



FINANCING AND LENDING COMPANIES DIVISION

IN THE MATTER OF:

POPULUS LENDING CORPORATION
(SEC Registration No. CS201914390 and
Certificate of Authority No. 3066),
Respondent.

FinLend Case No. 2023-7-32
For: Revocation of Certificate of
Authority (CA) to Operate a
Lending Company

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ORDER

This resolves the administrative proceedings against Populus Lending Corporation (“Respondent”), a registered domestic corporation with SEC Reg. No. CS201914390 and Certificate of Authority No. 3066, with registered address at 19/F Marco Polo Ortigas Manila Sapphire Road, Ortigas Center 1600 Pasig City, and email addresses at don@cashrocket.com.ph; coco@cashrocket.com.ph; kiera@cashrocket.com.ph; info@val.law; justine.c.sablan@val.law; yedda.i.diaz@val.law, arising from multiple complaints lodged by various individuals, and the motu proprio investigation by the Financing and Lending Companies Division (“FinLend Division”) for various violations of regulations and orders of the Securities and Exchange Commission (SEC).

STATEMENT OF FACTS:

From September 2022 to March 2023, multiple complaints against Respondent were filed before the SEC, particularly with the “FinLend Division” for alleged violations of SEC Memorandum Circular (MC) No. 18, Series of 2019, otherwise known as the Prohibition on Unfair Debt Collection Practices of Financing Companies and Lending Companies.

Relative to this, on 11 April 2023, the FinLend Division ordered the appearance of Respondent and its collecting agency or the Third-Party Service Providers (“TPSPs”) in a ZOOM conference which was attended by Respondent’s counsel, Atty. Jasmine Sablan, and Ms. Yeddai Diaz of VAL Law Office. Also present is Respondent’s Compliance Officer, Mr. Luigi Cruz.

Respondent’s other officers (*President and any officers other than the Compliance Officer*) failed to attend the above-cited zoom conference. A second (2nd) conference dated 04 May 2023 was held but on the said conference only Compliance Officer Mr. Luigi attended. This caused the third (3rd) schedule of conference which was set on 19 May 2023 and again, Respondent’s officers failed to show up. In the pursuit of FinLend Division to hear words from the Respondent’s Officers, another conference (4th Conference) was set on 08 June 2023 and again, in defiance to a lawful order of FinLend Division, officers did not attend the said conference.

On 08 June 2023, or during the fourth (4th) conference, Respondent was given a period of fifteen (15) days to submit its Position Paper. On 09 June 2023, the private complainants similarly were required to submit their respective Position Papers. Thereafter, Respondent

submitted its Position Paper and Answer dated 15 June 2023 and 23 June 2023, respectively.

It should be emphasized here that FinLend Division will base this Order solely on Respondent's Answer since its submitted Position Papers bear no signature.

MS. JENNY ROSE ARRIOLA (09855616820; 09851791256)

On 30 March 2023, Ms. Jenny Rose Arriola (the "Complainant" or "Ms. Arriola") filed a formal complaint before the FinLend Division and alleged that she availed a loan from NewCash (respondent's registered OLP as per MC 19) on 20 March 2023. "Quoted verbatim":

"Nagloan Po ako sa New Cash nuong March 20 and nakalagay sa apps na pwedeng magloan hanggang 20,000 Kaya nagtry ako dahil Ang sahod ko papo ay sa katapusan need ko Lang Sana for emergency and nakalagay din na maganda Ang interest rate saka months to pay nung nagfill up nako at Natapos ko Po Ang approving nila ay 12,000 15,000 Kaya pinilit ko po ay 12,000 nagulat nalang Po ako at may pagppilian bigla na 5 na 3500 bago sya pumasok sa account pipili ka Ng plan na gusto mo iTake un Kaya pinilit ko ay PLAN K at nagulat ako 3500 nakalagay pero Ang pumasok sa Gcash ko ay 2000 Lang tapos nung chineck ko sa for payment 3500 need ko bayaran sa loob Ng 6 days Kaya Ang due ko Po agad ay March 26 dahil Ang sahod ko Po ay 31 pa Sunday Po March 26 nagmessage na Ang mga agent nila na sobrang dami at Kung Anu Anu pagbbintang sinabi nila hanggang March 27 nagemail ako sa Customer Service nila at nakiusap sa payment plan na Kaya ko para mabayaran sila Ang Sabi ko hulugan ko sila Ng Monday Ng 500 gawan ko paraan and 500 Ng Tuesday and sa Friday ung balance pumayag namn at maayos kausap kaso nung nakapag bayad ako Ng 500 Ng March 27 and 500 Ng March 28 may mga nagmemessage padin sakín Ng Hindi maganda at Hindi pa daw ako nakakabayad Sabi ko saknila panu nangyari ung kausap ko ung manager nila Marlyn Fe Rabulis pa nga sinsendan ko Ng payment and sa gcash # pa nya at pinapasa ko pa sa email Ang dami Po sinasabi Hindi daw ako makkipag cooperate at tinatakot ako na iMessage mga contacts and reference ko Sabi ko bakít ganun eh nagbabayad aat makkipag cooperate ako Sabi ko 2k nga Lang nakuha ko sainyo at 3500 sinsingil nyo 6 days Lang tapos ganun pa sila at maayos ako nakkiusap kaso Hindi Po sila matinag nagmemessage padin sakín send ko Po mga proof dito pati mga sinend ko na payment saknila Po at ung apps nila na grabe Po Ang patubo"

Respondent allegedly sent messages with threat to Ms. Ariola, some of which are as follows:

From 09855616820

"ANO NA PAASAHIN MO BA AKO DITO SA UTANG MO? KANINA PA AKO NAGHIHINTAY NAKAKAPANG INIT KANA NG ULO AH!! SOBRANG KUNAT MO SA UTANG MO AH!"

"ANO NA BALAK MO SA UTANG MO? GUMAGAWA NA AKO MG (NG) GC SA FACEBOOK SA LAHAT NG KAPALIT LUGAR MO BINABALANDRA KO NA MUKHA AT ID MO NGAYON!!! TIGAS NG MUKHA MO SA UTANG MO AH!!!"

"POTANG INA MO WALA KA NGANG BINABAYAD [H]HAYUP KA!!!"



"MAGHINTAY KA POTANG INA MO POPOST KO MUKHAA MO NGAYON!!"

From 09851791256

**"BUKSAN MO FACEBOOK MO BAKA ISA KANA SA NAKA POST NGAYON
SA "SCAMMER PH" MGA HINDI NAGBABAYAD NG UTANG!"**

**"MAY PAHABOL PA AKO SAYO TANG INA MO MAYA MAYA MAG CHAT
MGA FACEBOOK FRIENDS MO BAKIT PURO PAGMUMUKA MO ANG NAKA
POST SA COMMENT BOX NILA TANGINA MO AYAW"**

In response to this Complaint, FinLend Division issued a Show Cause Letter (SCL) dated 17 April 2023 against Respondent for violation of SEC MC 18, specifically by using profane language and insults and threatening Complainant Arriola that the Company would contact the persons in her contact list and post her name on Facebook.

Respondent filed its Comment on 08 May 2023 admitting that it owns the Online Lending Platform (OLP) the Complainant mentioned. However, on the telephone numbers used for texting, Respondent alleged that the cited numbers are not registered under its account name. Further, upon receiving the Complaint, the Respondent tried to reach the Complainant for clarification. According to the Respondent, Complainant told them that she coordinated with a fake Facebook Page for her payment (there was no mention if the payment was partial or full payment). Complainant alleged the owner of the web page gave her a Gcash QR Code to settle her account. This is contrary to Respondent' claim that it does have a Social Media Platform.

Respondent also presumed that the harassment the Complainant reported might have come from someone not connected with them. Finally, Respondent asked the Complainant to provide prove her payment using the QR Code and her conversation with the person she coordinated with.

Pursuant to the FinLend Division directive at the Conference dated 08 June 2023, on 23 June 2023, Respondent submitted its Answer. It refuted the allegations of Complainant Arriola, as follows:

1. The subject messages do not pertain to the subject loan of respondent; neither were the subject messages sent by respondent nor any of its authorized representatives.

The Company is in the position that the Complainant has been transacting with a person not connected with the Respondent nor its representatives. In addition, the mention of "NewCash" from an unknown number (09851791256) does not prove that the message was sent under any authority of the Respondent as there was no mention of the loan contract reference number of the complainant with the Respondent, nor the amount of the subject loan even mentioned in the subject messages. Lastly, the complaint has no basis since the numbers used were not adequately substantiated by the Complainant that it was from the Respondent.

2. Complainant failed to exhaust all remedies against respondent prior to filing the

complaint before the honorable Commission.

It is in the Respondent's position that as stated in the complaint form, the complainant shall provide evidence/proof that the complainant has exhausted all remedies against Respondent before filing the complaint with the SEC.

MS. ALYSSA ASHLEY CRUZ (09709390751; 09090662989; 09851794328)

On 22 March 2023, a Complaint was filed by Ms. Alyssa Ashley Cruz (The "Complainant" or "Ms. Cruz") against NewCash and Pesocow for an alleged violation of MC 18 s. of 2019. In her complaint form, Ms. Cruz stated that Respondent sent a message reminding her of the due date on past business hours and extremely early in the morning. She also received messages as late as one o'clock in the morning. Some of the attached screenshot messages to the complaint form reads:

From 09709390751:

(NEW CASH)

"TODAY is YOUR DUE DATE! Kindly settle your payment until 12NN! Those clients who cannot make a payment Today will be automatically forwarded to the CIC CREDIT INFORMATION CORPORATION for blocklisted to avoid being delinque[nt]..."

