

IN THE MATTER OF THE *SECURITIES ACT*
R.S.N.S. 1989, CHAPTER 418, AS AMENDED

- and -

IN THE MATTER OF
BERMUDACAN CONNECT INCORPORATED, CAN+BER COMMUNICATIONS INC.,
BRUCE DOUGLAS HATFIELD, KEITH TOWSE and GEORGE ANTHIS,

Hearing Date: December 16, 2003

Panel: R. Daren Baxter Commissioner (Chair of the Panel)
James. D. Nicoll Commissioner

DECISION AND REASONS

The Proceeding

1. This proceeding was a hearing and review pursuant to Section 25 of the *Securities Act* (Nova Scotia) in the Matter of Bermudacan Connect Incorporated, Can+Ber Communications Inc. (collectively the “**Corporate Respondents**”), Bruce Douglas Hatfield, Keith Towse and George Anthis, (collectively the “**Respondents**”), pursuant to a Notice of Hearing dated the 3rd day of December, 2003. The proceeding was heard at the offices of the Nova Scotia Securities Commission (the “**Commission**”) located at the Joseph Howe Building, 2nd Floor, 1690 Hollis Street, Halifax, Nova Scotia on the 16th day of December 2003.
2. On December 3, 2003 the Commission issued a Temporary Cease Trade Order under subsection 134(2) of the Act that all trading, whether direct or indirect, by each of the Corporate Respondents and the Respondents in the securities of the Corporate Respondents shall cease. It was further ordered that this hearing be held and that the Cease Trade Order shall expire on the fifteenth day after its making unless extended, revoked or varied by the Commission.
3. Pursuant to the Notice of Hearing, the Commission was asked to consider the application of Staff for a Cease Trade Order pursuant to subparagraph 134(1)(b)(ii) of the Act and to consider the status of the Temporary Cease Trade Order in respect to all trading, direct or indirect, by each of the Corporate Respondents and Respondents in the securities of the Corporate Respondents.
4. By virtue of subsection 134(5) of the Act this hearing is deemed to be a hearing and review pursuant to section 25 of the Act. Subsection 25(3) gives the Commission the power to confirm the decision under review or make such other decision as the Commission considers proper.
5. Staff of the Commission (“**Staff**”) was represented at the hearing by Mr. R. Scott Peacock, Deputy Director, Compliance and Enforcement, Nova Scotia Securities Commission. Ms. Lianne Bradshaw, Investigator, Compliance and Enforcement, Nova Scotia Securities Commission, gave evidence at the hearing.

6. None of the Corporate Respondents were represented at the hearing. The only Respondent present was Mr. Keith Towse, who gave evidence on his own behalf. None of the Respondents were represented by counsel. Mr. Peacock advised that Notice of Hearing was delivered to the addresses for the Corporate Respondents as recorded by the Registry of Joint Stock Companies and to the Respondents at their last known addresses, including the address provided personally by Mr. Hatfield to Staff. The Panel was advised by Mr. Peacock that Mr. Anthis was not expected to attend and Staff had no indication that any of the Corporate Respondents or Mr. Hatfield would be in attendance or represented at the hearing. Following a brief adjournment to allow more time for the the Respondents and the Corporate Respondents to appear, the hearing continued in the absence of Mr. Hatfield, Mr. Anthis and without the Corporate Respondents being represented.
7. Upon hearing the evidence presented by Staff and Mr. Towse, the Panel confirmed and extended the Temporary Cease Trade Order until such time as the Commission otherwise orders.

Evidence

8. In his opening remarks, Mr. Peacock advised he would lead evidence to the support the following allegations:
 - a. The Corporate Respondents are not reporting issuers within the meaning of the Act;
 - b. Each of the Respondents was at all material times an officer, insider or agent of one or more of the Corporate Respondents; and
 - c. The Corporate Respondents and the Respondents collectively have sold, offered for sale and committed acts in furtherance of trades in securities within Nova Scotia contrary to subsection 31(1) and paragraph 129(1)(c) of the Act.
9. Ms. Bradshaw gave evidence of information she collected during her investigation of this matter. Among other things, Ms. Bradshaw gave evidence of statements made to her by witnesses she interviewed and documentation provided to her by witnesses. Such witnesses did not appear at the hearing. Much of Ms. Bradshaw's evidence was with respect to the trading in securities of Bermudacan Connect Incorporated by Mr. Hatfield and the proposed use of Can+Ber Communications Inc. as a vehicle to raise equity financing upon Mr. Hatfield being concerned that the outstanding securities of Bermudacan Connect Incorporated were issued in violation of Nova Scotia's securities laws.
10. Ms. Bradshaw further presented information indicating that Mr. Hatfield was the founder of each Corporate Respondent and that he recruited Mr. Towse and Mr. Anthis as officers of Can+Ber Communications Inc. to continue the business commenced by Bermudacan Connect Incorporated and to help raise equity capital for such business.

