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

In the Matter of:

VISIONER2020 INT'L TRADER, INC.

SEC-CDO Case No. 11-12-010

ENFORCEMENT AND PROSECUTION DEPARTMENT

Petitioner

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ORDER

Pending consideration by the Commission is the *Motion to Lift Cease and Desist Order* (CDO) dated 21 December 2012 filed by the respondent VISIONER2020 INT'L TRADER, INC., (VISIONER2020) on 26 December 2012.

A total of three hearings on the motion were set by the Commission on the following dates: 24 January 2013, 06 February 2013, and 02 April 2013. The respondent did not appear in any of the hearings, except on 02 April 2013, where a counsel appeared, allegedly for the respondent, without proper substitution of counsel.

On 12 April 2013, however, the Commission received a *Motion To Be Relieved as Counsels for Visioner 2020 Int'l Trader, Inc. With Motion for Resetting*, filed by Nacilla and Nacilla Law Firm, with the consent of the client, requesting that the firm be allowed to withdraw its appearance for respondent, and that a resetting of the 02 April 2013 hearing be scheduled, in the meantime that VISIONER2020 is yet to secure the services of another legal counsel.

On 17 April 2013, the Commission received a *Manifestation* from the Law Firm of Perlas De Guzman and Partners (Perlas Law Firm), informing the Commission that its engagement as counsel of record for VISIONER2020 *is still under negotiation*. The Perlas Law Firm manifested the willingness of VISIONER2020 to settle the case under Section 55.1 of the Securities Regulation Code (SRC). The Perlas Law Firm did not explain its connection, if any, to the Leynes Law Office and its representative, Atty. Elgo, who appeared during the 02 April 2013 hearing, despite the lack of valid substitution of counsel.

SEC - OGC

By its own admission in its Manifestation, the Perlas Law Firm has not yet been engaged by VISIONER2020 and has not validly substituted Nacilla and Nacilla Law Office. Thus, it has no standing to represent respondent in the present case. Ergo, the Manifestation filed by the Perlas Law Firm is of no consequence, and the Commission is not duty-bound to act on it.

In an Order dated 7 May 2013, the motion of Nacilla and Nacilla Law Office to be relieved as counsel of VISIONER2020 was GRANTED, as it conformed with the requisites for a valid withdrawal of counsel from a case.[1] The motion for resetting was, however, DENIED. The hearing on the motion to lift has already been set three times at the instance of VISIONER2020, yet respondent has consistently failed to appear thereat. VISIONER2020 was reminded that the Order dated 25 January 2013 resetting the date of hearing to 06 February 2013 explicitly stated that "No further motion for postponement shall be entertained." Despite this, the Commission gave the respondent another chance to be heard, by setting another date for a hearing. Further, in the Order resetting the date of hearing to 02 April 2013, it was stated clearly that "No further resetting of the date of the hearing shall be entertained. Failure of a party to appear shall entitle the other party who is present to a judgment based on the pleadings and the evidence on hand."

As above stated, respondent has always been represented by counsel, Attys. Nacilla and Nacilla, who moved to postpone the first hearing and failed to attend the second one. Atty. Elgo of Leynes Law Office requested to be admitted as counsel during the third hearing date, but was not recognized due to failure to comply with the

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[1] In the 13 October, 2010 case of Real Bank Inc. vs. Samsung Mabuhay Corporation, et al., G.R. No. 175862 it stated, " Rule 138, Section 26 of the Rules of Court outlines the procedure in case of withdrawal of counsel. It states:

Sec. 26. *Change of attorneys.* – An attorney may retire at any time from any action or special proceeding, by the written consent of his client filed in court. He may also retire at any time from an action or special proceeding, without the consent of his client, should the court, on notice to the client and attorney, and on hearing, determine that he ought to be allowed to retire. In case of substitution, the name of the attorney newly employed shall be entered on the docket of the court in place of the former one, and written notice of the change shall be given to the adverse party.

