**Republic of the Philippines**
**Department of Finance**
**Securities and Exchange Commission**
SEC Building, EDSA, Greenhills, Mandaluyong City

**In the matter of:**
**GOLDXTREME TRADING CO.**

**SEC CDO Case No. 07-15-022**

**ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT,**
*Movant.*
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# CEASE AND DESIST ORDER

This resolves the *Motion for Issuance of Cease and Desist Order*[1] filed on 31 July 2015 by the Enforcement and Investor Protection Department (**EIPD**) praying to enjoin GOLDXTREME TRADING CO. (**Goldxtreme**) from further selling and/or offering for sale securities in the form of investment contracts until the requisite registration statement is duly filed with and approved by the Commission and the corresponding to offer/sell is issued.

Goldxtreme is a partnership registered with the Commission on 06 March 2015 with Company Registration No. PG201504394[2]. It was organized by Mr. Gavino M. Tan and Mr. Romell E. Tan[3]. Its principal office address is at 2nd Floor, Canlubad Bldg., #474 EDSA, Brgy. 87, Caloocan City, Metro Manila[4]. Its primary purpose is: "*To engage in the business of wholesale and retail sales of such products as gold jewelry but not limited to products such as fashion accessories, celphone loads, prepaid cards, scents and other related products.*[5]"

EIPD has been receiving electronic mails (e-mails) from the public inquiring on the legality of the activities of Goldxtreme. In one of the e-mails[6], the email-sender inquired if Goldxtreme has obtained a secondary license from the Commission to solicit investments from the public. As reported, Goldxtreme invites people to join and invest in the company. Investors are required to pay Five Thousand Pesos (Php 5,000.00) as initial investment and they will be placed in a table of orders. The table of orders comprise of fifteen (15) slots which will be filled up by new recruits. When the table of orders is filled up, the investors will exit and they will earn Twenty Five Thousand Pesos (Php 25,000.00) with a ten percent (10%) withholding tax deducted

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[1] Dated 29 July 2015.
[2] Paragraph 1 of the Motion.
[3] Paragraph 3 of the Motion.
[4] Goldxtreme changed its principal office address from Unit 3-E, 3-F, Quedsa Plaza Bldg., Quezon Avenue corner EDSA, Quezon City, per amended AOI received on 22 April 2015.
[5] Goldxtreme's Amended Articles of Partnership, Annex "B" of the Motion. Goldxtreme changed its primary purpose from *"to engage in the business of wholesale and retail sales of such product as gold jewelry but not limited to products such as fashion accessories, celphone loads, prepaid cards, 3-pin, scents and other related products"*.
[6] Annex "D" of the Motion.

by the company. All the investors are advised to recruit in order to fill up the table of orders and they will be given Five Hundred Pesos (Php 500.00) as referral bonus.

This prompted EIPD to conduct a verification and investigation as to the operations of Goldxtreme. On 27 April 2015, an EIPD team of investigators (EIPD Team) conducted a surveillance and ocular inspection at the office of Goldxtreme located at Unit 3E and 3F, Quesda Plaza Building, Quezon Avenue corner EDSA, Quezon City. When the EIPD Team arrived, they introduced themselves as prospective clients interested in investing in Goldxtreme. Upon learning of the same, they were informed by the guard on duty that Goldxtreme no longer holds office in the said place and already moved to another office located at Caloocan City. Then, the guard on duty introduced them to a janitor who gave them a business card which showed Goldxtreme's Caloocan address. Thereafter, the team was introduced to a certain "Joey", who claims to have invested in Goldxtreme. Thereafter, Joey gave the EIPD Team an overview of the business plan of Goldxtreme[7].

On 13 May 2015, the EIPD team conducted another surveillance and ocular inspection at the new office of Goldxtreme located at 2nd Floor, Canlubad Building, #474 EDSA, Caloocan City. The EIPD Team reported that:

