ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

In the Matter of:

For Revocation of Certificate of Incorporation for violation of Section 44 of the Revised Corporation Code of the Philippines (R.A. 11232) and Section 6 i (2) of Presidential Decree No. 902-A for serious misrepresentation as to what the corporation can do to the great prejudice of or damage to the general public

ALPHA OMEGA WORLD DEVELOPMENT MARSHALL PROGRAMME, INC.
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ORDER OF REVOCATION

This refers to **ALPHA OMEGA WORLD DEVELOPMENT MARSHALL PROGRAMME, INC. (ALPHA OMEGA WORLD for brevity),** a non-stock corporation registered with the Commission on 10 July 2017 under Company Reg. No. CN201722644, and with registered principal office address at the **#46 Kabignayan, Brgy. Tatalon, Quezon City**.

The primary purpose[1] of **ALPHA OMEGA WORLD** is quoted, as follows:

> *"To help and assist in the implementation of programme on massive infrastructure economic social development project of ECOSOC in accordance with applicable laws.*
>
> *To give donation to legitimate organization for the benefit of the Filipino People."*

[1] as amended on 10 February 2020.

On 3 November 2020, the Commission received a letter from the Philippine Center on Transnational Crime (PCTC), INTERPOL National Central Bureau Manila (NCB-Interpol Manila), reporting to the Commission that a group of private organizations/entities using "INTERPOL" as part of their organizations or corporate names are not in any way connected with and much less, deputized by NCB-Interpol Manila, pursuant to Executive Order No. 100 s. 1999 *(Strengthening the Operational, Administrative and Information Support System of the Philippine Center on Transnational Crime).*

According to PCTC, it has received information that said groups have been recruiting members from various sectors of society enticing them with salaries and benefits, and privileges such as issuance of identification cards, badges and grant of police and military ranks upon payment of certain amount as membership fee.

On 31 August 2021, the Commission issued an Advisory against Paramilitary/Pseudo Law Enforcement Civic-Oriented Organizations-Associations.[2] In said Advisory, the Commission informed the public that:

> *"The Certificate of Registration as a corporation does not grant a license or authority to conduct these paramilitary activities without the approval from the relevant government agencies. These entities or functions are outside the scope that can be conferred by the Revised Corporation Code of the Philippines or by the Commission, nor can their paramilitary/law-enforcement activities can be considered as incidental to or part of their express powers as a corporation.*
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> *Further, the certificate of registration issued by the Commission cannot confer rights or authority to use the name and logo of the United Nations, Interpol and other international organizations. The use thereof is subject to the consent/authority of these international organizations. Neither can the certificate of incorporation be used to create another form of government, state, or international organization.*
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> *Considering that these acts and practices blatantly constitutes misrepresentation and could advance fraudulent purposes or can be reasonably expected to cause significant, imminent, and irreparable danger or injury to public safety and welfare, the public is hereby warned that the Commission shall not tolerate the use of the corporate vehicle in proliferating these kinds of paramilitary activities/scheme.*
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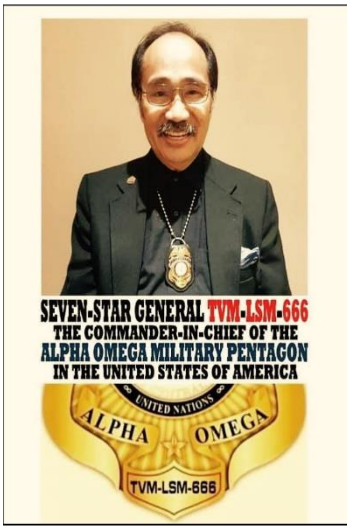
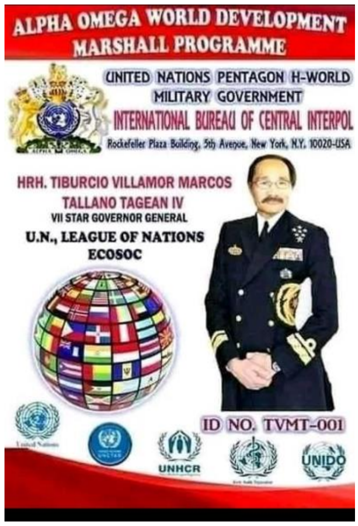
> *The Commission shall not hesitate to impose corresponding penalties under the Revised Corporation Code for violations committed by these corporations, without prejudice to liabilities individuals representing these corporations/entities may face for violations of the Revised Penal Code of the Philippines."*