Under the first sentence of Section 26, the withdrawal of counsel with the conformity of the client is completed once the same is filed in court. No further action thereon by the court is needed other than the mechanical act of the Clerk of Court of entering the name of the new counsel in the docket and of giving written notice thereof to the adverse party.

In this case, it is uncontroverted that the withdrawal of respondent Samsung's original counsel, V.E. Del Rosario and Partners on 19 October 2000, was with the client's consent. Thus, no approval thereof by the trial court was required because a court's approval is indispensable only if the withdrawal is without the client's consent."

requisites for valid substitution of counsel.[2] However, instead of complying with the order to submit the requirements, respondent appears to have asked another counsel, Perlas Law Firm, to file the Manifestation, again without valid substitution of counsel.

Hence, in the same Order of 7 May 2013, the instant *Formal Request and Motion to Lift the Cease and Desist Order* was submitted for resolution.

VISIONER2020 is a corporation duly registered with the Commission on 02 October 2012 under SEC Registration No. CS201230870. Its primary purpose is to engage in the business of mineral ores and real estate.[3]

It is not authorized to undertake business activities requiring a Secondary License from the Commission such as, acting as broker or dealer in securities, closed-end or open-end investment company, an investment house, investment adviser of an investment company, transfer agent, commodity/financial futures exchange/broker/ merchant, financing company.[4]

VISIONER2020 claims that the Commission did not comply with Section 64 of R.A. 8799, otherwise known as the Securities Regulation SRC. Necessarily, the company alleges that the Commission did not comply with the case of *SEC vs. Performance Foreign Exchange Corporation (SEC v. PFEC),*[5] which interpreted Section 64 of the SRC to wit:

> "Under the above provision, there are two essential requirements that must be complied with by the SEC before it may issue a cease and desist order: **First**, it must conduct proper investigation or verification; and **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."

Thus, the issue now pending before us is whether or not VISIONER2020 was deprived of due process, as it is alleged that prior to the issuance of the CDO: 1) it was not given a chance to be heard; and 2) the Commission did not conduct a proper investigation or verification. Are there valid issues and arguments raised to justify the granting of the Motion to Lift?

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[2] "Under Section 26, Rule 138 of the Rules of Court and established jurisprudence, a valid substitution of counsel has the following requirements: (1) the filing of a written application for substitution; (2) the client's written consent; (3) the consent of the substituted lawyer if such consent can be obtained; and, in case such written consent cannot be procured, (4) a proof of service of notice of such motion on the attorney to be substituted in the manner required by the Rules. xxx" Salvador Mojar *et al.*, vs. Agro Commercial Security Service Agency, Inc. *et al.* G. R. No. 187188
June 27, 2012.

[3] Articles on Incorporation, Records pp. 083-084.

[4] On 20 November 2012, the Corporation Finance Department of the Commission issued a Certification stating that VISIONER2020 is not a registered issuer of securities pursuant to Sections 8 and 12 of the Securities and Regulations Code (SRC) and is therefore not licensed to offer or issue securities to the public. (Annex "D" Records, p. 62).

[5] G. R. No. G.R. No. 154131 20 July 2006.

The Motion to Lift Cease and Desist Order is without merit.

VISIONER2020's allegation that it was not given a chance to be heard as prescribed by Section 64.1 of the SRC, is of no moment. In the case of *GSIS vs. Rosete et al.* (G.R. No. 183905), the Supreme Court explained that Section 64.1 plainly provides ***three segregate instances*** upon which the SEC may issue the *CDO* under this provision: (1) after proper investigation or verification, (2) *motu proprio*, or (3) upon verified complaint by any aggrieved party.

In the case of VISIONER2020, a CDO was issued *motu proprio*, after proper investigation or verification conducted by the EPD.

The issuance of the subject CDO complied with Section 64.1 of the SRC and Section 10-2, Rule X of the 2006 Rules of Procedure of the Securities and Exchange Commission (Rules), which state the following:

> "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."

