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SEC WARNS PUBLIC OF MORE INVESTMENT SCAMS AMID COVID-19 PANDEMIC

The Securities and Exchange Commission (SEC) has reiterated its advice for the public to exercise caution when presented with opportunities to invest in businesses or join organizations promising easy money amid the COVID-19 pandemic.

In separate advisories issued on May 5, the Commission identified five more groups engaged in investment-solicitation activities without the necessary licenses: CryptoInvestWith.Us (CIW.U), Won Project/ Won Network/ Won Foundation, Captcha Philippines, Inc., Fil-Invest, and Xtreme House of Beauty Trading Corporation.

CIW.U, Won Project, Captcha Philippines, Fil-Invest and Xtreme have neither registered securities such as investment contracts nor secured secondary licenses to solicit and take investments from the public, as required under Republic Act No. 8799, or The Securities Regulation Code.

Furthermore, CIW.U, Won Project, Captcha Philippines and Fil-Invest are not registered corporations or partnerships. Xtreme claims to be registered as a corporation, but a certificate of incorporation does not constitute a license to solicit and accept investments from the public.

Yet, CIW.U, Won Project, Captcha Philippines, Fil-Invest and Xtreme have enticed the public to participate in schemes involving the sale or offering of investment contracts and other securities.

CIW.U guarantees a 1% return after six days and up to 20% return per week on investors' bitcoin deposits. Based on information gathered by the Commission, CIW.U is the new name of MAGINVESTKA.ONLINE (MIKO), the subject of a similar advisory issued by the SEC earlier.

Won Project likewise touts investments in a cryptocurrency called WONCOIN, promising a daily profit of 1.5% for a period of 100 days on investment packages worth \$100 to \$20,000. It also promises commissions from the purchases of referrals and points convertible into cash and incentives such as cars and international travels.



The SEC noted how Won Project took advantage of the current crisis when it offered a promo, where investors would receive an additional 50% bonus on their WONCOIN purchases during the COVID-19 pandemic.

Won Project also claims to be headquartered in Singapore, but the SEC found that its main team composed of Jay Mark Abenir, Mhedel Ponce, Jhomar S. Montoya and Jiaxuan Hoan actually operates in the Philippines.

Captcha Philippines, meanwhile, promises its “shareholders” a 25% weekly return on their investments. It also allows members to earn up to P500 daily or P15,000 monthly by purchasing an account worth P2,500 and solving CAPTCHA tests, plus P125 for every direct and indirect recruit up to the third level of their networks.

Fil-Invest, on the other hand, entices the public to bankroll its gambling activities, particularly in Baccarat, in exchange for 5% to 20% monthly returns. Upon verification, the SEC found the group is not in any way related to or connected with the listed company, Filinvest Development Corporation, and any of its subsidiaries.

Under its investment scheme, Xtreme lures investors largely with direct referral, sales match and pairing bonuses, and thereby encourages them to recruit more members. Its targets include students, seniors and “special cases.”

Xtreme offers entry packages worth P1,888 to P28,888. It recently offered two more packages worth P1,588 and P1,988 with the promise that investors could double their investments in only 30 days while staying at home during the enhanced community quarantine.

The SEC warned that those who act as salesmen, brokers, dealers or agents of fraudulent investment schemes may be held criminally liable and penalized with a maximum fine of P5 million or imprisonment of 21 years or both under the Securities Regulation Code.

Those who invite or recruit others to join or invest in such ventures may likewise incur criminal liability, or otherwise be sanctioned or penalized accordingly.

Republic Act No. 11469, or the Bayanihan to Heal as One Act, further penalizes those participating in cyber incidents that make use or take advantage of the COVID-19 pandemic to prey on the public through scams, phishing, fraudulent emails, or other similar acts with two-month imprisonment or a maximum fine of P1 million or both.



The SEC has issued advisories on the unauthorized investment activities of at least 43 individuals and groups since the declaration of a state of public health emergency throughout the Philippines due to the COVID-19 pandemic.

Last week, the Commission also warned the public against investing in Raisedherbs Zion Marketing, Rising Era Dynasty (RED), Inc., Newmont Philippines, and IElev8 Network and IElev8 Health and Wellness Co.

For more details, the public may access the advisories on the SEC website at <http://www.sec.gov.ph/public-information-2/investors-education-and-information/advisories-and-notices/>.

The Commission also encourages the public to report unauthorized investment solicitation activities to its Enforcement and Investor Protection Department through email at epd@sec.gov.ph.

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