"Bakit ka di ka sumasagot sa TAWAG ng AGENT mo? Pakisiguradong bayad ka dito ng 11:00AM ha. 2 days palang niremind na kana at wala na kaming PAGKUKULANG SA REMINDERS."

From 09090662989:

"Ikaw nalang hindi BAYAD dito hindi ka special para hintayin ng KUMpanya pakibilisan ang PAYMENT matatapos na ang CUT OF TIME 1PM kailangan ko na yang pera."

From 09851794328:

"Magbayad ka na, wag mo na kameng pilitin na i-report tong account mo na may kasamang information mo at pictures sa CIC"

On 29 March 2023, FinLend Division sent a Show Cause Letter against Respondent to show cause why it should not be held liable for violation of SEC MC 18 s. of 2019, specifically by using any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a borrower. Respondent stated that those clients who cannot make a payment will be automatically forwarded to the Credit Information Corporation (CIC) for blacklisting.

On 30 March 2023, the Complainant withdrew her Complaint against Respondent. Consequently, on 03 April 2023, Respondent, in its Answer, requested for the dismissal of the formal Complaint filed.



MS. DONNA JANE GAYLON (09120026501)

In a complaint form dated 13 April 2023, Ms. Gaylon (the “Complainant” or “Ms. Gaylon”) narrated that her due date falls on 13 April 2023. The Complainant humbly asked for a possible option since the latter’s obligation cannot be settled on the said due date. The Complainant added that the agent of Respondent seemed to disregard her request. She was perceived to be irresponsible and she that should hide.

The Complainant attached a screen shot of the text messages from 09120026501, the wording says:

“Kaylangan pa ba mag kalkalan tayo ng information nyo dito sa NEW CASH PLAN D. para magbayad kayo ng utang nyo.”

“Ngayun ka magbayad... ang laki ng halaga na yan,, tapos sasabihan mo ko hindi ka magbabayad,, aba, wag mo ko subukan, baka sa ibang tao ako mag coordinate sa utang mo..”

“GOOD DAY! Kung hindi po kayo nakapag payment sa tamang oras na binigay ko (12 NOON) .. mapipilitan na akong makipag cooperate sa ibang tao about sa utang mo,,, = NEW CASH PLAN D.”

In response to the filed Complaint, FinLend Division issued a Show Cause Letter dated 18 April 2023 against Respondent for an alleged violation of MC 18 series of 2019 specifically by Communicating or threatening to communicate to any person loan information, which is known, or which should be known, to be false, including the failure to communicate that the debt is being disputed.

On 08 May 2023, Respondent answered stating among others that upon the receipt of the Show Cause Letter, they checked the account of the Complainant and found out that the latter has multiple accounts with the former with 20 to 24 days overdue. In addition, Respondent denied the ownership of the number used. Moreso, Respondent alleged it did not tolerate such behavior in collecting unpaid accounts. Further, it was alleged they tried to coordinate with the Complainant to check and further clarify on the matter but they haven’t received any response.

Moreover, pursuant to the directive of FinLend Division during the Conference dated 08 June 2023, Respondent submitted its Answer on 23 June 2023. It refuted the allegations of Complainant Gaylon for the following reasons:

1. The subject messages do not pertain to the subject loan of the Respondent; neither were the subject messages sent by Respondent nor any of its authorized representatives.

Respondent is in the position that the Complainant has been transacting with a person not connected with the Respondent nor its representatives. In addition, the mention of “New Cash” from an unknown number (09120026501) does not prove that the message was sent under any authority of the Respondent as there was no mention of the loan contract reference number of the complainant with the Respondent, nor the amount of the subject loan even mentioned in the subject

messages. Lastly, the complaint has no basis since the numbers used were not adequately substantiated by the Complainant that it was from the Respondent.

2. Complainant failed to exhaust all remedies against Respondent prior to filing the complaint before the honorable Commission.

It is in the Respondent' position that as stated in the complaint form, the complainant shall provide evidence/proof that the complainant has exhausted all remedies against Respondent before filing the complaint with the SEC.

MR. JEREMY WILLIAM DANDROY (09852489938; 09631579702)

On 16 March 2023, Mr. Jeremy William Dandroy (the "Complainant" or "Mr. Dandroy") filed a Complaint before the FinLend Division. The complainant alleged that the Respondent harassed him, his family and peers, sending threats, posting on social media and even created a group chat "AMBAGAN SA UTANG O NINAKAW NG ANAK NI NENETTE DANDROY" with his family and friends as members. Posted threats and intimidations in said gc [group chat] and FB accounts; and Charged over excessive interest rates and other fees averaging 40% for just a six (6) day payment period with an additional past due penalty charge for late payment beyond 6 days period.

As a proof of evidence, the Complainant attached a screenshot of the text messages which states:

From 09852489938

PUTANGINA MO KA IKAKALAT KO TONG PAGMUMUKA MO SELFIE MO NUNG UMUTANG KA AT ID. TANGINA HINDI KITA TGILAN IPOST NA MAGNANAKAW KA

NASAN NA BAYAD MO PUTANGINAMO KA TALAGANG MATIGAS KA HAH!!!! WALA AKONG IDEDELTE SA MUKHA NG PAMILYA MO HANGGAT DI KA BAYAD PUTANGINA MO HA

From 09631579702

MANDARAMBONG KA!! PATAY GUTOM KA!!!

A screenshot of the following is attached:

1. Facebook messenger group with a group name "AMBAGAN SA UTANG O NINAKAW NG ANAK NI NENETTE DANDROY" which was created by an account of Louie Delacruz;
2. Conversation with Louie Delacruz disclosing reference number PS241254046859 and "PLAN G";
3. An account from Pesocow indicating the same reference number; and
4. Facebook comment made by certain Kenneth Dy which reads:

"PAKI SABI SA ANAK MONG PALA UTANG MAGBAYAD NA NG UTANG MO"



**YUNG ANAK MONG MANANG MANA SAYO PAKISABIHAN! WAG MASYADO MAG
PAKIKALA AH KASI ANO YANG ANAK MO GANYAN UGALI MO! KLEPTO!!!**

On 28 March 2023, FinLend Division sent a SCL against the Respondent for alleged violation of MC 18 s. of 2019 (*for brevity*). Respondent filed its Comment dated 03 April 2023 denying the Complainant's allegations that it sent harassment messages. Furthermore, the messages did not even specify that they are from Online Lending Applications operated by Respondent Lending Corp. Respondent assumed that the Complainant might have been communicating with a person not connected with the Respondent.

Mr. Dandoy did not file his Position Paper. Hence, FinLend Division will decide on his Complaint based on records on file.

On 23 June 2023, following the directive during the Conference dated 08 June 2023, Respondent submitted its Answer and refuted the allegations of Complainant Dandoy for the following reasons:

1. The Complainant's documentary attachments do not prove nor support former's allegations. At best, the conclusion that could be arrived at from the attachments is merely speculative.

The Respondent is in the position that the mention of "NewCash Plan G" in the Subject Messages with a contract number and amount from an unknown number (09852623029) does not prove that the message was sent under any authority of Respondent. Its connection to the Respondent may be considered as speculative at best.

2. The mobile number used to send the subject messages to the Complainant are not used by the Respondent's nor its representatives, as such, the assumptions made by Complainant connecting the Subject Messages to the Company are conjecture and hypothetical at most, without any evidence linking these together making the complaint without basis.
3. Complainant failed to exhaust all remedies against the Company prior to filing the complaint before the Honorable Commission. Failure to comply may cause the outright dismissal of the Complaint.

MS. KRIS NELLY GALARRITA (09207722058)

In a Complaint dated 23 February 2023, Complainant Kris Nelly Galaritta (the "Complainant" or "Ms. Galaritta") charged Respondent with a violation of MC 18 s. of 2019 (*for brevity*). The Complainant alleged that despite the latter's information given to the Company of having enrolled at Debt Aid Consulting Internal for the settlement of the loan, Respondent continued to harass the Complainant and texted her provided contact list.

Attached to the said Complaint are the screenshots of the messages sent to the contacts of the Complainant. Some of the messages reads:

"KUNG SINO MAN ANG NAKAKAALAM KUNG NASAAN SI GALARRITTA KRIS



NELLY CAPAROSO IPAGBIGAY ALAM NYO PO AGAD SAMIN DAHIL IKAW AT ANG IYONG CONTACT NUMBER AY IBINIGAY NYA SAMIN BILANG CONTACT REFERENCE SA KANYANG PINAG KAKAUTANGANG KUMPANYA NA (PLAN C - NEW CASH) MAARI KAYONG MADAMAY SA MGA REKLAMO NA KAKA....”

From 09207722058

“TO FAMILY/FRIENDS/RELATIVE/COLLEAGUE

COMPANY: PLAN C - NEW CASH

BORROWER’S NAME: GALARRITA CRIS NELLY CAPAROSO

NAIS PO NAMIN IPABATID SA INYO NA BINIGAY NYA ANG PANGALAN AT CONTACT NUMBER MO UPANG TAWAGAN NAMIN KUNG SAKALING DI DAW SYA NAMIN MATAWAGAN OR HINDI SYA MAKIPAG COOPERATE SA AMIN. PAKISABI SA TAONG ETO WAG NYA KAMING PAGTAGUAN AT WAG NYANG TAKASAN ANG KA[N]YANG UTANG. KAILANGAN PO NYANG MAKAPAG BAYAD NGAYONG ARAW. PATULOY PO KAYONG MAKAKATANGGAP NG MENSAHE AT TAWAG HANGGAT ANG TAONG MAY UTANG SA AMIN AY HINDI PA BAYAD!”

