



## ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

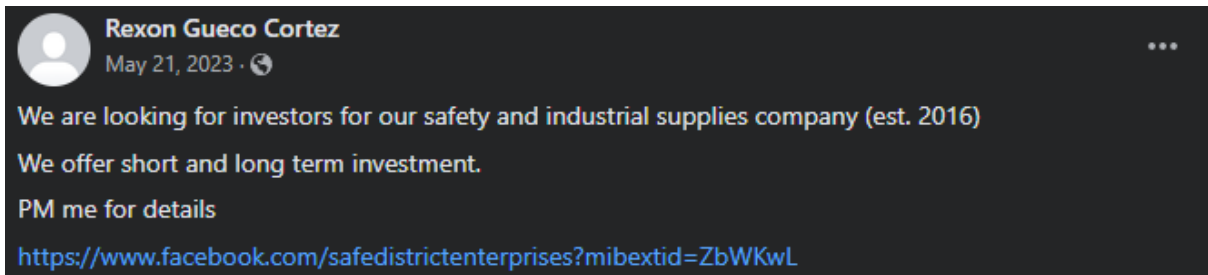
### SEC ADVISORY

This is to inform the public that **SAFE DISTRICT ENTERPRISE** is NOT AUTHORIZED TO SOLICIT INVESTMENTS FROM THE PUBLIC.

This ADVISORY is prompted by reports and information gathered by the Commission that individuals representing an entity named **SAFE DISTRICT ENTERPRISE** and its **Sole Proprietor Rexon G. Cortez and Lovely Charisma S. Cortez** are enticing the public, through social media platform.



Based on information received by the Commission, the said entity through its Sole Proprietor **Rexon G. Cortez and Lovely Charisma S. Cortez**, contacts would-be investors through the Messenger App and then entices said investors to invest in their business. **SAFE DISTRICT ENTERPRISE** is offering investments to the public with **initial investments varying from Php 20,000.00 up to Php 455,000.00 with 5 to 12 percent profits released monthly within a 1 to 6 month lock in period.**



Briefly, an “*investment contract*” 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 **SAFE DISTRICT ENTERPRISE**.

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.

Based on the Commission’s database, **SAFE DISTRICT ENTERPRISE** is **NOT REGISTERED** as a corporation or partnership and **OPERATES WITHOUT THE NECESSARY LICENSE AND/OR AUTHORITY** to solicit, accept or take investments/placements from the public nor to issue investment contracts and other forms of securities defined under Section 3 of the Securities Regulation Code (SRC).

Further, the scheme employed by has the characteristics of a “**Ponzi Scheme**” where money 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.

R.A. No. 11765 otherwise known as 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 **NOT TO INVEST** or to **STOP INVESTING** in the investment scheme being offered by **SAFE DISTRICT ENTERPRISE** as well as to any other entities having the same or similar schemes and to exercise caution in dealing with any individuals or group of persons soliciting investments or recruiting investors for and on behalf of **SAFE DISTRICT ENTERPRISE**.

Those who act as salesmen, brokers, dealers or agents, representatives, promoters, uplines, recruiters, influencers, endorsers and enablers of **SAFE DISTRICT ENTERPRISE** in selling 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 any investment solicitation by any individual or group of individuals on behalf of **SAFE DISTRICT ENTERPRISE**, please send your report through email at [epd@sec.gov.ph](mailto:epd@sec.gov.ph).

For the information and guidance of the public.

Makati City, 18 June 2024