Republic of the Philippines
Department of Finance
Securities and Exchange Commission

In the matter of:

SATARAH INVESTMENT GROUP, INC. and SHEVAUGHN INTERNATIONAL SCHOOL OF CULINARY ARTS, INC.,

SEC Admin. Case No. 05-16-179
FOR: Revocation of Certificate of Incorporation for fraud in the procurement thereof

ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT,
Petitioner.

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DECISION

Pending consideration of the Commission *En Banc* is the *Petition for Revocation of Certificates of Incorporation* (Petition for Revocation) filed on 10 May 2016 by petitioner Enforcement and Investor Protection Department (EIPD) of the Commission praying that the Certificates of Incorporation of Satarah Investment Group, Inc. (Satarah Investment Group) and Shevaughn International School of Culinary Arts, Inc. (Shevaughn) be revoked on the grounds of, among others, fraud in the procurement of their respective Articles of Incorporation.[1]

Shevaughn incorporated with the Commission on 9 March 2015 under SEC Registration No. CS201530336.[2] Its Articles of Incorporation provides that its incorporators and first trustees include Romyllie B. Lau, Henrich Lau and Tom Kristoffer E. Guinomon, and their nationality indicated therein is FILIPINO. Further, its primary purpose are, among others, to "conduct and provide training on all Technical and Vocational courses/programs under TESDA TVET (sic)".[3]

Satarah Investment Group incorporated with the Commission on 14 April 2015 under SEC Registration No. CS201501660.[4] Its Articles of Incorporation provides that incorporators and first directors include Romyllie B. Lau and Wing Pan Henrich Lau, and their nationality indicated therein is FILIPINO.[5]

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[1] *Petition for Revocation* dated 6 May 2016.
[2] *Id.*, par. 7, and Annex "C" (Certificate of Incorporation of Shevaughn).
[3] *Id.*, pars. 9 and 10, and Annex "D" (Articles II, V and VI of the Articles of Incorporation of Shevaughn).
[4] *Id.*, par. 2, and Annex "A" (Certificate of Incorporation of Satarah Investment Group).
[5] *Id.*, par. 5, and Annex "B" (Articles V and VI of the Articles of Incorporation of Satarah Investment Group).

On 4 May 2015, the EIPD received an Inspection Report from the Baguio Extension Office of the Commission (SEC-BEO) stating that the latter conducted an ocular inspection[6] at the principal office of "Satarah Wellness Marketing", which is a Department of Trade and Industry (DTI) registered enterprise of Romyllie B. Lau. During the ocular inspection, Ms. Lau was asked about the nationality of her husband, Wing Pan Henrich Lau, and she replied that Mr. Lau is not a Filipino but a Chinese.[7]

On 8 May 2015, the SEC-BEO submitted to the EIPD an authenticated copy issued by the National Statistics Office (NSO) of the marriage certificate of Wing Pan Henrich Lau and Romyllie B. Lau indicating therein that the nationality of Mr. Lau is Chinese.[8]

On 1 June 2015, the SEC-BEO received from the Bureau of Immigration a Letter, in response to the former, stating that Wing Pan Henrich Lau is a Hong Kong national, who was a previous holder of a Temporary Resident Visa (TRV) by virtue of his marriage to his Philippine spouse, Romyllie B. Lau.[9]

On 30 June 2015, the Commission *En Banc* issued a Cease and Desist Order (CDO) against, among others, Romyllie B. Lau, her Department of Trade and Industry (DTI) registered enterprise known as "Satarah Wellness Marketing", and the operators and administrators of Satarah Wellness International, who posted its advertisements in websites such as YouTube and SlideShares, directing them to cease and desist from offering and selling unregistered securities, in the form of investment contracts.[10]

On 22 July 2015, the Commission received a Letter of the Philippine National Police (PNP) stating that, during the enforcement of the CDO, it was "revealed that a new corporation SHEVAUN (sic) COMPANY, was again established to replace [the DTI-registered enterprise] 'Satarah Wellness Marketing', with the same proprietor and same modus". However, the information is being validated.[11]

On 2 September 2015, Wing Pan Henrich Lau and Romyllie B. Lau as well as their counsel appeared before the EIPD, and were confronted with accusations that they are still engaged in investment taking activities, through the DTI-registered enterprise "Satarah Wellness Marketing" of Ms. Lau and Shevaughn. Wing Pan Henrich Lau and Romyllie B. Lau denied the accusations and they stated that they are merely "issuing promissory notes to their former clients so that they can return/refund their money."[12]

