Court File No. CV-25-00736577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

MIZUE FUKIAGE, AKIKO KOBAYASHI, YOSHIKI FUKIAGE, KOBAYASHI KYOHODO CO., LTD., TORU FUKIAGE, and KWANG-CHENG (TONY) WEI, IN HIS PERSONAL CAPACITY AS A TAIWANESE INVESTOR AND IN HIS CAPACITY AS AGENT FOR THE OTHER TAIWANESE INVESTORS

Applicants

- and -

CLEARVIEW GARDEN ESTATES INC., TALBOT CROSSING INC., NIAGARA ESTATES OF CHIPPAWA II INC., LONDON VALLEY INC., LONDON VALLEY II INC., LONDON VALLEY III INC., LONDON VALLEY IV INC., LONDON VALLEY V INC., FORT ERIE HILLS INC., 2533430 ONTARIO INC., CGE CAPITAL MANAGEMENT INC., TGP-TALBOT CROSSING INC., NEC II CAPITAL MANAGEMENT INC., LV CAPITAL MANAGEMENT INC., LV II CAPITAL MANAGEMENT INC., LV III CAPITAL MANAGEMENT INC., LV IV CAPITAL MANAGEMENT INC., LV V CAPITAL MANAGEMENT INC., FORT ERIE HILLS CAPITAL MANAGEMENT INC., HALTON PARK INC., NIAGARA FALLS PARK INC., TSI-HP INTERNATIONAL CANADA INC., and TSI INTERNATIONAL- GRANDTAG A2A NIAGARA IV INC.

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED AND RULES 14.05(2) AND (3) OF THE *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, REG. 194, AS AMENDED

FACTUM OF THE RECEIVER/MOVING PARTY
(Motion returnable on June 16, 2026 at 10:00 AM)

June 5, 2026

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PART I – OVERVIEW

1. Pursuant to the Order granted by the Honourable Justice Steele in these Receivership Proceedings[1] on March 6, 2025, as amended and restated by Her Honour's Order issued on October 23, 2025 (the "**Appointment Order**"),[2] KSV Restructuring Inc. was appointed as receiver and manager (in such capacity, and not in its personal, corporate or any other capacity, the "**Receiver**") without security, of *inter alia,* the assets, undertakings and personal property of Halton Park Inc. ("**Halton Park**") including any interest in respect of the VTB (as defined below).

2. Halton Park is one of several nominee entities within a land banking investment enterprise each of which were formed to hold title to real property as nominee and bare trustee for underlying investors (referred to herein as "**Co-Owners**").[3]

3. The Receiver was appointed pursuant to an application and subsequent motion brought by Co-Owners who were concerned about improper transfers and sales of real estate held by the nominee entities, including the transfer of the VTB by Halton Park to First Global Financial Corp. ("**First Global**"), without notice to or the approval of the Co-Owners.[4]

4. The Receiver brings the present motion seeking a declaration that the pre-receivership transfer of a $7.8 million vendor-take-back mortgage (the "**VTB**") from Halton Park to First Global is void pursuant to the *Fraudulent Conveyances Act* (the "***FCA***").[5] Among other badges of fraud detailed herein, the VTB was transferred in haste and without notice to or consent of Halton Park's Co-Owners in exchange for consideration that was materially and significantly less than the value

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[1] The within proceedings being referred to herein as the "**Receivership Proceedings**". The Receiver's Case Website can be accessed at: Clearview Garden Estates.
[2] Motion Record of the Receiver dated May 6, 2026 ("**MR**") at Tab B, Fifth Report of the Receiver dated May 5, 2026 ("**Fifth Report**") at para 1, Case Center p. E6181; Appendix "2" (Appointment Order) at paras 4(a) and 4(a)(ii), Case Center p. E6233.
[3] Fifth Report at para 23, Case Center p. E6185.
[4] Fifth Report at paras 19 and 46-49, Case Center p. E6185 and E6191.
[5] *Fraudulent Conveyances Act*, RSO 1990, c F 29 [*FCA*], s. 2. The Receiver has the requisite standing to bring this motion: see *Stevens et al. v. Hutchens et al.*, 2022 ONSC 1508 at paras 26, 28 and 32, aff'd in *Stevens v. Hutchens*, 2022 ONCA 771 at para 15.

of the VTB (the "**Exchange**"). There was no legitimate purpose for the Exchange, nor any benefit to Halton Park.

5. In purported consideration for the assignment of the VTB to First Global, Halton Park received a fractional interest in a $52.8 million mortgage over a severely over-leveraged property (the "**Highway 27 Property**") owned by First Global, which last sold in 2011 for only $3.8 million, which mortgage also sits behind $35 million of higher-priority encumbrances, including behind a charge registered in favour of Halton Park's former principal and sole director and officer, Randy Hoffner ("**Mr. Hoffner**").[6] Mr. Hoffner effected the assignment of the VTB to First Global.

6. While not referenced in the assignment agreement[7] which memorialized the Exchange or the transfer of charge instrument,[8] a charge amending agreement registered against title to the Highway 27 Property references a $7.8 million Promissory Note (the "**Promissory Note**") and guarantee (the "**Guarantee**") purportedly given by First Global and Vincent Salvatore ("**Mr. Salvatore**"), respectively, in favour of Halton Park.[9] The Promissory Note became payable upon the occurrence of a triggering event in June 2024, yet no amounts have been paid to Halton Park.

7. The circumstances surrounding the Exchange are "badges of fraud" which qualify the Exchange as a fraudulent conveyance within the meaning of the *FCA* such that the Exchange ought to be declared void against Halton Park's Co-Owners and the Receiver.

8. The VTB was discharged prior to the Receivership Proceedings, and the available proceeds of the VTB in the amount of $5,893,350 (the "**VTB Proceeds**") are being held by the

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[6] Fifth Report at para 21, Case Center p. E6185, para 64(b), Case Center p. E6194 and para 87(d), Case Center p. E6198; see also Fifth Report, Appendix "9" (Halton Park Corporate Profile Report), Case Center p. E6502.
[7] Fifth Report, Appendix "41" (Assignment Agreement), s. 2 (Consideration), Case Center p. E7022.
[8] Fifth Report at para 59, Case Center p. E6193, Appendix "42" (Transfer of Charge), Case Center p. E7026.
[9] Fifth Report at paras 62 and 63, Case Center p. E6194, Appendix "44" (Notice and Charge Amending Agreement) and Appendix "19" (Promissory Note), Case Center pp. E7041 and E6676.

