



Citation: 2013 BCSECCOM 104

## Notice of Hearing

**Lance McManne, Orbuttron Ltd. and Orbuttron Sound Waves II Ltd.**

### **Section 161 of the *Securities Act*, RSBC 1996, c. 418**

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against Lance McManne (McManne), Orbuttron Ltd. (Orbuttron), and Orbuttron Sound Waves II Ltd. (Orbuttron II) (collectively, the Respondents) under sections 161, 162 and 174 of the *Securities Act*, R.S.B.C. 1996, c. 418 (Act), based on the following facts:

#### **Background**

1. Orbuttron is a non-reporting Nevada company, and Orbuttron II is a non-reporting British Columbia company (collectively, the Companies).
2. McManne is a resident of British Columbia and is the sole director and officer of the Companies.
3. McManne is not registered in any capacity under the Act.
4. The Companies have not filed prospectuses under the Act.

#### **Misconduct**

##### ***Illegal Trading and Distribution of Securities***

5. In September of 2007, McManne approached an individual who lived in the same apartment building as him about making an investment in Orbuttron. They were not close personal friends.
6. The investor gave McManne a cheque for \$7,500 to purchase 30,000 shares of Orbuttron. McManne provided the investor with a receipt for an investment in Orbuttron II.
7. On August 29, 2009, McManne provided a receipt for \$5,000 for 20,000 shares of Orbuttron to another B.C. resident whom he met in a pub. They were not close personal friends.



8. By distributing securities for which prospectuses have not been filed, and without being registered, the Respondents contravened sections 34 and 61 of the Act.

***Fraud***

9. McManne told each investor (the Investors) that they had purchased shares in Orbuttron, and that it would be shortly listed on the “NASDAQ junior board.”
10. Neither company was ever listed on the “NASDAQ junior board”. McManne deposited the Investors’ funds into his personal bank account and used them for personal purposes.
11. Both Investors asked McManne for their money back but he has not returned it to them.
12. By engaging in the misconduct described in this Notice of Hearing, the Respondents perpetrated a fraud contrary to section 57(b) of the Act.

***False or misleading statements***

13. In response to BCSC staff inquiries, McManne advised that he is the sole shareholder of both Companies, and that the Companies never distributed any securities, nor did they collect money for that purpose. These statements were untrue.
14. By giving information to persons appointed under the Act that is false or misleading in a material respect, McManne contravened section 168.1(1)(a) of the Act.

***Liability Under s. 168.2***

15. McManne, as the sole director of the Companies, authorized, permitted, or acquiesced in their contraventions of the Act and therefore also contravened those same provisions by operation of section 168.2 of the Act.

**Public Interest**

- ¶ 2 It is in the public interest that the Commission issue orders under sections 161 and 162 of the Securities Act.

**Hearing Process**

- ¶ 3 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, May 28, 2013, at 9:00 am** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the



investigation of this matter will be disclosed to the Respondents upon request to the Executive Director.

- ¶ 4 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 5 If the respondents or their counsel do not appear at the hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
- ¶ 6 April 29, 2013.

Paul C. Bourque, Q.C.

- ¶ 7 Paul C. Bourque, Q.C.  
Executive Director