

IN THE MATTER OF THE SECURITIES ACT,
SNB 2004, c. S-5.5, as amended

AND

IN THE MATTER OF

LOCATE TECHNOLOGIES INC., TUBTRON CONTROLS CORP.,
BRADLEY CORPORATE SERVICES LTD., 706166 ALBERTA LTD.,
LORNE DREVER, HARRY NILES, MICHAEL CODY AND
DONALD NASON

(Respondents)

FILED WITH/DÉPOSÉ AVEC
the Secretary to the Commission
le secrétaire de la Commission

AUG 15 2008

3500-03-L3

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NBSC/CVMNB

SETTLEMENT AGREEMENT

(with respect to the respondents Locate Technologies Inc., Tubtron Controls Corp., 706166 Alberta Ltd., and Lorne Drever)

Part I

1. STAFF TO RECOMMEND SETTLEMENT

Staff of the New Brunswick Securities Commission ("Staff") agree to recommend approval of settlement of this matter with respect to the respondents Locate Technologies Inc., Tubtron Controls Corp., 706166 Alberta Ltd., and Lorne Drever (herein collectively referred to as "the respondents"), to a panel of the New Brunswick Securities Commission pursuant to section 191(1)(a) of the *Securities Act*, in accordance with the following terms and conditions:

- a. The respondents Locate Technologies Inc., Tubtron Controls Corp., 706166 Alberta Ltd., and Lorne Drever agree to the Statement of Facts set out in Part II hereof, and consent to the making of an order on the basis of those facts, as set out in Schedule "A"; and
- b. The terms of any settlement will become public information only if, and when, the settlement is approved by the Commission.

2. RESPONDENTS' OBLIGATIONS IF SETTLEMENT APPROVED

If the Settlement Agreement is approved, the respondents undertake and agree as follows:

- a. Not to make any statement, either directly or through any of its counsel, representatives, partners, associates or agents, which is inconsistent with the

Agreed Statement of Facts herein. Any such statement shall constitute a breach of this Settlement Agreement;

- b. That, other than to effect the obligations under section 5 of this Settlement Agreement, where applicable, and pursuant to the Order as set out in Schedule "A":
- i. Pursuant to section 184(1)(c) of the *Securities Act*, the respondent Lorne Drever shall be permanently barred from trading in any securities;
 - ii. Pursuant to section 184(1)(i) of the *Securities Act*, the respondent Lorne Drever shall be permanently barred from becoming, acting or continuing to act as a director or officer of any issuer engaging in securities related activities in New Brunswick;
 - iii. Pursuant to section 186(1) of the *Securities Act*, the respondent Lorne Drever shall pay an administrative penalty in the amount of one hundred thousand dollars (\$100,000.00);
 - iv. Pursuant to section 184(1)(c) of the *Securities Act*, the respondent Locate Technologies Inc. shall be permanently barred from issuing any securities to residents of New Brunswick;
 - v. Pursuant to section 184(1)(d) of the *Securities Act*, the respondent Locate Technologies Inc. shall be permanently barred from the use of any exemptions available under New Brunswick securities laws;
 - vi. Pursuant to section 184(1)(f)(j) and 184(2) of the *Securities Act*, the respondent Locate Technologies Inc. shall offer a right of rescission and comply with any requests for rescission and refund, in accordance with section 5 of this Settlement Agreement;
 - vii. Pursuant to section 186(1) of the *Securities Act*, The respondent Locate Technologies Inc. shall pay an administrative penalty in the amount of sixty thousand dollars (\$60,000.00);
 - viii. Pursuant to section 184(1)(c) of the *Securities Act*, the respondent Tubtron Controls Corp. shall be permanently barred from issuing any securities to residents of New Brunswick;
 - ix. Pursuant to section 184(1)(d) of the *Securities Act*, the respondent Tubtron Controls Corp. shall be permanently barred from the use of any exemptions available under New Brunswick securities laws;
 - x. Pursuant to section 184(1)(f)(j) and 184(2) of the *Securities Act*, the respondent Tubtron Controls Corp. shall offer a right of rescission and comply with any requests for rescission and refund, in accordance with section 5 of this Settlement Agreement;
 - xi. Pursuant to section 186(1) of the *Securities Act*, the respondent Tubtron Controls Corp. shall pay an administrative penalty in the amount of forty thousand dollars (\$40,000.00)
 - xii. Pursuant to section 184(1)(c) of the *Securities Act*, the respondent 706166 Alberta Ltd. shall be permanently barred from issuing any securities to residents of New Brunswick;
 - xiii. Pursuant to section 184(1)(d) of the *Securities Act*, the respondent 706166 Alberta Ltd. shall be permanently barred from the use of any exemptions

available under New Brunswick securities laws;

- xiv. Pursuant to section 185(1) of the *Securities Act*, All respondents shall, jointly and severally, pay costs of the investigation in the amount of twenty five thousand dollars (\$25,000).

