



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,  
R.S.O. 1990, c. S.5, AS AMENDED**

**- and -**

**IN THE MATTER OF  
WON SANG SHEN CHO, also known as CRAIG CHO,  
doing business as CHOSEN MEDIA and GROOPS MEDIA**

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

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

**I. OVERVIEW**

1. Won Sang Shen Cho (“Cho”), Chosen Media and Groops Media (together, the “Respondents”) are subject to an order made by the British Columbia Securities Commission (“BCSC”) dated October 22, 2013 (the “BCSC Order”) that imposes sanctions, conditions, restrictions or requirements upon them.
2. In its findings on liability dated August 1, 2013 (the “Findings”), a panel of the BCSC (the “BCSC Panel”) found that the Respondents engaged in an illegal distribution of securities. The BCSC Panel further found that Cho made misrepresentations with the intention of trading in securities, and that Cho and Chosen Media perpetrated a fraud.
3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the BCSC Order, pursuant to paragraph 4 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).

4. The conduct for which the Respondents were sanctioned took place between January 2011 and February 2012 (the “Material Time”).
5. During the Material Time, Cho was a resident of British Columbia. Cho conducted businesses as a sole proprietor, under names that included Chosen Media and Groops Media.

## **II. THE BCSC PROCEEDINGS**

### **The BCSC Findings**

6. In its Findings, the BCSC Panel found the following:
  - a. the Respondents engaged in an illegal distribution of securities, contrary to section 61(1) of the British Columbia *Securities Act*, RSBC 1996, c. 418 (the “BC Act”);
  - b. Cho made misrepresentations with the intention of trading in securities, contrary to section 50(1)(d) of the BC Act; and
  - c. that Cho and Chosen Media perpetrated a fraud, contrary to section 57(b) of the BC Act.

### **The BCSC Order**

7. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements:
  - a. upon Cho, Chosen Media and Groops Media:
    - i. pursuant to section 161(1)(b) of the BC Act, that Cho, Chosen Media and Groops Media cease trading in, and are prohibited from purchasing, all securities permanently;

- ii. pursuant to section 161(1)(d)(v) of the BC Act, that Cho, Chosen Media and Groops Media are permanently prohibited from engaging in investor relations activities;
- b. upon Cho:
- i. pursuant to sections 161(1)(d)(i) and (ii) of the BC Act, that Cho resign any position he holds as, and is permanently prohibited from becoming or acting as, a director or officer of any issuer or registrant;
  - ii. pursuant to section 161(1)(d)(iv) of the BC Act, that Cho is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
  - iii. pursuant to section 161(1)(g) of the BC Act, that Cho pay to the BCSC \$20,569, being the outstanding amount obtained, directly or indirectly, as a result of contraventions of the BC Act; and
  - iv. pursuant to section 162 of the BC Act, that Cho pay to the BCSC an administrative penalty of \$200,000.

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

- 8. The Respondents are subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements upon them.
- 9. Pursuant to paragraph 4 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 may form the basis for an order in the public interest made under subsection 127(1) of the Act.
- 10. Staff allege that it is in the public interest to make an order against the Respondents.

11. 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.
12. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the *Ontario Securities Commission Rules of Procedure*.

**DATED** at Toronto, this 23<sup>rd</sup> day of April, 2014.