ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

In the Matter of:

EMPIRE 999 REALTY CORPORATION Company Registration No. CN201625469
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SEC EIPD Case No. 2024-7722
For: Revocation of Certificate of Incorporation/Registration

ORDER OF REVOCATION

EMPIRE 999 REALTY CORPORATION is a stock corporation registered with the Commission on 4 August 2015 under Company Reg. No. *CS201515428*. Its registered principal address is at ***Unit 2909 29/F World Trade Center, Juan Luna corner Dasmarinas St., Binondo, Manila***. The Certificate of Incorporation issued to **EMPIRE 999 REALTY CORPORATION** expressly provides:

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

Its primary purpose is as follows:

> *"To engage in, conduct, build, develop and carry on the business of buying and selling, acquiring, distributing, and marketing of lot, houses and lot, condo or apartment units and rawlands insofar as may be permitted by law, and all kinds of construction and renovation works.*

B. That the Secondary purpose of the corporation is:

To enter into the business of leasing and rental of houses, condominium, apartment and commercial spaces.

To enter into all kinds of contracts for the export, import, purchase, acquire of construction equipment, machineries and materials at wholesale or int retail basis"

On the other hand, the following are its incorporators, officers and Board of Directors per its 2023 General Information Sheet[1] on file with this Commission, to wit:

Name	Incorporator?	Board of Directors?	Position
Willie Ong	Yes	Chairman	President
Elaine Chua	Yes	Member	Secretary
Michelle S. Sy	Yes	Member	Treasurer
Aiedy T. Yang	Yes	-	-
Jack T. Yang	Yes	-	-
Samson Guo Yang	No	Member	Asst. Corp. Sec.
Albert Valdez Sy	No	Member	Asst. Corp. Sec.

RELEVANT FACTS

The Commission through the Enforcement and Investor Protection Department ("**EIPD**", for brevity) attended a series of House Committee Hearings on House Resolution No. 1305.

The House investigation was launched after Senior Deputy Speaker Aurelio "Dong" Gonzales Jr. and Rep. Robert Ace Barbers filed House Resolution (HR) 1346 reporting the seizure of shabu worth P3.6 Billion found in a warehouse owned by **EMPIRE 999 REALTY CORPORATION** in Mexico, Pampanga.[2]

On 13 May 2024, the Commission issued a **SHOW-CAUSE ORDER** directing Empire 999 Realty Corporation to file an Answer on the ground of serious misrepresentation, to wit:

"EMPIRE 999 REALTY CORP., as a corporation has engaged in real estate development in violation of Section 4 and 11 of Presidential Decree 9571 and Republic Act No. 9646, also known as the Real Estate Service Act of the Philippines."

[1] Submitted on 25 September 2023.
[2] https://hrep-website.s3.ap-southeast-1.amazonaws.com/legisdocs/cdb/cdb19-v2i57-20231206.pdf

The Show Cause Order emphasized the "a*bsence of the requisite authority or license to operate such activities by the governing regulatory agency, is outside the scope that can be conferred under the Revised Corporation Code of the Philippines (Republic Act No. 11232) or by the Commission x x x"*

Acting on this, the EIPD, on 10 May 2024 issued a Show Cause Order (with the attached *Petition for Revocation of Incorporation*) directing **EMPIRE 999 REALTY CORPORATION,** and its Board of Trustees to file an answer in writing within ten (10) days from receipt thereof, why: (1) 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 (2) No administrative sanctions should be imposed against the subject corporation and its directors, officers, nominee and alternate nominee for violation of the Revised Corporation Code of the Philippines (RCC) and its failure to file the necessary reports to the Commission.

Pursuant to SEC Memorandum Circular No. 28 series of 2020,[3] a Show Cause Order was sent thru the official email addresses[4] of the company per records of the Commission i.e., *empire9t9@yahoo.com, empire.999realty@gmail.com, empire999_realty@yahoo.com., and jedi2_1130@yahoo.com*.

To date, despite such notice of the Show Cause Order as detailed above, the company failed to respond within the prescribed period which shall be construed as a waiver of its right to be heard as to matters stated in the aforementioned Show Cause Order.

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

ISSUE

The sole issue to be resolved is whether or not the Certificate of Incorporation/Registration of **EMPIRE 999 REALTY CORPORATION** should be revoked pursuant to Section 6(1) (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.

DISCUSSION

I. EMPIRE 999 REALTY CORPORATION's unauthorized activities.

The primary purpose of **EMPIRE 999 REALTY CORPORATION** as stated in its Articles of Incorporation is reiterated herein, as follows:

[3] Stamp-received on 7 January 2021.

[4] E-mailed on 13 May 2023. (for verification)

"To engage in, conduct, build, develop and carry on the business of buying and selling, acquiring, distributing, and marketing of lot, houses and lot, condo or apartment units and rawlands insofar as may be permitted by law, and all kinds of construction and renovation works.