3. PROCEDURE FOR APPROVAL OF SETTLEMENT

- a. Upon execution of the Settlement Agreement by Staff and by the respondents, Staff will apply to the Commission for an order approving the Settlement Agreement.
- b. Immediately after execution of the Settlement Agreement and in any event prior to the hearing to seek approval of the Settlement Agreement, the respondents will provide the aggregate sum of two hundred and twenty five thousand dollars (\$225,000.00) to the Commission in escrow. If the Settlement Agreement is approved, these funds will immediately become the property of, and be retained by the Commission. If the Settlement Agreement is not approved, these funds will be returned to the respondents.
- c. If the Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence submitted respecting the respondents in this matter.
- d. If the Settlement Agreement is approved by the Commission, the respondents agree to waive any right to a hearing and/or appeal with respect to this matter.
- e. If, for any reason whatsoever, this settlement is not approved by the Commission and the order set forth in Schedule "A" is not made by the Commission:
 - i. Staff and the respondents will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing, unaffected by the Settlement Agreement or any of the settlement negotiations;
 - ii. The terms of this agreement will not be referred to in any subsequent proceeding or disclosed to any person, except with the written consent of both Staff and the respondents or as may be required by law; and
 - iii. The respondents further agree that they will not raise, in any proceeding, the Settlement Agreement or the negotiation or process of approval thereof, as a basis for any attack on the jurisdiction of the Commission.

4. DISCLOSURE OF SETTLEMENT AGREEMENT

- a. The terms of the Settlement Agreement will be treated as confidential by the parties hereto until approved by the Commission and forever if, for any reason, the Settlement Agreement is not approved by the Commission; and
- b. Upon the approval of the Settlement Agreement by the Commission, any

obligation as to confidentiality shall terminate and the Settlement Agreement will become public information.

5. PROCEDURE FOR EFFECTING OFFER OF RESCISSION

- a. Upon the approval of the Settlement Agreement by the Commission, the respondents Locate Technologies Inc. and Tubtron Controls Corp. shall seek the expedient preparation of a Disclosure Document and an Offer of Rescission and Refund for each of Locate Technologies Inc. and Tubtron Controls Corp, satisfactory to Staff of the Regulatory Affairs Division of the Commission.
- b. The Disclosure Document shall:
 - i. Use plain language and be easy to read and understand;
 - ii. Include correct audited financial statements for the years 2004, 2005, 2006 and 2007 for Locate Technologies Inc. and correct audited financial statements for the year 2007 for Tubtron Controls Corp.;
 - iii. Comply with the requirements of an Offering Memorandum as set out in Form 45-106F2, effective 31 December 2007;
 - iv. Include a copy of this Settlement Agreement and resulting Order;
 - v. Include a sworn attestation by Lorne Drever that it does not contain any misrepresentation.
- c. The Offer of Rescission and Refund shall:
 - i. Clearly state that the recipient is entitled to receive a refund of funds provided for investment in Locate Technologies Inc. and/or Tubtron Controls Corp., as applicable, which were not the subject of a previous offer of rescission;
 - ii. Clearly state that the recipient should carefully and thoroughly review the Disclosure Document and consult with a financial advisor, lawyer or accountant if the recipient has any questions;
 - iii. Clearly state that if the recipient wishes to receive a refund, he or she must actively reply to the Offer of Rescission and Refund and indicate that the recipient seeks a refund, within 60 days from the date the Disclosure Document is sent out;
 - iv. Clearly outline the process and deadline for responding to the Offer of Rescission and Refund.
- d. Upon the approval of the Disclosure Document and Offer of Rescission and Refund by the Regulatory Affairs Division of the Commission, the law firm of Stewart McKelvey Stirling Scales, counsel to the respondents, shall deliver, by registered

mail with signature confirmation required, a copy of the Disclosure Document and Offer of Rescission and Refund to all persons set out in Schedule "B" to this Settlement Agreement, being two lists of every New Brunswick resident who has provided funds, or additional funds, to Locate Technologies Inc., Tubtron Controls Corp., or 706166 Alberta Ltd., for the purpose of investing in either Locate Technologies Inc. or Tubtron Controls Corp., other than those New Brunswick residents who were previously offered rescission under an agreement with Commission staff or the Administrator of the Securities Branch and have not subsequently provided further funds.

- e. Within thirty (30) days after expiry of the deadline for reply to the Offer of Rescission and Refund, the respondents shall provide the law firm of Stewart McKelvey Stirling Scales with sufficient funds to satisfy all replies to the Offer of Rescission and Refund requiring a refund.
- f. Within thirty (30) days after expiry of the deadline for reply to the Offer of Rescission and Refund, any person who has expressed the wish to retain their intended investment in either Locate Technologies Inc. or Tubtron Controls Corp. or has not requested a refund, shall be issued proper share certificate(s) if not previously provided. In the case of Locate Technologies Inc. such share issues shall be non-dilutive and may, in whole or in part, be transferred from the share holdings of 706166 Alberta Ltd.

6. BREACH OF SETTLEMENT AGREEMENT

- a. If any of the respondents breach or fail to comply with any term of this Settlement Agreement, for any reason, then the provisions of section 7 (Staff Commitment) of this agreement shall be inapplicable, of no force and effect, fully revoked and deemed severed from this Settlement Agreement.
- b. In the event of a breach or failure to comply, Staff may, upon fourteen (14) business days written notice to the respondents at the addresses set out in the Agreed Statement of Facts, commence proceedings against any or all of the parties to this Settlement Agreement with respect to any of the facts giving rise to the Statement of Allegations being the subject of this Settlement Agreement and any additional facts relating thereto and seek any order available under the *Securities Act*, including an order for administrative penalties and costs (subject to set off for any amounts paid under this Settlement Agreement).
- c. For the purpose of any such proceeding, the respondents agree to toll any applicable statute of limitations for any violation of the *Securities Act* alleged in the Statements of Allegations previously filed in this matter, or otherwise relating to conduct during the period from 1 July 2004 to the date of execution of this agreement.