> The team arrived at the Office of Goldxtreme at Canlubad Bldg., 474 EDSA, Caloocan City. A signage of the company can be seen placed in the front portion of the building, facing EDSA. The team immediately inquired from the building Security Guard on duty on what floor the office of Goldxtreme is located, he answered at the 2nd floor.
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> Brix explained that to be successful at Goldxtreme a person should be in a "TEAM". That said, he told us that he was in the "Admin Team", which was composed of the Security Guards and Administrative Staff. He explained that a person interested will pay a fee of P5,000.00 per slot, with a payout "exit" of P25,000.00 less taxes amounting to P550.00, the take home would be P24,450.00. The two (2) other individuals commented "BIR, legal ito". He continued that upon entry, a person will be issued a Card which shall contain his account number and pin, which can be used to access his account anywhere using the Goldxtreme website. Apparently a person can buy more than one (1) slot at a time, he narrated an SM supervisor bought seven (7) slots. After having paid for a slot, a person now has to invite/recruit two (2) other individuals to move one (1) level up. Likewise, the recruits must invite others to Goldxtreme for them to move one (1) level up and elevate their recruiter to a higher level. The process of recruitment must continue until the recruiter reaches the highest level [4th level] and exits. There are four (4) levels per table. We then asked who will determine the order of moving up a level, he said that it was a computer program which will determine the order. He however, explained that all will exit. We then asked if there

[7] Paragraph 7 and EIPD Field Investigation Report, Annex "F" of the Motion.

> was a product connected with the company, he explained upon exiting, the person exiting has the option of having a piece of gold worth P5000.00 or a free slot when you re-enter the process. He gave the team a "Members Registration Form" and a "Goldxtreme" receiving form. After his briefing the team excused themselves and freely mingled with the other individuals in the premises.
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> In the Goldxtreme office there was only one (1) room, which is the Cashier's Office. Near the cashier, three (3) frames were conspicuously placed, the photocopy of the Company Registration of Goldxtreme Trading Co. from the Securities and Exchange Commission, and two (2) photocopies of the registration papers of Goldxtreme with the Bureau of Internal Revenue. At the far end of the office, there are several computers, where the investor may use to check on his/her accounts and for the new recruits to access the Goldxtreme website and watch promotional videos. At that time, there was an estimated 100 to 150 persons in the premises. There was this group, where a person has just exited and was showing a bundle of cash which is his proceeds to new recruits.
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> The team posted themselves near computers, a person spoke with us and introduced himself as "Lance". He asked us how we came to know about Goldxtreme, we answered from the TV show "Kabuhayan: Swak na Swak" of ABS-CBN. He identified with us, because this was the means on how he was introduced with Goldxtreme. He asked the team, what was our day job, a member answered "Sari-sari store owner". He further asked if this was our first time to join an MLM company, the team answered in the affirmative. He then said that he only joined Goldxtreme on Monday [May 11, 2015] and is already expecting to exit before Friday. He then called for a person using the computer to join our discussion, the person later introduced himself as Sherwin. Sherwin then asked if we saw him on TV because he was one of the members who was interviewed to promote Goldxtreme. During the discussion, no mention was made of any gold reward or product either by Lance or Sherwin, what they emphasized was the amount and how fast one would be receiving as return on investment. After our short talk, they encouraged us to become members and join their team, "Team Halimaw"[8].

The EIPD team was able to obtain a copy of a Goldxtreme's "Membership Registration Form[9]" and "Goldxtreme Receiving Form[10]". The team was also able to take photos of Goldxtreme's office and facilities together with its recruits/investors[11].

Thereafter, the EIPD Team viewed the websites linked to Goldxtreme which are: 1.) www.GOLDXTREME.com[12]; and http://GOLDXTREME.co[13]. In

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[8] EIPD Field Investigation Report, Annex "H" of the Motion.

[9] Annex "K" of the Motion.

[10] Annex "L" of the Motion.

[11] Annexes "I"; "J"; and "M" of the Motion.

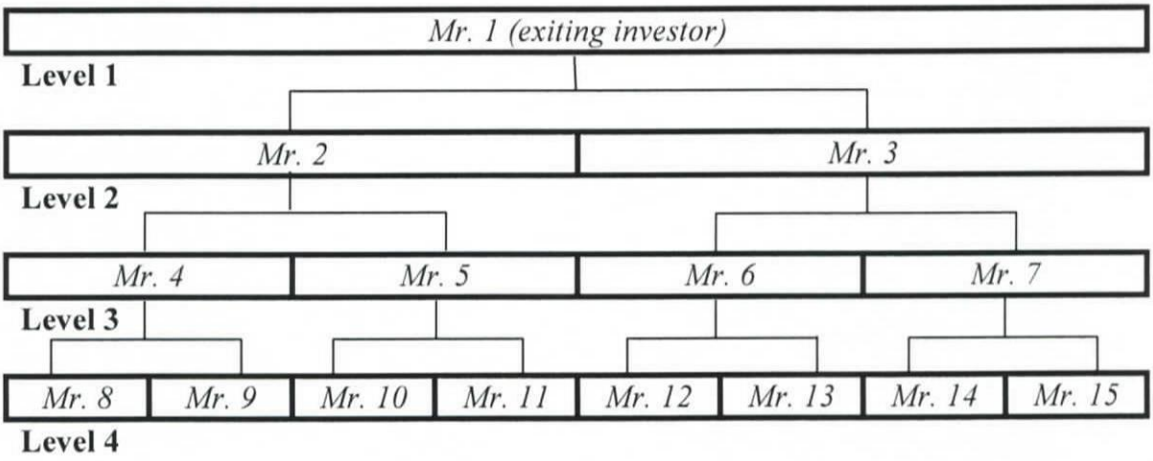
[12] Print-out of the website, Annex "N" of the Motion.

