SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

COUNSEL SLIP / ENDORSEMENT

COURT FILE NO.: CV-25-00736577-00CL **DATE:** June 16, 2026

REGISTRAR: E. Zlatkus

NO. ON LIST: 1

TITLE OF PROCEEDING: FUKIAGE et al v. CLEARVIEW GARDEN ESTATES INC. et al

BEFORE: JUSTICE FL MYERS

PARTICIPANT INFORMATION

For Plaintiff, Applicant / Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Mark Van Zandvoort Roula Khairalla	AlixPartners Restructuring Inc., Receiver	Mvanzandvoort@airdberlis.com rkhairalla@airdberlis.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Patryk Sawicki	Rep Counsel for Investors	Patryk.sawicki@gowlingwlg.com
Randy Hoffner	Self-represented	randyhoffner@avdal.ca

ENDORSEMENT OF JUSTICE FL MYERS:

1. The Receiver moves for an order that the transfer of a mortgage from Halton Park Inc. to First Global Financial Corp. is void as against the beneficial owners of the assets of Halton Park.

2. Alternatively, the Receiver seeks an order granting judgment against First Global Financial Corp. on the promissory note dated April 26, 2024 that was purportedly given as consideration by First Global for the purchase of the mortgage from Halton Park.
3. In either case, the Receiver seeks an order that the beneficial owners of the assets of Halton Park are entitled to share the proceeds of the mortgage that are currently being held by the Receiver pursuant to an order of the court.
4. It may be that with significantly more evidence and understanding of the facts, I would see the sale of the mortgage as part of a larger fraudulent scheme that would undermine the transaction. But I do not see that now.
5. First, even if Mr. Hoffner and the other management of Halton Park and its upstream parent companies were acting to take for themselves the equity value of Halton Park, that does not make the investors creditors. They invested in the land banking scheme and received undivided beneficial title to the property held for them by Halton Park as nominee or bare trustee. They owned the equity of the land.
6. I do not agree with Ms. Khairalla's submission that the owners' entitlement to distribution of net income from their investment property makes them creditors. There is no law submitted for that proposition. Perhaps, like some shareholders, if a distribution had been declared with a specified quantum and due date, like a preferred dividend, they could be seen as creditors for at least the amount due and owing to them. But I have no evidence of that.
7. I agree that the *Fraudulent Conveyances Act* is to be given a large and liberal interpretation. I understand as well that a transaction can be impugned under the statute for fraudulently hindering "creditors and others." But that does not make the conversion of equity by a trustee or a corporate board of directors a transaction that defrauds, delays, or hinders creditors or others.

8. It may well be a breach of trust, oppressive, a breach of fiduciary duty, conversion, and any number of other things. But even stealing an owner's property is not an act designed to hinder the owner as creditor or a creditor-like person. If there is law to the contrary, I was not shown it.

9. In 2019, Halton Park sold its land. Part of the purchase price was paid by a VTB mortgage for $7.8 million. The sale of the land without the approval of the majority of the investors was likely a breach of the co-owners' agreement and wrongful. But the sale of the land is not challenged.

10. The VTB mortgage had a five-year term. It was to come due November 4, 2024. It bore interest at 5% *per annum* compounded semi-annually, not in advance.

11. It is common ground that the investors' equitable interests are continued in the mortgage as if it were the original land held by Halton Park.

12. Some years later, management of the land banking enterprise (including Halton Park and many others nominee companies that sold similar undivided equitable interests in their properties to investors) worked on a deal to liquidate the entire investment. First Global, owned and operated by Mr. and Ms. Salvatore, seemed to be willing to buy all or many of the nominee investment vehicles. They referred to the proposal as the "Enterprise" transaction.

13. Prior to doing that deal, First Global purported to buy the Halton Park VTB mortgage from it. The price paid was a promissory note for $7.8 million that matched the face amount of the mortgage. The note was guaranteed or partially guaranteed personally by Mr. Salvatore. The note required First Global to pay "applicable interest." But no interest rate was specified.

14. As security for the payment of the note, First Global amended a mortgage it had already granted to other nominee land holders on a property on Highway 27. It purported to grant $7.8 million in security in a tranche between $45 million and 52.8 million i.e. behind $45 million or pre-existing security. There is evidence that the Highway 27 land was bought many years earlier for less than $5 million. The Receiver has an appraisal more recently for more than $25 million. But there is no

evidence of what the property was thought to be worth by Halton Park or First Global when this tranche of security was granted

15. By its terms, the promissory note was to mature and become due and payable on March 12, 2028.

16. But First Global was also required to pay Halton Park the amount due under the promissory note on June 14, 2024 if one of two specified triggering events occurred. The defined events are:

