Republic of the Philippines
Department of Finance
Securities and Exchange Commission
COMMISSION EN BANC

IN THE MATTER OF:

BUILDING OUR SUCCESS STORIES NETWORK, INC. ("BOSS Network")

SEC CDO Case No. 05-20-067

ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT,
Movant.

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CEASE AND DESIST ORDER

This resolves the *Motion for the Issuance* of a *Cease and Desist Order*[1] dated 27 May 2020 (the "Motion"), filed by the Enforcement and Investor Protection Department (the "EIPD") with the Office of the General Counsel[2], praying that an order be issued by the Commission directing BUILDING OUR SUCCESS STORIES NETWORK, INC. ("BOSS Network"), its directors, corporate officers, salesmen, agents, representatives, and any and all persons claiming and acting for and in their behalf, to cease and desist from engaging in the sale and/or offer for sale of securities in the form of investment contract until the requisite registration statement is duly filed and approved by the Commission, and the corresponding license to offer/sell securities is issued; and from selling, encumbering, conveying, or disposing any of its properties and assets without the prior written approval of the Commission.

PARTIES

Movant, EIPD is one of the Commission's operating department tasked to investigate, *motu proprio* or upon complaint or referral, violations of laws, rules and regulations administered, implemented or issued by the Commission, and to seek the issuance of a *Cease and Desist Order* (CDO) whenever warranted by the circumstance.[3]

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[1] Dated 27 May 2020.

[2] Pursuant to Part II, Rule IV, Section 4-1 of The 2016 Rules of Procedure of the Securities and Exchange Commission (SEC), an action for the issuance of a CDO or injunction may be commenced upon the filing of an application with the Commission En Banc, through the Office of the General Counsel (OGC), by any Operating Department, either *motu proprio* or upon a verified complaint by the public, after conducting a proper investigation or verification, if there is a finding that the grounds for the issuance of the CDO or injunction are

BOSS Network is a corporation organized and existing under Philippine laws having been issued a Certificate of Incorporation bearing No. CS201803195 on 14 March 2018 by the Commission.[4] Its registered office as stated in its amended Articles of Incorporation (AoI) is located at Unit 3 Garden Deck, Pacific Center Condominium, #33 San Miguel Avenue, Ortigas, Pasig City.[5]

The primary purpose for which BOSS Network was established as stated in its Articles of Incorporation is:

> "*To engage in direct selling of goods and merchandise to consumers.*
>
> ***Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts.*** " *(Emphasis supplied).*

The names, nationalities and addresses of its incorporators and directors, are as follows:

Name	Citizenship	Residential Address
Rommel Q. Tabaniag	Filipino	1972 TRAMO STREET Barangay 60 PASAY CITY, FOURTH DISTRICT, NCR, Philippines 1630
Raquel G. Argote	Filipino	E348 ISIDRO STREET Barangay 42 PASAY CITY, FOURTH DISTRICT, NCR, Philippines, 1630
Ramon C. Tabaniag	Filipino	1972 TRAMO STREET Barangay 60 PASAY CITY, FOURTH DISTRICT, NCR, Philippines 1630
Jojie O. Servan	Filipino	BLK 139 LOT 37 MH DEL PILAR STREET Rizal CITY OF MAKATI, FOURTH DISTRICT, NCR, Philippines, 1630
Ailyn Marigh F. Lim	Filipino	1972 TRAMO STREET Barangay 60 PASAY CITY, FOURTH DISTRICT, NCR, Philippines 1630

RELEVANT FACTS

On 23 January 2018, the EIPD received an information through email about a new networking scheme, allegedly carried out by BOSS Network, which involves the offering of products and the solicitation of investments from the public without any license from the Commission. The informant sought the Commission's assistance to issue a warning to the public in order to protect/prevent the latter from being scammed. In support of his allegation, the informant presented and submitted screenshots of BOSS Network's business scheme which was offered thru social networking sites.[6]

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[4] Annex "A" of the *Motion.*

The EIPD received another email-inquiry from a prospective investor through the "SEC i-Message Mo", thus:

> *"May nagiinvite po sa akin na sumali sa isang networking company na tinatawag nilang "BOSS Network". Tinatanong ko po kung DTI or SEC Registered. Wala po sila mabigay na detalye. Madami na po sila nakuha na investment sa mga tao sa halagang P1,500 na may kapalit na package at P2,250. Nagbibigay sila ng "Infinity Income" sa iyong investment kahit wala kang invites, ginagawa, or binebentang products."* [7]

On account of the foregoing, the EIPD conducted a full blown investigation on the business operations of BOSS Network starting off with an ocular inspection and verification of its registered address provided in its amended AOI. The EIPD investigators confirmed that BOSS Network is not holding office in its registered address which turned out to be a condominium unit strictly used for residential purposes, as disclosed by the condominium administrator.[8]

In its investigation, the EIPD was able to gather information and confirm that BOSS Network's investment scheme involves the sale and/or offer of securities in the form of investment contract by selling/offering the following packages with the corresponding products/returns, to wit:

Table 1

PACKAGE	PRICE	UBP SHARES	Points Value (PV)	MAXIMUM EARNING FROM UBP	Maximum Pairing Income per day	Products included
Bronze	Php1,500.00	1	15	Php2,250.00	Php3,000.00	2 perfumes plus 1 Gluta Soap and 1 Kojic Soap
Silver	Php4,500.00	3	45	Php6,975.00	Php6,000.00	6 perfumes plus 3 Gluta Soap and 3 Kojic Soap
Gold	Php10,500.00	7	105	Php16,800.00	Php10,500.00	14 perfumes plus 7 Gluta Soap and 7 Kojic Soap

[7] Annex "C" of the *Motion.*
[8] [illegible]

Platinum	Php22,500.00	15	225	Php37,125.00	Php15,500.00	30 perfumes plus 15 Gluta Soap and 15 Kojic Soap
Sapphire	Php46,500.00	31	465	Php79,050.00	Php19,500.00	62 perfumes plus 31 Gluta Soap and 31 Kojic Soap
Ruby	Php94,500.00	63	945	Php165,375.00	Php24,000.00	126 perfumes plus 63 Gluta Soap and 63 Kojic Soap
Emerald	Php190,500.00	127	1905	Php342,900.00	Php28,500.00	245 perfumes plus 127 Gluta Soap and 127 Kojic Soap
Diamond	Php382,500.00	255	3,825	Php707,625.00	Php33,000.00	510 perfumes plus 255 Gluta Soap and 255 Kojic Soap

In addition to the foregoing, BOSS Network also represents to and promises its member-investors that they will also receive the following additional income:

1. **Universal Bonus Pool (UBP):**

   a. Global Linear Reward – a member will earn profit from his/her share in the ten percent (10%) of the price of the availed package divided among the members in proportion to their UBP shares;

   b. Profit Sharing – a member will earn profit from his/her share in the ten percent (10%) of the price of product arising from repeat orders divided among the members in proportion to the their UBP shares;

c. Sponsor Profit – a member will earn profit equivalent to 5%, 3% and 2% of the pairing income earned by the member's immediate (up to 3 levels) sponsors, respectively.

Under the UBP, a member-investor will be entitled to the respective package's maximum UBP income even if he/she has no recruit. BOSS Network however encourages its member-investors to upgrade to a higher package to maximize their profit.

2. Direct Referral Bonus

A member will earn the following referral bonus according to the package availed of his newly recruited member:

Table 2

Package	Referral Bonus
Bronze	Php100.00
Silver	Php300.00
Gold	Php700.00
Platinum	Php1,500.00
Sapphire	Php3,100.00
Ruby	Php6,300.00
Emerald	Php12,700.00
Diamond	Php25,500.00

3. Pairing Bonus (Cycle Reward)

A member-investor will earn one hundred fifty pesos (Php150.00) from every UBP shares paired from a member's leg (left and right) up to the maximum pairing income per day (provided in Table 1 above) regardless of the level of generations.

4. Unilevel Income

A member will earn Php5.00 for every product purchased under his downline up to the tenth (10^{th}) level.

5. Infinity Bonus

A member will earn a bonus from the first (1^{st}) two invites of his direct referrals' recruits beginning from his 3^{rd} downline. Below is the respective bonus for each package.