7. STAFF COMMITMENT

If this settlement is approved by the Commission, Staff will not initiate any other proceeding under

the Act against the respondents in relation to the facts set out in Part II of this Settlement Agreement.

8. INDEPENDENT LEGAL ADVICE

The respondents acknowledge having received full and proper independent legal advice with respect to their entry into this Settlement Agreement.

9. EXECUTION OF SETTLEMENT AGREEMENT

The Settlement Agreement shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original.

DATED at the City of Saint John this 13 day of August, 2008.

[Redacted Signature]

Jake van der Laan
Director - Enforcement NBSC

DATED at the City of

this 14 day of August, 2008.

[Redacted Signature]

Lorne Drever

[Redacted Signature]

Witness:

DATED at the City of

this 14 day of August, 2008.

[Redacted Signature]

Locate Technologies, per

[Redacted Signature]

Witness:

DATED at the City of

this 14 day of August, 2008.

[Redacted Signature]

Tuition Centre Corp., per

[Redacted Signature]

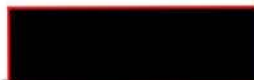
Witness:

DATED at the City of

this 14 day of August, 2008.



706168 Alberta Ltd., per



Witness:

Handwritten initials or signature in the bottom right corner.

Part II
STATEMENT OF FACTS

1. Locate Technologies Inc. (Locate) is a corporation incorporated in accordance with the laws of the Province of Alberta on 23 May 2000, and has an office at 3124 Parsons Road, Edmonton, Alberta.
2. Tubtron Controls Corp. (Tubtron) is a corporation incorporated in accordance with the laws of the Province of Alberta on 10 April 1997, and has an office at 3124 Parsons Road, Edmonton, Alberta.
3. 706166 Alberta Ltd, (706166) is a corporation incorporated in accordance with the laws of the Province of Alberta on 15 August 1996, and has an office at 10403 - 122 Street, Edmonton, Alberta, T5N 4C1.
4. 706166 is wholly owned by Lorne Drever. 706166 owns in excess of 33% of the shares of Locate and in excess of 25% of the shares of Tubtron.
5. Lorne Drever (Drever) is the President and sole director of Locate, Tubtron and 706166 and resides at [REDACTED], Edmonton, Alberta.
6. None of Locate, Tubtron, 706166, or Drever, have ever been registered with the New Brunswick Securities Commission or the (predecessor) Administrator of the Securities Branch of the Department of Justice, to trade in securities.
7. None of Locate, Tubtron, or 706166 have ever filed, sought to file, or obtained a receipt for a prospectus with the New Brunswick Securities Commission or the (predecessor) Administrator of the Securities Branch of the Department of Justice.
8. Between 5 December 2000 and 5 November 2001 Locate raised at least \$320,000 from at least 42 New Brunswick investors, without having filed a prospectus or having sought registration under the then applicable legislation, the *Security Frauds Prevention Act*, R.S.N.B. 1973 (SFPA).
9. At the time there were no statutory exemptions from the registration or prospectus filing requirements in New Brunswick. The SFPA did permit discretionary relief from these requirements upon application to the Administrator of the Securities Branch but no such relief had been sought or otherwise granted to Locate.
10. In early November 2001, Staff of the Securities Branch contacted Locate and advised them that their activities were not compliant with the applicable legislation.
11. On 8 November 2001, Drever undertook to the Deputy Administrator, Enforcement and Compliance, of the Securities Branch, to "not engage in the "trading" (as defined in s. 1 of the *Security Frauds Prevention Act*, R.S.N.B. 1973 (SFPA) and s. 3 of the Regulation 84-128 under the *Security Frauds Prevention Act*) of securities of Locate Technologies from the present until November 29th, 2001".
12. On 3 April 2002, Drever represented and undertook to the Deputy Administrator, Enforcement and Compliance, that:

- a. he had not engaged in "trading" (as defined in s. 1 of the SFPA and s. 3 of the Regulation 84-128 under the *Security Frauds Prevention Act*) of securities of Locate Technologies from 29 November 2001 to 3 April 2002;
 - b. He had not authorized nor was he aware of any individual who had engaged in the trading of securities of Locate since 7 November 2001; and
 - c. He would not engage in the trading of securities of Locate until such time as authorized to do so by the Administrator, or upon the issuance of a certificate upon the filing of a prospectus, whichever event shall occur first.
13. Unknown to the Securities Branch, between 8 November 2001 and 3 April 2002, shares of Locate were sold to New Brunswick residents on at least twenty two separate occasions.
14. On 5 April 2002, Staff of the Securities Branch advised Drever's solicitor that it had become aware of one New Brunswick resident, B.W., who had subscribed for Locate shares after 7 November 2001.
15. On 9 April 2002 Drever swore an affidavit in which he attested that:
- a. "I have not nor have I authorized any one on behalf of the Corporation to engage in the trading of securities of the Corporation in the Province of New Brunswick on behalf of the Corporation since November 7, 2001", which was not true.
 - b. he was not aware of B. W.'s purchase of Locate shares.
 - c. A subscription agreement and a cheque for Locate shares had been received from B. W. on 29 November 2001, and the said cheque had been deposited on 14 December 2001, without his knowledge.
 - d. the said subscription agreement and funds had been returned to B. W. on 9 April 2002.
16. On 22 April 2002, and unknown to the Securities Branch at the time, B. W. re-invested \$11,000.
17. Between 3 April 2002 and 8 August 2002, trading in Locate shares continued and shares of Locate were sold to New Brunswick residents on at least forty four separate occasions.
18. Between 3 April 2002 and 8 August 2002, shares of Tubtron were sold to New Brunswick residents on at least four separate occasions.
19. During July and August 2002, and without having disclosed their trading activity, Locate and Drever negotiated with the Securities Branch and agreed to resolve their non-compliance on the following basis:
- a. Locate agreed to offer each and every New Brunswick subscriber to Locate shares an opportunity to rescind their investment and receive a full refund of all sums paid;
 - b. Locate would unequivocally undertake that neither it, its employees or agents would trade in New Brunswick in any securities which had not been approved by the

