Securities and Exchange Commission
PHILIPPINES

BAGONG PILIPINAS

FINANCING AND LENDING COMPANIES DEPARTMENT

IN THE MATTER OF:	**FLCD CDO Case No. 04** **Series of 2025.**
BRAVO ZULO ROMEO LENDING CORPORATION (CS201820748) U2 L5 B8 South Spring Villas Bucal City of Calamba, Laguna *Respondent.* x---x	**FOR: VIOLATION OF SEC MEMORANDUM CIRCULAR NO. 19, SERIES OF 2019, MEMORANDUM CIRCULAR NO. 10, SERIES OF 2021, AND FINANCIAL PRODUCTS AND SERVICES CONSUMER PROTECTION ACT**

CEASE AND DESIST ORDER

This refers to the investigation conducted by the Securities and Exchange Commission ("*SEC*") regarding the alleged operation of the unrecorded Online Lending Platform ("*OLP*"), Magic Peso, by Bravo Zulo Romeo Lending Corporation ("*the Respondent*").

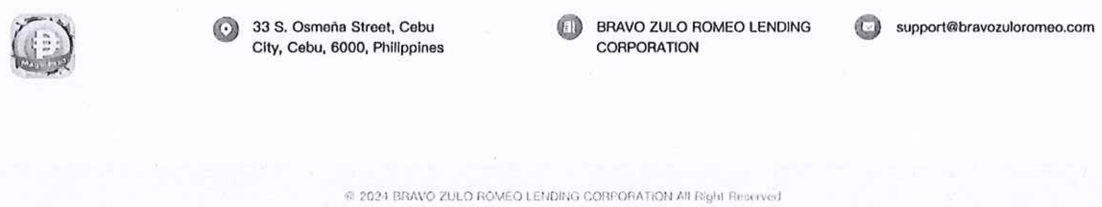
Antecedents

The Respondent is a registered lending corporation under SEC Registration No. CS201820748 and Certificate of Authority No. 2774. Its primary purpose is:

> *"to engage in lending under Lending Regulation Act of 2007. Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts."*

A perusal of the Respondent's records in the Commission shows that the Respondent did not file any disclosure pertaining to any OLP under Memorandum Circular No. 19, Series of 2019, or the Disclosure Requirements on Advertisements for Financing and Lending Companies and Reporting of Online Lending Platform ("*MC19*").

Acting on complaints received from borrowers who claimed to experience abusive collection practices from an OLP named Magic Peso, Commission conducted its own investigation. The Website of the OLP Magic Peso provides:



Based on the foregoing, it can be concluded that the Respondent owns and operates the unrecorded OLP Magic Peso in violation of MC 19, the Moratorium on New Online Lending Platform imposed by Memorandum Circular No. 10, Series of 2021 ("*MC 10*"), and the Financial Products and Services Consumer Protection Act ("*FCPA*").

Issue

Whether a Cease and Desist Order should be issued against the Respondent on account of its violation of MC 19, MC 10 and the FCPA?

Ruling

The Commission finds issuing a Cease and Desist Order against the Respondent warranted.

The Respondent's nondisclosure of its operation of Magic Peso violates MC 19, MC 10 and FCPA. By operating an undisclosed OLA, the Commission's supervisory authority and power over this OLA are rendered useless. Moreover, its borrowers are at risk of experiencing abusive collection practices, high-interest rates, and violation of their data privacy rights.

To ensure that the Commission is able to perform this mandate and to protect the public, Section 6(d)(4) of the FCPA, as implemented by MC No. 05, Series of 2023, authorizes the Commission to issue a cease and desist order **without the necessity of a prior hearing** if in the Commission's judgment, the act or practice, unless restrained, amounts to fraud or a violation of the provisions of the FCPA and/or the SEC FCPA IRR, or may unjustly cause grave or irreparable injury or prejudice to financial consumers, to wit:

> **"RULE 6**
> *Powers of the SEC*
>
> Section 1. *Powers of the Commission.* – The Commission shall, in the implementation of these Rules and the provisions of the FCPA, have the following powers:
>
> D. Enforcement. The Commission shall have the authority to impose enforcement actions against financial service providers for noncompliance with the provisions of the FCPA, SEC FCPA IRR, and other existing laws pertinent to the jurisdiction and authority of the Commission.
>
> Such enforcement actions may include the following:
>
> **Issuance of a cease and desist order** ("*CDO*") to a financial service provider without the necessity of a prior hearing if, in the Commission's judgment, the act or practice, unless restrained, amounts to fraud <u>or a violation of the provisions of the FCPA and/or the SEC FCPA IRR</u>, or <u>may unjustly cause grave or irreparable injury or prejudice to financial consumers</u>. A CDO is immediately executory upon service or publication on the Commission's website. [Emphasis supplied]

On account of the Respondent's continuing operation of Magic Peso, the Commission holds that the issuance of a CDO is warranted in the instant case, not only to penalize the Respondent but also to prevent fraud, injury, or harm to the public and financial consumers who are at the Respondent's mercy.

WHEREFORE, premises considered, **BRAVO ZULO ROMEO LENDING CORPORATION** 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.

SO ORDERED.

24 June 2025, Makati City.

Kenneth Joy A. Quimio

Atty. Kenneth Joy A. Quimio
OIC-Director

Scan the QR to verify the document