IN THE MATTER OF

CROWN REGENCY HOLIDAY INTERNATIONAL, INC., FUENTE TRIANGLE REALTY DEVELOPMENT CORPORATION, MEGATREND REALTY NETWORK, INC. and BORACAY MULTIPLE PROPERTIES DEVELOPERS, INC.

COMPLIANCE AND ENFORCEMENT DEPARTMENT,
Petitioner.
x----------x

SEC Case No. 03-09-007

ORDER

For consideration of the Commission is the Motion for Reconsideration filed by Crown Regency Holiday International, Inc. (*"Crown Regency"*), Fuente Triangle Realty Development Corporation, Inc. (*"Fuente Triangle"*) and Boracay Multiple Properties Developers, Inc. (*"Boracay Multiple"*) on 24 April 2009, praying that the Cease and Desist Order dated 26 March 2009 be lifted, recalled or set aside.

On 26 March 2009, the Commission issued an Order directing respondent corporations, their officers, directors, partners, representatives, assigns, agents and any and all persons acting for and/or in their behalf, to immediately Cease and Desist, under pain of contempt, from further offering, advertising, soliciting and selling Investment Contracts and Shares of Preferred Stock of Boracay Multiple Properties Developers, Inc. to the public until the requisite registration statement is duly filed and approved by this Commission and the corresponding permit to offer and sell securities is issued.

On 24 April 2009, respondents filed a Motion for Reconsideration alleging that:

a. Respondents are not aware of any investigation conducted by the Compliance and Enforcement Department (*"CED"*) and the Corporation Finance Department (*"CFD"*) involving the alleged offer or sale of unregistered securities in violation of the Securities Regulation Code.

b. Crown Regency and Boracay Multiple are not offering or selling to the public the Non-Participating Preferred Shares of Stock (*"NPPSS"*) of Boracay Multiple. Likewise, Fuente Triangle is not also selling its NPPSS to the public.

c. The presentation and brochures and leaflets handed out by Mr. Noel Ablaza of Megatrend Realty Network, Inc. (*"Megatrend"*) to SEC investigation team has been superseded and modified by a new "Contract to Sell" of Boracay Multiple.

Despite receipt of the Cease and Desist Order (*"CDO"*) on 17 April 2009, Megatrend failed to file its Motion to Lift the CDO.

On 04 May 2009, the CED filed its Opposition to the Motion for Reconsideration alleging that:

a. Respondents failed to show that the NPPSS of Boracay Multiple and investment contract was not offered or sold to the public except those issued to Fuente Triangle and J. King and Sons Company, Inc.

b. Respondents' website show that respondents continuously offer and advertise for sale unregistered securities and no changes, amendments or modifications in their investment scheme.

On 8 May 2009, the Commission conducted a hearing on respondents' Motion for Reconsideration. During the hearing, respondents' counsel denied that his clients are offering or selling the NPPSS of Boracay Multiple and investment contract to the public. Likewise, the request of respondents' counsel that his clients be allowed to submit their Reply to CED's Opposition not later than 13 May 2009 was granted.

On 13 May 2009, respondents filed their Reply praying that the CDO dated 26 March 2009 be lifted, recalled and set aside.

Contrary to respondents' allegation, the minutes of the conference dated 17 March 2008 states that Atty. Augusto Macam and Atty. Mauricio Ulep appeared as stockholders of Crown Regency and Fuente Triangle and even answered questions raised by CED Hearing Officers.

With reference to respondents' assertion that they are not offering or selling the NPPSS of Boracay Multiple and investment contract, the flyers, brochures and other related documents obtained by the Commission prove otherwise.

Such transactions are not in consonance with Sections 3 and 8 of the Securities Regulation Code (*"SRC"*), hereunder quoted as follows:

> "Sec. 3. Definition of Terms. - 3.1 "Securities" are shares, participation or interest in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificate, contract, instrument, whether written or electronic in character. It includes:
>
> (a) **Shares of stock**, bonds, debentures, notes, evidence of indebtedness, asset-backed securities;
>
> (b) **Investment contracts**, certificates of interest or participation in a profit sharing agreement, certificates of deposit for a future subscription;
>
> xxx"
>
> Section 8. Requirement of Registration of Securities.
>
> 8.1. Securities shall not be sold or offered for sale or distribution within the Philippines, without a registration statement duly filed with and approved by the Commission. Prior to such sale, information on the securities, in such form and with such substance as the Commission may prescribe, shall be made available to each prospective purchaser."

Likewise, respondents' website containing information on the project, the investment proposal, project location, proponents of the project, products, pricing, privileges, payback, investment reservation application form, contract to sell and management and profit sharing agreement patently show that respondents are indiscriminately offering and selling the NPPSS of Boracay Multiple and investment contract to the public. Respondents' use of their website to offer and sell unregistered securities to the public violates Rule 3, paragraph 1, subparagraph N of the Amended Implementing Rules and Regulation of SRC, thus:

> "N. Public offering means a random or indiscriminate offering of securities in general to anyone who will buy, whether solicited or unsolicited. Any solicitation or presentation of securities for sale through any of the following modes shall be presumed to be a public offering:
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> i. Publication in any newspaper, magazine or printed reading material which is distributed within the Philippines or any part thereof;
>
> ii. Presentation in any public or commercial place;
>
> iii. Advertisement or announcement in any radio or television, or in any online or email system; or

iv. Distribution and/or making available flyers, brochures or any offering material in a public or commercial place, or mailing the same to prospective purchasers."

Lastly, respondents' allegation that the presentation made by Mr. Noel Ablaza of Megatrend and the flyers and brochures he handed out to the SEC investigation team have been superseded, modified and denominated as "Contract to Sell," deserve scant consideration of the Commission.

It is noteworthy that changes, amendments or modification on the contract to sell was evidently incorporated as mere afterthought, in their attempt to cure the imperfection of said contract. Undeniably, respondents failed to present concrete evidence to prove that the securities they are offering and selling to the public are already registered or exempt from registration under Section 8 of the SRC. Furthermore, respondents' website shows that there are no changes or amendments made to restructure the investment scheme of the respondents.

In sum, respondents are continuously offering or selling unregistered securities to the public in violation, more specifically, of Section 8 of the SRC and Rule 3, paragraph 1, subparagraph N of the Amended Implementing Rules and Regulation of SRC.

WHEREFORE, premises considered, respondents' Motion for Reconsideration dated 23 April 2009 is hereby **DENIED** for lack of merit. The Cease and Desist Order dated 26 March 2009 is hereby made **PERMANENT**.

Accordingly, Crown Regency, Fuente Triangle, Boracay Multiple and Megatrend, their 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 **NOT** to undertake further offering, soliciting or otherwise selling of securities to the public until the requirements of the law have been complied with.

SO ORDERED.

25 May 2009, Mandaluyong City, Philippines.

*** FE B. BARIN**
Chairperson

*** MA. JUANITA E. CUETO**
Commissioner

RAUL J. PALABRICA
Commissioner

THADDEUS E. VENTURANZA
Commissioner

MANUEL HUBERTO B. GAITE
Commissioner

*out on official business