Republic of the Philippines
Department of Finance
SECURITIES AND EXCHANGE COMMISSION
ILAGAN EXTENSION OFFICE

IN THE MATTER OF:

FIDELITY CAPITAL INVESTMENT GROUP, LARRY DIZON, JENIE DIZON, VINCE DIZON, CHRISTELLE MACALLING-CABALONGA, DHOMGERALD MACALLING HIDALGO, CHARIBEL MACALLING, and ALL PERSONS REPRESENTING AND/OR OPERATING UNDER THE NAME OF FIDELITY CAPITAL INVESTMENT GROUP

SEC CDO Case No.:CDO-ILAEO-2026-001

Promulgated: <u>02 February 2026</u>

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CEASE AND DESIST ORDER

This refers to the inquiries received and the results of the monitoring and surveillance done by the **Securities and Exchange Commission** ("**Commission**") regarding **FIDELITY CAPITAL INVESTMENT GROUP** ("**FCIG**") and **YEPBIT EXCHANGE PTY. LIMITED** ("**YEPBIT**"), including its agents, solicitors, recruiters, and/or brokers, namely, **LARRY DIZON, JENIE DIZON, VINCE DIZON, CHRISTELLE MACALLING-CABALONGA, DHOMGERALD MACALLING HIDALGO, CHARIBEL MACALLING,** and all persons representing, and/or operating under the name of FCIG for violations of the Securities Regulation Code ("**SRC**"), other relevant laws, rules, and regulations.

ANTECEDENTS

Culled from the records are the essential facts of this case:

On 10 December 2025, the Commission received reports and inquiries regarding FCIG's alleged investment-taking activities and operations in Region 2, Cagayan Valley, particularly in the province of Isabela.

Based on available information and information gathered, it was confirmed that **FCIG's agents were actively soliciting investments from the public, both through online platforms and at its office located at Upi, Gamu, Isabela**.

Records also show that FCIG, through its agents Larry Dizon, Jenie Dizon, and Vince Dizon, is promoting and offering to the public an investment scheme in partnership with YEPBIT known as the "**FCIG-Yepbit Investment Trading Project**."

The **scheme is presented as a high-yield investment opportunity requiring a minimum investment of Five Hundred US Dollars (USD 500.00) and allowing investments of up to Three Thousand US Dollars (USD 3,000.00)**. Participation in the scheme involves access to a trading platform referred to as "**YEPBIT**," which is made available to investors through a downloadable application.

The scheme further requires investors to maintain a GCash account, which is used for the withdrawal of purported earnings and for making additional investments. Upon joining, investors are granted access to the Yepbit trading platform, where the alleged investment activities take place.

FCIG represents that the investment trading activities are conducted by its founder or leader, **Jonathan Brook**, also known as "**Professor Brook**," who is purportedly operating remotely from Australia. **Local promotional, recruitment, and investor-facing activities are carried out by Larry Dizon, Jenie Dizon, and Vince Dizon as FCIG's local counterparts and agents**.

Records also show that Larry Dizon and Christelle Mae Macalling-Cabalonga are team leaders, while Dhomgerald Macalling Hidalgo, Charibel Macalling, the downlines of Larry Dizon actively promoted the unregistered investment trading project through seminars and/or meetings and various social media platforms. They are also equally responsible for the recruitment of new investors.

Social media accounts associated with Larry Dizon and Vince Dizon were used in promoting the investment scheme and in representing their affiliation with FCIG. FCIG further claims that the Yepbit platform and/or FCIG is registered with the Australian Government, specifically with the Australian Securities and Investments Commission (ASIC), and has circulated or posted an alleged Certification of Incorporation to support such claim.

Promotional materials, including leaflets and brochures describing the FCIG-YEPBIT Investment Trading Project, were likewise circulated to the public in furtherance of the investment offering.

Records further indicate that FCIG and YEPBIT, through Mr. Larry Dizon and other agents and/or brokers, made repeated offers of investment to the public on various occasions. In particular, a social media post of Mr. Larry Dizon dated 14 May 2025 shows the conduct of a meeting or seminar attended by multiple individuals, during which the FCIG investment scheme was promoted.

Official records of the Commission, as evidenced by Certifications issued by the SEC's appropriate Departments, confirm that FCIG, its agents and/or solicitors, and its FCIG-YEPBIT Investment Trading Project are not registered with the SEC.

On 27 January 2026, the Commission, in exercising its power conferred by law to protect the investing public, issued an Advisory to warn and alert investors that FCIG and YEPBIT are not registered with the Commission and have not been granted any secondary licenses to solicit or offer investments to the public. The Advisory further cautioned that the agents and/or solicitors of FCIG and YEPBIT are likewise not registered with the Commission.