Table 3

Packages	Infinity Income
Bronze	Php50.00
Silver	Php150.00

Platinum	Php750.00
Sapphire	Php1,550.00
Ruby	Php3,150.00
Emerald	Php6,350.00
Diamond	Php12,750.00

Records show that a considerable number of investors have filed a complaint against BOSS Network alleging that the latter failed to pay their guaranteed returns and bonuses.

On 16 April 2018, the EIPD requested from the Bureau of Internal Revenue (BIR) for confirmation on the authenticity of the Tax Identification Numbers (TIN) that were provided by the incorporators of BOSS Network. In a letter dated 27 April 2018, the BIR informed the Commission that the TIN of two (2) of BOSS Network's incorporators i.e. Ramon C. Tabaniag and Jojie O. Servan are invalid and inexistent. On the basis thereof, EIPD endorsed and recommended to the CRMD the revocation of BOSS Network's Certificate of Incorporation.

On 14 June 2018, the Commission approved BOSS Network's Amended Articles of Incorporation which effected the change of its address to Unit 1702 Centerpoint Condominium, Garnet St. corner Julia Vargas, Brgy. San Antonio, Pasig City.

On 3 July 2018, the EIPD requested for certifications on the legitimacy of the operations of BOSS Network from the Company Registration and Monitoring Department (CRMD), the Corporate Governance and Finance Department (CGFD), and the Markets and Securities Regulation Department (MSRD). The certifications issued by CRMD, CGFD and MSRD show that while BOSS Network is a registered corporation, it has no secondary license to operate as a broker/dealer, is not a registered issuer of mutual funds, ETFs and proprietary/non-proprietary shares, and has not registered any securities pursuant to Sections 8 and 12 of the Securities Regulation Code (SRC).[9]

On 11 July 2018, the Commission, upon recommendation of the EIPD issued an Advisory informing the public of BOSS Network's unauthorized investment taking activities. The Advisory was posted in the Commission's website.

On 8 August 2018, the EIPD issued a Notice of Conference which was served on BOSS Network at its new address provided in its Amended AOI.

On 29 August 2018, representatives of BOSS Network[10] appeared before the EIPD hearing officer and confirmed that it is carrying out the investment scheme described in the Advisory. BOSS Network undertook to submit the

[9] Annex "D," "E," and "F," of the *Motion,* respectively.

documents required by EIPD, and manifested that it will be filing a letter requesting for the lifting of the Advisory.[11]

On 19 October 2018, BOSS Network filed with the Commission a letter requesting for the lifting of the Advisory. BOSS Network argued that it is engaged in legitimate network marketing business and that its promised returns are not unrealistic.

On 28 May 2019, the Commission approved BOSS Network's Amended Articles of Incorporation which effected the change of its address to Unit 3, Garden Deck, Pacific Center Condominium, #33 San Miguel Avenue, Ortigas, Pasig City.

The EIPD however recently received information, and was able to verify, that BOSS Network has collaborated with 101Upper Class Corporation ("UPPERCLASS") where they offer to the public the BOSS ULTIMATE PROGRAM ("BOSS UP"). This prompted the EIPD to recommend to the Commission the issuance of an advisory to warn and protect the investing public.

On 27 May 2020, the Commission, upon the recommendation of the EIPD, issued an Advisory on the unauthorized investment scheme being carried out by BOSS Ultimate Program (BOSS UP), a collaborative undertaking of BOSS Network and UPPERCLASS, thus:

> "xxx.
>
> Per records of the Commission, BUILDING OUR SUCCESS STORIES NETWORK INC. and 101UPPERCLASS CORPORATION are registered as corporations with the Commission, while their so-called collaboration, BOSS ULTIMATE PROGRAM a.k.a. BOSS UP is not registered as a corporation, partnership or joint venture with the SEC. All of them, however, have NO SECONDARY LICENSE to solicit, accept or take investments/placements from the public nor to issue investment contracts and other forms of securities defined under Section 3 of the Securities Regulation Code (SRC) since they have not secured prior registration and/or license from the Commission as prescribed under Sections 8 and 28 of the Securities Regulation Code (SRC). Xxx.
>
> The public is advised NOT TO INVEST or STOP INVESTING in any investment scheme being offered by any individual or group of persons allegedly for or on behalf of BUILDING OUR SUCCESS STORIES NETWORK, 101UPPERCLASS CORPORATION and BOSS ULTIMATE PROGRAM a.k.a. BOSS UP to exercise caution in dealing with any individuals or group of persons soliciting investments for and on behalf of them.
>
> xxx."

