## ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

## ORDER OF REVOCATION

**In the matter of:**

For: Revocation of Certificate of Incorporation

**SUHAIL MEDICAL CENTER, INC.**
Company Registration No. CS2021070020361-00
x-----------------------------------------------x

**SUHAIL MEDICAL CENTER INC.**
Batino Exit, Punta, City of Calamba, Laguna, Region IV-A, (CALBARZON) 4027
datubulawanbillones@gmail.com

**JESSER T. CORDOVA**
Unit 2819, Manila Residences, Bocobo Street Ermita, Barangay 666, City of Manila, First District, National Capital Region (NCR), 1000

**JERIZ B. RAMOS**
Unit 2819, Manila Residences, Bocobo Street Ermita, Barangay 666, City of Manila, First District, National Capital Region (NCR), 1000

**JOSE PAOLO C. PORCIUNCULA**
5B-2 Malvar Street, Project 4 Bagumbayan, Quezon City, Second District, National Capital Region (NCR), 1109

**PEARL JEE C. FLORES**
Bocana Ilog, Negros Occidental, Region VI, (Western Visayas), 6109

**JAY RAMIL B. RAMOS**
No. 330 M. Miranda Street, Sta Lucia, City of San Juan, Second District, National Capital Region (NCR), 1500

**VALERIAN BONIFACIO D. BILLONES**
Bautista Compound, Tramo-Bantayan, Kawit Cavite, Region IV-A (CALBARZON), 4104
datubulawanbillones@gmail.com

**Greetings:**

This is to inform you of the findings made by this Department that **SUHAIL MEDICAL CENTER, INC.** has engaged in the following acts:

1. Publicly offering and selling of securities without a license from the Securities and Exchange Commission (SEC) in violation of Section 8 (8.1) in relation to Section 12 of the Securities Regulation Code (SRC); and
2. Committing serious misrepresentation as to what the corporation can do or is doing to the great prejudice or damage to the general public in violation of Section 6(i)(2) of Presidential Decree (PD) 902-A.

**THE FACTS:**

**SUHAIL MEDICAL CENTER, INC.,** was granted its Certificate of Registration by the Commission on 21 July 2021 under Company Registration No. CS2021070020361-00 with the following as incorporators:

| Name | Citizenship | Residential Address |
|---|---|---|
| Jesser T. Cordova | Filipino | Unit 2819, Manila Residences, Bocobo Street Ermita, Barangay 666, City of Manila, First District, National Capital Region (NCR), 1000 |
| Jeriz B. Ramos | Filipino | Unit 2819, Manila Residences, Bocobo Street Ermita, Barangay 666, City of Manila, First District, National Capital Region (NCR), 1000 |
| Jose Paolo C. Porciuncula | Filipino | 5B-2 Malvar Street, Project 4 Bagumbayan, Quezon City, Second District, National Capital Region (NCR), 1109 |
| Pearl Jee C. Flores | Filipino | Bocana Ilog, Negros Occidental, Region VI, (Western Visayas), 6109 |
| Jay Ramil B. Ramos | Filipino | No. 330 M. Miranda Street, Sta Lucia, City of San Juan, Second District, National Capital Region (NCR), 1500 |
| Valerian Bonifacio D. Billones | Filipino | Bautista Compound, Tramo-Bantayan, Kawit Cavite, Region IV-A (CALBARZON), 4104 |

The purposes of **SUHAIL MEDICAL CENTER, INC.** as stated in its Articles of Incorporation are:

> *"**Primary Purpose**: To establish, maintain, operate, own, and manage hospitals, medical and related healthcare facilities and businesses such as but without restriction to clinical laboratories, diagnostic centers, ambulatory clinics, scientific research and educational institutions and other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedic and similar care, provided the purely professional, medical and surgical services shall be performed by duly qualified and licensed physicians or surgeons who may*

*or may not be connected with hospital and whose services shall be freely and individually contracted by the patients.*

