



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 19e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

**IN THE MATTER OF
MAJESTIC SUPPLY CO. INC.,
SUNCASTLE DEVELOPMENTS CORPORATION,
HERBERT ADAMS, STEVE BISHOP,
MARY KRICFALUSI, KEVIN LOMAN AND
CBK ENTERPRISES INC.**

**ORDER
(Section 127)**

WHEREAS on October 20, 2010, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. c. S.5, as amended (the “Act”), accompanied by the Statement of Allegations dated October 20, 2010 filed by Staff of the Commission (“Staff”) with respect to Majestic Supply Co. Inc. (“Majestic”), Suncastle Developments Corporation (“Suncastle”), Herbert Adams (“Adams”), Steve Bishop (“Bishop”), Mary Kricfalusi (“Kricfalusi”), Kevin Loman (“Loman”) and CBK Enterprises Inc. (“CBK”) collectively referred to as the “Respondents”;

WHEREAS the Notice of Hearing set a hearing in this matter for November 23, 2010 at 2:30 p.m.;

AND WHEREAS on November 23, 2010, counsel for Adams and Suncastle, counsel for Kricfalusi and CBK, counsel for Loman, Rob Biegerl as former president of Majestic and Bishop on his own behalf and as the current president of Majestic, all attended the hearing;

AND WHEREAS Staff and counsel for Adams have advised that on October 12, 2010, Adams was charged by the Halton Regional Police Service with four counts of fraud over \$5,000 relating to his involvement with Majestic and Suncastle and has retained criminal counsel to represent him in the criminal proceedings;

AND WHEREAS counsel for Adams has requested that criminal counsel for Adams be permitted to review Staff's electronic disclosure for the purpose of permitting Adams to make full answer and defence in the criminal proceedings (the "Adams' Disclosure Request");

AND WHEREAS on November 23, 2010, the Commission ordered: (i) the hearing adjourned to January 25, 2011; and (ii) limits on the use of Staff's electronic disclosure;

AND WHEREAS Staff has advised that Staff's electronic disclosure was provided to the parties on December 9, 2010;

AND WHEREAS by letter dated January 20, 2011, counsel for Adams and Suncastle and counsel for Kricfalusi and CBK requested further particulars relating to both the Statement of Allegations and Staff's electronic disclosure;

AND WHEREAS on January 25, 2011, on consent of Staff, counsel for Adams and Suncastle, counsel for Kricfalusi and CBK, counsel for Loman and Steve Bishop on behalf of Majestic and himself, the Commission adjourned the hearing to a pre-hearing conference on March 1, 2011 at 2:00 p.m. to permit the parties to discuss any preliminary issues;

AND WHEREAS by letter dated February 9, 2011, Staff responded to the various requests for further particulars;

AND WHEREAS on March 1, 2011, Staff has advised that Staff's electronic disclosure does not contain any documents compelled under section 13 of the Act;

AND WHEREAS on March 1, 2011, the Commission ordered that: (i) the hearing on the merits will start on November 7, 2011 at 10:00 a.m. and continue on November 9 to 11, 14 to 18, 21, 23 to 25, 28 to 30, 2011 and December 1 and 2, 2011; and (ii) another pre-hearing conference will be held on April 26, 2011 at 2:30 p.m.;

AND WHEREAS on March 1, 2011, the Commission further ordered that a copy of Staff's electronic disclosure shall be provided to criminal counsel for Herbert Adams and to the Halton Regional Police Services in order to address Adams' Disclosure Request;

AND WHEREAS the hearing in this matter commenced November 7, 2011;

AND WHEREAS motions were brought on November 7, 2011 for leave to be removed as counsel of record by: (i) Gowling Lafleur Henderson LLP and Clifford Cole of that firm, in particular, as counsel for Adams and Suncastle; and (ii) Sheppard Brown Rosenthal and Tom Sheppard of that firm, in particular, as counsel for Kricfalusi and CBK;

AND WHEREAS Sack Goldblatt Mitchell LLP and Andrew Furgiuele of that firm, in particular, has filed a Notice of Change of Lawyer advising of his appointment as counsel of record for Adams for the limited purpose of cross-examining certain witnesses and advising that Adams, for all other parts of this hearing, will represent himself in the hearing in this matter;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED that Gowling Lafleur Henderson LLP and Clifford Cole of that firm, in particular, is granted leave to withdraw as counsel of record for Adams and Suncastle;

IT IS FURTHER ORDERED that Sheppard Brown Rosenthal and Tom Sheppard of that firm, in particular, is granted leave to withdraw as counsel of record for Kricfalusi and CBK; and

IT IS FURTHER ORDERED that Sack Goldblatt Mitchell LLP and Andrew Furgiuele of that firm, in particular, is permitted to act on behalf of Adams for the limited purpose of cross-examining certain witnesses and that otherwise Adams will represent himself in the hearing in this matter.

DATED at Toronto, this 7th day of November, 2011.

“Edward P. Kerwin”
Edward P. Kerwin

“Paulette L. Kennedy”
Paulette L. Kennedy