Receiver pending further Order of this Court pursuant to the Order of Justice Cavanagh dated February 23, 2026 (the "**Cavanagh J. Order**").[10]

9. In order to proceed with distribution of the VTB Proceeds following the conclusion of the Receiver's administration of the claims process in the Receivership Proceedings, the Receiver respectfully requests that this Court declare the Exchange of the VTB to First Global to be a fraudulent conveyance, such that the Halton Park Co-Owners, and not First Global, are entitled to receive the VTB Proceeds, net of costs. Alternatively, Halton Park should be granted judgment on the Promissory Note given by First Global.

10. No party, including Halton Park, opposes the Receiver's motion,[11] and no evidence has been tendered in response to this motion by the parties to the Exchange to rebut the presumption of an intention to defeat the Co-Owners' interests.[12]

11. First Global did not file a Proof of Claim[13] in these Receivership Proceedings and the March 31, 2026 Claims Bar Date[14] has passed. Given the Receiver advised First Global that it would pursue this motion,[15] the Receiver has done so for completeness. However, had First Global had a Post-Receivership Claim[16] to the VTB Proceeds, any such claim, which has not

[10] Fifth Report at para 42, Case Center p. E6191, Appendix "34", Case Center p. E6969.
[11] Supplementary Motion Record of the Receiver dated May 26, 2026 at Tab A, Supplement to the Fifth Report of the Receiver dated May 26, 2026 ("**Supplement to Fifth Report**") at para 9, Case Center p. E6043.
[12] *Stevens et al. v. Hutchens et al.*, 2022 ONSC 1508 at para 39, aff'd 2022 ONCA 771.
[13] Second Supplementary Motion Record of the Receiver dated June 2, 2026 at Tab A, Affidavit of Kyle Plunkett sworn June 1, 2026 ("**Plunkett Affidavit**") at para 3, Case Center p. E7603; Plunkett Affidavit at Exhibit "A" (Claims Process and Interest Holdings Identification Order issued October 23, 2025) ("**CPO**") at para 20, Case Center p. E7618.
[14] Pursuant to paragraph 2 of the Order (Amending Claims Process and Interest Holdings Identification Order) issued by the Honourable Justice Myers on December 9, 2025 (the "**Amended CPO**"), the Claims Bar Date under the CPO was extended to March 31, 2026 – see Fifth Report, Appendix "66", Case Center p. E7578.
[15] See the Receiver's counsel's letter to First Global dated March 3, 2026: Fifth Report at paras 81 to 82, Case Center p. E6197 and Appendix "65", Case Center p. E7428.
[16] "Post Receivership Claim" is defined at para 2 of the CPO, Case Center p. E7611, to include any right or claim of any Person that may be asserted or made against Halton Park that came into existence after the Receiver's appointment but prior to the Claims Bar Date, including by any right of ownership of or title to property or assets and whether or not such indebtedness is secured or unsecured.

been advanced, is barred in any event by operation of paragraph 20 of the Claims Process and Interest Holdings Identification Order issued October 23, 2025.[17]

PART II – BACKGROUND

A. The Receivership Proceedings and Co-Owner Agreements

12. Pursuant to the Appointment Order, the Receiver was appointed over Halton Park, as well as over the assets of other nominee entities in the land banking enterprise (defined in the Appointment Order, including Halton Park, as the "**Nominee Respondents**").[18]

13. The Nominee Respondents are part of a land banking investment enterprise in which approximately 3,000-3,500 Co-Owners invested funds in certain land banking projects in Ontario (the "**Land Banking Enterprise**").[19] The Co-Owners are largely comprised of individual investors based in Hong Kong, Japan, Taiwan, Malaysia, Philippines, China and Singapore.[20]

14. The Nominee Respondents were incorporated to hold title to various pieces of real estate in Ontario, as nominees and bare trustees for the Co-Owners.[21] In the case of Halton Park, it was incorporated to hold title to the property municipally known as 0 25 Highway E/S, Halton Hills, Ontario, as legally described under PIN 25022-0014 (LT) as PT LTS 7 & 8, CON 3 ESQ, AS IN 335221, EXCEPT 574487 & 679752; S/T EW15614 HALTON HILLS/ESQUESING (the "**Halton Park Property**").[22]

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[17] CPO at para 20, Case Center p. E7618.
[18] Fifth Report, Appendix "2" (Appointment Order) at para 4(a)(i)-(ii), Case Center p. E6233. It is anticipated that by the time this motion is heard, the Receivership Proceedings will have been expanded over additional entities as a result of a motion being brought by Representative Counsel in the Receivership Proceedings on June 15, 2026. Such expansion, if granted, will not impact the relief being sought by the Receiver on this motion.
[19] Fifth Report at para 18, Case Center p. E6185.
[20] Fifth Report at para 20, Case Center p. E6185.
[21] Fifth Report at para 23, Case Center p. E6185.
[22] Fifth Report at para 2, Case Center p. E6182.

15. The Co-Owners' investments in the Land Banking Enterprise were effected through agreements of purchase and sale (the "**Sale Agreements**"). Appended to the Sale Agreements are co-owner agreements (the "**Co-Owner Agreements**") which state that, in the case of Halton Park, it held title to the Halton Park Property for and on behalf of the Co-Owners.[23]

16. The Sale Agreements provide that the Co-Owner Agreements govern, *inter alia*, any future sale, financing and/or development of the Halton Park Property.[24]

17. In turn, the Co-Owner Agreements provide that, *inter alia*:

(a) the Halton Park Property may only be sold if an ordinary resolution is passed by the Co-Owners, being a resolution signed by the Co-Owners holding, in aggregate, not less than 51% of the aggregate interests in the Halton Park Property;[25] and

(b) the net income from the ownership, operation, use, financing, refinancing and/or sale of the Halton Park Property is to be distributed to each Co-Owner, proportionate to their respective interest in the Halton Park Property.[26]

B. The Sale of the Halton Park Property and Transfer of the VTB to First Global

18. On November 15, 2019, Halton Park sold and transferred the Halton Park Property to Milton 525 Inc. ("**Milton**") for a purchase price of $13 million.[27] As a part of the purchase price, Milton granted to Halton Park the VTB which was registered on title to the Halton Park Property in the amount of $7.8 million.[28]

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[23] Fifth Report at paras 24-25, Case Center pp. E6185-E6186, Appendix "10", Case Center p. E6511.
[24] Fifth Report at para 26, Case Center p. E6186, Appendix "10" (Halton Park Sale Agreement), s. 6, Case Center p. E6523.
[25] Fifth Report at para 27(a), Case Center p. E6186, Appendix "10" (Co-Owner Agreement), s. 9(a), Case Center p. E6534.
[26] Fifth Report at para 27(b), Case Center p. E6186, Appendix "10" (Co-Owner Agreement), s. 7(j), Case Center p. E6533.
[27] Fifth Report at para 56, Case Center p. E6193, Appendix "39", Case Center p. E7013.
[28] Fifth Report at para 57, Case Center p. E6193, Appendix "40", Case Center p. E7017.

