ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

In the Matter of:

CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC

COMPANY REG. NO. 2020110003783-00
x---x

SEC EIPD Case No. **2021-3115**

For Revocation of Certificate of Incorporation for violation of the Revised Corporation Code of the Philippines (R.A. 11232) in relation to Sections 81, 28.1 and 26.1 of the Securities Regulation Code (R.A. 8799) 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

ORDER OF REVOCATION

This refers to **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC** ("CHIYUTO"), a one person corporation registered with the Commission on 23 November 2020 under Company Reg. No. 2020110003783-0. Its principal office address is at 14 Ayala Alabang Village, Tamarind St., Ayala Alabang, New Alabang Village, City of Muntinlupa, Fourth District, National Capital Region (NCR). Its primary purpose is:

> "*To engage in the business of providing assistance to companies and/or individuals on the facilitation of documents and other liaison contract services, without engaging in labor only contracting activity;*
>
> ***Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts.*** " (emphasis ours)

In this regard, this case stemmed from the various queries/information regarding CHIYUTO's activities. Some of which we hereby quote verbatim:

1. *"Don Chiyuto is enticing the public to invest in Chiyuto Creative Wealth Document Facilitation Service.* ***They are offering investments that will double your money in one (1) day, thirty (30) days or forty five (45) days depending on the promotion.*** *They are giving a 5% referral commission to someone who can bring additional investors to him. They are also giving away brand new car and motorcycles through raffle entries to entice investors.* ***This is obviously a Ponzi Scheme.*** *The whole Roxas City and some nearby provinces are already a victim of this investment scam. We are informed that high government officials, government employees and even police officials are already an investor. It is difficult to trust someone here in Roxas City when those officials who should make proper action on this matter are also blinded because of money. He can even control some of the media here in Roxas City. Again! It is difficult to trust anyone here in Roxas City! They are being manipulated by Don Chiyuto. The money involved is already millions in pesos. Don Chiyuto is only presenting his registration with the Department of Trade Industry (DTI) and Bureau of Internal Revenue (BIR) Tax Identification Number (TIN) as proof of the legalities of his investment company. His company is not registered with the Securities and Exchange Commission (SEC). The office location of this company is in Brgy. Tanque Ilaya, Roxas City, Capiz with telephone number (036) 651-0769. There are rumors that Don Chiyuto is planning to relocate his office. Based on his staff, Don Chiyuto will build a new office in Brgy. Cagay, Roxas City that can accomodate 1,000 people. People are not bothered by the issuances of SEC and BSP as a huge number of investors rushed to the office of Don Chiyuto to invest their hard earned money, some are even selling their properties to invest. Attached are photos of the breach of social distancing protocol in the office of Chiyuto Creative Wealth Document Facilitation Service as people are not bothered by the spread of the COVID-19 virus just to get in line to withdraw and invest their money for a higher return. This is alarming since there is an increase in the number of COVID-19 positive cases here in Roxas City. They make use or take advantage of the COVID-19 pandemic to prey on the public through scams which is a direct violation of Republic Act No. 11469, or the Bayanihan to Heal as One Act. Even the local government has no action on this matter. Also attached are the screenshots of Facebook accounts of alleged salesmen directly involved in the operation of this illegal scheme. Also they are not registered in the Securities and Exchange Commission in violation of Republic Act No. 8799 or The Securities Regulation Code. These people are the frontliners of the company." (Emphasis Ours)"***;**

2. *"hi, please hide my identity for safety and privacy purposes some of the member of this chiyuto schemes are mostly my relatives in*

roxas city and capiz the said group is operating freely and becoming largely on roxas city and capiz many of my relatives and their friends are investing in this chiyuto group promising to ***double your money in a matter of 1 month without any risk.*** *i hope you can catch this scammers i heard a story from my relatives that they are placing their hard earn money to this chiyuto group 400,000 to 1Million lending more money from other friends just to invest to this chiyuto group, some of them just pay outs from this scammers so they feel this chiyuto group is Legal and Legit." (Emphasis Ours)"****;*** and

3. "*Just want to submit some documents from chiyuto investment.* ***I wasn't able to receive my money last January 20 2021 with the capital amount of 20K peso.*** *I cannot complain personally for the reason that I was out of the country and the name used to invest in the said scheme is under the name of my sister. My sister don't like to complain for she still hoping for her pay out. Hope you will do action to this matter.*"

The investment scheme being offered by Patrocenio Calvez Chiyuto, Jr. (a.k.a. Don Chiyuto/Don Zhang Lee Chiyuto/Doc Don/Mr. Solve) and his agents and representatives, otherwise known as the "Double-Your-Money Roulette Game" scheme, commenced through the auspices of CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES, a DTI-registered entity with Certificate of Business Name No. 1593167 issued on 18 February 2020 under the name of Patrocenio Calvez Chiyuto Jr.

Don Chiyuto
11h ·

August is the eight month of the year...
And we are still in a state of pandemic.

In this time, What we all need is TRUST and LOVE, and STOP worrying about what will happen next.

We, your CCWDFS Family are willing to help to alleviate your worries and replace them with HAPPINESS 🎉

AND FOR THIS MONTH OF AUGUST,

THE NEW SCHEME HAS COME 🔥

By the CCWDFS special roulette,

🟣 The roulette has set of dates, which every investors will spin the roulette wheel and they will know immediately when is their PAYOUT DAY.

THE SET OF DATES ARE:

✅ 45 DAYS - DOUBLE YOUR MONEY
✅ 30 DAYS - DOUBLE YOUR MONEY

AND THE EXCITING PART IS ...

🔥 THE 1 DAY DOUBLE YOUR MONEY INVESTMENT

Isn't it EGGZOITINGGGGG ⁉️

So, what are you waiting for?

❗❗❗ INVEST NOW ❗❗❗

Thank you and God bless 😇

**

Thus, on 18 August 2020, this Department issued an Advisory informing the public that CHIYUTO is ”NOT AUTHORIZED to solicit investments from the public since it has not secured prior registration and/or license from the Commission as prescribed under Sections 8 and 28 of the Securities Regulation Code.” It was further stated therein that: “The public is advised NOT TO INVEST or STOP INVESTING in any investment scheme being offered by any individual or group of persons allegedly for or on behalf of CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES xxx.”

Likewise, on 23 October 2020, this Commission also posted an Investor Alert in Tagalog against CHIYUTO at the official Facebook page of the SEC (https://www.facebook.com/PhilippineSEC/) as a continuing warning for investors about the investment scheme of the company, as follows:

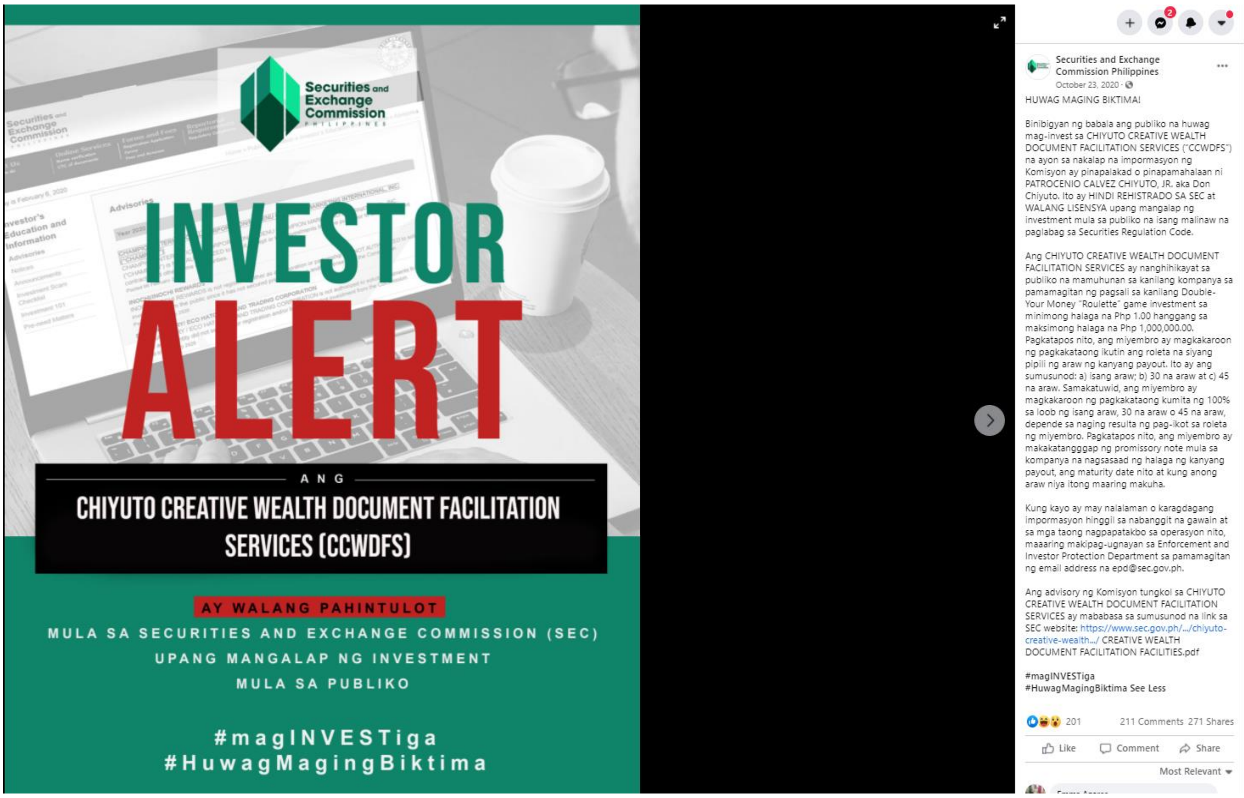
"HUWAG MAGING BIKTIMA!

