Republic of the Philippines
Department of Finance
Securities and Exchange Commission
SEC Building, EDSA, Greenhills, Mandaluyong City

In the Matter of:

TVI EXPRESS HOLIDAYS PHILIPPINES, INC.,

SEC-CDO CASE NO. 04-13-011
FOR: Lifting Cease and Desist Order / Making Cease and Desist Order Permanent

ENFORCEMENT AND PROSECUTION DEPARTMENT, now the Enforcement and Investor Protection Department,

Movant.

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RESOLUTION

Pending consideration before us is the *Motion to Lift Cease and Desist Order* (Motion to Lift CDO)[1] filed on 22 July 2013 by TVI EXPRESS HOLIDAYS PHILIPPINES, INC. (TVI Express) praying that the Cease and Desist Order (CDO) issued by the Commission on 11 July 2013 be lifted and set aside.

TVI Express was incorporated with the Commission on 27 October 2010 under SEC Registration No. CS201017609. Its primary purpose is "to engage in an online direct selling business through an automated marketing system, independent distributorship and network marketing by linking access to various booking and search engines that offers high quality travel and leisure, providing business and training tools, and compensation plan package, to the extent permitted by law."[2]

On 10 April 2013, the Enforcement and Prosecution Department (EPD) of the Commission, now known as the Enforcement and Investor Protection Department (EIPD), filed a *Motion for Issuance of a Cease and Desist Order* (Motion for Issuance of CDO) with the Commission against TVI Express. The motion was triggered by EPD's receipt, on 25 February 2013, of a *Memorandum* from the Cagayan de Oro Extension Office of the Commission containing information that TVI Express is allegedly operating a pyramid scheme in Tandag City, Surigao de Sur. The Memorandum was accompanied by a *Handwritten Statement* signed by the eleven (11) teachers.[3]

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[1] Motion to Lift CDO dated 19 July 2013.
[2] *CDO*, p. 1.
[3] *Id.*, pp. 1-2.

In the *Handwritten Statement*, the teachers explained the following: (i) they were encouraged to invest in TVI Express by its promoters, Rey Pedrosa and Dorothea Waje; (ii) they were promised that, after six months, their investment will double and that, after more than one (1) year, they will receive more than USD $10,000.00; (iii) as a result of which, they invested between Php 13,000.00 to Php 66,000.00 in TVI Express; and (iv) after more than a year, they have not received anything from TVI Express and they are demanding the return of their investment. A copy of the Distributor's Application form that was filled out by Rebecca Biol, who is one of the teachers, and her deposit slip indicating that the amount of Php 117,600.00 was deposited in TVI Express' BDO account, were attached to the Handwritten Statement.[4]

Thereafter, the EPD received a *Joint-Affidavit* of the teachers stating their experience with TVI Express. The Joint-Affidavit of the teachers stated that Rey Pedrosa, Dorothea Waje and Shempee Quiñonez, as representatives of TVI Express, convinced the teachers to invest Php 16,800.00 per share and that they were promised that they will receive Php 32,000.00 after six (6) months and USD $10,000.00 after one (1) year. However, after one (1) year, the teachers failed to receive their profits and their capital investment *since they failed to recruit new investors for TVI Express*. They further claimed that there was no agreement to acquire new investors and their capital investment has not been returned to them.[5]

The assailed CDO was issued on 11 July 2013 by the Commission against TVI Express enjoining its officers, directors, agents, representatives, conduits, assigns, and any and all persons claiming and acting for and in its behalf and under its authority, from offering, soliciting, or selling unregistered securities in the form of investment contracts to the public. The Commission found that the investment opportunities sold by Rey Pedrosa, Dorothea Waje and Shempee Quiñonez to the teachers were investment contracts that were not registered with the Commission. Accordingly, the Commission found TVI Express, through its members Rey Pedrosa, Dorothea Waje and Shempee Quiñonez, to be engaged in the sale of unregistered investment contracts to the teachers who were not paid their promised returns.