19. On April 23, 2024, Mr. Hoffner caused Halton Park to assign and transfer the VTB to First Global for no legitimate purpose and without any reasonable basis or benefit to Halton Park in the circumstances.[29] The transfer of the VTB from Halton Park to First Global was registered on title to the Halton Park Property on April 26, 2024.[30]

20. As indicated in the Affidavit of Kwang-Cheng (Tony) Wei (the "**Wei Affidavit**") filed in support of the motion which resulted in the Receiver's appointment over Halton Park, the Halton Park Co-Owners were not notified of the Exchange, nor was their consent sought.[31]

C. The Enterprise Transaction Entered into by the Hoffners and Trans Global with First Global and Paybank and the Subsequent Hamilton Proceedings

21. The Nominee Respondents which make up the Land Banking Enterprise were owned by Land Mutual Inc., through various holding companies. Land Mutual Inc. is controlled by TGP Canada Management Inc. ("**TGP Canada**"), Titan Shield Inc., and ultimately, by the final upstream parent corporation in the Land Banking Enterprise, Trans Global Partners Limited ("**Trans Global**").[32]

22. However, title to the real property owned by the Nominee Respondents was held for and on behalf of the Co-Owners.[33] The sole assets in the Land Banking Enterprise with any real value were/are the real properties or mortgages (including the VTB) acquired with Co-Owner funds and

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[29] Fifth Report at para 58, Case Center p. E6193, Appendix "41", Case Center p. E7020.
[30] Fifth Report at para 59, Case Center p. E6193, Appendix "42", Case Center p. E7026.
[31] Fifth Report at paras 87(b), 87(j), 87(k), 87(l), Case Center pp. E6198 and E6199; see also Fifth Report, Appendix "3" (Wei Affidavit filed in support of the motion to appoint the Receiver over Halton Park) at para 83, Case Center p. E6288.
[32] Fifth Report at para 29, Case Center p. E6186. A simplified organizational chart depicting the Land Banking Enterprise as at the date of the Exchange is appended at Appendix "12" of the Fifth Report, Case Center p. E6611.
[33] Fifth Report at paras 23-25, Case Center p. E6185.

held by the Nominee Respondents in trust. The companies higher up in the corporate structure have no material assets or operations, other than as holding companies.[34]

23. In June 2024, shortly after the Exchange, there was an attempt by Mr. Hoffner, the principal of the Land Banking Enterprise, to sell control of the entirety of the Land Banking Enterprise to First Global and 2630306 Ontario Inc. o/a Paybank Financial ("**Paybank**").[35] The sole director and officer of First Global was and remains Elena Salvatore ("**Ms. Salvatore**"),[36] who is the spouse of Mr. Salvatore.[37] The sole director and officer of Paybank was and remains Behzad (Ben) Pilehver ("**Mr. Pilehver**").[38]

24. Specifically, on or about June 4, 2024, entities including Trans Global, Mr. Hoffner and his spouse, Pauline Hoffner ("**Ms. Hoffner**"), entered into a series of transactions pursuant to which control of the Land Banking Enterprise was to be sold to First Global and Paybank (the "**Enterprise Transaction**").[39] The transaction documents in the Enterprise Transaction reference the interests of the Co-Owners.[40]

25. As part of the Enterprise Transaction: (i) a $10,000,000 charge was registered on June 6, 2024 against the Highway 27 Property in favour of Trans Global, Mr. Hoffner and Ms. Hoffner (the "**Hoffners' Highway 27 Charge**") to secure the equivalent amount owing to them in the aggregate

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[34] Fifth Report, Appendix "8" (Pilehver Affidavit filed in the Hamilton Proceedings – the "**Pilehver Affidavit**") at para 43, Case Center p. E6477.
[35] Fifth Report at para 28, Case Center p. E6186.
[36] Fifth Report at para 30, Case Center p. E6186 and Appendix "16" (Profile Report for First Global), Case Center, p. E6635.
[37] Fifth Report, Appendix "6" (Hoffner Affidavit filed in the Hamilton Proceedings – the "**Hoffner Affidavit**"), para 12, Case Center p. E6397.
[38] Fifth Report at para 31, Case Center p. E6187 and Appendix """17" (Profile Report for Paybank), Case Center p. E6643; see also Appendix "6" (Hoffner Affidavit), para. 12, Case Center p. E6397.
[39] Fifth Report at paras 28-37, Case Center pp. E6186-E6190.
[40] See, for example, section 2(a)(i) of the Share Purchase Agreement dated June 4, 2024 entered into as part of the Enterprise Transaction by, among others, TGP Canada as vendor and First Global as purchaser, which recognizes the existence of existing "investor/ownership agreements in place involving approximately three thousand (3,000) investors": Fifth Report, Appendix "18", Case Center p. E6662.

under three promissory notes given by First Global[41] (collectively, the "**Enterprise Transaction Promissory Notes**"); and (ii) the Highway 27 Mortgage was postponed on June 7, 2024 in favour of the Hoffners' Highway 27 Charge, such that Mr. Hoffner preferred his own economic self-interests to that of Halton Park despite his position as its sole director and officer.[42]

26. Following the Enterprise Transaction, Trans Global, Mr. Hoffner, and Ms. Hoffner (collectively, the "**Hamilton Applicants**") commenced litigation against, among others, First Global, Ms. Salvatore and Mr. Salvatore as a result of, *inter alia*, First Global's failure to make the payments required of it under the Enterprise Transaction and given the alleged fraudulent scheme pursuant to which First Global attempted to strip the Nominee Respondents of their assets (such litigation is referred to herein as the "**Hamilton Proceedings**").[43]

