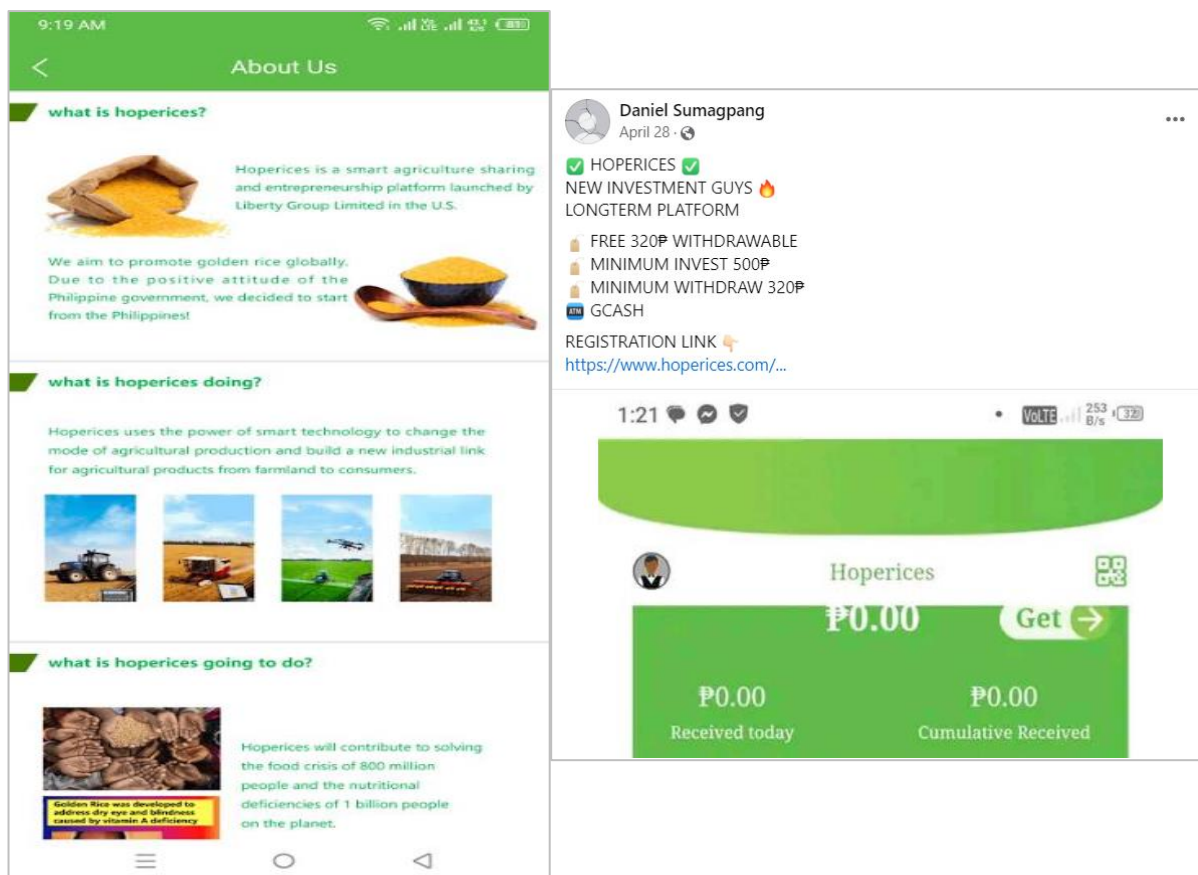




ENFORCEMENT AND INVESTOR PROTECTION DEPARTMENT

SEC ADVISORY

Based on reports and information gathered by the Commission, an online platform under the name **HOPERICES INVESTMENT** is found to be engaged in investment-taking activities in the Philippines which is NOT AUTHORIZED by the Commission.



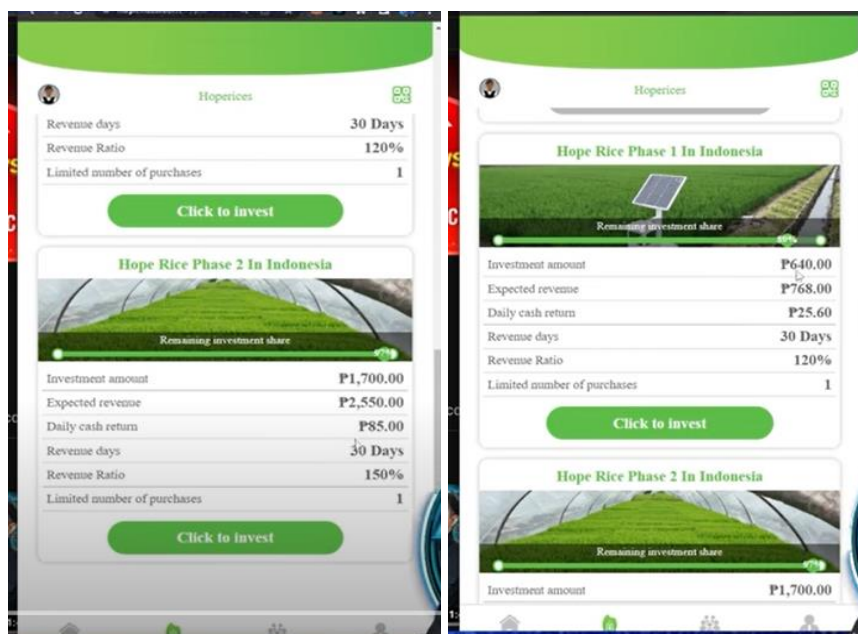
The instant case stemmed from the report and inquiry received by the Commission regarding alleged illegal investment-taking activities of **HOPERICES INVESTMENT**.

