



## **UNITED CHURCH OF CHRIST IN THE PHILIPPINES**

*877 Epifanio de los Santos Avenue, West Triangle, Quezon City*

P.O Box 718, Manila Central Post Office, 1099 Ermita, Manila

Telephone: (632) 426-1729 \* 426-3790 \* 436-9157 Fax: (632) 426-1729

E-mail: [ogs@uccpchurch.com](mailto:ogs@uccpchurch.com)

Website: [www.uccpchurch.com](http://www.uccpchurch.com)

October 24, 2017

### **ON THE CURRENT PROPERTY DEVELOPMENT EFFORTS AT THE UCCP GENERAL ASSEMBLY LEVEL**

#### **1. CONCRETE PROBLEM. What is the problem that has plagued the UCCP for decades?**

The UCCP has come out of the post-colonial era, asserted itself to be an autonomous church free from its so-called “mother-churches” from the USA. The acid test for such churches was the tenets of the so called “Three Self Movement,” that of being self-governing, self-propagating, and self-reliant. The first two we had lived up to, but we have utterly failed in the third test, that of relying on our own/internal resources to finance the church’s basic and fundamental ministries; and its own administrative and organizational set-up.

We had to continue to be highly dependent on foreign sourcing. We had to suit proposals to the priorities of funding agencies to be able to access resources. What were considered traditional ministries such as Christian Education or Evangelism and the financing of our organizational machinery were hardly funded from outside source.

In the meantime, our church workers were/are at the mercy of the local churches. There was/is no standard salary. Many, up to this day, receive less than the minimum wage in their respective regions. A significant number are still not covered by Social Security. Of those enrolled, many have gaps of payments as at one term they are in a church which can afford to pay SSS premiums, then in another term they are assigned to a church which cannot do so. We do not have a sustainable financial assistance for retired/retiring church workers.<sup>1</sup> We barely have a Health/Hospitalization Benefit, nor a realistic Mortuary or Death Benefit Plan.

---

<sup>1</sup> At the end of EY 2009-10, the year before this present Administration took over, the total WMS receipts was just over PhP4 million. Yet we needed PhP4.8 million if we were to give the P2,500/quarter/church worker. Where will we get that amount?

In 2008, the National Council made a painful decision to have a moratorium on the GA support to ministerial students, as there were simply no funds.

When our administration took leadership, we discovered that there was an accumulated PhP28 million pesos deficit. Monies from Trust and Designated Funds were used. The good news is that because of prudent financial management and belt-tightening, we were able to return half at the end of the quadrennium 2010-14. Then before the end of this quadrennium, we have already wiped out the deficit.

These are **concrete problems** needing **concrete solution**.

2. **Were there not campaigns in the past that would address these problems?**

There were two major campaigns: the Self-Reliance Fund campaign and the 2nd Mile Giving Campaign. But these were largely targeted at members giving to the fund. Both failed to meet their targets.

To cite an example: Even if the target of PhP5 million was reached in the Self-Reliance campaign, the interest earned by that fund in today's bank interest is very very tiny and miniscule. Only 10 church workers would benefit if given P2.5T/quarter, and we have more than 500 qualified recipients.

3. **What concrete solutions were proposed to deal with this difficulty?**

The Church, under the present leadership, has put up the 500 Club which targets 500 individuals, groups of individuals, local churches, conferences, institutions to pledge P500,000 for a period of 4 years, that would go to Church Workers Benefit Package. But this is also a direct-giving campaign.

The other was to go into an intentional and purposive comprehensive property development plan, that would turn our idle assets into productive assets, which in turn will enable the Church to meet its needs and obligations; do God's mission and its ministries, and for it to become self-reliant.

This plan is nothing new; previous Administrations had their own Property Development Plans but were saddled with a major obstacle: lack of capital. UCCP simply did not have money to make our properties productive.

Our Church, as a religious corporation (*oh yes, we are a corporation duly registered with the SEC*), have very limited arena to engage in business and

property development. Under the present set-up<sup>2</sup>, our best options are lease and Build-Operate and Transfer (BOT).

