



Republic of the Philippines
Department of Finance
Securities and Exchange Commission

ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

IN THE MATTER OF:

G'S KICKS BILLARD HALL/G's Kicks and
GABRIEL FERNANDEZ VASALLO

SEC EIPD CDO CASE No.: 2026-0013

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CEASE AND DESIST ORDER

Pursuant to the mandate of the Enforcement and Investor Protection Department ("EIPD," for brevity) to protect the investing public, and in accordance with Rule XI of the 2026 SEC Rules of Procedure on the issuance of Cease and Desist Order in relation to Section 53.3 and Section 64 of the Securities Regulation Code (SRC), upon finding of *prima facie* evidence of ongoing violations of the SRC and other rules and regulations being enforced by the Commission, the EIPD hereby issues this Cease and Desist Order against **G'S KICKS BILLARD HALL/G's Kicks** (referred to hereafter as "**G's Kicks**"), **GABRIEL FERNANDEZ VASALLO**, and all persons acting for and on its behalf, for engaging in the unauthorized offer and sale of unregistered securities in the form of investment contracts, soliciting investments from the public without the requisite registration and license from the Securities and Exchange Commission, and committing acts constituting investment fraud.

THE RELEVANT FACTS

This Commission has received reports and information on the solicitation activities of **G'S KICKS BILLARD HALL/G's Kicks** (referred to hereafter as "**G's Kicks**"), **GABRIEL FERNANDEZ VASALLO**, who entice the public to invest in the scheme of **G's Kicks**.

As contained in the reports and information gathered by the Commission, a certain **Gabriel Fernandez Vasallo** representing **G's Kicks**. is actively soliciting investments, through Facebook and/or other social media platforms. with guaranteed profits of 8% to 10% in 30 days, "Risk-free" or "guaranteed returns" with claims of fast withdrawal of unusually high earnings. The investment schemes are offered via social media, messaging apps, or unverified websites.

What is being offered by "**G'S KICKS**" fits well within the definition of an "investment contract" under the Howey Test. The company induces the public to invest their money in **G'S KICKS**" with promise of Eight to Ten percent (8-10%) profit in a span of one month. The investors will earn profits without doing anything apart from investing their monies in the company.

Based on the Certifications from the Commission's Company Registration and Monitoring Department (CRMD), "**G'S KICKS BILLARD HALL/G's Kicks** " is not registered with the Commission either as a corporation or as a partnership; has not registered any securities under Section 8 and 12 of the SRC; has not filed an application for the registration of, and/or a license to sell securities; has not been issued any license to sell securities; and is

not a registered issuer of mutual funds, exchange traded funds and proprietary/non-proprietary shares or membership certificates and timeshares under Sections 8 and 12 of the SRC.

FINDINGS OF THE DEPARTMENT

Section 3.1 of the SRC defines “securities” as follows:

“3.1. **“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. It **includes**:

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(b) **Investment contracts**, certificates of interest or participation in a profit-sharing agreement, certificates of deposit for a future subscription; xxx”

An investment contract is defined under Rule 26.3.5 of the 2015 Implementing Rules and Regulations of the SRC (the “SRC-IRR”) as follows:

“An investment contract means a contract, transaction or scheme whereby a person invests his money in a common enterprise and is led to expect profits primarily from the efforts of others. It is presumed to exist whenever a person seeks to use the money or property of others on the promise of profits.

A common enterprise is deemed created when two (2) or more investors “pool” their resources, creating a common enterprise, even if the promoter receives nothing more than a broker’s commission.” (Emphasis supplied)

In the case of *SEC v. Howey Co.*, the US Supreme Court defined an investment contract as a contract or scheme for the placing of capital or laying out of money in a way intended to secure income or profit from its employment¹. Investment contracts have been used and adopted in various situations where individuals were led to invest money in a common enterprise with the expectation that they would earn a profit through the efforts of the promoter or of someone other than themselves². It is in the context of the foregoing that the U.S. Supreme Court came up with, and adopted the *Howey Test*³ in determining if an investment scheme, regardless of the legal terminology used, partakes of the nature of an investment contract.

