Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Bldg. EDSA, Greenhills, Mandaluyong City

In the matter of
ASIA PACIFIC & GLOBAL
FRANCHISE CO.,

SEC CDO Case No. 09-13-012

ENFORCEMENT AND INVESTOR
PROTECTION DEPARTMENT,
Petitioner,
x----------x

ORDER

This resolves the Motion filed by the Enforcement and Investor Protection Department (formerly the Enforcement and Prosecution Department) ("EIPD"), praying for the issuance of a permanent Cease & Desist Order against respondent **ASIA PACIFIC & GLOBAL FRANCHISE CO.** ("APGFC").

On 03 October 2013, this Commission issued a Cease & Desist Order (CDO) against respondent APGFC, its respective officers, representatives, agents and any and all persons claiming and acting for and in its behalf from further offering, soliciting or otherwise offering or selling unregistered securities to the public and directed it to file a formal request or motion for the lifting of the subject CDO within a non-extendible period of five (5) business days, viz –

> "WHEREFORE, premises considered, ASIA PACIFIC & GLOBAL FRANCHISE CO., its partners, officers, directors, agents, representatives, conduits, assigns and any and all persons claiming and acting for and in behalf and under their authority are hereby ordered to IMMEDIATELY CEASE AND DESIST,[1] UNDER PAIN OF CONTEMPT, from further offering, soliciting, or otherwise offering or selling unregistered securities in the form of investment contracts to the public, until they have complied with the requirements of law and its implementing rules and regulations.

[1] Section 64.1, SRC. The Commission, after proper investigation or verification, motu proprio, or upon verified complaint by any aggrieved party, may issue a cease and desist order without the necessity of a prior hearing if in its judgment the act or practice, unless restrained, will operate as a fraud on investors or is otherwise likely to cause grave or irreparable injury or prejudice to the investing public.

Pursuant to Section 10.3 of the 2006 Rules of Procedure of the SEC, in relation to Section 64.3 of the SRC, Asia Pacific & Global Franchise Co. may file a formal request to lift the Cease and Desist Order within a non-extendible period of five (5) business days from receipt hereof.

xxx xxx xxx

SO ORDERED."

Copies of the said CDO were served on respondent APGFC and Mr. Angelito Marcelino, APGFC's General Manager, and were posted at its principal office at Unit C-4 Dunville Condominium Castilla St., cor. Valencia St., New Manila on 22 October 2013.

However, up to the present time, respondent APGFC has not filed any formal request or motion for the lifting of the said CDO pursuant to Section 64.3 of the SRC and Section 10.3 of the 2006 Rules of Procedure.

On 03 June 2014, the EIPD filed the instant motion praying that the CDO dated 03 October 2013 against respondent APGFC be declared permanent. EIPD thereafter submitted a copy of the report of service/posting of the said CDO on 17 June 2014.

The Commission resolves to grant the motion.

Section 64.3 of the Securities Regulation Code provides that "any person against whom a cease and desist order was issued may, within five (5) days from receipt of the order, file a formal request for lifting thereof."

Records show that respondent APFGC, up to this date, has not filed with the Commission any motion or request for the lifting of the CDO issued against it. Failure to do so is tantamount to a waiver by respondent APGFC to avail of such remedy and/or question the matters raised therein.

Furthermore, Section 10-5 of the 2006 Rules of Procedure provides that "if the respondent fails to file a motion to lift CDO within five (5) days from receipt thereof, the Director of the CED (now the EIPD) may file with the Commission a motion to make the CDO permanent." Accordingly, the CDO dated 03 October 2013 may now be rendered permanent.

Moreover, there is unrefuted evidence clearly demonstrating respondent APGFC's acts of selling and offering for sale without proper registration its "passive investment" scheme,[2] which constitute investment contracts under the definition of securities pursuant to Section 3(b) of the

[2] Under the "passive investment" scheme, the investor/franchisee does not participate in the operations of the food stalls, and is expected to earn four percent (4%) of his/her investment. The principal investment shall be returned upon the expiration of the term of the agreement, all of which are payable in checks issued from Banco de Oro. Should the investor/franchisee decide to renew the agreement with APGFC, he/she would then be entitled to an increased monthly commission of five percent (5%) of the principal investment.

SRC and are subject to the regulation by the Commission. Since respondent APGFC did not file a registration statement for these securities with the Commission, it does not have the requisite license to sell said securities. Having offered for sale and/or sold unregistered securities to the public, respondent APGFC is in violation of Section 8 of the SRC. To avoid further violation of the SRC and its rules and regulations, it is therefore to the best interest of the public that APGFC be permanently enjoined from engaging in such activity.

WHEREFORE, foregoing premises considered, the instant Motion is hereby **GRANTED**. Accordingly, the Cease and Desist Order dated 03 October 2013 issued against respondent **ASIA PACIFIC & GLOBAL FRANCHISE CO.** is hereby made **PERMANENT**. Respondent **ASIA PACIFIC & GLOBAL FRANCHISE CO.** is now permanently enjoined from offering its "passive investment" scheme or any variations of it to the public.

The Enforcement and Investment Protection Department is hereby DIRECTED to (a) serve this Order on Asia Pacific & Global Franchise Co. and any of its authorized representatives, namely its General Manager, Managing Partner or In-House Counsel; and (b) post copies of the Order at the entrance of the main office and/or branches, if any, of Asia Pacific & Global Franchise Co.

Let a copy of this Order be furnished the Company Registration and Monitoring Department, the Corporate Governance and Finance Department and the Economic Research and Information Department for their information and appropriate action.

FAIL NOT UNDER PENALTY OF LAW.

SO ORDERED.

24 June 2014, Mandaluyong City, Philippines.

TERESITA J. HERBOSA
Chairperson

MANUEL HUBERTO B. GAITE
Commissioner

ANTONIETA F. IBE
Commissioner

EPHYRO LUIS B. AMATONG
Commissioner

BLAS JAMES G. VITERBO
Commissioner