

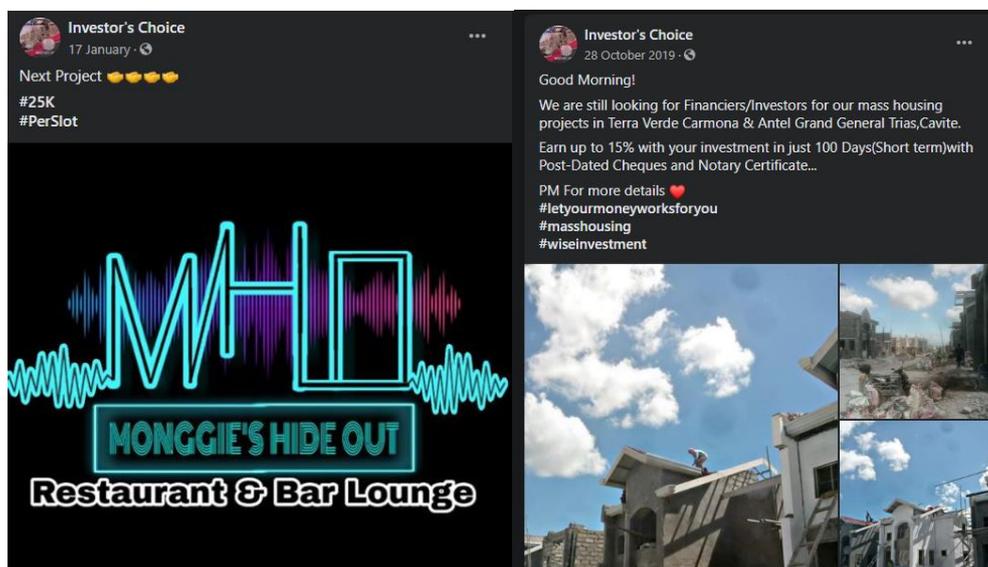


ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

Based on the information gathered by the Commission, the entities operating under the names **R3DCON PHILIPPINES CORPORATION (R3DCON)** and **INVESTOR'S CHOICE**, operated by **RAYMOND C. MABUNGA, GILLANY P. DELA CRUZ, RAFAEL L. BANAL, REYMARK LEGASPI, and DARLTON S. CRUZ**, with office address at MA Jaro, Building, Block 55, Lot 7, Golden Mile, Salawag, Dasmariñas, Cavite, 4115, are engaged in activities **NOT AUTHORIZED** by the Commission.

As posted online, **R3DCON** and **INVESTOR'S CHOICE** offers the following investment packages, to illustrate:



Based on the foregoing, **R3DCON** and **INVESTOR'S CHOICE** are offering shares in their so-called co-ownership programs and is enticing the public to invest in their housing project, to wit:

- a. Co-ownership of "*Browtoeful Premium SPA Studio*" located at 3rd floor Wellness Lane, Vista Mall, Dasmariñas, Cavite, for a minimum investment of Thirty Thousand Pesos (Php 30,000.00) per share, secured by an Investment Contract, Memorandum of Agreement, and a Point of Sale Agreement;
- b. Co-ownership of "*Monggie Spice*" and "*G Café Restaurant*" in front of De La Salle University, Gate 2, Dasmariñas City, Cavite, for a minimum investment of Twenty-Five Thousand Pesos (Php 25,000.00) per share, secured by a Five (5) year investment contract and a quarterly profit income;
- c. Co-ownership of "*Monggie's Hide Out Restaurant and Bar Lounge*" for a minimum investment of Twenty-Five Thousand Pesos (Php 25,000.00) per share; and
- d. A Minimum investment of One Hundred Thousand Pesos for a Mass Housing Project in Terra Verde, Carmona, Cavite, and Antel Grand, General Trias, Cavite, with a Fifteen Percent (15%) return within One Hundred (100) days secured by Post-dated Checks and a Notary Certificate.

Accordingly, **R3DCON** and **INVESTOR'S CHOICE** are offering investment opportunities whereby investors devote their monies in a common enterprise that **R3DCON** and **INVESTOR'S CHOICE** have established and are led to expect profits primarily through the efforts of latter.

Such schemes are analogous to an investment contract as defined under the Securities Regulation Code (SRC). Hence, such securities are required to be 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.

However, per record of the Commission, only **R3DCON** is registered as a corporation but both **R3DCON** and **INVESTOR'S CHOICE** **OPERATES WITHOUT THE NECESSARY LICENSE AND/OR AUTHORITY** 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).

It must be emphasized that **acquiring a primary registration with the Commission is not a license or authority to solicit investment from the public** because it only grants juridical personality to the corporation but does not authorize it to issue, sell, or offer securities for sale nor to undertake investment activities without obtaining a prior registration and/or secondary license approved by the Commission.

Further investigation also suggests that **R3DCON** and **INVESTOR'S CHOICE's Monggie Spice** appears to be connected to **WON PROJECT** which is the subject of an earlier Advisory issued by the Commission.

As such, the public must be wary of the schemes that these entities are offering. The public must be cautious and prudent in making or placing their monies on such schemes that offers low risk and high returns because this is an indication of a possible Ponzi Scheme.

Hence, the public is advised **NOT TO INVEST** or **STOP INVESTING** in any investment scheme being offered by **R3DCON** and **INVESTOR'S CHOICE** and to **STOP** dealing with any individuals or group of persons soliciting investments for and on behalf of these entities.

The Commission warns all the operators of such unauthorized activities that **strict penalties are imposed for violations of the Securities Regulation Code, the Revised Corporation Code, and such other rules and regulation it enforces.**

Also, the **Bayanihan to Heal as One Act (Republic Act No. 11469)** 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 of such unauthorized entities in selling or convincing people to invest in their investment scheme offered 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 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).

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.

Should you have any information regarding any investment solicitation activity by any individual or group of individuals representing **R3DCON** and **INVESTOR'S CHOICE**, please send your report to the EIPD at epd@sec.gov.ph.

For the guidance of the public.

Pasay City, 21 May 2020.