Republic of the Philippines
Department of Finance
Securities and Exchange Commission

In the matter of:
FASTLEGACY MARKETING INTERNATIONAL INC. and HYUN LEE SCOFIELD a.k.a. JOHNNY SCOFIELD

SEC CDO Case No. 03-17-040

ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT,
Movant.

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CEASE AND DESIST ORDER

This resolves the *Motion for Issuance of Cease and Desist Order*[1] (**Motion**) filed, on 06 March 2017, by the Enforcement and Investor Protection Department (**EIPD**) praying that FASTLEGACY MARKETING INTERNATIONAL, INC. (**FASTLEGACY**) and HYUN LEE SCOFIELD a.k.a. JOHNNY SCOFIELD[2] and their representatives/agents be enjoined from selling and/or offering for sale securities in the form of investment contracts until the requisite registration statement is duly filed with, and approved by, the Commission and the corresponding license to offer/sell is issued.

FASTLEGACY is a stock corporation registered with the Commission on 10 August 2016 with Company Registration No. PG201618043.[3] Its principal office is located at 250 Sarmiento Homes, Abangan Norte, Marilao Bulacan. However, it has a corporate address at Unit 11N, Tower II, The Eastwood Excelsior, Eastwood City, 1835 Eastwood Ave., Brgy. Bagumbayan, Libis, Quezon City, Metro Manila. Its primary purpose, as stated in its Articles of Incorporation, is:

> "To engage in business which will provide and market **educational products online, marketing website, auto responder, ad tracking, and customer support services** without mass media and advertising activities."[4]

The incorporators of FASTLEGACY are the following: 1.) Pepito G. Guevarra; 2.) Ricardo R. Torres, Jr.; 3.) **Hyun Lee Scofield**[5]; 4.) Mariza D. Joson; and 5.) Janelle A. Guevarra.

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[1] Dated 03 March 2017.
[2] Annex "I" of the Motion wherein it was proven in Annex "I" of the investigation report that HYUN LEE is also known as JOHNNY SCOFIELD.
[3] Annex "A" of the Motion.
[4] Annex "B" of the Motion. .
[5] Note 2, Supra.

EIPD, on 03 January 2017, received an email[6] reporting that a company named "Fastlegacy Marketing International, Inc." is recruiting investors for profit even without products. The email-sender further informed EIPD that FASTLEGACY is maintaining an office at Unit 11N, Tower II, The Eastwood Excelsior, Eastwood City, Libis, Quezon City.[7] The email sender also attached a detailed description of FASTLEGACY's business model.

This prompted EIPD to conduct a verification and investigation on FASTLEGACY's business activities. Upon initial investigation, EIPD determined that FASTLEGACY is promoting its business with its website - ***fastlegacy.com***[9]. FASTLEGACY also advertises in ***blog.wordpress.com***[10] and has presentations in ***youtube.com***[11]. Further, FASTLEGACY is using social media platforms such as Facebook[12], Twitter, Instagram, Pinterest, Tumblr, Lindkln and others to promote its investment scheme and solicit investments.

These presentations show that FASTLEGACY offers investors a subscription package for an initial monthly payment of Php 2,000.00. This subscription package comprises of tools and products which will aid the investor-subscriber in the online selling of products such as video tutorials[13], fusion bars (soap bar)[14], and collagen products. These tools are the following:

> 1. The **Back Office**. The back office is a website owned and provided for by FastLegacy. The online back office would cost the investor-subscriber some amount of money to put up. With the free online back office the investor-subscriber can monitor all the sale referrals and commissions that he will earn.
>
> 2. FastLegacy also provides a **Marketing Website** that will do the selling and explaining for the subscriber.
>
> 3. There is also a **Capture Page** which can retain the names and emails of prospects which will be used by the system to do follow-ups.
>
> 4. There is also a **built-in follow-up system** which adheres to a follow-up sequence in maintaining contact with prospects. This follow up system was designed to excite prospects with the idea of subscribing with the company.
>
> 5. **Ad tracking** enables the subscriber to monitor how many persons clicked-on or viewed the subscriber's advertisements online.

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[6] Annex "C" of the Motion.

[7] Ibid.

[8] Annexes "D" to "I" of the Motion.

[9] Annexes "D" to "J-17" of the Motion.

[10] Annexes "J" to "J-17" of the Motion.

[11] Annex "K" of the Motion; a compact disc containing 2 video presentations of FASTLEGACY.

