

FIRM PROHIBITED FROM SELLING SECURITIES IN NEW BRUNSWICK AND ALBERTA LOOKS TO U.S.

A company permanently banned from selling investments in New Brunswick is attempting to issue more than \$14 million in shares to investors in the U.S.

Edmonton-based Locate Technologies Inc., ran afoul of provincial securities regulators for years for selling shares without being registered and allegedly using investors' money for personal use.

The company was forced to offer refunds for more than \$1 million in investments sold in the province. It is set to go before the **New Brunswick Securities Commission** next week to determine whether a related company, Tubtron Controls Corp., is complying with provincial regulations. Locate sells wireless utility metre readers. Tubtron makes remote control devices for hot tubs.

Security regulators in Alberta and British Columbia have also banned the companies from selling investments, and **regulators in Ontario** are set to follow suit. But in statements filed with the U.S. Securities and Exchange commission Oct. 4, Locate said it plans to sell nearly 14 million in shares at \$1 each. ... The company's prospectus, a disclosure document for investors, paints a bleak financial picture. It shows the company has been losing money for years and had accumulated nearly \$4 million in losses by 2009. Locate expects to lose more money this year. ... The company is attempting to list on Over-the-Counter Bulletin Board in the U.S., a quotation service with few regulations that is used by small companies that don't qualify for the mainstream stock exchanges. Locate said it plans to sell its shares in New York, Illinois, Georgia, Wyoming, Colorado, New Jersey and "outside the United States of America."

But according to the company filings, the cease-trade order in its home province of Alberta prevents Locate and its president from selling shares "in any jurisdiction." ...

Alberta Securities Commission spokesman Mark Dickey said commenting on whether Locate is violating its Alberta cease trade order would constitute legal advice. "What I can say is that Locate is an Alberta corporation and they permanently have to cease trading and that would involve them issuing securities." ...

The New Brunswick cease-trade order only applies to trading in the province, said **New Brunswick Securities Commission executive director Rick Hancox**. But he said investors would be wise to read the company's prospectus carefully, including its disclosure of its cease-trade orders. "It tells you something of the fact that a company issues a prospectus with that wording in it with the expectation that they were going to use that prospectus to raise money in another jurisdiction," he said.

Hancox said New Brunswick regulators have been in touch with their American counterparts about the regulatory actions against Locate. "We have been in contact with them to make sure they were aware of the actions taken in New Brunswick," he said.

The company has "a long history of circumventing securities regulations" in New Brunswick, according to the provincial commission. ... Hancox said despite its long history of regulatory violations, Locate had been a legitimate business with a real product to sell. "This is not like a number of other cases that we've seen where it's a boiler room operation," he said.

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