ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

In the matter of

DV BOER FARM INTERNATIONAL CORPORATION

ORDER

This has reference to the Manifestation and Compliance submitted by DV Boer Farm International Corporation (DV BOER) in support of its Petition to Lift the SEC Advisory posted at the SEC website.

Antecedent facts:

Investigation conducted by the Enforcement and Investor Protection Department (EIPD) revealed that DV BOER has been offering its “Pa-iwi” Program through its website and offices.

Thereafter, the Commission issued and posted an SEC Advisory on 30 April 2019. The Advisory informed the public that DV BOER is not authorized to offer, solicit, sell or distribute any investment/securities and such activities require a Secondary License from the Commission and the securities or investment product should likewise be registered with the Commission before they can be offered or sold to the public under Sections 8 and 12 of the Securities Regulation Code (SRC).

DV BOER's Paiwi Program constitutes securities in the form of investment contracts under Section 3.1 of the SRC. Thus, for failure to register its Paiwi contracts, DV BOER was found to have violated Section 8 of the SRC.

Subsequently, DV BOER filed a Petition to Lift the Advisory.

The matter was brought to the Commission En Banc, which, after careful deliberation, imposed upon DV BOER the penalty of a fine in the amount of SIX
MILLION THIRTY THOUSAND PESOS (Php6,030,000.00) for violation of Section 8 of the SRC computed as follows:

Total Number of Paiwi Partners (multiplied by) Penalty per Investment:
578 Paiwi Partners \times \text{Php10,000.00} = \text{Php5,780,000.00}

Total Number of Directors (multiplied by) Penalty per Director:
5 Directors \times \text{Php50,000.00} = \text{Php250,000.00}

Furthermore, the Commission authorized the EIPD to lift the SEC Advisory against DV BOER upon the latter's compliance with the following conditions:

1. That DV BOER pay the penalty for violation of Section 8 of the Securities Regulation Code (SRC) for its unauthorized public offering and selling of securities in the nature of investment contracts through its Pa-iwi Program in the amount of SIX MILLION THIRTY THOUSAND PESOS (Php6,030,000.00);

2. Compliance with the Licensing/Registration Statement requirements of the Commission under the SRC; and

3. In the meantime, DV BOER should stop offering, soliciting and selling for public sale securities in the nature of investment contracts through its Paiwi Program, until the approval of the Commission of its Registration Statement.

On 08 November 2019, the EIPD communicated the resolution of the Commission to DV Boer.

On 04 December 2019, DV Boer filed before the EIPD a “Settlement Offer and Request for Reduction of Administrative Penalties” while also tendering a manager’s check in the amount of Three Hundred Thousand Pesos (Php300,000.00) which shall serve as a partial payment of the reduced amount.

On 16 January 2020, the EIPD denied the settlement offer of DV BOER citing Section 55.1 of the SRC and Rule 55.1.1 of the 2015 SRC Rules which reads as follows:
"SEC. 55. Settlement Offers. - 55.1. At any time during an investigation or proceeding under this Code, parties being investigated and/or charged may propose in writing an offer of settlement with the Commission."

"55.1.1. Any person or entity (proposer), who has an investigation or proceeding instituted against him, or any party to a proceeding already instituted, before the Enforcement and Investor Protection Department (EIPD), may, at any time propose in writing to the Director of the EIPD an offer of settlement.

Only settlement offers equal to or more than fifty (50%) percent of the total imposable fine or damage caused shall be considered. However, if the violation involves fraud, deceit or manipulation, as determined by the handling staff/team, only settlement offers that are equal to or greater than one hundred percent (100%) of the total imposable fine or damage caused shall be considered. Settlement offers that are at least equal to 50% of the total imposable fine and/or damages shall be prioritized for resolution by the Commission."

On 20 January 2020, DV BOER filed another settlement offer in the amount of Three Hundred Thousand Pesos representing initial payment for Three Million Fifteen Thousand Pesos.

In its letter, DV BOER called attention to its liquidity problem due to its inability to access the banking system as a result of the SEC Advisory. It also reported the continuing losses it suffered due to animal deaths in its upkeep brought about by extreme difficulty in collecting forages to feed the livestock due to the effects of ash fall dealt by the eruption of Taal Volcano.

The EIPD presented anew the offer of settlement to the Commission in accordance with Rule 55.1.3.3 of the 2015 SRC Rules.

On this matter, the Commission, in its meeting of 23 January 2020, adopted the following Resolution:

"RESOLVED, To GRANT the settlement offer of DV Boer International Corporation (DV Boer) in the amount of Three Million Fifteen Thousand Pesos (Php3,015,00.00) and the corresponding mode of payment (partial payment of Php300,000.00 and the balance of Php2,715,00.00 be payable within three (3) months from the approval of the request);

RESOLVED Also, to LIFT the SEC Advisory on DV Boer, provided that:"
1. DV Boer stop offering, soliciting and selling for public sale securities in the nature of investment contracts through its Paiwi Program, unless a Registration Statement has been filed and approved by the Commission; and

2. DV Boer allows its farms to be open for inspection by authorized representatives of the Commission for a period of at least three (3) months."

On 31 January 2020, in compliance with the directive to pay by EIPD in its Order dated 30 January 2020, DV BOER paid Three Hundred Thousand Pesos (Php300,000.00) evidenced by O.R. No. 1882942.

DV BOER also submitted a Manifestation and Compliance with an Affidavit of Undertaking to: (1) stop offering, soliciting and selling for public sale securities in the nature of Investment contracts through its Paiwi Program, unless and until a Registration Statement has been filed and approved by the Commission; and 2) to allow its farm to be open for inspection by authorized representatives of the Commission for a period of at least (3) months from 31 January 2020.

WHEREFORE, in view of the foregoing, the above-captioned case is now deemed settled without any determination of fault or guilt on the part of DV BOER FARM INTERNATIONAL CORPORATION.

This settlement offer shall become effective only upon public disclosure of this Order at the Commission’s website.

SO ORDERED.

Pasay City, 31 January 2020

[Signature]

ATTY. OLIVER O. LEONARDO
Officer-in-Charge