Administrator pursuant to section 13 of the SFPA.

20. On 2 August 2002, Locate undertook in writing that "neither it, its employees or agents will trade in New Brunswick in any securities which have not been approved by the administrator pursuant to section 13 of the Security Frauds Prevention Act, S.N.B., c. S-6, as amended, and that it will not affect [sic] any such approved trades other than through a registered broker, salesman or sub-agent of a registered broker as required by the Act."
21. On 8 August 2002 and as part of the agreement, Locate, through its solicitor, provided a list of 36 New Brunswick shareholders in Locate to Staff of the Securities Branch and provided confirmation that a rescission letter had been sent to each of these shareholders.
22. This list was not a complete list of Locate shareholders and offer of rescission letters were not sent to at least 12 New Brunswick investors.
23. On 20 June 2003, Locate applied to the Administrator for an exemption from the registration and prospectus requirements of the SFPA. Locate filed an Offering Memorandum, sample Subscription Agreement, as well as financial statements of Locate in support of this application.
24. On 29 October 2003, the Administrator of the Securities Branch issued Order 2003-80191 exempting certain trades and securities issued by Locate from the application of section 5 and 13 of the SFPA, on the condition that prospective purchasers be provided with an Offering Memorandum and executed a Risk Acknowledgment form when purchasing Locate shares and that no selling or promotional expenses were or would be paid, other than to a registered dealer or broker. In addition Locate was required to file a report of exempt distribution for all share purchases in New Brunswick within 10 days from the date of distribution.
25. On 15 October 2003, Tubtron also made application to the Administrator of the Securities Branch to be exempted from the provisions of sections 5 and 13 of the SFPA. In this application, Tubtron stated that it "is proposing to sell Class A common shares pursuant to the Offering Memorandum ... The shares will only be offered to purchasers in New Brunswick upon receiving exemptive relief from the Administrator."
26. On 29 October 2003, the Administrator of the Securities Branch issued Order 2003-80183 exempting certain trades and securities issued by Tubtron from the application of section 5 and 13 of the SFPA, provided prospective purchasers were provided with an Offering Memorandum and executed a Risk Acknowledgment form when purchasing Tubtron shares and that no selling or promotional expenses were or would be paid, other than to a registered dealer or broker. In addition Tubtron was required to file a report of exempt distribution for all share purchases in New Brunswick within 10 days from the date of distribution.
27. Unknown to the Administrator at the time, shares in Tubtron had been sold to New Brunswick residents before the exemptive relief order had been granted, on at least nine separate occasions.
28. Unknown to the Administrator at the time, shares in Locate had been sold to New Brunswick residents before the exemptive relief order had been granted, on at least fifty one separate

occasions.

29. On 21 November 2003, after receiving information indicating unauthorized trading had taken place, Staff of the Securities Branch wrote to Drever and Locate and requested full particulars of all New Brunswick residents who had provided money to and/or invested in Locate.
30. On 26 November 2003, Locate filed a Form 45-104 F4 - Report of Exempt Distribution with the Administrator, with respect to a distribution of 1,218,940 shares on 14 November 2003. Most of the trades in this report had taken place before the Administrator had issued an exemption order.
31. On 28 November 2003, Drever provided a list of all New Brunswick residents from whom Locate had accepted money. This list included 17 persons not included in the list previously held out in August 2002 as the New Brunswick shareholder list.
32. On 10 December 2003, Locate filed a Form 45-104 F4 - Report of Exempt Distribution with the Administrator, with respect to a distribution of 134,953 shares on 26 November 2003. Most of the trades in this report had taken place before the Administrator had issued an exemption order.
33. On 11 February 2004, the Administrator of the Securities Branch made application to the Court of Queen's Bench to prohibit Locate, Tubtron, and Drever, among others, from further trading.
34. The Administrator's application was heard *ex parte* and an interim order was issued by the Court of Queen's Bench on 11 February 2004, prohibiting, among others, Locate, Drever, and Tubtron from trading in any security in New Brunswick.
35. On 20 February 2004, this order was extended and on 31 March 2004 Locate, Tubtron, Drever, and others, agreed to a Consent Order issued by The Court of Queen's Bench which prohibited them from trading in any security, without first obtaining from the Administrator a certificate or order that authorized trading pursuant to the SPPA.
36. Notwithstanding the orders of the Court of Queen's Bench, and unknown to the Administrator and the Commission, shares in Locate were thereafter sold to New Brunswick residents on at least fourteen separate occasions in 2004, but investors were asked to now make cheques payable to 706166 instead.
37. Notwithstanding the orders of the Court of Queen's Bench, and unknown to the Administrator and the Commission, shares in Tubtron were sold to New Brunswick residents on at least six separate occasions in 2004.
38. On 1 December 2004, Tubtron filed a form 45-103 F4 Report of Exempt Distribution with the Commission. According to this document, Tubtron had sold shares to six persons in New Brunswick and Nova Scotia on 9 November, 16 November, and 26 November 2004. This report did not include the sales to at least three New Brunswick residents.
39. Unknown to the Commission, shares in Locate were sold to New Brunswick residents on at least forty four separate occasions in 2005.

