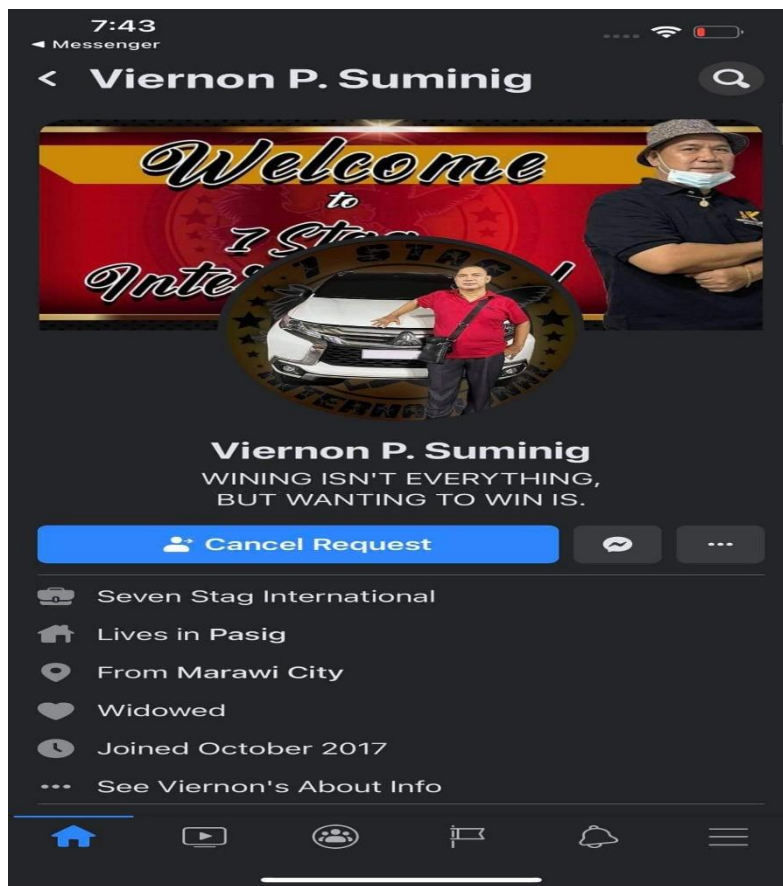




ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

Based on numerous reports and information gathered by the Commission, the entity operating under the name **SEVEN STAG INTERNATIONAL OPC**, headed by **VIERNON P. SUMINIG**, is found to be engaged in investment-taking activities in the Philippines which is **NOT AUTHORIZED** by the Commission. To show:



SEVEN STAG INTERNATIONAL OPC is enticing the public to invest as shareholder of their company, with a promise of daily encashment with amounts varying from the "Levels of Shareholding" paid by the investor. According to the company, the promised income are to be generated from online *sabong*, fish farm and crypto trading activities. As advertised:



As posted online, **SEVEN STAG INTERNATIONAL OPC** is apparently utilizing the multi-level marketing scheme in order to gain more profit from the public which is particularly described as follows:

- a. **Newbie Shareholder** - An investor pays a minimum amount of **Five Hundred Sixty Pesos (Php560.00)** with a promise of 15% earnings from every direct affiliate and from the 2nd to 5th receives a daily reward of **Forty-Four Pesos (Php 44.00)** from Indirect Affiliate;
- b. **Apprentice Shareholder**- An investor pays a minimum amount of **Five thousand Six Hundred Pesos (Php 5,600.00)** with a promise of 20% earnings from every direct affiliate and receives **Four Hundred Forty Pesos (Php 440.00)** as daily rewards from every indirect affiliate from 2nd up to 5th levels;
- c. **Manager Shareholder**- An investor pays a minimum amount of **Fifty-Six Thousand Pesos (Php 56,000.00)** with a promise of 25% earnings for every direct affiliate and infinite levels for indirect affiliates with a daily reward of **Four Thousand Four Hundred Pesos (Php 4,400.00)**; and
- d. **Senior Shareholder**- an investor pays **Five Hundred Sixty Thousand Pesos (Php 560,000.00)** with a promise of 30% earnings for every direct affiliate and infinite levels for indirect affiliates with a daily reward of **Forty-four thousand Pesos (Php 44,000.00)**.

