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

IN THE MATTER OF:

CONVENIENCE CASH LENDING CORP., doing business under the names and styles of ZADA CASH and BLOOM CASH,

Movant.

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SEC En Banc Case No. 06-25-012
(FLCD CDO Case No. 02, Series of 2025)

Promulgated: 10 October 2025

RESOLUTION

For consideration of the Commission is the *Verified Motion to Lift Cease and Desist Order* dated 11 June 2025 (the "Motion to Lift") filed by Convenience Cash Lending Corp., doing business under the names and styles of Zada Cash and Bloom Cash, praying that the Commission: (i) lifts the Cease and Desist Order dated 27 May 2025 (the "Assailed CDO") issued by OIC Atty. Kenneth Joy Quimio (OIC Quimio) of the Financing and Lending Companies Department (FLCD); and (ii) allows it to resume business operations while completing the required compliance measures.[1]

Convenience Cash Lending Corp. (the "Corporation") is a domestic corporation duly organized and existing under Philippine laws, having been issued a Certificate of Incorporation with Company Registration No. CS2020090002200-05 on 22 September 2020. The Corporation is also a grantee of Certificate of Authority to Operate as a Lending Company (CA) with CA No. 3319, which allows it to carry out and maintain a lending operation. Its principal place of business is at Unit 412 4th floor, Cityland 10 Tower 1 Condominium, 6817 Ayala Ave., North Salcedo Village, Makati City.

On 02 May 2025, the FLCD issued a Show Cause Letter directing the Corporation to explain why it should not be held liable for failure to comply with the Order dated 06 July 2023 (the "July Order") which requires all financing and lending companies operating an Online Lending Platform ("OLP") to register with the Credit Information Corporation (CIC). The FLCD averred that the Show Cause Letter was sent

[1] *Motion to Lift*. Prayer.

to the Corporation's registered email address; however, the latter failed to submit a written explanation.[2]

Thus, the FLCD issued the Assailed CDO, pursuant to Section 6(d)(4) of Republic Act No. 11765 or the Financial Products and Services Consumer Protection Act (the "FCPA"), directing the Corporation to immediately cease and desist from conducting its lending business, the dispositive portion of which reads:

> WHEREFORE, premises considered, CONVENIENCE CASH LENDING CORP. doing business under the names and styles of Zada Cash and Bloom Cash including its owners, operators, promoters, representatives, agents, AND ANY AND ALL PERSONS CLAIMING AND ACTING FOR AND, IN THEIR BEHALF, are hereby DIRECTED to immediately CEASE AND DESIST from engaging in, carrying out, promoting and facilitating any lending activity or transaction.
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> Zada Cash and Bloom Cash and its owners, operators, promoters, representatives, agents, and any persons acting for and on their behalf are directed to CEASE AND DESIST from offering and advertising their lending business through the Internet or any other media and to delete or remove any materials involving or covering the same.
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> SO ORDERED.

The issuance of the Assailed CDO was grounded on the Corporation's alleged failure to comply with the July Order which was intended, among others, to effectively differentiate borrowers, and to determine the appropriate pricing of loan products based on the credit standing of borrowers. According to the FLCD, the Corporation's non-compliance with the July Order prevented the Commission from determining if the products offered by lending and financing companies are suited to the needs of the borrowers.[3]

In the *Motion to Lift*, the Corporation explained that its failure to respond to the Show Cause Letter was a result of the recent organizational change which took effect in February 2025, where the members of its new management did not have access to the former members' correspondences.[4] The Corporation has since filed an amended Memorandum Circular (MC) No. 28 Form to enable the members of its new management to receive official communications from the Commission and/or file reportorial requirements.[5] As regards the non-compliance with the directive in the July Order, the Corporation manifested that it already submitted to the CIC its registration

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[2] *Cease and Desist Order* dated 27 May 2025. p 2.
[3] *Ibid.*
[4] *Motion to Lift.* Par. 3
[5] *Id.* par. 4

application on 18 December 2023.[6] According to the Corporation, it had previously filed with the FLCD a reply to the Assailed Order where it made the same manifestation relative to the submission of its registration application with the CIC; but such reply was not given due course by the FLCD for being an improper remedy.[7]

The FLCD, through its comment, opposed the Motion to Lift on both procedural and substantive grounds.[8] They maintained that the Corporation's filing of the Motion to Lift beyond the five (5)-day reglementary period is a ground under the 2016 SEC Rules of Procedure of the Securities and Exchange Commission (the "2016 Rules") for the outright dismissal thereof.[9] The FLCD also maintained that the Motion to Lift is dismissible on substantive grounds, alleging the continued non-compliance by the Corporation with the directive in the July Order.[10] Similarly, the FLCD averred that the new management of the Corporation failed to exert reasonable efforts to comply with the July Order.[11]

During the clarificatory hearing conducted by the Commission, through the Office of the General Counsel, on 30 July 2025, the Corporation manifested that it had substantially completed the registration process with the CIC, and is in the process of completing the remaining stages to make it fully compliant with the July Order.