27. Paybank's President and sole director, Mr. Pilehver, swore an affidavit in the Hamilton Proceedings in an effort to intervene on behalf of TGP Canada, which entity Paybank came to control as part of the Enterprise Transaction.[44] The stated basis for which Mr. Pilevher sought to have TGP Canada be granted intervenor status was: (i) that the transactions at issue in the Hamilton Proceedings were occurring without notice to, or consent from, the Co-Owners;[45] and (ii) his view that it appears from the Hamilton Proceedings that the intention of the Hamilton Applicants (including Mr. Hoffner) was to satisfy amounts owing to them personally by First Global through the proceeds of property beneficially held for the Co-Owners, including the VTB.[46]

28. The affidavit of Akiko Kobayashi (the "**Kobayashi Affidavit**") sworn in support of the Receiver's appointment over other Nominee Respondents in these Receivership Proceedings

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41 Fifth Report at para 36(i) and Appendix "25", Case Center p. E6189, E6740, E6746 and E6752.
42 Fifth Report at paras 64(b), 87(g) 87(m), Case Center pp. E6194, E6198 and E6199.
43 Fifth Report at paras 37-38, Case Center p. E6190; Appendix "6" (Hoffner Affidavit) at paras 53-56, Case Center pp. E6420-E6422.
44 Fifth Report, Appendix "8" (Pilehver Affidavit) at para 67(b), Case Center p. E6485.
45 Fifth Report, Appendix "8" (Pilehver Affidavit) at para 39, Case Center p. E6474.
46 Fifth Report, Appendix "8" (Pilehver Affidavit) at paras 74-75, Case Center p. E6488-E6489.

similarly sets out the factual background in which the Hamilton Applicants failed to bring to the attention of the Court in the Hamilton Proceedings the Co-Owners' interests.[47]

29. As a result of the Hamilton Proceedings, the VTB Proceeds were paid to the Hamilton Applicants' lawyers ("**SW Law**") in trust.[48] The Hamilton Proceedings have since been stayed by operation of the Appointment Order.[49] The VTB Proceeds are now being held by the Receiver pending further Order of this Court pursuant to the Cavanagh J. Order.[50]

D. The Fraudulent Conveyance of the VTB

30. The sole consideration received by Halton Park for the assignment and transfer of the VTB, as set out in the underlying assignment agreement dated April 23, 2024 (the "**Assignment Agreement**"),[51] was an amendment (the "**Amendment**") to a mortgage (the "**Highway 27 Mortgage**") over the Highway 27 Property owned by First Global and municipally known as 11720 Highway 27, Vaughan, Ontario under PIN 03349-0125 (LT).[52]

31. As stated in the Assignment Agreement, the Amendment would increase the amount of the Highway 27 Mortgage, which had previously been granted in favour of five other nominee entities in the Land Banking Enterprise (collectively, the "**Nominee Chargees**"), from $45 million to $52.8 million (being the equivalent amount of the VTB).[53] Pursuant to the Assignment

[47] Fifth Report, Appendix "5" (Kobayashi Affidavit) at paras 134-135, Case Center p. E6385.
[48] Fifth Report at para 41, Case Center p. E6191, Appendix "33" (MacNeil J. Order) at para 10, Case Center p. E6912.
[49] Fifth Report, Appendix "2" (Appointment Order) at para 16, Case Center p. E6246.
[50] Fifth Report at para 42, Case Center p. E6191, Appendix "34", Case Center p. E6969.
[51] Fifth Report at Appendix "41" (Assignment Agreement), s. 2 (Consideration), Case Center p. E7022.
[52] Fifth Report at paras 58-60, Case Center p. E6193.
[53] Fifth Report at paras 60-62, Case Center pp. E6193-E6194, Appendices "41", "43" and "44", Case Center pp. E7020, E7028 and E7041. The Nominee Chargees, Fort Erie Hills Inc. and Clearview Garden Estates Inc., are both respondents in these Receivership Proceedings over whom the Receiver is appointed.

Agreement, Halton Park was not to be legally registered as a chargee under the Highway 27 Mortgage, but "shall be considered an additional joint account holder".[54]

32. On April 26, 2024, by way of a Notice registered under s. 71 of the *Land Titles Act*,[55] the Amendment was registered on title to the Highway 27 Property, together with a charge amending agreement signed by each of Mr. Hoffner on behalf of the Nominee Chargees, First Global, as chargor, and Mr. Salvatore, as guarantor (the "**Charge Amending Agreement**").[56]

33. The Charge Amending Agreement references that, in addition to the Amendment, First Global and Mr. Salvatore executed the Promissory Note and Guarantee in favour of Halton Park.[57]

34. The Promissory Note indicates that it shall become immediately due and payable on June 14, 2024 upon certain "Triggering Events", including in the event First Global and Mr. Salvatore fail to fund and close "the proposed acquisition of companies", including several of the Nominee Respondents.[58] While the proposed acquisition is not clearly defined in the Promissory Note, it appears to the Receiver to reference the transactions contemplated by the Enterprise Transaction. In the Hamilton Proceedings, Mr. Hoffner testified that the "proposed acquisition" refers to the series of share purchase agreements which constitute the Enterprise Transaction.[59]

35. Upon investigating the Exchange, the Receiver became aware of numerous circumstances which it submits are evidentiary indicators, or "badges of fraud", that the

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[54] Fifth Report at para 60, Case Center p. E6193, Appendix "41" (Assignment Agreement), s. 2, Case Center p. E7022.
[55] *Land Titles Act*, RSO 1990, c L.5, s. 71.
[56] Fifth Report, Appendix "44" (Charge Amending Agreement), Case Center p. E7041.
[57] Fifth Report at paras 36(c)-(e), 63, Case Center pp. E6188 and E6194. See also Fifth Report, Appendix "44" (Charge Amending Agreement), 3rd Recital, Case Center p. E7044. See also Fifth Report, Appendix "19" (Promissory Note), Case Center p. E6676.
[58] Fifth Report at para 36(e), Case Center p. E6188, Appendix "19" (Promissory Note and Guarantee), s. (i), Case Center p. E6676.
[59] Fifth Report at para 36(e)(iii), Case Center p. E6188, Appendix "7" (Supplemental Hoffner Affidavit filed in the Hamilton Proceedings – the "**Supplemental Hoffner Affidavit**") at para 14, Case Center p. E6455.

assignment and transfer of the VTB by Halton Park to First Global was a fraudulent conveyance.[60] These badges of fraud are addressed at paragraphs 59 to 82 below.

