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

IN THE MATTER OF:

JOCALS688 BEAUTY AND WELLNESS PRODUCTS TRADING, INC.
SEC Company Registration No. CS201965099

SEC CDO CASE NO. 05-20-066

ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT,
Movant.
x---x

CEASE AND DESIST ORDER

This resolves the ***Motion for Issuance of a Cease and Desist Order***[1] ("Motion") filed by the Enforcement and Investor Protection Department ("EIPD") through the Office of the General Counsel ("OGC")[2], praying that an order be issued directing **JOCALS688 BEAUTY AND WELLNESS PRODUCTS TRADING, INC.** ("JOCALS688"), its directors, officers, partners, representatives, salesmen, agents and any and all persons and conduit entities acting for and its behalf, to cease and desist from further engaging in the sale and/or offer of unregistered securities in the form of investment contracts as the same are unauthorized for want of the requisite registration statement duly filed with and approved by the Commission, and to cease and desist from selling, encumbering conveying or disposing of the properties and other assets of JOCALS688.

PARTIES

EIPD is one of the Commission's operating departments tasked to investigate and institute administrative actions against persons and entities engaged in the sale and/or offer of unregistered securities without requisite secondary license.[3]

[1] Filed on 22 May 2020.
[2] In accordance with Part II, Rule IV, Section 4-1 of the 2016 Rules of Procedure of the SEC ("SEC Rules").
[3] Section 2-2(c)(1-c), Rule II, Part I of the 2016 SEC Rules.

JOCALS688 is a corporation organized and existing under Philippine laws, with Certificate of Incorporation bearing No. CS201965099 issued on 09 October 2019 by the Commission. Its principal office is located at 2nd Floor, Frylles Bldg., Mabini corner Blancia St., Madasigon (Pob.) Molave, Zamboanga del Sur.[4] Its primary purpose is:

> "*To engage and conduct and carry on the business, selling, distributing, marketing, trading and wholesale/retail, in so far as maybe permitted by law, all kinds of goods, commodities and merchandise of every kind and description, such as, but not limited to Beauty and Wellness Products, Coffee, Juice, Herbal Products, Food Supplements and other related products.*
>
> *Provided that* ***the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts****.*" [5] (Emphasis supplied.)

Further, its Certificate of Incorporation[6] explicitly provides:

> "*This Certificate grants juridical personality to the corporation* ***but does not authorize it to undertake business activities requiring a Secondary License from this Commission*** *such as, but not limited to, acting as: broker or dealer in securities, government securities eligible dealer (GSED), investment adviser of an investment company, close-end or open-end investment company, investment house, transfer agent, commodity/financial futures exchange/broker/merchant, financing company, pre-need plan issuer, general agent in pre-need plans and time shares/club shares/membership certificates issuers or selling agents thereof. Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.*"[7] (Emphasis supplied.)

Its board of directors as shown in its Articles of Incorporation[8] (AoI) are:

Name	Nationality	Residence
Joshua A. Calderon	Filipino	Purok 3 Zone 10 Carmen, Cagayan De Oro City (Capital) Misamis Oriental, Region X, Philippines, 9000
Echochen M. Calderon	Filipino	Purok 3 Zone 10 Carmen, Cagayan De Oro City (Capital) Misamis Oriental, Region X, Philippines, 9000
Noemie C. Ponce	Filipino	Purok 3 Zone 10 Carmen, Cagayan De Oro City (Capital) Misamis Oriental, Region X, Philippines, 9000

[4] Paragraph 2 of the Motion for the Issuance of a Cease and Desist Order ("Motion").
[5] Paragraph 4 of the Motion.
[6] Annex "A" of the Motion.
[7] Paragraph 3 of the Motion.
[8] Annex "B" of the Motion.

