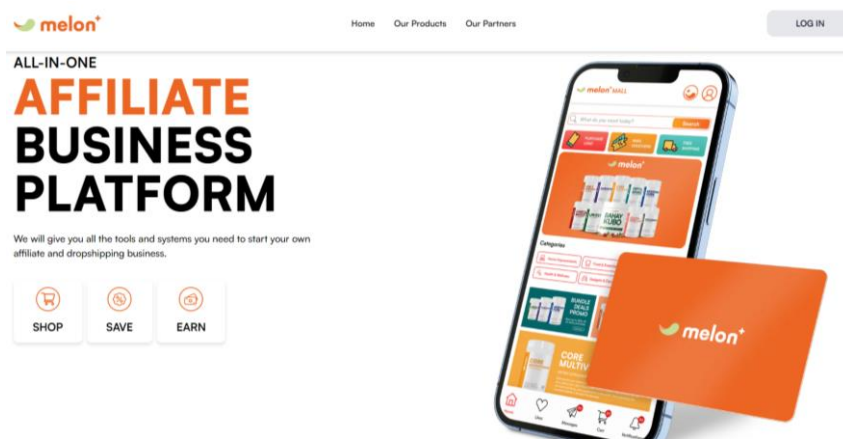


ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

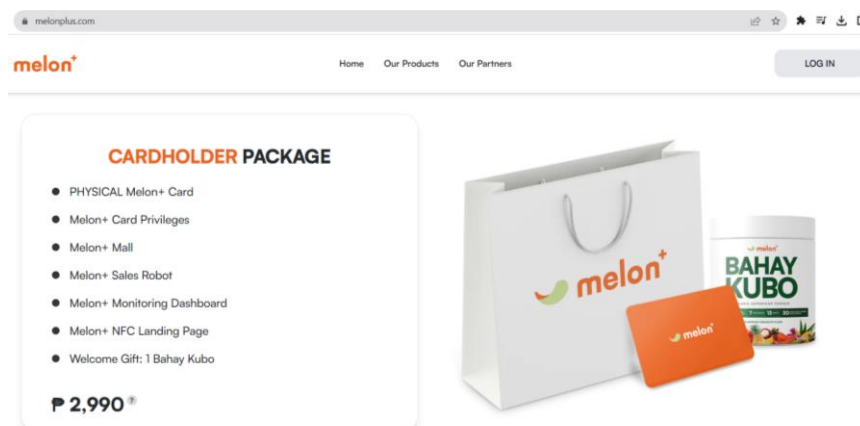
SEC ADVISORY

The Commission has received information that individuals or group of persons representing **MELON PLUS/PRIMELOGIX MARKETING INC**, are allegedly enticing the public to invest their money in said entity.



As posted on their website (www.melonplus.com), **Melon Plus/Primelogix Marketing Inc.** features Dropshipping Platform, Membership Card Club, Affiliate Rewards System and Discounts and Vouchers. A prospective investor or an affiliate may enjoy privileges such as access to Melon Plus factory priced products, up to 40% discount on all Melon Plus products, discounted products in Melon Plus Mall, access to Melon Plus Mall promos, free vouchers with Melon Plus partner brands, free pass to Melon Plus exclusive events and access to Melon Plus affiliate rewards.

Moreover, to be a subscriber or an affiliate, a prospective investor should avail the minimum package worth Php2,990.00.



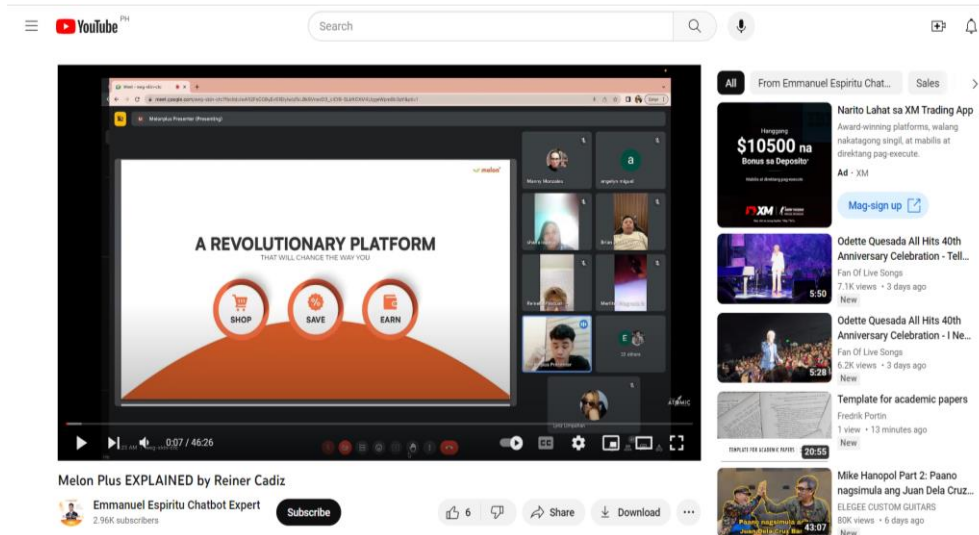
Upon availing the said package, a prospective investor will become a new affiliate and can now enjoy the 6 ways of earning.

