated March 24, 2006, was registered and annotated on the 36 titles on April 24, 2006 under Entry No. 2251. After the lapse of the 1 year redemption period or on March 6, 2007, China Bank presented for registration an Affidavit of Consolidation.

Before the Affidavit could be annotated, PPC presented on May 22, 2007 to the Register of Deeds a Stay Order dated July 13, 2004 issued by the Regional Trial Court of Makati City Branch 138 in Special Proceeding Case No. M-5901, entitled IN THE MATTER OF PETITION FOR CORPORATE REHABILITATION WITH PRAYER FOR SUSPENSION OF PAYMENTS. It is by virtue of this Stay Order that the Register of Deeds elevated *en consulta* the issue of the registrability of the subject Affidavit of Consolidation.

Apparently, the registration of the COS by China Bank was hinged on the July 28, 2005 Resolution of the Court of Appeals in CA-GR CV No. 88479 which reversed and set aside the rehabilitation court's July 13, 2004 Stay Order.

Appealing the CA's July 28, 2005, Pryce Corporation received a favourable ruling from the Supreme Court *en banc* in a Resolution, dated February 18, 2014, in GR No. 172302. Thus, in an Urgent Manifestation and Motion, dated April 2, 2014, submitted to this Authority, PPC prays for the final denial of the registration of the subject Affidavit of Consolidation as well as the declaration of the foreclosure proceedings and COS as null and void.

We hold that the Affidavit of Consolidation is not registrable in light of the Supreme Court En Banc Resolution, dated February 18, 2014, in GR No. 172302, granting the reliefs prayed for in the second motion for reconsideration of PPC, particularly the setting aside of the July 28, 2005 Order of the Court of Appeals which Reversed the Rehabilitation Court's Stay Order dated July 13, 2004.

The Supreme Court in *Consuelo Metal Corporation vs. Planters Development Bank*, GR No. 152580, June 26, 2008, opined the following:

“In *Rizal Commercial Banking Corporation v. Intermediate Appellate Court* (378 Phil. 10), we held that if rehabilitation is no longer feasible and the assets of the corporation are finally liquidated, secured creditors shall enjoy preference over unsecured creditors, subject only to the provisions of the Civil Code on concurrence and preference of credits. Creditors of secured obligations may pursue their security interest or lien, or they may choose to abandon the preference and prove their credits as ordinary claims.

“Moreover, Section 2248 of the Civil Code provides:

‘Those credits which enjoy preference in relation to specific real property or real rights, exclude all others to the extent of the value of the immovable or real right to which the preference refers.’

“In this case, Planters Bank, as a secured creditor, enjoys preference over a specific mortgaged property and has a right to foreclose the mortgage under Section 2248 of the Civil Code. The creditor-mortgagee has the right to foreclose the mortgage over a specific real property whether or not the debtor-mortgagor is under insolvency or liquidation proceedings. The right to foreclose such mortgage is merely suspended upon the appointment of a management committee or rehabilitation receiver or upon the issuance of a stay order by the trial court. However, the creditor-mortgagee may exercise his right to foreclose the mortgage upon the termination of the rehabilitation proceedings or upon the lifting of the stay order.”

China Bank, being a secured creditor had all the right to foreclose on the real estate mortgage, but in light of the Rehabilitation Court’s July 13, 2004 Stay Order having been upheld by the Supreme Court in GR No. 172302, the registration of the subject Affidavit of Consolidation must necessarily be denied.

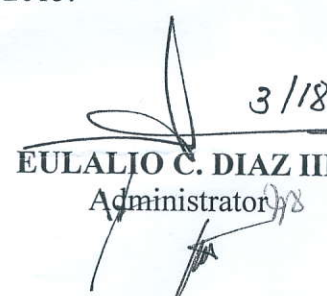
WHEREFORE, premises considered, this Authority holds that the Affidavit of Consolidation is *not registrable*.

SO ORDERED.

Quezon City, Philippines, _____, 2015.


ATTY. JOSEPH S. DIMAIYACAN
Chief, Land Registration Cases Division
A TRUE COPY

/LawDiv/Del Rosario/4440/eyw/02.4.15


EULALIO C. DIAZ III
Administrator