SEC ADVISORY

This Advisory is prompted by inquiries, reports and information received by the Commission that **MAD DEVPT. REALTY DEVELOPMENT CORPORATION/MAD DEVPT. REALTY CORPORATION/ MADDEV/MADHOSTEL/MADSHOSTEL SIARGAO** is enticing the public to invest their money in it for a promise of high monetary rewards or profits.

Based on the reports, **MAD DEVPT. REALTY DEVELOPMENT CORPORATION/MAD DEVPT. REALTY CORPORATION/ MADDEV/MADHOSTEL/MADSHOSTEL SIARGAO** is involved in the offering and sale of securities in the form of shares of stock and/or non-proprietary shares" as defined under Section 3 in relation to Section 8 and 28 (1) & (2) of RA 8799, otherwise known as the Securities Regulation Code (SRC).

It was further reported that **MAD DEVPT. REALTY DEVELOPMENT CORPORATION/MAD DEVPT. REALTY CORPORATION/ MADDEV/MADHOSTEL/MADSHOSTEL SIARGAO** has defrauded the investing public by offering for sale or distributing securities in the form of shares of stock and/or non-proprietary shares", as defined under Section 3 in relation to Section 8 and 28 (1) & (2) of RA 8799 and by inducing the public into parting with their hard earned money, based on their claim that they are infusing capital contribution as business partners in establishing branches without the required license from the Securities and Exchange Commission (SEC).

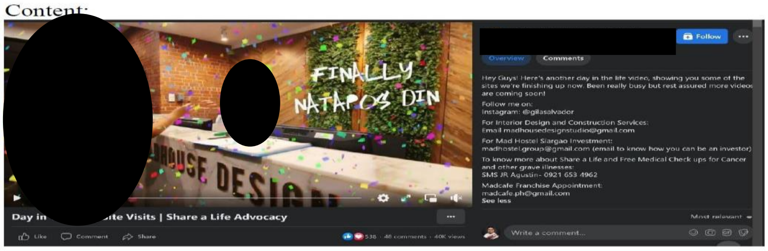
The amount of investment ranges from a minimum of Fifty Thousand pesos (P50,000.00) to Two Million Pesos (P2,000,000.00). Also based on the contract of partnership issued by **MAD DEVPT. REALTY CORPORATION**, any capital investor may place a certain amount of money as contribution to become business partners. The capital invested by the partners shall be used together with other capital investors for the establishment of a hotel branch. After the second year of operation of the branch, the capital investor shall receive dividends based on the profits earned by the hotel. In addition, the capital investor shall enjoy special privileges and perks such as once a year free stay in the hotel for five years to fifteen years depending on the amount of investment. On top of these, the capital investor shall enjoy 5% discount on all rooms, facilities and amenities.

In its various social media account, **MAD DEVPT. REALTY DEVELOPMENT CORPORATION/MAD DEVPT. REALTY CORPORATION/ MADDEV/MADHOSTEL/MADSHOSTEL SIARGAO** is promoting its hotel business in Siargao and is inviting any interested individuals to become partners by investing a minimum amount of P50,000 in exchange for shares of stock and dividends plus other benefits including promo discounts and free accommodation once a year. Below are the screenshot copies of the said social media posts which were presented to the Commission:

Screenshot of a post dated 13 May 2019 from "Making it Happen by Gila Salvador" Facebook page showing the video titled "Day in The life | Site Visits | Share a Life Advocacy" with a caption advertising Madhostel Siargao investment