40. In July 2005, Locate, through its solicitor, contacted Staff of the Commission and sought assurance that sales of shares in compliance with the available exemptions under the new Securities Act did not constitute a violation of the Consent Order issued by the Court of Queen's Bench on 31 March 2004.
41. In September 2005, Staff of the Commission requested that Locate provide a list of "all trading activities" in the province of New Brunswick with respect to Locate and Tubtron since the Consent Order of 31 March 2004.
42. On 14 October 2005 Staff reiterated to Locate that it could not trade in light of the orders from the Court of Queen's Bench.
43. On 16 December 2005 Staff reiterated its request to Locate that the following be provided:
 - a. A list of all trading activities in NB since March 31 2004;
 - b. A list of shareholders as of March 31, 2004; and
 - c. A current list of shareholders.
44. On 9 February 2006 (and subsequently supplemented on 22 June 2006) Locate, through its solicitor, provided an incomplete shareholder list for both Locate and Tubtron, and stated that:
 - a. Tubtron had not traded any shares in New Brunswick other than those set out in the 45-103 F4 Report of Exempt Distribution filed on 1 December 2004, which was not true;
 - b. Locate had not traded in any shares in New Brunswick after 26 November 2003, which was not true; and
 - c. As of 31 March 2004, a total of 11,383,766 shares in Locate had been issued.
45. On 3 March 2006 Tubtron agreed to offer the New Brunswick investors to whom it had sold since 31 March 2004, the right to rescind their investment and get their money back.
46. Tubtron subsequently sent offers of rescission letters to only those six persons identified in the 45-106 report filed on 1 December 2004.
47. On 3 March 2006 staff reiterated to Locate and Tubtron that the Court of Queen's Bench order prohibited any trading in securities without prior express authorization or approval by the Commission.
48. Unknown to the Commission, Locate shares were sold to New Brunswick residents in 2006, on at least twelve separate occasions, through to September 2006.
49. On 28 March 2007, after having become aware that further trading activity in Locate and Tubtron had taken place, Commission staff wrote to Locate and Tubtron's counsel and requested particulars of all New Brunswick residents from whom either of these companies had received funds in exchange for shares, including those where no shares had in fact been delivered.

50. On 27 April 2007, a response was received from Drever which included a sworn affidavit attesting to the completeness of:
- a. Exhibit "A": "a complete list of all persons and corporations who are shareholders of Locate Technologies."
 - b. Exhibit "B": "a complete list of all persons and corporations from whom Locate Technologies Inc. has received subscriptions for shares that whom [sic] have not yet been issued shares of Locate Technologies Inc."
51. A similar affidavit was provided with respect to Tubtron. Both of these lists were incomplete.
52. On 15 October 2007, the Commission ordered that a proper shareholders list be produced by 1 December 2007.
53. On 29 November 2007 a further list of shareholders and subscribers was provided by Locate and Tubtron. This list indicated that there were more investors as well as additional investments by existing investors in both Locate and Tubtron, which had not been previously disclosed. This list was not complete.
54. On 12 May 2008, a further list of Locate and Tubtron investors was provided identifying additional investors. Staff has no reason to believe this list is not complete.
55. Between February 2004 and September 2006 at least \$840,000 was received by 706166 further to Locate share sales to New Brunswick residents. No share certificates were provided to New Brunswick residents with respect to these share purchases.
56. None of the funds provided to 706166 were advanced to Locate or Tubtron for share purchases. Part of these funds were instead used by Drever for personal and other expenses unrelated to the activities of Tubtron or Locate.
57. Between February 2004 and September 2006 at least \$180,000 was received by Tubtron further to Tubtron share sales to New Brunswick residents.
58. Between February 2004 and September 2006, Locate, Tubtron and 706166 paid three New Brunswick residents; Donald Nason, Michael Cody, and Harry Niles, the sums of \$77,000, \$26,800, and \$81,500 respectively, to promote and effect Locate and Tubtron share sales.

Agreement that acts constitute violations of New Brunswick securities law

59. The respondents Locate, Tubtron and Drever agree that they have repeatedly violated section 45 of the *Securities Act* by trading in securities while not registered to do so.
60. The respondents Locate, Tubtron and Drever agree that they have repeatedly violated section 71 of the *Securities Act* by trading in securities without having filed a prospectus with respect thereto.
61. The respondent 706166 Alberta Ltd agrees that it repeatedly engaged in acts in furtherance of trading in securities, while not registered to do so.

