



## SEC ADVISORY

Due to reports received by the Commission through the Zamboanga Extension Office regarding the investment-taking activities of certain **NON-STOCK CORPORATIONS, ASSOCIATIONS, AND FOUNDATIONS** in Zamboanga City, the Commission wishes to remind the public that **NON-STOCK CORPORATIONS, ASSOCIATIONS, AND FOUNDATIONS** are not authorized to offer or solicit investments and/or securities from the public.

**NON-STOCK CORPORATIONS, ASSOCIATIONS, AND FOUNDATIONS** are not allowed to distribute income to its members, trustees, or officers. Its resources and profits may only be used in furtherance of its purpose(s).

Thus, any form of offering or soliciting investment and/or securities by **NON-STOCK CORPORATIONS, ASSOCIATIONS, AND FOUNDATIONS** shall be deemed illegal.

Those who act as salesmen, brokers, dealers or agents of these **NON-STOCK CORPORATIONS, ASSOCIATIONS, AND FOUNDATIONS** in selling or convincing people to invest in the scheme being offered by said entities including solicitations and recruitment may be prosecuted and be held liable under Section 28 of the Securities Regulation Code (SRC). If adjudged guilty, they can be penalized with a maximum fine of Five Million Pesos (PhP 5,000,000.00) or penalty of Twenty-One years of imprisonment or both pursuant to Section 73 of the SRC.

Also, those who invite or recruit others to join or invest in such venture or offer investment contracts or securities to the public may incur criminal liability, or otherwise be sanctioned or penalized accordingly as held by the Supreme Court in the case of Securities and Exchange Commission vs. Oudine Santos (G.R No. 195542, 19 March 2014).

The Public is hereby advised to exercise caution in dealing with these **NON-STOCK CORPORATIONS, ASSOCIATIONS, AND FOUNDATIONS** or persons purporting to be its representatives.

Should you have any information regarding any investment solicitation by any individuals or group of individuals on behalf of these **NON-STOCK CORPORATIONS, ASSOCIATIONS, AND FOUNDATIONS**, please call the ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT (EIPD) at telephone number (02) 8818-6047, or send your report to the EIPD at [epd@sec.gov.ph](mailto:epd@sec.gov.ph). You may also visit the EIPD office situated at Ground Floor, North Wing Hall, Secretariat Building, PICC Complex, Pasay City.

For the guidance of the public.

Pasay City. 09 March 2020.