



Republic of the Philippines
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills
Mandaluyong City



**In the Matter of
FIVE VISION CONSULTANCY,
INC., INTERCONTINENTAL
SERVICES, INC., CONRAD
GROUP AND ASSOCIATES,
INC., SERVLINK CARGO, INC.**

CED CASE NO. 02-2674

**CONRAD GROUP AND
ASSOCIATES, INC.,
SERVLINK CARGO, INC.**

Movant.

X-----X

ORDER

Before the Commission *En Banc* is a *MOTION TO LIFT CEASE AND DESIST ORDER* dated February 17, 2003 filed by CONRAD GROUP AND ASSOCIATES, INC. (hereinafter referred to as CGA) and SERVLINK CARGO, INC. (hereinafter referred to as SERVLINK).

The other corporations involved in the instant case namely FIVE VISION CONSULTANCY, INC. (hereinafter referred to as Five Vision) and INTERCONTINENTAL SERVICES, INC. (herein after referred to as ISI) failed to file their respective *MOTION TO LIFT CEASE AND DESIST ORDER*.

CGA and SERVLINK's *MOTION TO LIFT CEASE AND DESIST ORDER* was a necessary pleading brought about by this

Commission's *CEASE AND DESIST ORDER* dated February 4, 2003 the dispositive portion of which reads as follows:

"WHEREFORE, premises considered, FIVE VISION CONSULTANCY, INC., INTERCONTINENTAL SERVICES, INC., CONRAD GROUP AND ASSOCIATES, INC. and SERVLINK CARGO, INC., its respective officers, directors, representatives, agents, and any and all persons, conduit entities and subsidiaries claiming and acting for and in their behalf are hereby ordered to immediately CEASE AND DESIST from further offering, soliciting and the accepting deposits or placement of investments from the general public. This Cease and Desist Order should not prevent herein respondents from returning the investments/contributions made by various persons with them.

Should these corporations opt to file for a formal request to lift this CDO within a non-extendible period of five (5) days from receipt hereof, the same must show cause why the CDO should not be made permanent."

Under Rule III, Part 3 of SEC Circular No. 4, Series of 2001, a respondent corporation becomes the movant¹ and thereafter has the burden of proof to show its non-involvement in the alleged offense/infracton in order to lift a Cease and Desist Order. In view of FIVE VISION and ISI's failure to file their *MOTION TO LIFT CEASE AND DESIST ORDER* we therefore have no choice but render the *CEASE AND DESIST ORDER* permanent² as to the aforementioned corporations.

¹ See Article 2 (d).

² We note that the Compliance and Enforcement Department has filed its *MOTION TO DECLARE CEASE AND DESIST ORDER PERMANENT* in accordance with SEC Circular no. 4, Series of 2001 on March 24, 2003.

On the other hand, in consideration of the timely filing of CONRAD and SERVLINK's *MOTION TO LIFT CEASE AND DESIST ORDER* a hearing was set on March 3, 2003. In the hearing counsels of the CONRAD and SERVLINK brought boxes upon boxes of documents intending the same to be marked and eventually to be used as evidence to show that they were wrongly linked³ with FIVE VISION CONSULTANCY, INC. and INTERCONTINENTAL SERVICES, INC.

³It must be noted that this Commission's Compliance and Enforcement Department (CED) alleged that FIVE VISION CONSULTANCY, INC. and INTERCONTINENTAL SERVICES, INC. CONRAD GROUP AND ASSOCIATES, INC. and SERVLINK CARGO, INC. in connivance with one another are engaged in the unauthorized offering, solicitation and acceptance of deposits or placement of investments from the public in violation of Sections 8.1, 26.1 and 26.3 of the Securities Regulation Code. CED further alleged that the acts committed are *Ultra Vires* amounting to misrepresentation as to what the corporation can do in violation of Section 45 of the Corporation Code in relation to Section 5.1 (M) of the SRC and 6 (1) (2) of PD 902-A, as amended. To support this allegation CED tried to show that Five Vision offers an investment scheme where the guaranteed interest return is allegedly generated from its foreign currency trading activities at Saxobank in Denmark. For a minimum of fifty thousand pesos or US\$ 1,000.00 investment, investors shall receive a guaranteed monthly interest of 15 % for three months. Thereafter, the investor has the option to terminate his investment, and thus receive the entire amount he invested, or renew the investment under the same scheme. For the transactions, Five Vision issues postdated checks for the principal amount invested and for the monthly interest of three months. CED further alleged that Five Vision, Inc. a firm they previously investigated for unlicensed solicitation and acceptance of investments now continues their unlicensed activities using Intercontinental Services, Inc., Conrad Group and Associates, Inc. and Servlink Cargo, Inc. to avoid detection of the authorities.

In the aforementioned hearing it was agreed upon by all parties that they would all be submitting their respective *POSITION PAPERS* twenty days after the hearing, or on March 24, 2003⁴. On said date, only the Compliance and Enforcement Department filed their *POSITION PAPER*. A *Motion For Extension of Time* (To File Position Paper) was filed by CGA and Servlink's counsel on March 31, 2003 asking the Commission to give them until April 12, 2003 to file their Position Paper. Respondents counsel finally submitted their *Position Paper* on April 14, 2003.

After reading all the pleadings and the annexes attached, the sole issue left to be answered is whether or not CGA and SERVLINK were able to prove that they were wrongly linked with FIVE VISION and ISI.

