



ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

ADVISORY on THE SEASHORE BEACH CLUB, INC. and MAV DISCOVERY BEACH RESORT DEV'T CORP.

This is to clarify the SEC Advisory posted in the Commission's website on 8 July 2020 regarding **THE SEASHORE BEACH CLUB, INC.** and **MAV DISCOVERY BEACH RESORT DEV'T CORP.** headed by their president and chairman of the board Mr. Arnel S. Mindanao. The said SEC Advisory was issued by the Commission based on numerous reports and information that the subject companies are found to be selling and offering club shares to the public without the necessary authority and licence issued by the Commission in violation of Section 8 of the Securities Regulation Code (SRC).

The public is hereby informed that **MAV DISCOVERY BEACH RESORT DEV'T CORP.** (one of the companies subject of the 8 July 2020 SEC Advisory) is **NOT IN ANY WAY RELATED TO OR CONNECTED WITH DISCOVERY WORLD CORPORATION ("DWC"**, a listed company and doing business under the names and styles of **DISCOVERY SHORES BORACAY, DISCOVERY SHORES, PLATITOS RESTO-BAR, SANDS LOUNGE, INDIGO RESTO-BAR, AND SUNKEN POOL BAR) AND ANY OF ITS SUBSIDIARIES INCLUDING EURO-PACIFIC RESORTS, INC., SORONAN CORPORATION, PALAWAN COVE CORPORATION, CAY ISLANDS CORPORATION, LONG BEACH PROPERTY HOLDINGS, INC., AND DISCOVERY FLEET CORPORATION NOR DO THEY HAVE ANY AFFILIATION THERETO.**

We want to reiterate that **THE SEASHORE BEACH CLUB, INC.** and **MAV DISCOVERY BEACH RESORT DEV'T CORP.** are offering their club shares in the amount Php 834,900 for their San Juan, Batangas project and Php 900,000 (now Php 1,035,000) for their Coron, Palawan project which are available in three payment options: Option A) Deferred Payment of 36, 48 and 60 months; Option B) Spot down payment of 30% and the 70% remaining balance to be paid in 36, 48, 60 months; and Option C) Spot cash payment and get 15% discount. The subject companies are enticing the public to avail of their club shares and promising the following privileges to investors:

- 1) Profit sharing of 30% of its annual net income which will be divided to all the members;
- 2) 20% income referral when club membership is used by family or friends;
- 3) Life-time membership which can be inherited by heirs, with free one night stay for family members once a year; and
- 4) Certain percentage discounts from accommodation, water sports activities, restaurants, sports facilities, and its amenities.

Based on the foregoing, the club membership shares being offered are proprietary shares and are considered as securities under Section 3 of the SRC. As the scheme being implemented by the subject companies involve the offer and sale of securities to the public, the SRC requires that these securities must be duly registered with the Commission and that the concerned entity or its agents have appropriate registration and/or license to sell such securities to the public pursuant to Section 8 of the SRC. We want to emphasize that while **THE SEASHORE BEACH**

CLUB, INC. and **MAV DISCOVERY BEACH RESORT DEV'T CORP.** are registered as a corporation with Company Registration Nos. CS201612679 and CS201723866 respectively, however, such registration only grants juridical personality to the corporation but does not authorize it to issue, sell or offer for sale securities to the public nor undertake business activities requiring a secondary license from the Commission.

Once again, the public is hereby advised to exercise caution in dealing with any individual or group of persons engaged in securities solicitation for and on behalf of **THE SEASHORE BEACH CLUB, INC.** and **MAV DISCOVERY BEACH RESORT DEV'T CORP.** The public is further advised **NOT TO INVEST** or to **STOP INVESTING** in the securities being offered by the subject entities or its representatives.

Everyone is reminded 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 regulations 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.

Further, those who invite or recruit others to join or invest in such venture or offer 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).

Should you have any information regarding the operation of **THE SEASHORE BEACH CLUB, INC.** and **MAV DISCOVERY BEACH RESORT DEV'T CORP.** or any securities solicitation activity by any individual or group of individuals representing **THE SEASHORE BEACH CLUB, INC.** and **MAV DISCOVERY BEACH RESORT DEV'T CORP.**, please send your report to the Enforcement and Investor Protection Department at epd@sec.gov.ph.

For the guidance of the public.

Pasay City, 15 July 2020.