62. The respondents Locate, Tubtron and Drever agree that they have repeatedly violated the orders of the Court of Queen's Bench issued against them in February and March 2004.
63. The respondent Drever agrees that he has repeatedly made untrue and misleading statements to Staff of the Commission, contrary to section 179(2)(a) and section 58 of the Act.

Agreement that acts contrary to the public interest

64. The respondents agree that the breaches and violations of undertakings, promises, orders and the provisions of the Securities Act as set out herein, constitute acts contrary to the public interest.

Cooperation

65. Drever has cooperated with Staff's recent investigation in this matter including appearing voluntarily to be examined by staff under oath.

Schedule "A"

IN THE MATTER OF THE SECURITIES ACT,
SNB 2004, c. S-5.5, as amended

AND

IN THE MATTER OF

**LOCATE TECHNOLOGIES INC., TUBTRON CONTROLS CORP.,
BRADLEY CORPORATE SERVICES LTD., 706166 ALBERTA LTD.,
LORNE DREVER, HARRY NILES, MICHAEL CODY AND
DONALD NASON**

(Respondents)

ORDER

**(with respect to the respondents Locate Technologies Inc., Tubtron Controls Corp., 706166
Alberta Ltd., and Lorne Drever)**

WHEREAS Staff of the Commission filed a Statement of Allegations against, *inter alia*, Locate Technologies Inc., Tubtron Controls Corp., 706166 Alberta Ltd., and Lorne Drever ("the respondents") on ~.

AND WHEREAS Staff filed an Amended Statement of Allegations against the said respondents on ~.

AND WHEREAS the said respondents entered into a Settlement Agreement dated ~ August 2008 (the "Agreement") in which they agreed to a proposed settlement of violations of New Brunswick securities law as alleged in the Statement of Allegations and Amended Statement of Allegations, subject to the approval of the Commission;

AND UPON REVIEWING the said Agreement and the Agreed Statement of Facts therein;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. Pursuant to section 191(1)(a) of the Act, the Settlement Agreement entered into on ~ August 2008 with respect to the respondents, is hereby approved.
2. Other than to effect the obligations under section 5 of this Settlement Agreement:

- a. Pursuant to section 184(1)(c) of the *Securities Act*, the respondent Lorne Drever shall be permanently barred from trading in any securities;
 - b. Pursuant to section 184(1)(i) of the *Securities Act*, the respondent Lorne Drever shall be permanently barred from becoming, acting or continuing to act as a director or officer of any issuer engaging in securities related activities in New Brunswick;
3. Pursuant to section 186(1) of the *Securities Act*, the respondent Lorne Drever shall pay an administrative penalty in the amount of one hundred thousand dollars (\$100,000.00);
4. Other than to effect the obligations under section 5 of this Settlement Agreement:
 - a. Pursuant to section 184(1)(c) of the *Securities Act*, the respondent Locate Technologies Inc. shall be permanently barred from issuing any securities to residents of New Brunswick;
 - b. Pursuant to section 184(1)(d) of the *Securities Act*, the respondent Locate Technologies Inc. shall be permanently barred from the use of any exemptions available under New Brunswick securities laws;
5. Pursuant to section 184(1)(f)(j) and 184(2) of the *Securities Act*, the respondent Locate Technologies Inc. shall offer a right of rescission and comply with any requests for rescission and refund, in accordance with section 5 of this Settlement Agreement;
6. Pursuant to section 186(1) of the *Securities Act*, The respondent Locate Technologies Inc. shall pay an administrative penalty in the amount of sixty thousand dollars (\$60,000.00);
7. Other than to effect the obligations under section 5 of this Settlement Agreement:
 - a. Pursuant to section 184(1)(c) of the *Securities Act*, the respondent Tubtron Controls Corp. shall be permanently barred from issuing any securities to residents of New Brunswick;
 - b. Pursuant to section 184(1)(d) of the *Securities Act*, the respondent Tubtron Controls Corp. shall be permanently barred from the use of any exemptions available under New Brunswick securities laws;
8. Pursuant to section 184(1)(f)(j) and 184(2) of the *Securities Act*, the respondent Tubtron Controls Corp. shall offer a right of rescission and comply with any requests for rescission and refund, in accordance with section 5 of this Settlement Agreement;
9. Pursuant to section 186(1) of the *Securities Act*, the respondent Tubtron Controls Corp. shall pay an administrative penalty in the amount of forty thousand dollars (\$40,000.00);
10. Other than to effect the obligations under section 5 of this Settlement Agreement:
 - a. Pursuant to section 184(1)(c) of the *Securities Act*, the respondent 706166 Alberta Ltd. shall be permanently barred from issuing any securities to residents of New Brunswick;
 - b. Pursuant to section 184(1)(d) of the *Securities Act*, the respondent 706166 Alberta Ltd.

shall be permanently barred from the use of any exemptions available under New Brunswick securities laws;

11. Pursuant to section 185(1) of the *Securities Act*, All respondents shall, jointly and severally, pay costs of the investigation in the amount of twenty five thousand dollars (\$25,000).
12. The prior orders in this matter with respect to the respondents Locate Technologies Inc., Tubfron Controls Corp., 706166 Alberta Ltd., and Lorne Drever are vacated and replaced by this order.

DATED at the City of Saint John this day of August, 2008.

