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Republic of the Philippines
Department of Education
REGION VIII - EASTERN VISAYAS

January 19, 2024

REGIONAL MEMORANDUM

No. **81** s. 2024

LIQUIDATION ORDER AGAINST LOYOLA PLANS CONSOLIDATED, INC.

To: Schools Division Superintendents
Regional Office Division Chiefs
All Others Concerned

1. Attached is Memorandum OULLA-2024-027, dated January 10, 2024, from the Office of the Undersecretary for Legal and Legislative Affairs, relative to the Order issued by the Insurance Commission placing Loyola Plans Consolidated, Inc. under liquidation effective September 29, 2023.
2. Other details are stipulated in the above-mentioned Memorandum and attached documents. Immediate dissemination of and compliance with this Memorandum are desired.


EVELYN R. FETALVERO, CESO IV
Regional Director



Enclosures: Memorandum, Letter Notice from Insurance Commission
References: None

To be indicated in the Perpetual Index under the following subjects:

Liquidation Order

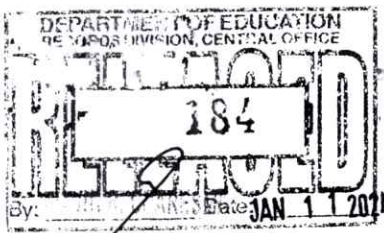
Loyola Plans

Insurance

ORD-LU-MJSC



Address: Government Center, Candahug, Palo, Leyte
Telephone Nos.: (053) 832-5738
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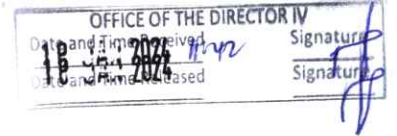
VIII

Republic of the Philippines
Department of Education

OFFICE OF THE UNDERSECRETARY FOR LEGAL AND LEGISLATIVE AFFAIRS

MEMORANDUM

OULLA-2024- 627



FOR : UNDERSECRETARIES
ASSISTANT SECRETARIES
BUREAU AND SERVICE DIRECTORS
REGIONAL DIRECTORS
DIVISION CHIEFS
ALL OTHERS CONCERNED

FROM : *MAROMEN*
ATTY. OMAR V. ROMERO
Undersecretary for Legal and Legislative Affairs

ZENITH
ATTY. ZENITH J. EUROPA
Executive Assistant IV
Officer-in-Charge
Office of the Director for Legal Service

RODEL
ATTY. RODEL JAMES R. PULMAN
Chief, Legal Service - Legal Division

SUBJECT : Liquidation Order against Loyola Plans Consolidated, Inc.

DATE : 10 JAN 2024

This is in reference to the September 11, 2023 Order from the Insurance Commission¹ and the October 09, 2023 Letter-Notice from Atty. Dionne Marie M. Sanchez² placing the Loyola Plans Consolidated, Inc. (LPCI) under Liquidation.

Since LPCI has been placed under liquidation, please be informed that no transaction concerning its properties may be enforced without the consent of the Insurance Commission and the duly appointed liquidator.

For your notice and reference.

¹ Enclosed as Annex "A".
² Enclosed as Annex "B".



Address: 3F Mabini Bldg., DepEd Complex Meralco Avenue, Pasig City
Telephone Nos.: (02) 86338925/ (02) 86374611
Email Address: oula@deped.gov.ph
Website: www.deped.gov.ph

Doc. Ref. Code	DM-OULLA	Rev	00
Effectivity	09.01.23	Page	1 of 1



Certificate No. PHP
QMS 22 93 0085



Republic of the Philippines
Department of Education

OFFICE OF THE UNDERSECRETARY FOR LEGAL AND LEGISLATIVE AFFAIRS

MEMORANDUM

OULLA-2024- 627

FOR : UNDERSECRETARIES
ASSISTANT SECRETARIES
BUREAU AND SERVICE DIRECTORS
REGIONAL DIRECTORS
DIVISION CHIEFS
ALL OTHERS CONCERNED

FROM : *MAROMEN*
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Undersecretary for Legal and Legislative Affairs

Zenith Europa
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Executive Assistant IV
Officer-in-Charge
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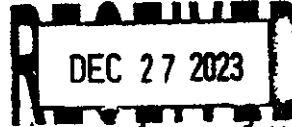
SYMECS LAW

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09 October 2023

DEPARTMENT OF EDUCATION
2nd Floor Department Of Education Building,
Deped Meralco Avenue,
Pasig, 1605 Metro Manila

DEPARTMENT OF EDUCATION
LEGAL AFFAIRS
HELP DESK



By: Reynaldo Time: 9:20 AM
Doc. #: 97173
From: Aaron (Reynaldo)

Gentlemen:

Notice is hereby given that the Insurance Commission issued an order placing Loyola Plans Consolidated, Inc. ("LPCI") under liquidation effective September 29, 2023 through its Order dated September 11, 2023. Pursuant to said Order, the Undersigned, Atty. Dionne Marie M. Sanchez has been appointed as the Liquidator of the Company.