ISSUE

Whether the allegations in the *Motion* together with the pieces of evidence presented by the EIPD in support thereof warrant the issuance of a CDO.

DISCUSSION

The Commission finds the *Motion* to be impressed with merit.

Based on the evidence presented, the Commission finds no cogent reason to disturb the finding of the EIPD that BOSS Network is engaged in the offer, solicitation and sale of securities to the public in the form of investment contract without the requisite registration statement duly filed and approved by the Commission.

Section 8 of the SRC is clear that, unless they are exempt securities, a registration statement duly filed with and approved by the Commission is an indispensable requirement before an entity can offer or sell securities to the public, thus:

> "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. Xxx."

A transaction or scheme whereby an investor pays a minimum amount of money to purchase a package offered by BOSS Network in order for that investor to become a member thereof, and to receive the guaranteed profits and benefits partakes of the nature of a sale/offer of "securities" as defined under Section 3.1 of the SRC, which provides that:

> "Sec. 3. *Definition of Terms.* – 3.1 "Securities" are shares, participation or interest 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:
>
> xxx xxx xxx
>
> (a) Investment contracts, certificates of interest or participation in a profit sharing agreement, certificates of deposit for a future subscription;"

Rule 26.3.5 of the 2015 Implementing Rules and Regulations of the SRC defines investment contract as follows:

> "An **investment contract** means 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.
>
> An investment contract is presumed to exist whenever a person seeks to use the money or property of others on the promise of profits.

"pool" their resources, creating a common enterprise, even if the promoter receives nothing more than a broker's commission."

In the case of *SEC vs. 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 employment.[12] 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 themselves.[13]

It is in the context of the foregoing that the U.S. Supreme Court came up with and adopted the *Howey Test*[14] in determining if an investment scheme, regardless of the legal terminology used, partakes of the nature of an investment contract. In *Power Homes Unlimited Corporation vs. SEC*[15], the Philippine Supreme Court (the "Court") applied the Howey Test in holding that petitioner was engaged in the sale of investment contracts, 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.*"[16] (Emphasis ours)

Records show that in order to join and profit from the investment scheme offered by BOSS Network, an investor has to purchase a package that is being offered by the former and pay the corresponding amount for the same. By doing

[12] 328 U.S. 293 (1946).
[13] *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.
[14] *Ibid.*
[15] G.R. No. 164182, 26 February 2008.

so, an investor in effect enters into a contract with BOSS Network. The money invested is placed and used to carry out a common enterprise where investors have no control on the management of the amount pooled. The investors however hold an expectation of deriving profits from the entrepreneurial or managerial efforts of BOSS Network. It is clear that BOSS Network is soliciting investments from the public in the guise of operating a multi-level marketing business, with a promise of guaranteed high return of investment.

Applying the Howey Test to the instant case, the Commission finds that the EIPD was correct in finding that BOSS Network is selling/offering securities in the form of investment contracts to the public. First, records show that a considerable number of investors actually parted with their hard earned money and purchased investment packages of BOSS Network. Second, the member-investors invested money in exchange for products and packages, and a guaranteed return of their investment. Third, BOSS Network's member-investors expect to receive the products, the guaranteed returns based on their respective packages and the bonuses. Fourth, the member-investors expect to earn profits from the entrepreneurial and managerial efforts of others which ranges from 50% (Bronze Package) to 85% (Diamond Package) of their invested amount, plus the profits from their respective re-sellers and/or downlines who sell the products and recruit other members.

In *Power Homes Unlimited vs. Securities and Exchange Commission,*[17] the Supreme Court held that:

> "As an investment contract that is security under R.A. No. 8799, it must be registered with public respondent SEC, otherwise the SEC cannot protect the investing public from fraudulent securities. The strict regulation of securities is founded on the premise that the capital markets depend on the investing public's level of confidence in the system."