[2] https://www.sec.gov.ph/advisories-2021/paramilitary-pseudo-law-enforcement-civic-oriented-organizationsassociations/

Based on investigation, it appears that **ALPHA OMEGA** is conducting the following activities:

1. Appropriation of military ranks to engage in activities or undertakings pertaining to the functions/mandates of the PNP, AFP, INTERPOL, UNITED NATIONS (UN) and its affiliate without any **authority/deputation from these law enforcement agencies and international organizations**;

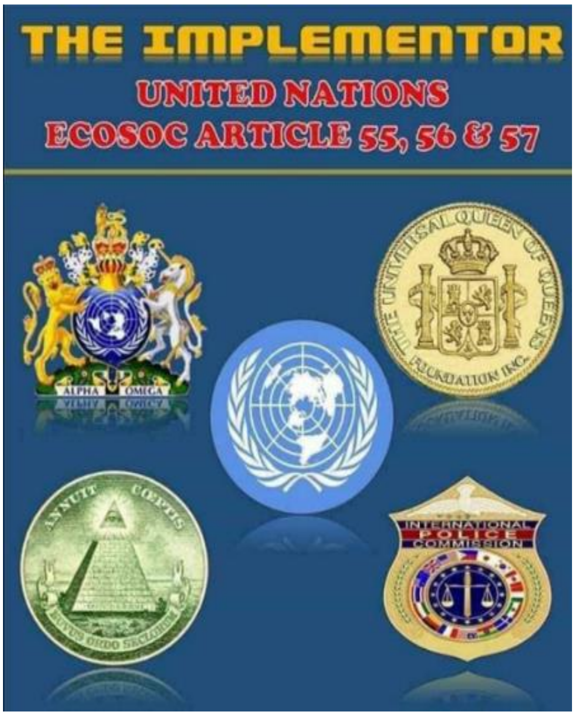




2. The **use and continued use of an unregistered trade name** “INTERPOLCOM” despite the issuance of SEC Memorandum Circular No. 9 series of 2018 *(Amendment of Guidelines and Procedure on the Use of Corporate and Partnership)* which states:

> *“8. The name of an international governmental organization, such as “International Criminal Police Organization” (INTERPOL), “International Monetary Fund” (IMF), and “International Labor Organization” (ILO), may not be used as part of a corporate or partnership name unless duly authorized or allowed by the Commission.”*

3. The **<u>appropriation and use of the United Nation</u>**'s name and logo without written authority to use the same.



On 18 January 2022, the Commission issued a **SHOW CAUSE ORDER** directing **ALPHA OMEGA** and its Board of Trustees to show cause in writing why its Certificate of Incorporation should not be revoked pursuant to Section 6 (i) (2) of Presidential Decree No. 902-A for serious misrepresentation as to what the corporation can do or is doing to the great prejudice of or damage to the general public.

The Show Cause Order further informed **ALPHA OMEGA** that its identified activities or functions are outside the scope that can be conferred by the *Revised Corporation Code of the Philippines* (**Republic Act No. 11232**) or by the Commission, nor can these paramilitary/law-enforcement activities be considered as incidental or part of its express powers as corporations.

On 29 March 2022, the Department endeavorred to serve personally the Show Cause Order at its principal address **#46 Kabignayan, Brgy. Tatalon, Quezon City.**[3] However, **ALPHA OMEGA** is no longer an occupant of the subject premises.[4] Thus, in accordance with Section Sec. 4.2.(a) and (d) of Rule IV (*Service and Filing*) of the 2016 SEC Rules of Procedure, the Show Cause Order was served upon one of its incorporator, DIONISIO TENG[5] at his address on record.

[3] A residential building of the Teng Family. The principal address based on the AOI and the 2018 General Information Sheet (GIS).

[4] Records of the Commission showed that the lone report filed by the company is its 2018 General Information Sheet.

[5] Received by his nephew, a certain Steve Teng. Dionisio V. Teng and Loreto V. Teng are incorporators of ALPHA OMEGA and appear to be residents of **#55 Kabignayan, Brgy. Tatalon Quezon City.**

Despite due notice, **ALPHA OMEGA** failed to answer the Show Cause Order issued by the Commission. Thus, by reason of the failure of **ALPHA OMEGA** to answer the material allegations mentioned in the Show Cause Order, the same is tantamount to a waiver of its opportunity to be heard and to refute the findings therein.