Hanz R. Paler	Filipino	Purok 6 Bagontaas, City of Valencia, Bukidnon, Region X, Philippines, 8709
Nino S. Agad-ad	Filipino	Purok 3 Upper Tiparak, Tambulig, Zamboanga Del Sur, Region IX, Philippines, 7025

Its Authorized Capital Stock as appearing in its AoI is ₱1,000,000.00 divided into 10,000 common voting shares with a par value of ₱100.00 per share.

RELEVANT FACTS

Sometime in August 2019, the EIPD received emails[9] reporting the alleged investment-taking activities, solicitation and networking scheme of JOCALS688. One email came from the Business Permit and Licensing Office (BPLO) in the local government of Molave, Zamboanga del Sur, which stated that it received an anonymous tip that JOCALS688, a business permit holder, was selling products in package term worth ₱3,800.00, which include the membership fee. JOCALS688 also entices members to deposit the amount of ₱10,000.00 with a promise of a return of ₱13,000.00 after one (1) month. JOCALS688 also gives ₱500.00 as an incentive to any member who can recruit other persons to join in selling their products. The EIPD also received through its official e-mail, the *i-Message Mo* facility,[10] similar reports regarding JOCALS688's alleged investment taking activities and operations.[11] In view of these reports, the EIPD conducted its investigation for possible violations of the Securities Regulation Code ("SRC") and its implementing rules and regulations.

The EIPD requested the assistance of the SEC-Zamboanga Extension Office ("ZEO") to conduct its surveillance operations in the principal office of JOCALS688 in Zamboanga del Sur to determine the veracity of the alleged investment-taking activities. ZEO's Administrative Assistant, Mr. Julius J. Baid, conducted the investigation. Mr. Baid issued and submitted a Feedback Report[12] which contained a narration of events relating to his investigation where he posed as a prospective investor, and made inquiries with one of the ladies at the office of JOCALS688. He was told that: he could invest up to ₱100,000.00 which would be divided into three (3) accounts; the minimum investment was ₱10,000.00; membership can also be acquired for the amount of ₱3,980.00 which would entitle him to one (1) bottle of juice, one (1) box of coffee and one (1) bottle of food supplement; there are five (5) ways to earn in addition to selling the products by direct referral bonus, pairing bonus, unilevel bonus and through buy and earn.

[9] Annexes "D" to "D-2" of the Motion.
[10] A web-based online application for lodging of questions, requests, complaints, issues, concerns, suggestions/opinions, tips/alerts, etc.
[11] Annexes "D" to "D-2" of the Motion.
[12] Annexes "H" to H-2" of the Motion.

The EIPD wrote a letter to the Food and Drug Administration (FDA) to inquire/validate the registration of the products being sold to the public by JOCALS688. According to FDA, JOCALS688 has no license to operate from the FDA-Center for Food Regulation and Research and its products, Jocals Gluta Glow Powdered Drink Mix, Jocals Green Coffee and Jocals Vitamin C, are not registered with the FDA.

The EIPD likewise verified with and secured a confirmation from the Bureau of Internal Revenue ("BIR") through a Certification[13] that two (2) incorporators of JOCALS688 namely Echochen M. Calderon and Hanz R. Paler have invalid Taxpayers Identification Numbers (TIN).

Further, the EIPD conducted an online search using Google, Facebook and YouTube to check the veracity of the information received from the public about the business operations of JOCALS688. The EIPD came across evidence showing JOCALS688's online presence by which it markets itself as a legitimate key to health and wealth opportunities. Screenshots of the online posts, presentations, promotional video found online were included in the EIPD's affidavit[14] as faithful reproductions of such online posts and presentations.