#### 4. **So, why not go into these directions?**

We can, of course, do this and had been doing this. But we need the resources now. We need capital to pump-prime other development. Leasing tend to be slow in the return of investment (ROI), and will come in monthly installment throughout the duration of the lease. And so, while the total sum may look big in paper, by the time the lease expires and when inflation is imputed, the lease income is actually very small. (*Ask the experience of Negros District Conference on the Aldea lease; or of the UCCP Laoag. It was the developer/lessee who made a killing as he could dictate the rental price for the spaces*).

#### 5. **What is the way forward then?**

The present GA Leadership (*the Bishops and other GA Officers who form the NEC, and the National Council, with representatives coming from all the conferences*) have approved a comprehensive stewardship plan which requires among other things, the putting up of a UCCP wholly owned holding company and a realty company that will operate the temporal or the resource generation side of our Church.

#### 6. **Is this, as alleged, the wild scheme of the “wily tandem”<sup>3</sup>, namely the National Treasurer and the General Secretary?**

No. If I am a member of the NEC or the National Council, I would feel slighted and insulted. This charge makes both bodies as robots or worse marionettes dancing to the tune of the handlers. It makes it appear that the other officers of the church, the other Bishops, the 48 Conference representatives, the organizational heads, etc., as incapable of thinking or are all under the sway of the said officers.

The truth is this is not a new idea. When we came into leadership, one of the things we did was to encode GA minutes from present going back, to check

---

<sup>2</sup> The Articles of Incorporation delimits what we can do as specified in the primary and secondary purposes of the UCCP as a corporation.

<sup>3</sup> According to Dr. Everett Mendoza: “Our church and its church workers suffer from hunger and seek *immediate* relief. Here comes a wily tandem who see the potentials of the church’s inheritance lying idle, and offered to convert it into cash to bring relief to our famished institutions and church workers. They began by leasing to Gaisano half of the Bethany property in exchange for millions of pesos. But they were only testing the waters.

Having seen no opposition, the wily tandem proceeded to negotiate a joint venture with a top real estate developer to develop a UCCP property in Malate.”

on the implementation of GA actions, to review policies and propose revisions and update them when necessary. Two previous General Assemblies have thought of it, but it is only now that the actions are beginning to be implemented.

The GA in Cebu on 1990 made these actions:

### **Conversion of Church Institutions to Stock Corporation**

Voted **GA90-72**:

To refer the following recommendation to the Legal Committee for study and recommendation to the Executive Committee:

“To study the possibility of converting all existing institutions where properties are exclusively owned by UCCP, to stock corporation and that all stocks be in the name of UCCP

### **Establishment of Stock but non-profit foundation/or Stock but profit organization/corporation**

Voted **GA90-73**:

That should the feasibility study on the establishment of church-related stock but non-profit foundation or stock, but profit organization/corporation be found viable, the 4<sup>th</sup> Quadrennial General Assembly mandates the Executive Committee and appropriate body to establish and organize the same.

And then again, the GA in Baguio on 2002 made the following action:

**GA7-2002-39**:

VOTED: To approve the recommendations of the Policy Discussion Group on SRD as amended:

1. The Church shall establish a non-stock investment and management company that may be incorporated as a foundation duly owned by UCCP. It shall serve as the principal or holding company that will manage investments and income generating ventures to support the total lifework and ministry of the Church.

2. All real properties of the Church (used, under-utilized, unutilized and idle) shall be utilized to pursue its mission and witness programs.

So, it is very clear that the idea of putting up a holding company was already thought of and acted upon by previous GAs, but it took us to 2014-2018 to implement it. We asked our Legal Counsel to do a research on what is our best option to implement these actions. The study was duly presented to the National Executive Council.

**7. But wait, was there not a provision in the UCCP By-Laws that created a holding company?**

You mean, Art V Section 22 of the UCCP By-Laws?

