

ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

The Commission has received information that individuals or group of persons representing an entity named **S.O.S. SYSTEM/SOS SYSTEM** are enticing the public to invest their money in the said entity with the promise of high monetary rewards or profits.

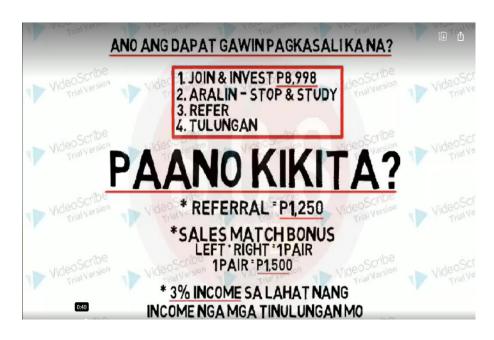
Based on the reports from the public, **S.O.S. SYSTEM/SOS SYSTEM,** an entity claiming to be under Unlimited Network of Opportunities Int'l. Corp. (UNO), has been inviting the public to invest in their company.

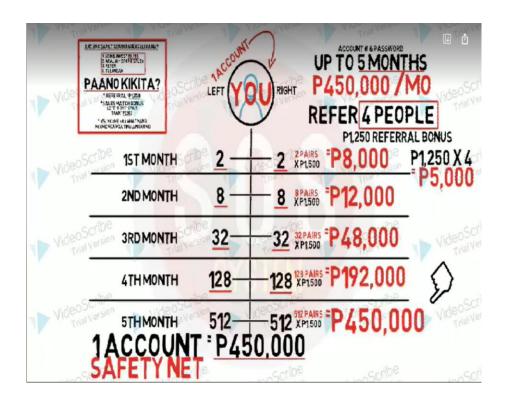
In its online advertisement, **S.O.S. SYSTEM** has been inviting the public to invest Php 8,998.00 (1 Account) for Starting Package to receive the following: UNO products worth Php 9,500.00; Php 120,000.00 Family Accident Insurance; Business Kit; Online Website 24/7; Marketing Materials; S.O.S System (Scorpions Online Support System); 3% Royalty; Inheritance Income; Lifetime Discount (30% - 50% off); Free Online Training; Free Travel Incentives; Online Store and a **maximum potential income Php450,000.00 per month**.



In its online video presentation which can be found at https://www.facebook.com/messenger-media/?thread-id=100000820531226&attachmentid=1159796534556078&message-id=mid.%24cAAAB95bZKU2EgeqlBV-UKUcLvLld,

S.O.S. SYSTEM is enticing the public to join and invest Php 8,998.00 to receive the following: Referral fee of Php 1,250.00; Sales Matching Bonus (Left & right pair) at Php 1,500.00 per pair; 3% Income from the income of the person you have referred. Accordingly, the member-investor will earn through recruitment and/or referral rather than selling/reselling of products.





Further, the Facebook page, **S.O.S. SYSTEM ONLINE BUSINESS** is enticing the public to invest by posting and advertising the income being received by one of their members.



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.

Stripped to its core, the scheme of **S.O.S. SYSTEM/SOS SYSTEM** with its focus on recruitment, is undoubtedly a pyramiding scheme masquerading as a Multi-Level Marketing program and therefore, involves the offer and sale of securities in the nature of investment contract to the public. The pyramiding 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 binary or 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.

The public is hereby informed that **S.O.S. SYSTEM/SOS SYSTEM** is **not registered** with the Commission and is **not authorized to solicit investments** from the public, not having secured prior registration and/or license to sell securities or solicit investments as prescribed under Section 8 of the Securities Regulation Code (SRC).

Those who act as salesmen, brokers, dealers or agents of the said entity in selling or convincing people to invest in the investment scheme it is being offered including soliciting investments or recruiting investors through the internet may be held criminally liable under Section 28 of the SRC and penalized 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).

Furthermore, the names of all those involved will be reported to the Bureau of Internal Revenue (BIR) so that the appropriate penalties and/or taxes be correspondingly assessed.

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 **S.O.S. SYSTEM/SOS SYSTEM.** The public is further advised **NOT TO INVEST** or to **STOP INVESTING** in the investment scheme being offered by the subject entity or its representatives.

Should you have any information regarding the operation of the subject entity, please call the Enforcement and Investor Protection Department (EIPD) at telephone number 8818-6047 or email at epd@sec.gov.ph or visit the EIPD at Ground Floor, North Wing Hall, Secretariat Building, PICC Complex, Pasay City.

For the guidance of the public.

Pasay City, 27 January 2022.