Republic of the Philippines
Department of Trade and Industry
SECURITIES AND EXCHANGE COMMISSION
SEC Bldg. EDSA, Greenhills, Mandaluyong City

In the Matter of

MIN & FAMILY GLOBAL INC.

SEC Administrative Case No. 01-09-103
(CED Case No. 08-2874)

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

DECISION

For consideration of the Commission *En Banc* is the petition for revocation of corporate registration of Min & Family Global Inc. (formerly Majestic Forte Global Inc.) dated 20 January 2009 filed by the Compliance and Enforcement Department[1] ("CED") of the Commission.

Min & Family Global Inc. ("Min" for brevity) is a corporation duly registered with the Commission on 16 February 2004 under SEC Registration No. CS200402401, with principal address at 3202 West Tower, PSE Center, Exchange Road, Ortigas Center, Pasig City.

On 12 January 2006, CED received a complaint from one Edwin Malimban regarding the investment taking of Min. The CED then formed a team that would conduct an investigation. Finding *prima facie* evidence that Min was engaged in a business activity not contemplated by its corporate franchise, CED filed the instant petition.

Personal service of the summons upon Min at its principal office address was made, but the same failed since the corporation already moved out. Thus, an Order dated 16 July 2010 was issued directing the service of the summons by publication. In compliance, the CED caused the publication of the 16 July 2010 Order and the

[1] Now known as the Enforcement and Prosecution Department.

Summons of even date in the 29 July 2010 issue of the Philippine Star.[2] A copy of the Order, Summons, and petition were also posted in the website of the Commission.[3]

Under the 2006 Rules of Procedure of the Commission, Rule III, Section 3-12, if a respondent fails to file its answer within the prescribed period, it shall be considered as in default, and a judgment by default may be rendered. To this date, however, Min has yet to file its answer to the instant petition. Thus, Min is declared in default.

We now go into the discussion of the merits of the petition.

The only issue involved is whether there is a valid ground to revoke the certificate of registration of Min.

The petition is meritorious.

Under its Articles of Incorporation, Min's primary purpose is to engage in the wholesale business, namely:

> "To engage in, conduct and carry on the business of buying, selling, trading, marketing, import and export of all kinds of goods, wares, merchandise and products of all kinds such as but not limited [to] household items on wholesale basis."[4]

In reality, however, Min's business operation, as narrated by complainant Malimban, is not contemplated under its primary purpose. The following is the summary of the *modus operandi* of Min:

> Potential investors are encouraged to attend a business presentation and are enticed to invest their money to Min. In return, the investors are promised a return of their principal investment and guaranteed Php3,000.00 interest. In addition, the investors would earn daily commissions without selling any product. The daily commission as well as the guaranteed interest would then be deposited to an ATM account where they can be withdrawn. An insurance package and a bag are also given to the investors. As proof of investment, Min would issue a Provisional Receipt, Distributor Application and Agreement, and Certificate of Insurance.[5]

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[2] Affidavits of Publication executed by Ms. Perlita R. De Lara, Accounting Supervisor of the PhilSTAR Daily, Inc. notarized on 12 and 16 August 2010, respectively.

[3] Certification dated 28 July 2010 signed by the Economic Research and Information Department Director Virgilio Salentes.

[4] Articles of Incorporation, Second Article.

[5] Affidavit notarized on 12 January 2006, Annex "D"; Provisional Receipt, Annex "E", Distribution Application & Agreement, Annex "F"; and Certificate of Insurance, Annex "G" of the Petition.

Considering that the described business operation is not in any way related to the business of selling on wholesale basis, the same is in violation of Section 6 of Presidential Decree No. 902-A, as amended, which reads:

> "Sec. 6. In order to effectively exercise such jurisdiction, the Commission shall possess the following powers:
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> (1) To suspend, or revoke, after proper notice and hearing, the franchise or certificate of registration of corporations, partnerships or associations, upon any of the grounds provided by law, including the following:
>
> xxx xxx xxx
>
> 2. Serious misrepresentation as to what the corporation can do or is doing to the great prejudice of or damage to the general public;
>
> xxx xxx xxx"

Min caused serious damage to its investors when it made representations that by investing a sum of money, they will receive daily sales commission and a Php3,000.00 guaranteed interest without doing anything except to entrust their money to the corporation. The investors need not sell any item or product to be entitled to commissions. Before the investors could even receive the full payment of their principal investments, however, Min suddenly ceased operations and can no longer be found at its principal place of business at 3202 West Tower, PSE Center, Exchange Road, Ortigas Center, Pasig City or at its new office address at 2206 Orient Square, Ortigas Center, Pasig City. The officers and employees are likewise nowhere to be found.

WHEREFORE, foregoing premises considered, the instant petition is hereby **GRANTED**. Accordingly, the Certificate of Registration of MIN & FAMILY GLOBAL INC. is **REVOKED**.

Let a copy of this Decision be furnished the Enforcement and Prosecution Department and the Company Registration and Monitoring Department for their appropriate action.

SO ORDERED.

Mandaluyong City, 21 September 2010.

JOSE B. BARIN
Chairperson

MA. JUANITA E. CUETO
Commissioner

RAUL J. PALABRICA
Commissioner

MANUEL HUBERTO B. GAITE
Commissioner

ELADIO M. JALA
Commissioner