In the business presentation video[15], JOCALS688 presented various ways of earning profits, as follows:

> **Direct Selling.** The customer/investor has the option whether to sell or use Jocals products. In case of use, a customer/investor is still assured to earn because, *"50% in all products ay babalik sayo."*
>
> **Direct Referral Bonus or Outright Unlimited.** Every successful referral entitles a customer/investor to a bonus of ₱500.00 without limit to the number of referrals. A customer/investor is allowed to maintain up to seven (7) accounts with an investment of ₱10,000.00 up to ₱200,000.00.
>
> **Pairing Bonus.** This uses the Binary System, meaning for every pair you get, there is a corresponding remuneration or a pairing bonus of ₱500.00. A customer/investor is allowed to have a maximum of 25 pairs per day or a maximum income of ₱12,500.00 or "*the safety net of the company.*"

[13] Annex "J" of the Motion.
[14] Annex "K" of the Motion.
[15] Annex "L" of the Motion.

Buy and Earn Program. The customer/investor buys a bundle of products worth ₱10,000.00 to ₱30,000.00 per account and will get a 30% incentive/commission after 41 days, and another incentive/commission in the succeeding months as follows:

Package	Product Worth	Bundle of Product
3,980	4,000	5,000 to 30,000
7,980	8000	5,000 to 60,000
11,940	12,000	5,000 to 100,000
27,860	28,000	5,000 to 200,000

The "bundle of product" refers to the amount of investment. As the presentation in the video is not updated, the 30% incentive/commission is now at 37%; the 41 days is now only 30 days; and the incentive/commission will be earned by the customer/investor for a period of ten (10) months from the date of the investment. For instance, an investment of ₱10,000.00 will entitle a customer a monthly inventive/commission of 37%. Therefore, in ten (10) months' time, the customer's investment of ₱10,000.00 would have multiplied to ₱37,000.00 (₱3,700.00 x 10). Further, in the business presentation video, JOCALS688 advertised that even without any effort on the part of the customer/investor, a customer/investor is assured of the 37% incentive/commission each month for ten (10) months.

Leadership Bonus or Unilevel Bonus. All leaders get unlimited leadership bonus based on their level. The incentive/commission of 2% and 1% depending on what level they are on is given every month.

More importantly, the Certifications issued by the Company Registration and Monitoring Department (CRMD), the Corporate Governance and Finance Department (CGFD) and the Markets and Securities Regulation Department (MSRD) of the Commission[16] show that JOCALS688 has not been issued any secondary license to operate as a broker/dealer of securities and is not a registered issuer of any securities pursuant to Sections 8 and 12 of the SRC.

On 14 April 2020, the Commission issued and posted an Advisory[17] in its website to inform and advise the public to exercise caution in dealing with any individual or group of persons soliciting investments for and on behalf of JOCALS688 BEAUTY AND WELLNESS PRODUCTS TRADING, INC. The public was further advised NOT TO INVEST or STOP INVESTING in the investment schemes being offered by JOCALS688 or its representatives.

Despite the Advisory, JOCALS688 continues to operate and conduct its investment taking activities through its social media. In a more recent

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[16] Annex "E", Annex "F" and Annex "G" of the Motion.
[17] Annex "M" of the Motion.

online search, JOCALS688's Facebook account revealed a post on 16 April 2020 of a video entitled "Live Pairing Bonus Release," where snippets of messages from the CEO of JOCALS688, Mr. Joshua Calderon, is shown. JOCALS688's representative, Atty. Padilla, Jr., also delivered a message assuring the investors that JOCALS688 is registered with the Commission and the FDA. There is a slideshow of JOCALS688's products placed on a surface beside a considerable amount of money. A screenshot[18] of the Facebook post showing the YouTube video is attached to the Motion.

The EIPD also continuously received various email complaints from the public about JOCALS688's investment-taking activities. Hence, the instant Motion.

ISSUE

Whether or not the issuance of a cease and desist order against JOCALS688 is warranted based on the findings and evidence presented by the EIPD.

RULING

The Commission finds merit in the Motion and hereby grants the same.

The EIPD's motion, as supported by substantial evidence, was able to establish that JOCALS688 is selling/offering for sale securities to the public in the form of investment contracts without the necessary license from the Commission.

