ADVISORY

" R2R AGRI INDUSTRY CO. and/or R2R FINANCE"

This is to inform the public that <u>R2R AGRI INDUSTRY CO./R2R FINANCE</u> is NOT AUTHORIZED TO SOLICIT INVESTMENTS FROM THE PUBLIC.

This ADVISORY is prompted by reports and information gathered by the Commission that individuals or groups of persons headed by **RENZ REYTON FRANCO** are enticing the public, through social media platforms, to invest in **R2R AGRI INDUSTRY CO./R2R FINANCE.**

Based on information gathered by the Commission, RENZ REYTON FRANCO introduced himself as the alleged "Hedge Fund Manager" of R2R Finance and represented that he has experience as an agripreneur, e-commerce manager, and Forex/Crypto trader. He claimed that through his years of experience in business and financial trading, he developed a system intended to generate profits through various business ventures and financial activities.

Further, he represented that R2R Finance allegedly operates through three (3) pillars, namely:

1. **Agri-Business** through R2R Agribrew and its purported coffee farm business, which allegedly serves as a "real asset" and source of stable income;
2. **E-Commerce** through a drop shipping business model; and
3. **Forex and Crypto Trading** utilizing purported "hedge fund strategies" intended to generate significant returns.

As posted online, **R2R AGRI INDUSTRY CO./R2R FINANCE** is offering investments opportunities to the public, as shown below:

The public is hereby informed that an "investment contract" exists when there is an investment or placement of money in a common enterprise with a reasonable expectation of profits to be derived from the efforts of others. Such characteristics appear to be present in the scheme employed by **R2R AGRI INDUSTRY CO./R2R FINANCE**.

As such, the Securities Regulation Code (SRC) requires that the offer and sale of securities be duly registered with the Commission and that the concerned entity and/or its agents possess the necessary registration and/or license to offer and sell such securities to the public.

Records of the Commission show that **R2R AGRI INDUSTRY CO.** is registered with the Commission as a corporation. However, it is **NOT AUTHORIZED** to solicit investments from the public considering that it has not secured the requisite registration and/or license from the Commission as prescribed under Sections 8 and 28 of the Securities Regulation Code.

Further, the scheme employed by **R2R AGRI INDUSTRY CO./R2R FINANCE** bears the characteristics of a **"Ponzi Scheme,"** where monies from new investors are utilized to pay purported profits to earlier investors. Such schemes are designed primarily to benefit top recruiters and early participants and become unsustainable and detrimental to later investors once recruitment of new investors declines.

The offering and selling of securities in the form of investment contracts through a **Ponzi Scheme** is fraudulent and unsustainable and the Commission will never issue a License to Sell Securities to the Public to persons or entities engaged in such business or schemes.

Moreover, **Republic Act No. 11765**, otherwise known as the **Financial Products and Services Consumer Protection Act (FCPA),** prohibits **investment fraud**, which includes any deceptive solicitation of investments from the public such as Ponzi schemes and other similar schemes involving the promise or offer of profits or returns sourced from investments or contributions made by investors themselves, as well as the offering or selling of investment schemes without the necessary license or permit from the SEC.

In view thereof, the public is hereby advised NOT TO INVEST or to STOP INVESTING in any investment scheme being offered by R2R AGRI INDUSTRY CO./R2R FINANCE and its representatives.

Those who act as salesmen, brokers, dealers, agents, representatives, promoters, recruiters, uplines, influencers, endorsers, abetters, and enablers of **R2R AGRI INDUSTRY CO./R2R FINANCE**, in selling or convincing people to invest in the scheme 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, both of which are separately punishable by a maximum fine of **Five Million Pesos (Php5,000,000.00)** or imprisonment of up to **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 shall be reported to the **Bureau of Internal Revenue (BIR)** for the appropriate assessment of taxes and corresponding penalties, if warranted.

Should you have any information regarding the operations of **R2R AGRI INDUSTRY CO./R2R FINANCE** and its representatives, please send your report to the EIPD through email at **imessagemo@sec.gov.ph**.

For the information and guidance of the public.

Issued on 29 June 2026 in Makati City, Philippines.