

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement (hereinafter the "Agreement"), made and entered into this 5th day of February 2002, in Quezon City between and among:

SMART COMMUNICATIONS, INC., a domestic corporation duly organized and existing under and by virtue of Philippine laws, with principal office address at the 26th Floor, SMART Tower, 6799 Ayala Avenue, Makati City, represented herein by its Head, Legal & Carrier Business Group, DR. ROGELIO V. QUEVEDO, and hereinafter referred to as "**SMART**";

PILIPINO TELEPHONE CORP., a domestic corporation duly organized and existing under and by virtue of Philippine laws, with principal office address at the 25th Floor, SMART Tower, 6799 Ayala Avenue, Makati City, represented herein by its Legal Manager ATTY. MA. DOLORES T. SYQUIA-SANTOS, and hereinafter referred to as "**PILTEL**";

GLOBE TELECOM, INC., a domestic corporation duly organized and existing under and by virtue of Philippine laws, with principal office address at the 5/F Globe Telecom Plaza, Pioneer corner Madison Streets, Mandaluyong City, represented herein by its Senior Vice President, Corporate and Regulatory Affairs ATTY. RODOLFO A. SALALIMA, and hereinafter referred to as "**GLOBE**";

ISLA COMMUNICATIONS CO. INC., a domestic corporation duly organized and existing under and by virtue of Philippine laws, with principal office address at the 4th Floor, CIFIC Tower, Juan Luna Avenue cor. Rajah Humabon Streets, North Reclamation Area, Cebu City, represented herein by its Legal Counsel, ATTY. V. FROILAN M. CASTELO, and hereinafter referred to as "**ISLACOM**";

PHILIPPINE ELECTRONICS & TELECOMMUNICATIONS FEDERATION, a private entity with principal office at 7th Floor Rm .711, PS Bank Building, Buendia Avenue, Makati City, represented by its President, ENGR. DAVID T. FERNANDO, and hereinafter referred to as "**PETEF**".

PHILIPPINE INFORMATION AGENCY, a government entity with principal office at the 3rd Floor PIA Bldg., Visayas Avenue, Diliman, Quezon City, represented by its Deputy Director General, MR. MICHAEL R. REYES, and hereinafter referred to as "**PIA**";

and

The **KAPISANAN NG MGA BRODKASTER NG PILIPINAS**, a private entity with principal office at 6th Floor LTA Building, 118 Perea St., Legaspi Village, Makati City, represented by its Chairman, MR. CERGE M. REMONDE, and hereinafter referred to as "**KBP**";

Dr. Rogelio V. Quevedo
Dr. Dolores T. Syquia-Santos
Rodolfo A. Salalima
Froilan M. Castelo
Michael R. Reyes

RF

PHILIPPINE ELECTRONICS & TELECOMMUNICATIONS FEDERATION

1. The PETEF shall provide an independent and objective technical assistance on information, technology, process, and methods to prevent registration and operation of stolen mobile cellular phones; and
2. The PETEF shall assist in providing a forum for telecom operators, telecom equipment suppliers and the NTC/DOTC in updating and enhancing NTC's circulars or orders in its advocacy of upholding public welfare of telecom users.

PHILIPPINE INFORMATION AGENCY:

1. The PIA shall provide technical assistance in the formulation of short and long-term advocacy program and activities.
2. The PIA shall assist in the conceptualization of information materials and other media campaign activities.

KAPISANAN NG MGA BRODKASTER NG PILIPINAS:

1. The KBP shall assist in the advocacy of the NTC program by disseminating the information through all KBP member stations.


NATIONAL TELECOMMUNICATIONS COMMISSION

1. The National Telecommunications Commission (NTC) shall issue the Order to the CMTS Carriers to block the IMEI of an identified stolen GSM handset and shall be responsible for the determination of the accuracy of the report on theft;
2. The NTC shall issue the same Order to all CMTS Carriers and shall see to it that all CMTS Carriers shall comply with its Order.

IN WITNESS WHEREOF, the Parties have hereunto executed this Agreement through their duly authorized representatives on the date and at the place first above written.

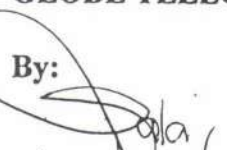
SMART COMMUNICATIONS, INC.

By:


DR. ROGELIO V. QUEVEDO
Head, Legal & Carrier Business
Group

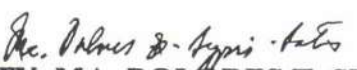
GLOBE TELECOM, INC.

By:


ATTY. RODOLFO A. SALALIMA
Senior Vice-President, Corporate
and Regulatory Affairs

PILIPINO TELEPHONE CORP.

By:


ATTY. MA. DOLORES T. SYQUIA-SANTOS
Legal Manager

ISLA COMMUNICATIONS CO.