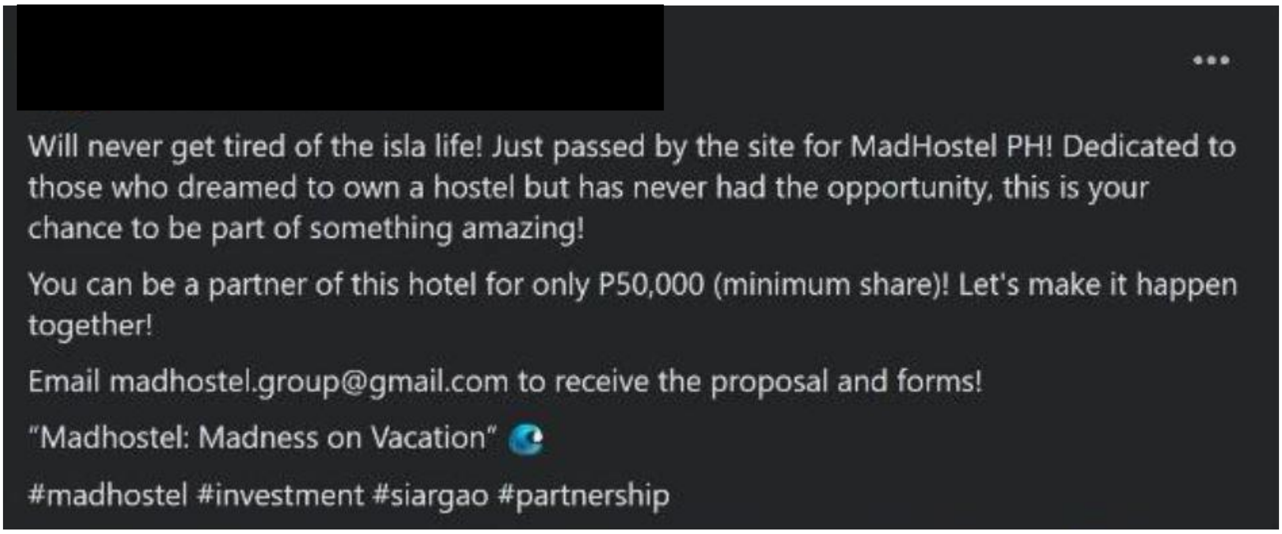
Source:
https://www.facebook.com/watch/?v=362516254367303

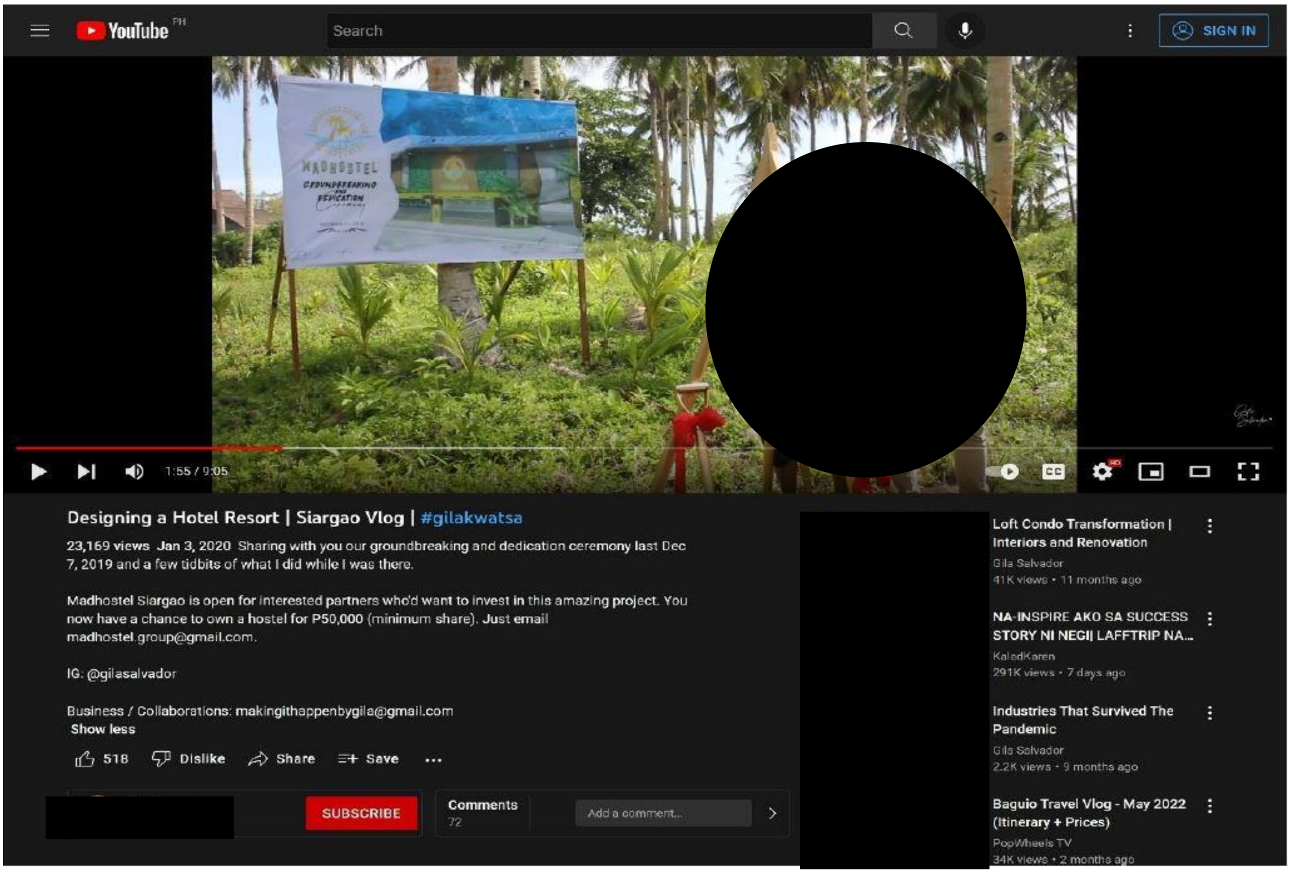
Content:



Upon perusal of its Facebook (FB) Page, together with the pertinent provisions of the contract issued by the corporation, it shows that **MAD DEVPT. REALTY DEVELOPMENT CORPORATION/MAD**

DEVPT. REALTY CORPORATION/ MADDEV/MADHOSTEL/MADSHOSTEL SIARGAO is enticing the public to invest and be a partner/co-owner of a MADHOSTEL for a minimum capital of Php 50,000 per slot/share for a promise of receiving DIVIDENDS and other hotel perks for a period of 15 years, as shown below:





Madhostel Investment Inquiry Form

Interested to be part of the madness? Fill this form up and our representative will contact you shortly.

Mag-sign in sa Google para i-save ang iyong pag-usad. Matuto pa

*Kinakailangan

Email *

Iyong email

Full Name (Last Name, Given Name, Middle Initial) *

Iyong sagot

Contact Number *

Iyong sagot

Birthdate *

Petsa

dd — yyyy

Gender *

- Male
- Female
- Iba pa:

Civil Status *

- Single
- Married
- Separated
- Widowed
- Others

Citizenship *

Iyong sagot

Facebook Account Name *

Iyong sagot

Educational Attainment *

Iyong sagot

Job Title, Field of Work *

Iyong sagot

Where did you hear about Madhostel Investment? *

- Social Media
- Referral
- Others

Susunod

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I-clear ang form

Madhostel Investment Inquiry Form

Mag-sign in sa Google para i-save ang iyong pag-usad. Matuto pa

*Kinakailangan

Investment Readiness

Do you have what it takes to become a Madhostel Investor?

Do you own/ co-own an existing business? *

- Yes
- No

If yes, please specify the nature of the business. (If no, kindly indicate N/A) *

Iyong sagot

Aside from Madhostel, do you own any other investment? *

- Yes
- No

If yes, please specify. (If no, kindly indicate N/A) *

Iyong sagot

What is your budget range for the Madhostel investment? *

- P50,000 to P150,000
- P200,000 to P300,000
- P350,000 to P450,000
- P500,000 and above

What is your time availability for a zoom meeting? *

- 9:00AM to 12:00PM
- 1:00PM to 6:00PM

Bumalik

Susunod

Page 2 ng 3

I-clear ang form

Madhostel Investment Inquiry Form

Mag-sign in sa Google para i-save ang iyong pag-usad. Matuto pa

*Kinakailangan

Consent Declaration

By clicking "I agree", I hereby declare that I have read, understood, and personally and voluntarily accomplished this entire Madhostel Investment Form and that the answers I have given are accurate and complete. I also agree that I will formally inform Madhostel Ph of any changes to my personal or financial situation that would affect my profile and my investment. *

○ I agree

Bumalik | Submit | Page 3 ng 3 | I-clear ang form

MADDEV
MAD DEVPT REALTY CORPORATION

MADHOSTEL

CONTRACT OF PARTNERSHIP

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement expresses the undertaking between:

The **MAD DEVPT. REALTY CORPORATION** a business entity engaged in the business of **Real Estate Development**, with principal office address at **#19 Congressional Ave Q.C.,**

WHEREAS, the capital invested by **PARTY 2** shall be used together with other capital investors of **PARTY 1**. The capital shall be used for the establishment of a branch of **PARTY 1** located at **Lot 3119-A, located in Brgy. Catangnan, Municipality of General Luna, Province of Surigao del Norte, Philippines.** Said capital will be for all expenses incurred in the establishment and initial operation of the said branch.

in total and of which 1,400 shares are available for the public.

WHEREAS, PARTY 2 agreed to wait until the establishment of **MADHOSTEL** by **PARTY 1**.

WHEREAS, PARTY 1 agreed that if there are profits, the dividends are to be distributed during the fifteenth (15th) day of the months of April, July, October and January after the 2nd year of operation.

