ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

In the Matter of:

ROYAL O' CONSULTANCY SERVICES OPC COMPANY REG. NO. 2021010005460-01; **ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC** COMPANY REG. NO. 2021010005106-10; and **OROMAGNET INTERNATIONAL E-GAMES OPC** COMPANY REG NO. 2020100002972-12 **x--x**	For Revocation of Certificate of Incorporation for violation of Section 44 of the Revised Corporation Code of the Philippines in relation to 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 the following entities:

ROYAL O' CONSULTANCY SERVICES OPC, a corporation registered with the Commission on 20 January 2021 under Company Reg. No. 2021010005460-01. Its registered principal office address is at **U-3302A** Tektite Building, Philippine Stock Exchange Centre, San Antonio, City of Pasig, Second District, National Capital Region (NCR), 1600. Its primary purpose is:

> *"To engage in the business of providing management consultancy services, technical advise to individuals, partnerships, corporations, associations and other entities for commercial, industrial or reorganization of business enterprises for both local and foreign organizations; conduct research, feasibility studies, survey internationally for purposes of identifying prospective opportunities and carry through all stages of development and other productive enterprises, ventures or projects and in the process provide information on the economic trends and market development,* ***except management of funds, securities, portfolios and other similar assets of the managed entities nor to act as investment advisor provided that the corporation shall not engage in any licensed practice of profession, nor shall engage in the management of funds, securities, portfolios and other***

similar assets of the managed entities nor to act as investment advisor.*;*

Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts. *(emphasis ours)*

ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC, a corporation registered with the Commission on 14 January 2021 under Company Reg. No. 2021010005106-10. Its registered principal office address is at **U-3302A** Tektite Building, Philippine Stock Exchange Centre, San Antonio, City of Pasig, Second District, National Capital Region (NCR), 1600. Its primary purpose is:

"Primary:

To engage in, conduct and carry on the business of buying, selling distributing, marketing at wholesale or retail insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind and description such as but not limited to consumer goods and equipment including its accessories and to provide after-sales repair and maintenance services thereof; to enter into all kinds of contracts for the export, import, purchase, acquisition, sale at wholesale or retail and other disposition for its own account as principal or in representative capacity as manufacturers representative, merchandise broker, indentor, commission merchant, factors or agents upon consignment of all kinds of goods, wares, merchandise or products whether natural or artificial.;

Secondary:

1) *To enter* ***any lawful arrangement for sharing profits****, union of interest, reciprocal concession or cooperation, association, partnership syndicate, entity, person or governmental, municipal or public authority domestic or foreign, in the carrying on of any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of the corporation. 2) To purchase, acquire, own, lease except financial leasing, sell and convey to the extend allowed by law, property of every kind and description as may be necessary or incidental to the conduct of its corporate business.;*

Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts. *(emphasis ours)*; and

OROMAGNET INTERNATIONAL E-GAMES OPC is a corporation registered with the Commission on 20 October 2020 under Company Reg. No. 2020100002972-12. Its principal office address is at 39 Pinagkaisahan Cubao, Chicago Street, Quezon City, Nagkaisang Nayon, Quezon City, Second District National Capital Region (NCR), 1109. Its primary purpose is:

"To operate legal online betting games dedicated for offshore clients to assist government generate revenue.;

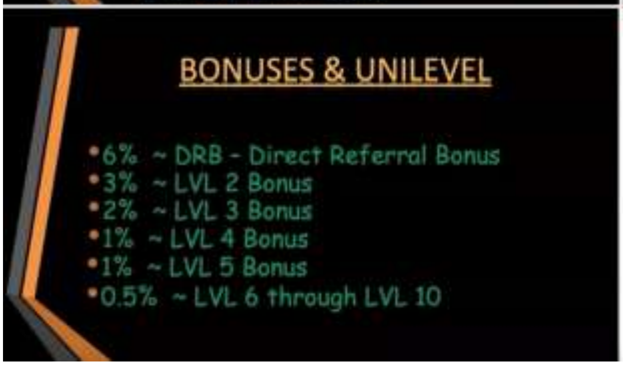
Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts. *(emphasis ours)*

Now, various email messages received by the Department on the matter were inquiries/reports such as:

a. *"Good am poh,*

Mag tatanong lang poh if legal bah ang ORO MAGNET INTERNATIONAL (royal financing consultancy service) mag crowd funding kapalit ppoh anf 200 to 300% na return in less than a year? Please see the attached file poh nang sinasabi nilang legal documents and ilang business plan poh. Need lang poh malaman for proper information if it is a blessing or misforturne.

