



ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

In the matter of:

LIFE BLESSING TRADING INC.

Company Registration No. 2023010083801-89

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LIFE BLESSING TRADING INC.

6 K4th Street Kamuning, Quezon City

Second District, NCR

danielmae0410@yahoo.com

MICHAEL ANCHE D. MACAYANA

25 8th Street, New Manila Rolling Hills,

Damayang Lagi, 4th District, Quezon City

CHINIE MAE TULABOT

25 8th Street, New Manila Rolling Hills,

Damayang Lagi, 4th District, Quezon City

REVOCATION ORDER

LIFE BLESSING TRADING INC., was granted its Certificate of Registration by the Commission on 30 January under Company Registration No. 2023010083801-89 with the following as incorporators:

Name	Citizenship	Residential Address
Chinie May Tulabot	Filipino	25 8 th Street, New Manila Rolling Hills, Damayang Lagi, 4 th District, Quezon City
Michael Anche D. Macayana	Filipino	25 8 th Street, New Manila Rolling Hills, Damayang Lagi, 4 th District, Quezon City

The primary purpose of **LIFE BLESSING TRADING INC.** as stated in its Articles of Incorporation is:

Primary:

“direct selling, distribute all kinds of goods and merchandise products.”

✉ The SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Bel-air, Makati City
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The instant case on **LIFE BLESSING TRADING INC.** also known as **LIFE BLESSING PHILIPPINES** or **LIFE BLESSING PH**, stemmed from a *motu proprio* investigation conducted by the Department on possible investment scams operating in social media, particularly, Facebook.

Initial investigation on **LIFE BLESSING PHILIPPINES/ LIFE BLESSING TRADING INC.** showed that it presents itself as an established and fast-growing investment firm with an excellent track record of protecting and growing investor capital through the help of its investment strategies & multiple businesses, across a broad Forex Trading platform, financing, and to its Online Gaming Casino Partners. Its vision is to continue to be “The Trusted Home for Capital, Known for Smart Investing.”

As appearing in Social Media posts discovered by the Commission, **LIFE BLESSING TRADING INC.** is enticing the public to invest for a minimum capital of Php 1,000.00 for a promise of receiving an interest rate ranging from 25% to 150% for a short-term investment between 10 to 40 days.



LIFE BLESSING

PHILIPPINES

BLESSING CHART

ACCOUNT TYPE	SILVER	GOLD	PLATINUM	DIAMOND VIP
AMOUNT PER ENTRY	PHP 1,000	PHP 3,000	PHP 5,000	PHP 50,000
PROFIT INCOME %	25% ROI	50% ROI	95% ROI	150% ROI
BLESSING TIMEFRAME	10 DAYS	15 DAYS	25 DAYS	40 DAYS
MAXIMUM LIMIT PER ENTRY	5K MAX PER DAY	10K Max per day	NO MAXIMUM LIMIT	NO MAXIMUM LIMIT
EARNING CHART	Real Time Trading Profit 1.00%	Real Time Trading Profit 1.50%	Real Time Trading Profit 2.00%	Real Time Trading Profit 3.00%
REFERRAL BLESSINGS	EARN 5% TOTAL REFERRAL BLESSINGS ON EVERY ACCOUNT ACTIVATION UNDER YOUR LINK			
UNILEVEL BLESSINGS	EARN 1-2% UNLIMITED UNILEVEL BLESSINGS UP TO 10TH LEVEL LIFETIME!			
DIAMOND VIP PACKAGE ARE SUBJECT WITH CONTRACT AND PDC ISSUANCE (CHEQUE)				
AS PER SAFETYNET SATURDAY IS NOT INCLUDED ON TIMEFRAME COUNT & AUTOMATIC 8% CASH OUT DEDUCTION WILL BE APPLY ON ALL ENCASHMENT REQUEST				

