



ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

The Commission has received reports regarding the operation of an entity named **PROJECT 1.8 FINANCIAL PROGRAM (PROJECT 1.8)**.

PROJECT 1.8, founded and headed by **Kristofer Paul F. Pasag**, a.k.a., **Kyle Falcon** and **Maria Delmar A. Fernandez**, a.k.a., **Thalia Fernandez**, claims to be a business partner of Unlimited Network of Opportunities International Corp. (UNO). The said entity purportedly aims to help the public, particularly government employees, earn additional income and achieve debt clearance. This would be accomplished allegedly through the investor's registration/membership with UNO, purchase of a package of UNO products, and referral/recruitment of new members. Investors are promised a "surebol" or guaranteed amount of PhP450,000.00 on their fifth month of participation upon meeting the said conditions.

Based on the information gathered by the Commission, one must sign up with UNO through PROJECT 1.8 and invest a minimum amount of PhP8,998.00 for a *Starter Package* in exchange for UNO products (which were reiterated as for personal use only), PhP120,000.00 worth of family accident insurance for seven family members (including the investor), and a "free website" where the crediting of earned commission/income may be monitored.

The investor must also recruit/refer four (4) new members, for which he will immediately earn PhP3,000.00. Using the binary system, the investor earns PhP1,500.00 for every pair of members who joins his group, and his profit increases as each member recruits four new members to the group. According to a video being circulated through social media, the investor's job ends after recruiting four members; his earnings would continuously pour in since his downlines will do the work for him. The investor would supposedly receive PhP450,000.00 on his fifth month. He would have earned PhP705,000.00 from the time he signs up until the fifth month, and will continue to receive PhP450,000.00 monthly from the sixth month until the twelfth month, netting a total of PhP3.86 Million in one year. Upon analysis, it is important to note that in order to earn PhP3.86 Million in one year, one must have **8,388,608 pairs of referrals** as illustrated below:

INVESTOR			
MONTH	LEFT SALES GROUP NUMBER OF REFERRALS	RIGHT SALES GROUP NUMBER OF REFERRALS	EARNINGS
1 st month	2 main referrals	2 main referrals	PhP3,000.00
2 nd month	8	8	PhP12,000.00
3 rd month	32	32	PhP48,000.00
4 th month	128	128	PhP192,000.00
5 th month	512	512	PhP450,000.00
6 th month	2,048	2,048	PhP450,000.00
7 th month	8,192	8,192	PhP450,000.00
8 th month	32,768	32,768	PhP450,000.00
9 th month	131,072	131,072	PhP450,000.00
10 th month	524,288	524,288	PhP450,000.00
11 th month	2,097,152	2,097,152	PhP450,000.00
12 th month	8,388,608	8,388,608	PhP450,000.00
		TOTAL EARNINGS IN ONE YEAR	PhP3,855,000.00

