



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

- AND -

**GLOBAL CONSULTING AND FINANCIAL SERVICES, CROWN CAPITAL
MANAGEMENT CORPORATION, CANADIAN PRIVATE AUDIT SERVICE,
EXECUTIVE ASSET MANAGEMENT, MICHAEL CHOMICA, PETER SIKLOS (also
known as PETER KUTI), JAN CHOMICA, AND LORNE BANKS**

TEMPORARY ORDER

(Subsections 127(1) and (8) of the *Securities Act*)

WHEREAS on November 4, 2010, the Ontario Securities Commission (the “Commission”) issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) ordering that Global Consulting and Financial Services (“Global”), Crown Capital Management Corporation (“Crown”), Canadian Private Audit Service (“CPAS”), Executive Asset Management (“EAM”), Jan Chomica, Michael Chomica, Peter Kuti (“Kuti”), and Lorne Banks (“Banks”) (collectively, the “Respondents”), cease trading in all securities (the “Temporary Order”);

AND WHEREAS on November 4, 2010, the Commission ordered pursuant to clause 3 of subsection 127(1) of the Act, that any exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS on November 4, 2010, the Commission ordered that the Temporary Order shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on November 9, 2010, the Commission issued a direction under subsection 126(1) of the Act freezing assets in a bank account in the name of Crown (the “Freeze Direction”);

AND WHEREAS on November 4, 2010, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on November 17, 2010 at 3:00 p.m. (the “Notice of Hearing”);

AND WHEREAS the Notice of Hearing set out that the hearing was to consider, *inter alia*, whether, in the opinion of the Commission, it was in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the Temporary Order until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

AND WHEREAS Staff of the Commission (“Staff”) served the Respondents with copies of the Temporary Order and the Notice of Hearing, and served Crown with the Freeze Direction as evidenced by the Affidavit of Charlene Rochman, sworn on November 17, 2010, and filed with the Commission;

AND WHEREAS on November 17, 2010, Staff and counsel for Banks appeared before the Commission, and whereas Global, Crown, CPAS, EAM, and Kuti did not appear before the Commission to oppose Staff’s request for the extension of the Temporary Order;

AND WHEREAS Staff had received a Direction from Jan Chomica dated November 11, 2010, in which she consented to extending the Temporary Order for at least two months;

AND WHEREAS counsel for Michael Chomica did not attend the hearing, but had advised Staff that Michael Chomica consented to (or did not oppose) an extension of the Temporary Order for at least two months;

AND WHEREAS on November 17, 2010, counsel for Banks advised the Commission that Banks consented to an extension of the Temporary Order;

AND WHEREAS the Panel considered the evidence and submissions before it;

AND WHEREAS pursuant to subsection 127(8) of the Act, the Commission ordered that the Temporary Order be extended to January 27, 2011;

AND WHEREAS the Commission further ordered that the hearing in this matter be adjourned to January 26, 2011 at 11:00 a.m., and that the parties make efforts to advise the Commission by January 3, 2011 whether they were in agreement that the hearing set for January 26, 2011 be held in writing;

AND WHEREAS by Notice of Motion dated December 16, 2010 (the “Notice of Motion”), Staff sought to amend the Temporary Order to include Peter Siklos (“Siklos”) as the

person using the alias “Peter Kuti”, thereby making Siklos subject to the Temporary Order, and to abridge, under Rule 1.6(2) of the Commission’s *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the “Rules”), the notice requirements for the filing and service of motion materials under Rule 3.2 of the Rules and the requirement for a Memorandum of Fact and Law under Rule 3.6 of the Rules (the “Motion”);

AND WHEREAS in support of the Motion, Staff filed the Affidavit of Wayne Vanderlaan (“Vanderlaan”), sworn December 15, 2010 (the “Vanderlaan Affidavit”), in which Vanderlaan stated that there is a real Peter Kuti who, based on the information currently available to Staff, is not the “Peter Kuti” who is an alias for Siklos;

AND WHEREAS the Motion was heard on Monday, December 20, 2010 at 10:00 a.m., before a panel of the Commission (the “Motion Hearing”);

AND WHEREAS the Commission, after considering the Affidavit of Service of Charlene Rochman, sworn December 17, 2010, was satisfied that Staff had served the Notice of Motion, the December 16, 2010 covering letter from Carlo Rossi, Litigation Counsel with Staff, and the Vanderlaan Affidavit on the Respondents;

AND WHEREAS counsel for Banks advised Staff that he would not be attending on the Motion and that Banks took no position with respect to it;

AND WHEREAS on December 20, 2010, Staff and counsel for Siklos attended before the Commission, and counsel for Siklos advised that Siklos consented to the Motion;

AND WHEREAS the Commission considered the Notice of Motion and the Vanderlaan Affidavit and the submissions made by Staff and counsel for Siklos at the Motion Hearing;

AND WHEREAS the Commission ordered that:

- (i) pursuant to clause 2 of subsection 127(1) of the Act, Peter Siklos (also known as Peter Kuti) shall cease trading in all securities;
- (ii) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Peter Siklos (also known as Peter Kuti);
- (iii) the title of the proceeding shall be amended accordingly;
- (iv) for clarity, the Temporary Order as Amended (the “Amended Temporary Order”) be extended to January 27, 2011; and

- (v) for clarity, the hearing to consider the extension of the Amended Temporary Order be held on January 26, 2011 at 11:00 a.m., and the parties shall make efforts to advise the Commission by January 3, 2011 whether they are in agreement that the hearing set for January 26, 2011 be held in writing;

AND WHEREAS by way of letter dated January 25, 2011, Staff advised the Commission that it had obtained the consent of Michael Chomica, Jan Chomica, Siklos and Banks (collectively, the “Individual Respondents”), Crown and Global to extend the Amended Temporary Order;

AND WHEREAS Staff provided the Commission with the Affidavit of Charlene Rochman sworn January 24, 2011, outlining service of the Amended Temporary Order on the Respondents and the consent of the Individual Respondents, Crown and Global to the extension of the Amended Temporary Order;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to March 9, 2011 and that the hearing be adjourned to March 8, 2011 at 10:00 a.m.;

AND WHEREAS on March 8, 2011, Staff attended before the Commission and no one attended on behalf of the Respondents;

AND WHEREAS the Commission was satisfied that Staff had undertaken reasonable efforts to serve the Respondents with notice of the hearing;

AND WHEREAS on March 8, 2011, Staff advised the Panel that Staff had been in contact with Jan Chomica and counsel representing Michael Chomica, Banks and Siklos and that Jan Chomica, Michael Chomica, Banks and Siklos were not opposing the extension of the Amended Temporary Order;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to May 17, 2011 and that the hearing be adjourned to May 16, 2011 at 10:00 a.m.;

AND WHEREAS on May 16, 2011, Staff appeared before the Commission and no one appeared on behalf of any of the Respondents;

AND WHEREAS on May 16, 2011, Staff advised the Panel that Staff had been in contact with counsel representing Michael Chomica, Banks and Siklos and that Michael Chomica, Banks and Siklos were not opposing the extension of the Amended Temporary Order;

AND WHEREAS Staff further advised that Jan Chomica had provided her consent to the extension of the Amended Temporary Order by way of writing;

AND WHEREAS Staff provided the Commission with the Affidavit of Charlene Rochman sworn May 13, 2011 outlining Staff's efforts to serve the Respondents and the consent of the Individual Respondents, Crown and Global to the extension of the Amended Temporary Order;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to July 18, 2011 and the hearing be adjourned to July 15, 2011 at 11:00 a.m.;

AND WHEREAS on July 15, 2011, Staff appeared before the Commission and no one appeared on behalf of any of the Respondents;

AND WHEREAS on July 15, 2011, Staff advised the Panel that Staff had been in contact with counsel representing Michael Chomica and Banks and that Michael Chomica consented to an extension of the Amended Temporary Order for 90 days and Banks was not opposing the extension;

AND WHEREAS Staff further advised that Jan Chomica had provided her consent to the extension of the Amended Temporary Order by way of writing;

AND WHEREAS Staff provided the Commission with the Affidavit of Charlene Rochman, sworn July 13, 2011, outlining service on the Respondents;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to October 12, 2011 and the hearing be adjourned to October 11, 2011 at 2:30 p.m.;

AND WHEREAS on October 11, 2011, Staff appeared before the Commission to request that the Amended Temporary Order be extended for an additional 90 days;

AND WHEREAS no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff advised the Panel that Staff had been in contact with counsel representing Siklos and Banks and that Siklos consented to an extension of the Amended Temporary Order for 90 days and Banks was not opposing the extension;

AND WHEREAS Staff provided the Commission with the Affidavit of Charlene Rochman, sworn October 7, 2011, outlining service on the Respondents;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to January 12, 2012 and the hearing be adjourned to January 11, 2012 at 10:00 a.m.;

AND WHEREAS on January 11, 2012, Staff appeared before the Commission to request that the Amended Temporary Order be extended for an additional 90 days;

AND WHEREAS no one appeared on behalf of any of the Respondents other than counsel for Siklos;

AND WHEREAS Michael Chomica and Jan Chomica advised Staff in writing that they consented to an extension of the Amended Temporary Order for 90 days;

AND WHEREAS counsel for Banks advised Staff that Banks did not oppose a further extension of the Amended Temporary Order for 90 days;

AND WHEREAS counsel for Siklos advised the Panel that he consented to an extension of the Amended Temporary Order for 90 days;

AND WHEREAS Staff provided the Commission with the Affidavit of Charlene Rochman, affirmed January 10, 2012, outlining Staff's efforts to serve the Respondents;

AND WHEREAS on January 11, 2012, the Commission ordered that the Amended Temporary Order be extended to April 12, 2012 and the hearing be adjourned to April 11, 2012 at 10:00 a.m.;

AND WHEREAS on April 11, 2012, Staff appeared before the Commission to request that the Amended Temporary Order be extended and no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff provided the Commission with the Affidavit of Peaches Barnaby, sworn April 11, 2012 outlining Staff's efforts to serve the Respondents;