    (i) failure by First Global Financial Corp. and Vincent Salvatore to fund and close on the acquisition of TSI International Canada Inc., Greenvalley Estates Inc., Greenvalley Estates II Inc., Niagara Falls Park Inc., Niagara Estates of Chippawa II Inc., London Valley Inc., London Valley II Inc., London Valley IV Inc., London Valley V Inc., Talbot Crossing Inc. and Lyons Creek Niagara Falls Park Inc. (the "Proposed Acquisition of Companies") from Niagara Estates of Campbellville Inc., Green Valley Estates Canada Inc., TSI International-Grandtag A2A GEII Inc., TSI International-Grandtag A2A Niagara IV Inc., TSI-NEC II International Canada Inc., TSI-LV International Canada Inc., TSI-LVII International Canada Inc., TSI- LVIV International Canada Inc., TSI-LVV International Canada Inc., TGP-Talbot Crossing Inc., TGP-Lyons Creek Niagara Falls Park Inc. on or before June 14, 2024;

    (ii) failure to provide proof and guarantee of funds for the acquisition of the Proposed Acquisition of Companies on or before May 17, 2024.

17. Ms. Khairalla submits that these events are defined so vaguely as to render the note valueless. I do not agree. There words used have readily discernable meaning. They required First Global to repay its promissory note on June 14, 2024 unless, by that date, First Global and Mr. Salvatore funded and closed a purchase of many of the nominee land holding companies from their upstream shareholder parent companies (i.e. the Enterprise transaction than under discussion). First Global was also required to repay the promissory note on June 14, 2024, if First Global and

Mr. Salvatore failed to provide proof that they could finance the closing of the Enterprise transaction by May 17, 2024.

18. The Enterprise transaction did not close. It became subject of a lawsuit in Hamilton. I know nothing about why it did not close; whether it was *bona fide*; why Mr. Salvatore wanted to buy the Halton Park mortgage prior to the Enterprise deal closing; or why the due date in the Halton Park promissory note would be accelerated if the Enterprise Transaction did not close.

19. One may fairly be concerned at the *bona fides* of replacing a five-year first mortgage paying 5% compound interest with a promissory note with deeply subordinated security, no interest rate specified, an extra four-year term but subject to early payment if a transaction did not occur. Perhaps the early payment was meant to be a showing of *bona fides* from First Global to Halton Park that it needed the mortgage to close the Enterprise Transaction and it would repay it if that deal did not close. But I do not even know why one would need or how one would use a mortgage as some form of currency when it is balanced by a promissory note liability in the same amount on one's balance sheet.

20. So I accept that I do not understand the deal. But First Global gave a presumptively valid promissory note in payment for the mortgage. Even if it carries no interest, it is still a bill of exchange that bound First Global. There is no evidence before me that First Global could not or did not intend to pay the promissory note when given.

21. I have no facts allowing me to compare the value of the note against the mortgage to determine whether the note was conspicuously less value paid for what was received.

22. The other badges of fraud relied upon by the Receiver flow from an assumption that the transaction was tainted or that the note was not *bona fide*. It was not disclosed to the investors by management. But that does not make it a secret or stealthy transaction.

23. The Receiver says that there was no apparent business purpose for the sale of the mortgage for the promissory note. Its efforts to obtain some information about the

business purpose from both First Global and management of Halton Park have been ignored

24. The transaction was done quickly. But there is no sign that haste was a goal to help hide the transaction from creditors or even investors.

25. Halton Park had an upcoming distribution planned that it could not make when it exchanged a paying mortgage for a note due years away. But, once again, whether that is a sign of fraudulent intent or just a natural result of the transaction that it agreed to undertake is not known.

26. It is also odd that First Global has made no claim to the funds sitting with the Receiver representing the proceeds realized on the VTB mortgage that it claims to own. Almost $2 million of the funds were paid out before the net amount was paid over to the Receiver. Those payments were to other secured creditors against the mortgage whose claims were recognized in the Hamilton litigation.

27. The deal done by management of Halton Park, without apparent thought for the positions of the actual owners of the assets, is at minimum odd. There is enough hair that it calls out for an explanation. But I cannot infer backwards. I cannot say that because I would like to understand the deal better, there are enough badges of fraud to raise an inference that Halton Park sold the mortgage to First Global with fraudulent intent to hinder its creditors.

28. Again, it may have been equity stripping or conversion of the equity by management in breach of trust and breach of fiduciary duties, but the points raised above do not lead me to infer that management was acting with an intention to defeat creditors. The badges of fraud point to other concerns. In my view, they do not suggest a reasonable fear that this was a deal designed to hinder, delay, or defeat the creditors or others in Halton Park.

29. However, there is a much simpler answer. The promissory note given by First Global came due when the Enterprise transaction did not close in June, 2024. The funds held by the Receiver are funds ostensibly owned by First Global as proceeds from the VTB mortgage it bought with the promissory note.

30. I agree with Ms. Khairalla that the Receiver is entitled to judgment on the promissory note and it is entitled to the release of the funds it holds on account of the VTB mortgage sold to First Global by Halton Park. No one else has claimed those funds from the Receiver despite the passage of the claims bar date.

31. Order to go as claimed at para. 88 of the Receiver's factum.

FL Myers J.

Justice FL Myers

Digitally signed by Justice FL Myers
Date: 2026.06.16 15:49:19 -04'00'