On 22 July 2013, TVI Express filed this instant Motion to Lift CDO arguing the following: (i) it is not involved in the sale of securities but only engaged in the online direct-selling business by offering its members a one-time holiday accommodation at a tremendous discount and a lifetime discount which is lesser than the discount for the one-time holiday accommodation; (ii) the non-inclusion of TVI Express or any of its officers in the Handwritten Statement by the teachers is a testament that they considered the investment solicitation to be committed by Rey Pedrosa and Dorothea Waje only; (iii) the Php 15,000.00 membership fee is not an investment that will allow its members to receive profits without working; and (iv) the Commission failed to afford TVI due process.[6]

During the Hearing on the Motion to Lift CDO held on 1 August 2013, the counsel for TVI Express, who is also a member thereof, stated that TVI Express is not a registered securities dealer and it is not engaged in the practice of investments promotion. He further

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[4] *Id.*, p. 2.
[5] *Id.*, pp. 3-4.
[6] Motion to Lift CDO, pars. 2, 2.1, 4, 12 and 13.

stated that TVI Express actually sells a product which is the membership that allows the member to avail of the travel and accommodation discounts, although he is not familiar with how TVI Express is able to obtain such discounts. Moreover, a representative of TVI Express stated that the membership fee is deposited in the bank account of TVI Express. The counsel for TVI Express also stated that the member can earn compensation when he recruits people and that the opportunity to earn compensation is present regardless if the member uses the product. However, he claims that TVI Express does not make the compensation or promotion of the business as a condition of availing the product.[7]

At the same hearing, the counsel for TVI Express provided a demonstration by booking a hotel accommodation through its website.[8] He pointed out a page in the website which indicates the residual income which members receive for growing the organization and helping their downlines. Lastly, the counsel for TVI Express stated that it may return the investment if the members can prove that they were misled into thinking that the membership fee was an investment opportunity.

At the end of the hearing, the hearing officer directed TVI Express to file a written manifestation of the matters stated during the hearing, its business model, the steps to access the membership, the possibility of the return of money and other matters which it would like to establish.[9]

TVI Express filed a *Motion for Extension of Time (To File Manifestation/Compliance)* (Motion for Extension) dated 16 August 2013 claiming that it spoke to Dorothea Waje, who allegedly disclosed that she was in possession of certain documents that provide recantations of some of the teachers' statements that were the bases of the CDO, proving that TVI Express was not promoted as an investment scheme. Thus, TVI Express requested for an additional time to file its Manifestation/Compliance since the documents have not yet arrived and it needed additional time to evaluate and inspect them.[10] The Motion for Extension was granted by the Commission.[11]

A *Manifestation* was filed by TVI Express on 2 September 2013 alleging that the documents of Dorothea Waje referred to in its Motion for Extension arrived on 23 August 2013 but the recantations of the teachers' statements were not included therein. Moreover, TVI Express alleges that Dorothea Waje stated that Rebecca Biol, one of the teacher-complainants, herself promoted the latter as an online direct-selling business. TVI Express further alleges that some of the teachers wanted to recant and withdraw their signatures. Further, TVI Express attached an affidavit of Lucia Bayolo, who is a member of TVI Express, in which she allegedly stated that she understood the true business of the former and was never under the impression that the former was engaged in an investment scheme. TVI Express attached another affidavit of Marleen Nogan, who is a member of TVI Express, in order to prove that she understood the work involved in promoting the business

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7 Transcript of Stenographic Notes of 1 August 2013, pp. 3, 7, 8, 12, 17 and 31.
8 www.tviexpress.com.ph
9 Transcript of Stenographic Notes of 1 August 2013, pp. 10, 29, 30, 35-38, 55 and 57.
10 Motion for Extension filed on 28 August 2013, pars. 2 and 4.
11 Order dated 18 September 2013.

of TVI Express, which would negate the notion that TVI was engaged in investment promotion.[12]

It must be noted that Lucia Bayolo states, in her affidavit, the following: (i) she is from a poor family who is looking for an opportunity to change their lives and uplift their economic condition; (ii) she became a member of TVI Express upon payment of Php 14,000.00; (iii) Dorothea Waje was in a hurry to get her to join but she did not have the money to register considering that food at home is scarce; (iv) she and her husband decided to mortgage the land to cover the membership fee after consulting with other members who claim they have really earned from TVI Express with the understanding that it is a company that offers lifetime discounted hotel and resort accommodation and with the opportunity to be rewarded commissions amounting to Php 28,000.00 for Traveller's Board and Php 560,000.00 for Express Board; (v) Dorothea Waje emphasized that the earnings will not be realized if she will not invite or recruit others; (vi) she cycled out the Traveller's Board and received a commission amounting to Php 28,000.00; and (vii) she is looking forward to earning another Php 560,000.00 for "cycling out" the Express Board.[13]

