



ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

(Warning to the Public)

SEC ADVISORY

The Commission has received reports from the public that **G. M. PINEDA CONSTRUCTION AND DEVELOPMENT** is engaged in the solicitation of investments from the public or anyone interested to place money in said entity for a promise of earning huge profits or interests at the rate of 15% to 20% per month for a six month lock-in period and guaranteed with postdated checks.

The above-mentioned investment scheme is considered as securities in the form of an investment contract that is subject to the regulatory authority of this Commission. Thus, any random or indiscriminate offering of such investment scheme is considered a form of investment solicitation which requires prior permit or license from the Commission under Section 8.1 of the Securities Regulation Code (SRC).

The public is hereby advised that **G. M. PINEDA CONSTRUCTION AND DEVELOPMENT** is not registered with the Commission as a corporation or partnership. Moreover, it is not authorized to solicit investments from the public considering that it has not secured from the Commission the required prior registration and/or license to solicit investments as prescribed under Section 8.1 of the Securities Regulation Code (SRC).

Those who act as salesmen, brokers, dealers or agents of these unregistered investment entity in selling or convincing people to invest in these schemes being offered by them including solicitations or recruitment at random, through personal or online offering or social media networks, may likewise be prosecuted and held criminally liable under Section 28 of the Securities Regulation Code and penalized with a maximum fine of Five Million Pesos (P5,000,000.00) or imprisonment of Twenty One (21) years or both pursuant to Section 73 of the SRC.

Accordingly, those who invite or recruit other people to join or invest in this venture or offer investment contracts or securities to the public may be held criminally liable or accordingly sanctioned or penalized in accordance with the Supreme Court decision in the case of SEC vs. Oudine Santos (G.R. No. 195542, March 19, 2014).

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 of a material fact or any omission to state a material fact necessary in order to make the statements made, in the 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.

Lastly, the names of all those involved will be reported to the Bureau of Internal Revenue (BIR) so that the appropriate penalties and/or taxes shall be correspondingly assessed.

In view thereof, the public is hereby strongly advised NOT TO INVEST or STOP INVESTING in such schemes and to exercise prudence and precaution in dealing with such unregistered investment entity or individuals.

Should you have any information regarding the operation of the subject entities and other similar schemes, please coordinate with the Enforcement and Investor Protection Department at telephone numbers 818-6047 or email us at epd@sec.gov.ph.

For the guidance of the public.

Pasay City, August 30, 2019.