



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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

CP 55, 19<sup>e</sup> 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 and Rule 3 of the of the *Ontario Securities Commission  
Rules of Procedure (2010)*, 33 O.S.C.B. 8017)**

**WHEREAS** on October 20, 2010, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. c. S.5, as amended in connection with a 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, the “Respondents”);

**AND WHEREAS** the Notice of Hearing set a hearing in this matter for November 23, 2010;

**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** 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** 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 to permit the parties to discuss any preliminary issues;

**AND WHEREAS** on March 1, 2011, the Commission ordered that: (i) the hearing on the merits (the "Merits Hearing") will start on November 7, 2011 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 November 7, 2011, at the commencement of the Merits Hearing with Staff, Adams, Bishop, Kricfalusi, counsel for Loman and others in attendance, the Commission ordered that: (i) counsel of record for Adams and Suncastle was granted leave to withdraw; (ii) counsel of record for Kricfalusi and CBK was granted leave to withdraw; and (iii) new counsel for Adams was permitted for the limited purpose of cross-examining certain witnesses;

**AND WHEREAS** the Merits Hearing commenced on November 7, 2011 and continued on November 9 to 11, 14 to 17, 28 and 29, 2011;

**AND WHEREAS** Staff and the Respondents completed the evidence phase of the Merits Hearing on November 29, 2011 and closing oral submissions were scheduled for January 24, 2012;

**AND WHEREAS** with respect to the Merits Hearing, Staff filed its written submissions on December 22, 2011, counsel for Loman filed written submissions on behalf of Loman on January 13, 2012, Adams filed written submissions on January 13, 2012, Kricfalusi responded to Staff by fax on January 13, 2012 ("Kricfalusi's Response"), and Bishop served parties with written submissions on January 16, 2012;

**AND WHEREAS** on January 19, 2012, Staff filed and served its Notice of Motion and other materials seeking, among other things, orders permitting the filing of a copy of Kricfalusi's Response and fresh evidence, being the affidavit of Kricfalusi with e-mails and attachments, and if necessary, an order permitting the matter be reopened for the purpose of introducing the aforementioned fresh evidence;

**AND WHEREAS** on January 24, 2012, when Staff, Adams, Bishop, Kricfalusi and counsel for Loman appeared before the Commission, Staff submitted the motion (the "Motion") further to its Notice of Motion and counsel for Loman filed and served written submissions on the Motion;

**AND WHEREAS** the Commission conducted a hearing of the Motion on January 24, 2012 and continued on February 22, 2012;

**AND WHEREAS** at the conclusion of the hearing of the Motion on February 22, 2012, the Commission reserved its decision on the Motion and adjourned the Merits Hearing pending the issuance of a decision on the Motion;

**AND WHEREAS** the Commission has given careful consideration to the written and oral submissions of the parties on the Motion;

**AND WHEREAS** the Panel has taken into consideration its discretion under the Commission's *Rules of Procedure* (2010), 33 O.S.C.B. 8017, and the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 to admit evidence and determine its own procedures and practices;

**AND WHEREAS** the Commission has taken into consideration the need to balance procedural fairness, including the requirement to provide notice to a respondent of the case to respond to and the right to be heard, with the risk of substantial injustice 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 the Motion is dismissed, with reasons for this order to be provided with the reasons and decision on the merits in this matter; and

**IT IS FURTHER ORDERED** that the parties contact the Office of the Secretary within 10 days to schedule a date for oral closing submissions in respect of the Merits Hearing.

**DATED** at Toronto, this 20<sup>th</sup> day of March, 2012.

*“Edward P. Kerwin”*

---

Edward P. Kerwin

*“Paulette L. Kennedy”*

---

Paulette L. Kennedy