[Redacted Signature]

~, Panel Chair

[Redacted Signature]

~, Panel Member

[Redacted Signature]

~, Panel Member

New Brunswick Securities Commission
Suite 300, 85 Charlotte Street
Saint John, New Brunswick
E2L 2J2

Tel: (506) 658-3060
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Schedule "B"

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Locate NB shareholders Schedule B to SA.xls

Last Name	First Name	Address	Date Funds	\$	Currency
			31-Oct-01	\$5,000.00	CND
			21-Jun-02	\$15,000.00	CND
			28-Apr-03	\$6,000.00	CND
			5-May-03	\$4,000.00	CND
			7-May-03	\$6,000.00	CND
			5-Apr-05	\$5,000.00	CND
			1-May-03	\$5,000.00	CND
			5-Apr-05	\$5,000.00	CND
			23-Apr-02	\$10,000.00	CND
			17-Oct-03	\$5,000.00	CND
			2-Feb-06	\$13,000.00	CND
			5-Apr-05	\$10,000.00	CND
			3-May-02	\$10,000.00	CND
			10-Jun-02	\$1,000.00	CND
			21-Jun-02	\$33,000.00	CND
			19-Mar-02	\$1,500.00	CND
			2-Apr-02	\$1,500.00	CND
			22-Apr-02	\$3,500.00	CND
			20-Jun-02	\$5,000.00	CND
			14-Mar-05	\$5,000.00	CND
				\$5,000.00	CND
			24-May-01	\$20,000.00	CND
			8-Jan-02	\$20,000.00	CND
			13-Nov-02	\$20,000.00	CND
			12-Apr-04	\$10,000.00	CND
			20-Aug-04	\$5,000.00	CND
			10-Feb-06	\$25,000.00	CND
			23-Feb-06	\$25,000.00	CND
			28-Apr-06	\$25,000.00	CND
			10-Jun-02	\$3,000.00	CND
			24-Mar-05	\$2,500.00	CND
			28-Apr-03	\$5,000.00	CND
			10-Mar-05	\$5,000.00	CND
			13-Apr-05	\$5,000.00	CND
			16-Aug-05	\$10,000.00	CND
			28-Apr-06	\$5,000.00	CND
			2-Apr-02	\$4,000.00	CND
			24-May-05	\$4,000.00	CND
			8-Jun-05	\$5,000.00	CND
			4-Jan-01	\$3,275.75	USD
			1-May-01	\$5,000.00	CND
			7-Jun-01	\$25,000.00	CND
			30-Aug-02	\$15,000.00	CND
			6-Feb-03	\$10,000.00	CND
			28-Apr-03	\$5,000.00	CND
			21-Dec-01	\$5,000.00	CND
			25-Oct-02	\$5,000.00	CND
			28-Feb-03	\$10,000.00	CND
			5-Mar-03	\$15,000.00	CND
			6-Mar-03	\$10,000.00	CND
			3-Apr-03	\$20,000.00	CND
			8-Apr-03	\$4,000.00	CND
			24-Feb-05	\$5,000.00	CND
			14-Mar-05	\$6,000.00	CND
			8-Apr-05	\$30,000.00	CND
			18-Apr-05	\$13,000.00	CND
			26-Apr-06	\$4,000.00	CND
			1-May-03	\$5,000.00	CND
			15-Apr-02	\$3,300.00	CND
			7-Apr-03	\$2,500.00	CND
			8-Oct-04	\$10,000.00	CND
			28-Oct-04	\$10,000.00	CND
			26-Nov-04	\$5,000.00	CND
			10-Dec-04	\$17,000.00	CND

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Last Name	First Name	Address	Date Funds	\$	Currency
			13-Apr-05	\$5,000.00	CND
			13-May-05	\$10,000.00	CND
			9-Aug-05	\$9,000.00	CND
			9-Aug-05	\$46,000.00	CND
			31-Oct-01	\$2,500.00	CND
			2-Apr-02	\$1,000.00	CND
			2-Apr-02	\$10,000.00	CND
			19-Jun-02	\$20,900.00	CND
			9-Aug-05	\$1,500.00	CND
			21-Dec-04	\$2,800.00	CND
			30-Dec-04	\$30,000.00	CND
			9-Aug-05	\$78,000.00	CND
			26-Apr-04	\$20,000.00	CND
			11-May-04	\$10,000.00	CND
			5-Apr-05	\$10,000.00	CND
			22-Apr-02	\$5,000.00	CND
			28-Apr-03	\$1,000.00	CND
			28-Apr-03	\$5,000.00	CND
			4-Mar-02	\$5,000.00	CND
			2-Apr-02	\$6,000.00	CND
			9-Apr-02	\$10,000.00	CND
			22-Apr-02	\$10,000.00	CND
			11-Jun-02	\$30,000.00	CND
			24-Dec-02	\$7,500.00	CND
			8-Jan-03	\$30,000.00	CND
			24-Mar-05	\$5,000.00	CND
			7-Apr-05	\$10,000.00	CND
			28-Apr-03	\$5,000.00	CND
			24-Mar-05	\$30,000.00	CND
			5-Apr-05	\$10,000.00	CND
			28-Apr-03	\$5,000.00	CND
			5-Apr-05	\$7,000.00	CND
			24-Mar-03	\$7,500.00	CND
			31-Mar-03	\$7,500.00	CND
			28-Apr-03	\$10,000.00	CND
			16-Apr-04	\$10,000.00	CND
			22-Sep-04	\$10,000.00	CND
			26-Nov-04	\$5,000.00	CND
			9-Aug-05	\$5,000.00	USD
			5-May-03	\$5,000.00	CND
			31-Mar-03	\$2,500.00	CND
			10-Jun-02	\$5,000.00	CND
			25-Mar-02	\$5,000.00	CND
			31-Oct-01	\$5,000.00	CND
			25-Jan-02	\$5,000.00	CND
			19-Mar-02	\$2,000.00	CND
			2-Apr-02	\$3,000.00	CND
			27-May-02	\$4,000.00	CND
			10-Jun-02	\$7,000.00	CND
			11-Jun-02	\$3,500.00	CND
			25-Jun-02	\$2,500.00	CND
			10-Jul-02	\$2,000.00	CND
			10-Jul-02	\$5,000.00	CND
			29-Jun-05	\$2,000.00	CND
			3-May-02	\$1,000.00	CND
			15-Apr-02	\$1,500.00	CND
			31-Oct-01	\$9,300.00	CND
			14-Dec-01	\$1,500.00	CND
			14-Dec-01	\$3,000.00	CND
			4-Mar-02	\$5,000.00	CND
			2-Apr-02	\$5,000.00	CND
			22-Apr-02	\$7,400.00	CND
			3-May-02	\$22,000.00	CND
			12-Jun-02	\$17,600.00	CND