Binibigyan ng babala ang publiko na huwag mag-invest sa CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES ("CCWDFS") na ayon sa nakalap na impormasyon ng Komisyon ay pinapalakad o pinapamahalaan ni PATROCENIO CALVEZ CHIYUTO, JR. aka Don Chiyuto. Ito ay HINDI REHISTRADO SA SEC at WALANG LISENSYA upang mangalap ng investment mula sa publiko na isang malinaw na paglabag sa Securities Regulation Code.

Ang CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES ay nanghihikayat sa publiko na mamuhunan sa kanilang kompanya sa pamamagitan ng pagsali sa kanilang Double-Your Money "Roulette" game investment sa minimong halaga na Php 1.00 hanggang sa maksimong halaga na Php 1,000,000.00. Pagkatapos nito, ang miyembro ay magkakaroon ng pagkakataong ikutin ang roleta na siyang pipili ng araw ng kanyang payout. Ito ay ang sumusunod: a) isang araw; b) 30 na araw at c) 45 na araw. Samakatuwid, ang miyembro ay magkakaroon ng pagkakataong kumita ng 100% sa loob ng isang araw, 30 na araw o 45 na araw, depende sa naging resulta ng pag-ikot sa roleta ng miyembro. Pagkatapos nito, ang miyembro ay makakatangggap ng promissory note mula sa kompanya na nagsasaad ng halaga ng kanyang payout, ang maturity date nito at kung anong araw niya itong maaring makuha.

Kung kayo ay may nalalaman o karagdagang impormasyon hinggil sa nabanggit na gawain at sa mga taong nagpapatakbo sa operasyon nito, maaaring makipag-ugnayan sa Enforcement and Investor Protection Department sa pamamagitan ng email address na epd@sec.gov.ph.

Ang advisory ng Komisyon tungkol sa CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES ay mababasa sa sumusunod na link sa SEC website: https://www.sec.gov.ph/.../chiyuto-creative-wealth.../ CREATIVE WEALTH DOCUMENT FACILITATION FACILITIES.pdf"



Subsequently, **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC** was registered with this Commission under Company Registration No. 2020110003783-00 on 23 November 2020 as a one-person corporation with the following as its stockholder-director-president, nominee and alternate nominee:

NAMES	ADDRESS	NATIONALITY
1. Patrocenio C. Chiyuto Jr. (sole stockholder-director-president)	14 Ayala Alabang Village, Tamarind St. Ayala Alabang, New Alabang Village, City of Muntinlupa, Fourth District, National Capital Region (NCR), 1780	Filipino
2. Judy B Pajarillo (Nominee)	B2 Lot16 Ph2 Avida, Sta. Cecilia Village, Salawag, City Of Dasmariñas, Cavite, Region Iv-A (CALABARZON), 4114	Filipino
3. Felomina L. Andrada (Alternate Nominee)	Rizal Adlawan, Roxas City (Capital), Capiz, Region VI (Western Visayas), 5800	Filipino

Notwithstanding the issuance of the Advisory and Investor Alert and the *proviso* indicated in its primary purpose which specifically prohibits it from soliciting, accepting or taking of investments/placements from the public nor the issuance of investment contracts, the company's offering/selling of securities or investments to the public continued unabated through its owner, agents, representatives, enablers and influencers.

Santiago City Online Market
Group post by Alma Tuazon Rivera · Dec 18, 2020 ·

AMAZING ! TALAGA AS IN ITO NA ANG MAKABAGONG PARAAN, LET THE MONEY WORKS FOR YOU AS IN
Kung gusto nyo po mbgo ang buhay na nksanayan nyo grab nyo npo opportunity na ito pm
lng po pra maassist po kau

CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES (CCWDFS) IS IN 30 DAYS HOT PROMO

HUWAG PAHUHULI TRENDING IN ROXAS CITY LIBO-LIBONG INVESTORS NA ANG KUMIKITA, MULA SA ORDINARYONG MAMAYAN, MIDDLE CLASS, NESGOSYANTE, OFW MALAKAS PA SA BAGYO

THE NEW INVESTMENT CAPITAL OF THE PHILIPPINES CCWDFS IN ROXAS CITY

Thank you for all the blessings Doc. Don Chiyuto
PM IS THE KEY

#DonChiyutolangangMalakas
#chiyutocreativewealthdocumentfacilitationservices
#ccwdfslegitpayinginvestmentinroxascity
#capizeñosareblessedbeapartofit
#thankyoudocdonchiyutopilanthropistsamaritanblessingsfromabove
#CCWDFSTeamKARLVILL
#Beapartofourteamkarlvill

Like Share

9

1:44 41%

Posts

Metro Manila Online Buy and Sell

Group post by John Barredo Laforteza Jr. • Dec 25, 2020 •

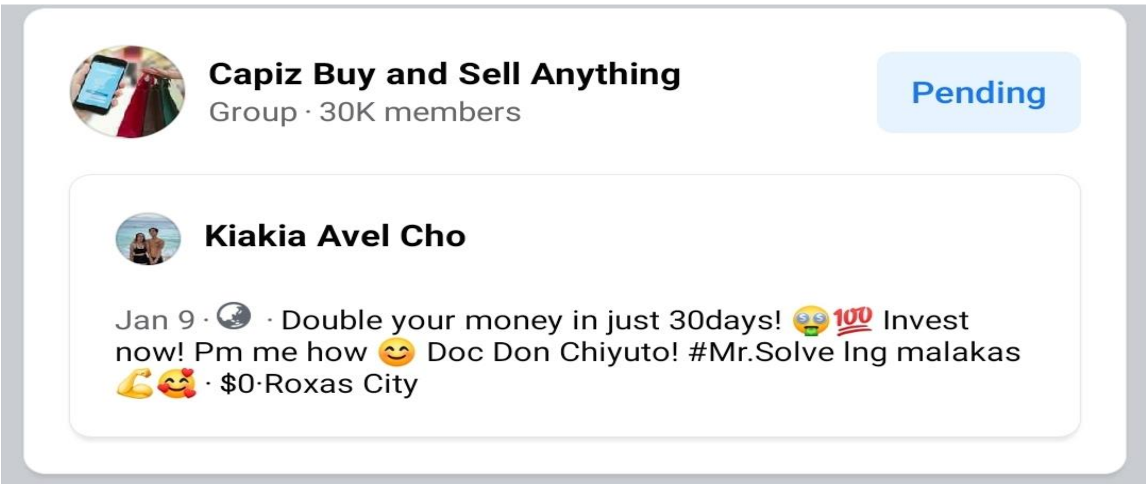
TALAGA AS IN ITO NA ANG MAKABAGONG PARAAN, LET THE MONEY WORKS FOR YOU AS IN

👉👍 CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES (CCWDFS) IS IN 30 DAYS THIS DECEMBER

HUWAG KANA PAHUHULI TRENDING IN ROXAS CITY LIBO-LIBONG INVESTORS NA ANG KUMIKITA, MULA SA ORDINARYONG MAMAYAN, MIDDLE CLASS, NESGOSYANTE, MALAKAS PA SA BAGYO

LEGIT PAYING INVESTMENT IN ROXAS CITY 👌👍
Thank you Doc. Don Chiyuto
PM IS THE KEY
📩📩

#DonChiyutoIangangMalakas
#TeamLafortezaJr
#chiyutocreativewealthdocumentfacilitationservices
#ccwdfslegitpayinginvestmentinroxascity
#capizeñosareblessedbeapartofit
#thankyoudocdonchiyutopilanthropistsamaritanblessingsfromabove



The Enforcement and Investor Protection Department (EIPD) requested the Commission's Markets and Securities Regulation Department (MSRD), Corporate Governance and Finance Department (CGFD), and Company Registration and Monitoring Department (CRMD) to determine if CHIYUTO was issued or has a pending application for a permit to offer securities for sale.

