

## **ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT**

## SEC ADVISORY

Based on reports and information gathered by the Commission, individuals or group of persons claiming to represent **TERRAMUSH Co.**, are enticing the public, through social media to invest in said company.

**TERRAMUSH Co.** claims that they serve as a platform to educate Filipinos about the financial and health benefits associated with mushrooms. Also, **TERRAMUSH Co.** acts as a means to distribute a variety of mushroom fruiting bags, allowing their members to simultaneously profit through their purchase of these bags. Their President/Chief Executive Officer is Mr. **RAPHAEL G. TABLIZO**.



As posted online, there are several ways to earn from **TERRAMUSH Co.**, as shown below:



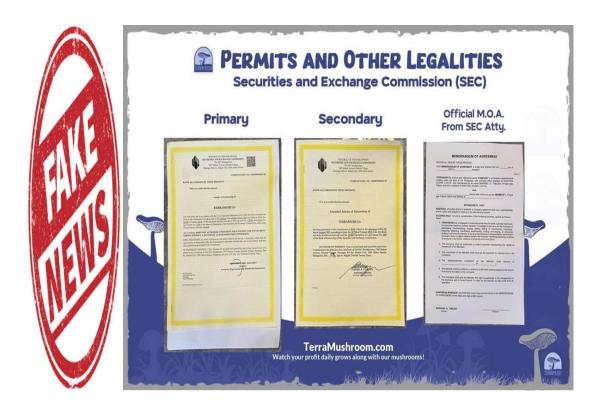


As posted online, one may invest with **TERRAMUSH Co.** for as low as Php300.00 in a 64-day lock-in period and in return, they are promising a 2.5% daily income as a return on your investment. Further, there are different ways to earn with **TERRAMUSH Co.**, to wit: (1) Direct Referral; (2) Indirect Referral and (3) Mushroom Profit.

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 **TERRAMUSH Co.** 

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.

Further, **TERRAMUSH Co.** is also **misinforming the public** that they have obtained a **Secondary License** from the Commission as well as a **Memorandum of Agreement** from one of the SEC Attorney, as shown below:



We wish to inform the public that the document shown above is **NOT A SECONDARY LICENSE** which is required by the Commission for a company to solicit investments from the public. The said document is the **AMENDED PARTNERSHIP OF TERRAMUSH CO.** Further, what is stated therein is its **SECONDARY PURPOSE** which is **not equivalent to a SECONDARY LICENSE**. The **SECONDARY PURPOSE** is the reason for which the partnership is being formed besides its PRIMARY PURPOSE. In this case the **SECONDARY PURPOSE** of establishing the said partnership is:

"To engage in, conduct, and carry on the business of franchising, merchandising, buying, selling, marketing, importing, exporting, distributing, warehousing, trading, exchanging, or otherwise, dealing in all kinds of products, to act as manufacturer's representative, commission merchant, factor or agent relative thereto. This includes importing/exporting, trucking of products in the future selling in a physical and online store."

Though, TERRAMUSH Co. is <u>REGISTERED</u> with the Commission last 05 July 2023 with Company Registration No. 2023070106421-03, however, their Certificate of Registration only grants juridical personality to the said partnership but it does not authorize TERRAMUSH Co. to issue, sell or offer for sale to the public, securities such as but not limited to, shares of stock, investment contracts, debt instruments and virtual currencies without prior Registration Statement approved by the Commission. In other words, though the said company is registered, it does not have the necessary Secondary License from the Commission to authorize TERRAMUSH Co. to solicit investments from the public.

Furthermore, there is **NO OFFICIAL MEMORANDUM OF AGREEMENT COMING FROM ANY SEC ATTORNEY** as claimed by the **TERRAMUSH Co.** The said claim may have been used by **TERRAMUSH Co.** to deceive the public that they are authorized to solicit investments from the public, when in fact they are not.

In view thereof, the public is hereby advised **NOT TO INVEST** or to **STOP INVESTING** in the investment scheme being offered by **TERRAMUSH Co.** and its **representatives.** 

Those who act as salesmen, brokers, dealers or agents, representatives, promoters, recruiters, uplines, influencers, endorsers, abetters and enablers of **TERRAMUSH Co.**, in soliciting or convincing people to invest in the investment scheme being offered by the said entity including soliciting investments or recruiting investors through the internet may be held criminally liable under Section 11 of Republic Act No. 11765 or the Financial Products and Services Consumer Protection Act (FCPA) and Section 28 of the SRC which are both penalized separately with a **maximum fine of Five Million Pesos (Php5,000,000.00) or imprisonment of Twenty One (21) years or both pursuant to Section 73 of the SRC (SEC vs. Oudine Santos, G.R. No. 195542, 19 March 2014).** 

Should you have any information regarding the operation of **TERRAMUSH Co.**, and its representatives, please send your report through email at <a href="mailto:epd@sec.gov.ph">epd@sec.gov.ph</a>.

For the information and guidance of the public.

Makati City, 04 January 2024.