[12] Annexes "L" to "M" of the Motion.

[13] Education; Mindset/Motivational; Article Marketing; Press Release Marketing; Social Marketing; Tax Sheltering; Online Classified; Pay Per Click; :Light SEO; Relationships; Health – Annex "K" of the Motion.

[14] Annex "J-10" of the Motion.

6. **Follow-up reminder system** enables the subscriber affiliate to know the prospects who should be pursued.

7. **24/7 Affiliate Support Services** is an assistance team provided by FastLegacy to investor-subscriber inquiries if ever there is any problem.

8. **Seminars and Conferences** will also be provided to subscribers or so called affiliates to help them in their online business.

9. **Leadership Support and Training** will also be provided to subscribers/affiliates to aid them in making their business grow.

10. **Access to Health Products** – an investor-subscriber has the option to buy or sell high quality health products. However, selling and buying of products are not compulsory.

11. **Educational Video Vault** – This is where several educational and training videos are being offered for sale to the public.

12. **Facebook Group Page Community** – A subscriber or affiliate would also be able to access FastLegacy's Facebook private community group page and have a chance to be friends with successful and like-minded individuals who are in the group and be able to obtain tips and tricks in running a successful business.[15]

Once an investor-subscriber is convinced of the earning potential of the subscription package, he can simply join by following three (3) easy steps: 1.) subscribing through FASTLEGACY's website; 2.) watching and learning the video trainings on how to start a Fast Legacy Online Business; and 3.) sharing the FASTLEGACY link through social media platforms and advertisement sites.[16] Furthermore, the investor-subscriber's monthly payments for subscription will be taken from the promised earnings.

With the said tools, the investor-subscriber can earn profits in six (6) ways[17], to wit:

1. **Retailing** (Non-compulsory) – selling of products with a promised earnings up to 67% Retail Sales Profit;

2. **Direct Subscriber Rewards** – the investor-subscriber will receive Php 1,000.00 every month for every new Direct Affiliate recruited, for example:

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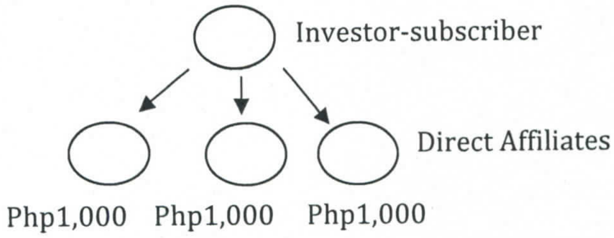
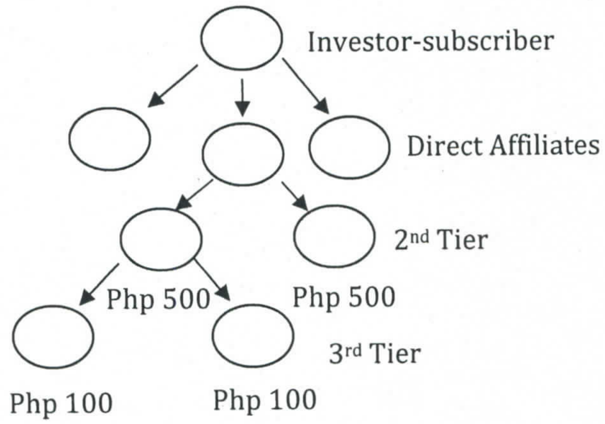
[15] Pages 2-3 of Annex "O" of the Motion.
[16] Note 5, Supra.
[17] Note 8, Supra.



3. **2nd/3rd Tier Subscriber Rewards** –for every new Affiliate recruited by the investor-subscriber's direct Affiliate, the investor-subscriber receives Php 500.00 every month; for every new Affiliate recruited by the 2nd Tier, the investor-subscriber will receive Php 100.00 every month, for example:



4. **Personal Product Cash Rebates** – every time an investor-subscriber makes a personal product purchase, he receives a cash rebate of 10%;

5. **Two Tier Product Overrides** - every time the investor-subscriber's Direct Affiliates make a purchase of any of the health products in their (affiliates) own back office, the investor-subscriber receives an override commission on the points of each product;

6. **Company-wide Bonus Pool** – 7% of the total points (with monetary equivalent) of all purchased products sold to all FASTLEGACY affiliates worldwide is placed in the Company Share Pool and distributed among all qualifying affiliates (up to 5 shares).

