



## **A D V I S O R Y**

**This is to inform the public that MODESTO CARDANO MARKET CAP. TR3DING SERVICES OPC. is NOT AUTHORIZED TO SOLICIT INVESTMENTS FROM THE PUBLIC.**

This ADVISORY is prompted by reports and information gathered by the Commission that individuals or group of persons headed by **MODESTO MIRAVALLES** are enticing the public, through social media platform to invest in **MODESTO CARDANO MARKET CAP. TR3DING SERVICES OPC.**



As posted online, **MODESTO CARDANO MARKET CAP. TR3DING SERVICES OPC.** is offering investments to the public with a minimal amount of PHP500.00. Investors may earn 20% daily for minimum amount of Php500.00, 50% after 10 days locked in period with minimum amount of Php1,000.00, 80% locked in period after 15 days within minimum amount of Php5,000.00 and lastly 200% after 35 days locked in period with minimum amount of Php10,000.00. In addition, investor can earn 15% direct referral bonus and 1% multi-level referral commission.

The Supreme Court has laid down a test to determine if a transaction is an "investment contract". Known as the Howey Test, it requires a transaction, contract, or scheme whereby a person (1) makes an investment of money, (2) in a common enterprise, (3) with the expectation of profits, (4) to be derived solely from the efforts of others. Although the proponents must establish all four elements, the US Supreme Court stressed that the Howey Test "embodies a flexible rather than a static principle, one that is capable of adaptation to meet the countless and variable schemes devised by those who seek the use of the money of others on the promise of profits." **Needless to state, any investment contract covered by the Howey Test must be registered under the Securities Act, regardless of whether its issuer was engaged in fraudulent practices.** (*Power Homes Unlimited Corp. v. Securities and Exchange Commission*, G.R. No. 164182, [February 26, 2008], 570 PHIL 161-173)

The transactions stated above are considered “investment contracts” and must be registered with the Commission. The elements are all present as there is an investment of money into the common enterprise known as **MODESTO CARDANO MARKET CAP. TR3DING SERVICES OPC.** with the expectation of either 20% daily profit or 50% after 10 days, 80% after 15 days and 200% after 35 days while relying on said entity to manage their trades.

The records of the Commission show that **MODESTO CARDANO MARKET CAP. TR3DING SERVICES OPC.** is registered with the Commission as a One Person Corporation (OPC). However, it is **NOT AUTHORIZED** to solicit investments from the public since it has not secured prior registration and/or license from the Commission as prescribed under Sections 8 and 28 of the SRC.

Hence, the public is advised **NOT TO INVEST** or **STOP INVESTING** in any investment scheme being offered by any individual or group of persons allegedly for or on behalf of and to exercise caution in dealing with any individuals or group of persons soliciting investments for and on behalf of it.

Those who act as salesmen, brokers, dealers or agents or claim to act as such **MODESTO CARDANO MARKET CAP. TR3DING SERVICES OPC.** in selling or convincing people to invest in the investment scheme being offered by said entity including solicitations and recruitment through the internet may be prosecuted and held criminally liable under Section 28 of the SRC and penalized with a maximum fine of Five Million pesos (P5,000,000.00) or penalty of Twenty-one (21) years of imprisonment or both pursuant to Section 73 of the SRC.

Also, those who invite or recruit others to join or invest in such venture or offer investment contracts or securities to the public may incur criminally liability, or otherwise be sanctioned or penalized accordingly as held by the Supreme Court in the case of *Securities and Exchange Commission vs. Oudine Santos* (G.R. No. 195542, 19 March 2014).

Should you have any information on any recruitment or securities solicitation activities being undertaken by persons or group of persons claiming to represent **MODESTO CARDANO MARKET CAP. TR3DING SERVICES OPC.**, you may send your reports to the **Enforcement and Investor Protection Department** through email at [epd@sec.gov.ph](mailto:epd@sec.gov.ph).

For the guidance of the public.

Makati City, 30 July 2024