On 16 March 2023, FinLend Division sent a Show Cause Letter for Respondent to show cause or explain why it should not be held liable for violation of MC 18 s. of 2019 (*for brevity*). In a response dated 20 March 2023, Respondent generally denied all the charges against them.

Upon careful evaluation of the attached evidences of the Complainant, it appears that the telephone numbers the Complainants complained are not associated with the Respondent, as it was not registered with the latter’s system.

Pertaining to the Order requiring the Complainant to submit a Position Paper, in an email-response, the latter admitted her obligation and added that she enrolled at debt aid consulting for the settlement of loans. The same was fully disclosed to the Respondent. However, the latter still continued to message the Complainant and her contact references.

Following the directive during the Conference dated 08 June 2023, the Respondent submitted its Answer on 23 June 2023. The Company refuted the allegations of Complainant Dandoy for the following reasons:

1. The subject messages do not pertain to the subject loan of Respondent; neither were the subject messages sent by Respondent nor any of its authorized representatives.
 - a. The Respondent is in the position that the Complainant’s documentary attachments do not prove nor support the latter’s allegations. At best, the conclusion that could be arrived at from these attachments is merely speculative. The respondent added that the mention of “NEWCASH J” in the subject messages with a contact number and amount from an unknown number does not prove that the message was sent under any authority of the Company. Its connection to the Company may be considered as speculative at best.



- b. The mobile number used to send the subject messages to the Complainant are not used by the Respondent nor its representatives, as such, the assumptions made by Complainant connecting the Subject Messages to the Company are conjecture and hypothetical at most, without any evidence linking these together making the complaint without basis.
2. Complainant failed to exhaust all remedies against the Company prior to filing the complaint before the Honorable Commission.

The Company is in the position that the Complainant failed to exhaust all remedies with the former before filing the complaint before the Commission. Failure to comply may cause the outright dismissal of the Complaint.

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 3. Complainant's allegations do not meet the quantum of evidence required for administrative cases before the Honorable Commission.

The lack of evidentiary basis to support the Complainant's allegations, by merely attaching screenshots of the messages, is sufficient to cause the instant Complaint's outright dismissal. Complainant merely speculates and believes that the Respondent might have been or was probably responsible for sending the messages only on the basis of the fact that the complainant is a registered NewCash client and has an outstanding balance on the Subject Loan.

MS. MA THERESA ARAGON (09207706681)

On 23 March 2023, Complainant Ma. Theresa Aragon filed a Complaint before the FinLend Division against the Respondent for alleged violations of MC 18 and MC 3 stating among others that despite the high interest rates, the Complainant availed loan from the Respondent. In addition, the Complainant previously availed loans from Populus and this was the first time the former missed payments and tried to speak with the latter despite thereof, the Respondent still entered into a contacts with the Complainant.

Attached in the complaint form is a screenshot of the message sent to one of the contacts of the Complainant which says:

**“PAALALA CO-BORROWER/REFERENCE: Aragon Ma. Theresa Castro
Mukhang balak ng talikuran ni Aragon Ma. Theresa Castro, yung obligasyon nya! Hindi makakatulong yan mas lalo nya lang binibigyan ng problema sarili nya pati makakadamay sya ng Contact-Reference nya! Pakisabihan sya na nandito lahat ng information ninyong dalawa dahil nag agree sya terms and condition at ikaw ang nilagay nya para makautang. PAKIUSAP WAG NINYONG KUNSINTIHIN.”**

From: 09207706681

“Update sa payment mo anung oras na po pakibayaran na po ito bago matapus ang cut off time..”

“BILLERS NAME SA GCASH: SKYPAY”



Attached also are the screenshots of the Complainant through messenger to a certain account named Ernesto Lapuko. The message of the said account, it says:

“OYYY TANGINAMO BALAK MONG TAKASAN UTANG MO? GAGO KA GUSTO MO IPOST KO SA PAGE NG QUEZON CITY ANG PAGMUMUKHA NYO NG NANAY MONG BOBO? AHHH!! BABABUYIN KO KAYO TANGINA KA1.”

Aside from the said messages, an obscene edited photo of the Complainant was attached. Moreso, in the said message it was stated the code PSP234866684009, Biller name Payso.

On 31 March 2023, relative to the said complaint, the FinLend Division issued an SCL to the Company giving the latter the opportunity to show cause why it shall not be held liable for the charges against it.

In a response dated 08 May 2023, Respondent denied all the charges against them and further stated that upon careful evaluation of the attached evidences of the Complainant, Respondent appears to have an online app. However, the telephone numbers appearing in the Complaint are allegedly not associated with the Respondent as it was not registered with the latter's system.

The Complainant failed to file her Position Paper in response to the FinLend Division's Order. Hence, the case will be decided based on the available records or documents submitted before FinLend Division.

Pursuant to the directive during the Conference dated 08 June 2023, Respondent submitted its Answer on 23 June 2023, and refuted the allegations of Complainant Dandoy for the following reasons:

1. The subject messages do not pertain to the subject loan of respondent; neither were the subject messages sent by respondent nor any of its authorized representatives.
 - a. The Company is in the position that the Complainant's documentary attachments do not prove nor support the latter's allegations. At best, the conclusion that could be arrived at from these attachments is merely speculative. The respondent added that the mention of "NEWCASH J" in the subject messages with a contact number and amount from an unknown number does not prove that the message was sent under any authority of the Company. Its connection to the Company may be considered as speculative at best.
 - b. The mobile number used to send the subject messages to the Complainant are not used by the Respondent nor its representatives, as such, the assumptions made by Complainant connecting the Subject Messages to the Company are conjecture and hypothetical at most, without any evidence linking these together making the complaint without basis.
2. Complainant failed to exhaust all remedies against the Company prior to filing the complaint before the Honorable Commission.

The Company is in the position that the Complainant failed to exhaust all remedies



with the former before filing the complaint before the Commission. Failure to comply may cause the outright dismissal of the Complaint.

3. Complainant's allegations do not meet the quantum of evidence required for administrative cases before the Honorable Commission.

The lack of evidentiary basis to support the Complainant's allegations, by merely attaching screenshots of the messages, is sufficient to cause the instant Complaint's outright dismissal. Complainant merely speculates and believes that the Respondent might have been or was probably responsible for sending the messages only on the basis of the fact that the complainant is a registered NewCash client and has an outstanding balance on the Subject Loan.

MR. ABELARDO SIM MADRIDEJO III (09103956619; 09207721707)

On 04 April 2023, Mr. ABELARDO SIM MADRIDEJO III (the "Complainant") filed a Complaint before FinLend Division alleging, among others, that the app New Cash texted him with the information that his loan was approved. Upon his checking the app, Complainant alleged that Respondent was able access the Complainant's contacts and pictures. In return, Respondent disbursed money in favor of the Complainant's account, without his consent. Moreover, allegedly, Respondent harassed the Complainant to pay and also threatened to contact the others in his contact lists.

From 09103956619

"FINAL WARNING!!

We highly advise and notify you to settle the amount you owe AS SOON AS POSSIBLE, If you missed to pay the amount you owe, we have to transfer and endorse your account to CIC or CREDIT INFORMATION CORPORATION. You will be BLACKLISTED customers in all Financial institutions. It will also affect your Government loans, especially SSS and PAG IBIG. This is an important precaution and highly needed for immediate action. It involves legal action and authorities once you ignore us. We'll do something for you to cooperate with us. We have proof and documents like ID's information and voice recording that you have with the company. Failure to respond with this message will lead to legal action so better cooperate immediately.

Thank you!

-NEW CASH PLAN E"

From 09207721707

"ano ayaw mo ng mabait na singilan? wala kang paramdam sa lahat ng text at tawag ng mga AGENT sige pa blacklist na kita sa CIC tatal tinataguan mo UTANG MO DITO siguraduhin mo lang alam to ng pinapsukan mong TRABAHO dahil malalaman to tatawagan to ng CIC DEPT. para sila nilang siguro ang magbayad nito at obligahin sa PERWISYONG ginagawa mo !"



On 11 April 2023, FinLend Division issued a Show Cause Letter against Respondent giving the latter the opportunity to show cause/ explain why it shall not be held liable for the charges against it.

Respondent failed to respond.

The Complainant failed to submit his Position Paper pursuant to the Order FinLend Division issued. Thus, the case will be decided based on the available documents submitted before FinLend Division.

Following the directive during the Conference dated 08 June 2023, Respondent submitted its Answer on 23 June 2023 and refuted the allegations of Complainant Dandoy as follows:

1. The subject messages do not pertain to the subject loan of respondent; neither were the subject messages sent by respondent nor any of its authorized representatives.
 - a. The Company is in the position that the Complainant's documentary attachments do not prove nor support the latter's allegations. At best, the conclusion that could be arrived at from these attachments is merely speculative. The respondent added that the mention of "NEWCASH PLAN E" in the subject messages from an unknown number does not prove that the message was sent under any authority of the Company. Its connection to the Company may be considered as speculative at best.
 - b. The mobile number used to send the subject messages to the Complainant are not used by the Respondent nor its representatives, as such, the assumptions made by Complainant connecting the Subject Messages to the Company are conjecture and hypothetical at most, without any evidence linking these together making the complaint without basis.
2. Complainant failed to exhaust all remedies against our company prior to filing the complaint before the Honorable Commission.

The Company is in the position that the Complainant failed to exhaust all remedies with the former before filing the complaint before the Commission. Failure to comply may cause the outright dismissal of the Complaint.