The presentations further show that FASTLEGACY entices the public that they could earn thousands of pesos in a month or over a million pesos in a year as long as they could recruit new investor-subscribers. This is because the Direct, 2nd and 3rd Tier Subscriber Rewards provide unlimited monthly earnings depending on the number of recruits. FASTLEGACY even provides an Online Income Calculator[18] so that the investor-subscriber may determine his potential monthly income, for example:

1.) if an investor-subscriber recruits three (3) Direct Affiliates and each of these affiliates also recruits another three (3) new investor-subscriber

[18] Note 8 Supra.

(3rd Tier), the original investor-subscriber has a potential monthly earning of:

Month	Amount
Month 1	10,200
Month 2	30,300
Month 3	63,000
Month 4	111,000
Month 5	177,000
Month 6	263,700
Month 7	373,800
Month 8	510,000
Month 9	675,000
Month 10	871,500
Month 11	1,102,200
Month 12	1,369,800

2.) if an investor-subscriber recruits ten (10) Direct Affiliates and each of these affiliates also recruits another ten (10) new investor-subscribers (3rd Tier), the original investor-subscriber has a potential monthly earning of:

Month	Amount
Month 1	160,000
Month 2	570,000
Month 3	1,330,000
Month 4	2,540,000
Month 5	4,300,000
Month 6	6,710,000
Month 7	9,870,000
Month 8	13,880,000
Month 9	18,840,000
Month 10	24,850,000
Month 11	32,010,000
Month 12	40,420,000

On 06 January 2017, an EIPD team conducted a surveillance operation at FASTLEGACY's office in Eastwood, Quezon City. The team was able to meet the founder of FASTLEGACY in the person of Johnny Scofield who personally explained to the team, through a power point presentation, the business model of FASTLEGACY. He explained that FASTLEGACY promises huge profits by merely subscribing to the company. The team confirmed FASTLEGACY's online representations when Mr. Scofield presented the tools[19] that FASTLEGACY subscribers get, to wit: 1.) Online Back Office; 2.) Replicated Marketing Website; 3.) Multiple Capture Pages; 4.) Built-in Autoresponder; 5.) Ad Tracking; 6.) Follow-up Reminder System; 7.) 24/7 Affiliate Support Services; 8.) Seminars

[19] Annex "O" of the Motion.

and Conferences; 9.) Leadership and Support Training; 10.) Access to Products and Tutorials.[20]

On 09 January 2017, FASTLEGACY emailed to the EIPD team its Banco De Oro (BDO) account under the name of Ricardo R. Torres Jr. in which the EIPD team could make their deposits to subscribe.[21] Also, attached to the email is a copy of FASTLEGACY's power point presentation, used by Mr. Scofield, showing its business model and how an investor-subscriber can earn by simply subscribing to the company.[22]

Subsequently, EIPD also secured *Certifications*[23] from the Commission's: (1) Company Registration and Monitoring Department (CRMD), stating that FASTLEGACY was not issued a secondary license as a Broker and/or Dealer of Securities, Dealer in Government Securities, Investment Adviser of an Investment Company, Investment House and Transfer Agent nor is there any pending application for the said secondary licenses; (2) Markets and Securities Regulation Department (MSRD), stating that FASTLEGACY has not registered any securities pursuant to Section 8 and 12 of the Securities Regulation Code (SRC) nor did the Commission issue to FASTLEGACY a Permit to Sell securities; and (3) Corporate Governance and Finance Department (CGFD), stating that FASTLEGACY has not registered issuer of mutual funds including exchange traded funds, membership certificates, time shares and registered but unlisted equity securities under Section 17.2 (a) of the SRC and therefore not licensed to offer or sell such securities to the public.

We now resolve the case on the merits based on the allegations and evidence presented in the *Motion*.

We find merit in the *Motion*.

It is declared in the Securities Regulation Code (SRC)[24] that:

> "***Section 2. Declaration of State Policy.*** – The State shall establish a socially conscious, free market that regulates itself, encourage the widest participation of ownership in enterprises, enhance the democratization of wealth, promote the development of the capital market, protect investors, **ensure full and fair disclosure about securities**, **minimize if not totally eliminate** insider trading and other **fraudulent or manipulative devices and practices which create distortions in the free market**. To achieve these ends, this Securities Regulation Code is hereby enacted."