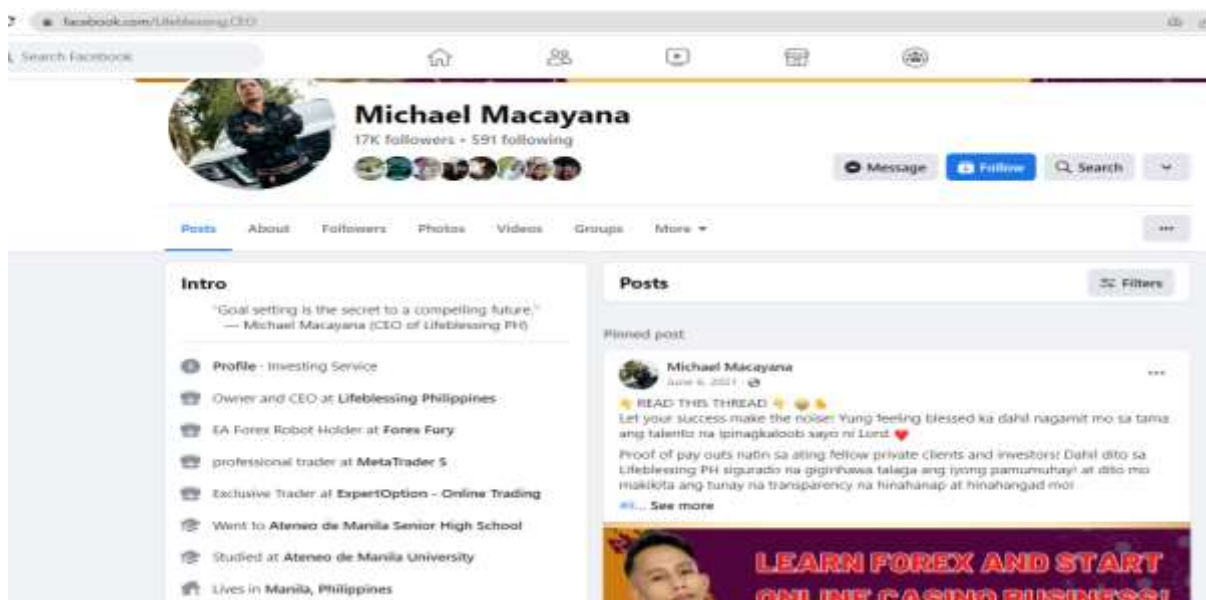
WWW.LIFEBLESSINGPH.COM

Silver Entry	Gold Entry	Platinum Entry	Diamond VIP Entry
25% Profit Income	50% Profit Income	95% Profit Income	150% Profit Income
10 DAYS TIMEFRAME (CAPITAL + PROFIT PAY OUT)	15 DAYS TIMEFRAME (CAPITAL + PROFIT PAY OUT)	25 DAYS TIMEFRAME (CAPITAL + PROFIT PAY OUT)	40 DAYS TIMEFRAME (CAPITAL + PROFIT PAY OUT)
Min : PHP 1,000.00 Max : PHP 5,000.00	Min : PHP 3,000.00 Max : PHP 10,000.00	Min : PHP 5,000.00 Unlimited Entry/No Maximum Limit	Min : PHP 50,000.00 Unlimited Entry/No Maximum Limit With Contract & Post Dated Cheque Issuance

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Moreover, on its website, if a user clicked the “Contact Us” button, the user will end up on the Facebook account of a certain personality named “**Michael Macayana**” who is apparently the owner and CEO of Life Blessing Trading Inc. as shown on its FB Account.



On 28 March 2023, the Commission issued an Advisory on **LIFE BLESSING PHILIPPINES**, containing the following, among others, for the information of the public:

The public is hereby informed that **LIFE BLESSING PHILIPPINES** is not registered with the Commission and is not authorized to solicit investments from the public; not having secured prior registration and/or license to sell securities or solicit investments as prescribed under Section 8 of the SRC.

In view thereof, the public is advised **NOT TO INVEST** or to **STOP INVESTING** in the investment scheme being offered by **LIFE BLESSING PHILIPPINES** as well as to any other entities having the same or similar schemes and to exercise caution in dealing with any individuals of group of persons soliciting investments or recruiting investors for and on behalf of **LIFE BLESSING PHILIPPINES**.

On 24 June 2023, a **Show Cause Order** was issued against **LIFE BLESSING PHILIPPINES**, addressed to the company's registered principal office address, and to its stockholders-directors-incorporators, namely; Michael Anche Macayana and Chinie Mae Tulabot, *directing the company to show cause why no administrative sanction and/or criminal charges should be imposed/filed against LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC., and/or its incorporators, directors and officers for violation of the Securities Regulation Code, and other pertinent laws, rules and regulations of the Commission, including, but not limited to disqualification from being a director of a corporation under Section 26 of the Revised Corporation Code of the Philippines; and to show cause why the Certificate of Incorporation of LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC., 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.*

However, at the time of the personal service of the Show Cause Order, it was discovered that **LIFE BLESSING PHILIPPINES** was not occupying its registered principal office address. On the same date, the Show Cause Order was sent to respondent through its official email address indicated in its Articles of Incorporation.

To date, despite such receipt and presumptive notice of the Show Cause Order as detailed above, the company failed to respond which shall be 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:

The marketing and/or compensation plan of **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC.**, clearly involves offering and sale of securities in the form of an investment contract as defined under Section 3.1 of the Securities Regulation Code (SRC).

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 certificate, 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:

- An investment of money;
- A common enterprise;
- Expectation of profits; and
- 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.” (Emphasis ours)

Securities such as investment contracts as defined under 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** or distributed.

Meanwhile, 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 **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING**

INC., 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 **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC.** which are as follows:

- There is an **investment** or **placement of money** from the public as before they can earn the profits promised by **LIFE BLESSING PHILIPPINES**, they must first invest money in the said entity;
- The money invested is placed in a **common enterprise or into LIFE BLESSING PHILIPPINES**;
- The **investors expect to derive profits** as they are primarily attracted to join **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC.**, for a promise of receiving a guaranteed monthly interest; and
- The investors expect to earn profits derived primarily from the efforts of others or from **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC.**

LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC., is offering an investment scheme which is within the definition of securities under Section 3.1 of the SRC which is in the nature of an investment contract. An investment contract has been defined as a contract or scheme for the placing of capital or laying out of money in a way intended to secure income or profit from its employment.¹ It has been applied to a variety of situations where individuals were led to invest money in a common enterprise with the expectation that they would earn a profit through the efforts of the promoter or of someone other than themselves.²

It is noteworthy to mention that **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC.**, is not authorized to solicit investments from the public as it did not secure prior registration and/or license to solicit investment from the Commission as prescribed under Section 8 of the Securities Regulation Code. Hence, the act of **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC.**, in soliciting investments from the public without the necessary secondary license from the Commission is unauthorized.