3. Complainant's allegations do not meet the quantum of evidence required for administrative cases before the Honorable Commission.

The lack of evidentiary basis to support the Complainant's allegations, by merely attaching screenshots of the messages, is sufficient to cause the instant Complaint's outright dismissal. Complainant merely speculates and believes that the Respondent might have been or was probably responsible for sending the messages only on the basis of the fact that the complainant is a registered NewCash client and has an outstanding balance on the Subject Loan.

4. Complainant failed to exhaust all remedies against Respondent prior to filing the complaint before the honorable Commission.



It is in the Respondent's position that as stated in the complaint form, the complainant shall provide evidence/proof that the complainant has exhausted all remedies against Respondent before filing the complaint with the SEC.

MS. MARIA YVETTE FLORES

On 15 March 2023, Ms. Maria Yvette Flores filed a complaint with the FinLend Division alleging, among others, that Respondent harassed her through text messages in an attempt to collect payments for her debt and contacted persons in her contact list.

Quoted in verbatim hereunder are the screenshots of text messages from the Respondent's agent, as follows:

"Hanggang ngayon wala parin kaming natanggap na bayad mula, 3:00PM na ngunit patuloy ang iyong hindi pagsagot ng mga tawag at hindi pagbabayad.

Maari lamang na bayaran mo na ang pagkakautang mo NGAYON NA, dahil sisiguraduhin namin na gagawin namin lahat ng pwedeng AKSYON para makuha namin ang perang ipinahiram sayo! Huwag mong antayin.

MATUTO KANG MAGING RESPONSABLENG MANGUNGUTANG

-LUCKYLOAN VIP8"

Allegedly, these were the messages sent by Respondent to the Complainant's contacts, to quote:

"Kami po ay humihingi ng tulong sa inyo upang makausap si Flores Maria Yvette Jamisola We are suspecting our client is hiding from us. Nangako na magbabayad pero hindi na makausap. You are the one of the contract references of our client. Hindi po kami ang scammer, sya po ang nakakuha ng pera sa aming company at hindi na sya makita at makausap. Pakiusap was ninyong kunsintihin."

On 16 March 2023, FinLend Division sent a SCL against the Company to show cause/explain why it should not be held liable for violation of the MC 18. Subsequently, on 08 June 2023 a conference was held and following the directive during the said Conference, Respondent submitted its Answer on 23 June 2023 wherein it refuted the allegations of Complainant Flores for the following reasons:

1. The subject messages do not pertain to the subject loan of respondent; neither were the subject messages sent by respondent nor any of its authorized representatives.
 - a. The Company is in the position that the Complainant's documentary attachments do not prove nor support the latter's allegations. At best, the conclusion that could be arrived at from these attachments is merely speculative. The respondent added that the mention of "NEWCASH PLAN E" in the subject messages from an unknown number does not prove that the message was sent under any authority of our Company. Its connection to the

Company may be considered as speculative at best.

- b. The mobile number used to send the subject messages to the Complainant are not used by the Respondent nor its representatives, as such, the assumptions made by Complainant connecting the Subject Messages to the Company are conjecture and hypothetical at most, without any evidence linking these together making the complaint without basis.
2. Complainant failed to exhaust all remedies against our company prior to filing the complaint before the Honorable Commission.

The Company is in the position that the Complainant failed to exhaust all remedies with the former before filing the complaint before the Commission. Failure to comply may cause the outright dismissal of the Complaint.

3. Complainant's allegations do not meet the quantum of evidence required for administrative cases before the Honorable Commission.

The lack of evidentiary basis to support the Complainant's allegations, by merely attaching screenshots of the messages, is sufficient to cause the instant Complaint's outright dismissal. Complainant merely speculates and believes that the Respondent might have been or was probably responsible for sending the messages only on the basis of the fact that the complainant is a registered NewCash client and has an outstanding balance on the Subject Loan.

4. Complainant failed to exhaust all remedies against respondent prior to filing the complaint before the honorable Commission.

It is in the Respondent's position that as stated in the complaint form, the complainant shall provide evidence/proof that the complainant has exhausted all remedies against Respondent before filing the complaint with the SEC.

On 19 March 2023, the Complainant emailed the FinLend Division of her intention to withdraw her complaint against the Respondent. FinLend Division acknowledged the letter-intent.

MS. MARIE ANN DIHAYCO

On 09 May 2023, Ms. Mari Ann Dihayco filed a Complaint before FinLend Division alleging, among others, that the Company threatened that if she failed to pay her obligations, her account will be endorsed to Credit Information Corporation (CIC) and will cause her accounts to be blacklisted to all financial institutions and affect her government loans. Likewise, if she did not respond to the Company's calls, her documents will be endorsed to the CIC and will be blacklisted to SSS, PAGIBIG and Philhealth. The Complainant narrated and said that (quoted verbatim):

"Due to financial constraint, I borrowed money from Populus Lending Corp under their platform NEWCASH & PESOCOW. Their interest is high (almost half of what you applied) but I grabbed this just to obtain financial help from the lender. The duration of this loan is only 7 days. I paid on time and reloan again due to shortage



of money. My due came, May 5, 2023 and I told them that I was short of money. They bombarded me with text messages and even texted my contact references. I admit that I was delinquent but to harass me by sending multiple texts with different numbers traumatized me. They made numerous calls every minute which became so disturbing. They even texted my contact references. What they are doing is against my right to be heard because I tried to negotiate if they can give me extension because I still need to find funds to pay my debt but to no avail. They even texted me with harsh words. They have very high interest to be honest and the term is very short. Hindi ko tatakbuhan ang hiniram ko pero sa ganitong ginagawa nila sobra naman yata. Sa SEC ang naka indicate sa interest nila is 3% in 1 to 36 months daw but in reality, sa 4500 na hiniram, 2700 lang ang net proceeds. That is 40% in 7 days! Ang layo sa declared nila sa SEC na 3% per month. That is deception.”

The alleged message from Respondent says:

We urge to settle your obligation immediately, despite the fact that we will be transferring your NewCash (Plan D) account to Credit Information Corporation, which will result in you being blacklisted in all financial institutions and may also affect your government loans that are prohibited to your government loans that are prohibited to your employment. Don't try to ignore us We take legal action against all users who do not pay in order to reclaim what you borrowed from us. We have identification information and voice recording Failure to respond will prompt us to send your documents to Credit Information Corporation for possible blacklisting for SSS, PAG IBIG and Philhealth. We will wait for your payment until 3pm. Thank you

On 11 May 2023, FinLend Division sent a Show Cause Letter against the company to answer charges against the latter. On 16 May 2023, the Complainant emailed FindLend Division of her intention to withdraw her complaint against the Respondent. FinLend Division acknowledged the letter-intent. Expectedly, on 18 May 2023, Respondent sent a verified Comment on an alleged withdrawal of Ms. Dihayco of her Complaint as she lost interest to pursue it allegedly because her concerns were heard and she agreed to resolve this matter with Respondent. The letter bears the word “NEWCASH” but no signature of Ms. Dihayco.

MS. MARIA YVETTE FLORES AND MS MARIE ANN DIHAYCO

Complainants Flores and Dihayco submitted their intent to withdraw their complaints against the Respondent.

In the Complaint submitted by the Complainant Flores, messages of Respondent states:

“Kami po ay humihingi ng tulong sa inyo upang makausap si Flores Maria Yvette Jamisola We are suspecting our client is hiding from us. Nangako na magbabayad pero hindi na makausap. You are the one of the contract references of our client. Hindi po kami ang scammer, sya po ang nakakuha ng pera sa aming company at hindi na sya makita at makausap. Pakiusap wag ninyong kunsintihin.”



MS. MICHELLE MAE SALORICO ACOP

On 08 March 2023, Ms. Michelle Mae Salorico Acop filed a Complaint with the FinLend Division alleging, among others, that the Company used a deceptive means to collect when they said that the Credit Information Corporation will file a small claims case against the complainant.

The FinLend Division sent a Show Cause Letter dated 15 March 2023 to the Respondent for an alleged violation of MC 18 specifically by using any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a borrower when the Respondent was stating that those clients who cannot make a payment will be automatically forwarded to the Credit Information Corporation (CIC) for blacklisting. In addition, on 08 June 2023 a conference was held and following the directive during the said Conference, the Company submitted its Answer on 23 June 2023. The Company refuted the allegations of Complainant Acop for the following reasons:

1. The subject messages do not pertain to the subject loan of respondent; neither were the subject messages sent by respondent nor any of its authorized representatives.
 - a. All messages on the screenshots do not prove that the message was sent under the authority of the Respondent. There is no mention of the Loan Contract Reference Number of the Complainant with NewCash was made, nor the amount of the Subject Loan even mentioned in the Subject Messages.
 - b. The mobile number used to send the subject messages to the Complainant are not used by the Respondent nor its representatives, as such, the assumptions made by Complainant connecting the Subject Messages to the Company are conjecture and hypothetical at most, without any evidence linking these together making the complaint without basis.
2. Complainant failed to exhaust all remedies against our company prior to filing the complaint before the Honorable Commission.

The Company is in the position that the Complainant failed to exhaust all remedies with the former before filing the complaint before the Commission. Failure to comply may cause the outright dismissal of the Complaint.

3. Complainant's allegations do not meet the quantum of evidence required for administrative cases before the Honorable Commission.

The lack of evidentiary basis to support the Complainant's allegations, by merely attaching screenshots of the messages, is sufficient to cause the instant Complaint's outright dismissal. Complainant merely speculates and believes that the Respondent might have been or was probably responsible for sending the messages only on the basis of the fact that the complainant is a registered NewCash client and has an outstanding balance on the Subject Loan.