On 12 August 2025, the Corporation, with prior leave of the Commission, filed a Reply in relation to the belated filing of the Motion to Lift, therein moving for the relaxation of the rules of procedure in the interest of substantial justice.[12] On the substantive aspect, the Corporation maintained that since its non-registration or belated registration with the CIC does not constitute a violation of the FCPA, the Assailed CDO cannot be anchored on the FCPA.[13] The Corporation argued, in the alternative, that on the assumption that its non-registration with the CIC is a violation of the FCPA and/or the SEC's FCPA-Implementing Rules and Regulations (IRR), the Assailed CDO was still bereft of basis since the FLCD failed to establish that such non-registration unjustly caused grave or irreparable injury or prejudice to financial consumers.[14]

On 18 August 2025, the Corporation filed a Manifestation informing the Commission that it already received an e-mail from the CIC inviting its designated contact person and batch operators to a CIC

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[6] *Id.* Annex "A"
[7] *Id.* pars. 6 and 7
[8] Dated and filed on 08 July 2025
[9] *Comment.* page 2
[10] *Ibid.* page 3.
[11] *Ibid.*
[12] *Reply.* Pars. 14, 15 and 16
[13] *Ibid.* par. 20
[14] *Id.* Pars. 21 to 36.

technical training where (a) its Web Access in the CIC Test Environment will be activated, and (b) its representatives will be provided access credentials to the Covered Entity ("CE") Portal of the CIC. According to the Corporation, this development marks the completion of the registration phase pursuant to the CIC's Citizen's Charter and for which reason, the ground for the issuance of the Assailed CDO no longer exists.[15]

We proceed to address both the procedural and substantive issues of the Motion to Lift.

Anent the procedural issue raised by the FLCD, the Commission holds that the Corporation's failure to file the Motion to Lift within the reglementary period does not constitute a fatal defect as to cause the outright denial thereof. While both Section 6(d)(4) of the FCPA, and Section 4-3(b), Rule IV, Part II of the 2016 Rules require that a Motion to Lift be filed within five (5) days from receipt of a CDO, the Commission has consistently applied the jurisprudential doctrine that in administrative proceedings, rules of procedure are liberally construed to facilitate the speedy and inexpensive disposition of the cases filed before it.[16] This rule is specifically ordained in Section 1-4, Rule 1, Part I of the 2016 Rules, to wit:

> Technical rules shall be liberally construed and administered to promote public interest, to secure a just, prompt, expeditious, and inexpensive determination of every action and proceedings brought before the Commission and to carry out the objectives of the laws it is mandated to implement.

Considering that the resolution of the substantive issue presented in the Motion to Lift will satisfy the afore-quoted objectives of the 2016 Rules, this Commission hereby admits the *Motion to Lift* and will proceed to pass upon the merits thereof.

The Corporation argues that the FLCD committed reversible error in issuing the Assailed CDO on the ground that the violation upon which it was based is not among the acts prohibited and punished under the

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[15] Manifestation dated 15 August 2025. See Annexes "C", "C-1", "D' and "D-1".

[16] "It is well-settled that "the rules of procedure are mere tools aimed at facilitating the attainment of justice, rather than its frustration. **A strict and rigid application of the rules must always be eschewed when it would subvert the primary objective of the rules, that is, to enhance fair trials and expedite justice. Technicalities should never be used to defeat the substantive rights of the other party. Every party-litigant must be afforded the amplest opportunity for the proper and just determination of his cause, free from the constraints of technicalities.**" "Indeed, the primordial policy is a faithful observance of [procedural rules], and their relaxation or suspension should only be for persuasive reasons and only in meritorious cases, to relieve a litigant of an injustice not commensurate with the degree of his thoughtlessness in not complying with the procedure prescribed." **This is especially true with quasi-judicial and administrative bodies, such as the IPO, which are not bound by technical rules of procedure.** (Emphasis supplied) (*Birkenstock Orthopaedie GMBH and Co. vs. Philippine Shoe Expo Marketing Corporation.*, G.R. No. 194307, November 20, 2013. [Per J. Perlas-Bernabe, Second Division]).

FCPA. The Corporation maintains that the issuance of the Assailed CDO pursuant to the FCPA cannot be sustained since what was found by the FLCD to have been violated is not a provision of the FCPA.

We disagree.

