



ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

Based on the information gathered by the Commission, a number of individuals or group of persons representing **COINDEORO HOLDINGS, INC. / COIN DE ORO** (herein "**COIN DE ORO**") are enticing the public to invest their money in said entity.

As posted online, **COIN DE ORO** promises a return based on the following activities under its *compensation plan*, to wit:

1. **Direct Referral** – Investors will earn Five Percent (5%) from the investments made by their direct referrals upon joining;
2. **Unilevel Marketing** – Investors will earn One Percent (1%) from the investments made by their indirect referrals from levels Two (2) to Ten (10); and
3. **Coin de Oro Holder Incentive** – Investors will earn Fifty Percent (50%) of the amount invested by their direct referrals converted into *Coin de Oro* cryptocurrencies.

COIN DE ORO claimed that said cryptocurrency can be traded in the cyber-market using the *CoinDeOro Platform* which can be accessed by investors using their personal accounts.

Simply, an investor is entitled to receive passive income from the pool of investment traded as *Coin de Oro* cryptocurrency, while active income is acquired from recruitment bonuses.

As stated in the **SEC ADVISORY on Initial Coin Offerings and Virtual Currency** posted **08 January 2018**, some virtual currencies, based on the facts and circumstances surrounding their issuance, follow the nature of a security as defined by Section 3.1 of the Securities Regulation Code (SRC). Therefore, these types of securities have to be registered and necessary disclosures have to be made for the protection of the investing public.

Moreover, the public must be aware that some companies allegedly trading virtual currencies may be scams using the Ponzi schemes where money from new investors is used to pay fake "profits" to earlier investors. Hence, the public must remain at all times.

The scheme of **COIN DE ORO** involves the sale of securities to the public, and the Securities Regulation Code (SRC) requires that these securities are duly registered and that the concerned corporation and/or its agents have appropriate registration and/or license to sell such securities to the public pursuant to Section 8 of the Securities Regulation Code (SRC).

Per record of the Commission, **COIN DE ORO** is registered as a holding company but is **NOT AUTHORIZED** to solicit, accept or take investments/placements from the public nor to issue investment contracts and other forms of securities defined under Section 3 of the Securities Regulation Code (SRC) because it does not have a secondary license from the Commission to solicit investments or other securities from the public for whatever purpose as provided under Sections 8 and 28 of the SRC.

Those who act as salesmen, brokers, dealers or agents of **COIN DE ORO** in selling or convincing people to invest in the investment scheme being offered by these entities including solicitations and recruitment through the internet may likewise be prosecuted and held criminally liable under Section 28 of the SRC and penalized with a maximum fine of Five Million pesos (P5,000,000.00) or penalty of Twenty-one (21) 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 criminally 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).

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

The public is advised to exercise caution in dealing with any individuals or group of persons soliciting investments for and on behalf of **COIN DE ORO** or any entities engage in **Initial Coin Offerings** and **Virtual Currency Trading**.

Should you have any information regarding any investment solicitation by any individuals or group of individuals representing **COIN DE ORO**, please call the Enforcement and Investor Protection Department (EIPD) at telephone numbers (02) 8818-6047 or send your report to the EIPD at epd@sec.gov.ph

For the guidance of the public.

Pasay City. 11 November 2019.