MS. ROWEN REYES (09079820278, 09854871781)

On 02 May 2023, Ms. Rowen Reyes filed a Complaint before FinLend Division alleging,



among others, that the Company threatened her that if she failed to pay her obligations Respondent will contact her contact references.

To support her allegations, the complainant-borrower attached screenshots of text messages from Respondent' agent. Quoted hereunder are some of the messages taken verbatim from the screenshots:

From 09079820278

“Kung hindi ka kikilos ibang tao ang TATAWAGAN naming para sa utang mo! Wala kang konsensya at hindi ka marunong mahiya! Sisimulan ka na naming ngayon ipa report IHANDA MO SARILI mo sa sandamakmak na BAD RECORDS na uulanin ka! Walang kusa, kung ayaw mo gumawa ng paraan para makabayad contact ref mob aka sila sumagot sa tawag naming para maka usap wag muna antayin”

From 09854871781

“HUWAG KANG MAGKAKAMALING HINDI MAGBAYAD! IPAPA PATAY TALAGA KITA! MAG INGAT INGAT NA RIN ANG MGA TAONG NAKATIRA SA ADDRESS NA BINIGAY MO PARA MAKA UTANG! PATI SILA MADADAMAY SA PAGPATAY SAYO KAPAG HINDI KA PARIN NAKABAYAD NGAYONG ARAW NATO NG UTANG MO! IBALIK MO YUNG PERANG INUTANG MO SA ONLINE LENDING! PINAPAKAIN MO SA PAMILYA MO GALING SA NAKAW!”

“MAY ORAS KA PA PARA MAGBAYAD AT LINISIN ANG PANGALAN MO. ILANG ORAS NALANG SASABOG NA BAHO MO AT KAKALAT NA PAGMUMUKHA MO”

On 11 May 2023, FinLend Division sent a Show Cause Letter to Respondent for the alleged violation of MC 18 s. of 2019 (*for brevity*). In addition, on 08 June 2023 a conference was held and following the directive during the said Conference, Respondent submitted its Answer on 23 June 2023 and refuted the allegations of Complainant Reyes for the following reasons:

1. The subject messages do not pertain to the subject loan of respondent; neither were the subject messages sent by respondent nor any of its authorized representatives.
 - a. All messages on the screenshots do not prove that the message was sent under the authority of the Respondent. There is no mention of the Loan Contract Reference Number of the Complainant with NewCash was made, nor the amount of the Subject Loan even mentioned in the Subject Messages.
 - b. The mobile number used to send the subject messages to the Complainant are not used by the Respondent nor its representatives, as such, the assumptions made by Complainant connecting the Subject Messages to the Company are conjecture and hypothetical at most, without any evidence linking these together making the complaint without basis.
2. Complainant failed to exhaust all remedies against the Company prior to filing the complaint before the Honorable Commission.



The Company is in the position that the Complainant failed to exhaust all remedies with the former before filing the complaint before the Commission. Failure to comply may cause the outright dismissal of the Complaint.

3. Complainant's allegations do not meet the quantum of evidence required for administrative cases before the Honorable Commission.

The lack of evidentiary basis to support the Complainant's allegations, by merely attaching screenshots of the messages, is sufficient to cause the instant Complaint's outright dismissal. Complainant merely speculates and believes that the Respondent might have been or was probably responsible for sending the messages only on the basis of the fact that the complainant is a registered NewCash client and has an outstanding balance on the Subject Loan.

**WARRANT TO SEARCH, AND EXAMINE COMPUTER
DATA (WSSECD) NO. 2022-194-PSG TO 2022-196-PSG**

Related to the Complaints filed before FinLend Division, on 16 March 2022, Patrolman Marc Emil Laranan, of the Philippine National Police, Anti Cybercrime Group Quezon City conducted casing/surveillance operation to gather information and obtained essential elements of information regarding an alleged Online Threat and Harassment of certain Online Lending applications and Finance Corporations named Populus Lending Corporation¹. Pat. Laranan narrated that while walking inside the office of Respondent, he found numerous laptops and computer set being used by the agents while engaged in their activity wherein he heard aggressive and threatening words. Some of the agent pretended to be a lawyer and a police office[r] and stated that a case was filed to the person in the other side of the phone call².

Further, on 22 July 2022, the Philippine National Police Anti-Cybercrime Group (PNP-ACG), Eastern Police District Mobile Force Battalion (EPDMFB), Pasig City Police Station, the SEC-EIPD, and the National Privacy Commission (NPC) implemented a Warrant to Search, and Examine Computer Data (WSSECD) No. 2022-194-PSG to 2022-196-PSG issued by Hon. Judge Elma M. Rafallo-Lingan of the Regional Trial Court, Branch 159, Pasig.

Based on the digital forensic examination conducted on-site on the seized devices and from the voluntary statements of the collection agents, it was found that Respondent and its collecting agents are operating and using online lending applications such as:

1. Pesopop;
2. Antwallet;
3. Dragonloan;
4. Catcash;
5. Cashguard;
6. Topeso;
7. Takecash;
8. Pesohere;
9. Weagle;
10. Cocopeso;
11. Cashin;

¹ PNP Memorandum "After Surveillance re: Online Lending APPS", 17 March 2022

² Affidavit of Deponent Pat. Marc Emil Laranan, 11 August 2022



12. Candycash; and
13. Cashcow.

On the contrary, in a Certification dated 22 July 2022 of the Corporate Governance and Finance Department (CGFD), the recorded OLPs of Populus are: Pesopop, PesoCow, NewCash and Luckyloan.

In addition, during the implementation of WSSECD, one hundred seventeen (117) employees of the Respondent were arrested. Also found were the threatening messages on the laptop screens which they sent to the borrowers including the latter's contacts³.

Lastly, in a Joint Affidavit of Technical Officers⁴ it was stated that during the implementation of the WSSECD, the area was assessed and an onsite digital forensic examination using Incident Response Tools, Visual Examination and technical system and mobile phones revealed the following content:

“PAKISABI KAY Rivas Macaso 09129931038, 09204410572 MAGABAYAD NG UTANG! MGA MAGNANAKAW KAYONG GURO !! MGA TEACHERS SA <https://facebook.com/JulitaNHS>. MGA MAGNANAKAW!! MGA KONSINTIDOR!! MGA HINDI MAPAGKAKATI WALAN!! IBABALANDRA KO KAYO LAHAT HANGGANG HINDI KAYO NAGBABAYAD!! MGA Hayop ! naghati hati kayo sa pera!! Irereport ko kayo lahat”

A total of forty-eight 48⁵ messages and screenshots were taken during the implementation containing words in violation of the SEC MC 18 s. of 2019 in connection to the SEC-FCPA-IRR.

Thereafter, 27 June 2023, the FinLend Division issued a Cease and Desist Order against the Respondent. The dispositive portion of which reads:

WHEREFORE, Populus Lending Corporation including its branches, extension, satellite offices, units, and online lending platforms, together with its owners, operators, promoters, representatives, agents AND ANY AND ALL PERSONS CLAIMING AND ACTING FOR AND, IN THEIR BEHALF, are hereby ORDERED to immediately CEASE AND DESIST from engaging in, carrying out, any unfair debt collection practices in connection to any lending activity/transaction.

OTHER RELATED SHOW CAUSE LETTERS INVOLVING VIOLATIONS OF SEC MEMORANDUM CIRCULARS, AS FOLLOWS:

1. *Disclosure Requirements on Advertisements of Financing Companies and Lending Companies and Reporting of Online Lending Platforms* (SEC Memorandum Circular No. 19, Series of 2019); and
2. *Moratorium on New Online Lending Platforms* (SEC Memorandum Circular Nos. 10, series of 2021)

³ Excerpt from the PNP Anti Cybercrime Group Quezon City transfer of papers for inquest to the City Prosecutor Pasig City Prosecutors' Office, Pasig City, 24 July 2023.

⁴ Joint Affidavit of Pat Ibn Rashid P. Injal, Pat Rhea May B. Duque and Pat John Emillio P. Cruz, 23 July 2022.

⁵ Id.

On 01 October 2021, records show that the CGFD of SEC issued a Show Cause Letter (SCL) for violation of SEC MC 19 series of 2019 (*otherwise known as Disclosure Requirements on Advertisements of Financing Companies and Lending Companies and Reporting of Online Lending Platforms*) for its failure to disclose online lending platforms (OLPs) it operated and for its failure to include its Corporate Name, SEC Registration Number and Certificate of Authority to Operate a Financing/Lending Company (CA) Number in a conspicuous portion of their Advertisements and Online Lending Platforms.

On 25 July 2022, two (2) Show Cause Letters and one (1) Order of Compliance against the Respondent were issued for violation of SEC MC 10 series of 2021 (*otherwise known as the Moratorium on New Online Lending Platforms (OLP)*) for operating OLPs namely: Cashcow, Cashguard, Weagle, Cocopeso, Antwallet, Cashin, Catcash, Takecash, Spendcash, Pesohere, Topeso, Dragonloan, and Candycash; and reiteration of its violation of SEC MC 19 in connection with the 01 October 2021 SCL. Since Respondent did not show cause/explain why it should not be held liable for violation of MC 19 series of 2019, on 25 July 2022, an Order of Compliance was issued directing the Respondent to comply with the previous directive of the Commission.

