

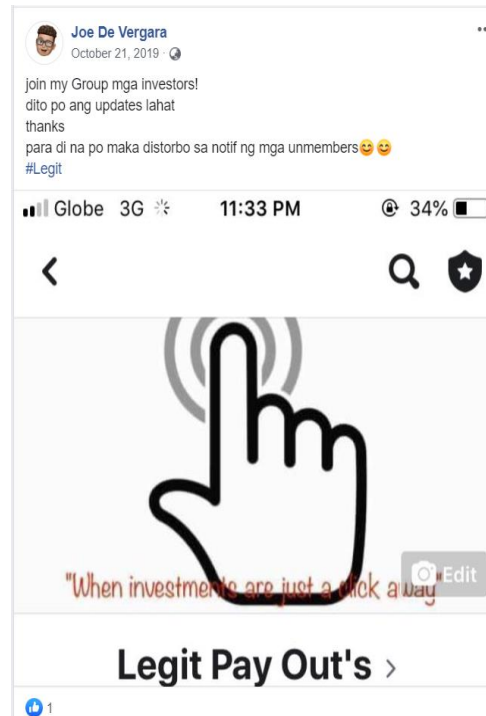
ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

The Commission has received reports and gathered information that an entity by the name **LEGIT PAYOUT/ LEGIT PAY OUT'S** is engaged in investment-taking activities.

Based on the information and reports from the public, **LEGIT PAYOUT/ LEGIT PAY OUT'S** is being operated by a certain Mr. **WILME JOE VERGARA** a.k.a. Mr. **JOE DE VERGARA**. The scheme of **LEGIT PAYOUT/ LEGIT PAY OUT'S** was posted on the Facebook (FB) account of Mr. **JOE DE VERGARA**.

As posted in his FB account, Mr. **WILME JOE VERGARA** a.k.a. Mr. **JOE DE VERGARA** enticed the public to invest their money in **LEGIT PAYOUT/ LEGIT PAY OUT'S** with a **promise of Sixty Percent (60%) return of investment on top of of the invested money within a period of two (2) weeks**, to wit:



As can be seen in the above FB posts, a prospective investor shall first secure a slot. One slot is equivalent to **ONE THOUSAND PESOS (Php 1,000.00)** and the period of investment is Two (2) weeks. After such period, your investment amounting to One Thousand Pesos (**Php 1,000.00**) will become **ONE THOUSAND SIX HUNDRED PESOS (Php 1, 600.00)**, or an equivalent of **60% increase** of the amount invested.

Further, **LEGIT PAYOUT/ LEGIT PAY OUT'S** scheme allows multiple slot investment and is being operated in limited slots per batch. Thus, if an investor takes five slots (5), his/her investment amounting to **Five Thousand Pesos (PhP 5,000.00)** will become **Eight Thousand Pesos (PhP 8,000.00)**, or the equivalent of **60% increase** of the amount of invested within **Two (2) weeks**, and if he/she invests in ten slots (10), his/her investment amounting to **Ten Thousand Pesos (PhP 10,000.00)** will become **Sixteen Thousand Pesos (PhP 16, 000.00)**, or the equivalent of **60% increase** of the amount of invested within **two (2) weeks** respectively, and so on.

Accordingly, the scheme of **LEGIT PAYOUT/ LEGIT PAY OUT'S** involves the offering and sale of securities, in the form of investment contracts, to the public because its investors need not exert any effort other than to invest or place monies in the said entity in order to derive income.

Therefore, the said offer and sale of securities must be duly registered with the Commission and that the concerned corporation and/or its agents must have appropriate registration and/or license to sell such securities to the public in accordance with Section 8 of the Securities Regulation Code (SRC).

Per record of the Commission **LEGIT PAYOUT/ LEGIT PAY OUT'S** is **NOT REGISTERED** either as a corporation or partnership. Further, it is **NOT authorized** to solicit investments from the public since it has not secured prior registration and/or license from the Commission as prescribed under **Sections 8 and 28 of the Securities Regulation Code**.

Results also show that Mr. **WILME JOE VERGARA a.k.a. Mr. JOE DE VERGARA** is not associated with any corporation or partnership registered with the Commission and neither is he allowed by the Commission to engage in the said investment taking activities.

The public must be wary that any promise of ridiculous rates of return with little or no risks is an indication of a **Ponzi Scheme** where monies from new investors are used in paying fake "profits" to earlier investors. Also, any promise that defies the normal financial logic is surely unreliable and sketchy.

It must be clear that entities engaged in such activities likely tend to disappear shortly to the prejudice of their stakeholders.

Consequently, the Commission encourages the public to be prudent in making or placing their monies on these entities especially during this pandemic.

Violators are warned 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.

Hence, those who act as salesmen, brokers, dealers or agents or claim to act as such for **LEGIT PAYOUT/ LEGIT PAY OUT'S** in selling or convincing people to invest in the investment scheme being offered by said entity including solicitations and recruitment through the internet may 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 **NOT TO INVEST** or **STOP INVESTING** in any investment scheme being offered by any individual or group of persons allegedly for or on behalf of **LEGIT PAYOUT/ LEGIT PAY OUT'S** and to exercise caution in dealing with any individuals or group of persons soliciting investments for and on behalf of said entity.

Should you have any information regarding any investment solicitation by Mr. **WILME JOE VERGARA** a.k.a. Mr. **JOE DE VERGARA** or any individuals or group of individuals representing **LEGIT PAYOUT/ LEGIT PAY OUT'S**, you can send your report to the EIPD at epd@sec.gov.ph

For the guidance of the public.

Pasay City, 23 April 2020.