Maraming salamt poh and godbless"



";

b. *"hi, Another investment scheme pa check naman po ulit kung legit*

Baka po kasi matulad ito sa Scentko World, Eco life, Ada Farm, Broilerpreneur na maraming na scam dahil sa tagal ng respond po natin mula nung nag report kami sa inyo, marami munang na biktima bago mag karoon ng public advise at na stop ang operation.

ROYALE ORO MAGNET INTERNATIONAL

Paki watch na lang po ng youtube video sa baba 👇 👇 👇

https://m.youtube.com/watch?v=DfgvwRV3GyA&feature".

The schemes which were being offered by Princess Joana Jo Alfajid Campos (called as "Mommy Doc" by Royal O's members) started through ORO MAGNET INTERNATONAL E-GAMES OPC's alleged "Trading Platform" named as Royal O' Financial Consultancy Services, a DTI-registered entity.

In order to check the veracity of the information received, this department conducted an inquiry/investigation regarding the business activities/operations of Oromagnet, Royal O', and all other entities affiliated with Mrs. Campos.

Below are the common Facebook posts pertaining to the investments being offered by Princess Joana Jo Alfajid Campos ("Mrs. Campos") through her various affiliated entities.

< Elaine Galindez ▶ TRENDING Business in the Philippines · Join
17h ·

Operated Portal Website of Royal O Financial Consultancy Services for the program of co-ownership of funds to cater to various businesses involved with, among others, in operation of macro and micro businesses, trucking , importation and export of goods such as oil, medical products, etc., beauty and wellness saloon and clinic, mining and casino junket type operations, etc.

👉NO NEED TO INVITE TO EARN Optional kung Gusto mo👈

✅ MARKETING PLAN✅
5K - 499K
3day cooling period
90days/3months contract
With Memorandum of Agreement MOA
Excluded Sat and Sunday
5k turn 10050 in 67days 150 daily
3% DAILY RETURN
201% ROI IN 67DAYS
Weekly payout 15%
Friday request
Tuesday release
500K-10M entry
60% per month
360% in 6 months contract.
7days cooling period
6months contract
With PDC and MOA
Promo:
1k entry for this month(January)
Papasuk ang 3% sa 1K entry pa nacomplete mo na 5K ..DRB and unilevel ay mawidraw mo minimum 1100 every 15 and 30 of the month

10:46

< Elaine Galindez ▶ TRENDING Business in the Philippines · Join
17h ·

every 15 and 30 of the month
🏦CERTIFICATION:
✔ SEC
✔ DTI
✔ CERTIFICATE OF NO OBJECTION
✔ Office Check (Pasig / Negros)
✔ Secondary License ready to release by Sentral Bank
CASH OUT:
- ANY BANK in the Phils.
PM FOR MORE DETAILS
😊
Welcome to Royal O!!
Pm me
Join link: 👇 👇 👇 "COPY PASTE THE LINK TO THE ADDRESS BAR" Free to register/ Pay when interested to earn.....
http://bit.ly/2KrDnWu

YOUTUBE.COM
Let your money works for you. Royal O Financial Consultancy Services negosyo na pang masa at OFW

10:47

Jimro Adille Gonzales ▸ TESSLINE-POST ANY ADS! · Join
1d ·

Operated Portal Website of Royal O Financial Consultancy Services for the program of co-ownership of funds to cater to various businesses involved with, among others, in operation of macro and micro businesses, trucking , importation and export of goods such as oil, medical products, etc., beauty and wellness saloon and clinic, mining and casino junket type operations, etc.