Our Supreme Court thereafter adopted and consistently applied the *Howey Test* in determining if a transaction or a scheme is a security in the form of an investment contract, which requires prior registration from the Commission. The case of *Virata v. Ng Wee*⁴ emphasized this, to wit:

¹ 328 U.S. 293 (1946).

² *Ibid.* Although the definition as stated in the *Howey Case* qualified that the earning of profit was expected to be solely through the efforts of another party, Rule 26.3 of the 2015 IRR of the SRC replaced the qualifier with “*primarily*”, acknowledging that an investment contract may still be present where the individual who placed the money exerted a small amount of effort in an attempt to earn the profits.

³ *Ibid.*

⁴ G.R. Nos. 220926, 221058, 221109, 221135 & 221218, July 5, 2017.

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"In this jurisdiction, the Court employs the Howey test, named after the landmark case of Securities and Exchange Commission v. W.J. Howey Co., to determine whether or not the security being offered takes the form of an investment contract. The case served as the foundation for the domestic definition of the said security.

Under the Howey test, the following must concur for an investment contract to exist: (1) a contract, transaction, or scheme; (2) an investment of money; (3) investment is made in a common enterprise; (4) expectation of profits; and (5) profits arising primarily from the efforts of others. Indubitably, all of the elements are present in the extant case." (Emphasis supplied)

Moreover, in the case of *Power Homes Unlimited Corp. v. Securities and Exchange Commission*⁵ the Supreme Court ruled that in applying the Howey Test, the nature and the entirety of the transaction should be considered, consistent with the broad concept of "securities" in our jurisdiction, thus:

"It behooves us to trace the history of the concept of an investment contract under R.A. No. 8799. 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." (Emphasis ours)

Applying the foregoing parameters established in jurisprudence, the EIPD finds that the investment scheme of **"G'S KICKS BILLARD HALL/G's Kicks"**, where investments received from the public earns guaranteed profits constitutes an offer/sale of unregistered securities as all the elements of the Howey Test are present, to wit:

⁵ G.R. No. 164182, February 26, 2008.

First, there is an investment of money by the public in the investment scheme of “G’s Kicks” who were enticed to invest in their scheme;

Second, there is a common enterprise in the sense that the investors monies were pooled in respondent “G’s Kicks” allegedly for the opening of new branch for its shoe business;

Third, there was clearly an expectation of profits on the part of its investors who were promised that their money would earn guaranteed returns;

Lastly, the profits are derived primarily from the efforts of others. Here the investors had no hand in the management of “G’s Kicks” and earned profits by merely investing in said entity.

Furthermore, the act of “G’s Kicks” in carrying out its unauthorized investment-taking activities through social media, promoting its unauthorized investment schemes constitute public offering as defined under Rule 3.1.17 of the 2015 SRC IRR, to wit:

“3.1.17. Public offering is any offering of securities to the public or to anyone, whether solicited or unsolicited. Any solicitation or presentation of securities for sale through any of the following modes shall be presumed to be a public offering:

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3.1.17.2 Presentation in any public or commercial place;

3.1.17.3 Advertisement or announcement in radio, television, telephone, electronic communications, information communication technology or any other forms of communication;” (Emphasis supplied)

Section 8.1 of the SRC categorically provides that securities cannot be sold or offered for sale or distributed within the Philippines if the same are not registered with the Commission in the form of an approved Registration Statement and a Permit to Offer/Sell issued in favor of the applicant, to wit:

“SEC. 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 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.” (Emphasis supplied)

In the instant case, the Certifications issued by the Company Registration and Monitoring Department (CRMD) confirm that “G’s Kicks” through **GABRIEL FERNANDEZ VASALLO** have no license to sell, offer, or deal with securities; neither have they caused the registration of the securities that they are currently offering or selling. These circumstances warrant the immediate issuance of a Cease and Desist Order in order to protect the investing public.