On 10 August 2022, a conference was held and Respondent was required to submit Position Papers. The Respondent filed its Position Paper and asserted among others that:

1. As regards SEC MC No. 10-2021, the Company has complied with the moratorium and aims to comply with the Guidelines on the Registration and Licensing of OLPs currently being drafted by your good office; and
2. As regards the provisions of SEC MC No. 19-2019 relating to disclosure and other reportorial requirements, the Respondent confirm that the OLPs, namely Pesopop, Pesocow, Newcash, and Luckyloan have all been taken down.

ISSUE:

Whether Respondent's Certificate of Authority (CA) should be revoked for numerous violations of the following:

1. SEC Memorandum No. 18, series of 2019
2. SEC Memorandum Circular No. 19, Series of 2019; and
3. SEC Memorandum Circular Nos. 10, series of 2021

RULING:

The FinLend Division rules in the affirmative.

Before discussing the main issue in this case, the FinLend Division is constrained from giving merit to Respondent's submission of an unsigned Position Paper dated 15 June 2023 under the name of its Compliance Officer. The Supreme Court has held⁶ *that it is the signature that supplies a pleading with legal effect and elevates its status from a mere scrap of paper to that of a court document. Hence, an unsigned Petition is a mere scrap of paper that bears no legal effect.*

⁶ Pastor v. People, G.R. No. 262425, February 22, 2023

**THE SUBJECT MESSAGES
ALLEGEDLY SENT TO HEREIN
SEPARATE COMPLAINANTS DO NOT
PERTAIN TO THE SUBJECT LOAN
BEFORE RESPONDENT NOR ANY OF
ITS AUTHORIZED
REPRESENTATIVES.**

The Respondent, however, has reservations on the submitted documents of the Complainants stating that although the messages contain the name of the application it owned, all the messages on the screenshots does not prove that the messages were sent under any authority of Respondent. It further claimed the mobile numbers used were not theirs, neither did the telephone numbers belong to its representatives and Newcash.

We do not agree.

Complainants in this case attached screenshots of the messages that violate the said SEC Memorandum Circular and charge such acts against the Respondent since the messages bear the name of the Online Lending Platforms which Respondent admittedly owned the apps, such as, NEWCASH, PESOCOW and LUCKYLOAN.

Further, in one of the documents complainants submitted⁷ screen capture of the conversation between the alleged agent of "NewCash" did mention a code "PSP241254046859" and the "Plan G". In another screen capture where the Complainant made his payment, it was indicated the same code "PSP241254046859" with the Lenders "Plan G" under the app of PesoCow. Based on records, "PesoCow" is one of the OLPs of the Respondent. Therefore, it cannot refute that the subject messages do not pertain to the subject loan before Respondent.

The numerous volumes of complaints against Respondent warrants FinLend to consider these formal and informal Complaints as circumstantial evidence. In the case of *David v. Senate Electoral Tribunal*⁸, the Supreme Court has held:

Direct evidence is that which proves the fact in dispute without the aid of any inference or presumption; while circumstantial evidence is the proof of fact or facts from which, taken either singly or collectively, the existence of a particular fact in dispute may be inferred as a necessary or probable consequence. People v. Raganas further defines circumstantial evidence:

Circumstantial evidence is that which relates to a series of facts other than the fact in issue, which by experience have been found so associated with such fact that in a relation of cause and effect, they lead us to a satisfactory conclusion.

Rule 133, Section 4 of the Revised Rules on Evidence, for instance, stipulates when circumstantial evidence is sufficient to justify a conviction in criminal proceedings:

⁷ Complaint of Jeremy Dandoy, 16 March 2023

⁸ G.R. No. 221538, September 20, 2016



Section 4. Circumstantial evidence, when sufficient. — Circumstantial evidence is sufficient for conviction if:

- a) There is more than one circumstances;
- b) The facts from which the inferences are derived are proven; and
- c) The combination of all the circumstances is such as to produce a conviction beyond reasonable doubt.

Although the Revised Rules on Evidence's sole mention of circumstantial evidence is in reference to criminal proceedings, this Court has nevertheless sustained the use of circumstantial evidence in other proceedings. There is no rational basis for making the use of circumstantial evidence exclusive to criminal proceedings and for not considering circumstantial facts as valid means for proof in civil and/or administrative proceedings.

In criminal proceedings, circumstantial evidence suffices to sustain a conviction (which may result in deprivation of life, liberty, and property) anchored on the highest standard or proof that our legal system would require, i.e., proof beyond reasonable doubt. If circumstantial evidence suffices for such a high standard, so too may it suffice to satisfy the less stringent standard of proof in administrative and quasi-judicial proceedings. (omission ours)

Complaints against Respondent are repeatedly lodged with the FinLend Division with repeated mentions of the OLP owned by the Respondent. To which, FinLend Division has a reasonable ground that Respondent is doing the acts charged in violation of MC 18.

**COMPLAINANTS FAILED TO EXHAUST ALL
REMEDIES AGAINST RESPONDENT PRIOR
TO FILING THE COMPLAINT BEFORE
FINLEND DIVISION**

Respondent contends that the complaint shall be considered as insufficient in form and in substance due to failure of the Complainants to provide sufficient evidence showing that all remedies were exhausted against Respondent prior to its filing before FinLend Division.

We disagree.

The complaint form uploaded in the website of SEC provides:

XXXX

3. Proof/Evidence attached (showing that you have exhausted your remedies against the company concerned before filing a complaint with the SEC, e.g., initial complaint to the company and the company's response to you, **if any**) (emphasis supplied)

XXXX



In the SEC Complaint Form, the Respondent might have overlooked the words “if any” which gives the opportunity to the Complainant, to provide or attach any proof of exhaustion, “if available”.

Moreover, the Supreme Court held⁹ that *[A]dministrative bodies are not bound by the technical niceties of law and procedure and the rules obtaining in courts of law. Administrative tribunals exercising quasi-judicial powers are unfettered by the rigidity of certain procedural requirements, subject to the observance of fundamental and essential requirements of due process in justiciable cases presented before them. In administrative proceedings, technical rules of procedure and evidence are not strictly applied and administrative due process cannot be fully equated with due process in its strict judicial sense.*

As soon as FinLend Division receives separate complaints, these were forwarded via email to the Respondent to give it a chance to settle the respective Complaints. Further, it has been observed from records that Respondent never proposed and/ or attempted to mediate and made attempts for possible amicable settlement during the pendency of the separate Complaints logged before FinLend. Lastly, Show Cause Letters and comment letters were also sent pursuant to the Complaint/s filed. However, Respondent failed to answer.

**COMPLAINANTS’ ALLEGATIONS
MEET THE QUANTUM OF EVIDENCE
REQUIRED FOR ADMINISTRATIVE
CASES**

In administrative proceedings, the quantum of proof necessary for a finding of guilt is substantial evidence¹⁰. More than a mere scintilla of evidence, substantial evidence means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion, even if other minds equally reasonable might conceivably opine otherwise. The requirement is satisfied where there is reasonable ground to believe that the respondent is guilty of the act or omission complained of, even if the evidence might not be overwhelming¹¹.

In the case of *Office of the Deputy Ombudsman for the Military and Other Law Enforcement Offices v. Butlay*¹², the Supreme Court has held that “each party in an administrative case must prove his affirmative allegation with substantial evidence; thus, complainant has to prove the affirmative allegations in his complaint while respondent has to prove the affirmative allegations in his affirmative defenses and counterclaims.”

From September 2022 to March 2023, FinLend Division received a total of nine (9) formal complaints and three hundred fifty-Five (355) informal complaints. Based on the content of the numerous documentary evidence and the submissions received by the FinLend Division, we find overwhelming basis to engender a reasonable belief that violations have been committed.

⁹ Palao v. Florentino International Inc., G.R. No. 186967, January 18, 2017

¹⁰ Macaventa v. Nuyda, A.C. No. 11087, October 12, 2020

¹¹ Diaz v. Ombudsman, G.R. No. 203217. July 02, 2018

¹² G.R. No. 219713 (Notice), 19 February 2018

Technical rules of procedure are liberally applied to administrative agencies exercising quasi-judicial functions. The intention is to resolve disputes brought before such bodies in the most expeditious and inexpensive manner possible.¹³ Further, findings of fact of administrative agencies and quasi-judicial bodies, which have acquired expertise because their jurisdiction is confined to specific matters, are generally accorded not only great respect but even finality. They are binding upon this Court unless there is a showing of grave abuse of discretion or where it is clearly shown that they were arrived at arbitrarily or in utter disregard of the evidence on record.¹⁴

Respondent merely denied their ownership of the telephone numbers that sent separate messages to Complainants but failed to answer the real issue in the Complaint, that is, whether the Respondent is doing the unfair debt collection practices in collecting payment for the loans. The Respondent likewise failed to attach evidences that would prove its claim that no unfair debt collection practices has been done by any of its agents.

The Supreme Court has held that if an allegation is not specifically denied or the denial is a negative pregnant, the allegation is deemed admitted¹⁵. More so, a denial in the form of a negative pregnant is an ambiguous pleading, since it cannot be ascertained whether it is the fact or only the qualification that is intended to be denied.¹⁶ A denial pregnant with the admission of the substantial facts in the pleading responded to which are not squarely denied. It was in effect an admission of the averments it was directed at. Stated otherwise, a negative pregnant is a form of negative expression which carries with it in affirmation or at least an implication of some kind favorable to the adverse party. It is a denial pregnant with an admission of the substantial facts alleged in the pleading. Where a fact is alleged with qualifying or modifying language and the words of the allegation as so qualified or modified are literally denied, it has been held that the qualifying circumstances alone are denied while the fact itself is admitted. *Guevarra v. Eala*, (A.C. No. 7136, August 1, 2007).