In reply, the MSRD certified that CHIYUTO has not registered any securities pursuant to Sections 8 and 12 of the Securities Regulation Code. Likewise, MSRD has not issued a Permit to Sell securities in favor of **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES** and **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC.** Further, said entities has not filed nor has any pending application for registration/permit to sell securities.

The CGFD certified that **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES/CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC** are not registered issuers of mutual funds, exchange traded funds and proprietary/non-proprietary shares or membership certificates and timeshares pursuant to Sections 18 and 12 of the Securities Regulation Code and therefore not licensed to offer or sell such securities to the public.

On the other hand, the CRMD certified that **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC** has not been issued a secondary license as a Lending Company, Broker and/or Dealer of Securities, Dealer in Government Securities, Investment Adviser of an Investment Company, Investment House and Transfer Agent. Further, it has not filed nor has any pending application for secondary license with CRMD.

The CRMD further certified that ***PATROCENIO C. CHIYUTO, CAN MARICRIS CHIYUTO, MARY JOY CHIYUTO CANOBIDA, NANETH BARRUELA,*** *and* ***EZEQUIEL CANOBIDA*** have not been issued a Certificate of Registration as registered Associated Person, Comliance Officer, Salesman and/or Certified Investment Solicitor of a Broker Dealer in Securities Investment, Investment House, Underwriter of Securities, Investment Company Adviser, and/or Mutual Fund Distributor.

The Bangko Sentral ng Pilipinas (BSP) has also issued a Public Advisory against CHIYUTO for having illegally/inappropriately used its logo in CHIYUTO's websites, social media accounts, and promotional materials with intent to deceive the public and making it appear that such entity is duly-recognized by the BSP.

BANGKO SENTRAL NG PILIPINAS

Public Advisory

Entities Mis-using the BSP Name and Logo

The Bangko Sentral ng Pilipinas (BSP) reminds the public to beware of individuals, groups or companies using the BSP name and logo in their websites, social media accounts and promotional materials. They usually claim that their products, services and assets are licensed, authorized, guaranteed, verified, certified or confirmed by the BSP.

Do NOT believe misrepresentations by these entities, such as G7 Digibanc, Chiyuto Creative Wealth Document Facilitation Services, and their representatives. Do NOT entertain any product offering or financial transactions with them.

To confirm whether a financial institution is licensed and supervised by the BSP, the public may view the list at:

http://www.bsp.gov.ph/banking/directories.asp

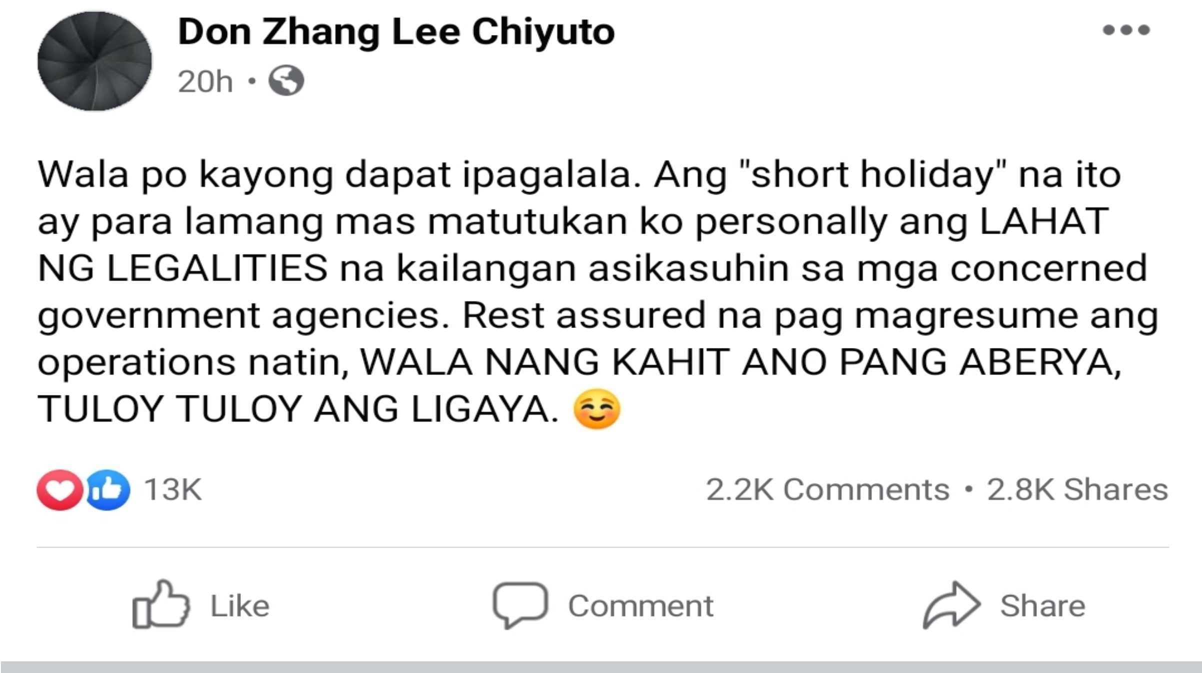
Immediately report misrepresentations of the BSP to:

The Consumer Empowerment Group
Center for Learning and Inclusion Advocacy
BANGKO SENTRAL NG PILIPINAS
A. Mabini St., Malate, Manila 1004
E-mail: consumeraffairs@bsp.gov.ph
Tel. Nos.: 8708-7087; 5306-2584

PROTECT YOURSELF FROM SCAMMERS. BE INFORMED. BE VIGILANT.

Despite the issuance of a public warning by this Commission, CHIYUTO did not bother to react, much less refute the issued Advisory against it.

Subsequently, it declared a "short holiday" through a Facebook post by its owner, Don Chiyuto (known also by his FB page as "Don Zhang Lee Chiyuto") essentially admitting their illegal operations and that there were issues confronting the company's licenses and permits. Ironically, with that admission, the company failed to perform upon itself, its supposed core business of "document facilitation."



On 01 February 2021, the Commission *en banc* issued a Cease and Desist Order against CHIYUTO, the dispositive portion of which is quoted below:

> "**WHEREFORE**, premises considered, **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES/CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC,** its owner, principal, proprietor and sole stockholder-director-president, **PATROCENIO C. CHIYUTO, JR., a.k.a. DON CHIYUTO/DOC DON/DON ZHANG LEE CHIYUTO/MR. SOLVE,** nominee, **JUDY B. PAJARILLO**, alternate nominee, **FELOMINA L. ANDRADA,** officers, representatives, salesmen, solicitors, agents, uplines, enablers and influencers, such as **MARICRIS CAN CHIYUTO, MARIA CHRISTINA CHIYUTO CANOBIDA, NANETH BARRUELA, AURELIZA APA-AP, CAPIZ BUY AND SELL ANYTHING, KIAKA AVEL CHO, SANTIAGO CITY ONLINE MARKET,** and any and all persons claiming and acting for and in their behalf, are hereby directed to **IMMEDIATELY CEASE AND DESIST UNDER PAIN OF CONTEMPT** from further engaging in activities of selling or offering for sale securities and to remove or take down their online posts and offerings until the requisite registration statement is duly filed with and approved by the SEC and the corresponding license to offer/sell securities is issued.

> The Commission further **ENJOINS CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES/CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC,** its owner, principal, proprietor and sole stockholder-director-president, **PATROCENIO C. CHIYUTO, JR., a.k.a. DON CHIYUTO/DOC DON/DON ZHANG LEE CHIYUTO/MR. SOLVE,** nominee, **JUDY B. PAJARILLO**, alternate nominee, **FELOMINA L. ANDRADA,** officers, representatives, salesmen, solicitors, agents, uplines, enablers and influencers, such as **MARICRIS CAN CHIYUTO, MARIA CHRISTINA CHIYUTO CANOBIDA, NANETH BARRUELA, AURELIZA APA-AP, CAPIZ BUY AND SELL ANYTHING, KIAKA AVEL CHO, SANTIAGO CITY ONLINE MARKET,** and any and all persons claiming and acting for and in their behalf, from transacting any and all business involving the funds covered by this CDO in its depository banks, and from transferring, disposing, or conveying in any other manner, any and all assets, properties, real or personal, including bank deposits, if any, of which the named persons herein may have any interest, claim or participation whatsoever, whether directly or indirectly, under their custody, immediately to forestall grave damage and prejudice to all concerned and to ensure the preservation of the assets for the benefit of the investors."