B. That the Secondary purpose of the corporation is:

To enter into the business of leasing and rental of houses, condominium, apartment and commercial spaces.

To enter into all kinds of contracts for the export, import, purchase, acquire of construction equipment, machineries and materials at wholesale or int retail basis"

The Articles of Incorporation and the **Certificate of Incorporation issued by the Commission explicitly states:**

> *"x x x* ***Neither does this Certificate constitute as permit to undertake activities for which other government agencies require a license or permit.*** *x x x"*

A careful scrutiny of the purpose of **EMPIRE 999 REALTY CORPORATION** shows that it must secure permits/license/registration from at least three (3) government agencies, namely, **Department of Human Settlement and Urban Development (DHSUD)** formerly the Housing and Land Use Regulatory Board (HLURB) as a real estate developer, the **Professional Regulatory Commission (PRC)** as an industry engaged in real estate activities required under *Republic Act No. 9646 or the Real Estate Service Act (RESA)* and the **Philippine Construction Agency Board** (PCAB) as a corporation engaged in construction. Furthermore, it failed to comply with Republic Act No. 11521 where developers are required to register with the **Anti-Money Laundering Council** as Non-Financial Business and Professions (DNFBPS).

It is worth emphasizing that the primary regulator of the activities of EMPIRE 999 REALTY CORPORATION is the Department of Human Settlement and Urban Development (DHSUD) as a *"real estate developer,"* the **Professional Regulatory Commission (PRC)** as an industry engaged in *"real estate activities"* and the **Philippine Construction Agency Board (PCAB)** as a corporation engaged in *"construction."* Absent the requisite permits, **EMPIRE 999 REALTY CORPORATION**, is **NOT AUTHORIZED** to engage in the above-mentioned activities.

Notably, the Commission observed that **EMPIRE 999 REALTY CORPORATION** for eight (8) continuous years (from 2016 to 2023) did not disclose or state in its General Information Sheet (GIS) that it secured the required Secondary/License/Registration with the other government agencies.

Please be advised that the portion of the General Information Sheet requiring the corporation to state the SECONDARY/LICENSE/REGISTRATION WITH THE OTHER GOVERNMENT AGENCY should **not be belittled, brushed aside or simply disregarded.** These are **tools used by the SEC designed to monitor whether a corporation was able to secure a permit/license/registration to undertake regulated activities of other government agencies.**

Hence, from the date of its incorporation (4 August 2015) or for nine (9) years, **EMPIRE 999 REALTY CORPORATION** failed to register its corporation or comply with the requirements of the above-mentioned government regulators. These facts are evidenced, by the GIS and the Audited Financial Statements (AFS) submitted for the periods of 2015 to 2022 to the Commission, wherein EMPIRE 999 REALTY CORPORATION disclosed that it pays government permits to the SEC, BIR Annual Registration Fee, Barangay Clearance, Mayor's Permit as part of its operating expenses.

It must be called to mind that **Incorporation is not a matter of right but a mere privilege granted by the state.** The grant being a mere privilege, the state has the continuing interest in the existence of a corporation in a sense that this privilege can be acquired only under the conditions of law including compliance with the mandatory requirements of the corporation.

A careful examination of the Audited Financial Statements from 2016 to 2022 reflected that it has actual operation during the hereunder stated period:

A. Statement of Financial Position					
	Cash and Cash Equivalent	Account receivables	Real Estate Property	Current Liabilities	Accounts Payable
2015	97,063.00	-	-	-	-
2016	298,878.00	-	9,752,800	-	10,000,000
2017	64,757	120,000.00	9,752,800	-	9,856,664
2018	156,163.00	177,500.00	9,752,800	-	9,534,108[5]
2019	142,311.00	230,600.00	9,219,480	-	9,237,888
2020	357,321.00	215,895	9,076,272	-	8,871,653
2021	111,309.00	102,000[6]	8,933,064	-	8,690,782[7]
2022	122,637	-	8,822,952	-	136,856

B. Statement of Income				
	Revenue	Cost of Revenue	Profit Before Income Tax	Net Income after Tax
2015[8]	-	-	-	-
2016[9]	-	-	-	-

[5] Declared in 2019 AFS an amount of 9,594,108.00.
[6] Declared in the 2022 AFS an amount of 80,191.
[7] Declared in the 2022 AFS an amount of 223,370.
[8] Statement of Income is not included in the AFS
[9] Statement of Income is not included in the AFS.

