



ADVISORY

May 20, 2019

The Cooperative Development Authority (CDA) has received complaints filed by and information sourced from members-depositors of Alabel Maasim Credit Cooperative (ALAMCCO), that it is engaging in quasi-banking activities. In addition, ALAMCCO is allegedly soliciting investment from the public to finance officer's businesses.

Upon verification of the allegations it was found out that depositors were accepted and considered as associate members despite the fact that nowhere in the ALAMCCO's Articles of Cooperation and Bylaws (ACBL) which classify members as "associate". Members are classified only as regular member. In the membership policy of the cooperative, there are two (2) types of membership which are regular and associate member. In the savings policy, youth savers club and power term savers are considered as associate members. The acceptance of savings and deposits from those who are not members of ALAMCCO are activities tantamount to quasi-banking practice. Moreover, the business activity of ALAMCCO of engaging into financing a corporation which is Alabel Maasim Mining Corporation (ALMAMICO) and other entities is not stated in the purposes and objectives of the cooperative's ACBL.

Clearly the foregoing areas of concern are acts beyond what are allowed by the cooperative's ACBL, Republic Act No. 9520 or Philippine Cooperative Code of 2008 and other rules and issuances of the Authority. Depositors and investors who are not members of the cooperative shall not be considered as associate members. Only members of ALAMCCO shall be accepted in the credit and savings business undertakings of the cooperative. Minor depositors should form a laboratory cooperative and should not to be classified as associate members. ALAMCCO should perform business operations only and strictly in accordance with the law, that is, it must serve the members of the cooperative only. Acceptance of deposits from non-members is a ground for the issuance of order of dissolution. It must be explicitly stated in the ACBL the purposes and objectives that the cooperative will engage in.

In this regard, the public is advised to take necessary precautions in dealing with ALAMCCO.

LET THE PUBLIC BE ADVISED.