

IN THE MATTER OF THE SECURITIES ACT,
SNB 2004, c. S-5.5, (*Act*)

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**

ORDER

(with respect to respondents **Michael Cody** and **Donald Nason**)

WHEREAS on 14 March 2008, Staff of the Commission filed a Statement of Allegations against, *inter alia*, Michael Cody and Donald Nason; and

WHEREAS on 2 June 2008, Staff filed an Amended Statement of Allegations against, *inter alia*, Michael Cody and Donald Nason; and

WHEREAS on 23 October 2008, Staff filed a Second Amended Statement of Allegations against, *inter alia*, Michael Cody and Donald Nason; and

WHEREAS on 25 August 2008, pursuant to the provisions of section 191 of the Act, a Panel of the Commission approved a Settlement Agreement between Staff and the respondents Locate Technologies Inc., Tubtron Controls Corp., 706166 Alberta Ltd. and Lorne Drever; and

WHEREAS on 4 November 2008, pursuant to the provisions of section 191 of the Act, a Panel of the Commission approved a Settlement Agreement between Staff and the respondents Bradley Corporate Services Ltd. and Harry Niles; and

WHEREAS on November 4, 2008, a Second Consolidated and Amended Notice of Hearing was issued scheduling a hearing on 20 January 2009 pursuant to sections 184, 185 and 186 of the *Act* with respect to the respondents Michael Cody and Donald Nason; and

WHEREAS on 19 January 2009, counsel for Staff and counsel for the respondents Michael Cody and Donald Nason filed an Agreed Statement of Facts wherein each of the respondents Michael Cody and Donald Nason acknowledge violations of New Brunswick securities law; and

WHEREAS on 19 January 2009, at the request of the parties, an Order granting an adjournment of the hearing scheduled for 20 January 2009 to 17 March 2009 was issued allowing the parties time to prepare written submissions on sanctions, and providing a timeline for the filing of submissions on sanctions; and

WHEREAS on 27 February 2009, Staff filed written submissions on sanctions; and

WHEREAS notwithstanding several requests, through their counsel, for extensions of time for the purpose of filing written submissions on sanctions, all of which requests were granted by the Commission, the respondents Michael Cody and Donald Nason failed to file any written submissions on sanctions; and

WHEREAS on 27 February 2009 the Commission Secretary's Office received an email from counsel for the respondents Michael Cody and Donald Nason indicating that effective 27 February 2009 he had been dismissed as legal counsel and that he would not be filing written submissions on sanctions; and

WHEREAS on 2 March 2009, in a correspondence to the Commission Secretary's office in support of a request to be removed as counsel of record for the respondents Michael Cody and Donald Nason, counsel did confirm to the Commission that the respondents Michael Cody and Donald Nason were apprised of both the 27 February 2009 filing deadline for written submissions on sanctions and the 17 March 2009 sanctions hearing date; and

WHEREAS on 13 March 2009 the Commission Secretary's office did receive an email originating from Michael Cody's email address, which was signed by both Michael Cody and Donald Nason, requesting a further adjournment of the sanctions hearing scheduled for 17 March 2009 for the purpose of allowing them time to retain new legal counsel; and

WHEREAS on 17 March 2009 the Panel issued an Order adjourning the 17 March 2009 sanctions hearing to 2 April 2009 and stipulating that a final decision and order would be issued without further notice upon failure of the respondents to appear on their own behalf or through counsel at the 2 April 2009 hearing; and

WHEREAS on 16 March 2009 during the course of a telephone discussion with the respondent Donald Nason, the Commission Secretary's office was advised by said respondent Donald Nason that he had instructed Michael Cody to accept service on his behalf; and

WHEREAS during the course of a telephone discussion with the respondent Michael Cody on March 16, 2009, by expedition of an email communication to the respondent Michael Cody's email address on March 17, 2009 and by personal service effected upon the respondent Michael Cody on March 26, 2009, the Commission Secretary's office notified the respondents Michael Cody and Donald Nason of the 17 March 2009 Order and adjournment to 2 April 2009; and

WHEREAS on 2 April 2009, notwithstanding their receipt of proper notification of the Order of 17 March 2009, each of the respondents Michael Cody and Donald Nason failed to appear at the hearing, either in person or through counsel; and

WHEREAS on 2 April 2009 a sanctions hearing with respect to the respondents Michael Cody and Donald Nason was held; and

WHEREAS the Panel heard oral submissions from Staff;

NOW THEREFORE IT IS HEREBY ORDERED THAT:

- (a) pursuant to section 184(1)(c) of the *Act*, the respondent Michael Cody shall be permanently barred from trading in any securities, other than those beneficially owned directly by Michael Cody;
- (b) pursuant to section 184(1)(i) of the *Act*, the respondent Michael Cody shall be permanently barred from becoming or acting as a director or officer of any issuer;
- (c) pursuant to section 186(1) of the *Act*, the respondent Michael Cody shall pay an administrative penalty in the amount of fifty thousand dollars (\$50,000);
- (d) pursuant to section 184(1)(c) of the *Act*, the respondent Donald Nason shall be permanently barred from trading in any securities, other than those beneficially owned directly by Donald Nason;
- (e) pursuant to section 184(1)(i) of the *Act*, the respondent Donald Nason shall be permanently barred from becoming or acting as a director or officer of any issuer;
- (f) pursuant to section 186(1) of the *Act*, the respondent Donald Nason shall pay an administrative penalty in the amount of one hundred thousand dollars (\$100,000);

- (g) pursuant to section 185(1) and 185(2) of the *Act*, the respondents Michael Cody and Donald Nason shall jointly and severally pay costs of the hearing in the amount of two thousand dollars (\$2,000).

DATED on this 3rd day of April 2009.

"original signed by"
Anne La Forest, Panel Chair

"original signed by"
Céline Trifts, Panel Member

"original signed by"
Denise A. LeBlanc, Q.C., Panel Member

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