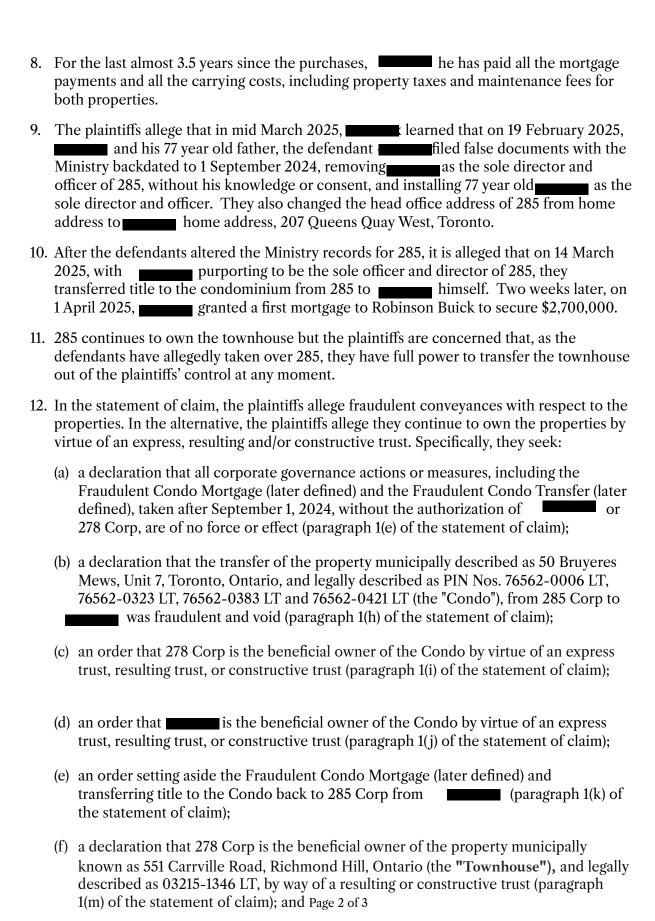


## SUPERIOR COURT OF JUSTICE – ONTARIO Toronto Region

				Court File No: CV-25-742	2739
Short 7	Title:				
		V			
Date R	Read: 11 May 2025				
Hearin	ng: 🛮 Motion	□ Case conference	□ Pre-trial co	onference	
Heard:	: □ In person □	□ Videoconference	□ Telephone	■ In writing	
		ENDORSE	EMENT		
1.	The plaintiffs bring this action against the defendants alleging that the defendants have fraudulently conveyed to themselves two properties owned by the plaintiffs.				
2.	The plaintiffs allege that the defendants carried out this fraud by fraudulently altering the corporate documents of the defendant 2855419 Ontario Inc. ("285"), owner of the two properties in question, on file with the Ministry.				
3.	On this motion brought on an urgent basis and in writing, the plaintiffs seek leave to register a certificate of pending litigation against the two properties in question.				
4.	The plaintiffs allege that in December 2021, they purchased a townhouse and a condominium in the name of 285. The condominium is located at 50 Bruyeres Mews, Unit 7, Toronto. The townhouse is located at 551 Carrville Road, Richmond Hill.				
5.	Prior to the purchase of the properties, the defendant all of the shares of 285. In December 2021, transferred those shares to 278730 Ontario ("278"), Holdco, as part of an involved debt repayment plan, as it alleged that owed upwards of \$5,000,000 by that point.				06
6.	also resigned as appointed in his place. address, 9251 Yonge St	The head office of 28	85 was changed		
7.	of the shares of 285. necessary funds to con	either directly mplete the purchase obvided \$1,326,397.84 t	or through a function of the properties to close the pur	78, which in turn owned 10 arther Holdco provided all s. He paid the deposits of chase of the townhouse ar	the



- (g) a declaration that is the beneficial owner of the Townhouse by way of a resulting or constructive trust (paragraph 1(n) of the statement of claim).
- 13. Each of these allegations, supported by the affidavit evidence of above, raises a triable issue as to whether the plaintiffs have a reasonable claim to an interest in the lands in question. A claim for fraudulent conveyance seeks a return of title to the lands to its proper owner. I am further satisfied that a declaration of a constructive, express or resulting trust is a possible remedy available at trial, and one that would establish a triable issue as to the plaintiffs' interest in land for the purposes of this motion (see Avan v Benarroch 2017 ONSC 4729, for example).
- 14. I am of the view that the court must exercise its discretion in equity, even at this stage, and look at all relevant matters between the parties. On the evidence before me, the equities favour the plaintiffs, who have paid all the consideration to date relating to the properties, and who, until a few weeks ago, owned of the properties, directly or indirectly. The purported fraudulent alteration of 285's corporate records and the subsequent change in ownership was made without their notice or consent. The plaintiffs have put forward a fulsome record and there is no evidence at this stage that the granting of the certificates of pending litigation would cause the defendants irreparable harm. They will have their opportunity to move to set aside the certificate of pending litigation, if they believe that action is warranted. Page 3 of 3
- 15. Order to go granting the plaintiffs leave to register a certificate of pending litigation against the condominium and the townhouse properties, per the draft order which I have signed.

16. The plaintiffs are to provide the defendants and all encumbrancers on the properties with a copy of the order and these reasons as expeditiously as possible.

Date: 11 May 2025

Digitally signed by Karen E Jolley
Date: 2025.05.11
23:02:30-04'00'\_\_\_\_\_

ASSOCIATE JUSTICE JOLLEY