

NEWS ADVISORY
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POEA warns OFWs on unauthorized investment schemes

The Philippine Overseas Employment Administration has advised overseas Filipino workers to be cautious in dealing with persons or entities that offer “high-yielding” investments without the necessary permit from the Securities and Exchange Commission (SEC).

A group of OFWs currently working in Dammam and Al Hasa in the eastern province of the Kingdom of Saudi Arabia reported that they were recruited by *Sangguniang Masang Pilipino International Incorporated* (SMPPI), a Philippine-based non-profit organization and encouraged them to make an investment with ALMASAI Finance and Investment (now ALMASAI Equity Holding Corporation).

The OFWs said they were required to put an initial investment of Php50,000.00 with a guaranteed interest of 5 percent each month. ALMASAI allegedly issued 13 postdated checks—12 checks for the monthly earning of the investment and the 13th check as payment of capital investment.

ALMASAI, which has office address at EDSA, Barangay Socorro, Murphy, Cubao, Quezon City is reportedly owned by a certain Elpidio Reyes Tanaliga Jr.

The workers, after making investments reaching up to Php100 M, are now complaining that they are no longer receiving any of the promised interests and have lost contact with Tanaliga. They alleged that the checks issued supposedly for their monthly earnings were declined by the bank due to insufficient fund.

According to the Securities and Exchange Commission, ALMASAI Finance and Investment is not an SEC-registered entity as a corporation or as a partnership and was not also issued a secondary license as a broker and/or dealer of securities, dealer in government securities, investment adviser of an investment company, investment house and transfer agent. It has not filed nor has any pending application for primary and secondary licenses with the Commission.

ALMASAI Equity Holdings Corp., despite having been registered with the Commission as a corporation, is not authorized to solicit investments from the public as said entity has not secured the necessary secondary license or permit from the Commission as

required under Sections 8 and 12 of the Securities Regulation Code (SRC). It is also engaged in *ultra vires* act for doing business not in accordance with its purpose of incorporation, which constitute serious misrepresentation as contemplated under Presidential Decree 902-A.

Previously, the Securities and Exchange Commission (SEC) has warned the public to stop putting money in this kind of investment scheme which may turn out to be fraudulent.

The SEC said those who invite or recruit other people to join or invest in this venture or offer investment contracts or securities to the public including solicitations or recruitment through the internet, may likewise be prosecuted and held criminally liable under Section 28 of the Securities Regulation Code. Offenders face the penalty of a maximum fine of Five Million Pesos (P5,000,000.00) or twenty-one (21) years of imprisonment or both pursuant to Section 73 of the SRC.

The Commission urges anyone who has knowledge or information regarding the operation of these entities or about any business transaction involving these securities or investment opportunities to report such activity immediately to the Commission so that appropriate measures can be taken through the Enforcement and Investor Protection Department at telephone numbers 818-6337 or 818-1898 or email address: epd@sec.gov.ph /END