A CDO is an interlocutory order which partakes of the nature of an injunction,[17] the purpose of which is to promptly act on, and address a pressing necessity to avoid injurious consequences which cannot be remedied under any standard compensation.[18]

Section 6(d)(4)[19] of the FCPA expressly grants the Commission the power to issue a CDO if, in its judgment, "*the act or practice, unless restrained, amounts to fraud or a violation of the provisions of this Act and its IRR, or may unjustly cause grave or irreparable injury or prejudice to financial consumers.*" Nonetheless, the Commission remains mindful of the limitation that in any exercise of the power to issue a CDO, compliance with the statutory requirements is imperative.[20]

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[17] "In the present case, it is clear from the dispositive portion of the CDO that its issuance is based on the findings of the SEC that there exists *prima facie* evidence that respondents are engaged in the business of selling securities without the proper registration issued by the Commission. *Prima facie* means a fact presumed to be true unless disproved by some evidence to the contrary. Applied to the instant case, it means that the findings of the SEC, as contained in the assailed CDO, can still be refuted and disproved by contrary evidence. This only means that the CDO is not final, is just provisional, and that the prohibition thereunder is merely temporary, subject to the determination of the parties' respective evidence in a subsequent hearing. It is, therefore, clear that the subject CDO, being interlocutory, may not be the subject of an appeal." (*Securities and Exchange Commission vs. CJH Development Corporation.* G.R. No. 210316, November 28, 2016, [Per J. Peralta, Third Division]).

[18] "Generally, injunction is a preservative remedy for the protection of one's substantive right or interest. It is not a cause of action in itself but merely a provisional remedy, an adjunct to a main suit. It is resorted to only when there is a pressing necessity to avoid injurious consequences which cannot be remedied under any standard compensation. The application of the injunctive writ rests upon the existence of an emergency or of a special reason before the main case can be regularly heard. The essential conditions for granting such temporary injunctive relief are that the complaint alleges facts which appear to be sufficient to constitute a proper basis for injunction and that on the entire showing from the contending parties, the injunction is reasonably necessary to protect the legal rights of the plaintiff pending the litigation. (*Transfield Philippines, Inc. vs. Luzon Hydro Corporation*, G.R. No. 146717, November 22, 2004 [Per J. Tinga, Special Second Division]).

[19] "Issuance of a cease and desist order to the financial service provider without the necessity of a prior hearing if in the financial regulator's judgment, **the act or practice, unless restrained, amounts to fraud or a violation of the provisions of this Act and its IRR, or may unjustly cause grave or irreparable injury or prejudice to financial consumers.** The financial service provider shall be afforded an opportunity to defend its act or practice in a summary hearing before the financial regulator or its designated body, upon request made by the financial service provider within five (5) calendar days from its receipt of the order. If no such hearing is requested within the said period, the order shall be final. If a hearing is requested by the financial service provider, the proceedings shall be conducted summarily without adhering to the technical rules of evidence, and all issues shall be determined primarily on the basis of records, after which the financial regulator may either reconsider or finalize and execute its order; xxx." (Emphasis supplied)

[20] "To equally protect individuals and corporations from baseless and improvident issuances, the authority of the SEC under this rule is nonetheless with defined limits. A cease and desist order may only be issued by the Commission after proper investigation or verification, and upon showing that the acts sought to be restrained could result in injury or fraud to the investing public. Without doubt, these requisites were duly satisfied by the SEC prior to its issuance of the subject cease and desist order." (*Primanila Plans, Inc. vs. Securities and Exchange Commission*, G.R. No. 193791, August 02, 2014 [Per J. Reyes, First Division].

The Supreme Court, in *Heirs of Melencio Yu, et al. vs. Court of Appeals, et al.,*[21] significantly explained the concept of "grave and irreparable injury" that would warrant an injunction, to wit:

> It is settled that a writ of preliminary injunction should be issued only to prevent grave and irreparable injury, that is, **injury that is actual, substantial, and demonstrable.** Here, there is no "irreparable injury" as understood in law. Rather, the damages alleged by the petitioner, namely, "immense loss in profit and possible damage claims from clients" and the cost of the billboard which is "a considerable amount of money" is easily quantifiable, and certainly does not fall within the concept of irreparable damage or injury as described in Social Security Commission v. Bayona:
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> Damages are irreparable within the meaning of the rule relative to the issuance of injunction where there is no standard by which their amount can be measured with reasonable accuracy. "An irreparable injury which a court of equity will enjoin includes that degree of wrong of a repeated and continuing kind which produce hurt, inconvenience, or damage that can be estimated only by conjecture, and not by any accurate standard of measurement." **An irreparable injury to authorize an injunction consists of a serious charge of, or is destructive to, the property it affects, either physically or in the character in which it has been held and enjoined, or when the property has some peculiar quality or use, so that its pecuniary value will not fairly recompense the owner of the loss thereof.** (Emphasis supplied)

In the instant case, the Assailed CDO was issued consequent to the Corporation's failure to register with the CIC.