On the other hand, Marlene Nogan states, in her affidavit, the following: (i) she is a member of TVI Express Express and was issued a certificate of membership upon payment of Php 16,800.00; (ii) she joined TVI Express because of the benefits one can derive from joining; (iii) before joining TVI Express, she attended an orientation in which Dorothea Waje stated that if they promote its products and invite or recruit more members, they would reach the Traveller's Board Cycle Out Payment which is only secondary benefit since the primary benefit is to avail of the lifetime discounts in hotel and resort accommodations around the world; (iv) Rebecca Biol stated that TVI Express is a great business opportunity; (vii) she was convinced to join TVI Express because of what Dorothea Waje and Rebecca Biol stated that there is hope for additional income; (viii) she worked hard in inviting members and reached the Traveller's Board Cycle Out payment which entitled her to Php 30,000.000 and earned another Php 3,000.00 as residual income; and (ix) she is a downline of Rebecca Biol and her husband, who "cycled out" in Traveller's Board earning Php 30,000.00 and residual income of Php 1,500.00 and Php 750.00.[14]

On 11 December 2013, the EIPD filed its *Comment* to the Manifestation of TVI Express dated 26 August 2013 stating the following: (i) the recantations of the teachers were not substantiated at all; (ii) Rebecca Biol denies inviting Rey Pedrosa to assist in the promotion of TVI Express; (iii) the affidavit of Lucia Baloyo proves that TVI Express is engaged in the promotion of an investment scheme and her narration therein indicates the existence of the elements forming an investment contract; and (iv) the pyramid scheme nature of TVI Express' business was reinforced by statements made by its counsel and long-time member during the Hearing on the Motion to Lift CDO.[15]

During the continuation of the hearing on the Motion to Lift CDO, the counsel for TVI Express manifested that he had already ventilated enough grounds for the lifting of the

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[12] Manifestation of TVI dated 26 August 2013, pars. 2, 3, 5, 5.1. and 5.2.
[13] *Id.*, Annex "A" (Affidavit of Lucia Bayolo).
[14] *Id.*, Annex "B" (Affidavit of Marlene Nogan).
[15] Comment of EIPD dated 10 December 2013, pars. 3, 5, 7 and 9.

CDO, and that he is not familiar as to "how to phrase" the business model of TVI Express such that he will have to consult with TVI Express as to its business model. Thus, the Commission gave TVI Express another opportunity to present its business model in a Manifestation to be filed within fifteen (15) days from the hearing.[16] However, to date, TVI Express has not filed such Manifestation in person or through registered mail with the Commission.

We will begin discussing the procedural issue of whether TVI Express was denied due process. TVI Express alleges that the Commission failed to afford it the opportunity to be heard which is constitutionally fatal and infirm to the validity of the CDO. Section 64.1 of the Securities Regulation Code (SRC),[17] in providing the requirements for the issuance of a CDO, states the following:

> "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."

In short, the Commission may issue a CDO either ***motu proprio*** or upon verified complaint without a prior hearing[18]. The essential requirement that must be complied with by the Commission before it may issue a CDO is that the EIPD must conduct a proper investigation or verification. Once an investigation or verification by the EIPD is conducted, the Commission may issue a CDO, 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.

Thus, the lack of prior hearing notwithstanding, TVI Express was not denied due process as argued by them in its *Motion to Lift CDO*, considering that the CDO was issued by the EPD after a prior investigation or verification.

We now go to the main issue, that is whether or not TVI Express is involved in the sale of unregistered securities.

Section 8.1 of the SRC provides 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 Commission. In connection therewith, Section 12.1 of the SRC states that all securities required to be registered under Subsection 8.1 shall be registered through the filing by the issuer in the main office of the Commission, of a sworn registration statement with respect to such securities, in such form and containing such information and documents as the Commission shall prescribe.

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[16] Transcript of Stenographic Notes of 11 March 2014, pp. 3, 4, and 5.
[17] Republic Act No. 8799 (2000).
[18] Section 10-2, Rule X of the 2006 Rules provides that the Commission, through the OGC, after proper investigation or verification by the EIPD, *motu proprio*, or upon verified complaint, may issue a CDO 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

As to the concept of securities, 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"[19] and includes an investment contract.[20] An "investment contract" has been defined as 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 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.[21]

The concept of an investment contract in the Philippines is of American origin. It traces its roots from the US Supreme Court case *SEC v. W.J. Howey Co.* where the Court stated that an investment contract is 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.[22]

In another U.S. case, entitled *SEC v. Glenn W. Turner Enterprises, Inc. et al.*[23], the 9th Circuit of the U.S. Court of Appeals held that the fourth element, that profits must come "solely" from the efforts of others, should be liberally construed to mean "primarily", because 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. Because of this, it is no longer necessary that the expected profit accrue "solely" from the efforts of others.

