



DFNN GROUP OF COMPANIES

Via ODiSy

February 24, 2010

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure

Gentlemen:

This is to inform the Philippine Stock Exchange that DFNN, Inc. (“DFNN”), pursuant to Civil Case No. Q-10-66454 entitled an “Application for Interim Measure of Protection in Aid of Arbitration – Preliminary Injunction with Application for Temporary Order for Protection” pending before Branch 220 of the Regional Trial Court of Quezon City (the “Court”), received today an Order dated February 24, 2010 from the Court granting DFNN’s petition for among others the issuance of a Temporary Order of Protection (“TOP”) restraining the Philippine Charity Sweepstakes Office (“PCSO”) from implementing PCSO Resolution No. 1210 (the “PCSO Resolution”) which allows PCSO to implement betting through PCD/wireless technology with possible vendors Philippine Gaming Management Corporation, Pacific Online Systems Corporation and other possible entities for a period of twenty (20) days from the service of the Order on PCSO.

The TOP was issued by the Court to prevent PCSO from awarding any contract to any entity for PCD/wireless betting while DFNN is in the midst of seeking a Preliminary Injunction against the PCSO. DFNN is currently commencing arbitration proceedings in connection with the cancellation of its Equipment Lease Agreement with the PCSO dated April 9, 2003 (“ELA”). Under the ELA, DFNN was to provide the PCSO with PCD/wireless technology to enable PCSO to receive lotto bets nationwide via said technology. In issuing the Order, the Court provided that:

“PCSO’s unilateral termination and the subsequent issuance of the PCSO Resolution may violate the contractual rights of the petitioner which may lead to irreparable loss or injury on its part. If the TOP prayed for by the petitioner is not issued pending the completion of the summary hearings on its petition for preliminary injunction, the said petition may be rendered illusory.”



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The Order is to take effect upon service on the PCSO. Under said Order DFNN was instructed to file a bond in the amount of P 500,000.00 within 5 days from receipt of the Order to answer for any damage that the PCSO may suffer as a result of the Order.

For your information and guidance.

Thank you.

DIVERSIFIED FINANCIAL NETWORK, INC.

By:



Patricia De Las Cagigas
Corporate Information Officer