E. The Cavanagh J. Order Releasing the VTB Proceeds to the Receiver

36. By a series of letters throughout December 2025 and January 2026, the Receiver wrote to the Hamilton Applicants, First Global and other interested parties (collectively, the "**Interested Parties**") advising of the Receiver's view that the Exchange was a fraudulent conveyance such that it is void, and requesting, among other things: (1) written consent that the VTB Proceeds be paid to the Receiver by SW Law, to be held pending further Order in the Receivership Proceedings; and (2) confirmation that none of the Interested Parties claim an entitlement to the VTB Proceeds.[61]

37. With the exception of First Global, who has never responded to any of the Receiver's correspondence, each of the Interested Parties provided their written consent to the release of the VTB Proceeds then-held by SW Law to the Receiver, and confirmed that they did not claim any entitlement to the VTB Proceeds.[62]

38. Accordingly, the Receiver brought a motion returnable on February 23, 2026 for the release to it of the VTB Proceeds from the trust account of SW Law.[63] By Order dated February 23, 2026, the Honourable Justice Cavanagh granted the Cavanagh J. Order and directed SW Law to release to the Receiver the VTB Proceeds to be held by the Receiver pending further

[60] Fifth Report at para 87, Case Center, p. E6198.
[61] Fifth Report at paras 72-76, Case Center pp. E6195-E6196, Appendices "54", "55"-"63", Case Center pp. E7118 and E7120-E7381.
[62] Fifth Report at paras 74-75, Case Center p. E6196, Appendices "54", "58"-"62", Case Center pp. E7118 and E7330-E7358.
[63] Fifth Report at para 77, Case Center p. E6197.

Order of the Court. In accordance with the Cavanagh J. Order, SW Law wired to the Receiver the VTB Proceeds on February 25, 2026.[64]

F. First Global has not responded to any of the Receiver's Communications

39. By letter dated March 3, 2026 (the "**March 3 Letter**"), the Receiver advised First Global for the second time[65] of the Cavanagh J. Order, and that it was in receipt of the VTB Proceeds.[66]

40. In the March 3 Letter, the Receiver further advised First Global of the Receiver's intention to bring the present motion for the distribution of the VTB Proceeds to the Halton Park Co-Owners. The March 3 Letter further requested that First Global advise the Receiver if it intends to file a Proof of Claim in the Receivership Proceedings, given the Claims Bar Date of March 31, 2026.[67]

41. First Global has not responded to any of the Receiver's correspondence.[68] Nor did First Global submit a Proof of Claim by the Claims Bar Date.[69]

42. First Global did not appear at the May 11, 2026 case conference at which the present motion was scheduled, despite having been provided notice of the within motion and case conference.[70] Following the case conference, the Receiver personally served Ms. Salvatore, on

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[64] Fifth Report at paras 42 and 79, Case Center pp. E6191 and E6197, Appendix "34", Case Center p. E6969.
[65] First Global was notified of the Cavanagh J. Order as it is on the Service List, which was served with the Order by email dated February 23, 2026: Fifth Report at para 80, Case Center p. E6197, Appendix "64", Case Center p. E7424. First Global was also notified of this motion, as it is on the Service List, which was served with the Amended Notice of Motion and MR on May 6, 2026: Supplement to Fifth Report at para 7(b), Case Center p. E6042.
[66] Fifth Report at paras 81-84, Case Center p. E6197, Appendix "65", Case Center p. E7426.
[67] Fifth Report, Appendix "66" (Amended CPO) at para 2, Case Center p. E7578, pursuant to which the Claims Bar Date under the CPO was extended to March 31, 2026. The underlying CPO is found at Plunkett Affidavit, Exhibit A, Case Center p. E7605.
[68] Fifth Report at paras 74, 76, 80, 81 and 84, Case Center pp. E6196 and E6197; Supplement to Fifth Report at para 9, Case Center p. E6043.
[69] Fifth Report at para 85, Case Center p. E6197.
[70] Supplement to Fifth Report at paras 6-7, Case Center p. E6042.

behalf of First Global, with a copy of the Receiver's motion record and the Endorsement of the Honourable Justice Myers dated May 11, 2026 (the "**Myers J. Endorsement**").[71]

43. The Myers J. Endorsement provides that, if First Global wishes to participate in this proceeding, it is required to be represented by a licensed lawyer.[72] The Myers J. Endorsement further provides that First Global will have until May 20, 2026 to deliver a Notice of Appearance by a lawyer, failing which, the present motion will proceed on June 16, 2026.[73]

44. The Receiver has not heard from Ms. Salvatore or any other person on behalf of First Global.[74]

45. In addition to its service on Ms. Salvatore, the Receiver sent a copy of the motion record and the Myers J. Endorsement to Ms. Angela Assuras, a lawyer who had previously contacted the Receiver's counsel on behalf of Mr. Salvatore for reasons unrelated to the within motion.[75] The Receiver did not receive any response from Ms. Assuras.[76]

46. On June 3, 2026, the Receiver's counsel received a brief telephone call from Mr. Salvatore. Before speaking to him substantively concerning these proceedings, the Receiver's counsel thereafter wrote to Ms. Assuras on June 3 to confirm if the Receiver could communicate directly with Mr. Salvatore and to confirm whether she remains unretained on this matter by Mr. Salvatore. Ms. Assuras responded on June 4, 2026 indicating that she is not retained. The

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[71] Supplement to Fifth Report at para 8, Case Center p. E6043, Appendix "7", Case Center p. E6137.
[72] Supplement to Fifth Report, Appendix "5" (Myers J. Endorsement) at para 8, Case Center p. E6118.
[73]Supplement to Fifth Report, Appendix "5" (Myers J. Endorsement) at para 9, Case Center p. E6118.
[74] Supplement to Fifth Report at para 9, Case Center p. E6043. See also Supplement to Fifth Report at Appendix "7", Case Center p. E6137.
[75] Supplement to Fifth Report at paras 11-13, Case Center p. E6043, Appendix "9", Case Center p. E6146.
[76] Supplement to Fifth Report at para 13, Case Center p. E6043.