This concept of an investment contract has since been transported in the Philippines. The SRC 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.** Thus, in *Power Homes Unlimited Corporation v. Securities and Exchange Commission*, the Philippine Supreme Court stated that an investment contract in our jurisdiction, to be a security subject to regulation by the Commission, must be proved to be (1) an investment of money, (2) in a common enterprise, (3) with expectation of profits, and (4) primarily from efforts of others.[24]

In this case, TVI Express does not dispute that what Rey Pedrosa and Dorothea Waje represented and sold to the teachers are investment contracts. What TVI Express denies is their complicity in the actions of Rey Pedrosa and Dorothea Waje. In short, TVI Express argues that it is engaged in a legitimate online direct selling business (i.e., offering its members various travel discounts), and that Rey Pedrosa and Dorothea Waje misrepresented this business as such profit-earning investment.

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[19] Section 3.1, SRC.
[20] Section 3.1.(b), *Id.*
[21] SRC Rule 3(1)(G), Amended Implementing Rules and Regulations (IRR) of the SRC.
[22] 328 U.S. 293, 66 S. Ct. 1100, 90 L. Ed. 1244, 163 A.L.R. 1043 (1946).
[23] 474 F.2d 476, Fed.Sec. L. Rep. P 93, 748.
[24] G.R. No. 164182, 26 February 2008.

To reiterate, the four elements of an investment contract are present in the investment opportunities offered and sold by Rey Pedrosa and Dorothea Waje. The first element is present since the teachers entered into an agreement with TVI Express by the payment of the membership fee after being recruited by Rey Pedrosa and Dorothea Waje. The second element is present since the latter pooled their funds by each paying the membership fee. The third element is present since there was an expectation of profits on the part of the teachers because they were promised Php 32,000.00 after six (6) months, and $10,000.00 after one year. Lastly, the fourth element is present since the teachers did not participate in the operations of TVI Express or the management of their money.

In the case of Rebecca Biol, her payment to the investment is proven by her copy of the Distributor's Application form as well as the deposit slip showing that the amount of Php 117,600.00 was deposited in TVI Express' BDO account on 18 October 2011. Clearly, the amount deposited in TVI Express' bank account by Rebecca Biol as proven by the deposit slip indicates that TVI Express is involved in the sale of said investment contracts despite the latter's assertion that the investment solicitation was committed by Rey Pedrosa and Dorothea Waje only. It must be noted that the representative of TVI Express admitted during the Hearing on the Motion to Lift CDO held on 1 August 2013 that membership fees are indeed deposited in TVI Express' bank account. The fact that Rey Pedrosa and Dorothea Waje are unquestionably members of TVI Express, and that the membership fees were deposited in the latter's bank account justified the issuance of the CDO dated 11 July 2013 against TVI Express.

Assuming that the type of investment contracts sold by Rey Pedrosa and Dorothea Waje is not the type sanctioned by TVI Express, the admitted business of the latter (i.e. selling of a legitimate product, namely, travel discounts) still involves the selling of investment contracts.

In *Power Homes*, citing a U.S. case entitled *SEC v. Glenn W. Turner Enterprises, Inc.*, the Court stated that self-improvement contracts which primarily offer the buyer the opportunity of earning commissions on the sale of contracts to others are "investment contracts". This is regardless of the fact that the buyers, in addition to investing money needed to purchase the contract, were obliged to contribute their own efforts in finding prospects and bringing them to sales meetings. Moreover, the court held that the purchaser is really buying the possibility of deriving money from the sale of the plans. Once an individual has purchased a plan, he turns his efforts toward bringing others into the organization, for which he will receive a part of what they pay.

In another U.S. case, *Bell v. Health-Mor, Inc.*, the company was selling vacuum cleaners which entitle the buyers to receive USD $10.00 for the name of each potential customer he submits to the sellers. The defendant company argued that the distributors' purchase of the machines was the purchase of a product, whereas the plaintiffs argued they were investments. The court rejected the defendant's argument, holding that the mere transfer of a tangible commodity does not preclude the existence of a security. Even purchases where distributors must personally purchase products to participate in the compensation plan will satisfy the first prong of the Howey Test.[25]

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[25] 549 F.2d 342 (5th Cir. 1977).

