A RESOLUTION
DIRECTING THE COMMITTEE ON TRADE AND INDUSTRY, COMMITTEE ON BANKS AND FINANCIAL INTERMEDIARIES, COMMITTEE ON AGRICULTURE AND FOOD, AND OTHER APPROPRIATE COMMITTEES OF THE HOUSE OF REPRESENTATIVES, TO CONDUCT A JOINT INVESTIGATION, IN AID OF LEGISLATION, ON THE REPORTED CASES OF INVESTMENT SCAMS RELATED TO AGRIBUSINESS IN THE COUNTRY

WHEREAS, Section 1, Article XII of the 1987 Philippine Constitution, provides that the State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets. In pursuit of these goals, all sectors of the economy and all regions of the country shall be given optimum opportunity to develop. Private enterprises, including corporations, cooperatives, and similar collective organizations, shall be encouraged to broaden the base of their ownership;

WHEREAS, Section 2 of Republic Act No. 8799, otherwise known as the Securities Regulation Code, declares that the State shall establish a socially conscious, free-market that regulates itself, encourage the widest participation of ownership in enterprises, enhance the democratization of wealth, promote the development of the capital market, protect investors, ensure full and fair disclosure about securities, minimize if not eliminate insider trading and other fraudulent or manipulative devices and practices which create distortions in the free market;

WHEREAS, the Securities and Exchange Commission (SEC) is the national government regulatory agency charged with supervision over the corporate sector, the capital market participants, and the securities and investment instruments market, and the protection of the investing public;
WHEREAS, according to received reports, investment scams related to agribusiness have involved not just millions but billions of pesos and deceived many of our kababayan, even those abroad;

WHEREAS, a reported issue is in connection to the DV Boer Farm International Corporation (DV Boer for brevity), headed by Mr. Soliman “Dex” Villamin, Jr. Registered with the SEC on 09 May 2014, DV Boer is a corporation engaged in the business of modern farming, livestock farming, agri-business, and agri-tourism;

WHEREAS, DV Boer has a program that encourages entrepreneurs and investors to be sub-farm owners to replicate its “profitable agri-business program.” Sub-farm owners pay, among others, an accreditation fee ranging from five million pesos (Php 5,000,000.00) to twenty-five million pesos (Php 25,000,000.00) with a promise of one million pesos (Php 1,000,000.00) net income per month or 33% return rate;

WHEREAS, another program of DV Boer for its sub-farm owners is the “Talipapa Program” which requires a separate accreditation fee amounting to five hundred thousand pesos (Php 500,000.00). They also launched share bate cards and DV Boer cards that range from one hundred thousand pesos (Php 100,000.00) to two hundred thousand pesos (Php 200,000.00) which sub-farm owners paid accordingly;

WHEREAS, promised benefits of these programs never materialized;

WHEREAS, it was also discovered that there are discrepancies where only 4,000 goats were found in the farm out of the supposed more than 101,000 goats stipulated in the paiwi contracts;

WHEREAS, the investment scheme of DV Boer offered impossibly high returns and is bound to fail. It is because the returns are paid to early investors out of the capital contributed by later investors, resulting in an estimated liability of more than one billion pesos (Php 1,000,000,000.00) to investors;

WHEREAS, the problematic business scheme of DV Boer also resulted in its inability to pay employee salaries and their respective contributions to SSS, Pag-IBIG, and PhilHealth;

WHEREAS, amidst the pay-out delays to investors, questionable fulfillment of obligations in the contracts, and the existence of challenges in the overall operations of the corporation, Mr. Dex Villamin unashamedly displayed his extravagant lifestyle through the acquisition of yachts, houses in an executive village, and luxury cars, among others;

WHEREAS, there are pieces of evidence that suggest that Mr. Dex Villamin used agriculture as a front to collect money from the public and that he used the money collected to pay for his lavish lifestyle instead of buying livestock for his paiwi partners;
WHEREAS, officials of DV Boer currently face cases of syndicated estafa from
disgruntled investors of their paiwi system and other programs. Numerous accounts of
individuals who were also scammed of their life savings have filed similar charges, or
are planning to follow suit;

WHEREAS, it is imperative for the House of the Representatives to assess policy
and implementation gaps that give room for fraudulent or manipulative devices and
practices in investments, especially in the agribusiness sector, just like what transpired
in the DV Boer case, and look for possible policy adjustment, if necessary;

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED,
that the Committee on Trade and Industry, Committee on Banks and Financial
Intermediaries, Committee on Agriculture and Food, and other appropriate committees
of the House of Representatives, to conduct a joint investigation, in aid of legislation, on
the reported cases of investment scams related to agribusiness in the country.

Adopted,

REP. ARGEI JOSEPH T. CABATBAT
MAGSASAKA Party-List