



## **SEC ADVISORY**

The Commission has received information that individuals or group of persons representing various unregistered investment entities are enticing the public to invest their money in high-earning products.

The Commission is issuing this Advisory to help Investors be better aware of fraudulent investment schemes that may involve social media.

Investors are increasingly turning to social media including Facebook, Youtube, Twitter, LinkedIn and other online networks for information about investing.

Some examples of investment companies that are soliciting investments through the use of Social Media are as follows:

- 1) **MGA BUSINESS ENTERPRISES**
- 2) **COOPHUB MULTIMEDIA SERVICES**
- 3) **JOGLE INNOVATIVE MARKETING**
- 4) **GLOBAL DREAM ZION**
- 5) **GRAPPLER**
- 6) **SHERPAN**
- 7) **BCT MARKETING/BCT MOTORCYCLE AND CAR TRADING**
- 8) **RTM/RTM PHARMACY AND GENERAL MERCHANDISE**
- 9) **DIAMOND MARKETING**
- 10) **FUSION MARKETING**
- 11) **FMARKET**
- 12) **CIRFUND**
- 13) **VIBEARN**
- 14) **ONEPRO**
- 15) **BCC/BCC COSMETICS TRADING**
- 16) **UNLISHOP COMPENSATION PLAN MARKETING**
- 17) **VUCC**
- 18) **BITRAIN**
- 19) **TCOIN**
- 20) **CROWD ROYALS**
- 21) **ADA FARM AGRI VENTURE**
- 22) **NERMIE MARKETING/NERMIE HEALTH AND BEAUTY PRODUCTS TRADING**

The schemes that may be employed by the above-mentioned entities are described below:

- 1) They offer their investment contracts in the corresponding Facebook pages or secret Facebook groups and chatroom, Youtube etc;
- 2) They offer unrealistic return on investments ranging from 10% to 400% per month;
- 3) They require their interested investors to pay their initial investments by depositing their money to a specific bank account, Coins.Ph account, GCash, through a money remittance company and through face-to-payment with one of the entity's agents;
- 4) The investor shall then send through a private message a copy of the proof of the deposit to the offeror who shall send his confirmation after validation;
- 5) They usually deliver payouts through the above-mentioned methods; and
- 6) They usually claim that they invest their funds in forex, bitcoin and other cryptocurrencies to justify their earning capacity.

This investment scheme ordinarily collapses as fast as they are created while leaving its investors behind and unable to recoup their investments.

The public is hereby informed that such investment schemes, whether with the use of money or cryptocurrencies, are considered as securities subject to the regulatory authority of this Commission. The recruitment of investor members under the guise of sponsoring a person into the system is likewise considered a form of investment solicitation or a sale of securities. The offering or sale of securities to the public without a permit or license from the Commission is a violation of Section 8.1 of the Securities Regulation Code.

Thus, any person who, directly or indirectly, in connection with the purchase or sale of any securities, (1) employ any device, scheme, or artifice to defraud, (2) obtain money or property by means of any untrue statement made, in light of the circumstances under which they were made, not misleading; or (3) engage in any act, transaction, practice or course of business which operates or would operate as a fraud or deceit upon any person shall likewise be prosecuted and held criminally liable under Section 26 of the Securities Regulation Code and penalized accordingly pursuant to Section 73 of the SRC.

### **Tips to Help Avoid Investment Scam**

Lookout for these **Common "Red Flags"**:

**It sounds too good to be true.** Any investments that sounds too good to be true probably is. Any investment opportunity that claims you'll receive substantially more than that could be highly risky – or be an outright fraud. Be extremely wary of claims on a website that an investment will make "INCREDIBLE GAINS" or has "HUGE UPSIDE AND ALMOST NO RISK!"

**The promise of “guaranteed” returns.** Every investment entails some level of risk, which is reflected in the rate of return you can expect to receive. If your investment is 100% safe, you’ll most likely get a low return. Most fraudsters spend a lot of time trying to convince investors that extremely high returns are guaranteed or that the investment is a can’t miss opportunity.”

**Pressure to buy RIGHT NOW.** Don’t be pressured or rushed into buying an investment before you have a chance to think about – and investigate - the “opportunity”. Be especially skeptical of investments that are pitched as “once-in-a-lifetime” opportunities, particularly when the promoter bases the recommendation on “inside” or confidential information.

Investors who learn of investing opportunities should always be on the lookout for fraud. If you have a question or concern about an investment, or think you have encountered fraud please contact the Enforcement and Investor Protection Department at telephone numbers (02)818-6337 and (02)818- 5324.

For the guidance of the public.