2017	451,702	378,857	(165,841)	-
2018	1,150,203	753,914	91,406	63,984
2019	2,205,464	1,612,758	252,260	176,582
2020	1,964,740	1,290,657	325,640	227,948
2021	1,097,734	619,626[10]	211,883	148,318
2022	1,249,458	810,778	267,155	

The Note to the Financial Statement in its 2022 Audited Financial Statements, even declared that *"it **entered into a lease agreement with a local company for use of space for one year** is renewable upon mutual agreement of both parties. x x x. Rent expense charged against current operations on administrative expenses amounted to 36,000 both in 2022 and 2021."*

Worthy to note is the deliberations of the House of Representatives and the declaration of the National Bureau of Investigation representative's finding that the illegal drugs were seized in "**Empire 999 Warehouse**" located in barangay San Jose Malinao, owned by **EMPIRE 999 REALTY CORPORATION**.

The purpose stated in the Articles of Incorporation of EMPIRE 999 REALTY CORPORATION did not allow it to engage in unauthorized activities more so, for the conduct of the alleged illegal activities which is per se, prohibited.

Under Section 165 of the RCC, the Commission is authorized to impose an administrative sanctions against **EMPIRE 999 REALTY CORPORATION for fraudulent conduct of business**, to wit:

> *"SEC. 165. Fraudulent Conduct of Business; Penalties. – A corporation that conducts its business through fraud shall be punished with a fine ranging from Two hundred thousand pesos (P200,000.00) to Two million pesos (P2,000,000.00). When the violation of this provision is injurious or detrimental to the public, the penalty is a fine ranging from Four hundred thousand pesos (P400,000.00) to Five million pesos (P5,000,000.00)."*

II. EMPIRE 999 REALTY CORPORATION declared a false principal address in the GIS and AFS.

Furthermore, investigation by the EIPD showed that it committed another misrepresentation when it indicated ***Unit 2909 29/F World Trade Center, Juan Luna corner Dasmarinas St., Binondo, Manila*** as its principal office address in the following documents: 1) Articles of Incorporation; 2) 2016 to 2023 General Informal Sheets; 3) 2016 to 2022 Audited Financial Statements; and 4) Memorandum Circular No. 28 series of 2020, when in truth and in fact, it cannot be found in such address. This fact was certified by the Property Manager of the World Trade Exchange Condominium Corporation on 21 June 2024 that *"**EMPIRE 999 REALTY CORPORATION** is not a registered tenant of Unit 2909 at World Trade Exchange Condominium."*

[10] Declared in the 2022 AFS an amount of 762,834.

Likewise, subject corporation in providing a false principal office address in the following SEC documents constituting a violation of the following provisions:

1) Fraud in the procurement of registration under P.D. 902-A;[11]
2) Section 158 (Administrative Sanctions); and
3) Section 165 (Fraudulent Conduct of Business);

Verily, **EMPIRE 999 REALTY CORPORATION** used this false principal office, in its notarized registration documents and twenty-three (23) reports to the Commission.

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 of corporations, partnerships and associations, **upon any grounds provided by law**, including **the ground of serious misrepresentation as to what the corporation can do or is doing to the great prejudice of or damage to the general public.** Likewise, Section 158 (c) (Administrative Fine) of the RCC, after due notice and hearing, the Commission when it finds that any provision of this Code, rules or regulations, or any of the Commission's orders have been violated, the Commission may impose the penalty of suspension or revocation after taking into consideration the extent of participation, nature, effects, frequency and seriousness of the violation.

RULING

WHEREFORE, premises considered:

1. For engaging in unauthorized activities, in violation of Section 6(i)(2) of Presidential Decree 902-A, the corporate registration or Certificate of Incorporation/Registration of **EMPIRE 999 REALTY CORPORATION** as a corporation, is hereby **REVOKED;** and

2. The following incorporators-trustees of **EMPIRE 999 REALTY CORPORATION,** for declaring a false address in the company's Articles of Incorporation and General Information Sheet, a fraudulent act, are hereby **DISQUALIFIED** from being a trustee or director of a corporation for a period of five (5) years from date of this Order pursuant to Section 26 of the Revised Corporation Code of the Philippines, to wit:

   a) WILLIE ONG;
   b) ELAINE CHUA;
   c) MICHELLE S. SY;
   d) AEDY T. YANG;

[11] pursuant to a Resolution adopted by the Commission *en banc* enumerating the grounds for revocation on the basis of fraud in the procurement of registration, i.e., falsity in any of the information provided by applicants in the registration documents

e) **JACK T. YANG;**
f) **SAMSON GUO YANG; and**
g) **ALBERT VALDEZ SY.**

Accordingly, let this Order be posted on 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 the Commission is likewise requested to enter the "***REVOKED***" status of the subject corporations in the electronic/online database of the Commission.

SO ORDERED.

06 July 2024, Makati City, Philippines.

FILBERT CATALINO F. FLORES III, MNSA, CESO IV
Director