



SEC ADVISORY

The Securities and Exchange Commission has received information that individuals or group of persons representing **LDT AGRO INDUSTRIAL HUB CORPORATION (“LDT”)** through its president **ARMANDO G. GABRIEL**, in partnership with **NUTRIWEALTH MULTIPURPOSE COOPERATIVE (“NMPC”)** now **VCM-NW Corporation (“VCM-NW”)**, using other names such as **VALUE CHAIN METHODOLOGY (“VCM”), VCM Network, VCM Network Livelihood Support Association (“VCM-LSA”)**, all which were founded by **JAY C. GALANG**, is offering investment online to the public through **“THE BNP CLIENT PROJECT”** via Facebook account also named THE BNP Client Project.

Per records of the Securities and Exchange Commission, LDT is registered in the Commission’s database as a stock corporation with company registration no. **CS201820040**. It was issued its certificate of incorporation on 12 September 2018. Its primary purpose is to develop, manage, own, lease and operate agriculture-related facilities, rice milling, processing, distribution, wholesale, trading and other related services.

On the other hand, VCM-NW is registered in the Commission’s database as a stock corporation with company registration no. **CS201820903**. It was issued its certificate of incorporation on 20 September 2018. Its primary purpose is to develop, manage, own, lease, and operate agricultural lands, farms, pasture lands, ranches, fishponds, fish pens, foreshore lands, and similar fishing rights or concessions, including fish culture; to engage in the planting and cultivation of all crops, orchards, groves, and all types of agricultural or farm products; to engage in raising, breeding, cross-breeding and pasturing of cows, goats, carabaos, pigs, chickens, and other similar stocks, and in general to undertake or carry on all kinds of studies, experiments, cultivation, storage and trading in all kinds of agricultural, livestock, and fishery products and its by products, including distribution of these products through wholesale and retail trade.

However, **LDT and VCM-NW are not authorized to solicit investments from the public** as the above-mentioned corporations did not secure prior registration and/or license to solicit investment from the commission as prescribed under Section 8 of the Securities Regulation Code.

Based on information gathered, **BNP** stands for **BIONUTRIGREEN PROCEDURE** and **CLIENT** stands for **Convergence for Linking Investors and ENTerprises**. THE BNP CLIENT PROJECT is under the leadership of LDT and VCM-NW, conceptualized as its flagship program which adheres to the vision: **“Empower the Filipino Farmers and make High Quality Rice Available to all”**.

The investment scheme is described as follows:

- 1) In joining LDT’s so-called advocacy, the investor fills out a Contract of Agreement termed as **Purchase Agreement** with a lock in period of 5 years and a corresponding Non-Disclosure Agreement.

For easy reference, we quote the pertinent provision of the purchase agreement to wit:

“xxx

3.) The Client agrees with the following conditions:

- a) The amount paid will be locked-in for a five year commitment with corresponding incentive;
- b) The amount paid will receive 10% interest on its 1st year as incentive;
- c) The amount paid will receive 15% interest on its 2nd year as incentive;
- d) The amount paid will receive 20% interest on its 3rd year as incentive;
- e) The amount paid will receive 25% interest on its 4th year as incentive;
- f) The amount paid will receive 30% interest on its 5th year as incentive.

xxx”

2) In filling out the Purchase Agreement, the Investor has **(3) Three Options** to choose from:

a) Option A: All Rice & No Cash Back

Here, the investor gets the corresponding cavans of rice for the money paid.

| PURCHASE AMOUNT | NUMBER OF CAVANS OF RICE | TOTAL CAVANS OF RICE |
|------------------------|---------------------------------|-----------------------------|
| 10,000 | 9 | 9 |
| 20,000 | 18 | 18 |
| 30,000 | 27 | 27 |
| 40,000 | 36 | 36 |
| 50,000 | 45 | 45 |
| 100,000 | 90 | 90 |
| 500,000 | 451 | 451 |
| 1,000,000 | 901 | 901 |

b) Option B: Rice & Reward

Here, the purchase amount paid relative to the purchase agreement will be returned as a reward plus the corresponding pre-purchased rice.