Unperturbed by the issuance of the SEC Advisory against FCIG, Mr Dizon, on the same date, posted and boasted on his social media account materials purporting to show proof of income from the investment scheme, as well as the alleged licenses of FCIG and YEPBIT.

With this defiant posture of Mr. Larry Dizon, the Commission, through its relevant offices, finds that there is an urgent need to issue a Cease and Desist Order to protect the investing public from the continued risk of losing their hard-earned monies arising from FCIG's unauthorized investment-taking activities. Inevitably, the issuance of a Cease and Desist Order against FCIG and its investment trading scheme is both necessary and timely."

Pursuant to Section 64 of the SRC, the Commission may, after investigation or verification, *motu proprio* issue a Cease and Desist Order even in the absence of a prior hearing if, based on its judgment, the act or practice being investigated, unless restrained, will be detrimental to the investing public. The law is clear in this instance:

> *"SEC. 64. Cease and Desist Order. — 64.1. The Commission, after proper investigation or verification,* ***motu proprio****, or upon verified complaint by any aggrieved party, may* ***issue a cease and desist order without the necessity of a prior hearing*** *if in its judgment the act or practice, unless restrained, will operate as a fraud on investors or is otherwise likely to cause grave or irreparable injury or prejudice to the investing public."* (Emphasis and underscoring supplied)

This *motu proprio* power of the Commission has already been confirmed by the Supreme Court in several of its decisions. In the earlier case of **Primanila Plans, Inc. v. Securities and Exchange Commission**[1] The Highest Tribunal upheld the motu proprio power of the Commission to issue a cease and desist order. This is later re-affirmed by the Court in a later case of The Securities and Exchange Commission (Sec) Chairperson Teresita J. Herbosa, et. al. vs. CJH Development Corporation, et. al.[2] citing the Primanila case. It held:

> *"Explaining the import of these provisions, this Court, in the case of Primanila Plans, Inc. v. Securities and Exchange Commission, held, thus:*

[1] G.R. No. 193791, 6 August 2014.
[2] G.R. No. 210316, 28 November 216.

*The law is clear on the point that **a cease and desist order may be issued by the SEC motu proprio**, it being unnecessary that it results from a verified complaint from an aggrieved party. A prior hearing is also not required whenever the Commission finds it appropriate to issue a cease and desist order that aims to curtail fraud or grave or irreparable injury to investors. **There is good reason for this provision, as any delay in the restraint of acts that yield such results can only generate further injury to the public that the SEC is obliged to protect**."* (Emphasis supplied)

In administrative cases, the quantum of evidence needed is substantial evidence to support any findings. Substantial evidence is such relevant evidence as a reasonable mind may accept as adequate to support a conclusion. The requirement is satisfied where there is reasonable ground to believe that the petitioner is guilty of the act or omission complained of, even if the evidence might not be overwhelming[3].

This Office holds that FCIG and its agents and/or solicitors are engaged in the unauthorized offering of unregistered securities since they are using the internet/social media platforms, i.e., Facebook accounts, to advertise and market their unauthorized investment-taking scheme. This constitutes a public offering under Rule 3.1.17 of the SRC IRCC, to wit:

> *"3.1.17. Public offering is **any offering of securities to the public or to anyone, whether solicited or unsolicited**. Any solicitation or presentation of securities for sale through any of the following modes shall be presumed to be a public offering:*
>
> *x x x*
>
> *3.1.17.3. Advertisement or announcement on radio, television, telephone, **electronic communications, information communication technology or any other forms of communication**;*

[3] Office of the Ombudsman vs. Wilfredo B. Agustino, et., al., G.R. No. 204171, 15 April 2015.

xxx." (Emphasis and underscoring supplied.)

The SRC prohibits the sale, offer, or distribution of securities within the Philippines if the same is not registered with the Commission in the form of an approved Registration Statement and a Permit to Offer/Sell issued in favor of the application. Section 8.1 is clear on this, to wit:

> *"SEC. 8. Requirement of Registration of Securities. - 8.1.* ***Securities shall not be sold or offered for sale or distribution within the Philippines, <u>without a registration statement duly filed with and approved by the Commission</u>****. Prior to such sale, information on the securities, in such form and with such substance as the Commission may prescribe, shall be made available to each prospective purchaser."* [Emphasis and underscoring supplied.]