11. Ms. Bradshaw gave evidence of acts in furtherance of trades in securities of Can+Ber Communications Inc. by each of the Respondents. Of particular interest to the Panel is the direct evidence Ms. Bradshaw gave of a meeting she attended at the Holiday Inn at the Bridge Plaza in Dartmouth, Nova Scotia on the 19th day of November, 2003 and the “Investor Presentation” distributed at the meeting. Ms. Bradshaw learned of this meeting from a November 18, 2003 advertisement in a widely distributed local newspaper, the Halifax Herald. The advertisement referenced the “information session” to be held by Can+Ber Communications Inc. and said the “information session is to inform interested parties of a major communications project being under taken by the company”. Each of the Respondents spoke at the November 19th meeting. Mr. Anthis was introduced as the CEO, Mr. Towse as the CFO and Mr. Hatfield as the Chair of Can+Ber Communications Inc. There were about 25 persons in the audience, including Ms. Bradshaw. The speakers discussed the company’s business objectives and advised that the company was in the process of raising \$300,000 through the sale of shares to fulfill phase one of its business plan. The minimum investment was stated to be \$6,000 and the audience was advised that investors would have the benefit of the Nova Scotia Equity Tax Credit program. Class A shares of Can+Ber Communications Inc. were offered at \$6.00 and it was represented to the audience that the company’s project was currently valued at \$425,000 and the Class A shares valued at \$40.37.
12. Ms. Bradshaw informed the Panel that no prospectus has been filed with the Commission in respect of either Corporate Respondent and that neither is listed with the Commission as a reporting issuer. Furthermore, none of the Respondents is registered with the Commission to trade in securities.
13. Ms. Bradshaw presented in evidence a written statement dated December 8th signed by Mr. Anthis. She said this statement was provided to her by Mr. Anthis. Among other things, in this statement Mr. Anthis confirms he was recruited by Mr. Hatfield to be CEO of a telecommunications company to be paid “5% from investor seminars and investments”. This statement confirms a public meeting at the Holiday Inn at which 30 people attended and Mr. Towse gave a presentation. Although the statement references the meeting as being held on November 17th, we assume that this is the November 19th meeting attended by Ms. Bradshaw. The statement provides that Mr. Anthis became uncomfortable and left the company following the public meeting. It also states that Mr. Anthis subsequently declined two requests from Mr. Hatfield to call potential investors.
14. Mr. Towse gave evidence on his own behalf. He advised that he was recruited by Mr. Hatfield to be the CFO of Can+Ber Communications Inc. Mr. Towse clarified some details of certain matters raised in evidence by Ms. Bradshaw and substantially confirmed the evidence of Ms. Bradshaw with respect to the November 19th meeting and the offering of securities of Can+Ber Communications Inc. He stated that it was intended that the presentation be given in its entirety by Mr. Anthis, but after introductions Mr. Anthis advised he could not continue, so Mr. Towse said he gave the presentation and Mr. Hatfield answered questions. Mr. Towse confirmed that following

the November 19th meeting he submitted an application on behalf of Can+Ber Communications Inc. for the Equity Tax Credit.

15. Mr. Towse gave evidence that he was directly informed by Mr. Hatfield that the November 19th meeting and the offer of securities by Can+Ber Communications Inc. were specifically approved by legal counsel for the company. Mr. Towse relied on this representation and was not aware that his actions were in contravention of the Act. Upon being contacted by Ms. Bradshaw after the November 19th meeting Mr. Towse realized that he violated the Act and ceased all activities in respect of Can+Ber Communications Inc.
16. Mr. Towse advised that he had no involvement with Bermudacan Connect Incorporated.
17. Mr. Towse further advised that he has no objection to the Temporary Cease Trade Order nor to the proposed indefinite extension of same.

Conclusion

18. The Panel accepts the evidence presented at the hearing as sufficient to support the allegations of Staff. In particular the Panel is satisfied that:
 - a. No preliminary prospectus or prospectus has been filed by either of the Corporate Respondents and that no receipts therefor have been obtained from the Director of the Commission;
 - b. None of the Respondents are registered to trade in securities in the Province;
 - c. Bermudacan Connect Incorporated has issued its shares to members of the public;
 - d. The issuance of shares of Bermudacan Connect Incorporated is contrary to subsection 58(1) of the Act;
 - e. Mr. Hatfield is an officer, director, agent and insider of Bermudacan Connect Incorporated;
 - f. Mr. Hatfield has traded in shares of Bermudacan Connect Incorporated and has participated in acts of furtherance of the sale of shares of Bermudacan Connect Incorporated, contrary to subsection 31(1) of the Act;
 - g. Can+Ber Communications Inc. has continued the business commenced by Bermudacan Connect Incorporated and was utilized as a vehicle to raise equity capital for such business;
 - h. Can+Ber Communications Inc. has offered its shares for sale to the public;
 - i. The offer by Can+Ber Communications Inc. of its shares for sale to the public is an act in furtherance of the sale of its shares, contrary to subsection 58(1) of the Act;
 - j. Each respondent is an officer, agent and insider of Can+Ber Communications Inc.;
 - k. Each Respondent participated at the November 19th, 2003 offering Class A shares of Can+Ber Communications Inc. to the public;
 - l. Participation by each Respondent at the November 19th, 2003 meeting and events leading to same constitutes an act of furtherance of the sale of shares of Can+Ber Communications Inc., contrary to subsection 31(1) of the Act.

19. Although not relevant to the immediate question before the Panel, the Panel accepts that Mr. Towse did not knowingly violate the provisions of the Act and that he is cooperating with the Commission to address same.
20. Based upon the evidence before it, the Panel is of the opinion that it is in the public interest to confirm and extend indefinitely the Temporary Cease Trade Order issued on the 3rd day of December, 2003.
21. For the forgoing reasons, we have ordered pursuant to subsection 25(3) of the Act that the order of the Commission by its Chairman dated the 3rd day of December, 2003, issued pursuant to paragraph 134(2) of the Act, that all trading, whether direct or indirect, by each of the Corporate Respondents and the Respondents in the securities of the Corporate Respondents shall cease is confirmed and extended until such time as the Commission otherwise orders.

DATED at Halifax, Nova Scotia this 6th day of January, 2004.

NOVA SCOTIA SECURITIES COMMISSION

"R. Daren Baxter"

R. Daren Baxter, Chair of Panel

"James D. Nicoll"

James D. Nicoll