



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 -**

**IN THE MATTER OF  
BLACKWOOD & ROSE INC., STEVEN ZETCHUS and JUSTIN KRELLER (also known  
as JUSTIN KAY)**

**ORDER  
(Section 127)**

**WHEREAS** on January 29, 2013, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing (the “Notice of Hearing”) pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5 as amended (the “Act”) accompanied by a Statement of Allegations of Staff of the Commission dated January 29, 2013 (the “Statement of Allegations”) with respect to Blackwood & Rose Inc. (“Blackwood”), Steven Zetchus (“Zetchus”) and Justin Kreller (“Kreller”) (collectively, the “Respondents”);

**AND WHEREAS** the Notice of Hearing stated that a hearing would be held at the temporary offices of the Commission on February 19, 2013;

**AND WHEREAS** on February 19, 2013, Staff attended the hearing and no one appeared on behalf of the Respondents;

**AND WHEREAS** the Commission previously made a temporary order in connection with this proceeding on December 18, 2012 (the “Temporary Order”);

**AND WHEREAS** on December 31, 2012, the Commission extended the Temporary Order to March 7, 2013 and adjourned the hearing to consider a further extension to March 6, 2013 at 10:00 a.m.;

**AND WHEREAS** on February 19, 2013, Staff requested that a pre-hearing conference be scheduled in this matter and that the Temporary Order be extended to the day following the pre-hearing conference to permit the parties to make submissions on a further extension of the Temporary Order at the pre-hearing conference;

**AND WHEREAS** on February 19, 2013, the Commission ordered that:

- (i) the Temporary Order be extended to April 11, 2013 or until further order of the Commission;
- (ii) the hearing date scheduled for March 6, 2013 to consider a further extension of the Temporary Order be vacated; and
- (iii) the hearing be adjourned to April 10, 2013 at 10:00 a.m. for the purpose of conducting a prehearing conference and to consider a further extension of the Temporary Order;

**AND WHEREAS** on April 10, 2013, Staff attended the hearing and no one appeared on behalf of the Respondents;

**AND WHEREAS** a confidential pre-hearing conference was held;

**AND WHEREAS** following the confidential pre-hearing conference, the hearing resumed and Staff requested (i) that the hearing be adjourned to a status hearing in May 2013; and (ii) that the Temporary Order be extended to the day following the status hearing to permit the parties to make submissions on a further extension of the Temporary Order at the status hearing;

**AND WHEREAS** the Commission ordered that the Temporary Order be extended to May 21, 2013 and that the hearing be adjourned to May 17, 2013 at 10:00 a.m. for the purpose of conducting a status hearing and to consider a further extension of the Temporary Order;

**AND WHEREAS** on May 17, 2013, Staff attended the hearing and no one appeared on behalf of the Respondents;

**AND WHEREAS** Staff requested that the status hearing be converted into a confidential pre-hearing conference;

**AND WHEREAS** a confidential pre-hearing conference was held and Staff made submissions;

**AND WHEREAS** following the confidential pre-hearing conference, the hearing resumed and Staff requested (i) that the hearing be adjourned to a further confidential pre-hearing conference; and (ii) that the Temporary Order be extended to a date following the pre-hearing conference to permit the parties to make submissions on a further extension of the Temporary Order at the pre-hearing conference;

**AND WHEREAS** the Commission ordered that (i) the Temporary Order be extended to June 20, 2013 or until further order of the Commission; (ii) the hearing be adjourned to June 18, 2013 at 3:30 p.m. for the purpose of conducting a confidential pre-hearing conference and to consider a further extension of the Temporary Order;

**AND WHEREAS** on June 18, 2013, Staff attended the hearing and no one appeared on behalf of the Respondents;

**AND WHEREAS** a confidential pre-hearing conference was held and Staff made submissions;

**AND WHEREAS** following the confidential pre-hearing conference, the hearing resumed and Staff requested (i) that the hearing be adjourned to a status hearing; and (ii) that the Temporary Order be extended to a date following the status hearing to permit the parties to make submissions on a further extension of the Temporary Order at the status hearing;

**AND WHEREAS** the Commission ordered that: (i) the Temporary Order be extended to August 14, 2013 or until further order of the Commission; and (ii) the hearing be adjourned to August 12, 2013 at 2:00 p.m., for the purpose of conducting a status hearing and to consider a further extension of the Temporary Order;

**AND WHEREAS** by notice of motion dated August 2, 2013 (the "Notice of Motion"), Staff requested an order of the Commission, pursuant to Rule 11 of the Commission's *Rules of Procedure* and section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, that the hearing on the merits in this matter proceed in writing;

**AND WHEREAS** the Respondents were served with the Notice of Motion and have not objected to this matter proceeding as a written hearing;

**AND WHEREAS** the Respondents have never participated in this hearing, although properly served with the Notice of Hearing, the Statement of Allegations and all subsequent orders made by the Commission;

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

**IT IS HEREBY ORDERED** that pursuant to Rule 11 of the Commission's *Rules of Procedure* and section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, the hearing on the merits shall proceed as a written hearing in accordance with the following schedule:

- (i) Staff shall file evidentiary briefs in the form of affidavits, as well as written submissions on the relevant facts and law, no later than August 26, 2013;
- (ii) The Respondents shall file any responding materials by September 9, 2013;
- (iii) Staff shall file any reply submissions by September 16, 2013; and
- (iv) Staff and any participating Respondents will attend at a date appointed by the Panel after September 16, 2013 to answer questions, make submissions or make any necessary witnesses available for cross-examination;

**IT IS FURTHER ORDERED** that the Temporary Order is extended to the conclusion of this proceeding, including the issuance of the Commission's decision on sanctions and costs should a sanctions hearing be required following the conclusion of the hearing on the merits in this matter.

**DATED** at Toronto this 12<sup>th</sup> day of August, 2013.

*"James E. A. Turner"*

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James E.A. Turner