[13] Print-out of the website, Annex "O" of the Motion.

Goldxtreme's websites, there are two (2) videos[14] which promote the business of the said company.

In one video, Goldxtreme presented itself as a trading company selling gold products. The video illustrates that a recruit/investor is required to purchase a Three-gram (3gm.) 14 Karat gold product worth Five Thousand Pesos (Php 5,000.00), which Goldxtreme will retain for safe keeping until the business process is completed. The recruit/investor is called as a "Goldxtreme Gold Trader". Upon purchase, the recruit/investor will be able to enter Goldxtreme's SWAP PROGRAM and will enable the recruit/investor to swap/exchange the Three-gram (3gm.) 14 Karat gold product to a Fifteen-gram (15gm) 14 Karat gold product equivalent to Twenty Five Thousand Pesos (Php 25,000.00) less taxes[15], in a matter of days or weeks[16]. The SWAP PROGRAM is designed as follows:

**Gold Extreme Swap Program[17]**




The recruit/investor (Mr. 8-15) is added to a group/table and starts at the lowest level (Level 4). When a table/group is complete or filled up, the recruit/investor (Mr. 1) in the highest level (Level 1), shall graduate and exits the table. The recruit/investor (Mr. 8-15) in the lowest level (Level 1) will now be elevated to the next level (Level 3). Thereafter, the lowest level (Level 4) will be vacant and be filled up with new recruits/investors. The process will continue until said recruit/investor from the Level 4 reaches Level 1 and exits. When a recruit/investor exits the table/group, he may opt/choose to receive Twenty Five Thousand Pesos (Php 25,000.00), less taxes or a Fifteen-gram (15gm.) 14 Karat gold product. Also, the recruit/investor who graduates or exits the table/group has a free re-entry slot to a new separate table/group starting again at the lowest level (Level 4). Those individuals who invite/recruit new investors will be entitled to a "Direct

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[14] DVD copies of the videos, Annex "P" of the Motion.
[15] Php 25,000.00 less Php 550.00 (taxes) = Php 24,450.00.
[16] Paragraph 15-16 of the Motion.
[17] From the www.GOLDXTREME.COM and http://GOLDXTREME.co.

Referral Bonus" amounting to Five Hundred Pesos (Php 500.00)[18] per referral. Goldxtreme also claims that it is legitimate because it has an office, it is registered with the Commission and it has a product.

In the other video, Goldxtreme was featured in a TV Show of a local channel which showed the success stories of some of Goldxtreme's investors.

On 21 May 2015, the Commission's Corporate Governance and Finance Department (CGFD) issued a certification stating that Goldxtreme is not a registered issuer of mutual funds including exchange traded funds, membership certificates and time shares under Section 17.2 (a) of the Securities and Regulation Code (SRC) and therefore not licensed to offer or issue securities to the public[19].

On 26 May 2015, the Commission's Markets and Securities Regulation Department (MSRD) also issued a certification stating that Goldxtreme has not been issued Certificates of Registration or Licenses to act as Broker and/or Dealer in Securities, Dealer in Government Securities, Investment Adviser of an Investment Company, Investment House, Transfer agent and to sale, offer for sale or distribute securities to the public. MSRD further certified that Goldxtreme has not filed or has no pending application for any of the said Certificates of Registration/Licenses[20].