Receiver's counsel subsequently wrote to Mr. Salvatore on June 4, 2026 to inquire as to the nature of his inquiry. Mr. Salvatore has not responded.[77]

PART III – ISSUES

47. The issues to be decided on this motion are:

(a) Whether the Exchange is a fraudulent conveyance within the meaning of the *FCA*, such that the Court ought to declare it void against Halton Park's Co-Owners and the Receiver; or

(b) In the alternative, whether judgment should be granted to Halton Park against First Global pursuant to the Promissory Note and an order issued that the VTB Proceeds be released to the Receiver in partial satisfaction of the judgment.

PART IV – LAW AND ARGUMENT

A. The Exchange is a Fraudulent Conveyance and Therefore Void Under the FCA

48. The *FCA* is remedial legislation which is to be given as broad an interpretation as its language will reasonably bear.[78]

49. Section 2 of the *FCA* provides that fraudulent conveyances are void, and reads as follows:

> **Where conveyances void as against creditors**
>
> **2.** Every conveyance of real property or personal property and every bond, suit, judgment and execution heretofore or hereafter made with intent to defeat, hinder, delay or defraud creditors or others of their just and lawful actions, suits, debts, accounts, damages, penalties or forfeitures are void as against such persons and their assigns.

50. The test to find a fraudulent conveyance under section 2 of the *FCA* requires:[79]

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[77] An aide-mémoire will be filed by the Receiver in advance of this motion to address the communications on June 3, 2026 and any developments subsequent thereto which may arise in advance of the motion.
[78] *Stevens v. Hutchens*, 2022 ONCA 771 at para 18; *Mohammed v. Makhlouta*, 2020 ONSC 7494 at paras 44-45.
[79] *Stevens et al. v. Hutchens et al.,* 2022 ONSC 1508 (aff'd in 2022 ONCA 771) at para 35.

(a) a conveyance of property;

(b) an intent to defeat; and

(c) “creditors or others” towards whom that intent is directed.

51. The presence of one or more of the badges of fraud raises a presumption of fraud, which the parties to an impugned conveyance then bear an evidentiary burden to rebut.[80]

52. As is discussed at paragraphs 59 to 82 below, many badges of fraud exist with respect to the Exchange, and no evidence has been tendered, or explanation offered, by any party to the Exchange to rebut the presumption of fraud. This case does not come within any enumerated exceptions under the *FCA.* [81]

(i) The Exchange Was a Conveyance

53. The assignment and transfer of the VTB from Halton Park to First Global constitutes a conveyance of property under section 2 of the *FCA*.[82] Courts have confirmed that the assignment / transfer of a mortgage is a conveyance within the meaning of section 2 of the *FCA*.[83]

(ii) The Halton Park Co-Owners Are “Creditors or Others” of Halton Park

54. Courts have defined “creditors or others” under section 2 of the *FCA* broadly. “Creditors and others” includes the prospective creditors of a debtor.[84]

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[80] *Conte (Executrix and trustee of) v. Alessandro*, 2002 CanLII 20177 at para 22.
[81] *Stevens et al. v. Hutchens et al.*, 2022 ONSC 1508 at paras 57-58, aff’d in *Stevens v. Hutchens*, 2022 ONCA 771 at para 18; see FCA, s. 3 and s. 7(2).
[82] FCA, s. 1 definition of “conveyance”.
[83] See *Boudreau v. Marler*, [2002] O.J. No. 5699 (ONSC) at paras 7, 11-13, 30 (Receiver’s Brief of Authorities (“**BOA**”) at Tab 1), aff’d in *Boudreau v. Marler*, 2004 CanLII 19333 (ONCA) at paras 1, 47, 74, where the Courts found and affirmed that the transfer of charge / mortgage was a fraudulent conveyance under the *FCA*.
[84] *Stevens et al. v. Hutchens et al.,* 2022 ONSC 1508 at para. 36, aff’d, *Stevens v. Hutchens*, 2022 ONCA 771 at para 21; *Mohammed v. Makhlouta*, 2020 ONSC 7494 at para 45; *Crowe Soberman Inc. v. Noir Property Management Ltd.*, 2025 ONSC 4954 at para 50 [*Crowe*]. In *Crowe*, the interim receiver over a corporation, “Noir Durham” successfully obtained a declaration of fraudulent conveyance with respect to a mortgage granted by Noir Durham prior to the Receiver’s appointment (para 50 and para 54).

55. By virtue of the Sale Agreements and concurrently executed Co-Owner Agreements, Halton Park held the Halton Park Property, and subsequently, the VTB, as nominee and bare trustee for the Co-Owners. The Co-Owners had a legal entitlement to share in the VTB held by Halton Park prior to the Exchange, and therefore the VTB Proceeds. The Exchange ought to be void against the Co-Owners as “creditors or others” under the *FCA*.

(iii) The “Badges of Fraud”: The Intention Behind the Exchange was to Defeat the Co-Owners’ Entitlements to the VTB / the VTB Proceeds

56. Courts have recognized that it is unusual to find direct proof of intent to defeat, hinder or delay, and that it is more common to find evidence of suspicious facts or circumstances from which a fraudulent intent may be inferred.[85] Indeed, it has been held that the purpose of section 2 of the *FCA* is to recognize the possibility of inferring *prima facie* intent to defraud from circumstances where there is no direct evidence of intent.[86]

57. Courts therefore rely on “badges of fraud” to make inferences with respect to intent. The non-exhaustive badges of fraud recognized by modern courts include:[87]

(a) the transfer effectively divested the debtor of a substantial portion or all of its assets;

(b) the transfer had the effect of defeating, hindering, delaying, or defrauding creditors;

(c) the absence of a business purpose or other justification for the transaction;

(d) there is evidence of secrecy, fabrication, falsehood, destruction or loss of documents, or suspicious circumstances in the making of the transaction;

(e) the transaction occurred near in time to notice of debts or claims against the debtor;

(f) the transfer was made in the face of threatened legal proceedings;

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[85] *Conte (Executrix and trustee of) v. Alessandro*, 2002 CanLII 20177 (ONSC) at para 20.
[86] *Bearsfield Developments Inc. v McNabb*, 2016 ONSC 6294 at para 13.
[87] *Stevens et al. v. Hutchens et al.*, 2022 ONSC 1508 at para 37, aff’d 2022 ONCA 771; *Ontario Securities Commission v. Camerlengo Holdings Inc.*, 2023 ONCA 93 at para 12; *Bell v. Gerbac*, 2024 ONSC 2846 at para 11.