Section 8(b)(1) of the FCPA categorically mandates all financial service providers to formulate and implement procedures for determining whether a particular financial product or service is suitable and affordable for their clients. In particular:

> **Section 8.** *Duties and Responsibilities of Financial Service Providers.* -
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> (a) Xxx.
> (b) *Appropriate Product Design and Delivery.* - **Financial service providers shall continuously evaluate their financial products or services to ensure that they are appropriately targeted to the needs, understanding and capacity of both their markets and their clients**. This shall include among others, the following:
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> (1) *Affordability and suitability assessments.* - **Financial service providers should have written procedures for determining whether a particular financial product or service is suitable and affordable for their clients**. This shall include the determination of whether or not the amount and terms of the

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[21] G. R. No. 182371, September 04, 2013 [Per J. Peralta, Third Division].

offered financial product or service allow various clients to meet their respective obligations with a low probability of serious hardship, and that there is a reasonable prospect that the financial product or service will provide value to its client. For the purpose of extending credit, this assessment will include measures to prevent over-indebtedness. (Emphasis supplied)

Further, the Commission issued MC No. 05, Series of 2023, or the SEC's FCPA-IRR, which requires financial service providers to, among others, set in place affordability and suitability assessments which take into consideration the consumers' financial situation, needs, capabilities and overall risk profile.[22] In this regard, we cannot overemphasize the importance of complying with the requirement to register with the CIC which will result in the availability of relevant data on consumers that will effectively enable lending and financing companies to determine not only the products that are suitable to and affordable for them, but also to evaluate if they are even qualified to avail of their services. The information and data that will become available consequent to the registration by all lending and financing companies with the CIC will spare the former from unnecessary administration and operation cost, which will ultimately translate into reasonable and affordable loan interest rates.

The Commission recognizes that the July Order was issued by the FLCD in the exercise of its authority to supplement the FCPA-IRR and issue related guidelines,[23] as well as to promote the declared state policy of ensuring appropriate mechanisms to protect the interest of consumers of financial products and services under conditions of transparency, and fair and sound market conduct, among others.[24] Suffice it to state that the issuance of the CDO was founded on the failure of the Corporation to comply with an order of the Commission, through the FLCD, that sought to implement the FCPA.

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[22] Section 2.1 of the FCPA-IRR provides: "Financial service providers shall have in place written procedures for adequate product suitability and affordability mechanisms whereby products and services are, among others, offered with skill, due care, and diligence and shall consider the consumers' financial situation, needs, capabilities, and overall risk profile. xxx."

[23] Rule 3, Section 1 of the FCPA-IRR provides: "These Rules shall apply to all financial products and services, and financial service providers, as defined herein, under the jurisdiction of the Commission. The Commission may revise and supplement these rules and regulations, and issue related guidelines, circulars, and other subsidiary issuances as it deems necessary for the effective implementation of the various provisions of the FCPA."

[24] Section 2 of the FCPA provides: "It is the policy of the State to ensure that appropriate mechanisms are in place to protect the interest of the consumers of financial products and services under the conditions of transparency, fair and sound market conduct, and fair, reasonable, and effective handling of financial consumer disputes, which are aligned with global best practices. These mechanisms reinforce their confidence in the financial market and foster the stability of the Philippine financial system. Towards this end, the State shall implement measures to protect the following rights of financial consumers: (a) Right to equitable and fair treatment; (b) Right to disclosure and transparency of financial products and services; (c) Right to protection of consumer assets against fraud and misuse; (d) Right to data privacy and protection; and (e) Right to timely handling and redress of complaints."

Be that as it may, the Commission takes due notice of the Corporation's application for registration with the CIC on 18 December 2023, indicating the Corporation's effort to comply with the July Order. More importantly, as the records of the CIC indicate that the Corporation is already in the Testing stage of its registration, we find substantial compliance with the requirement under the July Order. This development warrants the lifting of the Assailed CDO as the evil that justified its issuance has, in effect, ceased to exist.

WHEREFORE, premises considered, the Motion to Lift filed by Convenience Cash Lending Corp., doing business under the names and styles of Zada Cash and Bloom Cash, is hereby **GRANTED**. The Cease and Desist Order dated 27 May 2025 issued by OIC Quimio of the FLCD is hereby **LIFTED**.

This is without prejudice to other administrative sanctions that may be imposed upon the Corporation for other violations of the law, rules and regulations implemented by the Commission.

Let a copy of this Resolution be posted on the Commission's website and furnished to all relevant operating departments and offices of the Commission for their information and appropriate action.

SO ORDERED.

Makati City, Philippines.

FRANCISCO ED. LIM
Chairperson

JAVEY PAUL D. FRANCISCO
Commissioner

KARLO S. BELLO
Commissioner

MCJILL BRYANT T. FERNANDEZ
Commissioner

ROGELIO V. QUEVEDO
Commissioner