> Sec. 10-2. *Issuance of a CDO.* –The Commission, through the OGC, after proper investigation or verification by CED (now EPD), *motu proprio*, or upon verified complaint, may issue a CDO 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. x x x"

Pursuant to the above provisions, the Commission may issue a CDO either ***motu proprio*** or upon verified complaint[6] **without a prior hearing**. The essential requirement that must be complied with by the Commission before it may issue, *motu proprio*, a CDO is that the EPD must conduct a proper investigation or verification. Once an investigation or verification by the EPD is conducted, the Commission, *motu proprio*, may issue a CDO, 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.

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[6] Section 10-2, Rule X of the 2006 Rules provides that a verified complaint may be filed by the aggrieved party with the Commission, through the CED (now EPD), for the issuance of a CDO pursuant to the provisions of Section 64 of the SRC.

As a matter of fact, Section 64.2 of the SRC states that:

> "64.2. Until the Commission issues a cease and desist order, the fact that an investigation has been initiated or that a complaint has been filed, including the contents of the complaint, shall be confidential. Upon issuance of a cease and desist order, the Commission shall make public such order and a copy thereof shall be immediately furnished to each person subject to the order."

Thus, it is only upon the issuance of the CDO that the same is made known to the respondent, so that the latter could be heard thereon by way of a motion to lift or set aside the CDO. This set-up is necessitated by the very nature of a CDO in order to effectively arrest and/or contain fraud and/or irreparable injury to the public.

In the instant case, the respondent was not denied due process. The CDO was issued *motu proprio* by the Commission *En Banc* on 06 December 2012 after a prior investigation or verification conducted by the EPD in accordance with the Rules. Thus, there was no need for a conference with the incorporators as argued by respondent. The *CDO* under Section 64 is founded on a determination of an act or practice, which 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,"[7] which was revealed by the investigation or verification conducted by the EPD. The findings are clear that VISIONER2020 violated Sections 8 and 28 of the SRC, and Section 45 of the Corporation Code.

The EPD initiated an investigation or verification of the company's activities after being alerted by media reports[8] of its operations. According to said reports, VISIONER2020 is believed to be run by British principals, with the help of a local leader, Glenda Andagan (Andagan). A cashier in the company's office admitted that up to two hundred (200) investors a day lined up to give their money to VISIONER2020. The firm offered up to fifty-two per cent (52%) return on investments monthly but lowered it to thirty percent (30 %) after the news broke on *Aman Futures* scamming twelve billion pesos (Php 12 B) from investors. According to the National Bureau of Investigation's (NBI) initial investigation, the company got an estimated amount of sixty million pesos (Php 60M) from investors, although they

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[7] *GSIS vs. Rosete et al.* (G.R. No. 183905)

[8] *Another pyramid scam found in Pagadian* with reports from Ron Gagalac and Ina Reformina, ABS-CBNnews.com Posted at 11/19/2012 6:44 PM | Updated as of 11/20/2012 8:21 AM http://www.abs-bnnews.com/nation/11/19/12/another-pyramid-scam-found-pagadian, Annex "C" Records, pp. 64-66, and *Another pyramid scam operator, 10 workers arrested by NBI in Pagadian City by Richel Umel, Inquirer Mindanao,* 11:03 p.m., 19th November 2012, Annex "C1"Records, p.63.

have information that the scam could amount to a billion pesos (Php1B).[9] VISIONER2020 even attempted to harness the power of the World Wide Web to entice more investors via its website *visioner2020.com*, which was under construction at the time of the raid. Thus, the NBI conducted an entrapment operation on 19 November 2012 and raided the office of VISIONER2020 in Tiguma, Pagadian City after the NBI received complaints from the public alleging that VISIONER2020 is engaged in a "double your money" scam akin to that of *Aman Futures Group, Philippines, Inc.* (*Aman Futures*)[10] in Pagadian City. The entrapment operations and raid of the company yielded documents related to the company's activities.