Moreover, it is clear that the referral commissions and the pairing bonus are given by BOSS Network to entice existing investors to recruit new investors since they will be earning additional income by this very simple act. In one of the marketing statements of BOSS Network member, a certain "Palmiano Benjamin", he emphasized that product sales are not required to earn the guaranteed return, thus:

> "SA BOSS NETWORK HINDI KA MAG BEBENTA. USER KA LANG NG PRODUCT. WALANG SALES QUOTA. AYAW MO BA NON, MAY KAPALIT ANG PUHUNAN MO NOT LIKE SA IBA?"[18]

The evidence presented by EIPD also shows that through the "Unilevel Income", the member-investors of BOSS Network can generate and accumulate an additional income of Php5.00 for every product purchased under his downline up to the tenth (10th) level; and under the "Infinity Bonus" scheme, member-investors will earn a bonus from the first two (2) invites of his direct referral's recruits beginning from his 3rd downline. A close scrutiny of the foregoing will readily reveal that the same partakes of the nature of a Ponzi Scheme[19] which is "a type of investment fraud that involves the payment of purported returns to existing investors from funds contributed by new investors. Its organizers often solicit new investors by promising to invest funds in opportunities claimed to generate high returns with little or no risk. In many Ponzi schemes, the perpetrators focus on attracting new money to make promised payments to earlier-stage investors to create the false appearance that investors are profiting from a legitimate business."[20] It is also called a "pyramid scheme" because a broader base of gullible investors must support the structure as time passes.

In *People vs. Palmy Tibayan and Rico Z. Puerto*[21], the Supreme Court categorically held that a Ponzi scheme is not an investment strategy:

> "To be sure, a <u>Ponzi scheme is not an investment strategy but a gullibility scheme</u>, which works only as long as there is an ever increasing number of new investors joining the scheme. It is difficult to sustain the scheme over a long period of time because the operator needs an ever larger pool of later investors to continue paying the promised profits to early investors. The idea behind this type of swindle is that the "con-man" collects his money from his second or third round of investors and then absconds before anyone else shows up to collect. xxx." (Emphasis supplied).

In the instant case, the evidence adduced by the EIPD shows that BOSS Network is selling and/or offering its investment products, and marketing its investment scheme publicly through online advertisements and brochures to potential investors without prior registration.

Relative thereto, Section 64 of the SRC 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."

There are two (2) essential requirements that must be complied with before a cease and desist order can be validly issued i.e. *First,* a proper investigation or verification was conducted; 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.[22]

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[19] "Named after Charles Ponzi who promoted the scheme in the 1920s, the original scheme involved the issuance of bonds which offered 50% interest in 45 days or a 100% profit if held for 90 days. Basically, Ponzi used the money he received from later investors to pay extravagant rates of return to early investors, thereby inducing more investors to place their money with him in the false hope of realizing this same extravagant rate of return themselves." (People vs. Balasa. G.R. No. 106357, September 3, 1998).

[20] People v. Tibayan, G.R. Nos. 209655-60, January 14, 2015.

[21] G.R. Nos. 209655-60, 14 January 2015.

As to the first requirement, the records show that the EIPD conducted an investigation and inquiry where BOSS Network actively participated. The EIPD also presented the following evidence in support of its Motion: (1) Certifications from the Commission's MSRD, CGFD, and CRMD certifying that BOSS Network is not licensed to offer/sell securities; (2) Confirmation from the BIR that two (2) of BOSS Network's incorporators submitted and used invalid TINs; and (3) Investigator's affidavit on the business scheme of BOSS Network. It is thus evident that the EIPD complied with the required investigation.

As to the second requirement, the AOI shows that BOSS Network's capitalization is only One Million Five Hundred Thousand Pesos (PhP1,500,000.00) divided into one hundred fifty thousand (150,000) common shares with a par value of P10.00/share. However, it promises investors a guaranteed monthly return of between 50-87% of the invested amount. Clearly, BOSS Network's business model and capitalization cannot sustain the promised returns on investment, especially if no new investors will come in. Pay-outs for investors are financed from investments of new recruits/investors. This is a fraudulent scheme which will likely cause grave or irreparable injury or prejudice to the investing public.