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Promo:
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Papasuk ang 3% sa 1K entry pa nacomplete mo na 5K ..DRB and unilevel ay mawidraw mo minimum 1100 every 15 and 30 of the month

CERTIFICATION:
✔ SEC
✔ DTI
✔ CERTIFICATE OF NO OBJECTION
✔ Office Check (Pasig / Negros)
✔ Secondary License released by Banko Sentral ng Pilipinas

CASH OUT:

- ANY BANK in the Phils.

PM FOR MORE DETAILS

Like Share

Investigation conducted by this Department disclosed that Royal O' Financial Consultancy Services is offering its Daily Program or its Monthly Program with earnings of 15% weekly in just 90 days (a total of 201% return on investment) or 60% monthly in just 6 months (a total of 360% return on investment), respectively.

Considering that Princess Joana Jo Alfajid Campos thru Royal O' Financial Consultancy Services appear to be engaged in selling of investment contracts, the Department inquired with the relevant Departments of the Commission such as the Markets and Securities Regulation Department (MSRD), Corporate Governance and Finance Department (CGFD), and Company Registration and Monitoring Department (CRMD) to determine if ROYAL O FINANCIAL CONSULTANCY SERVICES was issued or has a pending application for a permit to offer securities for sale.

Consequently, the MSRD, CGFD, and CRMD certified that Royal O' Financial Consultancy Services and Oromagnet International E-Games OPC has not registered any securities pursuant to the provisions of the Securities Regulation Code that would allow it to offer and/or sell securities to the public.

Thus, on 5 February 2021, an SEC Advisory was issued informing the public that:

> *xxx"**ROYAL O FINANCIAL CONSULTANCY SERVIES** is an investment platform for various entities such as: Oro Magnet Cockpit Arena – E-Sabong; Plasmatech Medical Supplies Trading; and Genius Global Impact and Export Corp.*
>
> *ROYAL O' FINANCIAL CONSULTANCY SERVICES is purportedly a website portal for the co-ownership program where the funds sourced from the public shall in turn be invested in various businesses that are being managed and operated by Dra. Campos.*
>
> *Investor-members may avail of either its Daily Program or its Monthly Program where such shall earn 15% weekly in just 90 days (a total of 201% return on investment) or 60% monthly in just 6 months (a total of 360% return on investment), respectively.*

Further, a member is entitled to a direct bonus equivalent to 6% based on his/her direct recruit's investment, and a Leveling Bonus equivalent to 0.5% to 3% up to the 10th level.

*While one of the purported businesses of Dra. Campos is registered with this Commission as a One-Person Corporation (**OROMAGNET INTERNATIONAL E-GAMES OPC** with Company Reg. No. 2020100002972-12), however, it was emphasized on its Certificate of Incorporation that such registration DOES NOT AUTHORIZE INVESTMENT SOLICITATION AND INVESTMENT-TAKING WITHOUT A SECONDARY LICENSE FROM THIS COMMISSION.*

To emphasize, the Certificate of Incorporation being flaunted to the public is not in any way the required Secondary License, rather, it is just a primary license and has nothing to do with any/other business/entity registered under the Department of Trade and Industry nor with this Commission.

As the above described schemes involved the sale of securities to the public, the Securities Regulation Code (SRC) requires that these securities are duly registered and that the concerned corporation and/or its agents have appropriate registration and/or license to sell such securities to the public pursuant to Section 8 of the SRC.

*The records of the Commission show that **ROYAL O FINANCIAL CONSULTANCY SERVICES** is not registered with the Commission neither as a corporation nor as a partnership. Further, it 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.*

*Hence, those who act as salesmen, brokers, dealers or agents or claim to act as such for **ROYAL O FINANCIAL CONSULTANCY SERVICES** in selling or convincing people to invest in the investment scheme being offered by said entity including solicitations and recruitment through the internet may 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 of imprisonment or both pursuant to Section 73 of the SRC.*

Also, those who invite or recruit others to join or invest in such venture or offer investment contracts or securities to the public may incur criminally liability, or otherwise be sanctioned or penalized accordingly as held by the Supreme Court in the case of Securities and Exchange Commission vs. Oudine Santos (G.R. No. 195542, 19 March 2014).