On 02 February 2021, a ***Show Cause Order*** was issued by the Department against CHIYUTO and its single stockholder-director-president, nominee and alternate nominee, directing them to show cause within five (5) days from receipt thereof why:

I. The Certificate of Registration/Incorporation of **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC** 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; and

II. No administrative sanctions should be imposed against the subject corporation and its directors, officers, nominee and alternate nominee for violation of Sections 8.1, 28.1 and 26.1 of the Securities Regulation Code (SRC) and its Implementing Rules and Regulations.

However, when the Show Cause Order was to be served by the SEC Team at the declared principal office address of the company which is also the professed residential address of its sole stockholder-director-president, Patrocenio C. Chiyuto, Jr. located at "14 Ayala Alabang Village, Tamarind St., Ayala Alabang, New Alabang Village, City of Muntinlupa, National Capital Region (NCR) 1780," the village guard on-duty at the gate, a certain SG Edwin Putian, attested to the SEC Team that while there is indeed a "Tamarind Drive" inside the village, there is no existing Number 14 therein.

On the other hand, for good measure, upon the request of this Department, personnel from the SEC Iloilo Extension Office together with field agents from the National Bureau of Investigation Region VI, went to the declared address of the Chiyuto's alternate nominee, Felomina L. Andrada purportedly at Rizal Adlawan, Roxas City (Capital), Capiz, Region VI to also serve the show-cause letter. However, as confirmed by Barangay Adlawan Punong Barangay, Roberto Ross Roldan, no such person exists within his territory.

In addition, the show-cause letter was sent on 02 February 2021 to the company's email: **pcc.macaranas.abi@gmail.com** which is the same email of the company's contact person per records of the Commission, Ms. Abigail Altar Macaranas.

COVER SHEET

COMPANY REGISTRATION AND MONITORING DEPARTMENT

Nature of Application	SEC Registration Number
REGISTRATION	

COMPANY NAME

CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC

Principal Office (No./Street/Barangay/City/Town/Province)

44 AYALA ALABANG VILLAGE TAMARIND ST. AYALA ALABANG New Alabang Village, CITY OF MUNTINLUPA, FOURTH DISTRICT, NATIONAL CAPITAL REGION (NCR), 1780

COMPANY INFORMATION

Industry Code	Industry Description
N821	**Office administrative and support activities**

Company's Email	Company's Telephone Number/s	Company's Mobile Number
pcc.macaranas.abi@gmail.com		**09654222140**

CONTACT PERSON INFORMATION

Name of Contact	Email Address	Telephone Number/s	Mobile Number/s
ABIGAIL ALTAR MACARANAS	**pcc.macaranas.abi@gmail.com**		**09654222140**

SECURITIES AND EXCHANGE COMMISSION

Registration Application Form Summary - **Interim Registration System**

REFERENCE NUMBER :	SEC201120-KYYAZJRR5HLVMPJ		
DATE SUBMITTED :	2020-11-20 13:27:23		
PROCESSING OFFICE :	SEC Main Office - PICC		
APPLICANT/REPRESENTATIVE CONTACT DETAILS			
Name:	ABIGAIL ALTAR MACARANAS	**Email:**	pcc.macaranas.abi@gmail.com
Mobile:	09654222140	**Phone:**	

COMPANY DETAILS			
Company Name:	CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC		
Type:	Stock Corporation	**Sub-Type:**	One Person Corporation
Classification:	ALL FILIPINO	**Sub-Class:**	Natural Person
Industry:	ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES		
Sub-Industry:	Office administrative and support activities		
Purpose:	To engage in the business of providing assistance to companies and/or individuals on the facilitation of documents and other liaison contract services, without engaging in labor only contracting activity.		

PRINCIPAL OFFICE ADDRESS			
Lot/Block/Phase/ House No.:	14	**Unit/Room/Floor/ Building#:**	N/A
Subdivision/ Village/Zone:	AYALA ALABANG VILLAGE	**Building Name:**	N/A
Street Name:	TAMARIND ST.		
Zip Code:	1780	**Barangay:**	New Alabang Village
Town/District:	AYALA ALABANG	**City/Municipality:**	CITY OF MUNTINLUPA
Province:	FOURTH DISTRICT	**Region:**	NATIONAL CAPITAL REGION (NCR)

CAPITAL STRUCTURE	
Total Authorized Capital Stock:	P 1,000,000.00
Total Subscribed Capital Stock:	P 250,000.00
Total Paid-Up Capital Stock:	P 250,000.00
Share and Par Value: **All share are with par value**	The authorized capital stock is divided into **10,000** shares with par value of **100.00** Pesos per share.
Fiscal Year:	January 1 - December 31
Terms of existence:	Perpetual
Business Activities:	Service
OFFICERS	
Treasurer:	JUDY BALDOMERO PAJARILLO
Treasurer's TIN/Passport:	284-083-623-000
Stockholder	

Name:	PATROCENIO C CHIYUTO JR.
TIN / Passport:	245-988-533-000
Nationality:	Philippine, Filipino
Address:	14 AYALA ALABANG VILLAGE TAMARIND ST. AYALA ALABANG New Alabang Village, CITY OF MUNTINLUPA, FOURTH DISTRICT, NATIONAL CAPITAL REGION (NCR), 1780

Share Type	No. of Shares Subscribed	Subscribed Amount	Additional Paid-in Capital	Paid Up Capital
1.Common	2,500	P250,000.00	P0.00	P250,000.00
Total	**2,500**	**P250,000.00**	**P0.00**	**P250,000.00**

Subscription Payment Method		
1.Common	Cash	P250,000.00
	Total	**P250,000.00**

Nominee	
Name:	JUDY B PAJARILLO
TIN / Passport:	284-083-623-000
Nationality:	Philippine, Filipino
Address:	B2 LOT16 PH2 AVIDA STA.CECILIA VILLAGE Salawag, CITY OF DASMARIÑAS, CAVITE, REGION IV-A (CALABARZON), 4114
Alternate Nominee	
Name:	FELOMINA L ANDRADA
TIN / Passport:	252-539-110-000
Nationality:	Philippine, Filipino
Address:	RIZAL Adlawan, ROXAS CITY (Capital), CAPIZ, REGION VI (WESTERN VISAYAS), 5800

Certification

I, **ABIGAIL ALTAR MACARANAS**, Filipino, of legal age, and with office address at [illegible], after having been sworn in accordance with law, hereby certify that:

1. I am the duly appointed representative of **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC** and its incorporators which is currently in the process of securing their business registrations;

2. I have read and understood the Interim Registration System (IRS)'s Terms of Use and Privacy Policy;

3. Upon verification with the incorporators, the true and correct information for the pursuance of the application of **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC** for registration has been ascertained, and thereafter personally encoded by me through the Interim Registration System;

4. That fully-accomplished physical copies of the documents submitted in support of the application for registration have been reviewed by me and I confirm that the information indicated therein accurately reflect and match the data already provided through the IRS;

5. The documents submitted will be subjected to a post-registration evaluation to determine compliance with the applicable laws, rules and regulations;

6. Any defect in the Articles of Incorporation shall constitute a valid ground to revoke the registration and cancel the certificate this issued. Provided, however, that if the defect may be cured by a Petition for Correction, or an application for amendment, of the Articles of Incorporation, **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC** will file the necessary remedial measure within ninety (90) calendar days from notice of the defect.

I HEREBY DECLARE UNDER THE PENALTY OF PERJURY THAT THE FOREGOING ATTESTATIONS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

ABIGAIL ALTAR MACARANAS
Representative/Incorporator
TIN: 769-699-308-000

SUBSCRIBED AND SWORN TO before me, this ______ day of NOV 23 2020, 20___, affiant exhibiting to me his/her Tax Indentification Number 769-699-308-000 issued on [illegible].