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Last Name	First Name	Address	Date Funds	\$	Currency
			20-Jun-02	\$2,200.00	CND
			20-Jun-02	\$14,100.00	CND
			8-Jan-03	\$25,000.00	CND
			21-Jan-03	\$10,000.00	CND
			27-Feb-03	\$20,000.00	CND
			3-Apr-03	\$15,000.00	CND
			3-Jul-05	\$5,000.00	CND
			23-Aug-05	\$9,000.00	CND
			23-Aug-05	\$11,000.00	CND
			23-Mar-06	\$5,000.00	CND
			12-May-06	\$5,000.00	CND
			8-Feb-02	\$10,000.00	CND
			12-Jun-02	\$15,000.00	CND
			21-Jun-02	\$7,500.00	CND
			24-Feb-05	\$10,000.00	CND
			19-Mar-02	\$2,000.00	CND
			19-Mar-02	\$5,000.00	CND
			22-Apr-02	\$8,000.00	CND
			20-Jun-02	\$4,000.00	CND
			20-Jun-02	\$5,000.00	CND
			10-Jul-02	\$9,100.00	CND
			24-May-01	\$7,500.00	USD
			22-Apr-02	\$5,000.00	CND
			22-Apr-02	\$5,000.00	CND
			31-Aug-05	\$20,000.00	USD
			31-Dec-05	\$25,000.00	USD
			13-Feb-06	\$30,000.00	USD
				\$32,500.00	CND
				\$10,000.00	CND
			14-Jun-02	\$5,000.00	CND
			20-Dec-02	\$10,000.00	CND
			3-Mar-05	\$20,000.00	CND
			3-Mar-05	\$22,000.00	CND
			17-Mar-05	\$12,000.00	CND
			9-Apr-02	\$5,000.00	CND
			11-Jun-02	\$2,500.00	CND
			25-Jun-02	\$5,000.00	CND
			13-Nov-02	\$5,000.00	CND
			22-Apr-03	\$3,000.00	CND
			5-Apr-05	\$15,000.00	CND
			16-Dec-05	\$5,000.00	CND
			23-Dec-05	\$5,000.00	CND
			23-Jan-06	\$10,000.00	CND
			27-Sep-06	\$10,000.00	CND
			24-Dec-02	\$10,000.00	CND
			14-Mar-03	\$10,000.00	CND
			11-Apr-03	\$5,000.00	CND
			28-Apr-03	\$5,000.00	CND
			28-Apr-03	\$5,000.00	CND
			28-Apr-03	\$5,000.00	CND
			28-Apr-03	\$5,000.00	CND
			28-Apr-03	\$7,000.00	CND
			24-Jun-02	\$15,000.00	CND
			10-Jul-02	\$4,000.00	CND
			21-Jan-03	\$17,500.00	CND
			8-Apr-04	\$10,000.00	USD
				\$5,000.00	USD
			28-Apr-03	\$5,000.00	CND
			11-Dec-02	\$5,000.00	CND
			1-May-03	\$5,000.00	CND
			16-Aug-05	\$5,000.00	CND
				\$5,000.00	USD
			22-Apr-02	\$11,000.00	CND
			21-Jun-02	\$3,000.00	CND

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			21-Jan-03	\$3,000.00	CND
			24-Mar-05	\$12,500.00	CND
			9-Apr-02	\$5,000.00	CND
			3-May-02	\$5,000.00	CND
			21-Jun-02	\$5,000.00	CND
			21-Dec-04	\$6,000.00	CND
			30-Dec-04	\$5,000.00	CND
			23-Mar-06	\$15,000.00	CND
			7-Apr-03	\$2,500.00	CND
			22-Apr-02	\$5,000.00	CND
			2-Jan-03	\$7,000.00	CND
			25-Feb-03	\$8,000.00	CND
			16-Jun-05	\$5,000.00	CND
			16-Jun-05	\$3,200.00	CND

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