Accordingly, the factual backdrop of this case having been laid, we now resolve the instant proceedings on the basis of available evidence.

Preliminarily, it must be noted that every SEC registered corporation such as **ALPHA OMEGA**, is only allowed to exercise powers inherent to its corporate existence as provided in the Revised Corporation Code of the Philippines and those conferred in its Articles of Incorporation (AOI). In other words, what a corporation can do is necessarily circumscribed by its primary purpose clause in its AOI.

In an opinion,[6] the Commission pronounced that:

> *"It is the corporation's primary purpose clause which confers, as well as limits, the powers which a corporation may exercise and the character of a corporation is usually determined by the objects of its formation and the nature of its business as stated in the articles. The primary purpose of the corporation, as stated in its articles of incorporation, is the first business to be undertaken by the corporation. Hence, the primary purpose determines its classification."*

Thus, the purpose stated in the Articles of Incorporation need not set out with particularity the multitude of activities in which the corporation may engage. The effect of broad purposes or objects is to confer wide discretionary authority upon the directors and management of the corporation as to the kinds of business in which it may engage. However, ***dealings which are entirely irrelevant*** to the purposes are unauthorized and called ***ultra vires***. The purpose clause of the articles of incorporation indicates the extent as well as the limitations of the powers which a corporation may exercise.

Under Section 6 of Presidential Decree 902-A, the Commission has the power to suspend, or revoke, after proper notice and hearing, the franchise of certificate of registration or corporations, partnerships and associations, on the ground of serious misrepresentation as to what the corporation can do or is doing to the great prejudice of or damage to the general public. Likewise, Section 5.1 (m) of the SRC and Section 179 (j) of the RCCP empower the Commission to revoke the franchise or Certificate of Incorporation/registration of corporations registered with it.

Under the 2016 Rules of Procedure of the Securities and Exchange Commission, the EIPD shall exercise authority over persons and entities, whether under the primary authority of other Operating Departments, involved in the following:

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[6] SEC-OGC Opinion No. 11-33 dated 29 July 2011 addressed to Mr. Jesus B. Lapuz.

xxx "1. Investigations and administrative actions involving the following:

c) *Selling, offering or transacting unregistered securities by entities without secondary license;*

d) *ultra vires acts committed in violation of the Corporation Code;*

2. *Petitions for revocation[7] of corporate registration in all cases, except those which fall under the original authority of CRMD;*

3. *Administrative actions for fraudulent transactions involving securities;*

4. *Administrative actions for all other violations under PD 902-A, except those cases which fall under the original authority of other Operating Departments; and*

5. *All other matters involving investor protection filed by the public, referred by self-regulatory organizations, or referred by other Operating Departments after initial evaluation or findings that there is a possible violation of laws, rules or regulations that the Commission implements but do not fall under their respective original authority."*

Further, SEC Admin Case No. 11-10-124 entitled *In re: PHILBIO Renewable Energy Resources Corp.,* promulgated on 27 April 2016 provides what constitutes serious misrepresentation, to wit:

> *"From the foregoing, it is indubitable that PHILBIO misrepresented itself to the public that it can solicit investments despite the fact that it is not one of the purposes of the corporation. Worse, it does not have a license to offer/sell securities. PHILBIO operates an investment-taking scheme which is therefore considered an ultra vires act. These constitute serious misrepresentation as to what the corporation can do or doing to the great prejudice to the general public."*

In the instant case, the Department was tasked to carefully determine whether or not **ALPHA OMEGA** has committed serious misrepresentation as to what it can do or is doing to the great prejudice of or damage to the general public, on the basis of available evidence presented.

[7] Revocation refers to involuntary dissolution of corporate registration pursuant to Section 138 of the Revised Corporation Code.

In the determining the issue, the primary purpose of **ALPHA OMEGA** per its Articles of Incorporation as approved by the Commission is reiterated herein as follows:

> *"To help and assist in the implementation of programme on massive infrastructure economic social development project of ECOSOC in accordance with applicable laws.*
>
> *To give donation to legitimate organization for the benefit of the Filipino People."*

Corollary to the Articles of Incorporation is the **Certificate of Incorporation issued by the Commission which states that such certificate does not constitute an authority to undertake activities for which other government agencies require a license or permit**, to wit:

> *"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." (Underscoring ours)***

As to the appropriation of military ranks to engage in activities or undertakings pertaining to the functions/mandates of the PNP, AFP, INTERPOL, UNITED NATIONS (UN) and its affiliate without authority/deputation from these law enforcement agencies and international organizations**,** it must be noted that the principal purpose of **ALPHA OMEGA** does not contain any information that would show that warrant any logical relation of the conferment of the act (military rank) to the abovementioned corporate purpose. These activities do not have any direct and immediate furtherance of the corporation's activities, nor is it fairly incident to the express powers nor reasonably necessary to their exercise.