Based on the information gathered from the said report, inquiry, and data from open sources, **HOPERICES INVESTMENT** claims that it is a smart agriculture-sharing and entrepreneurship online platform launched by Liberty Group Limited in the U.S. that offers investment opportunities for individuals looking to grow their wealth through its innovative investment plans. The public may earn profits based on their initial investment.



As posted online, **HOPERICES INVESTMENT** is offering securities to the public by enticing them with an opportunity to grow their wealth through a reliable and transparent investment platform. Any person who will register in the platform will gain access to a free 2-day trial amounting to Php 320.00, giving the person a glimpse of potential return. However, an initial investment amount of Php 640.00 is required before the user may withdraw any funds.

Under its online platform, a person may choose between **HOPERICES INVESTMENT** Phase 1 and Phase 2 investment packages. In the first investment package, a minimum amount of Php 640.00 is needed in order to earn 20% return of investment. On the other hand, the second investment package needs a minimum amount of Php 1,700.00 in order to gain 50% return on investment.



Applying the *Howey Test*,¹ **HOPERICES INVESTMENT**'s so-called online investment packages being offered to the public constitutes an offering of securities in the form of an investment contract which is clearly under the Commission's regulatory power. Its activities involving the offer and sale of securities to the public where their investors need not exert any effort other than to invest or place money in its scheme in order to earn profit should be registered with the Commission.

HOPERICES INVESTMENT is **NOT** registered with the Commission as a corporation or partnership. **FURTHER IT IS NOT AUTHORIZED** to solicit investment/placements from the public nor to issue investment contracts and other forms of securities since it has not secured prior registration and/or license from the Commission as prescribed under Sec. 8 and 28 of the Securities Regulation Code and that any person or entity intending to offer and sell its investment contract are required to secure the necessary registration and/or license from the Commission as well.

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.

Based on the records of the Markets and Securities Regulation Department, **HOPERICES INVESTMENT** has **NOT REGISTERED** any securities pursuant to Sections 8 and 12 of the Securities Regulation Code including REIT Investment. Likewise, the Commission has not issued a Permit to Sell Securities in favor of **HOPERICES INVESTMENT**. Further, said platform has not filed nor has any pending application for registration/ permit to sell securities. Therefore, **HOPERICES INVESTMENT**'s lack of prior registration pertaining to its securities with the Commission make its activities illegal.

Hence, the public is strongly advised **NOT TO INVEST** or **STOP INVESTING** in any scheme offered by **HOPERICES INVESTMENT** or such other entities similarly engaged in investment contracts without prior registration from the Commission.

The public is again reminded that investing in such an unregulated entity lacks investor protection because it is not covered by prudential and market conduct requirements applicable to licensed and authorized operations.

Accordingly, the Commission warns all unscrupulous individuals and/or entities that **strict penalties are imposed for violations of the Securities Regulation Code, the Revised Corporation Code, Financial Products and Services Consumer Protection Act (FCPA) and such other laws and rules and regulations enforced by the Commission.**

Those who act as salesmen, brokers, dealers or agents of such unauthorized entities like the operators of the Facebook Page or other similar social media of

¹ *Power Homes Unlimited vs. SEC* (G.R. No. 164182, February 26, 2008).

HOPERICES INVESTMENT in selling or convincing people to invest in its investment program offered including solicitations and recruitment through the internet may likewise be **criminally prosecuted and penalized for violation of Section 11 of the FCPA and Section 28 of the SRC and both penalized separately with a maximum fine of Five Million pesos (P5,000,000.00) or a penalty of Twenty-one (21) years of imprisonment or both pursuant to Sections 28 and 73 of the SRC.**

In the same manner, those who invite or recruit others to join or invest in such venture or offer investment contracts or securities to the public similar to and the operators of the **HOPERICES INVESTMENT** may incur criminally liability, or otherwise be sanctioned or penalized accordingly as held by the Supreme Court in the case of *SEC vs. Oudine Santos* (G.R. No. 195542, 19 March 2014).

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

Should you have any information regarding any investment solicitation activity by any individual or group of individuals representing **HOPERICES INVESTMENT**, please send your report to the EIPD at epd@sec.gov.ph.

For the guidance of the public.

Makati City, 03 October 2023.