In *US v. Bowdoin*, a company described itself as a multi-level marketing company that offered online advertising which operated over the internet through various websites. According to these sites, the company's advertisers or members could earn large profits by (1) paying fees to advertise their own webpages, (2) earning rebates by surfing other advertisers' webpages on the company's "rotator," and (3) earning commissions by recruiting more advertisers to do the same. Moreover, the company promoted its advertising program by offering advertisers a rebate of up to 125% on their advertising costs. The U.S. District Court of Columbia held that the marketing scheme of the company is an investment contract since it promised to pay back 125% of the value paid to the said company by an advertiser. This strongly indicates that the joining of the company via the purchase of an "advertisement" on the rotator in fact constituted an "investment" for a financial return.[26]

In short, contracts which primarily offer the buyer the opportunity of earning commissions on the sale of contracts to others are "investment contracts" and thus are "securities" that are required to be registered with the Commission.

In the case at bar, the records disclose that TVI Express is engaged in investment taking activities akin to a pyramid scheme since the promotional marketing efforts towards its investors-members is focused primarily on the recruitment of new members rather than the product itself, i.e., travels discounts. A pyramid scheme is defined as a sales device whereby a person, upon condition that he makes an investment, is granted by the manufacturer or his representative a right to recruit for profit one or more additional persons who will also be granted such right to recruit upon condition of making similar investments, provided that the profits of the person employing such a plan are derived primarily from the recruitment of other persons into the plan rather than from the sale of consumer products, services and credit, and provided further, that the limitation on the number of participants does not change the nature of the plan.[27]

Here, a pyramid scheme exists in TVI Express' business model. During the Hearing on the Motion to Lift CDO dated 1 August 2013, it was admitted by the counsel of TVI Express that there is compensation when people are recruited. This was corroborated by a representative of TVI Express who stated that residual income is one which a member receives for growing the organization which is based on the recruitment, and is derived from the sale of the membership.

As a matter of fact, the website of TVI Express provides for such a pyramid nature since it puts heavy emphasis on the multiple ways by which its members can earn income. A prospective member to TVI Express is required to have a sponsor to be able to join. Further, the website provides that current members are required to sponsor two or more persons in order to qualify and earn commissions. They are urged to sponsor as many people as they can and create multiple legs in their downline organization if they would like to progress faster, ensure faster cycles and enhance residual income including a 5-10% bonus for every person who joins TVI Express. However, if the members failed to recruit members for TVI Express, they will not receive their profits.[28]

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[26] Case No. 10-320 (RMC), United States District Court for the District Of Columbia, 18 March 2011.
[27] Section 53, Consumer Act of the Philippine (Republic Act No. 7394).
[28] *Motion for Issuance of CDO,* Annex "M" (printout of TVI Express' website's homepage).

Further, as correctly stated by the EIPD, there is no underlying income generating business model to finance the return of its members other than the membership fees paid by the new recruits. The entitlement of the travel discounts has no bearing on the profitability of its business as stated by TVI Express during the Hearing on the Motion to Lift CDO. In fact, the Commission has even provided TVI Express numerous opportunities and ample time to submit its manifestation presenting its business model to establish the fact that it is not engaged in the sale of securities and to establish that it that it does not finance its business through membership dues. However, to date, no business model has been presented to the Commission despite numerous opportunities and ample time to do so. This is disturbing considering the fact that its counsel stated during the Hearing on the Motion to Lift CDO that he has no knowledge of how TVI Express provides for the discounts to its members. It clearly appears that there is no product being sold by TVI Express which will sufficiently generate income stream needed to support the commissions, such as "earning another Php 560,000.00 for 'cycling out' the Express Board" promised by TVI Express to Lucia Baloyo.

Clearly, there is a pyramid scheme that exists in TVI Express since the focus is not on the travel discounts but rather on the recruitment of new members by its members to entitle the latter to earn various commissions. Moreover, the entitlement to the commissions depends on the active recruitment of members who, in turn, will invest and recruit new members. Thus, what is actually being sold by TVI Express is not the opportunity to avail of the travel discounts but rather the opportunity to earn commissions by recruiting new members. Once a new member joins TVI Express, such new member will turn his attention to recruiting others for which he will be entitled to receive a part of what they pay.