With regard to the issue of use and continued use of an unregistered trade name **"INTERPOLCOM"** in violation of SEC Memorandum Circular No. 9 series of 2018 (*Amendment of Guidelines and Procedure on the Use of Corporate and Partnership*), to reiterate, **ALPHA OMEGA** was not authorized by any duly constituted authorities to conduct activities and use "*INTERPOLCOM***"** such as the Philippine Center on Transnational Crime (PCTC), INTERPOL National Central Bureau Manila (NCB-Interpol Manila) under Executive Order No. 100 series of 1999, the Armed Forces of the Philippines and the Philippine National Police to conduct such activities. Further, in the use of the name and logo of United Nations, ALPHA OMEGA should provide a written consent and/or authorization from the United Nations.[8]

Other than the wearing of the uniforms and badges as shown in the Show-Cause Order, the use of the embodying the words "*INTERPOLCOM*" and the use of the name and the logo of the United Nations misleads the unwary public that **ALPHA OMEGA** has the authority or deputation, if not, a subdivision/affiliate of a law enforcement agency such as the Interpol and the United Nations.

The totality of the circumstances taken together would show that the activities or functions of **ALPHA OMEGA** are outside the scope that can be conferred by the Revised Corporation Code of the Philippines (Republic Act No. 11232) or by the Commission.

On the other hand, **ALPHA OMEGA's** purpose is *"to give donation to legitimate organization for the benefit of the Filipino People."* Pursuant to this purpose, a request was made by the Enforcement and Investor Protection Department as to whether **ALPHA OMEGA WORLD DEVELOPMENT MARSHALL PROGRAMME, INC.** acquired any registration, license or accreditation from DSWD to operate or conduct public solicitations and similar activities in accordance with the *Revised Omnibus Rules and Regulations on Public Solicitation*. The DSWD in its Certification dated 18 October 2021, certified that **ALPHA OMEGA** has no record in its SWDA and National Fund Raising Campaign/Public Solicitation databases and therefore has no Registration and License to operate from DSWD.

In accordance with DSWD's Memorandum Circular No. 17 series of 2018 or the "***Revised Guidelines Governing the Registration, Licensing of Social Welfare and Development (SWD) Agencies and Accreditation of SWD Programs and Services,***" which guidelines covers all public and private agencies and organizations engaged or planning to engage in providing direct or indirect SWD programs and services. The subject memorandum provides:

> *"Any private SWDA that intends to engage in SWD activities shall apply for registration with the concerned DSWD office within six (6) months from registration with the Securities (sic) and Exchange Commission (SEC) that gives juridical personality to an agency to operate in the Philippines.*
>
> *While those already engaged in the implementation of SWD programs and services must simultaneously apply for registration and license to operate"*

[8] Guidelines on the use of UN Emblem found at https://www.unvienna.org/uploads/protocol/res/generic-information_html/Guidelines_Use_of_UN_EMBLEM_internal_Oct2013.pdf.

Thus, it appears therefore that from the time of its incorporation up to the present, **ALPHA OMEGA** has no authority or license to operate as a social welfare and development agency and/or accredited to conduct social works as required under Section 23 of R.A. 10847[9] which amended R.A. 1575[10] and the Republic Act Nos. 4373[a] or the Social Work Law.

Furthermore, the Commission notes that **ALPHA OMEGA** in its correspondence with other government agencies is using the name, **THE UNIVERSAL QUEEN OF QUEENS FOUNDATION INC.** with **SEC Registration No. A200007600** issued on 30 May 2000.


