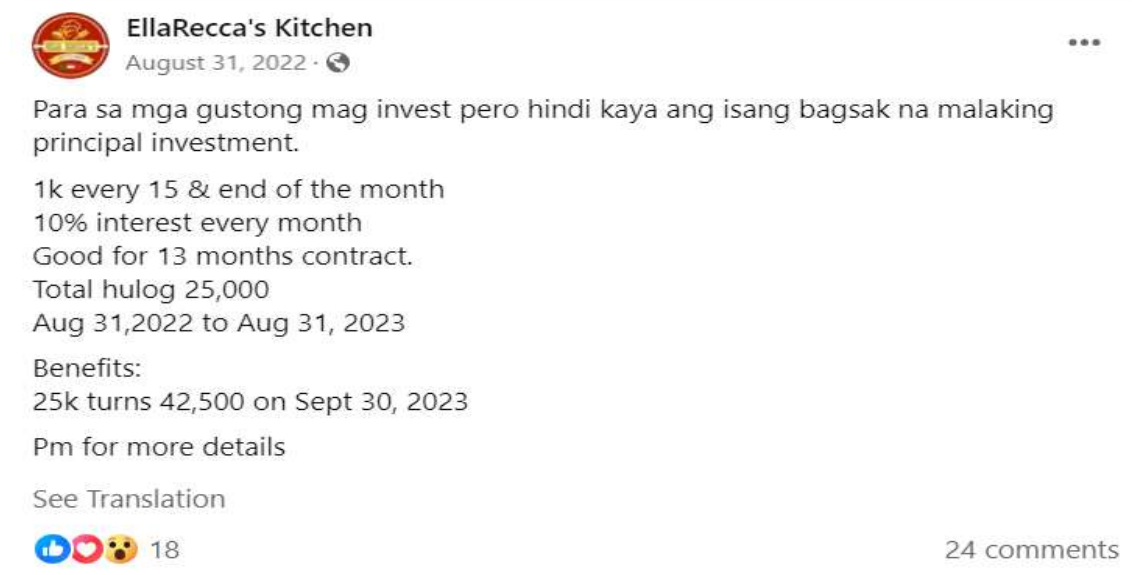




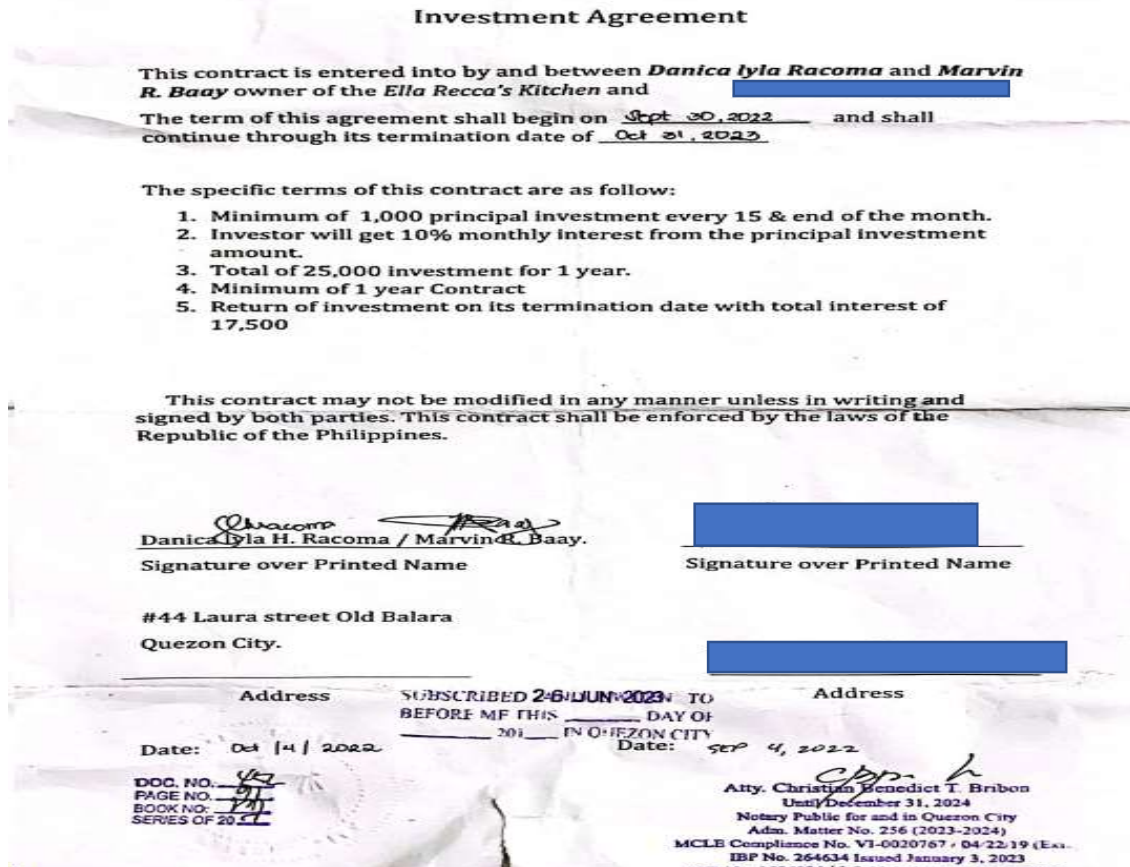
SEC ADVISORY

This Advisory is prompted by inquiries, reports and information received by the Commission that a certain entity named **ELLA RECCA'S KITCHEN**, owned and operated by **Marvin R. Baay** and **Danica Lyla H. Racoma**, is 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 and as posted in its Facebook Page, **ELLARECCA'S KITCHEN** is inviting the public to invest for a minimum amount of Php 1,000.00 for a promise of receiving 10% monthly interest. Below is a screenshot copy of the said FB posts which were presented to the Commission:



It was further reported that **Danica Lyla Racoma** and **Marvin R. Baay** of **ELLA RECCA' S KITCHEN**, promises it's investors who invested a minimum amount of Php 1,000.00, a 10% monthly interest for a minimum period of 1 year. Below is a screenshot copy of the Investment Agreement which was presented to the Commission:



The public is hereby informed that **ELLARECCA'S KITCHEN / ELLA RECCA'S KITCHEN** 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).

Briefly, an Investment Contract exist 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 **ELLARECCA'S KITCHEN / ELLA RECCA'S KITCHEN**.

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.

Moreover, the business scheme being offered by **ELLARECCA'S KITCHEN / ELLA RECCA'S KITCHEN** has the characteristics of a "Ponzi Scheme" where moneys from new investors are used in paying "fake profits" to prior investors and is designed mainly to favor its top recruiters and prior risk takers and is detrimental to subsequent members in case of scarcity of new investors.

The offering and selling of securities in the form of investment contracts using the "Ponzi Scheme" which is fraudulent and unsustainable, is NOT a registrable security. The Commission will not issue a License to Sell Securities to the Public to persons or entities that are engaged in this business or scheme.

Finally, R.A. No. 11765 or the Financial Products and Services Consumer Protection Act (FCPA) also prohibits investment fraud which is defined under the law as any form of deceptive solicitation of investments from the public which includes Ponzi Schemes and such other schemes involving the promise or offer of profits or returns sourced from the investments or contribution made by the investors themselves and the offering or selling of investment schemes to the public without a license or permit from the SEC.

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 **ELLARECCA'S KITCHEN / ELLA RECCA'S KITCHEN**. 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.

Those who act as salesmen, brokers, dealers or agents, representatives, promoters, recruiters, uplines, influencers, endorsers, abettors and enablers of **ELLARECCA'S KITCHEN / ELLA RECCA'S KITCHEN** 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 the 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*).

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.

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 you may visit the Commission's Enforcement and Investor Protection Department (EIPD) located at the 9/F, The SEC Headquarters, 7907 Makati Avenue, Salcedo Village, Brgy. Bel-Air, Makati City

For the information and guidance of the public.

Makati City, 25 June 2024