*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 **ROYAL O' FINANCIAL CONSULTANCY SERVICES** and to exercise caution in dealing with any individuals or group of persons soliciting investments for and on behalf of it." xxx*

Despite the issuance of the abovementioned SEC Advisory against Royal O' Financial Consultancy Services, it continued with its investment-taking activities and further advised would-be investors to make a deposit to the bank accounts detailed below in order to earn the promised profits by joining the schemes being perpetrated by Mrs. Campos.

Bank	Bank Account Name	Bank Account Number
Metrobank	Royal O' Consultancy Services OPC	0027002524143
Unionbank	Plasmatech Medical Supplies Trading; Princess Joana Jo A. Campos	00-310-000121-5; 00-276-000828-4
Security Bank	Royal O' Consultancy Services OPC; Plasmatech Medical Supplies Trading; Royal O' International Import and Export OPC	00000-3818-7972; 00000-3516-2666; 00000-3516-2655
Philippine National Bank	Royal O' International Import and Export OPC; Plasmatech Medical Supplies Trading	310670005499; 310670005488
China Bank	Royal O' Dry Goods Trading	1672-0000-2352
United Coconut Planters Bank	IPhil Savings & Credit Cooperative	203190007269
Veterans Bank	Princess Joana Jo A. Campos	001-5995-4110-0
BPI	Christopher Tundag	217652943

As to other entities, it was found out that:

PLASMATECH MEDICAL SUPPLIES TRADING is a DTI-registered entity with Certificate No./BNN 1864944 on 22 June 2020 under the name of Princess Joana Jo Alfajid Campos with a national scope; and

ROYAL O DRY GOODS TRADING is a DTI-registered entity with Certificate Nos./BNN Nos. 2391576 and 2316918 on 6 January 2021 and 25 November 2020 with a barangay scope within the City of Bacolod under the name of Princess Joana Jo Alfajid Campos.

Considering that Princess Joana Jo Alfajid was able to register other corporations with the SEC (i.e. **ROYAL O' CONSULTANCY SERVICES OPC**, and **ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC**), another Advisory was issued by this Commission on 23 February 2021 averring that:

> xxx While **ROYAL O' CONSULTANCY SERVICES OPC,** and **ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC** were registered with this Commission as one person corporations, however, their respective purpose specifically states:
>
> *"Provided that the corporation* ***shall not solicit, accept or take investments/placements from the public neither shall it issue investment contract****."xxx (bold underscoring for emphasis)*

xxx Verily, while **ROYAL O' CONSULTANCY SERVICES OPC,** and **ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC** are registered with this Commission as one person corporations, they did not secure a secondary license to solicit, accept, or take investments/placements from the public nor are they authorized to issue investment contracts and other forms of securities under Section 3 of the Securities Regulation Code (SRC) as prescribed under Sections 8 and 28 of the SRC.

Corollarily, the CGFD, CRMD and MSRD likewise issued negative certifications on the existence of a secondary license in favor of ROYAL O' CONSULTANCY SERVICES OPC; PLASMATECH MEDICAL SUPPLIES TRADING; ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC, among others.

In order to proceed with her illegal investment-taking activities, Mrs. Campos decided to forego the registered entities with this Commission and acquired as her new vehicle, a non-performing/non-operational cooperative named as IPhil Savings and Credit Cooperative, however, her plans were thwarted when the Cooperative Development Authority Region VII (CDA-Region VII) issued a Cease and Desist Order against it. Consequently, Mrs. Campos reverted her operations back to entities registered with this Commission.

COOPERATIVE DEVELOPMENT AUTHORITY
Regional Office VII
2nd Floor, Cooperative Bank of Cebu Building, M. Velez St., Guadalupe, Cebu City

RECEIVED

CEASE AND DESIST ORDER FOR
I PHIL CREDIT AND SAVINGS COOPERATIVE

Pursuant to Special Order No. 2021-129, s.2021 dated May 20, 2021, the Cooperative Development Authority-Cebu Extension Office conducted an examination of **I Phil Savings and Credit Cooperative** with Registration No. 9520-1070000000038614 dated August 24, 2017. The examination focused on certain areas of concern, one of which was on the business operation of the cooperative.