| PURCHASE AMOUNT | NUMBER OF CAVANS OF RICE | RICE & REWARD |
|------------------------|---------------------------------|--------------------------|
| 10,000 | 6 | 10K + 6 cavans |
| 20,000 | 11 | 20k + 11 cavans |
| 30,000 | 17 | 30k + 17 cavans |
| 40,000 | 23 | 40k + 23 cavans |
| 50,000 | 28 | 50k + 28 cavans |
| 100,000 | 56 | 100k + 56 cavans |
| 500,000 | 281 | 500k + 281 cavans |
| 1,000,000 | 564 | 1M + 564 cavans |

c) Option C: All Cash

Here, the money paid by investors relative to the purchase agreement is doubled in 5 years. Allegedly, this option arose from the situation that certain individuals are not interested with having Rice, yet wishes to participate in LDT's ADVOCACY. These investors are called by LDT as Angel Investors.

| PURCHASE AMOUNT | REWARD |
|------------------------|---------------|
| 10,000 | 20,000 |
| 20,000 | 40,000 |
| 30,000 | 60,000 |
| 40,000 | 80,000 |
| 50,000 | 100,000 |
| 100,000 | 200,000 |
| 500,000 | 1,000,000 |
| 1,000,000 | 2,000,000 |

- 3) After filling out the documents, the investor pays the purchase amount to LDT's Bank Account. The investor then sends the scanned deposit slip together with the documents to LDT.
- 4) LDT then transmits back to the investor the notarized documents within 7 working days.
- 5) In summary, LDT collects payments from investors through **THE BNP CLIENT PROJECT**. The investors purchase the rice at its Farm Gate Value. Thereafter, LDT finances their Farmer-Client's Farm cost up to year end. LDT buys the Farmer-Client's produce higher than its prevailing farm gate value. LDT gives its investors High Quality Rice at a very affordable price plus an option to earn 100% interest as reward.

Accordingly, the public is hereby warned that such investment schemes are considered as **investment contracts** under the definition of securities in the SRC and subject to the regulatory authority of this Commission. The offering or sale of securities to the public without a permit or license from the Commission is a violation of Section 8.1. of the Securities Regulation Code (SRC).

Since this scheme involves the sale of securities to the public, the SRC requires that the said securities offered are duly registered and that the appropriate license and/or permit to sell securities to the public are issued to the corporation and/or its agents, pursuant to the provisions of Section 8 of the SRC.

Likewise, those who act as salesmen, brokers, dealers or agents of these companies in selling or convincing people to invest in the investment scheme being offered by LDT and VCM-NW including solicitations and recruitment through 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.

Therefore, those who invite or recruit other people to join or invest in this venture or offer investment contracts or securities to the public may be held criminally liable or accordingly sanctioned or penalized in accordance with the Supreme Court decision in the case of SEC vs. Oudine Santos (G.R. No. 195542, March 19, 2014).

Furthermore, the names of all those involved will be reported to the Bureau of Internal Revenue (BIR) so that the appropriate penalties and/or taxes be correspondingly assessed.

In view thereof, the public is hereby advised to exercise caution before investing in these kinds of activities and to take the necessary precaution in dealing with **LDT AGRO INDUSTRIAL HUB Corporation** and **VCM-NW Corporation** or its representatives.

Information as to whether these securities are registered or not may be sought from the SEC's Corporate and Finance Department, or Market and Securities Regulation Department through telephone numbers (02)818-6103 and (02)818-5703 respectively.

The Commission urges anyone who has knowledge or information about any business transaction involving these securities or investment opportunities to report such activity so that appropriate actions could be taken through the Enforcement and Investor Protection Department at (02)818-6337 or (02)818-6047.

For the guidance of the public.

3 May 2019.