(g) the transfer documents contained false statements as to consideration;

(h) the consideration is grossly inadequate;

(i) there is unusual haste in making the transfer;

(j) some benefit is retained under the settlement by the settlor;

(k) embarking on a hazardous venture; and

(l) a close relationship exists between parties to the conveyance.

58. As are addressed in detail below, there are numerous badges of fraud present with respect to the Exchange which, taken together, lead to the conclusion that the parties to the Exchange were acting in concert, and not in good faith, with the intent to defeat the beneficial interests of the Halton Park Co-Owners.[88]

(1) The Exchange Was Effected in Secret

59. The Assignment Agreement and transfer of the VTB to First Global was kept a secret from the Halton Park Co-Owners.[89] The Co-Owners were not notified of the Exchange, nor was their consent sought.[90]

(2) There was No Business Purpose or other Justification for the Exchange

60. The assignment and transfer of the VTB to First Global occurred on April 23 and 26, 2024, before the Enterprise Transaction,[91] when there was no legitimate purpose for the transfer or benefit to Halton Park.[92]

61. Nor have the parties to the conveyance provided any explanation for the Exchange in response to the Receiver's inquiries, contrary to paragraph 8 of the Appointment Order[93] which

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[88] Fifth Report at para 87, Case Center, p. E6198.
[89] See *Ontario Securities Commission v. Camerlengo Holdings Inc.,* 2023 ONCA 93 at para 12.
[90] Fifth Report at paras 87(b), 87(j), 87(k), 87(l), Case Center pp. E6198 and E6199.
[91] Fifth Report at para 87(a), Case Center p. E6198.
[92] See *Ontario Securities Commission v. Camerlengo Holdings Inc.,* 2023 ONCA 93 at para 12.
[93] Fifth Report, Appendix "2" (Appointment Order) at para 8, Case Center p. E6242. See also Fifth Report at paras 74, 76, 80, 81 and 84, Case Center pp. E6196 and E6197. See also Supplement to Fifth Report at para 9, Case Center p. E6043.

requires Mr. Hoffner, Ms. Salvatore and Mr. Salvatore's full cooperation to respond to any inquiries and investigations the Receiver deems necessary.[94]

(3) The Exchange was Undertaken in Unusual Haste

62. The Assignment Agreement was entered into on April 23, 2024,[95] and the VTB transferred to First Global on April 26, 2024.[96] The Enterprise Transaction was effected by agreements dated June 4, 2024.[97]

63. There was simply no business purpose or justification whatsoever by which the VTB ought to have ever been transferred by Halton Park to First Global, let alone with the haste in which the transfer was effected prior to the Enterprise Transaction.[98]

(4) The Exchange Was Near in Time to Co-Owner Claims Against Halton Park

64. The only plausible explanation for the timing of the transfer of the VTB was to avoid Halton Park's indebtedness to its Co-Owners arising from the sale of the Halton Park Property, as set out in the Wei Affidavit filed in support of the Receiver's appointment over Halton Park. As such, Halton Park was exposed to imminent claims by its Co-Owners at the time of the Exchange.[99]

(5) The Transfer of the VTB Effectively Divested Halton Park of its Sole Asset

65. As indicated in the Wei Affidavit, the Halton Park Property constituted the material asset of Halton Park.[100] In transferring the VTB to First Global, Halton Park divested its sole asset with

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[94] Fifth Report at paras 72-76, Case Center pp. E6195-E6196 and Fifth Report at paras 80, 81 and 84, Case Center p. E6197. See also Supplement to Fifth Report at para 9, Case Center p. E6043.
[95] Fifth Report at para 58, Case Center p. E6193, Appendix "41" (Assignment Agreement), Case Center p. E7020.
[96] Fifth Report at para 59, Case Center p. E6193, Appendix "42" (Transfer of Charge), Case Center p. E7026.
[97] Fifth Report at para 36(b), Case Center p. E6187.
[98] See *Ontario Securities Commission v. Camerlengo Holdings Inc.,* 2023 ONCA 93 at para 12.
[99] Fifth Report, Appendix "3" (Wei Affidavit), para 76, Case Center p. E6286. *Ontario Securities Commission v. Camerlengo Holdings Inc.,* 2023 ONCA 93 at para 12.
[100] Fifth Report, Appendix "3" (Wei Affidavit), para 37, Case Center p. E6280. See also Fifth Report, Appendix "8" (Pilehver Affidavit) at para 43, Case Center p. E6477.

the effect of defeating, hindering, delaying, or defrauding Halton Park's current and prospective creditors, including the Co-Owners.[101]

(6) The Consideration for the VTB Was Grossly Inadequate

66. The sole consideration that Halton Park received from First Global for the assignment of the VTB, as stated in the Assignment Agreement, was a fractional interest in the Highway 27 Mortgage. This consideration was grossly inadequate, given that:[102]

(a) Halton Park was not made a chargee to the Highway 27 Mortgage, and was only named as an "additional joint account holder", therefore receiving only an unsecured fractional interest in the charge;[103]

(b) The Highway 27 Mortgage is a $52.8 million charge over the Highway 27 Property which last sold in 2011 for only $3.8 million;[104]

(c) The current estimated value of the Highway 27 Property is only $17.6-$26.5 million;[105]

(d) The Highway 27 Property is severely over-leveraged. The Highway 27 Mortgage sits behind $35 million of other encumbrances, including the $10,000,000 Hoffners'

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[101] Fifth Report, Appendix "10" (Halton Park Sale Agreement – Co-Owner Agreement), s. 7(j), Case Center p. E6533. See *Ontario Securities Commission v. Camerlengo Holdings Inc.,* 2023 ONCA 93 at para 12.
[102] See *Stevens et al. v. Hutchens et al.*, 2022 ONSC 1508 at para 37(5); *Ontario Securities Commission v. Camerlengo Holdings Inc.,* 2023 ONCA 93 at para 12.
[103] Fifth Report at paras 10, 60(a), Case Center pp. E6183 and E6193, Appendix "41" (Assignment Agreement), Case Center p. E7020.
[104] Fifth Report at paras 9, 87(d), Case Center pp. E6183 and E6198.
[105] Fifth Report at para 87(e), Case Center p. E6198.