***Secondary Purpose****: to purchase, acquire, own, lease except financial leasing, sell and convey real properties such as lands, buildings, factories and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of corporate business and to pay in cash, shares of its capital stocks, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient for any business or property acquired by the corporation. To import, export, buy, sell or deal, as principal or in a representative capacity or as a manufacturer's representative, in merchandise, drugs, pharmaceutical products, medicine, chemicals, cosmetics, perfumeries, toilets, articles, surgical apparatus, physician's and hospital's supplies, equipment, optical supplies, and such other materials related to the primary purpose; provided that, it shall not engage in investment solicitation nor investment taking activities from public investors. To import, export, buy, sell and generally deal in all kinds of machinery, equipment as well as chemicals, appliances, and instruments, extracts, compounds and materials required for such operations and related to the primary purpose. To establish, adopt and maintain a system of a prepaid professional, medical nursing, paramedical and hospitalization services. To own manage, run and operate gifts shops, magazine stand, drug stores, soda fountain, canteens, refreshment parlors, parking and water refilling stations. To borrow or raise money from not more than nineteen (19) lenders including its stockholders, necessary to meet the requirements of its business by the issuance of bonds, promissory notes and other evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the corporation or to issue pursuant to law shares of its capital stock, debentures and other evidences in payment for properties acquired by the corporation or for money borrowed in the prosecution of its lawful business. To invest and deal with the funds and properties of the corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interest and to sell, dispose of or transfer the business, properties and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fir to accept. To enter any lawful arrangement for sharing profits, union of interest, unitization or farm out agreement, joint venture, reciprocal concession, or cooperation, with any corporation, association, partnership, syndicate, entity, person or governmental, municipal or private authority, domestic or foreign in the carrying on any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of this corporation. To acquire or obtain from any government or authority, national, provincial, municipal or otherwise, or any corporation, company or partnership or person, such charter, contracts, franchise, privileges, exemption, licenses and concessions as may be conductive to any of the objectives of the corporation. To establish and operate one or more branch offices or agencies and to carry on any or all its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise deal in and with real personal property anywhere in the Philippines. To apply for, register, hold, own, use, sell, assign or otherwise dispense trademarks, trade names, inventions, formula and processes in connection or resulting therefrom. Subject to existing laws, to purchase, acquire, hold, dispose* *of or otherwise deal in shares, stocks, bonds, securities of any corporation having subjects altogether or in part similar to those of the corporation and while the holder thereof, to exercise all the rights and incidents of ownership, including the right to vote the same and to receive dividends and dispose of the same. Without limiting any of the foregoing purposes and objects, do and perform and conduct such acts of things whatsoever which are necessary or incidental to the purposes of the corporation and in general, to do perform and to exercise such powers.*

*Provided that the corporation **shall not solicit, accept or take investment/placement** from the public neither shall it issue investment contract".*

Sometime in September 2021, the Commission has received information that individuals or group of persons representing an entity named **SUHAIL MEDICAL CENTER** and **SUHAIL MEDICAL CENTER INC.,** headed by Jesser T. Cordova are enticing the public to invest in said entity.

Information gathered from reports received by this Department shows that a certain entity named **SUHAIL MEDICAL CENTER** is inviting the public to invest and be a co-owner of *Suhail Medical Center*, allegedly a hospital located at Brgy. Punta, Calamba Laguna for a promise of enjoying a lifetime revenue.

It was further reported that a capital contribution of Php1,060,000 entitles a co-owner 1 seat or half a seat for a contribution of Php550,000. Attached is a screenshot copy of the said report:

This is [redacted] of Suhail Medical Center.

