

ADVISORY TO THE PUBLIC ON INVESTMENT SCAMS

The Consulate General of the Republic of the Philippines in Shanghai informs the Filipino community of the advisory of the Security and Exchange Commission (SEC) regarding PONZI, pyramiding, and other forms of investment scams proliferating in and outside the Philippines.

According to the SEC, PONZI is an illegal investment scheme where investors are enticed with the prospect of high returns but the company shows no viable business operation. Under this scheme, the profits promised to earlier investors are paid from funds collected from new investors. On the other hand, PYRAMIDING is a variation of PONZI that is typically masked as a multi-level marketing scheme, where participants profit primarily through recruiting other people. Hence, the funds invested by the down-lines (oftentimes referred to as "Joining Fee") are used to pay the up-lines.

Legitimate multi-level marketing companies focus on marketing efforts rather than recruitment.

The SEC has warned the public from engaging with the following companies that are not authorized to solicit investments from the public as they did not secure prior registration and/or license from SEC to solicit investments, as required under Section 8.1 of the Securities Regulation Code:

- Emgoldex Philippines (a.k.a. Global Intergold)
- F.L.A.G. Prosperity Marketing (a.k.a. Freedom Life Advanced Global Prosperity Marketing Inc.)
- Success200 International Marketing Corporation
- Goldxtreme Trading Co.,
- Killmart Shopping Club (a.k.a. Klikmart Rewards)
- J79 Galore Online Marketing
- Hyper Program International Direct Sales and Trading Corp. (a.k.a. HPI Direct Sales and Trading Corp.)
- Racaneli Philippines International Foundation Inc.
- One Lighting Corporation
- Satarah Wellness Marketing

For a complete list of all the advisories from SEC on the various investment scams, please visit their website at www.sec.gov.ph.

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