

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

**- and -**

**SULJA BROS. BUILDING SUPPLIES, LTD. (NEVADA),  
SULJA BROS. BUILDING SUPPLIES LTD.,  
KORE INTERNATIONAL MANAGEMENT INC.,  
PETER VUCICEVICH AND ANDREW DeVRIES**

**STATEMENT OF ALLEGATIONS  
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) make the following allegations:

**Parties**

1. Sulja Bros. Building Supplies Ltd. (“Sulja Ontario”) is a company incorporated in Ontario in 1987 with a registered office in Harrow, Ontario. Sulja Ontario is in the building supplies business and has been operating in the Windsor area for a number of years.
2. Sulja Bros. Building Supplies, Ltd. (Nevada) (“Sulja Nevada”) is a company incorporated in May 2006, in the State of Nevada with a registered officer in Las Vegas, Nevada. Sulja Ontario and Sulja Nevada are collectively referred to in this Statement of Allegations as “Sulja Bros.”
3. Peter Vucicevich (“Vucicevich”) is a resident of Ontario. Vucicevich is the former Chief Executive Officer of at least one of the Sulja Bros. companies. Vucicevich is also the director and a majority shareholder of Kore International Management Inc. (“Kore”).

4. Kore is a company incorporated in Ontario with a registered office in Windsor, Ontario. Kore has a relationship with Sulja Bros. through Vucicevich.

5. Andrew DeVries (“DeVries”) is an American resident in Texas. DeVries is an associate of Vucicevich and is also affiliated with both Kore and Sulja Bros.

### **Manipulative Trading of Sulja Nevada Shares**

6. Sulja Bros. is quoted on the Pink Sheets, an over-the-counter quotation system in the United States. It is not listed for trading on any exchange or trading system in Canada.

7. From or about September 2004 to August 2005, Vucicevich set up trading accounts at two Canadian discount brokers using employees of Kore and/or members of the Sulja family as nominees (the “Nominee Accounts”).

8. Between August 2006 and November 2006, Vucicevich and DeVries directed trading in the Nominee Accounts as follows: Sulja Nevada shares were received in large quantities into the Nominee Accounts by journal entry from Transfer Online, a transfer agent in Portland, Oregon, and were thereafter sold from the Nominee Accounts. Vucicevich and De Vries instructed the account holders of the Nominee Accounts when to trade, at what price to trade, and how many shares to trade at a given price.

9. The shares were received into the Nominee Accounts from Sulja Nevada’s treasury either directly or through Kore. In both circumstances, the trading constituted a distribution which requires in each instance the issuance of a prospectus receipt by the Commission for the securities of Sulja Nevada or a proper exemption under Ontario securities law. No such receipt has been issued nor have the Respondents demonstrated the existence of a proper exemption from the requirement, contrary to section 53 of the Act.

10. Within the Nominee Accounts, the effect of the trading in securities of Sulja Nevada as directed by Vucicevich and DeVries and as facilitated by Sulja Bros. and Kore, was to maintain a certain share price in Sulja Nevada, resulting in a misleading appearance

of trading activity and an artificial price level for the shares of Sulja Nevada in breach of section 126.1 of the Act.

11. The proceeds of the trading in securities of Sulja Bros. from the Nominee Accounts as described above are approximately \$7.8 million (US).

### **Misleading Disclosure**

12. Sulja Bros. issued press releases dated August 11, 2006 and August 23, 2006, in which each time it stated that it was negotiating with KPMG LLP (“KPMG”) and PriceWaterhouseCoopers (“PWC”) to handle all future SEC filings and reporting. The press releases further represented that those firms would be conducting an audit of certain transactions and that the audited financial were “upcoming”.

13. Sulja Bros. issued a press release dated September 5, 2006, stating that it has a contract for building materials in the Middle East which will produce annual revenues of \$3.5 million.

14. The representations made in the press releases described above are untrue. Neither KPMG nor PWC have or have had any involvement with Sulja Bros. Furthermore, the contracts in the Middle East referred to in the press release dated September 5, 2006 do not exist.

15. Vucicevich and DeVries are responsible for Sulja’s improper disclosure and for the misrepresentations made in the press releases.

16. By issuing disclosure that contained statements that were in a material respect misleading or untrue, Sulja Bros., Vucicevich and De Vries are in breach of section 126.2 of the Act.

### **Conduct Contrary to Ontario Securities Law and Contrary to the Public Interest**

17. The Respondents have issued false press releases contrary to section 126.2 of the Act that misrepresent the business of Sulja Bros. and its prospects.

18. At the same time, the Respondents have traded or have caused to be traded, large numbers of shares of Sulja Nevada to third parties in a manner which constituted distributions for which no preliminary prospectus or prospectus were filed nor a receipt issued by the Director, contrary to section 53 of the Act.

19. The trading directed by Vucicevich and De Vries and facilitated by Sulja Bros. and Kore have created a misleading appearance of trading activity and an artificial price for the shares of Sulja Nevada contrary to section 126.1 of the Act.

20. The Respondents' conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.

DATED at Toronto this 27<sup>th</sup> day of December, 2006.