TVI Express attempted to prove its claim that it is not involved in the sale of unregistered securities and is only engaged in the online direct-selling business by filing its Manifestation together with the affidavits of Lucia Baloyo and Marlene P. Nogan.[29]

However, as can be seen from above, the allegations of TVI Express in the Manifestation that some of the teachers recanted their statements are not substantiated by evidence. It is hornbook doctrine that mere allegations do not constitute proof. Moreover, it is basic in the rule of evidence that bare allegations, unsubstantiated by evidence, are not equivalent to proof. In short, mere allegations are not evidence.[30]

Moreover, far from being exonerating, TVI Express' Manifestation and its attached affidavits all the more confirmed that the company's business model consists of selling unregistered investment contracts similar to *Power Homes*.

The affidavit of Lucia Baloyo furnished by TVI Express explicitly provides for the pyramid nature thereof. She stated in her affidavit that she decided to mortgage her only parcel of land to pay for the membership fee of TVI Express since there was "an opportunity to be rewarded" commissions in the amount of Php 28,000.00 and Php 560,000.00. She further stated that she will not earn such commissions if she does not

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[29] Supra, Note 12.

[30] Government Service Insurance System v. Prudential Guarantee and Assurance, Inc., et al., G.R. No. 165585, 20 November 2013.

recruit others. Lastly, she admitted to receiving the amount of Php 28,000.00 and is anticipating a commission in the amount of Php 560,000.00 for "cycling out" the Express Board.

Likewise, the affidavit of Marlene P. Nogan furnished by TVI Express provides for the pyramid nature of TVI Express since she admitted to "working hard in inviting members" to earn a commission which entitled her to Php 30,000.00. She likewise admitted to receiving Php 3000.00 as her residual income. Clearly, the affidavit Lucia Baloyo and Marlene P. Nogan unequivocally prove that the focus of its members is not the travel discounts offered by TVI Express but rather on the opportunity to earn commissions by recruiting new members.

In conclusion, TVI Express is engaged in the sale or offering for sale or distribution within the Philippines of securities, i.e., investment contracts, without a registration statement duly filed with and approved by the Commission in violation of Sec. 8.1 of the SRC.

WHEREFORE, premises considered, the *Motion to Lift Cease and Desist Order* filed by respondent TVI EXPRESS HOLIDAYS PHILIPPINES, INC. is hereby **DENIED** and the CEASE AND DESIST ORDER issued against TVI EXPRESS HOLIDAYS PHILIPPINES, INC., its officers, directors, agents, representatives, conduits, assigns, and any and all persons claiming and acting for and in behalf and under its authority, is hereby **MADE PERMANENT**.

The Enforcement and Investor Protection Department is hereby **DIRECTED** to: (a) serve this Order on the President, General Manager, Corporate Secretary, Treasurer or In-House Counsel of TVI Express Holidays Philippines, Inc., and (b) post copies of the Order at the entrance of the main office and/or branches, if any, of TVI Express Holidays Philippines, Inc. Let a copy of this Order be also posted in the Commission's website and published in a national newspaper of general circulation.

Let a copy of this Order be furnished the Company Registration and Monitoring Department, the Corporate Governance and Finance Department and the Economic Research and Information Department for their information and appropriate action.

SO ORDERED.

Mandaluyong City; 2 September 2014.

The dispositive portion reads as follows:

WHEREFORE, premises considered, the *Motion to Lift Cease and Desist Order* filed by respondent TVI EXPRESS HOLIDAYS PHILIPPINES, INC. is hereby **DENIED** and the CEASE AND DESIST ORDER issued against TVI EXPRESS HOLIDAYS PHILIPPINES, INC., its officers, directors, agents, representatives, conduits, assigns, and any and all persons claiming and acting for and in behalf and under its authority, is hereby **MADE PERMANENT**.

The Enforcement and Investor Protection Department is hereby **DIRECTED** to: (a) serve this Order on the President, General Manager, Corporate Secretary, Treasurer or In-House Counsel of TVI Express Holidays Philippines, Inc., and (b) post copies of the Order at the entrance of the main office and/or branches, if any, of TVI Express Holidays Philippines, Inc. Let a copy of this Order be also posted in the Commission's website and published in a national newspaper of general circulation.

Let a copy of this Order be furnished the Company Registration and Monitoring Department, the Corporate Governance and Finance Department and the Economic Research and Information Department for their information and appropriate action.

SO ORDERED.

Mandaluyong City; 2 September 2014.

TERESITA J. HERBOSA
Chairperson

MANUEL HUBERTO B. GAITE
Commissioner

ANTONIETA F. IBE
Commissioner

EPHYRO LUIS B. AMATONG *
Commissioner

BLAS JAMES G. VITERBO
Commissioner

*On Official Business