ATTY. JOVINO R. ANGEL
NOTARY PUBLIC
UNTIL DECEMBER 31, 2020
SUITE 1 WHITE HOUSE
170 VILLARUEL STREET PASAY CITY
PTR NO.: 7027688 1/7/20 PASAY
IBP NO.: 105427 1/7/20 PASIG
MCLE COMPLIANCE NO.: VI-0 02224-4/4/410
ROLL OF ATTORNEY'S NO.: 20761
NOTARIAL COMMISSION NO.: 19-47

Doc. No. 36;
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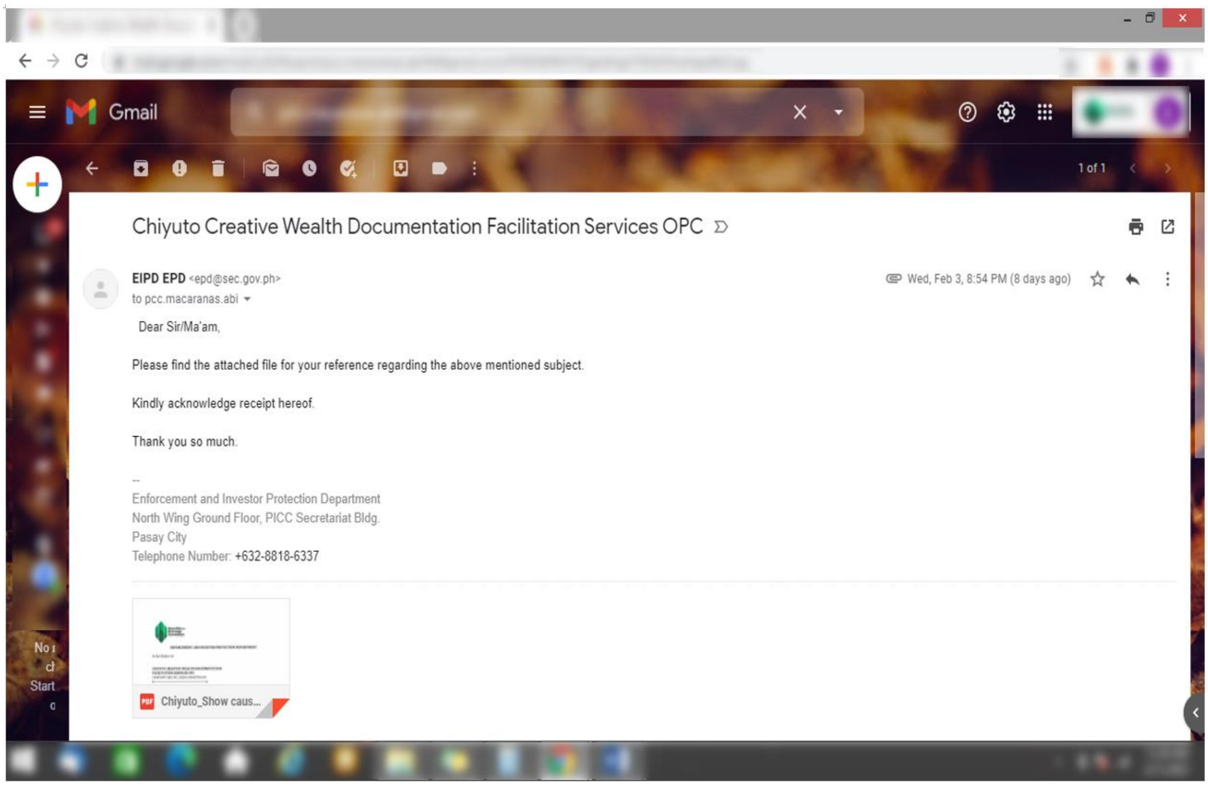
Page **16** of **30**


Gmail
1 of 1
Chiyuto Creative Wealth Documentation Facilitation Services OPC
EIPD EPD <epd@sec.gov.ph>
to pcc.macaranas.abi
Wed, Feb 3, 8:54 PM (8 days ago)
Dear Sir/Ma'am,
Please find the attached file for your reference regarding the above mentioned subject.
Kindly acknowledge receipt hereof.
Thank you so much.
--
Enforcement and Investor Protection Department
North Wing Ground Floor, PICC Secretariat Bldg.
Pasay City
Telephone Number: +632-8818-6337
Chiyuto_Show caus...
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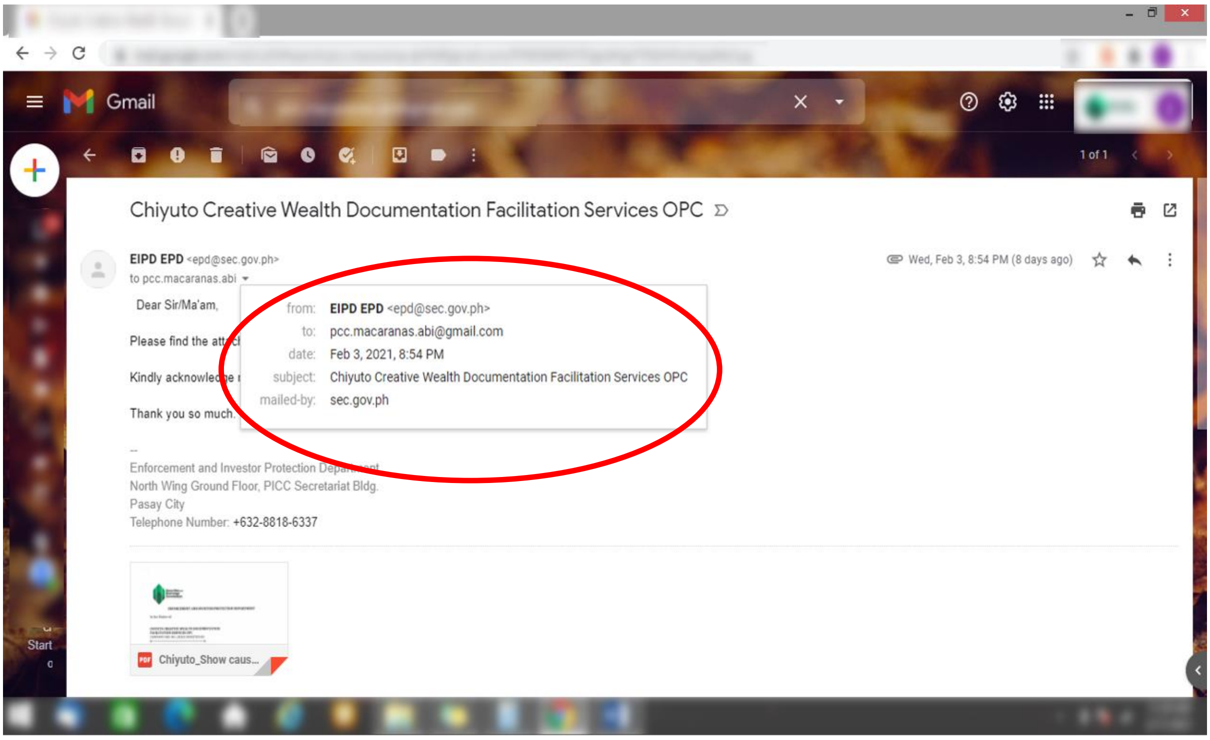
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Dear Sir/Ma'am,
from: EIPD EPD <epd@sec.gov.ph>
to: pcc.macaranas.abi@gmail.com
date: Feb 3, 2021, 8:54 PM
subject: Chiyuto Creative Wealth Documentation Facilitation Services OPC
mailed-by: sec.gov.ph
Thank you so much.
--
North Wing Ground Floor, PICC Secretariat Bldg.
Pasay City
Telephone Number: +632-8818-6337
Chiyuto_Show caus...
Start

The Commission also caused the posting of a Press Release at the SEC website entitled, ***"SEC Stops Chiyuto's Illegal Investment Scheme"***[1] and also disseminated the same to the media. An excerpt of the Press Release stated that:

> "The SEC emphasized that the certificate of registration granted to Chiyuto explicitly prohibited it from soliciting, accepting, or taking investments or placements from the public, as well as issuing investment contracts, without securing a secondary license.
>
> **Accordingly, in a letter dated February 2, the SEC Enforcement and Investor Protection Department subsequently directed Chiyuto to show cause why its certificate of registration should not be revoked and no administrative sanctions should be imposed against it and its directors, officers and nominees.**
>
> The Commission warned the public against investing in Chiyuto and other entities engaged in unauthorized investment-taking activities as early as August 18, 2020 through an advisory, as well as through an investor alert posted on its official Facebook page on October 23, 2020."

Said Press Release was prominently carried by major publications and websites.[2]

To date, despite such receipt and presumptive notice of the Show-Cause Order as detailed above, the company failed to respond which shall be taken against it and construed as a waiver of its right to be heard as to the allegations stated in the aforementioned Show Cause Order.

Accordingly, as stated in the Certification executed by Ms. Macaranas as the duly-appointed representative of CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC, "any defect in the Articles of Incorporation shall constitute a valid ground to revoke the registration and cancel the certificate thus issued." Hence, the intentional declaration of a false principal office and residential address is a glaring defect which is tantamount to fraud in the procurement of the Certificate of Incorporation -- a ground for the revocation of the issued Certificate of Incorporation under Section 6 i (1) of Presidential Decree No. 902-A.