Relative to the issuance of a CDO, Section 64.1 of the SRC provides that the Commission may issue a CDO without the need for a prior hearing, when by its judgment, the

act or practice will operate as a fraud upon investors or is otherwise likely to cause grave or irreparable injury or prejudice to the investing public, thus:

"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." (Emphasis supplied)

Corollarily, pursuant to Section 50, in relation to Section 55, Rule XI of the 2026 Rules of Procedure of the Securities and Exchange Commission, the Commission, through its Operating Departments, may issue a Cease and Desist Order, *motu proprio* or upon a verified complaint, without the necessity of a prior hearing, whenever there is reasonable basis to believe that a person has engaged or is about to engage in any act or practice which, unless restrained, will operate as a fraud on investors or will likely cause grave or irreparable injury or prejudice to the investing public, to wit:

"Section 50. How Commenced. An Operating Department, Extension Office or SHP, *motu proprio* or upon a complaint, may issue a CDO without the necessity of a prior hearing, upon a finding that the grounds for the issuance of the CDO provided under Sections 53.3 and 64 of the SRC, Section 156 of the RCC, or Section 6(d)(4) of the FCPA are present.

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Section 55. Grounds for a CDO under the SRC. Whenever the Operating Department, Extension Office or SHP, *motu proprio* or upon a verified complaint, has reasonable basis to believe that a person has engaged or is about to engage in any act or practice which, unless restrained, will operate as a fraud on investors, or will likely cause grave or irreparable injury or prejudice to the investing public, it may issue a CDO without the necessity of a prior hearing.

A CDO issued under this Section shall contain a directive to the person/s against whom it is issued to submit a verified Motion to Lift the CDO within five (5) days."

The Supreme Court, in *Primanila Plans, Inc. v. Securities and Exchange Commission*⁶, emphasized that it is the duty of the Commission to promptly issue a cease and desist order whenever necessary to immediately stop acts that may cause fraud, grave injury, or irreparable prejudice to investors and the investing public, to wit:

"The law is clear on the point that a cease and desist order may be issued by the SEC *motu proprio*, it being unnecessary that it results from a verified complaint from an aggrieved party. A prior hearing is also not required whenever the Commission finds it appropriate to issue a cease and desist order that aims to curtail fraud or grave or

⁶ G.R. No. 193791, August 6, 2014

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irreparable injury to investors. There is good reason for this provision, as any delay in the restraint of acts that yield such results can only generate further injury to the public that the SEC is obliged to protect.” (Emphasis supplied)

The unauthorized investment scheme of “**G’s Kicks**” likewise constitutes financial fraud as defined under the Republic Act. No. 11765 of the Financial Products and Services Consumer Protection Act (FCPA), which provide that any form of deceptive solicitation of investments from the public, which includes Ponzi schemes and such other schemes involving the promise or offer of profits or returns sourced from the investments or contributions made by the investors themselves, and the offering or selling of investment schemes to the public without a license, Considering that financial fraud is punishable under the FCPA, any act constituting the same should immediately be ordered to cease and desist by the Commission for the protection of the investing public.

The act of “**G’s Kicks**” through **GABRIEL FERNANDEZ VASALLO** and/or its Agents in selling/offering unregistered securities operates as a fraud to the public which, if unrestrained, will likely cause grave injury or prejudice to the investing public⁷.

Further, unless restrained, the act of “**G’s Kicks**” through **GABRIEL FERNANDEZ VASALLO** and/or its Agents in selling/offering unregistered securities constitutes a continuing violation of the provisions of the SRC and the FCPA.

