

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9014 / March 9, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13404

In the Matter of

HS3 TECHNOLOGIES, INC.,

Respondent.

**ORDER INSTITUTING CEASE-AND-DESIST
PROCEEDINGS PURSUANT TO SECTION
8A OF THE SECURITIES ACT OF 1933,
MAKING FINDINGS, AND IMPOSING A
CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), against HS3 Technologies, Inc. (“HS3” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Respondent is a Nevada corporation headquartered in Denver, Colorado. HS3 resells satellite-based, broadband Internet access and has a web-hosting business. It also installs and services surveillance systems and sells certain security products. HS3 plans to offer surveillance systems making use of satellite-based Internet connectivity to enable surveillance of remote locations. Respondent’s common stock is registered under Section 12(g) of the Securities Exchange Act of 1934. Respondent’s common stock is traded over the counter and quoted on the OTC Bulletin Board.

2. These proceedings arise out of a November 2005 reverse merger, involving HS3, and Respondent's coincident failure to comply with the securities registration requirements of Sections 5(a) and 5(c) of the Securities Act. Prior to the merger, HS3 was named Zeno, Inc. ("Zeno") and ostensibly operated as a pre-exploration-stage mining company, based in Gabriola Island, British Columbia, Canada. Zeno's stated plan of operation involved an intent to explore mineral claims held on its behalf in Ontario, Canada.

3. In August 2004, Zeno filed a Form SB-2 registration statement with the Commission on behalf of 32 shareholders seeking to resell restricted shares that they had bought directly from Zeno. In its registration statement, Respondent represented that: (1) the selling shareholders would determine when and how they would sell the shares and had no agreements with underwriters, and (2) Respondent would receive no proceeds from the sale of these shares.

4. In November 2005, Zeno merged with a privately-held surveillance startup. This transaction took the form of a reverse merger, with Zeno adopting the surveillance startup's business plan and replacing its own management with that of the surveillance startup.

5. A stock promotion firm directed the reverse merger as part of an agreement with the surveillance startup to take the startup public and raise funds for implementation of its business plan. Contemporaneously, the stock promotion firm and its associates commenced a distribution of the majority of the shares listed in Respondent's registration statement, and Respondent changed its name to HS3. The stock promotion firm and its associates acted as underwriters for the distribution by acquiring the majority of the shares listed in the registration statement and selling such shares to a network of investors, transferring \$500,000 of the proceeds to Respondent in October 2005.

6. The distribution described above violated Respondent's representations in its August 2004 Form SB-2 and differed materially from the proposed sale of shares that Respondent had registered with the Commission by filing the registration statement. No other registration statements were filed or in effect with respect to the distributed shares, and no exemption from registration applied.

7. Respondent thus participated in, and shared in the proceeds of, an unregistered distribution of its shares. Respondent failed to verify whether the distribution of shares and Respondent's receipt of proceeds complied with representations made by prior management in the August 2004 Form SB-2.

8. As a result of the conduct described above, Respondent violated Sections 5(a) and 5(c) of the Securities Act, which prohibit the offer or sale of unregistered securities in interstate commerce unless such securities are offered or sold pursuant to an exemption from registration.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that, pursuant to Section 8A of the Securities Act, Respondent cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act.

By the Commission.

Elizabeth M. Murphy
Secretary