To achieve this mandate, Section 8.1 of the SRC provides that securities should not be sold or offered for sale or distribution within the Philippines, without a registration statement duly filed with, and approved by, the

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[20] Annex "C" of the Motion, Note 4, *Supra.*

[21] Annex "P" and "Q" of the Motion.

[22] Annex "R" of the Motion.

[23] Annexes "S", "T" and "U" of the Motion.

[24] R.A. No. 8799.

Commission. In this connection, the SRC defines securities as "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"[25] and includes an **investment contract**.[26]

In the case of *Power Homes Unlimited Corporation v. Securities and Exchange Commission*[27], the Supreme Court explained the origins and concept of an investment contract, to wit:

> "Our definition of an investment contract traces its roots from the 1946 United States (US) case of *SEC v. W.J. Howey Co.* In this case, the US Supreme Court was confronted with the issue of whether the Howey transaction constituted an "investment contract" under the Securities Act's definition of "security." The US Supreme Court, recognizing that the term "investment contract" was not defined by the Act or illumined by any legislative report, held that "Congress was using a term whose meaning had been crystallized" under the state's "blue sky" laws in existence prior to the adoption of the Securities Act. Thus, it ruled that the use of the catch-all term "investment contract" indicated a congressional intent to cover a wide range of investment transactions. It established a test to determine whether a transaction falls within the scope of an "investment contract." Known as the *Howey Test*, it requires a transaction, contract, or scheme whereby a person (1) makes an investment of money, (2) in a common enterprise, (3) with the expectation of profits, (4) to be derived solely from the efforts of others. Although the proponents must establish all four elements, the US Supreme Court stressed that the *Howey Test* "**embodies a flexible rather than a static principle, one that is capable of adaptation to meet the countless and variable schemes devised by those who seek the use of the money of others on the promise of profits.**" Needless to state, any investment contract covered by the *Howey Test* must be registered under the Securities Act, regardless of whether its issuer was engaged in fraudulent practices."
>
> After Howey came the 1973 US case of *SEC v. Glenn W. Turner Enterprises, Inc. et al.* In this case, the 9th Circuit of the US Court of Appeals ruled **that the element that profits must come "solely" from the efforts of others should not be given a strict interpretation**. It held that a literal reading of the requirement "solely" would lead to unrealistic results. It reasoned out that its flexible reading is in accord with the statutory policy of affording broad protection to the public. Our R.A. No. 8799 appears to follow this flexible concept for it defines an investment contract as a contract, transaction or scheme (collectively "contract") whereby a person invests his money in a common enterprise and is led to expect profits not solely but primarily from the efforts of others.

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[25] Section 3.1., SRC.

[26] Section 3.1.(b), *Id.*

[27] G.R. No. 164182, 26 February 2008.

Thus, to be a security subject to regulation by the SEC, an investment contract in our jurisdiction must be proved to be: **(1) an investment of money, (2) in a common enterprise, (3) with expectation of profits, (4) primarily from efforts of others."**

Relative to the instant case, EIPD was able to establish the above-quoted elements of an investment contract, to wit:

An investment of money occurs when an investor commits money to an enterprise or venture in a manner that subjects himself to financial loss.[28] This is explicit in the video and power point presentations where FASTLEGACY requires its investor-subscribers to place an initial monthly subscription payment of Php 2,000.00. However, if the investor-subscriber does not recruit new affiliates, he would not earn the promised profits.

A common enterprise is deemed created when two (2) or more investors "pool" their resources. Several tests have evolved to determine what constitutes "common enterprise".[29] One of these tests is the horizontal commonality approach. Under this test, the determination of whether a transaction satisfies the commonality element of the modified *Howey* test involves an inquiry into whether the said transaction involves the joint participation of more than one investor in (i) the investment of funds or (ii) the sharing of profits.[30] The joint participation by investors in the same investment enterprise, achieved by pooling the invested funds for a common purpose, is required in order to satisfy the common enterprise element.[31]

In the instant case, each of FASTLEGACY investor-subscribers, together with their direct, 2nd Tier and 3rd Tier affiliates, place an investment of Php 2,000.00 into the company. These initial investments are pooled together and managed by the corporation which constitute a common enterprise. Likewise, FASTLEGACY's Company-wide Bonus Pool (7% of all products purchase are place in a company share pool) is also indicative that the corporation is pooling its resources coming from purchases of investor-subscribers.

