



EMBASSY OF THE REPUBLIC OF THE PHILIPPINES
سفارة جمهورية الفلبين
MANAMA

Information Bulletin No. AAV-046-2018

25 September 2018

The Philippine Embassy wishes to warn the public against investing in **ALMASAI FINANCE AND INVESTMENT / ALMASAI EQUITY HOLDINGS CORPORATION (ALMASAI)**, which is reportedly engaged in soliciting investments from overseas Filipino Workers (OFWs).

According to the Securities and Exchange Commission (SEC), the **ALMASAI FINANCE AND INVESTMENT** is not an SEC-registered entity as a corporation or as a partnership, neither has it been issued a secondary license as a broker and/or dealer of securities, nor as 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.

Meanwhile, the **ALMASAI EQUITY HOLDINGS CORP.**, despite having been registered with the SEC 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).

In view thereof, the public is hereby advised to exercise self-restraint and caution or more prudently to stop investing their money into such investment activity and to take the necessary precautions in dealing with the above-named entities or its representatives.

Furthermore, the SEC 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.

Enclosed, for information and reference, is an advisory dated 10 August 2018, issued by the Securities and Exchange Commission (SEC).


ALFONSO A. VER
Ambassador





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DEPARTMENT OF FOREIGN AFFAIRS
I.T. COMMUNICATIONS AND
RECORDS DIVISION

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ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

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August 28, 2018

DEPARTMENT OF FOREIGN AFFAIRS
OFFICE OF THE SECRETARY

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BY: _____
NO. _____

Secretary Alan Peter S. Cayetano
Department of Foreign Affairs
Roxas Boulevard, Pasay City

Dear Secretary Cayetano:

This refers to the request for assistance of Overseas Filipino Workers from the Eastern Region of Saudi Arabia in the investigation of **ALMASAI FINANCE AND INVESTMENT / ALMASAI EQUITY HOLDINGS CORPORATION** ("ALMASAI" for brevity).

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 CORPORATION was SEC-registered entity under SEC Company Registration No. CS201714629 issued on May 8, 2017. However, said entity is not authorized to solicit investment from the public as it 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).

On July 30, 2018, upon our follow up letter to OFWs in Saudi Arabia headed by Mr. Edgar C. Cataluna, we received a consularized copy, acknowledged by Consul Mary Jennifer D. Dingal, Embassy of the Republic of the Philippines, Riyadh, Kingdom of Saudi Arabia, of their letter dated October 1, 2017 addressed to your office. Based on their complaint letter, it appears that **ALMASAI** is engaged in the solicitation of investment from the members of **Sanguiang Masang Pilipino International (SMPII) Inc.** founded by Mr. Elpidio R. Tanaliga, Jr. without the necessary secondary license or Permit to Sell securities, which is a clear violation of Sections 8, 12 and 28 of the Securities Regulation Code (SRC), quoted below:

"Section 8. *Requirement of Registration of Securities.* - 8.1. Securities shall not be sold or offered for sale or distribution within the Philippines, without a registration statement duly filed with and approved by the Commission. xxx

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Section 12. *Procedure for Registration of Securities.* – 12.1 All securities required to be registered under Subsection 8.1 shall be registered through the filing by the issuer in the main office of the Commission, of a sworn registration statement with respect to such securities, in such form and containing such information and documents as the Commission shall prescribe. xxx

Section 28. *Registration of Brokers, Dealers, Salesmen and Associated Persons.* – 28.1 No person shall engage in the business of buying or selling securities in the Philippines as a broker or dealer, or act as a salesman, or an associated person of any broker or dealer unless registered as such with the Commission."

ALMASAI also violated Section 6 (i) (2) of Presidential Decree 902-A. Under Section 6 (i) (2) of Presidential Decree 902-A, the Commission has the power to suspend, or revoke, after proper notice and hearing, the franchise of certificate of registration or corporations, partnerships and associations, on the ground of serious misrepresentation as to what the corporation can do or is doing to the great prejudice of or damage to the general public. As provided in the **Articles of Incorporation of ALMASAI EQUITY HOLDINGS CORP.**, its primary purpose for which such corporation was incorporated is "to acquire, hold, sell, exchange, deal and invest in the stocks, bonds, or securities of any government or any subdivision thereof or any public or private corporation and in real or personal property of all kinds in the same manner and to the same extent as natural person, might could or would do, to exercise all the rights, powers and privileges of ownership, including the right to vote therein, or consent in respect thereof, for any and all purposes, *without however managing securities, portfolio or funds of the managed entity or firm nor the corporation shall act as a stock broker or dealer in securities. Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts.* It is indubitable that **ALMASAI** misrepresented itself to the public that it can solicit investments despite the fact that it is not one of the purposes of the corporation. Worse, it does not have a license to offer/sell securities. **ALMASAI** operates an investment-taking scheme which is, therefore, considered an *ultra vires* act, that constitutes serious misrepresentation as to what the corporation can do or doing to the great prejudice to the general public as contemplated under Section 6 (i) (2) of P.D. 902-A.

On the other hand, **ALMASAI FINANCE AND INVESTMENT** is not registered at all. Clearly, none of the **ALMASAI** companies have the authority to conduct investment-taking activity.

In summary, it was clearly established that **ALMASAI** is engaging in selling securities in the form of investment contracts without a secondary license. Thus, it violated Sections 8, 12 and 28 of the Securities Regulation Code (SRC) or Republic Act 8799. **ALMASAI** misrepresented to the public that it can sell securities despite the fact that it is doing business not in accordance with its purpose of incorporation and worse it has no license to do so. Hence, it also violated Section 6 (i) (2) of P.D. No. 902-A.

In view of the said violations committed by **ALMASAI**, the Commission has posted in the SEC website on August 16, 2018 an **ADVISORY** against **ALMASAI** warning the public concerning its illegal investment taking activity. We are furnishing you a copy of the said **ADVISORY** for proper dissemination to the OFWs and/or for whatever appropriate action you may deem necessary.

Thank you.

Very truly yours,



JOSE P. AQUINO
Director

cc: Undersecretary Sarah Lou Y. Arriola
Office of the Undersecretary for Migrant Workers' Affairs
Department of Foreign Affairs

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SEC ADVISORY

The Commission has received information that Overseas Filipino Workers based in Dammam and Al Hassa in the eastern province of Saudi Arabia, who were recruited to join an NGO named **SANGGUNIANG MASANG PILIPINO INTERNATIONAL (SMPII) INCORPORATED** with office located at 504 EDSA, Barangay Socorro, Murphy, Cubao, Quezon City were enticed to invest with **ALMASAI FINANCE AND INVESTMENT / ALMASAI EQUITY HOLDINGS CORP.** where a member of SMPii can place with **ALMASAI FINANCE AND INVESTMENT / ALMASAI EQUITY HOLDINGS CORP.** a minimum investment of P50,000.00 that will yield 5% earnings per month.

The public is hereby warned concerning the investment taking activities of **ALMASAI FINANCE AND INVESTMENT / ALMASAI EQUITY HOLDINGS CORP.**

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.

Consequently, those who act as salesman, brokers, dealers or agents of **ALMASAI FINANCE AND INVESTMENT / ALMASAI EQUITY HOLDINGS CORP.** in selling or convincing people to invest in the investment scheme being offered by the above-mentioned entities, including solicitations or recruitment through the internet, may likewise be prosecuted and held criminally liable under Section 28 of the Securities Regulation Code 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.

In view thereof, the public is hereby advised to exercise self-restraint and caution or more prudently to stop investing their money into such investment activity and to take the necessary precautions in dealing with the above-named entities or its representatives.

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

10 August 2018.