During the examination, it has come to our attention that I Phil Savings and Credit Cooperative is engaged in investment-taking activities with expectation of generating a high yield of income or profit and multi-level marketing activities or networking activities with members recruited outside its area of operation, which is Region VII. The cooperative also accepts savings/time deposits from members without any written policies or records to support its current operation.

However, under its Articles of Cooperation and By-laws, investment-taking and networking activities are not stipulated as purposes for which the cooperative was organized, making those ventures not in accordance with the law. Further, the recruitment of members beyond its area of operation and acceptance of such savings/time deposits from members are not in accordance with Republic Act No. 9520 and its Articles of Cooperation and By-laws.

Thus, the cooperative is hereby **ORDERED TO CEASE AND DESIST** from undertaking investment-taking and networking activities, recruiting members beyond its area of operation, and accepting savings/time deposits from members without written policies and records to support its current operation.

Failure to comply the Order shall constrain this Office to take appropriate action in accordance with applicable laws and regulations.

SO ORDERED.

NORA P. PATRON, PhD
Director II

On 26 August 2021, a ***Show Cause Order*** was issued against ROYAL O' CONSULTANCY SERVICES OPC, ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC, and OROMAGNET INTERNATIONAL E-GAMES OPC addressed to their respective declared principal offices, and the addresses of their stockholder-director-president, nominee and alternate nominee ***directing the companies to show cause why their Certificates of Incorporation should not be revoked for serious misrepresentation as to what the corporations can do or are doing to the great prejudice of or damage to the general public and for committing fraud in the procurement of their Certificates of Incorporation and to show cause why no administrative sanctions and/or criminal charges should be filed against*** **ROYAL O' CONSULTANCY SERVICES OPC; ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC;** and **OROMAGNET INTERNATIONAL E-GAMES OPC and/or their incorporators, directors and officers for violation of the Securities Regulation Code.**

However, said Show Cause Order was not served to upon any of the concerned entities/individuals except Joyce P. Untalan, the nominee of Mrs. Campos to Oromagnet International E-Games OPC.

The purported declared principal office address of both ROYAL O' CONSULTANCY SERVICES OPC and ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC (collectively referred herein as "Royal O") at U-3302A Tektite Building, Philippine Stock Exchange Centre, San Antonio is false as previously certified by the Building Administrator of the Tektite Building (and in fact, validated by the Department) that U-3302A of Tektite is a vacant office. Similarly, the office address which was actually occupied by Royal O (Unit W-810 of Tektite) was eventually vacated by Royal O as verified by the department with the Building Administrator of Tektite.

Also, the Show Cause Order was not served upon Oromagnet International E-Games OPC as its alleged principal office address located at 39 Pinagkaisahan Cubao, Chicago Street, Quezon City Nagkaisang Nayon is likewise bogus and does not have any indication that it is being used as office by a corporation based on the investigation by this department.

A resident at the address declared by Princess Joana Jo Alfajid Campos at 15 Diamond Street, Concepcion Uno, City of Marikina refused to receive the Show Cause Order and contended that no such Princess Joana Jo Alfajid Campos lives there, while the declared address at ***98 Floor*** RD3 Rd1 cor. Quezon City Project 6 is indubitably fake since no building in the Philippines exists with such a high number of floors/stories.

Copies of the show-cause order were also not served upon Jessie Ladao and Gretchen Aguas's declared residential address, however, the Show Cause Order was sent via email to the companies' official emails per records of the Commission, to wit: gretchaguas@gmail.com; oromagnetofficial@gmail.com; onlineinquiry2019@gmail.com as well as to Royal O's counsel, Atty. Byrone M. Timario, at timariobyrone061@gmail.com. Despite proof that the Show Cause Order was sent to said emails constituting receipt and therefore due notice , the companies failed to submit their position papers, explanation or any response, thus, constituting a waiver of their opportunity to be heard.

