



MEMORANDUM – 2020-003

TO : THE INVESTING PUBLIC AND THE TRADING PARTICIPANTS

SUBJECT : PUBLICATION OF DISCIPLINARY ACTIONS

DATE : 24 January 2020

As mandated by Article XII, Section 6 of the Capital Markets Integrity Corporation (“CMIC”) Rules, which states, in part, that CMIC shall publish at its website the sanctions imposed on trading participants (“TPs”), attached is a list of the TPs sanctioned by CMIC, together with details on the securities laws violated and the corresponding penalties. The period covered is from 19 October 2019 to 24 January 2020.

It must be emphasized that the list may cover matters recently decided by CMIC, including cases that, after having been resolved by CMIC, are appealed to the Securities and Exchange Commission and/or the courts. Conversely, the list does **not** include matters that are pending resolution by the Board of Directors of the CMIC (“CMIC Board”) or where the period to appeal to the CMIC Board has not yet lapsed¹.

DAISY P. ARCE
President

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¹ Likewise excluded are cases where notices containing the CMIC Board’s resolutions on requests for reconsideration have not yet been duly received by the concerned TPs.

TRADING PARTICIPANTS	SECURITIES LAWS VIOLATED		TYPES OF SANCTION AND PENALTIES IMPOSED	
Belson Securities, Inc.	Article I, Section 3 of the CMIC Rules, in relation to Article IV, Section 23 of the Revised Trading Rules	General Provisions (<i>Enforcement and Observance of the Securities Laws</i>)	Minor violation	Written reprimand and monetary penalty
	Article VIII (A), Section 2 (2.3) (B) of the CMIC Rules, in relation to Rule 34.11.3 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code	Capitalization Requirements of Trading Participants (<i>Risk Based Capital Adequacy Requirement; Internal Controls</i>)	Minor violation	Written reprimand
Bernad Securities, Inc.	Article II, Section 2 of the CMIC Rules	Investigation and Resolution of Cases by CMIC (<i>Duty and Responsibility of Trading Participant in Investigations</i>)	Minor violation	Monetary penalty
	Article I, Section 3 of the CMIC Rules, in relation to Rule 30.2.9.2.7 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code	General Provisions (<i>Enforcement and Observance of the Securities Laws</i>)	Minor violation	Written reprimand and monetary penalty
	Rule 30.2.5.2 of the 2015 SRC Rules, in relation to PSE Memo 2008-0467	Commissions and Charges for Services Performed by a Broker Dealer	Minor violation	Monetary penalty

	Article IX, Section 1 of the CMIC Rules	Books and Records Rule	Minor violation	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major violation	Monetary penalty
Eagle Equities, Inc.	Article I, Section 5 of the CMIC Rules, in relation to Article IV, Section 23 of the Revised Trading Rules	General Provisions (<i>Reporting Obligation of Trading Participants</i>)	Minor violation	Written reprimand
	Article IV, Section 20(c) of the Revised Trading Rules	General Trading Operations (<i>Error Transactions</i>)	Minor violation	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major violation	Monetary penalty
First Orient Securities, Inc.	Article VII, Section 1 (q) of the CMIC Rules, in relation to Article IV, Section 4 (a) of the Revised Trading Rules and Article XV1,(1) of the Implementing Guidelines of the Revised Trading Rules	Customer Protection (<i>Identification of Customers' Accounts and Orders through the Use of Code, Symbol, or Account Number, and Multiple Accounts</i>)	Minor violation	Written reprimand and monetary penalty
	Article IV, Section 4 (c) of the Revised Trading Rules, in relation to Rule 34.1.5 of the 2015 Implementing Rules and Regulations of	General Trading Operations (<i>Aggregation of Client Orders</i>)	Minor violation	Written reprimand and monetary penalty

	the Securities Regulation Code			
	Article VI, Section 2 of the CMIC	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major violation	Monetary penalty
Quality Investment & Securities Corporation	Article VI, Section 1 (b) (ii) of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Ethical Standards Rule</i>)	Major violation	Monetary penalty
S.J. Roxas & Company, Inc.	Article V, Section 6 (a) and (c) of the CMIC Rules	Code of Conduct and Professional Ethics for Traders and Salesmen (<i>Prohibited Acts</i>)	Major violation	Monetary penalty
	Article XV (3) (g) of the Implementing Guidelines of the Revised Trading Rules	Account Codes (<i>Related Party Account</i>)	Minor violation	Monetary penalty
	Article XII, Section 3 (b) (v) of the CMIC Rules	Disciplinary Guidelines and Sanctions (<i>Making Untrue Statements</i>)	Major violation	Monetary penalty
Yao & Zialcita, Inc.	Article IV, Section 23 of the Revised Trading Rules	Done-Through Transactions	Minor violation	Written reprimand and monetary penalty

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