**SECTION 22. *The UCCP Resource Development Foundation.***

- a. The Church shall organize and establish a non-stock, non-profit foundation, which shall be wholly-owned and controlled by the UCCP. The foundation shall serve as the holding company of the Church and shall manage its investment ventures.**

Yes, there was the UCCP Foundation. But it is no longer operational. But more importantly, a foundation is not a proper structure or vehicle for a holding company. A foundation, according to SEC Memorandum 8, series of 2006, is “a non-stock, non-profit corporation established for the purpose of extending grants or endowments to support its goals or raising funds to accomplish charitable, religious, educational, athletic, cultural, literary, scientific, social welfare or other similar objectives.”<sup>4</sup> So, a foundation is incongruous to a holding company.

**8. Was the plan to put up a holding and realty company kept secret or hidden as alleged?**

No. This was reported to the NEC, which approved it. It was reported to the National Council and was confirmed by it. There are reports to said bodies. It was shared to and discussed with the CSRD, which even had an action on it.

Meeting on March 11, 2015, the CSRD, presided by Atty. Levi Ugsad, approved a motion, to wit:

CSRD 03-15: 03 To pass a resolution recommending the creation of UCCP Holdings, Inc., for approval of the National Council

---

<sup>4</sup><http://www.sec.gov.ph/wp-content/uploads/2015/11/sec-memo-8s2006.pdf>

When the FOC Chair asked for documents in a letter dated Sept 28, 2016<sup>5</sup> addressed to the head of Organizational Ministries, the National Treasurer (NT) responded immediately and positively. This was acknowledged by the FOC Chair in his letter to the NT on Oct. 19, 2016:

From: Noriel Capulong <[norielccapulong@su.edu.ph](mailto:norielccapulong@su.edu.ph)>  
Date: 10/19/16 4:19 PM (GMT+08:00)  
To: UCCP National Treasurer <[millan\\_nto@uccpchurch.com](mailto:millan_nto@uccpchurch.com)>, Amy Jaim <[mywelette@yahoo.com](mailto:mywelette@yahoo.com)>, [mindanaoinstitute@yahoo.com](mailto:mindanaoinstitute@yahoo.com), Luna Dingayan <[lunadingayan@yahoo.com](mailto:lunadingayan@yahoo.com)>, Everett Mendoza <[evermarina@yahoo.com](mailto:evermarina@yahoo.com)>, Everett Mendoza <[everetlmendoza@su.edu.ph](mailto:everetlmendoza@su.edu.ph)>  
Subject: Re: FOC Request for Documents

Dear Larry,

...

First, I thank you for your immediate response to release the documents we have requested. I just received it yesterday at the Divinity School office since I am now spending more office time now at the SU Ch.

Second, my sense is that the statement that may have been passed on to you could most likely be the older statement drafted by Dr. Mendoza on which I already made some comments and reactions. He then proceeded to write a new statement which is now more objectively and dispassionately written and have included a concrete proposal on how to go about in the matter of developing our properties. This is the paper we will be dealing with and reacting to when he sent this paper specifically addressed to the FOC for us to respond to.

**9. On the Malate Property. Is it true that there was only one proposal and that we do not have any basis of comparison on the cost of development?**

This is not true. First, we had a duly accredited appraiser make a valuation our property. The worth of our property is PhP500 million more or less. The Vista Land appraisal was within the vicinity of that of our own appraiser.

Second, the One Management Board, the General Manager of Shalom as well as the Management Team in the National Secretariat had prospective developers present to them. Poco & Associates, Espina and Espina (*though*

---

<sup>5</sup>Excerpts:

From: **Noriel Capulong** <[norielccapulong@su.edu.ph](mailto:norielccapulong@su.edu.ph)>  
Date: Wed, Sep 28, 2016 at 12:00 PM  
Subject: Emergency FOC meeting  
To: [sarlyrhaman@gmail.com](mailto:sarlyrhaman@gmail.com)

...

At the same time, in order to guide our deliberations with concrete facts and data and real information, instead of plain speculation, and also for the sake of upholding the principle of transparency in the church may I request beforehand copies of the Incorporation papers of both the Realty and Holding companies that have been approved by the NC last 2015. May I also request for a copy of the contract with the Gaisano regarding the lease of the Bethany property.