On 10 December 2015, EIPD filed a *Supplement to the Motion for Issuance of Cease and Desist Order*[21]. In the said supplement, EIPD presented sworn statements of twenty (20) individuals who filed complaints against Goldxtreme[22]. In the sworn statements, these complainants allege that they have invested their monies with Goldxtreme, however they were not able to receive any return or profit. These complainants are also asking for refund of their investments. In one of the sworn statements, one of the complainants narrated that:

> "Second complaint is that, according to their Terms and Condition, they gave to me the 3 grams 14 karat gold as their product and endorsed it to them for safe keeping. Yes, that's true, it's for safe keeping but literally, I don't have the product, they did not show any means of gold to me, for me to endorse it to them. I only received the GXT card from the cashier where I gave the money. What I am trying to say in here is that, they should give us the Gold literally and if I am willing to join the SWAP PROGRAM, I will also be the one to give it back to them for safe keeping. In addition, when I joined Goldxtreme, my up line did not present or explain the terms and condition posted on their old website, the www.goldxtreme.com. I have also the evidence."

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[18] Ibid.

[19] Annex "Q" of the Motion.

[20] Annex "R" of the Motion.

[21] Dated 04 November 2015.

[22] Annexes "A"; "B"; "C"; "D"; "E"; F"; "G"; "H"; "I"; "J"; "K"; "L"; "M"; "N; "O"; "P"; "Q"; "R"; "S"; "T" of the Supplement to the Motion for Issuance of Cease and Desist Order.

There is merit in the *Motion*.

Section 3.1 of the Securities Regulation Code (SRC) defines Securities as:

> **"Securities" are shares, participation or interests in a corporation or in a commercial enterprise or profit-making venture** and evidenced by a certificate, contract, instruments, whether written or electronic in character."

As a rule, Securities should not be sold or offered for sale or distribution within the Philippines, without a registration statement duly filed with and approved by the Commission[23]. All Securities should be registered by filing a sworn registration statement containing such information and documents as prescribed by the Commission[24].

Securities have different forms and one of which are investment contracts[25]. An "investment contract" means a contract, transaction or scheme (collectively 'contract') whereby **a person invests his money in a common enterprise and is led to expect profits primarily from the efforts of others**. An *investment* is presumed to exist whenever a person seeks to use the money or property of others on the promise of profits. A *common enterprise* is deemed created when two (2) or more investors 'pool' their resources – creating a common enterprise, even if the promoter receives nothing more than a broker's commission[26].

The concept of an investment contract in the Philippines is of American origin. It traces its roots from the US Supreme Court cases of *SEC v. W.J. Howey Co.*[27] and *SEC v. Glenn Turner Enterprises, Inc.* [28]. It has since been adopted in the Philippines. In the case of *Power Homes Unlimited Corporation v. Securities and Exchange Commission*[29], the Supreme Court stated that an investment contract in our jurisdiction, to be a security subject to regulation by the Commission, must be proved to be **(1) an investment of money; (2) in a common enterprise; (3) with expectation of profits, (4) primarily from efforts of others**. Under this definition, whenever an investor relinquishes control over his or her funds and submits their control to another for the purpose of deriving profits from them, he or she is in fact investing in a security.[30]

In the instant case, EIPD was able to establish the four (4) requisites of an investment contract in Goldxtreme's business model, to wit:

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[23] Section 8.1. of the SRC.
[24] Section 12.1. of the SRC.
[25] Section 8.1. (b) of the SRC.
[26] SRC Rule 3(1)(G), Amended Implementing Rules and Regulations (IRR) of the SRC.
[27] 328 U.S. 293, 66 S. Ct. 1100, 90 L. Ed. 1244, 163 A.L.R. 1043 (1946).
[28] 474 F. 2d 476, 414 U.S. 821, 94 (1973).
[29] G.R. No. 164182, 26 February 2008.
[30] *Investment Co. Institute v. Camp*, 274 F. Supp. 624 (D. D.C. 1967).

An investment of money occurs when an investor commits money to an enterprise or venture in a manner that subjects himself to financial loss.[31] In the instant case, Goldxtreme entices and solicits from investors the amount of Five Thousand Pesos (Php 5,000.00) in order to participate in its "SWAP Program". Thus, the first requisite is present.

Several tests have evolved to determine what constitutes "common enterprise".[32] One of these tests is the horizontal commonality approach. Under this test, the determination of whether a transaction satisfies the commonality element of the modified Howey test involves an inquiry into whether the said transaction involves the joint participation of more than one investor in (i) the investment of funds or (ii) the sharing of profits.[33] Furthermore, joint participation by investors in the same investment enterprise, achieved by pooling the invested funds for a common purpose, is required in order to satisfy the common enterprise element.[34]

In the instant case, when the investor pays Php 5,000.00, he is entered in a Table/Group comprised of 15 other investors. When he recruits new investors, he is elevated to the next Level. This cycle is repeated until the investor reaches or moves to Level 1 and exits from the Table/Group. The common enterprise is the pooling of money to complete the Table/Group. There is no productive enterprise and it can be seen that the source of the promised profit is the money coming from new investors/recruits. Thus, the second requisite of joint participation of more than one investor in the investment of funds is present.