> 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]
>
> 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

[18] Annex "N" of the Motion.
[19] Section 3.1., Securities Regulation Code.
[20] Section 3.1. (b), *Id.*

statement with respect to such securities, in such form and containing such information and documents as the Commission shall prescribe.

An "investment contract" has been defined as follows:

> "G. 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.
>
> 1. An investment is presumed to exist whenever a person seeks to use the money or property of others on the promise of profits.
>
> 2. 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 *Securities and Exchange Commission v. W.J. Howey Co.*[22] 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.

The concept of an investment contract has since been transported in the Philippines. Thus, for example, in *Power Homes Unlimited Corporation v. Securities and Exchange Commission,*[23] the 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, (4) primarily from efforts of others.* Under this definition, whenever an investor relinquishes control over his or her funds and submits their control to another for the purpose of deriving profits from them, he or she is in fact investing in a security.[24]

As to the first requisite, an investment of money occurs when an investor commits money to an enterprise or venture in a manner that subjects himself to financial loss.[25] In the instant case, JOCALS688

[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] G.R. No. 164182, 26 February 2008.
[24] Investment Co. Institute v. Camp, 274 F. Supp. 624 (D. D.C. 1967).
[25] SEC v. International Mining Exchange, Inc., 515 F. Supp. 1062.

require their investors to invest the amount of ₱10,000 to ₱100,000.00 with a promised incentive/commission of 37% in ten (10) months' time. The membership fee is inclusive of one (1) bottle of juice, one (1) box of coffee and one (1) bottle of food supplement with a total manufacturing price of ₱2,470.00 with a suggested retail price of ₱3,800.00. The amount paid for these products are far from their fair market value. Evidently, it can be seen that the investor commits his/her money to JOCALS688 not for the purpose of retailing or personally using these products but more on the expectation of profits or gain (37% of investment monthly) for a period of 10 (ten) months. Thus, the first element is present.

As to the second requisite, there is a common enterprise. A common enterprise is deemed created when two (2) or more investors "pool" their resources. Thus, joint participation by investors in the same investment enterprise, achieved by pooling the invested funds for a common purpose, is required in order to satisfy the common enterprise element.[26]

In the instant case, EIPD's findings in the course of its investigation show that investors place at least an amount of ₱10,000.00 to become members of JOCALS688 in order to be able to receive a monthly profit of 37% in ten (10) months and participate in other investment-earning schemes. Moreover, the requisite of commonality is present in "Direct Referral Bonus" where a bonus of ₱500.00 is dependent on every successful referral or recruit/investor who will, in turn, invest at least ₱10,0000.00. Thus, the profits of investors in "Direct Referral Bonus" are directly related to the investment of other recruits/investors. It is through constant recruitment of new members that an income is earned. Stated otherwise, JOCALS688 investors pool their monies with the corporation in order to earn profit. Thus, they are investing in a common enterprise. Therefore, the second requisite is present.

As to the third requisite, there must be an expectation of profits. Profit is either through capital appreciation resulting from the development of the initial investment, or participation in earnings resulting from the use of investors' funds. In both cases, investors are "attracted primarily by the prospects of a return on his investment."[27] In the instant case, the paying investor, who becomes a member, is promised that his/her investment will earn a monthly 37% return for ten (10) months. Therefore, in ten (10) months' time, the customer's investment of ₱10,000.00 would have multiplied to ₱37,000.00 (₱3,700.00 x 10). Aside from that, the paying investor will have a chance to earn more from his/her investment through the five (5) other earning schemes such as Direct Selling, Direct Referral Bonus, Pairing Bonus, Unilevel Bonus and Buy and Earn. Ultimately, the

[26] Wasnowic v. Chicago Bd. of Trade 352 F Supp 1066.
[27] Power Homes Unlimited Corporation v. Securities and Exchange Commission.

investor expects to earn profits from the amounts invested with JOCALS688. Thus, the third element is present.