On the other hand, Joyce P. Untalan manifested in her reply that:

> *xxx I have no objection if the Securities and Exchange Commission finds support to revoke the Oro Magnet International E-Games OPC since I was never part of the corporation nor acted for and on behalf of the corporation, except to accommodate Dr. Campos' request to include my name as her nominee." xxx*

Accordingly, as stated in the Certifications executed by: Joyce Pamularco Untalan as the duly authorized representative of OROMAGNET INTERNATIONAL E-GAMES OPC; Jessie Ladao as the duly authorized representative of ROYAL O' CONSULTANCY SERVICES OPC's and ROYAL O' INTERNATIONAL IMPORT AND EXPORT xxx as part of the documents they submitted when the registered with the Commission, "any defect in the Articles of Incorporation shall constitute a valid ground to revoke the registration and cancel the certificate thus issued." Therefore, the declaration of a false principal office and residential addresses is a glaring defect which is also intentional and willful and that the same is tantamount to fraud in the procurement of the Certificate of Incorporation which is also a valid ground for the revocation of the issued Certificate of Incorporation.

Moving forward, 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

(a) ***Investment contracts***, certificates of interest or participation in a profit sharing agreement, certificates of deposit for a future subscription;

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 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* which traces its roots from the case of *SEC vs. 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)

"Dealer" as any person who buys and sells securities for his/her own account in the 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 3.4 of SRC defined ordinary course of business. "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, dealers 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 Mrs. Campos thru her affiliated entities 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 Mrs. Campos as follows:

- First, there was an **investment of money** from the public. ROYAL O' actually received money from the public who were enticed to invest through their various companies which is ultimately owned by Princess Joana Jo Alfajid Campos;

- Second, there was a **common enterprise** in the sense that respondent ROYAL O' vis-à-vis Princess Joana Jo Alfajid Campos pooled the money invested by its investors in a profit-making venture;

- Third, there was clearly an **expectation of profits** on the part of its investors who were promised that their money would earn a daily return of 3% in a total of 67 or 66 days or a total of approximately 201% for an investment up to Php499,999.00; and 60% monthly returns for 6 months for a total of 360% for investment from Php500,000.00 up to Php10,000,000.00; and

- Lastly, the expectation of profits is **derived primarily from the efforts of ROYAL O and/or its directors, officers, agents or representatives**.

It is important to emphasize that **ROYAL O' CONSULTANCY SERVICES OPC; ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC;** and **OROMAGNET INTERNATIONAL E-GAMES OPC** as juridical persons, are only allowed to exercise powers inherent to their corporate existence as provided in the Revised Corporation Code of the Philippines and those conferred in their Articles of Incorporation (AOI). In other words, what a corporation can do is necessarily circumscribed by its primary purpose clause in its AOI.

The purposes provided in the Articles of Incorporation of **ROYAL O' CONSULTANCY SERVICES OPC; ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC;** and **OROMAGNET INTERNATIONAL E-GAMES OPC**'s clearly and explicitly state:

> ***Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts***"

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 ***<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 fact, the purposes **ROYAL O' CONSULTANCY SERVICES OPC; ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC;** and **OROMAGNET INTERNATIONAL E-GAMES OPC**'s Articles of Incorporation ***prohibited them to operate an investment-taking scheme***.

The act of Mrs. Campos through her affiliated entities, particularly **ROYAL O' CONSULTANCY SERVICES OPC; ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC;** and **OROMAGNET INTERNATIONAL E-GAMES OPC,** in allowing certain persons acting as its agents or representatives to make public presentations of its investment scheme, inviting the public to invest in the company through social media and seminars conducted, render them liable for the unauthorized public offering of securities and the misrepresentation committed in connection with such public offering.

The investment scheme of Mrs. Campos through **ROYAL O' CONSULTANCY SERVICES OPC; ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC;** and **OROMAGNET INTERNATIONAL E-GAMES OPC** also operates to defraud investors as they deceive the investing public by making it appear that they have authority to deal in securities. This also amounts to serious misrepresentation as to what they can do or is doing to the damage and prejudice of the investing public.

