



April 07, 2017

SEC SHUTS DOWN BOILER ROOM OPERATIONS IN CAVITE

The Securities and Exchange Commission (SEC) in coordination with the National Bureau of Investigation (NBI) apprehended several persons caught in the act of engaging in boiler room operations, offering and selling worthless, overpriced, and non-existent securities to investors. Boiler room operation refers to the use of high pressure sales tactics to sell securities to clients who are called randomly.

On 5 April 2017, SEC lawyers and investigators with the assistance of NBI agents, armed with a Search Warrant issued by Executive Judge Hon. Cynthia Marino-Ricablanca of the Regional Trial Court Branch 27-Sta. Cruz, Laguna, swooped down on Plustel Solutions, Inc.'s (Plustel) office at 3/F, 88 Building, Governor's Drive, Maduya, Carmona, Cavite and caught in the act several officers and representatives of Plustel offering and selling non-existent securities to investors through on-line transactions.

British nationals Andrew Bryan Robson, Graham Alan Bennett, Dominic Alex Whellams, and other Plustel managers, team leaders and personnel were caught in the act of engaging in said boiler room operations.

The Search Warrant yielded numerous computers and documents consisting of scripts, leads, and other paraphernalia used by Plustel employees in contacting potential investors.

The SEC, through its Enforcement and Investor Protection Director Jose P. Aquino, sued Plustel and its directors, officers, staff and agents for engaging in fraudulent activities in violation of Sections 26 and 28 of the Securities Regulation Code (SRC).

Section 26 (Fraudulent Transactions) of the SRC provides that *"It shall be unlawful for any person, directly or indirectly, in connection with the purchase or sale of 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 statements 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."*



On the other hand, Section 28 of the SRC provides that *“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. xxx”*.

Said acts are punishable under Section 73 of the SRC which provides *“Section 73. Penalties. - Any person who violates any of the provisions of this SRC, or the rules and regulations promulgated by the Commission under authority thereof, or any person who, in a registration statement filed under SRC, makes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading, shall, upon conviction, suffer a fine of not less than Fifty thousand pesos (PhP 50,000.00) nor more than Five million pesos (PhP 5,000,000.00) or imprisonment of not less than seven (7) years nor more than twenty- one (21) years, or both in the discretion of the court. If the offender is a corporation, partnership or association or other juridical entity, the penalty may in the discretion of the court be imposed upon such juridical entity and upon the officer or officers of the corporation, partnership, association or entity responsible for the violation, and if such officer is an alien, he shall in addition to the penalties prescribed, be deported without further proceedings after service of sentence.”*

Plustel’s fraudulent activities were earlier endorsed by the Department of Justice to the SEC for investigation based on a tip from a concerned citizen who sent it via email.

Based on the records of the SEC, Plustel Solutions Inc. was registered as a corporation on 9 September 2013 under its original name Plustel Marketing Services Inc.. Its primary purpose is *“To engage in, conduct and operate the business of promoting, marketing and processing debit cards, also known as check cards or electronic checks, or other similar apparatus for the transfer and processing of funds electronically or mechanically.”*

Plustel has not registered any securities products including equity and debt securities, mutual funds, exchange traded funds, membership certificates, timeshares, and has not been issued Permit to Sell securities. In addition, Plustel is not licensed as a securities broker, dealer, investment adviser or investment house.

The 2016 General Information Sheet of Plustel indicates that the following are the stockholders, directors and officers of the company: Dezon S. Monares, Chairman and President; Joanna Marie G. Flores, Treasurer; Anolito M. Loyola, Corporate Secretary; Ruth C. Del Rosario and Richard L. Soriano, Directors.



SEC Commissioner Emilio B. Aquino said "As champion of investor protection, the SEC will not allow investment scammers to operate in the country. They cannot continue with their fraudulent ways. We will be relentless in prosecuting these scammers to protect the public from fraud."

END