Aside from earnings explained above, the managers and senior managers will receive an additional 30% and 70 % from the “Stag Pool Shares”, respectively. As Illustrated:

CAPITAL	DIRECT REFERRAL	UNILEVEL	DAILY PASSIVE INCOME	7 DAYS PROFIT	7 DAYS AUTO REGENERATE	28 DAYS PROFIT	28 DAYS AUTO REGENERATE
P 560 (NEWBIE)	15%	2nd - 5th LEVEL (1%)	P44	P168	P140	P672	P560
P 5,600 (APPRENTICE)	20%	2nd - 10th LEVEL (1%)	P440	P1,680	P1,400	P6,720	P5,600
P 56,000 (MANAGER)	25%	INFINITE (1%)	P4,400	P16,800	P14,000	P67,200	P56,000
P 560,000 (SENIOR MANAGER)	30%	INFINITE (1%)	P44,000	P168,000	P140,000	P672,000	P560,000

Aside from referral bonuses, SEVEN STAG INTERNATIONAL OPC promises a **DAILY PASSIVE INCOME** of **Forty Four Pesos (Php44.00)** for the **minimum investment Php560.00** and **Forty Four Thousand Pesos (Php44,000.00)** for a **Php560,000.00** investment.

The income generated by the company does not appear to come from legitimate business sources but solely from the “Levels of Shareholdings” being paid by its current investors/shareholders and by the newly recruited members. These false representations of lucrative return of investment within a short period of time from apparently legitimate sources effectively lures the public to invest their hard-earned money to their company. The operations of this entity is a **“Ponzi Scheme,”** an investment fraud that involves the payment of purported returns to existing investors from funds contributed by the new investors.

Applying the **Howey Test** as explained in the case of *Power Homes Unlimited vs. SEC* (G.R. No. 164182, February 26, 2008), **SEVEN STAG INTERNATIONAL OPC’s** scheme being offered to the public, partakes of the nature of securities in the form of an investment contract which is defined as an investment or placement of money in a common enterprise with a reasonable expectation of profits to be derived from the efforts of others. Thus, the Securities Regulation Code (SRC) requires that these securities are duly registered 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 and 28 of the SRC.

Although **SEVEN STAG INTERNATIONAL OPC** is registered with the Commission as a corporation, **IT IS NOT AUTHORIZED to solicit investment/placements from the public nor to issue investment contracts and other forms of securities since it has not secured prior registration and/or license from the Commission as prescribed under Sec. 8 and 28 of the Securities Regulation Code.**

Further, **SEVEN STAG INTERNATIONAL OPC’s** investment-solicitation activities appear to be contrary to and unrelated to its declared primary purpose of engaging in the business of manufacturing, trading, direct selling, marketing, buy and sell of gadgets such as cellphone, tablet, prepaid sim card, computer peripherals and

health care products, home care products, beauty/personal product care products, foods, and beverages and to provide services and benefits to its loyal product users and distributors,

Therefore, **SEVEN STAG INTERNATIONAL OPC's** lack of prior registration pertaining to its securities with the Commission make its activities illegal, fraudulent and injurious to the investing public.

The issuance of a Certificate of Incorporation only grants the said entity juridical personality but does not constitute an authority or license for the corporation to engage in activities such as solicitation of investments, issuance of investments contracts, offering and sale of investment contracts that require a secondary license.

Also, the offering and selling of securities in the form of investment contracts using the "**Ponzi Scheme**" which is fraudulent and unsustainable, is **NOT** a registrable security. The Commission will not issue a License to Sell Securities to the Public to persons or entities that are engaged in this business or scheme.

Hence, the public is strongly advised **NOT TO INVEST** or **STOP INVESTING** in any scheme offered by **SEVEN STAG INTERNATIONAL OPC** or such other entities similarly engaged in investment contracts without prior registration from the Commission.

Accordingly, the Commission warns all unscrupulous individuals and/or entities that **strict penalties are imposed for violations of the Securities Regulation Code, the Revised Corporation Code, and such other rules and regulation enforced by the Commission.**

Those who act as salesmen, brokers, dealers, agents or representatives of **SEVEN STAG INTERNATIONAL OPC**, including its sole stockholder-director-president, **VIERNON P. SUMINIG**, nominee **EDWARD B. DELA CRUZ**, alternate nominee, **MARYGRACE A. BONIFACIO**, the operators of its Facebook Page or enablers and influencers of similar social media, 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 similar to and the operators of the **SEVEN STAG INTERNATIONAL OPC** may incur criminally liability, or otherwise be sanctioned or penalized accordingly as held by the Supreme Court in the case of *SEC 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 assessed correspondingly.

Should you have any information regarding any investment solicitation activity by any individual or group of individuals representing **SEVEN STAG INTERNATIONAL OPC**, please send your report to the EIPD at epd@sec.gov.ph.

For the guidance of the public.

Pasay City, 4 May 2021.