AND WHEREAS on April 11, 2012, the Commission ordered that the Amended Temporary Order be extended to June 12, 2012 and the hearing be adjourned to June 11, 2012 at 9:00 a.m.;

AND WHEREAS on June 11, 2012, Staff appeared before the Commission to request that the Amended Temporary Order be extended and no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff provided the Commission with the Affidavit of Peaches Barnaby, sworn June 5, 2012, outlining Staff's efforts to serve the Respondents;

AND WHEREAS quasi-criminal proceedings have been commenced in the Ontario Court of Justice pursuant to section 122(1)(c) of the Act against, *inter alia*, Michael Chomica, Jan Chomica and Siklos (the "Section 122 Proceedings");

AND WHEREAS on June 11, 2012, Staff advised the Commission that counsel for Banks consented to a further extension of the Amended Temporary Order for six months;

AND WHEREAS on June 11, 2012, the Commission ordered that the Amended Temporary Order be extended to December 5, 2012 and the hearing be adjourned to December 4, 2012 at 3:30 p.m.;

AND WHEREAS by way of letter dated November 30, 2012, Staff advised the Commission that a judicial pre-trial was scheduled for December 17, 2012 in connection with the Section 122 Proceedings and that the Individual Respondents consent to an extension of the Amended Temporary Order to the middle of January 2013;

AND WHEREAS Staff provided the Commission with the Affidavit of Nancy Poyhonen, sworn November 30, 2012, outlining Staff's attempts to serve the Amended Temporary Order on the Respondents and the consent of the Individual Respondents to the extension of the Amended Temporary Order;

AND WHEREAS on December 3, 2012, the Commission ordered that the Amended Temporary Order be extended to January 18, 2013 and the hearing be adjourned to January 17, 2013 at 9:00 a.m.;

AND WHEREAS on January 17, 2013, Staff appeared before the Commission to request that the Amended Temporary Order be extended and no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff provided the Commission with the Affidavit of Peaches Barnaby, sworn January 15, 2013, outlining Staff's service of the Amended Temporary Order on the Individual Respondents, Global and Crown, and Staff's efforts to serve CPAS and EAM;

AND WHEREAS Staff advised the Commission that further dates have been scheduled in connection with the Section 122 Proceedings, including a set date appearance on February 14, 2013 and a continuing judicial pre-trial on February 28, 2013;

AND WHEREAS Staff requested that the Amended Temporary Order be extended to a date following the judicial pre-trial on February 28, 2013;

AND WHEREAS on January 17, 2013, the Commission ordered that the Amended Temporary Order be extended to March 8, 2013 and the hearing be adjourned to March 7, 2013 at 11:00 a.m.;

AND WHEREAS on March 7, 2013, Staff appeared before the Commission to request that the Amended Temporary Order be extended;

AND WHEREAS no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff provided the Commission with the Affidavit of Peaches Barnaby, sworn March 6, 2013, outlining Staff's service of the Amended Temporary Order on the Individual Respondents, Global and Crown, and Staff's efforts to serve CPAS and EAM;

AND WHEREAS Staff advised the Commission that on February 14, 2013, Michael Chomica pleaded guilty to three counts of fraud contrary to sections 122 and 126.1(b) of the Act and that further dates have been scheduled in connection with the Section 122 Proceedings, including a sentencing hearing for Michael Chomica on March 14, 2013;

AND WHEREAS Staff provided the Panel with a letter from Banks' counsel indicating that Banks consented to a further extension of the Amended Temporary Order;

AND WHEREAS Staff requested that the Amended Temporary Order be extended;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to April 26, 2013 and the hearing be adjourned to April 25, 2013 at 10:00 a.m.;

AND WHEREAS on April 25, 2013, Staff appeared before the Commission to request that the Amended Temporary Order be extended;

AND WHEREAS no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff provided the Commission with the Affidavit of Peaches Barnaby, sworn March 11, 2013, outlining Staff's service of the Amended Temporary Order on the Individual Respondents, Global and Crown, and Staff's efforts to serve CPAS and EAM;

AND WHEREAS Staff advised the Commission that:

- (i) Michael Chomica was sentenced to a period of incarceration in connection with the Section 122 Proceedings on March 14, 2013;

- (ii) Staff withdrew the allegations against Jan Chomica in connection with the Section 122 Proceedings;
- (iii) an appearance is scheduled for May 16, 2013 before the Ontario Court of Justice in connection with the Section 122 Proceedings against Siklos; and
- (iv) Staff has initiated administrative proceedings pursuant to section 127 of the Act against, *inter alia*, Global, Crown, Michael Chomica, Jan Chomica and Lorne Banks and the next appearance is scheduled for May 22, 2013;

AND WHEREAS Staff requested that the Amended Temporary Order be extended;

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

IT IS ORDERED that the Amended Temporary Order is extended to June 6, 2013 and the hearing is adjourned to June 5, 2013 at 9:00 a.m., or such other date and time as set by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 25th day of April, 2013.

“Christopher Portner”

Christopher Portner