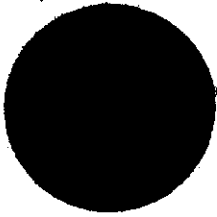
Hence, no transaction concerning LPCI's properties shall be enforced without the consent of the Insurance Commissioner and his duly appointed/designated liquidator. This notice is pursuant to the order of the Honorable Insurance Commissioner, Reynaldo A. Regalado, thru his duly appointed liquidator, Dionne Marie M. Sanchez

Enclosed is a copy of the Liquidation Order, for your reference.

Thank you.

Very truly yours,


ATTY. DIONNE MARIE M. SANCHEZ
Liquidator, Loyola Plans Consolidated, Inc.



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



11 September 2023

THE BOARD OF DIRECTORS
LOYOLA PLANS CONSOLIDATED, INC.
Penthouse Virra Condominium
500 P. Burgos Street
Makati City

THROUGH: **ATTY. DIONNE MARIE M. SANCHEZ**
Receiver
Loyola Plans Consolidated, Inc.
3109 One Corporate Center
Julia Vargas corner Meralco Avenue
Ortigas Center, Pasig City
dmsanchez@symecslaw.com

SUBJECT: **Liquidation Order against Loyola Plans Consolidated, Inc.**

Dear Atty. Sanchez:

On 24 July 2019, the Insurance Commission issued a Cease and Desist Order (CDO) against **Loyola Plans Consolidated, Inc. (LPCI)** due to its continuing inability or unwillingness to comply with the requirements of the Pre-Need Code and orders of the Commission to cover-up its remaining capital impairment and trust fund deficiency. Further, LPCI has been directed not to transact new pre-need plan business of any kind or character.

On 30 March 2023, LPCI has been placed under Receivership pursuant to Section 50 of the Pre-need Code as the Audited Financial Statements for the years as of 31 December 2019 and 2020 and the interim (unaudited) financial statements as of 31 December 2022, clearly show trust fund deficiencies and that the company is insolvent. LPCI is suffering from capital impairment with a negative Total Stockholders' Equity of Two Billion Four Hundred Thirty-Nine Million Five Hundred Thirty-Three Thousand One Hundred Ninety-Two Pesos (Php2,439,533,192.00) based on the interim financial statements as of 31 December 2022.

Moreover, pursuant to Paragraph 2, Section 50 of the Pre-need Code, the Receivership of LPCI shall only be for a period of thirty (30) days from the appointment of the Receiver of the company.

In accordance with this Commission's CRL Memo No. 31-2016, the company has been given a chance to submit a proposal for rehabilitation, which shall include the

duly accomplished Rehabilitation Plan within the aforesaid 30-day period, otherwise, LPCI will be placed under Liquidation pursuant to Paragraph 2, Section 50 of the Pre-need Code and our CRL Memo No. 32-2016.

After the lapse of the said 30-day period and as of date of this letter, LPCI did not submit any rehabilitation plan. Hence, you have recommended to place LPCI under liquidation pursuant to Paragraph 2, Section 50 the Pre-Need Code.

In your second (2nd) quarter report dated 14 July 2023, you have reported that based on the company's interim financial statement for the six-month ending 30 June 2023, LPCI maintained a net loss of Nine Hundred Twenty-Six Million One Hundred Thirty Thousand Fifty-Seven Pesos and 69/100 (Php926,130,057.69).

LPCI's Pre-Need Reserves as of 30 June 2023 amounted to Two Billion Six Hundred Forty-Two Million Four Hundred Sixty-Seven Thousand Two Hundred Thirty-Four Pesos (Php2,642,467,234.00) while the investment in Trust Fund for the same period amounted to Nine Hundred Fifty-Eight Million Nine Hundred Twelve Thousand One Hundred Sixty-Two Pesos and 65/100 (Php958,912,162.65).