*they wanted just to be supervising architects), the Olunan & Associates (their proposal is competitive with that of Vista Land but they lack the immediate capacity to start the project. They will still gather prospective financiers).*

**10. According to Dr. Mendoza: These transactions have been undertaken ostensibly by the One Management Board but actually by the National Treasurer in consultation with the General Secretary under a cloud of secrecy. Is this true?**

Again, this is a false claim by Dr. Mendoza. In fact, several developers were asked to make their offers. But only Vista Land followed through with their interest.

When the Vista Land asked to make their presentation, we called representatives from the UCCP bodies that will have to deal with the matter, namely: the CSRD, the One Management Board, the Management Team of the National Secretariat, and the NEC. That was the first time it was presented to the General Secretary and the whole group.

After the presentation and after the Villar Group left, we had a caucus and we agreed to call the three bodies for a joint meeting. We also agreed to try to reach out to other developers to make their offers. We also agreed on the suggestion of the CSRD Chair, Atty. Levi Ugsad, to see if there are other models than a joint venture and encouraged him to reach his contacts. The GA Chair, Dr. Pio Bacong, also promised to explore possibilities with his contacts.

Two other persons have contacted the General Secretary to try to get other prospective developers.

**11. Is the Vista Land proposal a done deal?**

No. In the Joint Meeting we had following the Vista Land presentation, it was decided to give prospective developers to submit and make their offers. Proponents have until Nov. 30 to send in their offers.

In the National Council meeting last August, the General Secretary promised to bring back to the National Council to decide on the Malate development. As promised, a special National Council meeting is being called on Dec. 4-5 to look at the Vista Land and other offers, if there are still others. But one way or the other, a decision has to be made on the offer of Vista Land (*either to accept or reject*). The Vista Land is not going to wait forever. If we do not make a decision, one way or the other, they will move on and look into other possibilities.

## 12. **Why was there no bidding conducted?**

We are not bound by one design that investors/developers can all bid on. We asked prospective developers to see the place, and if they are interested for them to make an offer on how to best maximize the potential of our property and so we had different offers. Olunan and the Villar Group have the same idea of putting up a high-rise condominium. That is the trend in a two-three-kilometer radius for our place.

## 13. **Did you sell, mortgage or encumber the property behind the UCCP HQ/National Office? According to Dr. Mendoza: “The property behind the UCCP national HQ was used to capitalize the registration of two corporations – a realty and a holding company – for the development of the church’s real estate assets outside the system and processes of the church which is the whole rationale for their creation.”**

No. Definitely a lie! If anyone can show proof that it was done so, the General Secretary promised to resign immediately, and hopefully all others allegedly involved will also resign. Why Dr. Mendoza need to embellish his arguments with lies and half-truths is beyond us? Or is he being misled by his so-called “confidential” informer? He has already judged the national leadership guilty, particularly the National Treasurer and the General Secretary; and could not even grant us due process or afford us the time-honored principle of “innocent unless proven guilty.” He cannot even give the grace of presumption of good faith nor the benefit of the doubt. He prefaced the 2nd part of his paper this way:

“Please find attached the article. I was constrained to write a follow-up letter to the UCCP faithful when I noticed that many of those who support the General Secretary's and the National Treasurer's actions do so in the belief that the two were acting in good faith and were thinking only of the church's and the church workers' well-being and so deserve at least the benefit of the doubt.

But judging from their actions, they don't deserve this trust...”

Already judged, even before the benefit of reply.

## **Concluding Remarks:**

The national leadership faced a concrete problem and it offered a concrete solution to it. The national leadership could not afford to sit idly by and do nothing when in fact we can make a difference. In a few months, the General Secretary, some Bishops and National officers will end their terms. At least they can say,



“We are leaving the Church in a much better shape than when we received it, and that until the end of our term, we tried to find ways to improve the lot of our beloved UCCP and its church workers.”

One day we all must face our Maker and stand before the Judgment Throne, where we will all be made to account for what we had done and failed to do. In this regard, we leave it to God and for history to judge us.

*On behalf of the national leadership,*



**Bishop Reuel Norman O. Marigza**  
*General Secretary*



**DR. PIO D. BACONGA, CPA, MBA, DFRIAcc**  
*Chairperson, UCCP General Assembly*



**LAURO C. MILLAN**  
*National Treasurer*