

2007 BCSECCOM 473

Notice of Hearing

**Henry Jung, David John Allen
and Reginald Clarke Handford**

Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 The Commission will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against the Respondents under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Background

1. Henry Jung is a chartered accountant. He is not registered under the Act.
2. From about July 2001 onward, Jung was or acted as the General Manager and was one of the five highest paid employees of Bright Star Ventures Ltd. (BSV), and therefore, a senior officer of BSV. Jung was also a *de facto* director of BSV from that time because he occupied a similar position and performed similar functions to a director.
3. David John Allen was a director of BSV from August 31, 2001 onward. He became the President of BSV in July, 2003.
4. Reginald Clarke Handford was the President and a director of BSV between August 9, 2001 and July 9, 2003.
5. BSV, dissolved in January 2007, was a British Columbia (BC) company with its office in Vancouver, and a reporting issuer under the Act.
6. BSV's common shares were listed for trading on the Vancouver Stock Exchange, the Canadian Venture Exchange, and then the TSX Venture Exchange (TSXV). In March 2004, the TSXV suspended BSV's shares from trading, delisting them in April 2006.

Misconduct

Jung failed to file insider reports

7. As a senior officer and director, Jung was an insider of BSV.
8. From July 2001 to March 2004, Jung acquired about 3,126,000 shares of BSV and disposed of about 2,574,833 shares of BSV in 781 transactions (the BSV Transactions) through accounts at multiple dealers, held in his name or in the name of corporations he owned and/or controlled.

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9. Jung failed to file insider reports for the BSV Transactions contrary to section 87 of the Act.

Jung participated in an illegal distribution

10. In February and March of 2002, BSV issued three debentures ostensibly to Ontario companies: Preston Beach Club Ltd., CGC Financial Services Ltd., and Dagmar Holdings Ltd. (the Company Debentures).
11. Between about February 2002 and June 2003, the Company Debentures were divided into smaller debentures, purchased by approximately 127 investors using funds from their locked-in retirement savings plans, for proceeds of about \$3,400,000 (the LIRA Debentures).
12. The Company and LIRA Debentures (the Debentures) were part of the same distribution, for which no prospectus was filed.
13. Jung traded in the Debentures without being registered and distributed the Debentures without a prospectus, contrary to sections 34(1)(a) and 61(1) of the Act.

Allen and Handford are responsible for misleading BSV quarterly reports

14. Allen and Handford signed quarterly reports for BSV dated 2002 and 2003. These reports included a list of directors and officers of BSV, but omitted Jung from the list. This omission was false or misleading as Jung was then both an officer and acting as a director. Accordingly, Allen and Handford made statements or provided information under the Act or regulations, contrary to section 168.1(1)(b) of the Act.

Hearing Process

- ¶ 2 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 3 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on Wednesday, September 5, 2007, at 9:00 am if they wish to be heard before the Commission sets a date for the Hearing.

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- ¶ 4 If the Respondents or their counsel do not appear at the Hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
- ¶ 5 August 2, 2007
- Brenda Leong
- ¶ 6 Brenda M. Leong
Executive Director