1. **Direct Referral Commission** – a prospective investor will earn 1000 points for every recruit. 1 point is equal to 1 Peso.
2. **Indirect Referral Commission** –
 - 2nd level – 200 points = Php200.00
 - 3rd level – 100 points = Php100.00
 - 4th level – 100 points = Php100.00
 - 5th level – 60 points = Php60.00
 - 6th to 10th level – 20 points = Php20.00
3. **Subscription Box** – part of the Php2990.00 membership fee, Php500.00 will go to subscription fee to access tools and the system. 2.5% commission for every affiliate under your box.
4. **Multi-tier Commission** – 50% commission of the total subscription box earning of your direct referral.
5. **Indirect Multi-tier Commission** –
 - 10% commission on the 2nd level
 - 5% commission on the 3rd and 4th level
 - 3% commission on the 5th level
6. **Drop-shipping Commission** – as of the moment, the platform is still not functional.

While Melon plus is registered with Companies Registry of Hongkong, they are operating in the Philippines under the name **Primelogix Marketing Inc.** headed by **Mr. John Jerico Hayagan Operio** and **Mr. Jerwin Hayagan Operio**.

Moreover, a video presentation circulating online shows that **Mr. Reiner Cadiz** (who is an incorporator of **iWatch.ph**) is part of the company as he is the one who explains and presents the marketing scheme of **Melon Plus/Primelogix Marketing Inc.**

Previously, the Commission issued an Advisory against **iWatch.ph** and an Order of Revocation revoking its registration as a corporation for violation of Section 44 of the Revised Corporation Code of the Philippines in relation to Sections 8.1 and 28.1 of the Securities Regulation Code and Section 6 (i) (1) and (2) of P.D 902-A, Section 5.1 (m) of the SRC and Section 179 (j) of the RCCP.



In the instant case, the scheme of **Melon Plus/Primelogix Marketing Inc.** has the characteristics of a Pyramid scheme. The Pyramiding scheme involves securities because for payment of a sum of money, often nominal, the investor participates in a recruitment scheme that promises a stream of profits. The scheme that requires recruitment in a two-pronged structure takes the form of a pyramid, one that grows wider at the bottom, and thrives with the supply of new recruits to the scheme. Here, the recruitment fees collected from new recruits are used to pay the recruiting commissions to earlier recruits.

As the scheme of **Melon Plus/Primelogix Marketing Inc.** involves the sale of securities to the public, the SRC requires that the issuing entity must be a registered corporation with the SEC, the said securities offered are duly registered and that the appropriate license and/or permit to offer and sell securities to the public are issued to the corporation and/or its agents, pursuant to the provisions of Sections 8 and 28 of the SRC.

Records of the Commission show that while **Primelogix Marketing Inc.** is registered with the Commission as a corporation, it is **not authorized to solicit investments from the public** as it did not secure prior registration and/or license to solicit investments from the Commission as prescribed under Section 8 and 28 of the SRC.

Further, Republic Act No. 11765 or the "Financial Products and Services Consumer Protection Act" (FCPA) also prohibits investment fraud which is defined under the law as any form of deceptive solicitation of investments from the public which includes Ponzi Schemes and such other schemes involving the promise or offer of profits or returns sourced from the investments or contribution made by the investors themselves and the offering or selling of investment schemes to the public without a license or permit from the SEC.

The Commission warns those who act as salesmen, brokers, dealers or agents, representatives, promoters, recruiters, uplines, influencers, endorsers, abettors and enablers of **Melon Plus/Primelogix Marketing Inc.** in soliciting or convincing people

to invest in the investment scheme being offered by the said entity including soliciting investments or recruiting investors through the internet may be held criminally liable under Section 11 of the FCPA and Section 28 of the SRC **and for the two offenses, both penalized separately** with a maximum fine of Five Million Pesos (Php5,000,000.00) or imprisonment of Twenty One (21) years or both pursuant to Section 73 of the SRC (*SEC vs. Oudine Santos, G.R. No. 195542, 19 March 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.

The public is advised **NOT TO INVEST** or **STOP INVESTING** in any investment scheme being offered by any individual or group of persons allegedly for or on behalf of **Melon Plus/Primelogix Marketing Inc.** and to exercise caution in dealing with any individuals or group of persons soliciting investments for and on behalf of it.

Should you have any information regarding the operation of the subject entity, please call the Enforcement and Investor Protection Department (EIPD) at telephone number 8818-6047 or 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, 08 September 2023.