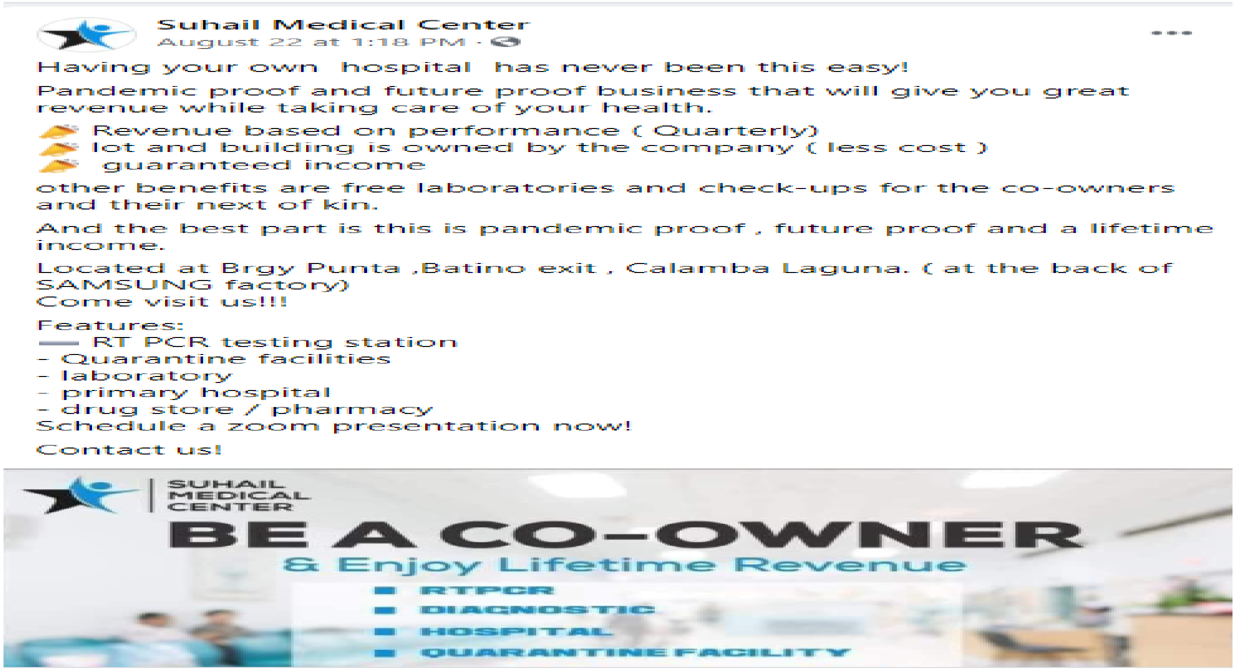
With a capital contribution of 1,060,000 for 1 seat or 550,000 for half seat, you will be a Co-Owner of Suhail Medical Center with consumables annually for medical charges that is extended to your family!

This is a LIFETIME Co-Ownership Contract and Transferable to your next kin. LIMITED SLOTS ONLY!!!

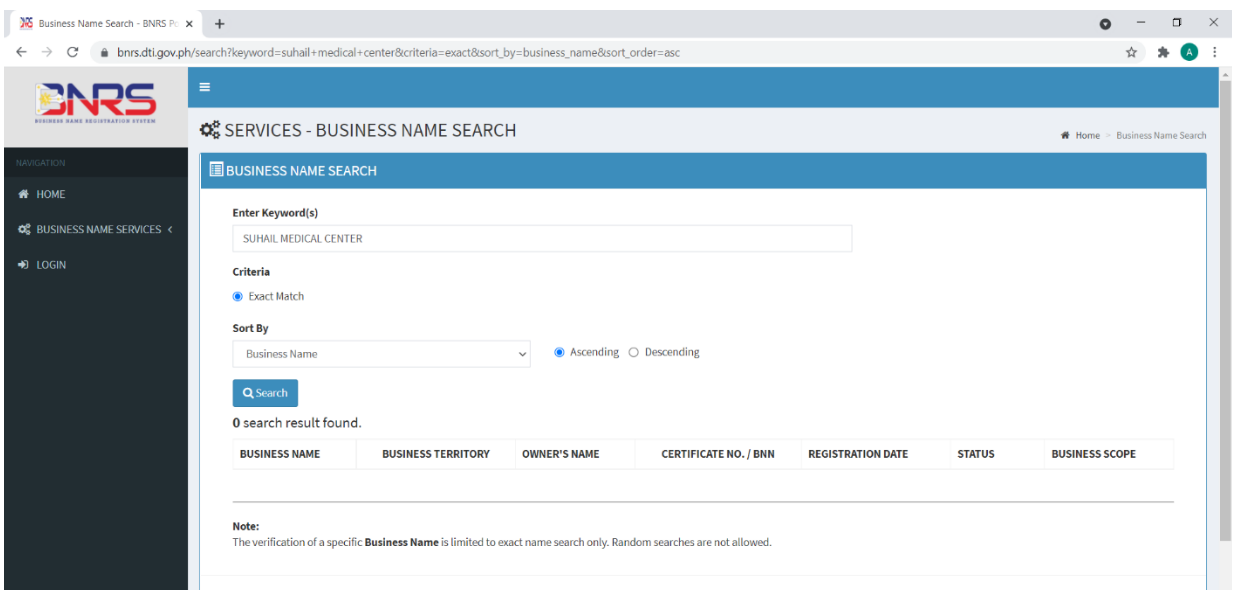
Kindly review our proposal then get back to us soon. Looking forward to your partnership with us. Thank you and God Bless 😊

