



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen ouest
Toronto ON M5H 3S8

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

-and-

**IN THE MATTER OF
TEODOSIO VINCENT PANGIA**

**ORDER
Sections 127 and 127.1**

WHEREAS on February 25, 2009, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5 as amended (the “Act”), accompanied by Staff’s Statement of Allegations, in relation to Teodosio Vincent Pangia (the “Respondent”);

AND WHEREAS on May 29, 2009, the Commission issued a Notice of Hearing and an Amended Statement of Allegations pursuant to sections 127 and 127.1 of the Act in relation to the Respondent;

AND WHEREAS the Respondent entered into a Settlement Agreement with Staff of the Commission dated February 22, 2010 (the “Settlement Agreement”) in which he agreed to a settlement of the proceedings commenced by the Notice of Hearing dated February 25, 2009, as amended May 29, 2009, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and Statement of Allegations, and upon hearing submissions from counsel for Staff and counsel for the Respondent;

AND WHEREAS the Respondent acknowledges that the facts set out in Part III of the Settlement Agreement constituted conduct contrary to the public interest under the Act;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that the Settlement Agreement, appended hereto as Schedule “A”, is approved.

DATED AT TORONTO this 8th day of April, 2010.

“Patrick J. LeSage”

“Carol S. Perry”

Patrick J. LeSage

Carol S. Perry

SCHEDULE "A"

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

-AND-

**IN THE MATTER OF
TEODOSIO VINCENT PANGIA**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of Teodosio Vincent Pangia (the "Respondent").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by Notice of Hearing dated February 25, 2009, as amended by Notice of Hearing dated May 29, 2009 (the "Proceeding") against the Respondent according to the terms and conditions set out in Part V of this Settlement Agreement. The Respondent agrees to the making of an order in the form attached as Schedule "A", based on the facts set out below.

PART III – AGREED FACTS

3. For this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement.

4. The Respondent is a resident of Burlington, Ontario.
5. The Respondent has not been registered to trade securities in Ontario since 1989.
6. On December 16, 2003, the Ontario Securities Commission permanently banned the Respondent from trading in securities, using any exemptions contained in Ontario securities law, and becoming or acting as a director and/or officer of any issuer, and he was prohibited from applying for registration in any capacity under Ontario securities law.
7. Transdermal Corp is a cosmetics and skin care business incorporated in the State of Nevada. Its shares did not trade on any exchange as at December 2008.
8. The Respondent was not an officer or director of Transdermal. During 2008, he was in a common law relationship with a director and co-founder of Transdermal.
9. In 2008, the Respondent provided services to Transdermal as a consultant. In that capacity, he assisted in writing Transdermal's business plan, and in the creation of its website. The Respondent is also a shareholder of Transdermal.
10. On December 1, 2008, the Respondent attended a meeting of Transdermal directors and their spouses in Windsor, Ontario. The agenda circulated in advance indicated that the purpose of the meeting was to discuss product marketing strategy.
11. K. and Q. were invited to attend the meeting by the brother of one of the directors, S. Q. owned a gym and spa and K. was his business partner. Unbeknownst to the Respondent, Q. was interested in investing in Transdermal.
12. In advance of the meeting, Q. had received from S. a copy of the business plan that the Respondent had assisted in drafting.
13. The business plan described the company, its products, the market for its products, the management team, and its financial plan and cash flow forecast. It did not include a subscription agreement or invite a subscription for shares. The

business plan stated that the company initially required \$1,000,000 “in order to execute its vision”, and that the company would raise those funds through private placements in accordance with U.S. securities law.

14. After the arrival of K. and Q. at the meeting, the Respondent had discussions with them about the business plan.
15. The Respondent spoke to K. and Q. about the company, its products, its prospects and its capital needs.
16. During the meeting, Q. stated that he was interested in investing in Transdermal and might want to invest \$1,000,000.
17. However, no monies changed hands. No term sheets or subscription documents were offered to K. and Q. and none were promised, and there was no discussion between the Respondent and K. and Q. about the mechanics of payment for any shares.
18. At the end of the meeting, the Respondent gave his name and contact information to K. and Q. in response to K.’s request for it.
19. The Respondent had no dealings with K. and Q. either before or after the meeting.
20. No shares in Transdermal were ultimately purchased by K. or Q.
21. The Respondent did not intend to breach the Act.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

22. The Respondent admits that his conduct as described above was not in the public interest.

PART V – TERMS OF SETTLEMENT

23. The Respondent agrees to the terms of settlement listed below.

24. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act:
- (a) approving the settlement agreement;
 - (b) that trading in any securities by the Respondent cease permanently;
 - (c) that any exemptions contained in Ontario securities law do not apply to the Respondent permanently;
 - (d) that the Respondent be reprimanded;
 - (e) that the Respondent resign as director and officer of any issuer;
 - (f) that the Respondent be prohibited from becoming or acting as a director or officer of any issuer, registrant and/or investment fund manager permanently; and
 - (g) that the Respondent pay an administrative penalty of \$15,000, to be allocated under s. 3.4(2)(b) of the *Act* to or for the benefit of third parties.
25. The Respondent agrees to personally make any payments ordered above by certified cheque when the Commission approves this Settlement Agreement. The Respondent will not be reimbursed for, or receive a contribution toward, this payment from any other person or company.
26. The Respondent undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 24(b) to 24(f) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

PART VI – STAFF COMMITMENT

27. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 28 below.
28. If the Commission approves this Settlement Agreement and at any subsequent time the Respondent fails to comply with any of the terms of the Settlement Agreement set out in Part V above, Staff may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

29. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.
30. Staff and the Respondent agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondent's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.
31. If the Commission approves this Settlement Agreement, the Respondent agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
32. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.
33. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the

negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

34. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:
- i. this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the settlement hearing takes place will be without prejudice to Staff and the Respondent; and
 - ii. Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.
35. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

36. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

37. A fax copy of any signature will be treated as an original signature.

Dated this 22nd day of February, 2010.

STAFF OF THE ONTARIO SECURITIES COMMISSION

“Tom Atkinson”
Tom Atkinson
Director, Enforcement Branch

TEODOSIO VINCENT PANGIA

“Teodosio Pangia”
Teodosio Vincent Pangia

“Witness”
Witness

SCHEDULE "A"



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IT IS HEREBY ORDERED that the Settlement Agreement is approved.

DATED AT TORONTO this day of , 2010.
