



ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

Based on information received by the Commission, the illegal solicitation activities of **SOPHIA FRANCISCO HOLDING OPC / FINANCIAL CONSULTANCY SERVICES SOPHIA-FRANCISCO / SOPHIA FRANCISCO TRADING** and **CRYPTOGIX** are now continued through **ZYDEX TRADING**. Individuals claiming to represent **ZYDEX TRADING** are enticing the public to invest their money in said entity.

The Commission has already issued Advisories on the previous trading platforms: **SOPHIA FRANCISCO HOLDING OPC / FINANCIAL CONSULTANCY SERVICES SOPHIA-FRANCISCO / SOPHIA FRANCISCO TRADING** and **CRYPTOGIX**. Further, **SOPHIA FRANCISCO HOLDING OPC / FINANCIAL CONSULTANCY SERVICES SOPHIA-FRANCISCO / SOPHIA FRANCISCO TRADING** was issued a Cease and Desist Order for its investment-solicitation activities.

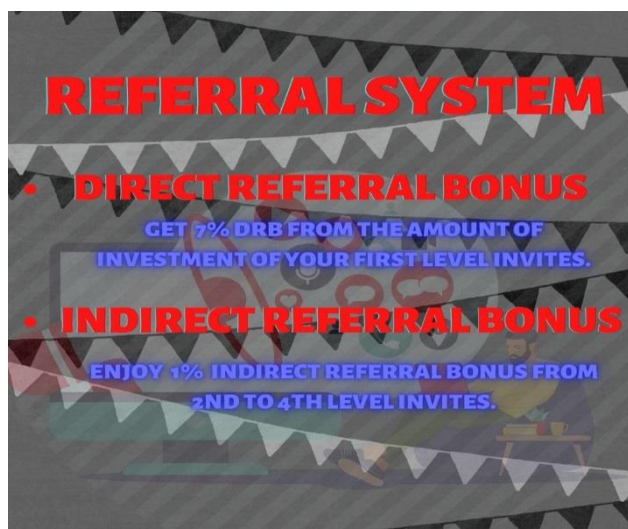
As posted in its official Facebook page, **ZYDEX TRADING** is a trading service company that offers competitive returns to their investors. Additionally, an official Facebook Group was created with Ms. Sofia Francisco and Mr. Christian Mandan Ortaleza as the group administrators.



Interested investors will be asked to register through the link: <https://zydextrade.com/> after which, they may then begin to choose a profit plan and deposit their investments. **ZYDEX TRADING** offers two types of profit plans: the “Beginner Plan” which earns **40% Profit in 15 days** and the “Expert Plan” which earns **90% profit in 30 days**. This is illustrated below:

PROFIT MATRIX PER PLAN		
BEGINNER 40% PROFIT IN 15 DAYS	CAPITAL	EXPERT 90% PROFIT IN 30 DAYS
700	500	950
1,400	1,000	1,900
7,000	5,000	9,500
14,000	10,000	19,000
35,000	25,000	47,500
70,000	50,000	90,000

To further entice investors, **ZYDEX TRADING** offers bonuses through a Referral System to those who would be able to recruit more investors to the trading platform. The Referral System is either a “Direct Referral Bonus” of 7% from the amount of investments in the first level invites or an “Indirect Referral Bonus” of 1% from the 2nd to 4th level invites. The Referral System is illustrated below:



In this regard, the public is made aware that an “*investment contract*,” which is a kind of security, exists when there is an investment or placement of money in a common enterprise with a reasonable expectation of profits to be derived from the efforts of others which is prominent in the scheme of **ZYDEX TRADING**.

As such, the Securities Regulation Code (SRC) requires that said offer and/or sale of securities must be duly registered with the Commission and that the concerned entity and/or its agents should have the appropriate registration and/or license to sell such securities to the public.

The transactions entered by **ZYDEX TRADING** through their online trading platform are considered “investment contracts” and must be registered with the Commission. The elements are all present as there is an investment of money into the common enterprise known as **ZYDEX TRADING** with the expectation of profits depending on the amount of money invested. The profits are also realized without any action from the investor other than to invest their money in **ZYDEX TRADING**.

Furthermore, the investment scheme of **ZYDEX TRADING** has the characteristics of a Ponzi Scheme because of the promise of an exorbitant rate of return with little to no risk at all to the investors as exemplified in the case *People of the Philippines vs. Palmy Tibayan and Rico Z. Puerto* (G.R. Nos. 209655-60, 14 January 2015). The offering and selling of investment contracts using the “Ponzi Scheme”, which is fraudulent and unstable, is NOT a registerable security. The Commission will not issue a License to Sell Securities to the public, persons or entities engaged in such business or scheme.

The records of the Commission show that **ZYDEX TRADING** is **NOT REGISTERED** with the Commission as either a corporation or a partnership. Furthermore, **ZYDEX TRADING** is **NOT 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 SRC.

Hence, the public is advised **NOT TO INVEST** or **STOP INVESTING** in any investment scheme being offered by any individual or group of persons allegedly for or on behalf **ZYDEX TRADING** and to exercise caution in dealing with any individuals or group of persons soliciting investments for and on behalf of it.

Those who act as salesmen, brokers, dealers, agents, representatives, solicitors, operators, promoters, recruiters, uplines, influencers, endorsers, abettors and enablers or claim to act as such of **ZYDEX TRADING** 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 (P5,000,000.00) 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 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).

Should you have any information on any recruitment or securities solicitation activities being undertaken by persons or group of persons claiming to represent **ZYDEX TRADING**, you may send your reports to the **Enforcement and Investor Protection Department** through email at epd@sec.gov.ph.

For the guidance of the public.

Makati City, 23 February 2023.