The Planholder's Benefit Payable as of 30 June 2023 amounted to Three Billion Six Hundred Ninety-Four Million Seven Hundred Ninety-Five Thousand Eight Hundred Four Pesos and 74/100 (Php3,694,795,804.74).

Also, LPCI recorded a deficit in its Retained Earnings for the same period amounting to Three Billion Seven Hundred Fifty-Nine Million One Hundred Eighty-Five Thousand One Hundred Twenty-Nine Pesos and 20/100 (Php3,759,185,129.20) while its Stockholder's Equity likewise recorded a deficit amounting to Three Billion Three Hundred Thirty-Five Million Nine Hundred Seventy-Two Thousand Nine Hundred Ninety-Three Pesos and 23/100 (Php3,335,972,993.23) as of 30 June 2023.

To reiterate, LPCI's financial condition clearly indicates insolvency and the continuance in business would be hazardous to its planholders and creditors. Given its current state of insolvency, you also find that rehabilitation is no longer an option and that there are no indicators at all that it can resume business which will redound to its benefit and that of its planholders. For the best interest and welfare of the company, its planholders and creditors, and to preserve what remains of its corporate and trust fund assets, it is best that the liquidation proceedings be undertaken in order to ultimately distribute the trust fund assets to the planholders and to convert LPCI's assets to cash for the purpose of settling its liabilities and debts.

In view of the foregoing, this Commission approves your recommendation and hereby places LPCI under Liquidation pursuant to Paragraph 2, Section 50 the Pre-Need Code which states that:

"The Commission shall thereupon determine within thirty (30) days whether the pre-need company may be reorganized or otherwise placed

in such condition so that it may be permitted to resume business with safety to its planholders and creditors and shall prescribe the conditions under which such resumption of business shall take place as well as the time for fulfillment of such conditions. In such case, the expenses and fees in the collection and administration of the pre-need company shall be determined by the Commission and shall be paid out of the assets of such company. **If the Commission shall determine and confirm within the said period that the pre-need company is insolvent, as defined hereunder, it shall, if the public interest so requires, order its liquidation, indicate the manner of its liquidation and approve a liquidation plan and implement it immediately.** The Commission shall designate a competent and qualified person as liquidator who shall take over the functions of the receiver previously designated and, with all convenient speed, distribute the trust fund exclusively to the planholders in proportion to termination values of their respective pre-need plans, convert the assets of the pre-need company to cash, or sell, assign or otherwise dispose of the same to the planholders, creditors and other parties for the purpose of settling the liabilities or paying the debts of such company and he may, in the name of the company, institute such actions as may be necessary in the appropriate Court to collect and recover accounts and assets of the pre-need company, and to do such other acts as may be necessary to complete the liquidation as ordered by the Commission."

Please be guided by CRL Memo No. 32-2016 entitled *"Procedure on the Liquidation of Distressed Insurance and Pre-need Companies and Mutual Benefit Associations"*.

Pursuant to the said guidelines, a proposed Liquidation Plan of the company must be submitted by the Liquidator within three (3) months from his/her appointment using the prescribed CSW in accordance with CRL Memo No. 21-2014 for the approval of this Commission. Kindly refer to CRL Memo No. 41-2018 for the template of the Liquidation Plan.

We also note that this Commission approved the sale of various properties of LPCI to generate funds for the payment of planholders' benefits. Please continue to update this Commission of any developments.

While undergoing liquidation proceedings, the *Notice of Stay Order* issued against LPCI shall remain effective in order to consolidate and protect the assets of LPCI for the benefit of the planholders and creditors.

May we again reiterate the various planholders filing and following up their claims whose names were not included in the masterlist or Schedule of Planholders Benefit Payable which we find as understatement to the liabilities account of the company. Please ensure the completeness of the masterlist as this will also facilitate the payment of claims during distribution.

Simultaneously, the attached Notice of Liquidation shall be published in a newspaper of general circulation for three (3) consecutive weeks and in the Insurance Commission website in accordance with Circular Letter No. 2016-34.

You are likewise directed to proceed immediately with the annotation of the Liquidation Status on the ownership documents of the company in accordance with CRL Memo No. 09-2009 dated 09 January 2009 to transmit notices to government and other concerned agencies of the receivership status LPCI as required by our CRL Memo Nos. 38-2016, 26-2016 and 11-2009 on "CRL Notice Requirements."

For guidance and strict compliance.

Very truly yours,


REYNALDO A. REGALADO
Insurance Commissioner

