Republic of the Philippines
Department of Finance
Securities and Exchange Commission

SEVEN STAR GENERAL MERCHANDISE (DTI Registered); VICTORINO CARTAJINAS MUSICO, JR. (President), LEO M. OCAMPO (Co-Founder), IAN TELLE ROXAS (Vice-President), SARAH T. MUSICO (Vice-President for Budget and Finance), EDUARDO TORRES (Vice-President for Operations), LILET BARANDA Y HERNANDEZ (Executive Assistant to the President), GENELYN SUPAS (Head Cashier), JAN FRANCIS PONTINO (General Manager), JENIEMEEL REQUINTINA (Assistant General Manager), MELANIE CABICO (Purchaser), NOREEN LOZADA (Asst. Purchaser), ARLIN MUSICO (Asst. Budget Officer), LEO LOBO (Public Information Officer), NINO MADEJA (Head of I.T. and Communications), JOSEPH VIENNA (Head of Northern Office), DANIEL MAGBANUA (Head of Northern Office), PAUL LABRADOR (Head of Island Office), and other John and Jane Does,

ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT,

Movant.

SEC CDO Case No. 09-16-034

ORDER

Pending consideration before the Commission *En Banc* is an *Ex-Parte Manifestation with Motion for Issuance Permanent Cease and Desist Order* (Motion for Issuance of Permanent CDO), dated 19 December 2016, and filed on 28 December 2016 by the Enforcement and Investor Protection Department (EIPD) of this

Commission against SEVEN STAR GENERAL MERCHANDISE (SSGM) praying that the Cease and Desist Order (CDO) issued on 22 September 2016 be declared permanent.

To recall, the Commission *En Banc* issued the CDO against, among others, SSGM finding it to be engaged in the offering and sale of securities, in the form of investment contracts, without the required registration statement which is in violation of Section 8.1 of the Securities Regulation Code.[1] The Commission *En Banc* held that the scheme of SSGM in the offering for sale and the selling of investment contracts is present considering the existence of all four (4) elements thereof.[2] The CDO directed the EIPD to: 1) serve the same to SSGM and person/s, entities, representatives and assigns acting in its behalf, wherever they be found; and 2) post copies thereof at the entrance of the main office and/or branches, if any, of SSGM.[3]

On 09 November 2016, the EIPD filed its *Compliance* stating, among others, that it proceeded to Puerto Princesa City on 24-25 October 2016 to serve and post the CDO at SSGM's office.[4] The EIPD likewise stated that it furnished the NBI and DTI, Palawan of copies of the CDO.[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, the parties subject of 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 22 September 2016 as PERMANENT.

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[1] Republic Act No. 8799 (2000).
[2] CDO, p. 5.
[3] CDO, p. 8.
[4] Compliance, par. 6. Annexes "**A**" to "**A-1**".
[5] Id., par. 8. Annex "**B**".
[6] Motion for Issuance of Permanent CDO., p. 2.

WHEREFORE, premises considered, the *Ex-Parte Manifestation with Motion for Issuance Permanent Cease and Desist Order* is hereby **GRANTED** and the CEASE AND DESIST ORDER issued on 22 September 2016 against **SEVEN STAR GENERAL MERCHANDISE AND VICTORINO CARTAJINAS MUSICO, JR.**, their partners, agents, representatives, conduits, assigns, and any and all persons claiming and acting for and in behalf and under their authority, is hereby **MADE PERMANENT**.

The **Enforcement and Investor Protection Department** is hereby **DIRECTED** to: 1) serve this *Order* to SEVEN STAR GENERAL MERCHANDISE and person/s, entities, representatives and assigns acting in its behalf, wherever they be found; and 2) post copies of the *Order* at the entrance of the main office and/or branches, if any, of SEVEN STAR GENERAL MERCHANDISE.

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.

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.

Pasay City, Philippines, 02 February 2017.

TERESITA J. HERBOSA
Chairperson

ANTONIETA F. IBE
Commissioner

EPHYRO LUIS B. AMATONG
Commissioner

BLAS JAMES G. VITERBO
Commissioner

EMILIO B. AQUINO
Commissioner