



ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY DO NOT INVEST IN PYRAMIDING SCAMS ON FACEBOOK

PYRAMIDING, being fraudulent and unsustainable, is NOT a registrable security. The Securities and Exchange Commission has not and will never issue a License to Sell Securities to the Public to persons or entities that are engaged in this business. This scam involves the recruitment of people in a two-pronged structure that takes the form of a pyramid, one that grows wider at the bottom, and thrives with the supply of new recruits to the scheme. Unfortunately, once the recruitment declines, so does the money.

This is the scheme employed by various marketing teams of the products of RAISEDHERBS ZION MARKETING ("RZM") on Facebook. The teams recruit investors who pay at least Php1,500.00 for a few products of RZM and consequently earn the right to participate in a scheme that promises a stream of profits by recruiting others to the groups.

As of 29 April 2020, RAISEDHERBS ZION MARKETING **does NOT** appear in the database of the Commission as a registered corporation, partnership or a grantee of a License to Sell Securities to the Public.

As advertised, there are 4 ways of earning from joining the marketing teams of RZM:

1. **Direct Selling** – 30%-60% discount
2. **Sponsor Bonus** – Php 120.00/person
3. **Matching Bonus** – 500/pair in a Binary structure, maximum of 4500 for 3 accounts.
1st-48th Php500/pair of recruits in the left and right leg of the binary
49th and above- Php 150/pair
4. **Unilevel Commission/Override Commission** – 8%of the sales from your direct-up to the 10th.

Dubiously, the investor-recruits are encouraged to open three (3) accounts in order to earn maximum profits instead of promoting the sale and use of the products as any legitimate MLM or direct selling company do. Further, published pay-outs on Facebook would prove that RZM marketing teams focus on recruitment. In one post, family members hold multiple accounts in order to earn at various levels of a pyramid from a single recruit to the team.

In view thereof, the **PUBLIC IS ADVISED NOT TO INVEST** in any of the RZM teams on Facebook as follows:

1. RZM
2. RZM Raisedherbs Zion Marketing –Administrator Dani Gabriel, et al.
3. Raisedherbs Zion Marketing-RZM – Administrator Jun Callejo
4. RZM The Best to Start
5. Raisedherbs Zion
6. Raisedherbs Zion Davao
7. Raisedherbs Zenith Marketing
8. Raisedherbs Zion Marketing – Team JB

Further, As a warning to unscrupulous individuals or entities that may take advantage of our current crisis, they are informed that aside from the strict penalties imposed by the Commission for violations of the Securities Regulation Code, the Revised Corporation Code, and such other rules and regulation it enforces, the **Bayanihan to Heal as One Act (Republic Act No. 11469)** also punishes those participating in cyber incidents that make use or take advantage of the current crisis situation to prey on the public through scams, phishing, fraudulent emails, or other similar acts.

In addition, those who act as salesmen, brokers, dealers or agents in selling or convincing people to invest in their investment scheme including solicitations and recruitment through the internet may likewise be criminally prosecuted and penalized with a maximum fine of Five Million pesos (P5,000,000.00) or a penalty of Twenty-one (21) years of imprisonment or both pursuant to Sections 28 and 73 of the SRC.

In the same manner, those who invite or recruit others to join or invest in such venture may incur criminally liability, or otherwise be sanctioned or penalized accordingly as held by the Supreme Court in the case of *SEC vs. Oudine Santos* (G.R. No. 195542, 19 March 2014).

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

If you have been victimized by this scam, please e-mail us immediately at eipd@sec.gov.ph to report and to provide details of your transactions with any of the above marketing teams.

April 30, 2020.