The Negative Certifications issued by the Commission through its appropriate departments, namely, the Markets and Securities Regulation Department, Corporate Governance and Finance Department, and SEC - Ilagan Extension Office all confirmed the finding that the FCIG, its agents, and representatives are engaged in the unauthorized sale/offer of securities considering that they are not registered and without license to carry out such activities.

Bearing in mind that FCIG and its agents and solicitors have not secured the registration of any securities, and have no license to offer, sell, or deal with the same, this Office is legally obligated to immediately stop their unauthorized investment-taking activities for the protection of the investing public.

Based aforementioned provision of Section 64.1 of the SRC, the Commission, in the exercise of its power *motu proprio,* may issue a CDO even without the need to conduct a hearing if, to its judgment, the act or practice, unless restrained, will operate as a fraud on investors or is otherwise likely to cause grave or irreparable injury or prejudice to the investing public.

The Commission, through its relevant offices, was able to establish by substantial evidence that FCIG and its agents and/or solicitors are offering and/or selling unregistered securities to the public in the form of investment contracts without the requisite license from the Commission.

Section 3.1 of the SRC defines securities as follows:

> *"SEC. 3. Definition of Terms. ~ 3.1. "**Securities**" are **shares, participation or interests in a corporation or in a commercial enterprise or profit-making venture and evidenced by a certificate, contract, instrument, whether written or electronic in character**. It includes:*
> *x x x*
>
> *(b) **Investment contracts**, certificates of interest or participation in a profit-sharing agreement, certificates of deposit for a future subscription; xxx."* (Emphasis supplied.)

Emphasis should be made, however, on the fact that just like the securities acts of other jurisdictions, the SRC adopted a very broad definition of securities,[4] which is intended to be liberally construed in order to achieve the main purpose of its enactment: regulation of the issuance and sale of securities and prevention of fraud.

The Implementing Rules and Regulations[5] of the SRC ("**SRC-IRR**") defines an investment contract as follows:

> *"An **investment contract** means a **contract, transaction or scheme (collectively "contract") whereby a person invests his money in a common enterprise and is led to expect profits primarily from the efforts of others.** An investment contract is <u>**presumed to exist**</u> whenever **a person seeks to use the money or property of others on the promise of profits**.*
>
> *A common enterprise is <u>**deemed created**</u> **when two (2) or more investors "pool" their resources, creating a common***

[4] Section 3.1 of the SRC.
[5] Rule 26.3.5 of the 2015 Implementing Rules and Regulations of the SRC

enterprise, even if the promoter receives nothing more than a broker's commission*."* [Emphasis and underscoring supplied.]

The concept of an investment contract in this jurisdiction finds its roots in the United States ("**US**") jurisprudence, particularly from the US Supreme Court case **Securities and Exchange Commission v. W.J. Howey Co.**[6] In the said case, US Supreme Court stated that an investment contract is a ***transaction, contract, or scheme whereby a person (1) makes an investment of money, (2) in a common enterprise, (3) with the expectation of profits, (4) to be derived solely from the efforts of others***. Investment contracts have been used and adopted in various situations where individuals were led to invest money in a common enterprise with the expectation that they would earn a profit through the efforts of the promoter or of someone other than themselves.[7]

Aware of the experiences of people who have endured the deceit employed by scammers and swindlers in taking advantage of their vulnerabilities about investments, our Supreme Court has adopted the doctrine on investment contract enunciated in the case of SEC v. W.J. Howey Co. Thus, our Highest Tribunal held in the case of **Power Homes Unlimited Corporation vs Securities and Exchange Commission**[8], that while, as a general rule, the four (4) elements must be shown to exist, the term "investment contract" embodies a flexible principle that is intended to cover schemes devised by persons who seek to use the money of others on the promise of profits, thus:

> *"It behooves us to trace the history of the concept of an investment contract under R.A. No. 8799.* ***Our definition of an investment contract traces its roots from the 1946 United States (US) case of SEC v. W.J. Howey Co****. In this case, the US Supreme Court was confronted with the issue of whether the Howey transaction constituted an "investment contract" under the Securities Act's definition of "security." The US Supreme Court, recognizing that the term "investment contract" was not defined by the Act or illumined by any legislative report, held that "Congress was using a term whose meaning had been*

[6] 328 U.S., 293, 66 S. Ct. 1100,90 L. Ed. 1244, 163 A.L.R. 1043 (1946)
[7] Ibid.
[8] G.R. No. 164182, 26 February 2008