Respondent failed to convince FinLend Division that it does not engage in any unfair debt collection practices. A mere attachment of their Debt collection manual does not prove that the messages sent to the Complainants does not come, authored, nor sent under the authority of Respondent.

**RESPONDENT VIOLATED SEC
MEMORANDUM NO. 18, SERIES OF
2019 (Unfair Debt Collection
Practices)**

Section 1 of the MC 18, series of 2019 provides:

SEC. 1. Unfair Collection Practices. - FCs, LCs, and TPSPs hired by them may resort to all reasonable and legally permissible means to collect amounts due them under the loan agreement, provided that, in the exercise of their rights and performance of their duties, they must observe good faith and reasonable conduct and refrain from engaging in unscrupulous and untoward acts. Without limiting the general application of the foregoing,

¹³ De la Cruz v. Department of Education, Culture and Sports - Cordillera Administrative Region, G.R. No. 146739, [January 16, 2004], 464 PHIL 1033-1052

¹⁴ Marlow Navigation Philippines, Inc. v. Heirs of Ganal, G.R. No. 220168, [June 7, 2017], 810 PHIL 956-969

¹⁵ Bañares v. Barican, A.C. No. 1288 July 29, 1974.

¹⁶ Galofa v. Nee Bon Sing, G.R. No. L-22018, January 17, 1968.

the following conduct shall constitute unfair collection practices, which shall be subject to the penalties provided herein:

- A. Use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person;
- B. Use of threats to take any action that cannot legally be taken;
- C. Use of obscenities, insults, or profane language the natural consequence of which is to abuse the financial consumer and/or which amount to a criminal act or offense under applicable laws;
- D. Disclosure or publication of the names and other personal information of borrowers or financial consumers who allegedly refuse to pay debts or obligations arising from transactions involving financial products and services;
- E. Communication or threat of communication to any person of loan information, which is known, or which should be known, to be false, including the failure to communicate that the debt is disputed, except as may be allowed under Section 2 of SEC Memorandum Circular No. 18, Series of 2019;
- F. Use of any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a borrower;
- G. Making contact at unreasonable/inconvenient times or hours, which shall be defined as contact before 6:00 a.m. and after 10:00 p.m., unless the account is past due for more than fifteen (15) days, or the financial consumer has given express consent that the said times are the only reasonable opportunities for contact. Such consent which shall be evidenced by written, electronic or recorded means, may be given prior to, during, or after the execution of the loan agreement.
- H. Notwithstanding the financial consumer's consent, contacting the persons in the financial consumer's contact list other than those who were named as guarantors or co-makers shall also constitute unfair debt collection practice.

MS. JENNY ROSE ARRIOLA

In the case of Complainant Arriola, Respondent shall be held liable for violating MC 18, paragraphs A, B, C, & D for the Use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person; Use of threats to take any action that cannot legally be taken; Use of obscenities, insults, or profane language the natural consequence of which is to abuse the financial consumer and/or which amount to a criminal act or offense under applicable laws; and Disclosure or publication of the names and other personal information of borrowers or financial consumers who allegedly refuse to pay debts or obligations arising from transactions involving financial products and services; for using these words in employing collection practices:

"ANO NA PAASAHIN MO BA AKO DITO SA UTANG MO? KANINA PA AKO NAGHIHINTAY NAKAKAPANG INIT KANA NG ULO AH!! SOBRANG KUNAT MO SA UTANG MO AH!"; "ANO NA BALAK MO SA UTANG MO? GUMAGAWA NA AKO MG (NG) GC SA FACEBOOK SA LAHAT NG KAPALIT LUGAR MO BINABALANDRA KO NA MUKHA AT ID MO NGAYON!!! TIGAS NG MUKHA MO SA UTANG MO AH!!!"; "POTANG INA MO WALA KA NGANG BINABAYAD [H]HAYUP KA!!!"; "MAGHINTAY KA POTANG INA MO POPOST KO MUKHAA MO NGAYON!!"



MS. ALYSSA ASHLEY CRUZ

In the case of Complainant Cruz, Respondent shall be held liable for violating MC 18, paragraphs A & B for the use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person; Use of threats to take any action that cannot legally be taken for using these words in employing collection practices:

“Magbayad ka na, wag mo na kameng pilitin na i-report tong account mo na may kasamang information mo at pictures sa CIC”

MS. DONNA JANE GAYLON

In the case of Complainant Gaylon, Respondent shall be held liable for violating MC 18, paragraphs A & B for the use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person; Use of threats to take any action that cannot legally be taken for using these words in employing collection practices:

“Ngayun ka magbayad... ang laki ng halaga na yan,, tapos sasabihan mo ko hindi ka magbabayad,, aba, wag mo ko subukan, baka sa ibang tao ako mag coordinate sa utang mo..”

MR. JEREMY WILLIAM DANDOY

Respondent shall be held liable for violating MC 18, paragraphs A, B, C, & D for the use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person; Use of threats to take any action that cannot legally be taken; Use of obscenities, insults, or profane language the natural consequence of which is to abuse the financial consumer and/or which amount to a criminal act or offense under applicable laws; and Disclosure or publication of the names and other personal information of borrowers or financial consumers who allegedly refuse to pay debts or obligations arising from transactions involving financial products and services; for creating a Facebook messenger group with a group name “AMBAGAN SA UTANG O NINAKAW NG ANAK NI NENETTE DANDOY” which was created by an account of Louie Delacruz and for making a Facebook comment made by certain Kenneth Dy which reads:

“PAKI SABI SA ANAK MONG PALA UTANG MAGBAYAD NA NG UTANG MO! YUNG ANAK MONG MANANG MANA SAYO PAKISABIHAN! WAG MASYADO MAG PAKIKALA AH KASI ANO YANG ANAK MO GANYAN UGALI MO! KLEPTO!!!; PUTANGINA MO KA IKAKALAT KO TONG PAGMUMUKA MO SELFIE MO NUNG UMUTANG KA AT ID. TANGINA HINDI KITA TGILAN IPOST NA MAGNANAKAW KA; NASAN NA BAYAD MO PUTANGINAMO KA TALAGANG MATIGAS KA HAH!!!! WALA AKONG IDEDELTE SA MUKHA NG PAMILYA MO HANGGAT DI KA BAYAD PUTANGINA MO HA

MS. KRIS NELLY GALARRITA

Respondent shall be held liable for violating MC 18, paragraphs D and H for disclosure or publication of the names and other personal information of borrowers or financial consumers who allegedly refuse to pay debts or obligations arising from transactions involving financial products and services; and Notwithstanding the financial consumer's



consent, contacting the persons in the financial consumer's contact list other than those who were named as guarantors or co-makers by sending these messages to the contact other than the borrowers contact number:

"TO FAMILY/FRIENDS/RELATIVE/COLLEAGUE
COMPANY: PLAN C - NEW CASH
BORROWER'S NAME: GALARRITA CRIS NELLY CAPAROSO

NAIS PO NAMIN IPABATID SA INYO NA BINIGAY NYA ANG PANGALAN AT CONTACT NUMBER MO UPANG TAWAGAN NAMIN KUNG SAKALING DI DAW SYA NAMIN MATAWAGAN OR HINDI SYA MAKIPAG COOPERATE SA AMIN. PAKISABI SA TAONG ETO WAG NYA KAMING PAGTAGUAN AT WAG NYANG TAKASAN ANG KAJNYANG UTANG. KAILANGAN PO NYANG MAKAPAG BAYAD NGAYONG ARAW. PATULOY PO KAYONG MAKAKATANGGAP NG MENSAHE AT TAWAG HANGGAT ANG TAONG MAY UTANG SA AMIN AY HINDI PA BAYAD!"

MS. MA THERESA ARAGON

Respondent shall be held liable for violating SEC MC 18, paragraphs D and H for disclosure or publication of the names and other personal information of borrowers or financial consumers who allegedly refuse to pay debts or obligations arising from transactions involving financial products and services; and Notwithstanding the financial consumer's consent, contacting the persons in the financial consumer's contact list other than those who were named as guarantors or co-makers by sending these messages to the contact other than the borrowers contact number:

"PAALALA CO-BORROWER/REFERENCE: Aragon Ma. Theresa Castro
Mukhang balak ng talikuran ni Aragon Ma. Theresa Castro, yung obligasyon nya! Hindi makakatulong yan mas lalo nya lang binibigyan ng problema sarili nya pati makakadamay sya ng Contact-Reference nya! Pakisabihan sya na nandito lahat ng information ninyong dalawa dahil nag agree sya terms and condition at ikaw ang nilagay nya para makautang. PAKIUSAP WAG NINYONG KUNSINTIHIN."

MR. ABELARDO SIM MADRIDEJO III

In the case of Complainant Madrideo III, Respondent shall be held liable for violating SEC MC 18, paragraphs A & B for the use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person; Use of threats to take any action that cannot legally be taken for using these words in employing collection practices:

"ano ayaw mo ng mabait na singilan? wala kang paramdam sa lahat ng text at tawag ng mga AGENT sige pa blacklist na kita sa CIC tatal tinataguan mo UTANG MO DITO siguraduhin mo lang alam to ng pinapsukan mong TRABAHO dahil malalaman to tatawagan to ng CIC DEPT. para sila nilang siguro ang magbayad nito at obligahin sa PERWISYONG ginagawa mo !"

