Securities and Exchange Commission PHILIPPINES

BAGONG PILIPINAS

FINANCING AND LENDING COMPANIES DEPARTMENT

IN THE MATTER OF:
MICRODOT LENDING CORPORATION
(SEC Registration No. CS201951287 and Certificate of Authority No. 2921),
Respondent,

FinLenD CDO Case No. 17
Series of 2025

RE: Violation of SEC Memorandum Circular No. 19, Series of 2019, the Implementing Rules and Regulations of the Lending Company Regulation Act of 2007, and Financial Products and Services Consumer Protection Act.

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CEASE AND DESIST ORDER

This refers to the results of monitoring and surveillance, and the complaints received by the Financing and Lending Companies Department (*"FinLenD"*) regarding Microdot Lending Corporation for violations of SEC Memorandum Circular No. 19, Series of 2019 ("SEC MC 19"),[1] the Implementing Rules and Regulations of the Lending Company Regulation Act of 2007 ("LCRA-IRR"),[2] and SEC Rules and Regulations of the Financial Products and Services Consumer Protection Act of 2022 ("SEC-FCPA-IRR").[3]

Antecedents

The Respondent is registered before the Securities and Exchange Commission ("SEC" or the "Commission") as a lending corporation under SEC Registration No. CS201951287 and Certificate of Authority No. 2921, with "Credit Cash," "Credit Peso," "Cash Baka," "Cash Mabilis," and "Go Peso" as its disclosed Online Lending Applications ("OLAs").

> Its primary purpose is: To engage in business as a lending investor, and to such extent, grant or lend money to persons and/or entities, whether private or public, in the form or loan/credit, without however engaging in the business of pawnbroking under P.D. 114 and financing under R.A. 8558, provided that borrowing shall be sourced from not more than nineteen (19) lenders including shareholders.

A review of the Respondent's files with the Commission reveals that the Respondent operated two undisclosed OLPs—Credit Peso Pro and MF Cash—in violation of Section 3 of the SEC MC 19.

The Company likewise violated Rule 8(c) of the LCRA-IRR for its continuous non-compliance with the lawful orders of the Commission, specifically those issued in the Show Cause Letter dated 25 April 2025, Assessment Letter dated 2 May 2025, Letter dated 27 May 2025, and Walkthrough Audit Findings dated 1 August 2025.

Moreover, from 2024 to the present, multiple complaints were lodged with the Commission for alleged commission of unfair debt collection practices in violation of the SEC-FCPA-IRR.

Issue

Whether a Cease and Desist Order ("CDO") should be issued against the Respondent on account of its violations of the LCRA-IRR, SEC MC 19, and SEC-FCPA-IRR

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[1] Disclosure Requirements on Advertisements of Financing Companies and Lending Companies and Reporting of Online Lending Platforms.
[2] Republic Act No. 9474.
[3] SEC Memorandum Circular No. 05, series of 2023.

Ruling

The Commission finds issuing a Cease and Desist Order against the Respondent warranted.

Section 6(d)(4) of the Financial Products and Services Consumer Protection Act ("FCPA"), as implemented by the SEC-FCPA-IRR empowers the Commission to issue a cease and desist order without the necessity of a prior hearing if, in its judgment, the act or practice, unless restrained, amounts to fraud or a violation of the provisions of this Act and its IRR, or may unjustly cause grave or irreparable injury or prejudice to financial consumers, to wit:

> SEC. 6. Powers of the Financial Regulators. – Financial regulators under this Act shall have the following powers:
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> xxx
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> (d) Enforcement – Financial regulators shall have the authority to impose enforcement actions on their respective supervised financial service providers for noncompliance with this Act and other existing laws pertinent to the jurisdiction and authority of the respective financial regulators. Such enforcement actions may include the following:
>
> xxx
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> (4) Issuance of a cease and desist order to the financial service provider without the necessity of a prior hearing if in the financial regulator's judgment, the act or practice, unless restrained, amounts to fraud or a violation of the provisions of this Act and its IRR, or may unjustly cause grave or irreparable injury or prejudice to financial consumers. The financial service provider shall be afforded an opportunity to defend its act or practice in a summary hearing before the financial regulator or its designated body, upon request made by the financial service provider within five (5) calendar days from its receipt of the order. If no such hearing is requested within said period, the order shall be final. If a hearing is requested by the financial service provider, the proceedings shall be conducted summarily without adhering to the technical rules of evidence, and all issues shall be determined primarily on the basis of records, after which the financial regulator may either reconsider or finalize and execute its order;
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The Respondent's operation of the undisclosed OLPs, blatant disregard of the SEC's regulatory authority over it, and practice of unfair debt collection, if unrestrained, may unjustly cause grave or irreparable injury or prejudice to the borrowing public, thereby imperiling their rights as enshrined in the FCPA. Additionally, its employment of unfair debt collection practices, shown and established by substantial evidence, is a violation of the SEC-FCPA-IRR and should be immediately halted to safeguard the rights of its borrowers.

WHEREFORE, premises considered, **MICRODOT LENDING CORPORATION and its OLPs—Mfcash, Credit Cash, Credit Peso, Pesoloan Mart, Cash Baka, Cash Mabilis, Go Peso, Instant Loan, and Timely Loan**, including its owners, operators, promoters, representatives, agents, AND ANY AND ALL PERSONS CLAIMING AND ACTING FOR AND, IN THEIR BEHALF, are hereby **DIRECTED** to **immediately CEASE AND DESIST** from engaging in, carrying out, promoting and facilitating any lending activity or transaction.

23 September 2025. Makati City, Philippines.

SHEARA L. LUPANGO-TAMAYO
Director

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