> *crystallized" under the state's "blue sky" laws in existence prior to the adoption of the Securities Act. Thus, it ruled that the use of the* ***catch-all term "investment contract"*** *indicated a congressional intent* ***to cover a wide range of investment transactions****. It established a* ***test*** *to determine whether a transaction falls within the scope of an "investment contract." Known as the* ***Howey Test****, it requires a transaction, contract, or scheme whereby a person (1)* ***makes an investment of money****, (2****) in a common enterprise****, (3)* ***with the expectation of profits****, (4)* ***to be derived solely from the efforts of others****. Although the proponents must establish all four elements, the* US Supreme Court stressed that the Howey Test **"embodies a flexible rather than a static principle, one that is capable of adaptation to meet the countless and variable schemes devised by those who seek the use of the money of others on the promise of profits."** Needless to state, **any investment contract covered by the Howey Test must be registered under the Securities Act, regardless of whether its issuer was engaged in fraudulent practices.**" [Emphasis and underscoring supplied]

Also, US jurisprudence[9] underscored that the nature of the assets is not the controlling factor behind a particular instrument to be considered whether the same should be considered a security. What is controlling is the character given in commerce by the terms thereof, thusly:

> *"In applying acts of this general purpose, the courts have not been guided by the nature of the assets back of a particular document or offering.* ***The test, rather, is what character the instrument is given in commerce by the terms of the offer, the plan of distribution, and the economic inducements held out to the prospect****. In the enforcement of an act such as this****, it is not inappropriate that promoters' offerings be judged as being what they were represented to be****."* [Emphasis and underscoring supplied.]

[9] SEC v. Joiner Leasing Corp., 320 U.S. 344 (1943)

Hence, an investment contract exists when the proponent offers investors a chance to contribute money and share in the profits produced by the venture. The concept of a "common enterprise" plays a key role, as the proponent's leadership and the business's direction influence whether investors—often not experts in finance—rely on the proponent's knowledge and skills to execute the investment scheme. In the case of Power Homes vs. SEC,[10] the Supreme Court underscored that, for investor protection, an investment contract must be registered with the regulatory commission before any offer or sale takes place. This "strict regulation of securities is founded on the premise that the capital markets depend on the investing public's level of confidence in the system."[11]

This Office, applying the stated doctrines, determines that the FCIG-Yepbit Investment Trading Project, along with the FCIG and its agents and or solicitors, is engaged in the offer or sale of unregistered securities in the form of investment contracts by entities that lack licenses to sell securities. The four (4) elements of the Howey Test are satisfied in this case, to wit:

> **First, there is an investment of money**. The FCIG-Yepbit investment scheme requires investment of money. The aforementioned scheme requires an investor to invest his hard earned money in a way that binds them to potential financial loss. It specifically entices the public to invest by promising high-yield returns with a **minimum investment of 500 US Dollars up to a maximum investment of 3,000 US Dollars** into its trading platform called YEPBIT. Aside from Facebook posts, FCIG's agent and/or solicitor, Mr. Larry Dizon also gave leaflets and brochures to the investigators in the surveillance conducted on 10 December 2025. These documents, submitted as evidence, corroborate this characterization.
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> **Second, investment is made in a common enterprise**. A common enterprise is found to exist when two or more investors pool their resources. This pooling creates a shared investment venture, where funds are combined to pursue a common purpose. The FCIG-Yepbit investment scheme involves pooling investors' money—by FCIG, and its agents and/or solicitors—and using it to pay guaranteed returns to existing

[10] G.R. No. 164182, 26 February 2008
[11] Id.

investors. Similar to past investment schemes, FCIG and its agents solicit and collect investments, pool them, and distribute a portion thereof as guaranteed returns, sustaining the impression of a legitimate, profitable enterprise. This misleading setup encourages more people to invest, since returns seem steady and funded by investment trading allegedly being managed by their founder Jonathan Brooks.

One important aspect of the investment that caught the attention of this Office is that, **while investors are enticed by guaranteed income, they cannot withdraw their income when they so desire. For them to be allowed to withdraw their income, they must recruit new investors.**

The recruitment of new investors resembles a Ponzi scheme, that is, using funds from new investors to pay supposed profits to earlier investors. Requiring investors to actively recruit others before they can withdraw their income benefits top recruiters and early participants, while harming later participants when new investors dwindle. Promises of unusually high returns in a short time are typical of fraudulent investments, including Ponzi schemes, which rely on new money rather than real business profits to make payouts.

Third, there is expectation of profits. There is an expectation of profits from investors who anticipate a guaranteed return tied to their investments. Investors expect trading profits that are credited to their Yepbit trading platform accounts, typically about 1% to 1.5% per signal, with signals assumed around 3pm and 8pm daily. Additionally, investors receive a bonus or referral fee for every person they invite or recruit to join and invest in the FCIG-Yepbit Investment Trading Project. This is the core consideration for why the investing public is lured to invest their hard-earned money.