PRIVILEGES

Please See attached according to Package Chosen: **Red card**

	ACCOMODATION	DISCOUNTS
GREEN CARD	Once a year free stay for 5 years (Capsule room, Off-peak)	5% Discount on all rooms except on promo rates 5% Discount to facilities and amenities
RED CARD	Once a year free stay for 5 years (Standard room, Off-peak)	
BLUE CARD	Once a year free stay, 10 years (Deluxe room, off-peak)	
SILVER CARD	Once a year free stay, 15 years (Villa room, off-peak)	
GOLD CARD	Once a year free stay, 20 years (Villa room, off-peak)	

LIQUIDATION OF ASSETS

In case MAD HOSTEL SIARGAO is at operating on a loss for twelve (12) straight months, the company shall cease and stop its operation and liquidate all assets and distribute the said proceeds to all Partners.

COMPETITION RESTRICTION CLAUSE

The Parties who have an active role in The Company undertake not to compete in any way, directly with the business of The Company as may also be defined as ones listed on its articles of in Company primary and secondary business.

Here, the following definitions are used:

- Active role in The Company is defined as being either employed by The Company, or acting as a Board director, advisor, broker, sales people, or consultant for the company.

- The business of The Company is defined based on the strategy, business plans, customer relations and pipeline, product roadmaps, and IPR's of The Company at any given time.

If a Partner ceases to have an active role in The Company, then the Partner agrees not to compete in any way with the business of The Company as defined at that moment, during the following twenty four (24) months.

Notably, the above described scheme involves the offering and sale of securities to the public in the form of shares of stock and/or non-proprietary shares. Hence, the Securities Regulation Code (SRC) requires that these securities must be duly registered and that the person and/or agents selling or offering it for sale must have the appropriate registration and/or license to sell such securities to the public pursuant to Section 8 and 28 of the SRC.

The public is hereby informed that **MAD DEVPT. REALTY DEVELOPMENT CORPORATION/MAD DEVPT. REALTY CORPORATION/ MADDEV/MADHOSTEL/MADSHOSTEL SIARGAO** 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).

Likewise, its officers and directors, ***ALEXANGELA B. SALVADOR,*** **ALEX JOSHUA B. SALVADOR, MICHELLE B. SALVADOR** ***and ALEXANDER M. SALVADOR*** have not secured or applied for a Certificate of Registration as Associated Person, Compliance Officer, Salesman and/or Certified Investment Solicitor of a Broker Dealer in Securities Investment, Investment House, Underwriter of Securities, Investment Company Adviser, and/or Mutual Fund Distributor.

Accordingly, the Commission hereby warns all unscrupulous individuals and/or entities that strict penalties are imposed for violations of the Securities Regulation Code (SRC), the Revised Corporation Code of the Philippines (RCC), Financial Products and Services Consumer Protection Act (FCPA) and such other laws, rules and regulations enforced by the Commission.

Those who act as salesmen, brokers, dealers or agents, representatives, promoters, recruiters, uplines, influencers, endorsers, aiders, abettors and enablers of **MAD DEVPT. REALTY DEVELOPMENT CORPORATION/MAD DEVPT. REALTY CORPORATION/ MADDEV/MADHOSTEL/MADSHOSTEL SIARGAO, ALEXANGELA B. SALVADOR, ALEX JOSHUA B. SALVADOR, MICHELLE B. SALVADOR and ALEXANDER M. SALVADOR** in selling or convincing people to invest in an investment scheme being offered by said persons/entity/ies including solicitations and recruitment through the internet may be prosecuted and held criminally liable under Section 11 of the FCPA and Section 28 of the SRC both penalized separately with a maximum fine of Five Million pesos (Php5,000,000.00) or penalty of Twenty-one (21) years of imprisonment or both pursuant to Section 73 of the SRC (*SEC vs. Oudine Santos, G.R. No. 195542, 19 March 2014*).

In view thereof, the public is advised **NOT TO INVEST** or **STOP INVESTING** in any investment scheme being offered by **MAD DEVPT. REALTY DEVELOPMENT CORPORATION/MAD DEVPT. REALTY CORPORATION/ MADDEV/MADHOSTEL/MADSHOSTEL SIARGAO**, **ALEXANGELA B. SALVADOR, ALEX JOSHUA B. SALVADOR, MICHELLE B. SALVADOR and ALEXANDER M. SALVADOR** 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 **MAD DEVPT. REALTY DEVELOPMENT CORPORATION/MAD DEVPT. REALTY CORPORATION/ MADDEV/MADHOSTEL/MADSHOSTEL SIARGAO**, **ALEXANGELA B. SALVADOR, ALEX JOSHUA B. SALVADOR, MICHELLE B. SALVADOR and ALEXANDER M. SALVADOR.**

Should you have any information regarding the operation of the subject entity, please send your reports to the Enforcement and Investor Protection Department (EIPD) through 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, 05 January 2026.