For more queries, you may contact me here:
Email: [redacted]
Contact Number: [redacted]

In its Facebook Page, **SUHAIL MEDICAL CENTER** is enticing the public to be a co-owner of Suhail Medical Center for a promise of enjoying a lifetime revenue. In the same FB Page, **SUHAIL MEDICAL CENTER** promises their co-owners the following: (1) guaranteed income; (2) revenue based on performance (quarterly); (3) free laboratories and check-ups for the co-owners and their next of kin; and (4) a lifetime income. Below is a screenshot copy of the said FB post:




An online verification conducted by this Department, shows that the name **SUHAIL MEDICAL CENTER** does not appear in the Department of Trade and Industry's Electronic Business Name Registration System (e-BNRS) as a registered business name. Below is a screenshot copy of the said BNRS business name search result:




In its 12 October 2021 Certification, the Department of Trade and Industry (DTI) certified that as per its available active records pursuant to Act No. 3883 as amended (otherwise known as the Business Name Law), there is no existing business name registration filed as **SUHAIL MEDICAL CENTER.**

Further, in its 30 October 2021 Certification, the Department of Health (DOH)-Health Facilities and Services Regulatory Bureau certified that there is no existing licensed health facility by the name **SUHAIL MEDICAL CENTER** located at Calamba, Laguna and that even a health facility with that name applying for any authorization does not exist.

On the other hand, **SUHAIL MEDICAL CENTER INC.,** was registered with the Commission on 21 July 2021 under Company Reg. No. CS2021070020361-00. The Articles of Incorporation of **SUHAIL MEDICAL CENTER INC.,** reflects the name of JESSER T. CORDOVA as one of its incorporators, directors and subscribers. However, the company is not authorized to solicit investments from the public as this entity did not secure prior registration and/or license to solicit investment from the Commission as prescribed under Section 8 of the Securities Regulation Code. This is evidenced by the Certifications issued by the concerned departments of the Commission, i.e., Corporate Governance and Finance Department and Markets and Securities Regulation Department.

Consequently, on 16 November 2021, the Commission issued an SEC Advisory informing the public that **SUHAIL MEDICAL CENTER** and **SUHAIL MEDICAL CENTER INC.:**

> **"**xxx are not **AUTHORIZED** to solicit investments from the public not having secured prior registration and/or license to solicit investment from the Commission as prescribed under Section 8 of the Securities Regulation Code (SRC).
>
> xxx
>
> The public is advised to exercise caution in dealing with any individual or group of persons soliciting investments for and on behalf of **SUHAIL MEDICAL CENTER** and **SUHAIL MEDICAL CENTER, INC.** The public is further advised **NOT TO INVEST** or to **STOP INVESTING** in the investment scheme being offered by the subject entities or its representatives."

On 06 December 2021, the EIPD conducted an ocular inspection and surveillance operations of Suhail Medical Center principal office, which according to reports is located at Barangay Punta, Batino Exit, Calamba Laguna.

At the time of the inspection, the team discovered that there were no business or any medical operations being conducted at Suhail Medical Center (Molecular and Diagnostic) which is situated at the 2$^{nd}$ Floor of a 3 story building since it was noticeable from its partially opened and transparent glass windows that the said medical establishment is not lighted and no medical personnel can be seen working or wandering around the area nor any patients were seen walking in or out of the building seeking medical attention.

Finally, in its 20 December 2021 Certification, the Calamba, Laguna, Business Permits and Tricycle Franchising Office certified that after due search in its database and records, it was found that **SUHAIL MEDICAL CENTER** with registered address at Brgy. Batino, Calamba, Laguna has no business record in its office.

On 22 December 2021, a ***Show Cause Order*** was issued against **SUHAIL MEDICAL CENTER INC.,** addressed to the company's registered principal office address, and to its stockholders-directors-incorporators, namely; Jesser T. Cordova, Jeriz B. Ramos, Jose Paolo C. Porciuncula, Pearl Jee C. Flores, Jay Ramil B. Ramos and Valerian Bonifacio D. Billones, ***directing the company to show cause 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 and for engaging in ultra vires acts in violation of the Revised Corporation Code of the Philippines and to show cause why no administrative sanction and/or criminal charges should be filed against SUHAIL MEDICAL CENTER INC., and/or its incorporators, directors and officers for violation of the Securities and Regulation Code and other pertinent laws, rules and regulations of the Commission.***

On 29 December 2021, the Show Cause Order was sent through the company's official email address per records of the Commission at: datubulawanbillones@gmail.com.

