



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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**IN THE MATTER OF  
VICKY DANCHO (also known as JU HUANG)**

**STATEMENT OF ALLEGATIONS  
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) allege:

**I. OVERVIEW**

1. On February 16, 2017, Vicky Dancho (also known as Ju Huang) (**Dancho** or the **Respondent**) entered into a Settlement Agreement (the **Settlement Agreement**) with the British Columbia Securities Commission (the **BCSC**).
2. Dancho is subject to an order made by the BCSC dated February 16, 2017 (the **BCSC Order**) that imposes sanctions, conditions, restrictions or requirements upon her.
3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the BCSC Order, pursuant to paragraphs 4 and 5 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5 (the “Act”).

**II. THE BCSC PROCEEDINGS**

**Agreed Statement of Facts**

4. In the Settlement Agreement, Dancho agreed with the following facts:

*Background*

5. At the time of the BCSC proceedings, Dancho was a resident of British Columbia.

6. Dancho has never been registered under the British Columbia *Securities Act*, RSBC 1996 c 418 (the **BC Act**) in any capacity.
7. Between April 2008 and August 2012 (the **Relevant Period**), Dancho was a director of Careseng Cancer Institute Inc. (**Careseng Cancer**), a British Columbia company. Dancho's role as a director of Careseng Cancer was limited to the conduct described below.

#### *Misconduct*

8. During the Relevant Period, Pegasus Pharmaceuticals Group Inc. (**Pegasus**), a British Columbia company, raised money from investors in Taiwan by issuing Pegasus bonds. Each bond consisted of an investment certificate and a promissory note.
9. Approximately 800 of these promissory notes stated that Careseng Cancer guaranteed repayment of principal at maturity. Dancho signed these promissory notes as a director of the guarantor, Careseng Cancer.
10. Approximately \$22.9 million of these promissory notes were for investments to which no exemptions applied.
11. Dancho did not control Careseng Cancer or Pegasus and took no active role in the business or affairs of Careseng Cancer.
12. Dancho contravened section 61 of the BC Act by performing acts in furtherance of trades in Pegasus bonds, for which no exemptions applied.

#### *Public Interest*

13. Dancho's conduct described in the Settlement Agreement is contrary to the public interest.

#### *Undertaking*

14. Pursuant to the Settlement Agreement, Dancho agreed to pay \$70,000 to the BCSC in settlement of the BCSC proceedings.

### **The BCSC Order**

15. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements upon Dancho:
- i. under section 161(1)(b)(ii) of the BC Act, Dancho permanently cease trading in any securities, except that she may trade securities through one account in her own name through a registrant if she first provides a copy of the BCSC Order to the registrant;
  - ii. under section 161(1)(d)(ii) of the BC Act, Dancho is permanently prohibited from becoming or acting as a director or officer of any issuer or registrant;
  - iii. under section 161(1)(d)(iii) of the BC Act, Dancho is permanently prohibited from becoming or acting as a registrant or promoter; and
  - iv. under section 161(1)(d)(iv) of the BC Act, Dancho is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market.

### **Consent to Regulatory Orders**

16. Dancho consents to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the Orders set out in paragraph 2 of the Settlement Agreement.

### **III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION**

17. The Respondent is subject to an order of the BCSC that imposes sanctions, conditions, restrictions or requirements upon her.
18. Pursuant to paragraphs 4 and 5, respectively, of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company, or an agreement with a securities regulatory

authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that a person or company is to be made subject to sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act.

19. Staff allege that it is in the public interest to make an order against the Respondent.
20. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

**DATED** at Toronto, this 23<sup>rd</sup> day of October, 2017.