

C03020-2015

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)

Jun 1, 2015

2. SEC Identification Number

A199908874

3. BIR Tax Identification No.

202955796

4. Exact name of issuer as specified in its charter

DFNN, INC.

5. Province, country or other jurisdiction of incorporation

Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

3F Bonifacio Technology Center, 31st St. cor. 2nd Ave., Bonifacio Global City, Taguig
Postal Code
1634

8. Issuer's telephone number, including area code

02-8180973

9. Former name or former address, if changed since last report

none

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	150,000,000

11. Indicate the item numbers reported herein

None

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



DFNN, Inc.
DFNN

PSE Disclosure Form 4-31 - Press Release
References: SRC Rule 17 (SEC Form 17-C)
Section 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Press Release

Background/Description of the Disclosure

DFNN announces positive outcome of arbitration proceedings with PCSO

Other Relevant Information

DFNN Inc. ("DFNN") is pleased to announce the positive outcome of the arbitration proceedings it initiated against the Philippine Charity and Sweepstakes Office ("PCSO").

In its Arbitral Ruling dated May 21, 2015, the Ad Hoc Arbitration Panel (Atty. Victor N. Alimirong, Chairman, Atty. Fulgencio S. Factoran, Jr., Member and Atty. Jose Tomas C. Syquia) declared that PCSO erred when it rescinded DFNN's Equipment Lease Agreement (Systems Design Development, and Upgrade for Lotto Betting Via Personal Communication Devices [PCD] via TEXT, GPRS, BlueTooth, 3G, WiFi Protocols, and other wireless devices) ("ELA").

In ruling that PCSO improperly terminated its ELA with DFNN, the arbitration panel noted that the grounds relied upon by PCSO to effect cancellation of DFNN's contract were misplaced and/or unfounded. Moreover, the arbitration panel acknowledged that DFNN's undertaking under the ELA was satisfied when "DFNN delivered, as it did, a system that was integretable with PCSO's existing lotto betting system." Accordingly, the arbitration panel ordered PCSO to pay DFNN P27 million as liquidated damages on account of the improper termination of the ELA.

DFNN President and CEO, Ramon Garcia Jr., states, "We are gratified with the positive outcome of the arbitration. We would like to thank the Arbitration Panel for validating our stance on the baseless and unjust termination of our license by the previous administrators of the PCSO. "

Garcia further adds, "We are, however, still committed to examining and evaluating all further legal remedies to ensure that the maximum restitution is effected in order to protect the interests of our shareholders. We

would also like to state our willingness to work with the present PCSO Management, led by its new Chairman, Ayong Maliksi. We strongly believe in the mission of the PCSO to raise funds for charity, and would like to reiterate our commitment to partner with the PCSO in the critical task of nation building and ensuring that no single Filipino gets left behind.”

The ELA was executed by DFNN with PCSO way back in April 9, 2003. Pursuant to the ELA, the PCSO agreed to exclusively lease from DFNN all the hardware, software, and know how to design and develop a system that would allow the Company to accept and process bets from personal communication device users nationwide. However, on April 5, 2005, prior to the impending commercial operation of the system, DFNN was informed of the PCSO’s decision to terminate the ELA. Thereafter, the PCSO began negotiating with third parties to carry out a PCD-betting project, thus violating its obligation under the ELA to exclusively lease the system from DFNN.

On Feb. 9, 2010, DFNN filed a Petition for Preliminary Injunction (with Application for Urgent Issuance of Ex-Parte Temporary Order of Protection) in aid of arbitration. Finding merit in DFNN’s case, in March 2010, the Quezon City Regional Trial Court issued a Temporary Order of Protection based on its finding that the ELA was not validly terminated and that there was a need for immediate injunctive relief, pending the initiation and/or resolution of the arbitration proceedings.

About DFNN:

DFNN, Inc. is a Philippine Publicly Listed I.T. company with ground-breaking presence in the gaming industry. DFNN currently possesses licenses for Electronic Gaming Machines, Sports betting, digit and pari-mutuel games with the Philippine Amusement and Gaming Corporation. DFNN believes that its unique background as an I.T. company with a strong success and track record puts it in a unique position to explore and maximize opportunities in the gaming sector. Our slogan: “Technology at Play”.

Filed on behalf by:

Name	Maria Patricia De Las Cagigas
Designation	Compliance Officer