



MEMORANDUM – 2019-034

TO : THE INVESTING PUBLIC AND THE TRADING PARTICIPANTS

SUBJECT : UPDATES ON THE INVESTIGATION ON UNAUTHORIZED TRANSFERS OF SHARES INVOLVING R & L INVESTMENTS, INC.

DATE : 20 DECEMBER 2019

The Capital Markets Integrity Corporation (“CMIC”) has submitted to the Securities and Exchange Commission (“SEC”) its report on the investigation and special audit conducted on the relevant books and records of R & L Investments, Inc. (“R & L”).

The report contains CMIC’s determination of evident violations by R & L of the securities laws, including, but not limited to: the rules on segregation and limitation of functions of members, brokers, and dealers; the books and records rule; the ethical standards rule; and the rules relative to customer protection.

As stated in the *SEC Order* dated 14 November 2019, the report and recommendations of CMIC may be used as a basis for instituting administrative and/or criminal actions against the responsible persons, if warranted by the governing circumstances.

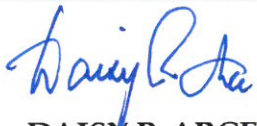
Relatedly, CMIC has already received and validated a number of claims from customers of R & L. These claims, among other matters, shall be considered by CMIC in its preparation of the plan for the allocation and liquidation of the trade-related assets of R & L.

With regard to the special audit of the books and records of Venture Securities, Inc. (“Venture”), CMIC is in the process of finally concluding its examination. Venture had been identified by Mr. Marlo Moron, the alleged perpetrator of the unauthorized transfers, to have received the subject securities from R & L.


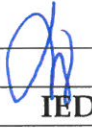
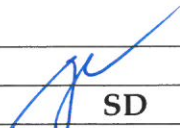
After the conduct of its special examination, CMIC shall submit its findings for resolution and imposition of the proper disciplinary actions on the responsible persons and/or entities, if warranted by the facts and records.

CMIC reassures anew the investing public that it continues to ensure that the trading participants adhere to all pertinent regulatory requirements, and that the interests of all market participants are duly regarded.

CMIC will regularly publish material updates on this issue. Should there be any information relevant to this matter, the same may be sent to info@cmic.com.ph.



DAISY P. ARCE
President

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