As to the fourth requisite, there must be an expectation of profits primarily from the efforts of others. It requires its investors to pay ₱10,000 to ₱100,000.00 with a promise of interest/profit after a certain period of time without any further effort or obligation from its investors. An investor may buy a bundle of product for ₱10,000.00 to ₱30,000.00 and will get a monthly 37% incentive/commission (Buy and Earn Program). Additionally, its investors may also earn for selling Jocals products (Direct Selling). It was emphasized that the products need not be sold for investors to make money or earn from their investments. An investor is guaranteed a 37% monthly return without any effort. Investors may also earn by recruiting other investors to be a member of JOCALS688 (Direct Referral Bonus). In these earning schemes, it can be clearly seen that the investor earns without significant effort or obligation. JOCALS688 is the one who conceptualized, and promoted these earning schemes, hence the investors efforts in recruiting are minimal. Thus, the investor earns primarily from the efforts of others. Therefore, the fourth element is present.

Finding all the elements of an investment contract present, JOCALS688 should be considered as engaged in selling and/or offering for sale investment contracts considered as securities under the SRC.

In *Power Homes Unlimited v. Securities and Exchange Commission,*[28] the Supreme Court ruled 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."

As above-cited, since JOCALS688 is engaged in selling and/or offering for sale securities in the form of investment contract, it should be registered with the Commission.

Furthermore, *"Public offering means a random or indiscriminate offering of securities in general to anyone who will buy, 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:

[28] Note 24, *Supra.*

i. Publication in a newspaper, magazine or printed reading material which is distributed within the Philippines or any part thereof;

ii. Presentation in any public or commercial place;

iii. Advertisement or announcement in any radio or television, or any online or e-mail system; or

iv. Distribution and/or making available flyers, brochures or any offering material in a public or commercial space, or mailing the same to prospective purchasers.[29]"

In the instant case, evidence adduced by the EIPD shows that JOCALS688 is offering for sale its investment schemes publicly through online advertisements (Facebook, YouTube) 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.

Thus, there are two essential requirements that must be complied with before a cease and desist order is issued: *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.[30]

As to the first requirement, the EIPD through its ZEO conducted surveillance and ocular inspection as evidenced by its report and documents gathered showing JOCALS688's investment schemes. The EIPD also presented the following evidence in support of its Motion: (1) Certifications

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[29] Rule 3, paragraph 1, sub-paragraph N of the SRC
[30] Securities and Exchange Commission vs. Performance Foreign Exchange Corporation, G.R. No154131, July 20, 2006.

from the Commission's MSRD, CGFD, and CRMD certifying that JOCALS688 is not licensed to offer/sell securities; (2) Confirmation of the FDA that JOCALS688's products are not registered; (3) Investigator's affidavit which includes the: Business Presentation Video showing the various ways to earn profits, Facebook post and YouTube video links enticing the public to invest. Therefore, it is evident that the EIPD properly investigated and studied the nature and operations of JOCALS688.

As to the second requirement, the AoI shows that JOCALS688 's capitalization amounts only to ₱1,000,000.00. However, it promises investors a guaranteed 37% monthly income from its investment schemes. Clearly, JOCALS688's business model and capitalization cannot sustain the promised returns of 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, JOCALS688 is engaged in the offering and selling of securities in the form of investment contracts without the necessary license from the Commission.

Moreover, the findings of the EIPD also warrant the issuance of a cease and desist order because the act of JOCALS688 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.[31] This finds support in the case of *Securities and Exchange Commission v. CJH Development Corp.*[32] (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</u>*

[31] Section 64 of the Securities Regulation Code.
[32] G.R. No. 210316, November 28, 2016.

> *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)

Thus, in the absence of a secondary license, JOCALS688 should be restrained from offering or selling securities in the form of investment contracts.

