Republic of the Philippines
Department of Finance
Securities and Exchange Commission

In the Matter of:

GRANDTIME AUTOMOBILE INC.

SEC-CDO CASE NO. 10-15-027
FOR: Issuance of Permanent Cease and Desist Order

ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT,
Movant.

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ORDER

Pending consideration before the Commission *En Banc* is a *Motion for Issuance Permanent Cease and Desist Order* (Motion for Issuance of Permanent CDO) filed on 8 June 2016 by the Enforcement and Investor Protection Department (EIPD) of this Commission against GRANDTIME AUTOMOBILE INC. (GTA) praying that the Cease and Desist Order (CDO) issued on 26 January 2016 be declared permanent.[1]

To recall, the Commission *En Banc* issued the CDO against, among others, GTA finding it to be engaged in the offering for sale of securities, in the form of investment contracts, without the required registration statement which is in violation of Sections 8 and 12 of the Securities Regulation Code.[2] The Commission *En Banc* held that the investment scheme of GTA in the offering for sale and the selling of investment contracts is present considering the existence of all four (4) elements thereof. The CDO directed the EIPD to: 1) serve the same to GTA, its President, General Manager, Corporate Secretary, Treasurer, In-House Counsel or partners; 2) post copies of the CDO at the entrance of the main office and/or branches, if any, of GTA.[3]

On 15 March 2016, the EIPD filed its *Compliance* stating, among others, that it proceeded to serve the CDO on Romell M. Hermida, who is one of the incorporators and directors of GTA, at his residential address and was received by the latter's mother.[4] The EIPD likewise stated, in the instant *Motion for Issuance of Permanent*

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[1] Motion for CDO dated 1 June 2016.
[2] Republic Act No. 8799 (2000).
[3] CDO, pp. 4, 5 and 7.
[4] Compliance, par. 4.

CDO, that it served the CDO on Incorporator/Director Romell M. Hermida and was likewise received by his mother.[5]

However, to date, the parties subject to the CDO have not filed any motion or request to lift the CDO. Thus, the EIPD prays that an order be issued making the CDO permanent.[6]

Section 64.3 of the SRC provides the following:

> "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."

In the case at bar, to date, the parties subject to the CDO failed to file a motion or formal request to lift the said CDO pursuant to such order and Section 64.3 of the SRC. Thus, the Commission is constrained to render the CDO issued on 26 January 2016 as PERMANENT.

WHEREFORE, premises considered, the *Motion for Issuance Permanent Cease and Desist Order* is hereby **GRANTED** and the CEASE AND DESIST ORDER issued on 26 January 2016 against GRANDTIME AUTOMOBILE INC., its partners, officers, directors, agents, representatives, conduits, assigns, AND ANY AND ALL PERSONS CLAIMING AND ACTING FOR AND IN THEIR BEHALF are, is hereby **MADE PERMANENT.**

The Enforcement and Investor Protection Department is hereby **DIRECTED** to: (a) serve this *Order* to the President, General Manager, Corporate Secretary, Treasurer, Incorporator/Director or In-House Counsel of GRANDTIME AUTOMOBILE INC.; and (b) post copies of the *Order* at the entrance of the main office and/or branches, if any, of GRANDTIME AUTOMOBILE INC.

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 the other Operating Departments of the Commission for their information and appropriate action.

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[5] Motion for Issuance of Permanent CDO, par. 5.
[6] *Id.*, p. 2.

The **Enforcement and Investor Protection Department of the Commission** is hereby **FURTHER DIRECTED** to submit a FORMAL COMPLIANCE REPORT, by way of a pleading, to the Commission *En Banc* WITHIN FIVE (5) DAYS from receipt of this *Order*.

SO ORDERED.

Mandaluyong City; 30 June 2016.

TERESITA J. HERBOSA
Chairperson

MANUEL HUBERTO B. GAITE
Commissioner

ANTONIETA F. IBE *
Commissioner

EPHYRO LUIS B. AMATONG
Commissioner

ELAS JAMES G. VITERBO
Commissioner

*On Leave