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[1] https://www.sec.gov.ph/pr-2021/sec-stops-chiyutos-illegal-investment-scheme/

[2] https://www.philstar.com/the-freeman/cebu-business/2021/02/06/2075725/sec-bars-chiyuto-creativefrom-soliciting-investments
https://businessmirror.com.ph/2021/02/05/sec-orders-chiyuto-to-stop-offering-investment-scheme/
https://www.sunstar.com.ph/article/1884991/Manila/Local-News/SEC-stops-Chiyutos-illegal-investment-scheme
https://mindanaotimes.com.ph/2021/02/05/sec-orders-halt-on-chiyuto-illegal-investment-scheme/
https://dailyguardian.com.ph/why-sec-shut-down-chiyutos-investment-firm/

It also provided under Section 54.1 of the Securities Regulation Code that:

> **Section 54.** *Administrative Sanctions*. – 54.1. If, after due notice and hearing, the Commission finds that: xxx (c) **<u>Any registrant</u>** or other person has, in xxx **applications xxx or documents required by law or rules to be filed with the Commission**, **<u>made any untrue statement of a material fact</u>** xxx impose any or all of the following sanctions as may be appropriate in light of the facts and circumstances:
>
> xxx
>
> (ii) A fine of no less than Ten thousand pesos (P10,000.00) nor more than One million pesos (P1,000,000.00) plus not more than Two thousand pesos (P2,000.00) for each day of continuing violation;
>
> xxx
>
> (v) Other penalties within the power of the Commission to impose. (emphasis supplied)

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

Section 3.1 of the Securities Regulation Code (SRC) defines securities as:

> "3.1 "Securities" are shares, participation or interest in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificate, contract, instrument, whether written or electronic in character. It includes:
>
> xxx
>
> *(b)* ***Investment contracts*** xxx"

An investment contract on the other hand, is defined under SRC Rule 26.3.5 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code (2015 SRC Rules) as follows:.

> An **investment contract** means a contract, transaction or scheme (collectively "contract") whereby a person invests his money in a common enterprise and is led to expect profits primarily from the efforts of others.
>
> 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."

Further, the elements of an investment contract were enumerated in the case of *Power Homes Unlimited Corporation vs. SEC* which traces its roots from the case of *SEC vs. W. J. Howey Co.* and was later modified in the case of *SEC vs. Glenn W. Turner Enterprises, Inc.* as follows:

- A contract, transaction or scheme
- An investment of money
- A common enterprise
- Expectation of profits
- Profits arises primarily from the entrepreneurial and managerial efforts of others.

Section 8, in relation to Section 12 of the SRC provides that:

> "SEC. 8. ***Requirement of Registration of Securities***. – 8.1. ***Securities shall not be sold or offered for sale or distribution within the Philippines***, ***without a registration statement*** duly filed with and approved by the Commission. Prior to such sale, information on the securities, in such form and with such substance as the Commission may prescribe, shall be made available to each prospective purchaser.
>
> SEC. 12. Procedure for Registration of Securities. -
>
> 12.1. 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. The registration statement shall include any prospectus required or permitted to be delivered under Subsections 8.2, 8.3 and 8.4."

Securities such as investment contracts as defined by the SRC and in relation to SRC Rule 26.3.5 of the 2015 SRC IRR must be registered before the same can be ***sold or offered*** for distribution to the public. As a form of security, investment contracts must be registered under Section 8 of the SRC before they can be sold or offered to the public.

Rule 3.1.17 of the 2015 SRC IRR defined ***Public Offering*** as "any offering of securities to the public or to anyone, 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:

> 3.1.17.1 Publication in any newspaper, magazine or printed reading material which is distributed within the Philippines or any part thereof;
>
> 3.1.17.2 Presentation in any public or commercial place;
>
> 3.1.17.3 ***Advertisement or announcement*** on radio, television, telephone, ***electronic communications***, ***information communication technology or any other forms of communication***; or
>
> 3.1.17.4 Distribution and/or making available flyers, brochures or any offering material in a public or commercial place, or to prospective purchasers through the postal system, ***information communication technology*** and ***other means of information distribution***."
> (Emphasis supplied)

On the other hand, a "Broker" is defined under Section 3.3. of the SRC as a person engaged in the business of buying and selling securities for the account of others while "Salesman" is defined under 3.13 of the SRC as a natural person, employed as such or as an agent, by a dealer, issuer or broker to buy and sell securities.

Consequently, Section 28 of the SRC provides that:

> "SEC. 28. ***Registration of Brokers, Dealers, Salesman and Associated Persons***. – 28.1. No person shall engage in the business of buying or selling securities in the Philippines as a broker or dealer, or act as a salesman, or an associated person of any broker or dealer unless registered as such with the Commission."

Thus, any person, without proper license from the Commission who acts as brokers or agents of a company selling or convincing people to invest in an investment scheme, including solicitations or recruitment through the internet, may likewise be prosecuted and held criminally liable under Section 28 of the SRC and penalized with a maximum fine of Five Million pesos (P5,000,000.00) or a penalty of Twenty One (21) years imprisonment or both pursuant to Section 73 of the SRC.

In this particular case, the Department carefully examined the characteristics of the investments offered by CHIYUTO to determine if they satisfy the elements of an investment contract. Indeed, the elements of investment contracts are manifested in the investments being offered by CHIYUTO as follows:

- By investing in the company through its "Double-Your-Money Roulette Game Scheme," **the investor enters into a contract** as evidenced by a Promissory Note or a Check Voucher;

- There is a **placement of money** from the public as they are enticed to invest in the company that represented to be engaged in a lucrative business;

- The money invested is placed **in a common enterprise** – the coffers of CHIYUTO;

- The **investors expect to derive profits** as they are primarily attracted to join CHIYUTO clouded by a reliance on its guaranteed, "too-good-to-be-true" investment of "Double-Your-Money Roulette Game Scheme" within 1, 30, or 45 days depending on the "roulette" results; and

- The investors expect to earn profits **derived primarily from the efforts of CHIYUTO and/or its single director-stockholder-president, officers, agents or representatives** or practically without doing anything**.**

It is important to emphasize that CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC, as a juridical person, 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 CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC's AOI as approved by the Commission, it is clearly provided that the business of the subject company is primarily, *"(t)o engage in the business of providing assistance to companies and/or individuals on the facilitation of documents and other liaison contract services, without engaging in labor-only contracting activity.* ***Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts****."*

In fact, the Certificate of Incorporation of CHIYUTO expressly states:

> *"This Certificate grants juridical personality to the corporation but* ***does not authorize*** *it to* ***issue, sell or offer for sale to the public, securities*** *such as but not limited to shares of stock,* ***investment contracts****, debt instruments and virtual currencies without prior Registration Statement approved by the Securities and Exchange Commission; nor 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 dealers (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, and time shares/club shares/membership certificates issuers or selling agents thereof; nor to operate a fiat money to virtual currency exchange.* ***Neither*** *does this Certificate constitute a* ***permit to undertake activities for which other government agencies require a license or permit****.*
>
> *This Certificate* ***DOES NOT AUTHORIZE INVESTMENT SOLICITATION AND INVESTMENT-TAKING WITHOUT A SECONDARY LICENSE FROM THIS COMMISSION.****" (emphasis ours)*

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 ***<u>ultra vires</u>***. The purpose clause of the articles of incorporation indicates the extent as well as the limitations of the powers which a corporation may exercise.

In an opinion[3], 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."*

To make matters worse, the scheme being offered by CHIYUTO bears the tell-tale signs of a Ponzi scheme[4] where the profits or pay-outs taken from the incoming investors

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

[4] A **Ponzi scheme** is an investment program that offers impossibly high returns and pays these returns to early investors out of the capital contributed by later investors. Named after Charles Ponzi who promoted the scheme in

or additional "pay-ins" shall be paid to existing or earlier members-investors - *-in a nutshell, encapsulated by the idiom or phrase, "robbing Peter to pay Paul"*-- considering that it does not have any underlying legitimate business where it could source its promised return on investments to its investors. Such scheme is prohibited under Section 26 of the Securities Regulation Code which provides:

> "SEC. 26. ***Fraudulent Transactions***. – It shall be unlawful for any person, directly or indirectly, in connection with the purchase or sale of any securities to:
>
> 26.1. Employ any device, scheme, or artifice to defraud;
>
> 26.2. Obtain money or property by means of any untrue statement of a material fact of any omission to state a material fact necessary in order to make the statement made, in the light of the circumstances under which they were made, not misleading; or
>
> 26.3. Engage in any act, transaction, practice or course of business which operates or would operate as a fraud or deceit upon any person."