Profits may be generated from either capital appreciation resulting from the development of the initial investment, or participation in earnings resulting from the use of investors' funds. In FASTLEGACY's scheme, it entices new investor-subscribers to place their monies because of potential high returns depending on the number of recruits or downlines. The promised monthly profit is dependent on the investor-subscriber's number of recruits under his name. FASTLEGACY even provides an Online Income Calculator to show the potential income an investor-subscriber may earn. Essentially, an investor-subscriber subscribes to FASTLEGACY because of the promised of high returns.

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[28] *SEC v. International Mining Exchange, Inc.*, 515 F. Supp. 1062.

[29] *In the Matter of Octopus Network, Inc.*, SEC-PED Case No. 98-2220, 22 May 1998.

[30] *SEC vs. Howey*, citing 69 Am Jur 2d citing Stenger v. R.H. Love Galleries, Inc. 741 F2d 144.

[31] *SEC vs. Howey*, citing Wasnowic v. Chicago Bd. of Trade 352 F Supp 1066.

To be considered as an investment contract, the expectation of profits must depend primarily from the efforts of others. In *Turner* case, the US Supreme Court adopted a more realistic test which is "whether the efforts made by those other than the investors are undeniably significant ones, those essential managerial efforts which affect the failure or success of the enterprise".

In the instant case, it is apparent that it is FASTLEGACY who develops, administers, maintains and promotes the subject investment scheme. It maintains an office in Eastwood, Libis, Quezon City. It provides to the public a website - fastlegacy.com, where its investor-subscribers can inquire and monitor their subscriptions. It also provides promotional materials such as video and power point presentations. It even provides an Online Income Calculator to aid its investor-subscribers in recruiting and monitoring their investments disguised as subscriptions. In fact, promotional videos and presentations are widespread in social media websites.

Aside from that, it is also evident that the promised profits are derived from incoming investor-subscribers as clearly shown in its presentations on Direct Affiliates Subscription Reward, 2nd Tier Subscription Reward, 3rd Tier Subscription Reward and Company-wide Bonus Pool. Undeniably, FASTLEGACY's investor-subscribers primarily earn from the efforts of others.

Undeniably, FASTLEGACY's scheme is considered as an investment contract as all the elements of the same is obviously present. As enunciated in *Power Homes*[32], an investment contract that is a security under R.A. No. 8799 must be registered with the Commission. In the instant case, certifications from CRMD, CGFD and MSRD show that FASTELEGACY and/or its representatives/agents are **not authorized to offer/sell securities** in the form of investment contracts to the public. Also, it is **not licensed as a broker, dealer, salesman or associated person to offer/sell securities to the public**.

In view of the above discussions, we see three (3) violations by FASTLEGACY and the persons acting for it.

First, the non-registration of securities. Under the SRC, unless what is involved are exempt securities or exempt transactions which are not covered by the requirement of registration, 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.[33] 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.[34] As discussed above, FASTLEGACY is engaged in the offering and/or selling of securities in the form of investment contracts without prior registration with the Commission.

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[32] Note 28 Supra.

[33] Note 26, Supra.

[34] *Id.*

Second, the non-registration as broker, dealer, salesman, or associated person of any broker or dealer. The law provides that 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.[35] In the instant case, FASTLEGACY, Hyun Lee Scofield *a.k.a.* Johnny Scofield[36] and/or all persons acting for and on their behalf are acting as either broker or dealer or salesman without being registered as such.

Third, the commission of *ultra vires* acts. No corporation or partnership shall possess or exercise any corporate powers except those conferred by the Corporation Code or by its Articles of Incorporation/Articles of Partnership and except such as are necessary or incidental to the exercise of the powers so conferred.[37] In that instant case, FASTLEGACY's primary purpose[38] does not authorize to engage in the business of soliciting and accepting investments and money placements from the public.

Therefore, the violations committed by FASTLEGACY and its agents should immediately be enjoined pursuant to Section 64 of the SRC which provides that:

> "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**."

From the foregoing, there are two essential requisites before the Commission may issue a cease and desist order: **First**, there must be a proper investigation or verification[39]. In the instant case, EIPD was able to conduct a thorough investigation on FASTLEGACY's investment-taking activities. It presented videos and power point presentations showing FASTLEGACY soliciting investments from the public. Likewise, it conducted a surveillance operation to verify the allegations as to FASTLEGACY's investment-taking activities. The EIPD team elicited information from Mr. Scofield, founder of FASTLEGACY, showing the corporation's investment scheme.