The NBI found that VISIONER2020 has no mayor's permit and operated similarly to *Aman Futures*. In fact, some of those who were at the office during the raid were *Aman Futures'* victims hoping to recover their investments. The NBI agents arrested suspected pyramiding scheme [11] operator Andagan and TEN (10) of her staff members during the raid of the company's office. They also seized ten handguns, various equipment and documents.[12]

Acting on the reports, the EPD obtained copies of the documents[13] seized by the NBI in Pagadian City during the latter's entrapment operations against VISIONER2020.

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[9] *Another pyramid scam found in Pagadian* with reports from Ron Gagalac and Ina Reformina, ABS-CBNnews.com Posted at 11/19/2012 6:44 PM | Updated as of 11/20/2012 8:21 AM http://www.abs-bnnews.com/nation/11/19/12/another-pyramid-scam-found-pagadian, Annex "C" Records, pp. 64-66.

[10] Subject of SEC CDO Case No. 10-12-009 dated 08 October 2012.

[11] Pyramid schemes have been described as follows: "Pyramid schemes now come in so many forms that they may be difficult to recognize immediately. However, they all share one overriding characteristic. They promise consumers or investors large profits based primarily on recruiting others to join their program, not based on profits from any real investment or real sale of goods to the public." Prepared statement of Debra A. Valentine, General Counsel For The U.S. Federal Trade Commission "PYRAMID SCHEMES" presented at the International Monetary Fund's Seminar On Current Legal Issues Affecting Central Banks Washington, D.C. May 13, 1998 http://www.ftc.gov/speeches/other/dvimf16.shtm (accessed 04 May 2012.)

[12] *Another pyramid scam operator, 10 workers arrested by NBI in Pagadian City by Richel Umel, Inquirer Mindanao,* 11:03 p.m., 19th November 2012, Annex "C1"Records, p.63.

[13] **"a)** Twenty (20) original copies of what appears to be "Investment Contracts" bearing as heading "VISIONER2020 Int'l Trader, Inc." with its address - "Chiong Bldg., B. Aquino St., Gatas Dist., Pagadian City, Zamboanga del Sur" and its electronic mail - "visioner2020.com." duly signed by the investors and by either Geoffrey L. Gepanao or Glenda G. Andagan as witnesses;
b) Twenty (20) original copies of "Disclosure of Investment" attached to the above Investment Contracts, also bearing the name of VISIONER2020, its address and electronic mail.
c) Seven (7) original copies of "Commission Print-outs" bearing as heading "VISIONER2020 Int'l Trader, Inc." with its address and electronic mail similar to the above-mentioned documents.
d) Seven (7) original copies of what appears to be an "Acknowledgement Receipt" attached to the above Commission Print-outs bearing the heading "PCS Marketing" or "Prime Creative System Marketing" with the same address as VISIONER2020. Except for the amount of tax deducted, the receipts bear the same details as that of the Commission Print-outs. The receipts were also signed by the investors and by Geoffrey L. Gepanao who prepared the same;"

EPD then examined, scrutinized and analyzed said documents and concluded that VISIONER2020 is engaged in offering and selling unregistered securities, in the form of investment contracts, to the public.[14]

In addition, a day after the news broke out regarding VISIONER2020, the EPD verified with the Corporation Finance Department (CFD) of the Commission whether or not VISIONER2020 is a registered issuer of securities. On the same date, CFD issued a Certification dated 20 November 2012, stating that VISIONER2020 is not a registered issuer of securities pursuant to Sections 8 and 12 of the SRC and is therefore not licensed to offer or issue securities to the public.

The foregoing actions undertaken by EPD constitute the investigation or verification required by Section 64.1 of the SRC and by jurisprudence. The EPD investigated and verified the documents actually used by VISIONER2020 in obtaining investments from the public, and confirmed from CFD of the Commission that the company has not obtained the secondary license required by the SRC to engage in such activity. Undoubtedly, such activities of respondent, "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."