In the case of ***People of the Philippines vs. Palmy Tibayan and Rico Z. Puerto*** *(G.R. Nos. 209655-60, January 14, 2015)*, the Supreme Court held that:

> *"To be sure, a Ponzi scheme is a type of investment fraud that involves the payment of purported returns to existing investors from funds contributed by new investors.* ***<u>Its organizers often solicit new investors by promising to invest funds in opportunities claimed to generate high returns with little or no risk.</u>*** *In many Ponzi schemes, the* ***<u>perpetrators focus on attracting new money to make promised payments to earlier-stage investors to create the false appearance that investors are profiting from a legitimate business</u>****. It is not an investment strategy but a gullibility scheme, which works only as long as there is an ever increasing number of new investors joining the scheme. It is difficult to sustain the scheme over a long period of time because the operator needs an ever larger pool of later investors to continue paying the promised profits to early investors. The idea behind this type of swindle is that the "con-man" collects his money from his second or third round of investors and then absconds before anyone else shows up to collect. Necessarily, Ponzi schemes only last weeks, or months at the most." (Underscoring added for emphasis)*

In this case, the scheme of CHIYUTO, promising double your money in 1, 30, 45 days is undoubtedly fraudulent. It has been held that where one states that the future profits or income of an enterprise shall be a certain sum, but he actually knows that there will be none, or that they will be substantially less than he represents, the statements

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the 1920s, the original scheme involved the issuance of bonds *(*actually postal reply coupons)* which offered 50% interest in 45 days or a 100% profit if held for 90 days. Basically, Ponzi used the money he received from later investors to pay extravagant rates of return to early investors, thereby inducing more investors to place their money with him in the false hope of realizing this same extravagant rate of return themselves.(*People of the Philippines v. Priscilla Balasa, et. al., G.R. 106357, dated September 3, 1998*) constitute an actionable fraud where the hearer believes him and relies on the statement to his injury.[5]

That Don Chiyuto could not present any specific business plan or cite a profitable enterprise to finance his money-making scheme clearly shows that the investment scheme which he and his companies foisted on the unsuspecting public was fraudulent. It must be noted that the DTI-registered CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES was just registered with the DTI last year. On the other hand, according to the Articles of Incorporation of CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC (relatively newly- registered as a one person corporation only on 23 November 2020), **its paid-up capital was only a paltry Php.250,000.00** and yet reports that reached the Commission aver that it was able to transact business in the hundreds of millions of pesos, possibly even billions.

Seventh: That the authorized capital stock of the OPC is One Million Pesos (P1,000,000.00), divided into 10,000 shares with par value of One Hundred Pesos (P100.00) per share.

Eighth: That the number of shares of the authorized capital stock above-stated has been subscribed as follows:

Name	Nationality	Share Type	No. of Shares Subscribed	Amount Subscribed
PATROCENIO C CHIYUTO JR.	Philippine, Filipino	Common	2,500	P250,000.00
		TOTAL	2,500	P250,000.00

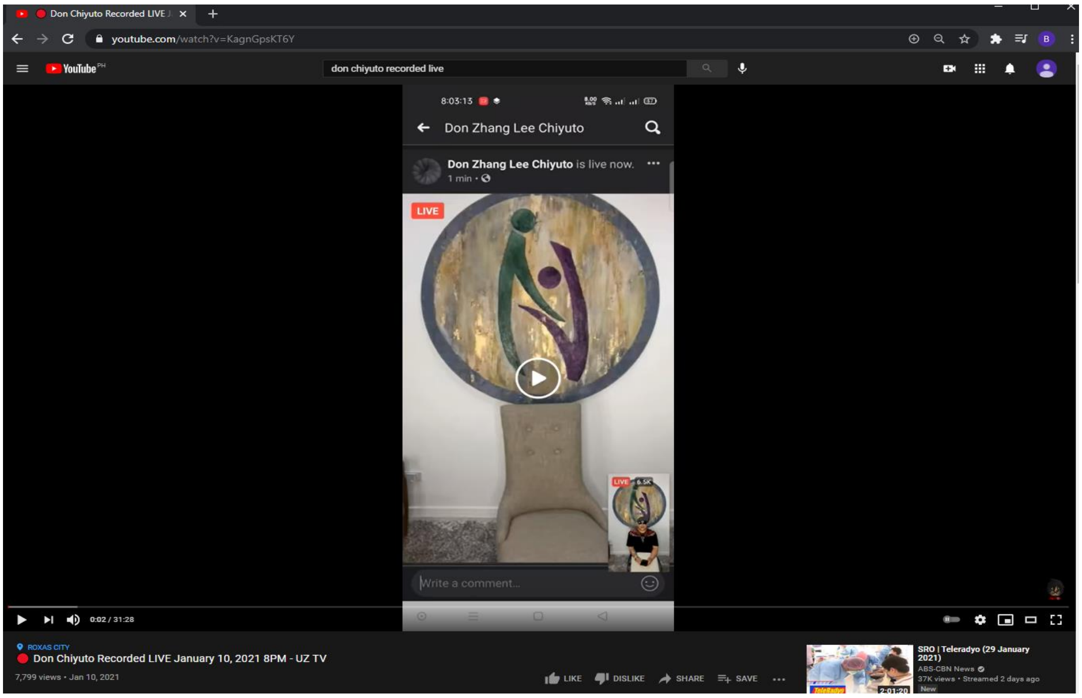
Name	Share Type	Mode of Payment	Amount Paid	Addt'l Paid-in Capital
PATROCENIO C CHIYUTO JR.	Common	Cash	P250,000.00	P0.00
		TOTAL	P250,000.00	P0.00

The fact that some investors were paid the corresponding returns on their investments is of no consequence, as precisely the payment of returns to early investors is an integral part of the illegal Ponzi scheme inflicted upon by the Company on the hapless public. These pay-outs to early investors induced more people to participate in the illicit scheme with the hope of realizing the same extravagant rate of return, unwary of impending doom until like clockwork, Don Chiyuto declared a "holiday" indicating the collapse of the scheme in one heap, leaving investors holding the bag.

In a Facebook live video through his Don Zhang Lee Chiyuto FB page on 10 January 2021,[6] Don Chiyuto attempted to explain his business model in a manner that is all at

[5] People vs. Menil (G.R. 115054-66; September 12, 2000)
[6] Available on YouTube through a video entitled *Don Chiyuto Recorded Live* uploaded by UZ TV thru the link:

once, incoherent, convoluted and downright ridiculous. Consider the following excerpts as transcribed with timestamps at the appropriate portions of the video:



(2:08) – Ako pala si Don Chiyuto. Kung tawagin, Patrocenio Calvez Chiyuto Junior po ako. Ang tatay ko po ay si Patrocenio Calvez Chiyuto Senior. Siya po ang senior. Tapos, ang nanay ko po ay si Norma Chiyuto Calvez Chiyuto. Yun po ang nanay ko. Nagturo po siya dati sa Roxas.

COMPANY NAME EXPLANATION

(7:24) Chiyuto Creative Wealth Document Facilitation Services. Bakit siya tinawag na "Chiyuto"? Apelyido ko po yun. "Create" – Creative, kasi po gagawa po ako ng kayamanan – "wealth." Na dokumentado! Na-i-facilitate namin ang inyong… Kami ang magbibigay ng serbisyo ng tama sa inyo. So wala pong pinag-uusapan na ponzi scheme or paluwagan. 'Wag nyo po gawing paluwagan ang negosyo. (7:55) ***) Ito po ay Chiyuto Creative Wealth Document Facilitation Services, ang ibig sabihin po nuon ay ipagkatiwala niyo sa akin. Ako po mag-a-arrange ng pera ninyo.*** *In short po, parang banking system, parang accounting firm po kami . Yun po yun! Wala po ditong scheme na sinasabi o wala po ditong paluwagan . Nagkamali po kayo .*

(10:01) Sa mga nagtatanong po, registered po ako sa SEC.

SEC COMPLIANCE AND ASSURANCE

(10:51) May SEC po tayo. Ilalabas po natin ang page 2 ng SEC para po maibigay yung clearance. Wala naman po problema sa SEC (11:10) wala naman po

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https://www.youtube.com/watch?v=KagnGpsKT6Y *tayong nagawa o nalabag na batas sa SEC. Meron po tayong Barangay Clearance. Mayor's permit meron po tayo, sa Manila sa main. Wala po sa Taguig, dahil sa Las Piñas po main office ng Chiyuto Creative Wealth Document Services.*

(12:00) Nasa SEC articles na po ito. Incorporations.. bago… Kasi pag sinabi pong SEC, sakop niya na po ang TIN ID, Philhealth, SSS, Pag-ibig. Ganun po ang trabaho ni SEC. Hindi po trabaho ng SEC ang sakupin ang ibang sector. Kasi ang trabaho ni SEC ginagampanan niya lang. Which is yun din naman ang kino-comply ko, at yun din inapply ko na pinagkaloob naman ng SEC. Oo, page 2 nalang hinihintay natin. Wag po kayo mag-alala, hahantong tayo dun kasi wala tayong ginagawang illegal.