We answer in the negative. While there was a bombardment of documents⁵ showing the alleged victimization of the Ariola family⁶ by Five Vision and ISI through Loan Certifications where the former were supposed to have invested and thereafter allegedly duped by the latter, this Commission is not blind to the fact that other schemes including the latest administrative case against Multitel, use conduits to structure their system in order to circumvent the law.

⁴ March 23, 2003 or the actual last day of filing was a Sunday, therefore based on the Rules of Court submission must be done on the next working day.

⁵ Exhibits marked and offered as 7-A-1 to 7-A-10, 7-B-1 to 7-B-10, 7-C-1 to 7-C-10, 7-D-1 to 7-D-10, 7-E-1 to 7-E-10, 7-F-1 to 7-F-10, 7-G-1 to 7-G-10, 7-H-1 to 7-H-10, 7-I-1 to 7-I-10, 7-J-1 to 7-J-10.

⁶ Majority stockholders of Servlink and Conrad, at least through the Articles of Incorporation namely Alfonso R. Silvestre, Florencia Ariola, Louella Silvestre.

Likewise offered are affidavits of officers of Five Vision and ISI stating that Conrado Ariola never worked for the aforementioned corporations⁷. We are in disbelief on how the Ariola family was able to get affidavits from persons who allegedly victimized them. Did Mr. Salas, Mr. Resurrecion, Ms. Naraja and Ms. Andaya really act against self-interest? This Commission is aware of the fact that conduit corporations simply juggle themselves and their activities in order to escape detection. It is therefore not far fetched to think that some corporations would be sacrificed to save the others in order to continue operations. In the instant motion, we find the statements wanting in credibility due to the circumstances just mentioned.

We adhere to the analysis of the Compliance and Enforcement Department in its Position Paper stating that:

“A thorough perusal of the sworn statements of Mister Ponce and Ms. Talens, and that of other documentary evidence, nonetheless, would show that movants-respondents CGA and SERVLINK, and/or their officers and directors, indeed solicited or “processed” their investment in FIVE VISION and / or ISI. To be sure checks provided by investors (Annexes N to N-7 and Q to Q-34 of oppositor CED’s Motion for Issuance of Cease and Desist Order) would show that the various amounts representing either their principal or interest payments were issued via checks by movant-respondent SERVLINK and Alfonso Silvestre Jr. to a number of investors.

⁷ See Exhibit 9, 9-A and 9-B.

In his Supplemental Affidavit (paragraph 8 of Annex G of oppositor CED's Motion for the Issuance of Cease and Desist Order), Mister Ponce stated that "CONRADO ARIOLA solicited investments from us for and on behalf of FIVE VISION. Investments were also accepted and received by CGA INC. employees, namely MADELYN SORIANO, JEAN SY AND JENNY CODINA." If the statement of Mister Ponce was not true, a straightforward denial by Mr. Conrado Ariola that he did not solicit investments from Mr. Ponce would have been appropriate. In fact, even movant-respondent CGA could have required its employees Soriano, Sy, and Codina to execute their sworn statements denying they have received and accepted investments from Mister Ponce. Curiously, these were not done by the movants-respondents corporations.

Instead, what the movants-respondents corporations did was to make it appear that Mister Ponce and Ms. Talens invested with FIVE VISION/ISI on their own, "without the intervention of the Conrad Group or Servlink" and that "when the investments soured and both Five Vision and ISI could not return their money" they (Ponce and Talens) made a "crude attempt to show that the Ariola family owned Five Vision and ISI, hoping they can force the Ariolas to absorb their losses."

Unfortunately for the movants-respondents, such explanation merely strengthened the thought that the Ariolas and the Silvestres in fact had a hand in the solicitation of investments from the investors for FIVE VISION and ISI for why would the investors, especially Mister Ponce and Ms. Talens, xxx implicate movants-respondents if the latter never participated whatsoever in the solicitation of investments."

In short, the written testimonies of Mr. Ponce and Talens are material and relevant and were never impeached by the other evidence presented by movants-respondents.

WHEREFORE, premises considered, CONRAD GROUP AND ASSOCIATES, INC. and SERVLINK CARGO, INC's *MOTION TO LIFT CEASE AND DESIST ORDER* dated February 17, 2003 is hereby **DENIED**.

The *CEASE AND DESIST ORDER* dated February 4, 2003 is hereby made **PERMANENT** on CONRAD GROUP AND ASSOCIATES, INC., SERVLINK CARGO, INC., FIVE VISION CONSULTANCY, INC. and INTERCONTINENTAL SERVICES, INC.

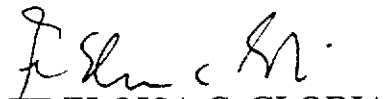
The Commission is hereto-directing CONRAD GROUP AND ASSOCIATES, INC., SERVLINK CARGO, INC., FIVE VISION CONSULTANCY, INC. and INTERCONTINENTAL SERVICES, INC. to show cause why their respective primary franchises should not be revoked for violation of the laws, rules and regulations implemented by the Commission.

SO ORDERED.

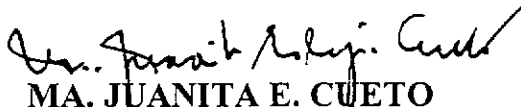
Mandaluyong City, Metro Manila.


April 22, 2003.


LILIA R. BAUTISTA
Chairman


FE ELOISA C. GLORIA
Commissioner


JOSELIA J. POBLADOR
Commissioner


MA. JUANITA E. CUETO
Commissioner


**JESUS ENRIQUE G.
MARTINEZ**
Commissioner