



## ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

# SEC ADVISORY

The Commission has received information that **AQUITEK FOOD TRADING (AQUITEK)** is engaged in **UNAUTHORIZED** investment-taking activities in the Philippines.

**AQUITEK** claims that it is a company that manufactures and specializes in all natural healthy products using highly sophisticated manufacturing technology. They also claim that they are the makers of Maxifit Slimming Coffee with Chia Seeds and Maxijuice with Purple Corn and Collagen. The Chairman and CEO of **AQUITEK** is Mr. **ANGELITO CAMACHO QUINTANA** and its office is located at Km 31 Phoenix A Gas Station Vicinity, San Pedro, Laguna.



Based on information gathered by the Commission, the entry packages for the marketing plan of **AQUITEK** are as follows:

### 1. **PAYLITE PACKAGE worth Php 599.00**

- > includes a box of either the Maxifit Slimming Coffee with Chia Seeds or the Maxijuice with Purple Corn and Collage;
- > entitled to Php 300 per matching bonus;
- > can earn up to Php 2,700 daily (maximum of 3 accounts); and

## 2. PREMIUM PACKAGE worth Php 2,000.00

- >includes three boxes of either the Maxifit Slimming Coffee with Chia Seeds or the Maxijuice with Purple Corn and Collage;
- >entitled to Php 1,000.00 per matching bonus;
- >can earn up to Php 9,000.00 daily (maximum of 3 accounts).



As posted online, **AQUITEK** offers five ways to earn income, namely:

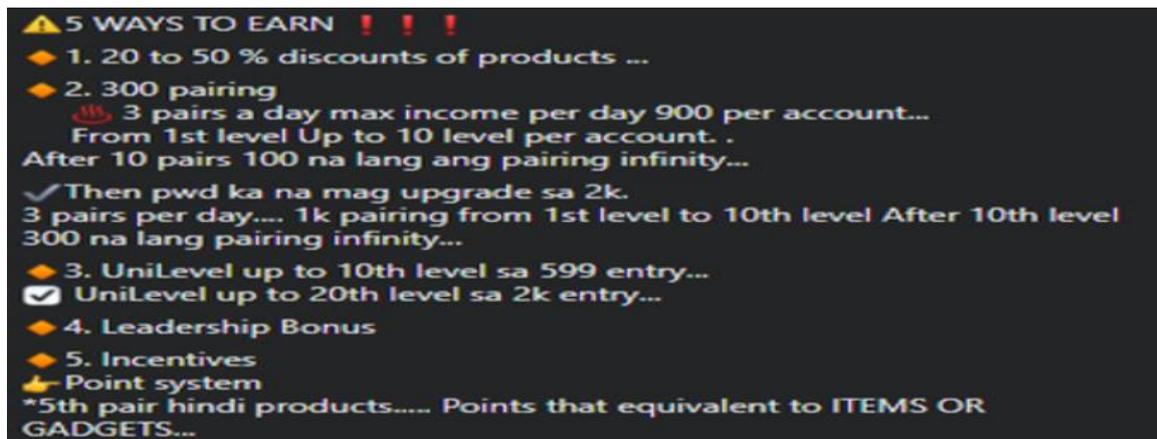
1. **Direct Selling**- Recruited investors will get 20% to 50% profit by selling AQUITEK products based on the package chosen because members are given up to 50% discount of the products;

2. **Pairing Bonus**- Paylite (Php 599.00 package) recruited investors get Php 300.00 for every sales match left and right while Premium (P2,000.00 package) recruited investors get Php 1,000.00 for every sales match left and right;

3. **Unilevel Bonus**- the recruited investors earn points value on every repeat orders;

4. **Leadership Bonus**; and

5. **Lifestyle Incentives**- redeeming of points based on the 5th pair points.



In addition, **AQUITEK** is also giving a direct referral bonus by inviting people to join in **AQUITEK**, the recruited investors will receive Php 200.00 for each direct referral income for each person who joined under the recruited investors' link. There is no limit in getting the direct referral bonus.

Accordingly, **AQUITEK** lures the public to invest in their scheme through referral system designed to encourage its members to recruit others in order to earn income instead of selling on the merits of the coffee or juice products. An individual automatically becomes an investor of **AQUITEK** upon the purchase of either their Paylite or Premium Package, after which the investors need not worry about the marketing of **AQUITEK**'s products for as long as the investor shall promote **AQUITEK** diligently on Facebook.

In the instant case, the scheme of **AQUITEK** has the characteristics of a Pyramid scheme. The Pyramiding scheme involves securities because for payment of a sum of money, often nominal, the investor participates in a recruitment scheme that promises a stream of profits. The scheme that requires recruitment in a two-pronged structure takes the form of a pyramid, one that grows wider at the bottom, and thrives with the supply of new recruits to the scheme. Here, the recruitment fees collected from new recruits are used to pay the recruiting commissions to earlier recruits.

Further, applying the *Howey Test*, the scheme of **AQUITEK** involves the offering and sale of securities in the form of Investment Contracts, to the public because the investors need not exert any effort other than to invest or place monies in **AQUITEK** in order to generate income.

Since this scheme involves the sale of securities to the public, the Securities Regulation Code (SRC) requires that these securities are duly registered with the Commission 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 SRC.

Per record of the Commission, **AQUITEK** is **NOT registered with the Commission as a corporation or partnership nor is it 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.

Hence, those who act as salesmen, brokers, dealers or agents or claim to act as such of **AQUITEK** 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 (Php 5,000,000.00) 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 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).

Further, 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.

In addition, under the ***Bayanihan to Heal as One Act (RA 11469)***, individuals or groups participating in cyber incidents that make use or take advantage of the current (Covid-19) crisis situation to prey on the public through scams, phishing, fraudulent emails, or other similar acts are punishable with imprisonment of two (2) months or a fine of not less than Ten thousand pesos (Php 10,000.00) but not more than One million pesos (Php 1,000,000.00) or both.

In view thereof, the public is hereby advised to exercise caution in dealing with any individuals or group of persons soliciting investments or recruiting investors for and on behalf of **AQUITEK**. The public is further advised **NOT TO INVEST or STOP INVESTING** in any investment scheme being offered by **AQUITEK**.

Should you have any information regarding any investment solicitation by any individuals or group of individuals representing **AQUITEK**, you may send your report to the EIPD at [epd@sec.gov.ph](mailto:epd@sec.gov.ph)

For the guidance of the public.

Pasay City. 11 May 2020.