BARTIR ITO BARTIR!

(13:44) Sabi kasi nila ay ponzi scheme. Si ponzi scheme kasi yun ang tinatawag nila na paluwagan. Tayo kasi dito, ang pinanghahawakan na negosyo dito ay "barter." Bartir. Ibig sabihin ng bartir kung meron kang ginto noong araw ay makakain ka.

(14:03) Palit mo ang ginto, makakain ka. Parang katulad ngayon. Ang panahon ngayon ay wala ng ginto. Ang ginagamit natin ngayon ay pera na lang, (14:14) katulad ng pera ng Pilipinas. Ginagamit natin na 100 pesos. Ang halaga po ng 100 pesos na ginto ay sa 100. (14:24) Katulad ng Php100. Ngayon ang halagang 100 pesos na ginto ang nakalagay dyan. (14:30) Bartir ang pinag-uusapan ha, bartir. (14:32) Next 500, halagang 500 po na ginto ang nakalagay dyan. (14:39) Next 1,000, 1,000 po halagang ginto ang meron dyan. Bakit hindi sya napupunit po kasi gawa sya sa Abaca.

(14:47) So ito, may knowledge sana tayo matutunan dito. Kasi shini-share ko sa iyo ang knowledge ko, kasi hindi ko naman madadala sa langit knowledge ko. (14:56) Ang madadala ko po sa langit ay ang salitang "ano ang nagawa mo sa lupa" sabihin sa akin ganun. Ito po ang nagawa ko sa lupa. Yang ginagawa ko po ngayon. (15:08) Excited na po ako na mapunta sa langit, dahil yun ang pinaghahadaan ko. Forever lasting na yun.

(23:33) Wala po kasi akong scheme. ***Kasi ang scheme natin dyan ay i-facilitate ang pera ng mga tao.*** *It's time naman na siguro yung ibigay sa kanila ang karapatan nila, kaya yun po ang ginagawa ko. Shini-share ko po kung ano ang meron ako. Kailangan pantay pantay. Kaya ayoko ng discriminations eh. Kasi gusto ko pantay lang. Walang mayaman, walang mahirap. So ngayon ako yung meron mino-model ko yung sarili ko para makita ng ibang mayaman na tumulong… (emphasis supplied)*

It bears stressing that the finding of the EIPD that CHIYUTO is engaged in the sale, solicitation and/or offering of securities in the form of investment contract to the public which requires a registration statement duly filed with and approved by the SEC, was affirmed by the Commission *en banc* in the abovementioned CDO, *viz:*

> "The EIPD was able to establish by substantial evidence that (Chiyuto) Creative Wealth OPC and Chiyuto (referring to the DTI-registered entity) are selling and/or offering securities to the public in the form investment contracts without the required secondary license from the Commission.
>
> xxx
>
> As borne by the evidence on record, (Chiyuto) Creative Wealth OPC and Chiyuto's business model involves the offer and/or sale of investments with a guaranteed return of 100% in either 1 day, 30 days or 45 days depending on the result of the roulette which is used to randomly determine the same. It practically entices and lures the public to invest in (Chiyuto) Creative Wealth OPC and Chiyuto because while the period of pay out may vary which is specified in the promissory note that is issued, the return of investment is absolutely guaranteed.
>
> xxx
>
> Clearly, (Chiyuto) Creative Wealth OPC's members were lured to invest their money not for an existing legitimate business enterprise but simply because they are guaranteed a 100% return of the same within a definite period.
>
> xxx Considering that (Chiyuto) Creative Wealth OPC and Chiyuto have no license to sell/offer securities, their act of soliciting, selling and offering of investments to the public which are securities in the form investment contracts constitute clear violation of Section 8 of the SRC. This undoubtedly warrants the issuance of a Cease and Desist Order because the act of (Chiyuto) Creative Wealth OPC and Chiyuto in selling/offering unregistered securities operates as a fraud to the public which, if unrestrained, will likely cause grave and irreparable injury to the investing public."

In ***SEC vs. CJH Development Corporation***[7], the Supreme Court ruled that the sale and/or offer of securities without the requisite license, necessarily operates as a fraud on investors, thus:

> *"The act of selling unregistered securities would necessarily operate as a fraud on investors as it <u>deceives the investing public by making it appear that respondents have authority to deal on such securities.</u> Section 8.1 of the SRC clearly states that securities shall not be sold or offered for sale or distribution within the Philippines without a registration statement duly filed with and approved by the SEC and that prior to such sale, information on the securities, in such form and with such substance as the SEC may prescribe, shall be made available to each prospective buyer." (Emphasis ours)*

Finally, under Section 6 of Presidential Decree 902-A, the Commission has the power to suspend, or revoke, after proper notice and hearing, the franchise or certificate of registration or corporations, partnerships and associations, on the ground of serious

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[7] G.R. No. 210316, 28 November 2016.

misrepresentation as to what the corporation can do or is doing to the great prejudice of or damage to the general public. 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:

> xxx "1. Investigations and administrative actions involving the following:
> xxx
> c) Selling, offering or transacting unregistered securities by entities without secondary license;
>
> d) ultra vires acts committed in violation of the (Revised) Corporation Code;
>
> 2. Petitions for revocation[8] 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 P.D. 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."*

Considering that nowhere is it stated in the primary purpose clause of CHIYUTO in its Articles of Incorporation that it is authorized to engage in the selling or offering for sale of securities to the public, coupled with the fact that it does not have the necessary Permit to Offer and Sell Securities, the activities of CHIYUTO of selling or offering for sale securities in the form investment contracts is considered an *ultra vires act* and therefore constitute serious misrepresentation.

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

WHEREFORE, for violation of Section 44 of the Revised Corporation Code of the Philippines (RCC or R.A. 11232) in relation to Sections 8.1, 28.1 and 26.1 of the Securities Regulation Code, P.D. 902-A and Section 179 (j) of the RCC, the Certificate of Incorporation and the registration of **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC** as a one person corporation is hereby **REVOKED.**

Moreover, without prejudice to the filing of criminal charges for violation of the Securities Regulation Code which is punishable by up to 21 years imprisonment, other penalties which the Commission may impose and remedies available at its disposal, substantial evidence established the **administrative liability** of (1) CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES (the DTI-registered entity); (2) CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC (the one person corporation registered with SEC) and (3) Patrocenio Calvez Chiyuto, Jr., a.k.a. Don Chiyuto/Doc Don/Don Zhang Lee Chiyuto/Mr. Solve as the proprietor/single stockholder-director-president of the CHIYUTO companies, for violating pertinent provisions of the SRC. The Commission further reserves the right to impose sanctions and file criminal charges against other persons and entities responsible for this scam as the pieces of evidence already gathered or prospectively collated warrant under the circumstances.

Thus, in accordance with Section 54.1 of the SRC, (1) **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES** (the DTI-registered entity); (2) **CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC** (the one person corporation registered with SEC) and (3) **PATROCENIO CALVEZ CHIYUTO, JR.,** a.k.a. Don Chiyuto/Doc Don/Don Zhang Lee Chiyuto/Mr. Solve as the proprietor/single stockholder-director-president of the CHIYUTO companies, are hereby cited each/separately for the following **administrative violations** of the SRC and **DIRECTED to PAY** in cash, cashier's or manager's check payable to the Commission, the corresponding maximum monetary penalties, as follows:

SRC Violation	Monetary Penalty
Section 8.1 for offering and selling to the public unregistered securities in the form of investment contracts through its Double-Your-Money Roulette Game Scheme	One Million Pesos (Php. 1,000,000.00)
Section 28.1 for acting as a broker (Chiyuto/Chiyuto OPC) in securities and broker/salesman in securities (Patrocenio Chiyuto Jr.) without the corresponding license or registration when they solicited/offered investments to the public	One Million Pesos (Php. 1,000,000.00)
Section 26.1 for employing fraud and engaging in a Ponzi scheme in connection with the offering and selling of securities in the form of investment contract through its Double-Your-Money Roulette Game Scheme	One Million Pesos (Php. 1,000,000.00)
Total Monetary Penalty	**Three Million Pesos (Php. 3,000,000.00) EACH** for (1) CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES; (2) CHIYUTO CREATIVE WEALTH DOCUMENT FACILITATION SERVICES OPC and (3) Patrocenio C. Chiyuto/Don Chiyuto **or an aggregate of Nine Million Pesos (Php. 9,000,000.00**

Pursuant to Section 54.1 (a) (v) of the SRC, **PATROCENIO CALVEZ CHIYUTO, JR.** is also **PERMANENTLY DISQUALIFIED** from being a director of a corporation.

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, 15 February 2021.

Atty. Oliver O. Leonardo
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Securities and Exchange Commission
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