Moreover, it is worthy to mention additional misrepresentations of the subject registered OPCs, to wit:

1. **ROYAL O' CONSULTANCY SERVICES OPC,** and **ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC**

   In their Articles of Incorporation, it was declared therein that their principal office address is at U-3302A Tektite Building, Philippine Stock Exchange Centre, San Antonio, City of Pasig, Second District, National Capital Region (NCR), 1600. However, verification made by this department reveals that such office address is not being occupied by the aforementioned entities, and in fact, it was certified by the Property Manager of PRHC Property Managers, Inc. that U-3302A of Tektite Building is actually vacant; and

2. **OROMAGNET INTERNATIONAL E-GAMES OPC**

   In its Articles of Incorporation, it was declared therein that the residential address of Princess Joana Jo Alfajid Campos is at 98 Floor RD3 Rd1 cor. Quezon City, Project 6, Quezon City, Second District, National Capital Region (NCR). However, it is to be noted that no existing building in the Philippines has a 98th Floor.

The employment of a false address in order to acquire registration with the Commission is tantamount to fraud in the procurement of the Certificate of Incorporation which is a valid ground for the revocation of said Certificate pursuant to Section 6(i) of PD 902-A.

Under Section 6 of Presidential Decree 902-A, the Commission has the power to suspend, or revoke, after proper notice and hearing, the franchise of certificate of registration or corporations, partnerships and associations, on the ground of serious misrepresentation as to what the corporation can do or is doing to the to the great prejudice of or damage to the general public. Further, SEC Admin Case No. 11-10-124 entitled *In re: PHILBIO Renewable Energy Resources Corp.*, promulgated on 27 April 2016 provides what constitute 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 their respective primary purposes that **ROYAL O' CONSULTANCY SERVICES OPC; ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC;** and **OROMAGNET INTERNATIONAL E-GAMES OPC** are authorized to engage in the selling or offering for sale of securities to the public, the activities of **ROYAL O' CONSULTANCY SERVICES OPC; ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC;** and **OROMAGNET INTERNATIONAL E-GAMES OPC** of selling or offering for public sale of investments are considered *ultra vires acts* and therefore constitute serious misrepresentation.

Finally, a Cease and Desist Order (CDO) was issued by this Commission against the entities affiliated with Mrs. Campos which includes **ROYAL O' CONSULTANCY SERVICES OPC; ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC;** and **OROMAGNET INTERNATIONAL E-GAMES OPC** on 12 August 2021 which automatically became **PERMANENT** after the lapse of five (5) days thereafter without any filing of a verified motion to lift such CDO. The Commission *en banc* issued the CDO on the basis of the pieces of evidence adduced by this department that the entities involved therein are engaged in illegal activities of soliciting investment from the public without the requisite secondary license. Worse, the investment-taking activities are within the context of a ponzi scheme as there was no indication of a lawful business activity from where profits could be sourced to be distributed to its members-investors.

As mentioned in the CDO, the Philippine Amusements and Gaming Corporation (PAGCOR) certified that Oromagnet and/or Mrs. Campos do not have any license, accreditation nor any pending application to engage in online betting activities such as e-sabong and casino operations, and the Bureau of Customs (BOC) certified that Royal O' International Import and Export OPC or any of its affiliates are not accredited importers or customs brokers. Having no accreditation with relevant agencies such as PAGCOR and BOC would leave the corporations no reason for being considering that their primary purposes requires them to secure the necessary and requisite license or permit therefrom.

WHEREFORE, for violations of Section 44 of the Revised Corporation Code of the Philippines in relation to P.D. 902-A, the Certificates of Incorporation and the registrations of **ROYAL O' CONSULTANCY SERVICES OPC; ROYAL O' INTERNATIONAL IMPORT AND EXPORT OPC;** and **OROMAGNET INTERNATIONAL E-GAMES OPC** as one person corporations are hereby **REVOKED**.

Accordingly, let this Order be attached by the Corporate Filing and Records Division of the Company Registration and Monitoring Department (CRMD) to the records of the corporations 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 corporations in the online database of the Commission.

SO ORDERED

Pasay City, 4 November 2021.

OLIVER O. LEONARDO
Officer-in-Charge