Profits may be generated from either capital appreciation resulting from the development of the initial investment, or participation in earnings resulting from the use of investors' funds. In the Goldxtreme's scheme, investors are "attracted primarily by the prospects of a return on his investment."[35] The alleged returns or profits for the investment of Php 5,000.00 are either Php 25,000.00 or allegedly 15-gram 14 Karat gold when he reaches Level 1 and exits from the Table/Group. Thus, an investor participating in the Swap Program is expecting profits from his investment. Aside from that, when an investor recruits other investors, he receives Php 500.00 (Direct Referral Bonus).

The expectation of profits must depend primarily from the efforts of others. In *Turner*[36], the US Supreme Court adopted a more realistic test which is "whether the efforts made by those other than the investors are undeniably significant ones, those essential managerial efforts which affect the failure or success of the enterprise".

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[31] *SEC v. International Mining Exchange, Inc.*, 515 F. Supp. 1062.

[32] *In the Matter of Octopus Network, Inc.*, SEC-PED Case No. 98-2220, 22 May 1998.

[33] Note 27, citing 69 Am Jur 2d citing Stenger v. R.H. Love Galleries, Inc. 741 F2d 144.

[34] Note 27, citing Wasnowic v. Chicago Bd. of Trade 352 F Supp 1066.

[35] *Power Homes Unlimited Corporation v. Securities and Exchange Commission*, Note 29, supra.

[36] Note 28, Supra.

In the instant case, it is Goldxtreme who develops, administers, maintains and promotes the investment scheme. It is the one who operates and maintains an office and online platform which tracks and monitor the progress of an investor as he moves from the bottom of the Goldxtreme supposed table until he exits. The investor, who reaches Level 1 and exits, does not sell any concrete product but merely relies Goldxtreme's investment scheme to earn profit. Clearly, the investor simply places his money in Goldxtreme and awaits his profit.

Finding all the elements of an investment contract present, Goldxtreme is found to be engaged in selling and/or offering for sale securities in the form of investment contracts as defined under the SRC.

As enunciated in *Power Homes Unlimited vs. Securities and Exchange Commission*[37], thus:

> "As an **investment contract that is security under R.A. No. 8799, it must be registered** with public respondent SEC, otherwise the SEC cannot protect the investing public from fraudulent securities. The strict regulation of securities is founded on the premise that the capital markets depend on the investing public's level of confidence in the system."

Furthermore, Rule 3, paragraph 1, sub-paragraph N of the Amended Implementing Rules and Regulations of the SRC provides that:

> "**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 a 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 any online or e-mail system**; or
> iv. Distribution and/or making available flyers, brochures or any offering material in a public or commercial space, or mailing the same to prospective purchasers."

In the instant case, evidence adduced by EIPD show that Goldxtreme is offering for sale its investment scheme publicly through online advertisements (www.goldxtreme.com & http://goldxtreme.co), video presentations and invitations to the public in general, thru meetings, fora, etc., to potential investors without prior registration.

It was also established, through certifications from MSRD and CGFD that Goldxtreme is not license by the Commission to offer/sell securities.

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[37] Note 28 Supra.

Based on these circumstances, Goldxtreme is liable for non-registration of securities. 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. In the case at bar, Goldxtreme is offering/selling of securities in the form of investment contracts without the necessary license from the Commission.

Section 64 of the SRC provides that:

> Section 64. Cease and Desist Order. – 64.1. **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**.

There are two essential requisites before the Commission may issue a cease and desist order: **First**, there must be a proper investigation or verification[38]. In the instant case, EIPD conducted two (2) surveillance and ocular inspections documented in its reports[39]. EIPD also presented sworn statements of twenty (20) complainants who invested in Goldxtreme but were not able to receive any refund or profit[40]. It conducted a thorough investigation and analysis of Goldxtreme's operations and investment activities. It was able to establish through statements and evidence that Goldxtreme is offering/selling securities in the form of investment contracts without a license from the Commission.