Fourth, profits to be derived primarily[12] from the efforts of others. The expected profits are said to come mainly from the trading skills and

[12] In the Howey Case, the source of profit was originally tied to the "sole" efforts of another party. In the 2015 SRC's IRR Rule 26.3, however, this has been qualified by using the word "primarily" to recognizes that an investment contract can still exist even if the profits come from the small amount of investor's personal effort. In other words,

efforts of Jonathan Brook, who allegedly runs the FCIG-Yepbit trading operation in Australia. It is claimed that Professor Brook manages the pooled Bitcoin trades. Investors simply await guaranteed returns and commissions that come from FCIG-Yepbit's investments, plus referral fees earned when they recruit new investors.

Furthermore, this Office also finds that the FCIG-Yepbit investment trading is financial fraud under Republic Act No. 11765 (the Financial Products and Services Consumer Protection Act, FCPA) because it involves offering unregistered securities by unlicensed individuals and/or entities who promise high investment returns sourced from the investors' own funds. This finding strengthens the case for promptly issuing the requested CDO, since financial fraud is a crime under the FCPA.

All told, this Office is firmly convinced, based on substantial evidence, that FCIG, an unregistered entity, together with its agents and/or solicitors who lack the requisite license or authority to sell or offer securities, and its unregistered FCIG-YEPBIT Investment Trading Project, are engaged in unauthorized investment activity which resembles a Ponzi Scheme that must be immediately restrained. Any delay in halting these activities would only result in further harm to the public, whom the Commission is duty-bound to protect[13].

WHEREFORE, premises considered, **FIDELITY CAPITAL INVESTMENT GROUP and YEPBIT EXCHANGE PTY LIMITED, together with its agents, brokers, representatives, recruiters and/solicitors, namely LARRY DIZON, JENIE DIZON, VINCE DIZON, CHRISTELLE MACALLING-CABALONGA, DHOMGERALD MACALLING HIDALGO, CHARIBEL MACALLING, and all persons representing, acting claiming and/or operating in their behalf**, are hereby ordered to **IMMEDIATELY CEASE AND DESIST** from further engaging in activities of selling and/or offering for sale of unregistered securities in the form of investment contracts and/or other activities/transaction relative thereto, until the requisite registration and registration statements are duly filed with and approved by the Commission, and the corresponding license and/or permit to offer/sell securities are issued."

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profits do not have to be entirely dependent on others; limited investor effort can still be considered in a valid investment contract.

[13] G.R. No. 210316, 28 November 216.

Finally, this Office hereby **PROHIBITS FIDELITY CAPITAL INVESTMENT GROUP and YEPBIT EXCHANGE PTY LIMITED, together with its agents, brokers, representatives, recruiters and/solicitors, namely LARRY DIZON, JENIE DIZON, VINCE DIZON, CHRISTELLE MACALLING-CABALONGA, DHOMGERALD MACALLING HIDALGO, CHARIBEL MACALLING, and all persons representing, acting claiming and/or operating in their behalf** from transacting any and all business involving fund in its depository banks, and from transferring, disposing, or conveying in any other manner, any and all assets, properties, real or personal, including bank deposits, if any, of which the named persons herein may have any interest, claim or participation whatsoever, whether directly or indirectly, under their custody, immediately to forestall grave damage and prejudice to all concerned and to ensure the preservation of the assets for the benefit of the investors without authority from the Commission.

Let a copy of this Order be furnished to the Company Registration and Monitoring Department, Markets and Securities Regulation Department, Corporate Governance and Finance Department, and the Information and Communication Technology Department of the Commission, the Bangko Sentral ng Pilipinas, the Department of Trade and Industry, the National Privacy Commission, the Department of Information and Communications Technology, Philippine National Police, Armed Forces of the Philippines, National Bureau of Investigation, Department of Education, the relevant local government unit(s) and in all the Regions for their information and appropriate action.

In accordance with the provision of Section 64.3 of the SRC and Part II, Rule IV, Section 4-3 of the 2016 of the Securities and Exchange Commission, the Respondents may file a verified Motion to Lift the CDO to Commission En Banc through the Office of the General Counsel, within five (5) days from receipt of this Order.

FAIL NOT UNDER PENALTY OF LAW.

SO ORDERED.

02 February 2026

City of Ilagan, Isabela, Philippines.

ATTY. LEONARD P.PUA
OIC-Director