As defined by law, "securities" are "shares, participation or interests 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".[15] It includes an investment contract,[16] which is defined as 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."[17]

The concept of an investment contract in the Philippines is of American origin, and traces its roots in *SEC v. W.J. Howey Co.*[18] This concept has since been transported to the Philippines, as in the case of *Power Homes Unlimited Corporation v. Securities and Exchange Commission*[19] where it was adopted. Guided by the foregoing benchmark, it appears that VISIONER 2020 is engaged in offering and selling securities in the form of investment contracts.

The documents provided by the NBI of Pagadian City to the Commission, which the EPD examined, scrutinized and analyzed, consist of the following:[20]

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[14] Motion for Issuance of a Cease and Desist Order dated 27 November 2012 par. 18, Records, p. 88.
[15] Section 3.1., R.A. 8799, otherwise known as the Securities Regulation Code (SRC) 2000.
[16] Section 3.1.(b), id.
[17] SRC Rule 3(1)(G), Amended Implementing Rules and Regulations (IRR) of the SRC, 2003.
[18] *S.E.C. v. W.J. Howey Co.*, 328 U.S. 293, 66 S. Ct. 1100, 90 L. Ed. 1244, 163 A.L.R. 1043 (1946).
[19] G.R. No. 164182, 26 February 2008.
[20] Motion for CDO par. 15 pp.89-91.

"**a)** Twenty (20) original copies of what appears to be "Investment Contracts" bearing as heading "VISIONER2020 Int'l Trader, Inc." with its address - "Chiong Bldg., B. Aquino St., Gatas Dist., Pagadian City, Zamboanga del Sur" and its electronic mail - "visioner2020.com". The following are the details indicated in five of the twenty contracts, all of which have the same nature:

NAME	DATE	INVEST-MENT CAP.	ACCOUNTED DATE	MATURITY DATE	INT. RATE	AMT. W/DRAWN	BALANCE FORWARDED
1. Gella, Erlando Jr. G.	10/25/2012	210,000.00	Oct. 26, 2012	Nov. 26, 2012	30%	63,000.00	210,000.00
2. Magrenia, Rogelio A.	10/25/2012	40,000.00	Oct. 26, 2012	Nov. 26, 2012	30%	12,000.00	40,000.00
3. Malalis, Noel D.	10/25/2012	105,000.00	Oct. 26, 2012	Nov. 26, 2012	30%	31,500.00	105,000.00
4. Gabule, Gally	10/25/2012	100,000.00	Oct. 26, 2012	Nov. 26, 2012	30%	30,000.00	100,000.00
5. Cayasan, Luzvimindа C.	10/25/2012	30,000.00	Oct. 26, 2012	Nov. 26, 2012	30%	9,000.00	30,000.00

The twenty contracts amount to a total of Php1,5845,700.00, duly signed by the above investors and by either Geoffrey L. Gepanao or Glenda G. Andagan as witnesses;

b) Twenty (20) original copies of "Disclosure of Investment" attached to the above Investment Contracts, also bearing the name of VISIONER2020, its address and electronic mail. Under Paragraphs II and III of the "Disclosure of Investment" document, it is stated therein that:

"DIRECT PARTICIPATION PLAN / PROGRAM
Product Name

I. SOURCES OF FUNDS ... x x x
II. DISCLOSURE

DIRECT PARTICIPATION PLAN / PROGRAM (DPPs)

I understanding the following:_____(Client initials)

1. **VISIONER2020 DPP is a program which provide (sic) for flow-through tax consequences regardless of the legal structure of the entity or vehicle for distribution including mineral (gold and diamond), energy products, oil, gas, real estate, agricultural programs, condominium securities and**

Subchapter corporate offerings.

