




MEMORANDUM – 2018-026

TO : THE INVESTING PUBLIC AND THE TRADING PARTICIPANTS
SUBJECT : PUBLICATION OF DISCIPLINARY ACTIONS
DATE : 5 OCTOBER 2018

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 4 August 2018 to 5 October 2018.

It must be emphasized that the list covers the cases recently decided by CMIC, but does **not** include matters that are pending resolution by the Board of Directors of the CMIC (“CMIC Board”)¹ or where the period to appeal to the CMIC Board has not yet lapsed.


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 VII, Section 8 of the CMIC Rules	Customer Protection <i>(When Call for Additional Margin is Not Met)</i>	Major violation	Monetary penalty
Bernad Securities, Inc.	Rule 30.2.5 of the 2015 Implementing Rules and Regulations of the SRC ² , in relation to PSE ³ Memorandum No. 2008-0467	Commissions and Charges for Services Performed by a Broker Dealer	Minor violation	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants <i>(Supervision)</i>	Major violation	Monetary penalty
Goldstar Securities, Inc.	Article VII, Section 19 of the CMIC Rules	Customer Protection <i>(Special Reserve Bank Account for the Exclusive Benefit of the Customers)</i>	Major violation	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants <i>(Supervision)</i>	Major violation	Monetary penalty
Guild Securities, Inc.	Article VII, Section 1(q) of the CMIC Rules, in relation to Article IV, Section 4 (a) and (c) of the PSE Revised Trading Rules and Annex A - XVI of the	Customer Protection <i>(Customer Account Information Rule; Identification of Customers' Accounts and Orders through the Use of Code, Symbol or</i>	Minor violation	Written reprimand and monetary penalty

² Securities Regulation Code.

³ Philippine Stock Exchange.

	Implementing Guidelines of the PSE Revised Trading Rules	<i>Account Number and Multiple Accounts)</i>		
Intra-Invest Securities, Inc.	Article VII, Section 19 of the CMIC Rules	Customer Protection (<i>Special Reserve Bank Account for the Exclusive Benefit of the Customers</i>)	Major violation	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major violation	Monetary penalty
Meridian Securities, Inc.	Article XI-B, Section 2 of the CMIC Rules, in relation to Article XI-B, Sections 1 (a) and (d) of the CMIC Rules	Trading-Related Irregularities (<i>Obligation to Report Known or Suspected Violations/General Conduct</i>)	Grave violation	Denial of the exercise of the trading right and access to the facilities and systems of the PSE for <u>one trading day, i.e., 05 October 2018</u>
	Article V, Section 1 of the CMIC Rules, in relation to Article XI-B, Section 1 (a) and (d) of the CMIC Rules	Code of Conduct and Professional Ethics for Traders and Salesmen (<i>General Principles</i>)	Major violation	Monetary penalty
	Article IV, Section 23 of the PSE Revised Trading Rules	General Trading Operations (<i>Done-Through 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

RTG & Co., Inc.	Article VII, Section 1 (q) of the CMIC Rules, in relation to Rule XVII (1) of the PSE Revised Trading Rules	Customer Protection (<i>Customer Account Information Rule; 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
S.J. Roxas & Company, Inc.	Rule 30.2.5 of the SRC, in relation to PSE Memorandum No. 2008-0467	Commissions and Charges for Services Performed by a Broker Dealer	Minor violation	Written reprimand and monetary penalty
Timson Securities, Inc.	Article IV, Section 21 (d) of the PSE Revised Trading Rules	General Trading Operations (<i>Give-up/Take-up Transactions</i>)	Minor violation	Written reprimand and monetary penalty
Unicapital Securities, Inc.	Article VIII-A, Section 2 (2.6)(A)(A.2)(a.3) of the CMIC Rules	Capitalization Requirements of Trading Participants (<i>Risk Based Capital Adequacy Requirements; Obligations of Trading Participants</i>)	Major violation	Monetary penalty
	Article VIII-A, Section 2 (2.6)(A)(A.5)(a)(a.4) of the CMIC Rules	Capitalization Requirements of Trading Participants (<i>Risk Based Capital Adequacy Requirements; Position Risk</i>)	Major violation	Monetary penalty
	Article VIII-A, Section 2 (2.6)(A)(A.5)(a)(a.5) of the CMIC Rules	Capitalization Requirements of Trading Participants (<i>Risk Based Capital Adequacy Requirements; Position Risk</i>)	Major violation	Monetary penalty

VC Securities Corporation	Article VII, Section 19 of the CMIC Rules	Customer Protection (<i>Special Reserve Bank Account for the Exclusive Benefit of the Customers</i>)	Major violation	Monetary penalty
	Article VI, Section 2 of the CMIC Rules	Conduct Regulation of Trading Participants (<i>Supervision</i>)	Major violation	Monetary penalty

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