Moreover, the findings of the EIPD also warrant the issuance of a cease and desist order because the act of BOSS Network in selling/offering unregistered securities operates as a fraud to the public which, if unrestrained, will likely cause grave or irreparable injury or prejudice to the investing public.[23] This finds support in the case of *Securities and Exchange Commission vs. CJH Development Corp.*[24] (SEC vs. CJH) where the Supreme Court emphasized the need for a prompt issuance of a CDO after a finding of a violation of the SRC that will likely defraud or cause grave or irreparable injury to the investing public, 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. <u>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</u>.*
>
> *<u>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</u>. 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*

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available to each prospective buyer." (Emphasis supplied)

Thus, in the absence of a secondary license, BOSS Network should be restrained from offering or selling securities in the form of investment contracts.

WHEREFORE, premises considered, BOSS Network, its directors and officers namely: ROMMEL Q. TABANIAG, RAQUEL G. ARGOTE, RAMON C. TABANIAG, JOJIE O. SERVAN and AILYN MARIGH F. LIM, representatives, salesmen, agents AND ANY AND ALL PERSONS CLAIMING AND ACTING FOR AND IN THEIR BEHALF, including BOSS ULTIMATE PROGRAM ("BOSS UP") and 101UPPER CLASS CORPORATION ("UPPERCLASS") are hereby ORDERED to immediately CEASE AND DESIST, UNDER PAIN OF CONTEMPT, from further engaging in activities of selling and/or offering for sale of securities or any others of the same nature as discussed in the *Order*, until the requisite registration statement is duly filed with and approved by the Commission and the corresponding permit to offer/sell is issued.

Furthermore, to forestall grave damage and prejudice to all concerned, and to ensure the preservation of assets for the benefit of investors, BOSS NETWORK, BOSS UP and UPPERCLASS and/or any of their representatives, or any person/s acting for and in their behalf, and such other persons directing or controlling the activities of such corporation, officers, representatives, salesmen, agents, are all **ENJOINED from (a) transacting any and all business involving the funds in its depositary banks, and (b) transferring, disposing, or conveying in any other manner any and all assets and properties, real or personal, including bank deposits, if any, under their custody**, of which the named persons herein may have any interest, claim, or, participation whatsoever, whether directly or indirectly, immediately upon receipt of this *Order*.

Finally, BOSS NETWORK, BOSS UP and UPPERCLASS, the above named directors and officers, salesmen, agents, representatives and any and all persons claiming and acting for and in their behalf, are directed to immediately **CEASE AND DESIST** from conducting their investment-taking activities using the internet and/or any social media platforms. The Commission will institute appropriate administrative and/or criminal action against any person/s or entities found to act as solicitors, information providers, salesmen, agents, brokers, dealers or the like for and in behalf of respondent BOSS NETWORK, BOSS UP and UPPERCLASS.

The EIPD is hereby **DIRECTED** to:

1.) serve this *Orde*r to BOSS NETWORK, its President, Corporate Secretary, Treasurer or In-House Counsel;

2.) post copies of this *Order* at the entrance of the main office and/or branches, if any, of BOSS NETWORK.

EIPD is **FURTHER DIRECTED** to submit a formal compliance report, by way of pleading, to the *Commission En Banc* WITHIN TEN (10) DAYS from receipt of this CDO.

Let a copy of this *Order* be posted in the Commission's website and be furnished to the Company Registration and Monitoring Department, the 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 and the Department of Information and Communications Technology for their information and appropriate action.

In accordance with the provisions, of Sec. 64.3[25] of the SRC and Sec. 4-3, Rule IV, Part II of the 2016 Rules[26], the parties subject of the CDO may file a request for lifting thereof within five (5) days from receipt hereof.

SO ORDERED.

Pasay City, Philippines; 18 June 2020.

EMILIO B. AQUINO
Chairperson

EPHYRO LUIS B. AMATONG
Commissioner

JAVEY PAUL D. FRANCISCO
Commissioner

KELVIN LESTER K. LEE
Commissioner

KARLO S. BELLO
Commissioner

[25] Section 64.3. Any person against whom a *cease and desist order* was issued may, within five (5) days from