2. I am in a financial position appropriate to realize, in a significant extent, the benefits of the program being offered, including the tax benefits if they are a significant aspect of the program.

3. VISIONER2020 DPP is intended to be **long-term investment vehicle** with holding period of I year from date signed.

4. VISIONER2020 **have (sic) a very limited or no secondary market**. I may not be able to sell my DPP program ownership interests shares readily in the open market, or may receive significantly less than my original investment, should I need to sell or liquidate my DPP ownership interests immediately.

5. I meet the net worth and/or a liquid net worth requirements of the DPP program being purchased. **I have a sufficient net worth to sustain the risks inherent in the DPP program** including the lack of liquidity and the possible loss of my total investment.

6. There can be no assurance that the interest income or dividends generated from the DPP program or will remain stable.

III. PROSPECTUS RECEIPT ACKNOWLEDGEMENT and CONTROL DISCLOSURES

I acknowledge that I have read the **current prospectus for the security product** being purchased. My registered representative has explained the risks, sales charges, fees, expenses and/or surrender charges associated with the security product being purchased. Based on my own determination, financial situation and investment objectives, I believe that the **security product** is suitable for me. (emphasis supplied)
x x x"

The above documents were duly signed by the above investors and by either Geoffrey L. Gepanao or Glenda G. Andagan as representatives of VISIONER2020;

c) Seven (7) original copies of "Commission Print-outs" bearing as heading "VISIONER2020 Int'l Trader, Inc." with its address and electronic mail similar to the above-mentioned documents. The contents of three of the Commission Print-outs are reproduced below; the others having the same contents and following details:

NAME	DATE	INVEST-MENT	DURATION/ CYCLE	INT. RATE	INTEREST INCOME	AMT. W/DRAWN	TAX DED. 2.94%	END BALANCE
1. Lawas,	11/9/2012	130,000.00	10/18/2012	50%	65,000.00	65,000.00	1,911.00	130,000.00

Cresencian o N.			to 11/9/2012					
2. Go, Milagros	11/9/2012	50,000.00	10/18/2012 to 11/9/2012	30%	15,000.00	15,000.00	441.00	50,000.00
3. Gepanao, Editha E.	11/9/2012	100,000.00	10/18/2012 to 11/9/2012	30%	30,000.00	30,000.00	882.00	100,000.00
4. Baronday, Vilma D.	11/9/2012	20,000.00	10/18/2012 to 11/9/2012	50%	10,000.00	10,000.00	294.00	20,000.00
5. Remotigue, Randy Rey A.	11/6/2012	20,000.00	10/12/2012 to 11/2/2012	50%	10,000.00	10,000.00	294.00	20,000.00
6. Atabilo, 7.Milagros V.	11/6/2012	30,000.00	10/12/2012 to 11/2/2012	50%	15,000.00	15,000.00	441.00	30,000.00
7.Dadtum, Monaisa C.	11/6/2012	50,000.00	10/12/2012 to 11/2/2012	50%	25,000.00	25,000.00	735.00	50,000.00
TOTAL		**400,000.00**						

The above documents were duly signed by the above investors and by Geoffrey L. Gepanao who noted and released the same;

d) Seven (7) original copies of what appears to be an "Acknowledgement Receipt" attached to the above Commission Print-outs bearing the heading "PCS Marketing" or "Prime Creative System Marketing" with the same address as VISIONER2020. Except for the amount of tax deducted, the receipts bear the same details as that of the Commission Print-outs. The receipts were also signed by the investors and by Geoffrey L. Gepanao who prepared the same;"

Based on the foregoing documents, EPD concluded that VISIONER2020 is engaged in offering and selling unregistered securities, in the form of investment contracts, to the public.[21]

In this case, the documents reveal that VISIONER 2020 "receives or accepts investments or money placements from a growing number of investors." The investor entrusts the money in favor of VISIONER 2020, trusting in its alleged or presumed investment expertise, and the latter agrees to deliver to the investor the amount of interest, or the investment profit which ranges from thirty percent (30%) to fifty percent (50 %) of the capital investment, on maturity date. Thus, it appears that what lures investors in parting with their money is the promise and corresponding expectation of high returns or profits. Lastly, the profits derived by the investors are derived primarily from the efforts or representations of VISIONER 2020. The participation of investors is limited in investing money with the said company.