WHEREFORE, premises considered, **JOCALS688 BEAUTY AND WELLNESS PRODUCTS TRADING, INC.**, its managers, leaders, officers, agents, representatives, conduits, assigns, AND ANY AND ALL PERSONS CLAIMING AND ACTING FOR AND IN THEIR BEHALF are hereby ordered to **IMMEDIATELY CEASE AND DESIST**[33]**, UNDER PAIN OF CONTEMPT**, from engaging in activities of selling and/or offering for sale securities in the form of investment contracts or any others of the same nature, as discussed in this *Cease and Desist Order*, until the requisite registration statement is duly filed with and approved by the Commission.

JOCALS688 BEAUTY AND WELLNESS PRODUCTS TRADING, INC., its managers, leaders, officers, agents, representatives, conduits, assigns, AND ANY AND ALL PERSONS CLAIMING AND ACTING FOR AND IN THEIR BEHALF are likewise directed to **CEASE** from promoting the corporation's investment scheme through internet websites and any social media platforms.

Furthermore, the Commission hereby **PROHIBITS JOCALS688 BEAUTY AND WELLNESS PRODUCTS TRADING, INC.**, its partners, operators, directors, officers, salesmen agents, representatives, promoters, and all persons, conduit entities and subsidiaries claiming and acting for and on its behalf from transacting any business involving the funds in its depository banks, and from transferring, disposing, or conveying in any manner, all assets, properties, real or personal, including but not limited to bank deposits, of which JOCALS688 and/or the named persons herein may have any interest, claim or participation whatsoever, directly or indirectly, under its/their custody, to forestall grave and irreparable damage and/or prejudice to all

[33] Section 64.1, SRC, The Commission, after proper investigation or verification, *motu propio,* or upon verified complaint by any aggrieved party, may issue a cease and desist order without the necessity of a prior hearing if in its judgment the act or practice, unless restrained, will operate as fraud on investors or is otherwise likely to cause grave or irreparable injury or prejudice to the investing public.

concerned and to ensure the preservation of the assets for the benefit of the investors.

Finally, **JOCALS688 BEAUTY AND WELLNESS PRODUCTS TRADING, INC.**, its directors, officers, operators, salesmen, agents, managers, leaders, representatives and any and all persons claiming and acting for and in their behalf, are directed to **CEASE** their internet presence relating to the transactions and investment scheme covered by this ***Cease and Desist Order***. The Commission will institute the appropriate administrative and criminal action against any persons or entities found to act as solicitors, information providers, salesmen, agents, brokers, dealers or the like for and in behalf of the subject partnership.

The **EIPD** of the Commission is hereby **DIRECTED** to:

1) Serve this *Cease and Desist Order* to **JOCALS688 BEAUTY AND WELLNESS PRODUCTS TRADING, INC.**, their President, General Manager, Corporate Secretary, Treasurer or In-House Counsel; or if impracticable;[34]

2) Cause (a) the posting of this Order in the Commission's website and (b) the publication of the same in a newspaper of general circulation as provided for under Section 4-2, Rule IV, Part I of the 2016 Rules.

The 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 ***Cease and Desist Order***.

In accordance with the provisions of Section 64.3 of the SRC and Section 4-3 of the 2016 Rules of Procedure of the Commission, the respondents may file a ***Motion to Lift the CDO within five (5) days from receipt of this Cease and Desist Order***. The Motion to Lift the CDO must be filed to the Commission En Banc through the Office of the General Counsel.

Let a copy of this Order 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.

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[34] Due to Declaration of State of Public Health Emergency throughout the Philippines as declared by President Rodrigo Duterte under Presidential Proclamation No. 922. S. 2020 dated 8 March 2020.

SO ORDERED.

Pasay City, Philippines; 28 May 2020.

EMILIO B. AQUINO
Chairperson

EPHYRO LUIS B. AMATONG
Commissioner

JAVEY PAUL D. FRANCISCO
Commissioner

KELVIN LESTER K. LEE
Commissioner

KARLO S. BELLO
Commissioner