**Second,** there must be a finding that 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[41]. It should be noted that without a license from the Commission, Goldxtreme's investment-taking activities cannot be regulated nor supervised. Thus, Goldxtreme would have a wide latitude in crafting and implementing its investment schemes, and if it remains unregulated or unsupervised, it would have the capacity to defraud the investing public.

An analysis of Goldxtreme's business model reveal that it is a classic "*Ponzi scheme*". A *Ponzi scheme* is a type of investment fraud that involves the payment of purported returns to existing investors from funds contributed by new investors. Its organizers often solicit new investors by promising to invest funds in opportunities claimed to generate high returns with little or no risk. In many Ponzi schemes, the perpetrators focus on attracting new money to make promised payments to earlier-stage investors to create the false appearance that investors are profiting from a legitimate business. It is not an investment strategy but a gullibility scheme, which

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[38] Securities and Exchange Commission vs. Performance Foreign Exchange Corporation, GR No 154131, July 20, 2006.
[39] Note 7 & 8, Supra.
[40] Note 21, supra.
[41] Ibid.

works only as long as there is an ever increasing number of new investors joining the scheme[42].

In the Swap Program, an investor will only receive his profits (Php 25,000.00) when the Table/Group comprised of 14 other investors is filled up. It needs no inference that the payment to the exiting investor (Level 1) is derived from the investments of incoming investors (Level 4) since there is no actual trade, sale or investment in gold products. The alleged gold products are a mere device or ruse to make it appear that Goldxtreme is a legitimate business. These findings was further corroborated by sworn statements of twenty (20) complainants claiming that they participated in Goldxtreme investment scheme but did not receive the gold nor promised profits. Goldxtreme is already defrauding the investing public with this type of investment scheme. Its acts or practice have already caused or likely to cause grave or irreparable injury or prejudice to the investing public.

**WHEREFORE**, premises considered and pursuant to the authority vested in the Commission, **GOLDXTREME TRADING 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[43], UNDER PAIN OF CONTEMPT**, from engaging in activities of selling and/or offering for sale securities in the form of investment contracts or any others of the same nature until the requisite registration statement is duly filed with and approved by the Commission and the corresponding to offer/sell is issued.

Furthermore, the subject corporation is directed to cease its internet presence relating to above-stated investment activities. The Commission will institute the appropriate administrative and criminal action against any persons or entities found to act as solicitors, information providers, salesmen, agents, brokers, dealers or the like for and in behalf of the subject corporations.

The **Enforcement and Investor Protection Department** is hereby **DIRECTED** to: 1) serve this *Order* to GOLDXTREME TRADING CO., their President, General Manager, Corporate Secretary, Treasurer, In-House Counsel or partners; 2) post copies of the *Order* at the entrance of the main office and/or branches, if any, of GOLDXTREME TRADING CO.

Let a copy of this *Order* be also posted in the Commission's website; published in a national newspaper of general circulation and furnished to all operating departments and offices of the Commission for their information and appropriate action.

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[42] People of the Philippines vs. Palmy Tibayan and Rico Z. Puerto, G.R. No. 209655-60, January 14, 2015.

[43] Section 64.1, SRC, The Commission, after proper investigation or verification, *motu propio*, 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 fraud on investors or is otherwise likely to cause grave or irreparable injury or prejudice to the investing public.

EIPD is **FURTHER DIRECTED** to submit a formal compliance report, by way of a pleading, to the Commission *En Banc* WITHIN TEN (10) DAYS from receipt of this *Cease and Desist Order.*

In accordance with the provisions of Sec. 64.3[44] of SRC and Sec. 10-3 of the 2006 Rules of Procedure of the Commission, the parties subject of this *Cease and Desist Order* may file a request for the lifting thereof within five (5) days from receipt hereof.

**FAIL NOT UNDER PENALTY OF LAW.**

**SO ORDERED.**

Mandaluyong City, Philippines; 26 January 2016.

**TERESITA J. HERBOSA**
***Chairperson***

**MANUEL HUBERTO B. GAITE**
***Commissioner***

**ANTONIETA F. IBE**
***Commissioner***

**EPHYRO LUIS B. AMATONG**
***Commissioner***

**BLAS JAMES G. VITERBO** *
***Commissioner***

[44] SRC, Section 64.3. 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 a lifting thereof. Said request shall be set for hearing by the Commission not later than fifteen (15) days from its filing and the resolution thereof shall be made not later than ten (10) days from the termination of the hearing. If the Commission fails to resolve the request within the time herein prescribed, the cease and desist order shall automatically be lifted.

* On Official Business