[21] *Id.*, par. 18, Records, p. 88.

The preceding analysis of the documents seized by the NBI, which have been submitted to the Commission, shows that VISIONER2020 has violated Section 8[22] and Section 28 [23] of the SRC, which were designed to protect the investing public from fraud or injury.

In addition, the purpose for which the corporation is formed as stated in its Articles of Incorporation does not include the business of selling securities and engaging in the business of being a broker or dealer of securities. Thus, in addition to the violations of the provision of the SRC, the activities of VISIONER2020 are *ultra vires*, or outside of VISIONER2020's power to do, in violation of Section 45[24] of the Corporation Code, to the detriment of the investing public.

Therefore, allowing VISIONER2020 to continue its business operations 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 its mandate, the Commission rightfully issued a Cease and Desist Order (CDO) dated 06 December 2012 against VISIONER2020 INT'L TRADER, INC., its officers, directors, agents, representatives, conduits, assigns, and any and all persons claiming and acting for and in behalf and under their authority, ordering them to IMMEDIATELY CEASE AND DESIST,[25] UNDER PAIN OF CONTEMPT, from further offering, soliciting, or otherwise offering or selling unregistered securities to the public, such as, but not limited to, investment contracts, pooling of funds, investment trusts, or similar forms, and, in connection therewith, soliciting, accepting or receiving from others, money for the purpose of trading in any futures contract.

Lastly, it must be noted that respondent did not refute the findings of the EPD that in addition to the violations of the provisions of the SRC, the activities of VISIONER2020 are *ultra vires*, or outside of VISIONER2020's power to do, in violation of Section 45 of the Corporation Code, to the detriment of the investing public.

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[22] **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.

[23] Section 28. ***Registration of Brokers, Dealers, Salesmen and Associated Persons.*** – 28.1. No person shall engage in the business of buying or selling securities in the Philippines as a broker or dealer, or act as a salesman, or an associated person of any broker or dealer unless registered as such with the Commission.

[24] *SECTION 45.* ***Ultra vires acts of corporations.*** — No corporation under this Code shall possess or exercise any corporate powers except those conferred by this Code or by its articles of incorporation and except such as are necessary or incidental to the exercise of the powers so conferred.

[25] ***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 a fraud on investors or is otherwise likely to cause grave or irreparable injury or prejudice to the investing public. xxx

WHEREFORE, premises considered, the *Motion to Lift Cease and Desist Order* filed by respondent VISIONER2020 INT'L TRADER, INC., is hereby **DENIED** and the CEASE AND DESIST ORDER dated 6 December 2012 issued against VISIONER2020 INT'L TRADER, INC., its partners, officers, directors, agents, representatives, conduits, assigns, and any and all persons claiming and acting for and in behalf and under its authority is hereby **MADE PERMANENT**.

The Enforcement and Prosecution Department is hereby **DIRECTED** to: (a) serve this Order on the respondents or any of its authorized representatives; (b) post copies of the Order at the entrance of the main office and/or branches, if any, of the respondents. Let a copy of this Order be also posted in the Commission's website.

Furthermore, let this Order be published in a national newspaper of general circulation.

FAIL NOT UNDER PENALTY OF LAW.

SO ORDERED.

Mandaluyong City; 16 May 2013.

TERESITA J. HERBOSA
Chairperson

MA. JUANITA E. CUETO
Commissioner

MANUEL HUBERTO B. GAITE
Commissioner

ELADIO M. JALA
Commissioner

ANTONIETA F. IBE
Commissioner

cc: Corporation Finance Department
Economic Research and Information Department