ALPHA OMEGA WORLD DEVELOPMENT MARSHALL PROGRAMME
UNITED NATIONS PENTAGON H-WORLD MILITARY GOVERNMENT
&
THE UNIVERSAL QUEEN OF QUEENS FOUNDATION INC.
INTERNATIONAL BUREAU OF CENTRAL INTERPOL

United Nations Plaza, New York, N.Y. 10017-USA / Rockefeller Plaza Building, 5th Ave., New York 10020 U.S.A
Bone North Aritao Nueva Vizcaya Philippines / P.O. Box No. 148 Lapu-Lapu City Philippines.
E-mail address: [illegible] /tvmtallano@gmail.com/ [illegible]

In this regard, records of the Commission showed that the registration of **THE UNIVERSAL QUEEN OF QUEENS FOUNDATION INC.** was **REVOKED** by the Company Registration and Monitoring Department on 13 January 2014 on the ground of fraud in procuring its Certificate of Incorporation.

Taking into consideration the above facts, **ALPHA OMEGA**'s continuous operation could advance a fraudulent purpose and can be reasonably expected to cause significant, imminent and irreparable danger or injury to the public safety and welfare and can take advantage of the credulity of the public.

Verification from the records of the Commission show that since its incorporation on 11 January 2013 up to the present, **ALPHA OMEGA** has **only filed one General Information Sheet (GIS) for the year 2018 and it did not file any financial statements or audited financial statements**.

Records of the Commission further showed that, to date, **ALPHA OMEGA** has not submitted its Mandatory Disclosure Form. Under Section 9.1 and 9.2 of Chapter IX of Memorandum Circular No. 25 series of 2019 or the *Guidelines for the Protection of SEC Registered Non-Profit Organizations from Money Laundering and Terrorist Financing Abuse*, registered non-stock corporations such as **ALPHA OMEGA** are required to

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[9] An Act Lowering the Age Requirement for Applicants taking the Board Examination for Social Workers, Providing for Continuing Social Work Education, and Upgrading the Sundry Provisions relative to the Practice of Social Work.

[10] An Act to Amend Republic Act Numbered Four Thousand Three Hundred Seventy-Three, Entitled "An Act to Regulate the Practice of Social Work and the Operation of Social Work Agencies in the Philippines and for Other Purposes"

accomplish a **<u>revised MDF</u>** and submit the same to the Commission through the Anti-Money Laundering Division (AMLD) of this Department or the SEC Extension Office.

Under Section 9.5. of said memorandum provides **<u>that failure to comply with MC No. 25. s. 2019 is a cause for revocation</u>** of the certificate of incorporation of the non-complying non-stock corporation.

Accordingly, incorporation is not a matter of right but a mere privilege granted by the state. The grant being a mere privilege, the <u>state has the continuing interest in the existence of a corporation</u> in a sense that this privilege be <u>maintained only under the conditions of law</u> including <u>compliance with the mandatory requirements for corporations</u>.

The Certificate of Registration of **ALPHA OMEGA** as a corporation does not grant it a license or authority to conduct paramilitary activities without approval from the relevant government agencies. These activities or functions are outside the scope that can be conferred by the Revised Corporation Code of the Philippines or by the Commission, nor can their paramilitary/law-enforcement activities be considered as incidental to or part of their express powers as a corporation. Further, the certificate of registration issued by this Commission cannot confer rights or authority to use the name and logo of the United Nations, Interpol and other international organizations without their written consent.

Considering that these acts and practices blatantly constitutes *ultra vires* acts and therefore constitute serious misrepresentation that could advance a fraudulent purpose or can be reasonably expected to cause significant, imminent and irreparable danger or injury to the public safety and welfare, the issuance of this **ORDER** is warranted.

Section 44 of the RCCP provides:

> **SEC. 44. Ultra Vires Acts of Corporations.** — No corporation shall possess or exercise corporate powers other than those conferred by this Code or by its articles of incorporation and except as necessary or incidental to the exercise of the powers conferred.

WHEREFORE, for violation of Section 44 of the Revised Corporation Code of the Philippines (RCC or R.A. 11232) in relation P.D. 902-A and Section 5.1 (m) of the SRC and Section 179 (j) of the RCC, the Certificate of Incorporation/registration of **ALPHA OMEGA WORLD DEVELOPMENT MARSHALL PROGRAMME, INC.** as a corporation is hereby **REVOKED.**

Accordingly, let this Order be posted at the SEC website and attached by the Corporate Filing and Records Division of the Company Registration and Monitoring Department (CRMD) to the records of the corporation on file with the Commission. Further, the Information and Communications Technology Department (ICTD) of this Commission is likewise requested to enter the "*revoked*" status of subject corporation in the online database of the Commission.

SO ORDERED

Pasay City, 30 May 2022.

OLIVER O. LEONARDO
Director