



## ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

### SEC ADVISORY

The Securities and Exchange Commission (“SEC”) has received information that several individuals and/or groups of persons have been offering or “pre-selling” securities to the public in the form of shares stock in hospitals currently under construction. To attract investors, these shares of stock allegedly grant the purchasers certain hospital benefits, such as, but not limited to waived or discounted O.R. fees; free or discounted private room, ward and I.C.U accommodations; discounts on use of I.C.U. equipment, medicines, medical supplies and other merchandise; and discounts on hospital services as well as Out-Patient and In-Patient case rates.

The public is hereby informed that these shares of stock being offered are within the definition of “securities” under Section 3.1 of the Securities Regulation Code (SRC) and are required under Section 8 of the SRC to be registered with the SEC **under a simplified format pursuant to SEC Memorandum Circular No. 11 Series of 2017**, before being offered or sold to the general public.

Thus, a pending application for registration without approval of the Commission does not give Hospitals the imprimatur to issue such shares of stock. To date, only Diliman Doctors Hospital and St. Lukes Medical Center Global City have registered their shares of stock with the Commission and are authorized to issue such shares to the public.

Accordingly, those individuals and/or group of persons who engages in the offering or “pre-selling” of securities to the public without the necessary registration statement duly filed with and approved by the Commission shall be held criminally liable under Sec. 73 of the Securities Regulation Code.

In view thereof, the public is thus advised to exercise prudence in dealing with any individuals and/or groups of persons offering for sale shares of stock in hospitals and urges anyone who has knowledge or information about any transaction involving these securities to report such activity immediately to the Commission so that appropriate measures can be taken to protect their interest.

For the guidance of the public.