On the same date, a representative of the Department went to the declared address of Jose Paolo C. Porciuncula to serve the Show Cause Order. However, a Barangay *Kagawad* on-duty at the area vouched that no such name resides in the said address.

Likewise, on 31 December 2021, the team went to the declared address of Jesser T. Cordova and Jeriz B. Ramos but was informed by the security guard on-duty that the occupants already moved out of the premises.

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. Hence, we now resolve the instant proceedings on the basis of available evidence.

**DISCUSSION:**

Clearly in this case, the marketing and/or compensation plan of **SUHAIL MEDICAL CENTER/SUHAIL MEDICAL CENTER INC.,** as advertised in its FB Page shows that it is offering securities to the public in the form of investment contracts through its "hospital co-ownership program." It would appear that the promised profits and returns in the form of "guaranteed income, revenue based on performance (quarterly), free laboratories and check-ups for the co-owners and their next of kin and lifetime income" would be derived from the investments of **SUHAIL MEDICAL CENTER** new member-investors. Necessarily, this scheme is unsustainable, as it must rely on a continuous inflow of new investors in order to make pay-outs to earlier investors, all the more made glaring considering that it has no actual operations yet to speak of.

Section 3.1 of the Securities Regulation Code (SRC) defines securities as shares, participation or interest in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificated, contract, instrument, whether written or electronic in character. It includes:

> (a) Shares of stocks, bonds, debentures, notes, evidences of indebtedness, asset backed securities;
>
> (b)**Investment contracts**, certificates of interest or participation in a profit sharing agreement, certificates of deposit for a future subscription;
>
> (c) Fractional undivided interests in oil, gas or other mineral rights;
>
> (d) Derivatives like option and warrants;
>
> (e) Certificates of assignments, certificates of participation, trust certificates, voting trust certificates or similar instruments;
>
> (f) Proprietary or non-proprietary membership certificates in corporations; and
>
> (g) Other instruments as may in the future be determined by the Commission.

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 IRR) 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* (G.R. No. 164182 February 26, 2008) traced from the case of *SEC vs. Howey Co.* (66 S.Ct.1100 May 27, 1946) and was later modified in the case of *SEC vs. Glenn W. Turner Enterprises, Inc.* (474 F.2d476 February 1, 1973), 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 Page 11 of 14 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 with the Commission pursuant to Sections 8 and 12 of the SRC before the same can be **offered or sold** for distribution.

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. "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 registration or license from the Commission who acts as brokers or agents of a company selling or convincing people to invest in the 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 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 **SUHAIL MEDICAL CENTER** to determine if they satisfy the elements of an investment contract. In our evaluation, indeed, the elements of investment contracts are manifested in the investments being offered by **SUHAIL MEDICAL CENTER** which are as follows:

- By investing in the company, **the investor enters into a contract**;

- 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 **investors expect to derive profits** as they are primarily attracted to join **SUHAIL MEDICAL CENTER** for a promise of receiving guaranteed income, revenue based on performance (quarterly), free laboratories and check-ups for the co-owners and their next of kin, and a lifetime income; and

- The investors expect to earn profits derived primarily form the efforts of others or from **SUHAIL MEDICAL CENTER** new member-investors.

It is important to emphasize that **SUHAIL MEDICAL CENTER, INC.**, 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 **SUHAIL MEDICAL CENTER, INC.'s**, Articles of Incorporation as approved by the Commission, it is clearly provided that the business of the subject company is:

> *"Primary Purpose: To establish, maintain, operate, own, and manage hospitals, medical and related healthcare facilities and businesses such as but without restriction to clinical laboratories, diagnostic centers, ambulatory clinics, scientific research and educational institutions and other allied undertakings and services which shall provide medical, surgical, nursing, therapeutic, paramedic and similar care, provided the purely professional, medical and surgical services shall be performed by duly qualified and licensed physicians or surgeons who may or may not be connected with hospital and whose services shall be freely and individually contracted by the patients.*
>
> *Secondary Purpose: to purchase, acquire, own, lease except financial leasing, sell and convey real properties such as lands, buildings, factories and warehouses and machineries, equipment and other personal properties as may be necessary or incidental to the conduct of corporate business and to pay in cash, shares of its capital stocks, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient for any business or property acquired by the corporation. To import, export, buy, sell or deal, as principal or in a representative capacity or as a manufacturer's representative, in merchandise,*