By:


ATTY. V. FROILAN M. CASTELO
Legal Counsel



WITNESSETH: That –

WHEREAS, all of the above parties are fully aware of the current problem involving theft of cellular phones, which is greatly affecting the public and which to an extent, has resulted to loss of lives;

WHEREAS, the above Parties are fully aware of the program of the National Telecommunications Commission, the government agency tasked to supervise and regulate the telecommunications industry, to take a significant role in curbing the proliferation of cellular phone theft;

WHEREAS, SMART, PILTEL, GLOBE and ISLACOM are authorized and licensed nationwide service providers of cellular mobile telephone service (CMTS) utilizing the GSM technology by virtue of their respective Provisional Authorities (PAs) issued by the National Telecommunications Commission (NTC);

WHEREAS, SMART, PILTEL, GLOBE and ISLACOM are cognizant of their responsibility as public service providers and as such, fully support NTC's programs that will minimize the ill-effects of cellular phone thefts;

WHEREAS, information dissemination is essential to encourage public support and awareness in promoting the programs of action undertaken by government agencies in collaboration with the private sector;

NOW THEREFORE, for and in consideration of the above premises and by mutual covenant, all of the above Parties have agreed to undertake the following roles and responsibilities:

SMART, PILTEL, GLOBE and ISLACOM:

1. The above CMTS carriers agree and, upon order of the National Telecommunications Commission, undertake to block in their respective networks the IMEI of any GSM handset that is reported stolen, subject to the submission by the pre-paid subscriber of the following documents:
 - (a) Affidavit of Ownership and Loss;
 - (b) A "disclaimer" holding NTC and the above-mentioned carriers free from any responsibility for whatever claims, losses or damages any party may institute by reason of NTC's action to order the permanent blocking of the handset/unit from usage;
 - (c) Valid Identification Card (with photo);
 - i. passport
 - ii. driver's license
 - iii. any two (2) of the following
 - a. company ID/school ID
 - b. TIN
 - c. SSS/GSIS ID
 - (d) Police Report.
2. Subject to the qualifications in the immediately preceding paragraph, the CMTS carriers likewise agree and undertake to block in their respective network the IMEI of any GSM handset reported stolen by any pre-paid subscriber or the other Parties such that the blocked GSM handset cannot be used for any purpose in any of the Parties' respective networks.

Mr. Carlos S. Aguirre - Auto Com
Amigang
Wfmu

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**PHILIPPINE ELECTRONICS &
TELECOMMUNICATIONS FEDERATION**

**PHILIPPINE INFORMATION
AGENCY**

By:



ENGR. DAVID T. FERNANDO
President

By:


MR. MICHAEL R. REYES
Deputy Director General

KAPISANAN NG MGA BRODKASTER NG PILIPINAS

By:


CERGE M. REMONDE
Chairman

**WITH THE CONCURRENCE OF THE
NATIONAL TELECOMMUNICATIONS COMMISSION:**


HON. ELISEO M. RIO, JR.
Commissioner

WITNESSED BY:


ATTY. ARMI JANE R. BORJE
Deputy Commissioner


ATTY. KATHLEEN G. HECETA
Deputy Commissioner

AFFIDAVIT OF OWNERSHIP AND LOSS
WITH UNDERTAKING

I, _____ of legal age, Filipino citizen and presently residing
at _____ with telephone number _____ and with office
address at _____ and office telephone number _____ do
hereby depose and say:

BRAND

1. That I am requesting all CMTS carriers to block the GSM handset with International Mobile Equipment Identification (IMEI) Number _____ that was lost in my possession as owner thereof/stolen from me by an unidentified person/s;
2. That I am also requesting _____ to block the Subscriber Identity Module (SIM) card / cellphone number _____ that was contained in the lost/stolen cellphone mentioned above;
3. That I hereby undertake to hold free from any responsibility or shall not hold NTC and the above-mentioned carriers liable for whatever claims, loss or damages any party may institute by reason of NTC's action to permanently block the aforementioned unit from usage;
4. That in support of this request and as proof of my ownership of said cellphone unit, I attached hereto the following documents, after making the original available for comparison:

- ___ Photocopy of passport
- ___ Photocopy of driver's license

Any two (2) of the following:

- ___ Photocopy of company ID/school ID (with photo)
- ___ Photocopy of TIN
- ___ Photocopy of SSS/GSIS ID
- ___ Police report

5. That I am executing this affidavit of ownership and loss with undertaking to attest to the veracity and truthfulness of the foregoing declaration and to be used for whatever legal intent and purposes the same may thus serve.

FURTHER AFFIANT SAYETH NONE.

AFFIANT

SUBSCRIBED AND SWORN TO BEFORE ME on this _____ day of _____, 2002, affiant has exhibited to me his/her Community Tax Certificate No. _____ issued on _____ at _____.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of _____