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[40]. It should be noted that without a license from the Commission, FASTLEGACY's investment-taking activities cannot be regulated nor supervised. It is noticeable that FASTLEGACY's

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[35] Section 28.1, SRC.
[36] Note 2, Supra.
[37] Section 45, Corporation Code of the Philippines.
[38] Note 3, Supra.
[39] Securities and Exchange Commission vs. Performance Foreign Exchange Corporation, GR No 154131, July 20, 2006.
[40] Ibid.

investment scheme clearly falls as offering and/or selling of securities in the form of investment contract and if it remains unregulated or unsupervised, would likely defraud the investing public.

In *SEC, et al. vs. CJH Development Corporation, et al.*[41], the Supreme Court expounded the duty of the Commission concerning unregistered securities, to wit:

> "Lastly, the Court neither agrees with the ruling of the CA that there is nothing in the assailed CDO which shows that the acts sought to be restrained therein operate as a fraud on investors. The SEC arrived at a preliminary finding that respondents are engaged in the business of selling securities without the proper registration issued by the Commission. Based on this initial finding, **respondents' act of <u>selling unregistered securities would necessarily operate as a fraud on investors as it deceives the investing public by making it appear that respondents have authority to deal on such securities</u>**. As correctly cited by the SEC, Section 8.1 of the SRC clearly states that 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 SEC and that prior to such sale, information on the securities, in such form and with such substance as the SEC may prescribe, shall be made available to each prospective buyer. **<u>The Court agrees with the SEC that the purpose of this provision is to afford the public protection from investing in worthless securities.</u>**"

WHEREFORE, premises considered and pursuant to the authority vested in the Commission, **FASTLEGACY MARKETING INTERNATIONAL, INC. and HYUN LEE SCOFIELD *a.k.a.* JOHNNY SCOFIELD,** their partners, officers, directors, agents, representatives, conduits, assigns, and any and all persons claiming and acting for and in their behalf and under their authority are hereby ordered to **IMMEDIATELY CEASE AND DESIST[42], UNDER PAIN OF CONTEMPT**, from engaging in activities of selling and/or offering for sale securities in the form of investment contracts or any others of the same nature until the requisite registration statement is duly filed with and approved by the Commission and the corresponding to offer/sell is issued.

Furthermore, the subject corporation, together with its representatives and/or agents, is **DIRECTED TO CEASE its internet presence relating to above-stated investment activities**. The Commission will institute the appropriate administrative and criminal action against any persons or entities found to act as solicitors, information providers, salesmen, agents, brokers, dealers or the like for and in behalf of the subject corporations.

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[41] G.R. No. 210316, 28 November 2016.

[42] 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 fraud on investors or is otherwise likely to cause grave or irreparable injury or prejudice to the investing public.

The **EIPD** is hereby **DIRECTED** to: 1) serve this *Order* to FASTLEGACY MARKETING INTERNATIONAL, INC., its Partners, General Manager, Treasurer, In-House Counsel or other officers, if any; and 2) post copies of the *Order* at the entrance of the main office and/or branches, if any, of FASTLEGACY MARKETING INTERNATIONAL, INC.

Let a copy of this *Order* be: 1.) posted in the Commission's website; 2.) published in a national newspaper of general circulation; and 3.) furnished to all the Commission's departments for their information and appropriate action.

EIPD is **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 *Cease and Desist Order.*

In accordance with the provisions of Sec. 64.3[43] of SRC and Sec. 4-3 (b)[44], Rule IV of the 2016 Rules of Procedure of the Securities and Exchange Commission, the parties subject of this *Cease and Desist Order* may file a request for the lifting thereof within five (5) days from receipt hereof.

FAIL NOT UNDER PENALTY OF LAW.

SO ORDERED.

Pasay City, Philippines; 23 May 2017.

TERESITA J. HERBOSA
Chairperson

ANTONIETA F. IBE
Commissioner

EPHYRO LUIS B. AMATONG*
Commissioner

BLAS JAMES G. VITERBO*
Commissioner

EMILIO B. AQUINO
Commissioner

*On Vacation Leave

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[43] SRC, Section 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.

[44] For a CDO issued *ex-parte* under Sec. 64 of the SRC and other special laws, the same may be lifted upon filing by the person subject thereof of a verified motion to lift the CDO within five (5) days from receipt of said Order. Said motion to lift shall be set for hearing by the Commission En Banc 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 period herein prescribed, the CDO shall automatically be lifted;