*drugs, pharmaceutical products, medicine, chemicals, cosmetics, perfumeries, toilets, articles, surgical apparatus, physician's and hospital's supplies, equipment, optical supplies, and such other materials related to the primary purpose; provided that, it shall not engage in investment solicitation nor investment taking activities from public investors. To import, export, buy, sell and generally deal in all kinds of machinery, equipment as well as chemicals, appliances, and instruments, extracts, compounds and materials required for such operations and related to the primary purpose. To establish, adopt and maintain a system of a prepaid professional, medical nursing, paramedical and hospitalization services. To own manage, run and operate gifts shops, magazine stand, drug stores, soda fountain, canteens, refreshment parlors, parking and water refilling stations. To borrow or raise money from not more than nineteen (19) lenders including its stockholders, necessary to meet the requirements of its business by the issuance of bonds, promissory notes and other evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust or lien upon the properties of the corporation or to issue pursuant to law shares of its capital stock, debentures and other evidences in payment for properties acquired by the corporation or for money borrowed in the prosecution of its lawful business. To invest and deal with the funds and properties of the corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interest and to sell, dispose of or transfer the business, properties and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fir to accept. To enter any lawful arrangement for sharing profits, union of interest, unitization or farm out agreement, joint venture, reciprocal concession, or cooperation, with any corporation, association, partnership, syndicate, entity, person or governmental, municipal or private authority, domestic or foreign in the carrying on any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of this corporation. To acquire or obtain from any government or authority, national, provincial, municipal or otherwise, or any corporation, company or partnership or person, such charter, contracts, franchise, privileges, exemption, licenses and concessions as may be conductive to any of the objectives of the corporation. To establish and operate one or more branch offices or agencies and to carry on any or all its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise deal in and with real personal property anywhere in the Philippines. To apply for, register, hold, own, use, sell, assign or otherwise dispense trademarks, trade names, inventions, formula and processes in connection or resulting therefrom. Subject to existing laws, to purchase, acquire, hold, dispose of or otherwise deal in shares, stocks, bonds, securities of any corporation having subjects altogether or in part similar to those of the corporation and while the holder thereof, to exercise all the rights and incidents of ownership, including the right to vote the same and to receive dividends and dispose of the same. Without limiting any of the foregoing purposes and objects, do and perform and conduct such acts of things whatsoever which are necessary or incidental to the purposes of the corporation and in general, to do perform and to exercise such powers.*

*Provided that the corporation* ***shall not solicit, accept or take investment/placement from the public neither shall it issue investment contract****". (Emphasis supplied).*

Nonetheless, 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. In fact, the purpose in **SUHAIL MEDICAL CENTER, INC.** Articles of Incorporation expressly prohibits it to operate an investment-taking scheme.

In an opinion[1], 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."

Likewise, the Certificate of Registration issued to **SUHAIL MEDICAL CENTER, INC.**, explicitly states that:

> This Certificate grants juridical personality to the corporation **<u>but does not authorize it to issue, sell or offer for sale to the public, securities</u>** such as but not limited to, shares of stock, **<u>investment contracts,</u>** debt instruments and virtual currencies without prior Registration Statement approved by the Securities and Exchange Commission **<u>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,</u>** 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 lending company, and time share, cash share/membership certificate issuers or selling agents thereof nor to operate a fiat money to virtual currency exchange. **<u>Neither does this Certificate constitute a permit to undertake activities for which other government agencies require a license or permit.</u>** (emphasis supplied)

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 misrepresentations as to what the corporation can do or is doing to the 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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[1] 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[2] 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."

Considering that nowhere is it stated in its primary purpose that **SUHAIL MEDICAL CENTER, INC.**, is authorized to engage in the selling or offering for sale of securities to the public, the activity of **SUHAIL MEDICAL CENTER, INC.**, of selling or offering for sale of investments is considered an *ultra vires* act and therefore constitute serious misrepresentation.

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 (R.A. 11232) in relation to Sections 8.1 and 28.1 of the Securities Regulation Code, P.D. 902-A and Section 179 (j) of the RCCP, the Certificate of Incorporation and the registration of **SUHAIL MEDICAL CENTER, INC.**, as a corporation, is hereby **REVOKED**.

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

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, 03 February 2022.

**OLIVER O. LEONARDO**
Director

fcff/abb