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News Release

BCSC orders B.C. man to pay \$500,000 for illegally distributing securities

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Vancouver – A British Columbia Securities Commission (BCSC) panel [has ordered](#) a B.C. man to pay a \$500,000 administrative penalty and has banned him from various market activities after finding that he and two Richmond-based companies illegally distributed securities.

The panel also banned both companies – Pegasus Pharmaceuticals Group Inc. and Careseng Cancer Institute Inc. – from trading in or purchasing any securities or derivatives, and from engaging in promotional activities. Pegasus was banned for 10 years and Careseng for eight years.

Winter Huang (also known as Dong Huang) was the president and director of Pegasus, which according to its promotional materials is a high-tech biopharmaceutical company. He was also the director of Careseng, which shared an office with Pegasus; according to the BCSC Executive Director, Careseng has since been dissolved.

Between 2010 and 2012, Pegasus distributed more than 1,400 bonds totaling approximately US\$45 million to investors in Taiwan. During that time, Careseng guaranteed repayment of the principal of 447 bonds, totaling approximately US\$12.8 million.

The securities were all issued without a prospectus, a formal document that explains the details of an investment and the risks involved. Neither the companies nor the investors qualified for an exemption from the prospectus requirement under the *Securities Act*. As a result, Huang, Pegasus and Careseng illegally distributed securities.

Huang must resign any position he holds as a director or officer of an issuer or registrant, and is prohibited for at least 10 years from:

- trading in or purchasing any securities or derivatives, except that he may trade and purchase securities or derivatives for his own account
- becoming or acting as a director or officer of any issuer or registrant
- becoming or acting as a registrant or promoter
- advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives markets, and
- engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another

person that is reasonably expected to benefit from the promotional activity.

Huang will remain banned from those activities until he pays the administrative penalty.

About the British Columbia Securities Commission (www.bcsc.bc.ca)

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the administration of the *Securities Act*. Our mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

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