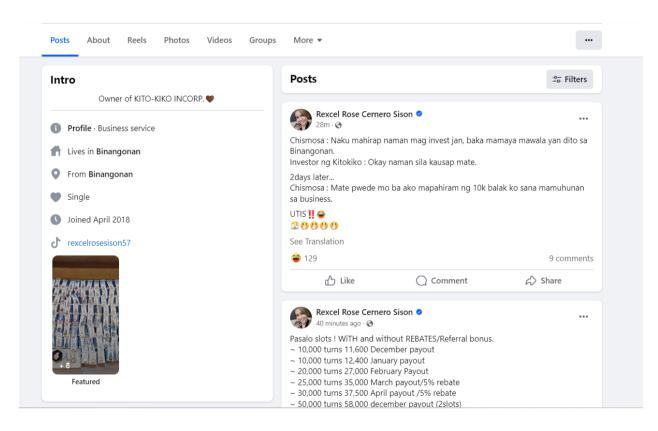
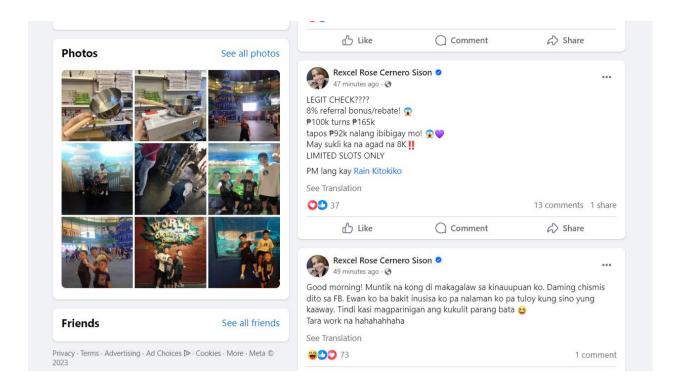


## **ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT**

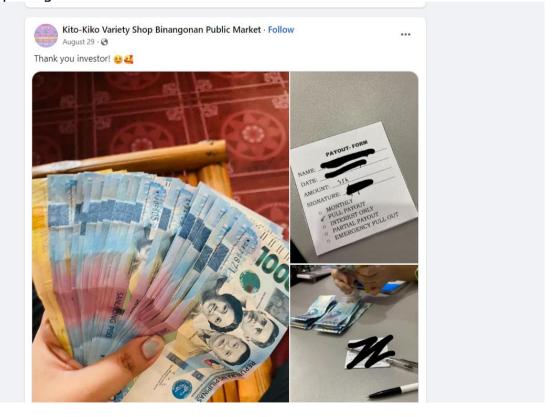
## **SEC ADVISORY**

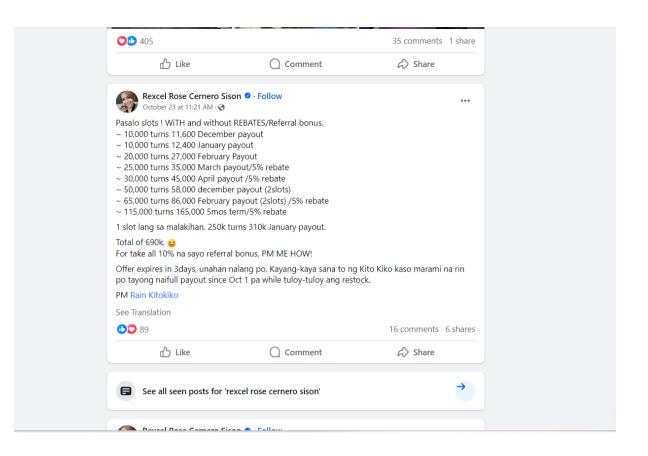
Based information received and gathered by the Commission, an online platform under the name "KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP." headed by its owner **REXCEL ROSE CERNERO SISON** is found to be engaged in investment-taking activities in the Philippines which is **NOT AUTHORIZED** by the Commission. To show:

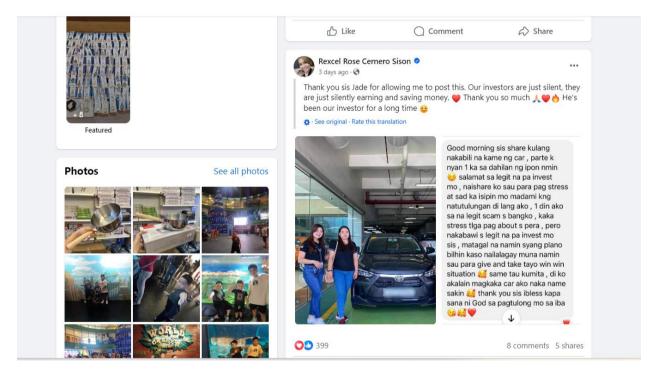


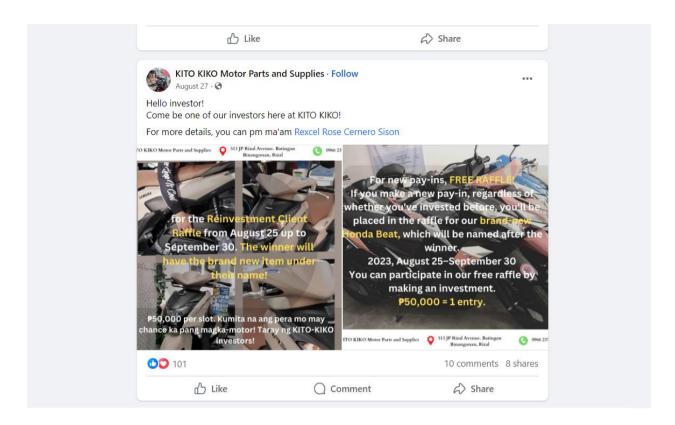


Based on information gathered from reports, inquiry, and data from open sources, "KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP." claims to be a general merchandise online shop which offers different kitchenware and home plasticware. It also offers different "PASALO SLOTS" which offers different investment packages to wit:

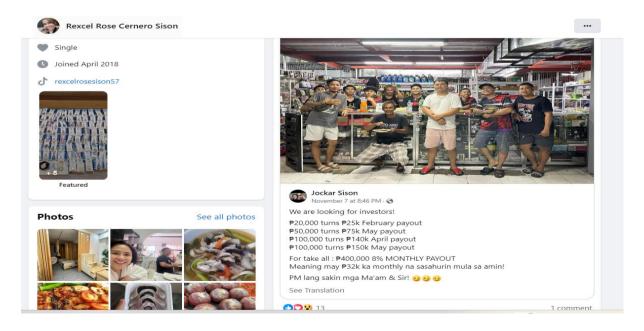








As posted online, **KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP.,** through its owner **REXCEL ROSE CERNERO SISON,** is offering securities to the public by enticing them for an opportunity to grow their money as high as 11% per month plus 5% or 8% rebate. According to them, a person who invests ₱20,000 will have a ₱25,000 February payout; ₱50,000 turns ₱75k May payout; ₱100,000 turns ₱140k April payout; ₱100,000 turns ₱150k May payout; For take all: ₱400,000 8% MONTHLY PAYOUT. To show:



Applying the *Howey Test*, "KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP." so-called "pasalo slot" investment packages being offered before the

<sup>&</sup>lt;sup>1</sup> Power Homes Unlimited vs. SEC (G.R. No. 164182, February 26, 2008).

public is synonymous to an investment contract which is clearly under the Commission's regulatory power. Their activities involving the offer and sale of securities to the public where their investors need not exert any effort other than to invest or place money in its scheme in order to earn profit should be registered and controlled by the Commission.

"KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP." is NOT registered with the Commission as a corporation or partnership. FURTHER 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. and that any person or entity intending to offer and sell its investment contract are required to secure the necessary registration and/or license from the Commission as well.

Per records of the Commission, "KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP." has NOT REGISTERED any securities pursuant to Section 8 and 12 of the Securities Regulation Code including REIT Investment. Likewise, the Commission has not issued a Permit to Sell Securities in favor of "KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP." Further, said entity has not filed nor has any pending application for registration/ permit to sell securities. Also, based on the records of Commission, "KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP." is not a registered issuer of mutual funds, exchange traded funds and proprietary/non-proprietary shares or membership certificates and time shares pursuant to Section 8 and 12 of the Securities Regulation Code and therefore not licensed to offer or sell such securities to the public. Therefore, "KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP." lack of prior registration pertaining to its securities with the Commission makes its activities illegal.

Hence, the public is strongly advised **NOT TO INVEST** or **STOP INVESTING** in any scheme offered by **"KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP."** or such other entities similarly engaged in offering and sale of investment contracts without prior registration from the Commission.

The public is again reminded that investing in such an unregulated entity lacks investor protection because it is not covered by prudential and market conduct requirements applicable to licensed and authorized operations.

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, Financial Products and Services Consumer Protection Act (FCPA) and such other rules and regulation enforced by the Commission.

Those who act as salesmen, brokers, dealers or agents, representatives, promoters, recruiters, uplines, influencers, endorsers, abettors and enablers of such unauthorized entities like the operators of the Facebook Page or other similar social media of "KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP." in selling or convincing people to invest in their Co-Franchise program offered including solicitations and recruitment through the internet may likewise be <u>criminally</u>

prosecuted for violation of Section 11 of the FCPA and Section 28 of the SRC and both penalized separately 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 Section 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 **"KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP."** 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 activities by any individual or group of individuals representing **"KITO-KIKO VARIETY SHOP/KITO-KIKO INCORP."** please send your report to the EIPD at epd@sec.gov.ph.

For the guidance of the public.

Makati City, 21 November 2023.