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450,000 / 5TH SUREBOL

3 STEPS

1.) SIGN-UP - UNO - SEC DTI I.S.O

2.) STOP / STUDY

3.) REFER 4 TAU SERIES

PRODUCTS 120 F.A.I.G WEBSITE

8998

BINARY SYSTEM
 ILTR = PAIR (524)
 L R

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2.) DIU I

3.) REFER (4) TAU SERIES

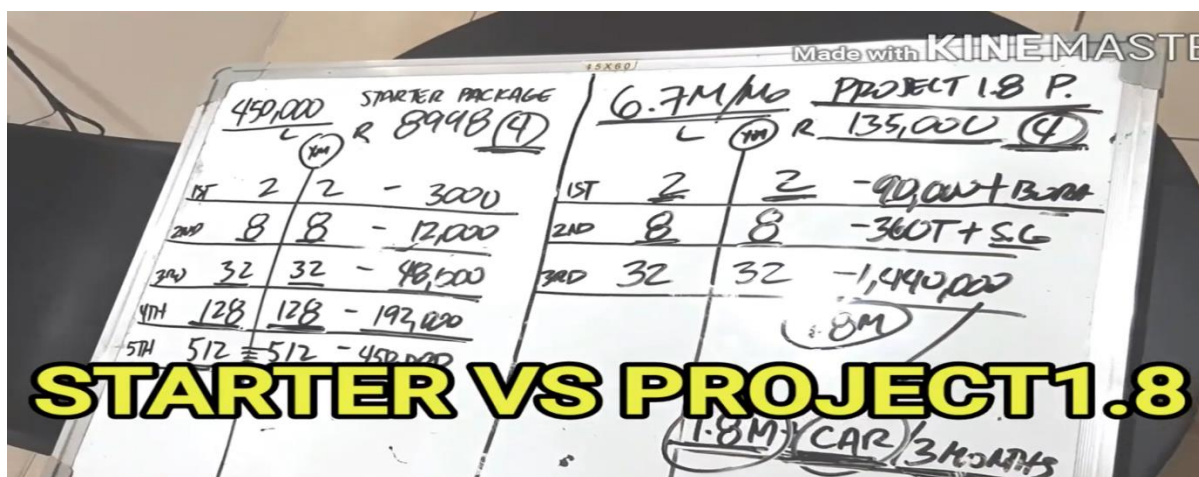
ILTR = PAIR (524)
 L R

ST	L	R	Earnings
1ST	2	2	3000
2ND	8	8	12000
3RD	32	32	48,000
4TH	128	128	192,000
5TH	512	512	450,000

According to another video obtained online, **PROJECT 1.8** also offers the *Project 1.8 Package* for an investment capital of PhP135,000.00 in exchange for a total profit of PhP1.89 Million plus a brand new car in as early as the third month of membership. The maximum profit that an investor could make per month is PhP6.7 Million.

The mechanics are basically the same with the *Starter Package* as the investor needs to recruit four new members and the said new members would have to recruit four new associates of their own. The investor would allegedly earn PhP90,000.00 plus a travel incentive to Boracay or El Nido for his four recruits on the first month, and PhP360,000.00 plus a travel incentive to Singapore when his recruits enlist new members on the second month. On the third month, the investor would earn PhP1.44 Million plus a brand new car upon registration of his second level downline's recruits, bringing his total monetary profit to PhP1.89 Million in three months.

It is also possible to upgrade one's *Starter Package* to a *Project 1.8 Package* by investing an additional PhP126,000.00.



The aforementioned schemes focus on the referral and recruitment of new members to gain profit. There was never any mention to market UNO products to earn more income. Rather, the campaign concentrates on the recruitment of downlines.

The public is hereby advised to exercise due care and caution in investing their money in this type of scheme being offered by **PROJECT 1.8** and/or its agents. In the instant case, the scheme of **PROJECT 1.8** has the characteristics of a Pyramid scheme. The Pyramid scheme involves securities because for payment of a sum of money, often nominal, the investor participates in a recruitment scheme that promises a stream of profits. The scheme that requires recruitment in a two-pronged structure takes the form of a pyramid, one that grows wider at the bottom, and thrives with the supply of new recruits to the scheme. Here, the recruitment fees collected from new recruits are used to pay the recruiting commissions to earlier recruits.

As the schemes of **PROJECT 1.8** involve the offer and sale of securities to the public, the Securities Regulation Code requires that the issuing entity must be a registered corporation with the SEC, the said securities offered are duly registered and that the appropriate license and/or permit to offer and sell securities to the public are issued to the corporation and/or its agents, pursuant to the provisions of Sections 8 and 28 of the SRC.

The public is hereby informed that **PROJECT 1.8 is not registered with the Commission and is not authorized to solicit, accept or take investments from the public nor to issue investment contracts and other forms of securities defined under Section 3 of the Securities Regulation Code (SRC)** since it does not have a secondary license issued by the Commission to solicit investments or other securities from the public for whatever purpose as prescribed under Sections 8 and 28 of the SRC.

Those who act as salesmen, brokers, dealers or agents of **PROJECT 1.8** in selling or convincing people to invest in the investment scheme being offered by these entities including solicitations and recruitment through the internet may likewise be prosecuted and held criminally liable under Section 28 of the SRC and penalized with a maximum fine of Five Million Pesos (PhP5,000,000.00) or a maximum penalty of twenty-one (21) years of imprisonment or both pursuant to Section 73 of the SRC, as held in the case of *Securities and Exchange Commission vs. Oudine Santos* (G.R. No. 195542, March 19, 2014).

In view thereof, the public is hereby advised to exercise caution in dealing with any individual or group of persons soliciting investments for and on behalf of **PROJECT 1.8**. The public is further advised **NOT TO INVEST** or **STOP INVESTING** in any investment scheme being offered by the aforesaid entity/individuals.

Should you have any information regarding any investment solicitation by individuals or group of individuals representing **PROJECT 1.8**, please send your report to the Enforcement and Investor Protection Department through email at epd@sec.gov.ph.

To know how to detect investment scams, you may refer to the following link: <https://www.sec.gov.ph/advisories-2020/mag-ingat-sa-scam/>.

For the guidance of the public.

Pasay City, 18 May 2021.