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**BCSC panel finds that B.C. man and Richmond companies illegally distributed securities**

**Vancouver** – A British Columbia Securities Commission (BCSC) panel has found that a B.C. man and two Richmond-based companies illegally distributed securities.

Winter Huang (also known as Dong Huang) was the president and director of Pegasus Pharmaceuticals Group Inc., which according to its promotional materials is a high-tech biopharmaceutical company. He was also the director of Careseng Cancer Institute Inc., a former company that shared an office with Pegasus.

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 panel found that by providing guarantees, Careseng had participated in the distribution of those 447 bonds.

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, the panel concluded that Huang, Pegasus and Careseng illegally distributed securities.

The panel found that the BCSC’s Executive Director failed to prove allegations, outlined in a 2018 [Amended Notice of Hearing](https://www.bcsc.bc.ca/-/media/PWS/Resources/Enforcement/Notices_of_Hearing_and_Temporary_Orders/2018/2018-BCSECCOM-326.pdf), that Huang and Pegasus committed fraud. The panel dismissed those allegations.

The panel will consider imposing sanctions on Huang, Pegasus and Careseng for illegal distribution after considering submissions from BCSC staff and the respondents.

**About the British Columbia Securities Commission (**[**www.bcsc.bc.ca**](http://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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