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MEMORANDUM ORDER NO. 192

AUTHORIZING THE IMPLEMENTATION OF THE PROPOSED MERALCO TRANSACTION
SUBJECT TO CERTAIN MODIFICATIONS AS HEREUNDER INDICATED.

Upon the recommendation of the Technical Committee composed of the Heads of Government Financing Institutions (GFI), the implementation of the proposed Meralco transaction is hereby authorized subject to the following modifications:

(a) Include in the financial consideration all unpaid interests accruing to the loans up to June 30, 1986, the date of transfer to Asset Privatization Trust (APT), and APT's interest charges from June 30, 1986 to date of full payment. Per computation, the financial considerations will increase to PHP995 million, if paid on July 31, 1988;

(b) Amend the stock dispersal plan to reflect a shorter holding period for the Bank of Philippine Islands/Morgan syndicate and provide more adequate mechanisms to ensure widest distribution of shares to the public;

(c) Restrict the Direct Debtor Buy-Out (DDBO) plan under the foregoing terms only to the original parties in this transaction. In the event the original parties back out, negotiate with other groups, but not necessarily limited to the DDBO alternative.

Atty. Ramon T. Garcia, Chief Executive Trustee of the Asset Privatization Trust (APT), is hereby designated as Action Officer for the implementation of said transaction. For this purpose, he is hereby directed to:

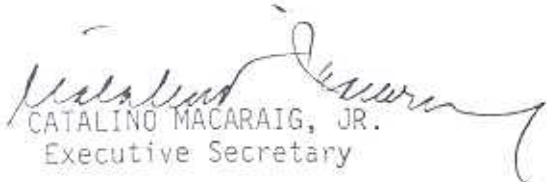
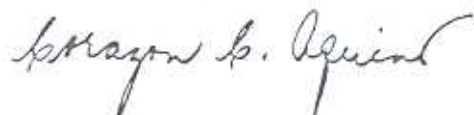
(a) Negotiate with all parties concerned on behalf of the National Government; and

(b) Submit a report on the results of his negotiations upon completion thereof.

This Memorandum Order takes effect immediately.

DONE in the City of Manila, this 15th day of September, in the year of Our Lord, nineteen hundred and eighty-eight.

By the President:



CATALINO MACARAIG, JR.
Executive Secretary