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[6] Ocular Inspection conducted on 27 April 2015.
[7] Petition for Revocation, par. 12 and Annex "E" (Inspection Report of the SEC-BEO dated 28 April 2015).
[8] *Id.*, par. 14 and Annex "G" (Marriage Certificate issued by the NSO).
[9] *Id.*, par. 13 and Annex "F" (Letter of the Bureau of Immigration dated 22 April 2015).
[10] *Id.*, par. 17 and Annex "J" (CDO dated 30 June 2015).
[11] *Id.*, par. 15 and Annex "H" (Letter of the PNP received on 22 July 2015).
[12] *Id.*, par. 16 and Annex "I-A" (Minutes of the Proceedings dated 1 September 2015).

On 25 April 2016, the Commission *En Banc* issued an *Order* declaring PERMANENT the CDO issued against, among others, Romyllie B. Lau and her DTI-registered enterprise Satarah Wellness Marketing considering that they failed to file a motion or formal request to lift the said CDO.[13]

On 10 May 2016, the EIPD filed this instant Petition for Revocation. Thereafter, on 23 May 2016, the Commission issued summonses to Satarah Investment Group and Shevaughn as well as their incorporators and officers to file their *Answer* to the EIPD's Petition for Revocation. The Summons was duly served, through substitute service, on Wing Pan Henrich Lau and Romyllie B. Lau when the said Summons was left with Romeo A. Batolne, who is the father of Ms. Lau, on 30 May 2016.[14] Further, the summons was duly served, through personal service, on Tom Kristoffer E. Guinomon, who is the incorporator of Shevaughn, likewise on 30 May 2016. However, to date, Satarah Investment Group and Shevaughn did not file any Answer to the EIPD's Petition for Revocation.[15]

The effect of the failure to file an Answer is provided under Section 3-12 of Rule III, to wit:

> "**If the respondent FAILS TO ANSWER the complaint within the above-stated period,** he shall be considered as *in default*. **The Hearing Panel, or Officer shall, *motu proprio*, proceed to render judgment granting the complainant such relief as the complaint may warrant**, unless the Hearing Panel or Officer determines the complainant should be required to submit *ex parte* additional evidence." (Emphasis ours)

Considering that Satarah Investment Group and Shevaughn failed to file their Answer to the Petition for Revocation, the Commission is constrained to render a judgment based on evidence and records thereof.

As stated by the Bureau of Immigration, and as indicated in the marriage certificate, Wing Pan Henrich Lau is not a Filipino citizen but a Chinese citizen or Hong Kong national. This is contrary to the nationality that is indicated in the Articles of Incorporation of Satarah Investment Group and Shevaughn (i.e., Filipino citizen). Clearly, Satarah Investment Group and Shevaughn committed fraud in their procurement of their respective Articles of Incorporation, which is a ground for revocation pursuant to Section 6(l)(1) of Presidential Decree No. 902-A (P.D. 902-A). Hence, the revocation of the respective certificates of incorporation of Satarah Investment Group and Shevaughn is warranted in this case.

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[13] *Id.*, par. 17 and Annex "K" (Order dated 21 April 2016).
[14] Affidavit of Service executed on 7 June 2016; Records, p. 65.
[15] Affidavit of Service executed on 7 June 2016; Records, p. 64.

WHEREFORE, premises considered, the Petition for Revocation with Motion for Issuance of Cease and Desist Order filed by Enforcement and Investor Protection Department of the Commission against Satarah Investment Group, Inc. and Shevaughn International School of Culinary Arts, Inc. is hereby **GRANTED**, and their Certificates of Incorporation are hereby **REVOKED**, pursuant to Section 6(l)(1) of Presidential Decree No. 902-A, for the fraud in the procurement of their respective Articles of Incorporation.

SO ORDERED.

Mandaluyong City, 8 July 2016.

TERESITA J. HERBOSA
Chairperson

MANUEL HUBERTO B. GAITE
Commissioner

ANTONIETA F. IBE *
Commissioner

EPHYRO LUIS B. AMATONG
Commissioner

BLAS JAMES G. VITERBO
Commissioner

***On Leave**