In SEC vs. CJH Development Corporation (G.R. No. 210316, 28 November 2016), the Supreme Court ruled that the act of selling unregistered securities without the requisite license necessarily operates as a fraud on investors, thus:

“The law is clear on the point that a cease and desist order may be issued by the SEC *motu proprio*, it being unnecessary that it results from a verified complaint from an aggrieved party. A prior hearing is also not required whenever the Commission finds it appropriate to issue a cease and desist order that aims to curtail fraud or grave or irreparable injury to investors. There is good reason for this provision, as any delay in the restraint of acts that yield such results can only generate further injury to the public that the SEC is obliged to protect.

The act of 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. 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.” (Emphasis supplied)

WHEREFORE, premises considered, “**G’s Kicks**”, through **GABRIEL FERNANDEZ VASALLO** and/or its Agents and their respective officers, directors, representatives, salesmen, agents, brokers, dealers, promoters, recruiters, uplines, influencers, endorsers, abettors, and enablers and any and all persons claiming and/or acting for and in their behalf,

⁷ Section 64 of the Securities Regulation Code.

are hereby ordered to **IMMEDIATELY CEASE AND DESIST** from further engaging in activities of selling and/or offering for sale of unregistered securities in the form of investment contracts and/or other activities/transaction relative thereto, until the requisite registration and registration statements are duly filed with and approved by the Commission, and the corresponding license and/or permit to offer/sell securities are issued.

"G's Kicks", GABRIEL FERNANDEZ VASALLO, its agents, officers, operators, administrators, promoters, representatives, salesmen, agents, investment team planners, mentors, enablers, influencers, assigns, conduit entities, subsidiaries, and any and all persons claiming and/or acting for and in their behalf are likewise directed to immediately **CEASE** their internet presence relating to the transactions and investment scheme covered by this *Cease and Desist Order*.

Finally, **"G's Kicks", GABRIEL FERNANDEZ VASALLO** its agents, and their respective officers, operators, administrators, promoters, representatives, salesmen, agents, investment team planners, mentors, enablers, influencers, assigns, conduit entities, subsidiaries, and any and all persons claiming and/or acting for and in their behalf are **PROHIBITED** from transacting any and all business involving funds in its depository banks, and from transferring, disposing, or conveying in any manner, any and all assets, properties, real or personal, including bank deposits, if any, of which the named persons herein may have interest, claim or participation, whether directly or indirectly, under their custody, immediately to forestall grave damage and prejudice to all concerned and to ensure the preservation of the assets for the benefit of the investors without authority from the Commission.

The issuance of this Cease & Desist Order is without prejudice to the commencement by Commission through the EIPD, of the appropriate administrative and criminal action against the owners, operators, officers, representatives, of **"G's Kicks", GABRIEL FERNANDEZ VASALLO**, and any persons or entities found to act as solicitors, information providers, salesmen, agents, brokers, dealers or the like for and in behalf of **"G's Kicks", and GABRIEL FERNANDEZ VASALLO**.

Let a copy of this Order be furnished to the Company Registration and Monitoring Department, Markets and Securities Regulation Department, Corporate Governance and Finance Department and the Information and Communications Technology Department of this Commission, the Bangko Sentral ng Pilipinas, the Department of Trade and Industry, the National Privacy Commission, the Department of Information and Communications Technology, and the relevant local government unit(s) for their information and appropriate action.

Further, let a copy of this Order be published on the official website of the Commission for general circulation.

In accordance with Section 64.3 of the SRC and Rule XI of the 2026 Rules of Procedure of the SEC, the Respondent may file a verified ***Motion to Lift the CDO with the EIPD within five (5) days from receipt of this Order or the posting of the same on the Commission's website whichever is earlier.***

FAIL NOT UNDER PENALTY OF LAW.

SO ORDERED.

Makati City, 08 September 2026.


Digitally signed by Lupango-
Tamayo Sheara Laurio
Date: 2026.09.11 23:08:20
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SHEARA L. LUPANGO-TAMAYO
Officer-in-Charge, EIPD 