It is important to emphasize that **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING 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.

¹ *SEC vs Howey Co.*, 328 U.S. 293 (1946)

²*Ibid.* Although the definition as stated in the *Howey* case qualified that the earning of profit was expected to be solely through the efforts of another party, Rule 26.3.5 of the SRC's IRR replaces this qualifier with "primarily", acknowledging that an investment contract may still be present where the individual who placed the money exerted a small amount of effort in an attempt to earn the profits promised.

In **LIFE BLESSING TRADING INC.**'s Articles of Incorporation as approved by the Commission, it is clearly provided that the business of the subject company is:

Primary:

"direct selling, distribute all kinds of goods and merchandise products".

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 **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC.**, Articles of Incorporation expressly prohibits it to operate an investment-taking scheme.

In an SEC opinion³, 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 **LIFE BLESSING TRADING INC.**, explicitly states that:

This Certificate grants juridical personality to the corporation **but does not authorize it to issue, sell or offer for sale to the public, securities** such as but not limited to, shares of stock, **investment contracts**, debt instruments and virtual currencies without prior Registration Statement approved by the Securities and Exchange Commission **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**, 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. **Neither does this Certificate constitute a permit to undertake activities for which other government agencies require a license or permit.** (emphasis supplied)

³ SEC-OGC Opinion No. 11-33 dated 29 July 2011 addressed to Mr. Jesus B. Lapuz.

To exacerbate matters, the scheme being offered by **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC.**, is clearly in the nature of a *ponzi* scheme⁴ where the profits or payouts shall be taken from incoming investors or additional pay-ins of existing members-investors, considering that it does not have any underlying legitimate business from where it could source its promised return on investments to its investors. Such scheme is prohibited under Section 26 of the SRC:

“SEC. 26. **Fraudulent Transactions.** – It shall be unlawful for any person, directly or indirectly, in connection with the purchase or sale any securities to:

26.1. Employ any device, scheme, or artifice to defraud;

26.2. Obtain money or property by means of any untrue statement of a material fact of any omission to state a material fact necessary in order to make the statement made, in the light of the circumstances under which they were made, not misleading; or

26.3. Engage in any act, transaction, practice or course of business which operates or would operate as a fraud or deceit upon any person.”

Further, Republic Act No. 11765 or the Financial Products and Services Consumer Protection Act (FCPA) also prohibits investment fraud which is defined under the law as any form of deceptive solicitation of investments from the public which includes Ponzi schemes and such other schemes involving the promise or offer of profits or returns sourced from the investments or contributions made by the investors themselves and the offering or selling of investment schemes to the public without a license or permit from the SEC.

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, 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 Revised Corporation Code empower the Commission to revoke the franchise or Certificate of 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:

xxx "1. Investigations and administrative actions involving the following:
c) Selling, offering or transacting unregistered securities by entities without secondary license;

⁴ A **Ponzi scheme** is an investment program that offers impossibly high returns and pays these returns to early investors out of the capital contributed by later investors. Named after Charles Ponzi who promoted the scheme in the 1920s, the original scheme involved the issuance of bonds which offered 50% interest in 45 days or a 100% profit if held for 90 days. Basically, Ponzi used the money he received from later investors to pay extravagant rates of return to early investors, thereby inducing more investors to place their money with him in the false hope of realizing this same extravagant rate of return themselves. (*People of the Philippines v. Priscilla Balasa, et. al., G.R. 106357, dated September 3, 1998*).

d) ultra vires acts committed in violation of the Corporation Code;

2. Petitions for revocation⁵ 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 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 its primary purpose that **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC.**, is authorized to engage in the selling or offering for sale of securities to the public, the activity of **LIFE BLESSING PHILIPPINES/LIFE BLESSING TRADING INC.**, of selling or offering for sale of investments is considered an *ultra vires* act and therefore constitute serious misrepresentation.

Section 44 of the RCC 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 commission of acts beyond its purpose or *ultra vires* acts as provided under Section 44 of the Revised Corporation Code of the Philippines (R.A. 11232) and Sections 8.1, 28.1 and 26.1 of the Securities Regulation Code, P.D. 902-A and Section 179 (j) of the RCC, the Certificate of Incorporation and the registration of **LIFE BLESSING TRADING INC.** as a corporation, is hereby **REVOKED**.

⁵ Revocation refers to involuntary dissolution of corporate registration pursuant to Section 138 of the Revised Corporation Code.

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 this Commission is likewise requested to enter the ***“revoked”*** status of subject corporation in the online database of the Commission.

SO ORDERED.

Makati City, 18 July 2023.


OLIVER O. LEONARDO
Director

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