MS. MARIA YVETTE FLORES AND MS MARIE ANN DIHAYCO

Complainants Flores and Dihayco withdrew their complaints against Respondent. Nevertheless, these withdrawal of Complaints are without prejudice to FinLend Division's



capacity to look into the substance of their Complaints pursuant to Rule II, SEC. 2-5 of the 2016 SEC Rules of Procedure, to wit:

SEC. 2-5. Effects of Withdrawal of a Complaint. - Withdrawal of a complaint under Part II does not automatically result in the outright dismissal of the investigation, nor discharge the person subject of the investigation from a possible imposition of any administrative sanction or penalty when there is merit to the charges, or where there is documentary evidence which would tend to establish a prima facie case warranting the continuation of the investigation.

In the complaint submitted by the Complainant Flores, messages of the respondent states:

“Kami po ay humihingi ng tulong sa inyo upang makausap si Flores Maria Yvette Jamisola We are suspecting our client is hiding from us. Nangako na magbabayad pero hindi na makausap. You are the one of the contract references of our client. Hindi po kami ang scammer, sya po ang nakakuha ng pera sa aming company at hindi na sya makita at makausap. Pakiusap wag ninyong kunsintihin.”

In connection thereto, Respondent violated SEC MC 18 s. of 2019, specifically paragraph “H” as it states:

H. Notwithstanding the financial consumer’s consent, contacting the persons in the financial consumer’s contact list other than those who were named as guarantors or co-makers shall also constitute unfair debt collection practice.

Anent to the complaint of Complainant Dihayco, the FinLend Division finds nothing wrong with the wordings as shown in the screen captures attached by the Complainant. Hence, her Complaint is hereby dismissed.

MS. MICHELLE MAE SALORICO ACOP

Respondent shall be held liable shall be held liable for violating SEC MC 18, paragraph F for the use of any false representation or deceptive means to collect or attempt to collect any debt or to obtain information concerning a borrower when the Company used a deceptive means to collect when they said that the Credit Information Corporation will file a small claims case against the complainant.

MS. ROWEN REYES

Respondent shall be held liable shall be held liable for violating SEC MC 18, paragraphs A, B and C for the use or threat of use of violence or other criminal means to harm the physical person, reputation, or property of any person; Use of threats to take any action that cannot legally be taken and use of obscenities, insults, or profane language the natural consequence of which is to abuse the financial consumer and/or which amount to a criminal act or offense under applicable laws

“Kung hindi ka kikilos ibang tao ang TATAWAGAN naming para sa utang mo! Wala kang konsensya at hindi ka marunong mahiya! Sisimulan ka na naming ngayon ipa report IHANDA MO SARILI mo sa sandamakmak na BAD RECORDS na uulanin ka! Walang kusa, kung ayaw mo gumawa ng paraan para makabayad contact ref mob aka sila sumagot sa tawag naming para maka usap wag muna antayin”

“HUWAG KANG MAGKAKAMALING HINDI MAGBAYAD! IPAPA PATAY TALAGA KITA! MAG



INGAT INGAT NA RIN ANG MGA TAONG NAKATIRA SA ADDRESS NA BINIGAY MO PARA MAKA UTANG! PATI SILA MADADAMAY SA PAGPATAY SAYO KAPAG HINDI KA PARIN NAKABAYAD NGAYONG ARAW NATO NG UTANG MO! IBALIK MO YUNG PERANG INUTANG MO SA ONLINE LENDING! PINAPAKAIN MO SA PAMILYA MO GALING SA NAKAW!"

SEC MC 18, series of 2019 provides that with respect to Section 1, the number of violations shall be determined on a per loan transaction per complaint basis. Hence individual circumstances of unfair collection shall not be counted separately against the FC/LC if the same pertain to the same loan of the same complainant with the same FC/LC. Complaints filed against the Company totalled to nine (9) complaints which warrants revocation.

SEC 5. Applicable Penalties. - Violation of this Circular shall subject FCs and LCs to the following penalties:

First Offense: xxxx

xxxx

*Third Offense: Subject to the facts, circumstances, and gravity of the offense, the Commission, at its discretion, may impose a Fine of not less than twice the fine for the second offense but not more than P1 Million (1,000,000) Pesos; or Suspension of lending and financing activities for a period of sixty (60) days; or **Revocation of Certificate of Authority to operate as a Financing or Lending Company, as appropriate for each circumstance.** (emphasis ours)*

In the matter of Super Cash Lending Corp.¹⁷, the Corporate Governance and Finance Department (CGFD) ruled that the revocation of Respondent's (Super Cash Lending) CA is not merely appropriate, but rather necessitated by the gravity and number of its offenses. Further the Department states:

A review of all the Complaints, as well as the evidence produced by the complainants reveal a common and recurring pattern in the Respondent's collection practices: inculcating fear in the minds of the borrowers of being shamed on social media by publication of the borrower's loan and personal details; xxxx; xxxx; and use of profane and abusive language to collect debts, all in violation of SEC MC 18. xxxx. These unfair collection practices are all too obnoxious to ignore. (omission ours)

**RESPONDENT' VIOLATED (1)
DISCLOSURE REQUIREMENTS ON
ADVERTISEMENTS OF FINANCING
COMPANIES AND LENDING COMPANIES
AND REPORTING OF ONLINE LENDING
PLATFORMS (SEC MEMORANDUM
CIRCULAR NO. 19, SERIES OF 2019) AND
(2) THE MORATORIUM ON NEW ONLINE
LENDING PLATFORMS (SEC
MEMORANDUM CIRCULAR NOS. 10,
SERIES OF 2021)**

We find Respondent violated the above-cited SEC MCs for reasons, as follows:

¹⁷ CGFD Order No. 125, series of 2020



Based on Respondent Position Paper dated 10 August 2022, the Company stated:

At the outset, the Company manifests that it is only connected with four (4) Online Lending Platforms (OLPs). These are Pesopop, PesoCow, **NewCash** and **LuckyLoan**. **Please note however that currently all four (4) OLPs are non-operational.** (emphasis ours)

SEC MC 19, series of 2019 provides that the foregoing penalties shall be imposed without prejudice to any other penalties that may be imposed by the Commission pursuant to Presidential Decree No. 902-A, Republic Act (RA) No. 11232, otherwise known as the Revised Corporation Code of the Philippines, and all other relevant laws, rules and regulations being implemented by the Commission, which may include the suspension or revocation of the FCs/LC's primary registration and or/disqualification of its directors and officers; as well as to the penalties that may be imposed by the courts or other government agencies in the exercise of their respective mandates.

SEC MC 10, series of 2021 provides that only the recorded lending and financing companies with OLPs as of 2 November 2021 may operate and be used for online lending/financing which shall be subject to strict monitoring by the Commission of their compliance with all applicable laws, rules, and regulations; Provided that, this is without prejudice to the outcome of any pending administrative actions involving FCs and LCs.

Based on the digital forensic examination conducted on-site on 22 July 2022, particularly the seized devices, and the voluntary statements of the collection agents, Respondent and its collecting agents were operating and using thirteen (13) online lending applications (OLPs), not four (4) OLPs, such as:

1. Pesopop;
2. Antwallet;
3. Dragonloan;
4. Catcash;
5. Cashguard;
6. Topeso;
7. Takecash;
8. Pesohere;
9. Weagle;
10. Cocopeso;
11. Cashin;
12. Candycash; and
13. Cashcow

Simply put, we find that Respondent violated the above-cited SEC Circulars and exercised misrepresentation and deceit.

Once again, in the pursuit of the Commission's mandate to protect the public against rampant abusive practices in the lending industry; to further weed out misbehaving companies; and to encourage legitimate FCs and LCs to operate and flourish in the Philippines, there is a cogent reason to revoke of the Certificate of Authority (CA) to Operate the Lending Company of Respondent.



While FinLend Division acknowledges that Financing, Lending and their hired Third-Party Service Providers may resort to all reasonable and legally permissible means to collect amounts due them under the loan agreement, such must be observed in good faith and reasonable conduct and shall refrain from engaging in unscrupulous and untoward acts. Precisely, existing legislation demands from the Commission and this Division to take timely and definite actions to adequately and effectively protect the interest of the borrowing public.

RA No. 9474 or the "Lending Company Regulation Act of 2007" declares as a State policy the need to regulate the establishment of lending companies and place their operation on a sound, efficient and stable condition to: derive the optimum advantages from them as an additional source of credit; prevent and mitigate, as far as practicable, practices prejudicial to public interest; and lay down the minimum requirements and standards under which they may be established and do business.

Moreover, RA No. 11765 or the "Financial Products and Services Consumer Protection Act" provides that the State shall implement measures to protect the rights of consumers of financial products and services, including the rights to equitable and fair treatment, disclosure and transparency of financial products and services, data privacy, and timely handling and redress of complaints.


This Division has significantly noted, among others, the number of complaints lodged against Respondent, the evidences in support thereof, the on-site forensic examination conducted by authorities; and the gravity of the threats, obscenities, insults, and profane language employed by Respondent and its agents. All these taken together has convinced the FinLend Division that Respondent's Certificate of Authority (CA) to Operate as a Lending Corporation should be revoked.

WHEREFORE, in view of the foregoing, the Certificate of Authority (**C.A. No. 3066**) to Operate as a Lending Company of **Populus Lending Corporation** is hereby **REVOKED**. Let a copy of this Order be published in two (2) newspapers of general circulation and at the SEC website.

Moreover, this Order shall be disseminated to Respondent, all herein Complainants and all concerned SEC Departments, such as, but not limited to, the Company Registration and Monitoring Department (CRMD) and the Information and Communications Technology Department (ICTD) for further appropriate action.

SO ORDERED.

14 July 2023. Makati City, Philippines.


ATTY. KENNETH JOY A. QUIMIO
Assistant Director