Highway 27 Charge[106] which Mr. Hoffner had attempted to enforce prior to commencing the Hamilton Proceedings;[107] and

(e) The transfer of charge instrument itself simply states that Halton Park transfers the VTB "in exchange for $2.00 and other good and valuable consideration".[108]

67. The Halton Park Promissory Note did not form part of the stated consideration for the Exchange given it is not referenced in the Assignment Agreement or transfer of charge instrument.[109] In any case, the Promissory Note does not constitute sufficient consideration for the transfer of the VTB given that: (i) the "Proposed Acquisition of Companies" is not clearly defined in the Promissory Note which would give rise to a "Triggering Event";[110] (ii) the questionable circumstances concerning who actually executed the Promissory Note on behalf of First Global;[111] and (iii) Halton Park has not received any amounts under the Promissory Note.[112]

(7) Additional Suspicious Circumstances in the Making of the Exchange

68. There exists additional suspicious circumstances in the transfer of the VTB to First Global.

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[106] Fifth Report at paras 64(a), 64(b), 87(d), Case Center pp. E6194 and E6198. See also Fifth Report at Appendices "46"-"47" (Hoffners' Highway 27 Charge and Postponement of Interest), Case Center pp. E7053-E7066.

[107] Fifth Report, Appendix "6" (Hoffner Affidavit) at para 27, Case Center p. E6410, para 42, Case Center p. E6415, para 44, Case Center p. E6415 and para 49 Case Center p. E6418.

[108] Fifth Report at Appendix "42" (Transfer of Charge), Case Center p. E7026.

[109] There is no mention of the Halton Park Promissory Note in the April 23, 2024 Assignment Agreement: see Fifth Report, Appendix "41" (Assignment Agreement), Case Center p. E7020. The Halton Park Promissory Note was not granted until April 26, 2024: see Fifth Report, Appendix "19" (Promissory Note), Case Center p. E6676.

[110] Fifth Report at para 36(e), Case Center p. E6188, Appendix "19" (Promissory Note), s. (i), Case Center p. E6676.

[111] Mr. Hoffner gave evidence in the Hamilton Proceedings that Mr. Salvatore executed the Promissory Note, despite the fact that Mr. Salvatore was neither a director nor officer of First Global and the Promissory Note indicates that it was executed by Ms. Salvatore on behalf of First Global. In this regard, see Fifth Report at para 87(h), Case Center p. E6198, Appendix "7" (Supplemental Hoffner Affidavit) at para 12, Case Center p. E6454. See also Fifth Report, Appendix "19" (Promissory Note and Guarantee), Case Center p. E6678. See also Appendix "16" (Corporate Profile Report for First Global), Case Center p. E6635. See also Supplement to Fifth Report at para 10, Case Center p. E6043.

[112] Supplement to Fifth Report at para 9, Case Center p. E6183. See *Environmental Refuelling Systems Inc v Dougan Senior*, 2018 ABQB 208 at paras 44-48, and 61; *Easy Loan Corporation v Base Mortgage & Investments Ltd*, 2022 ABKB 803 at paras 20-24.

69. Shortly following the Exchange, and prior to the Enterprise Transaction, First Global quickly depleted the value of the VTB by taking private loans totalling $1,250,000 from two of the Interested Parties, Evangelista Tolfa and Balwinder Cheema, on May 3 and May 13, 2024, respectively, which were secured under the VTB. When the VTB was paid and discharged in April 2025, Messrs. Tolfa and Cheema were paid $1,323,325 and $348,658, respectively, thereby depleting the available VTB Proceeds.[113]

70. First Global also assigned a further interest in the VTB to a third Interested Party on September 20, 2024, which interest was subsequently transferred back to First Global following the commencement of the Hamilton Proceedings.[114]

71. As is set out in paragraph 25 above, Mr. Hoffner prioritized his own economic self-interests in effecting the transfer of the VTB on behalf of Halton Park. Shortly after effecting the transfer, he entered into the Enterprise Transaction in which he personally benefitted from the Enterprise Transaction Promissory Notes and the Hoffners' Highway 27 Charge, at which time he postponed the Highway 27 Mortgage in his favour to the detriment of Halton Park.[115] He then attempted to enforce the Highway 27 Mortgage prior to commencing the Hamilton Proceedings.[116]

72. Ultimately, the Hamilton Proceedings were commenced by the Hamilton Applicants in an effort, *inter alia*, to secure the proceeds of the VTB which was assigned to First Global.[117]

73. As is set out in paragraph 27 above, Mr. Pilehver sought to have TGP Canada be granted intervenor status in the Hamilton Proceedings given his view that the parties to the Hamilton Proceedings were engaging in dealings in respect of the properties beneficially owned by the Co-

[113] Fifth Report at paras 65-68, 74(b) and para 87(f), Case Center pp. E6195, E6196, and E6198.
[114] Fifth Report at para 69, Case Center p. E6195.
[115] Fifth Report at paras 64(b), 87(g) 87(m), Case Center pp. E6194, E6198 and E6199.
[116] Fifth Report, Appendix "6" (Hoffner Affidavit) at para 27, Case Center E6410, para 42, Case Center E6415, para 44, Case Center E6415 and para 49 Case Center E6418.
[117] Fifth Report, Appendix "7" (Supplemental Hoffner Affidavit) at para 28, Case Center p. E6459 and para 33, Case Center, p. E6464.

Owners, including the Halton Park Property, apparently for the purpose of settling their private debts, all without notice to or consent from the Co-Owners and without adequately informing the Court of the Co-Owners' interests.[118] These concerns were also raised in the Kobayashi Affidavit filed in support of the Receiver's appointment.[119]

74. Mr. Pilehver testified in his affidavit filed in the Hamilton Proceedings that on or around April 26, 2024, the Salvatores caused Halton Park to transfer the VTB from Halton Park to First Global, without notice to, or the consent of, the Co-Owners.[120]

75. To the Receiver's knowledge, no responding evidence was ever filed by First Global or Mr. Salvatore in the Hamilton Proceedings.[121]

(8) The Exchange Is One Instance of a Broader Scheme to Defraud Co-Owners

76. The Exchange of the Halton Park VTB is just one instance of a broader scheme of suspicious transactions in which the former and current principals of the Nominee Respondents – namely, Mr. Hoffner, First Global, the Salvatores and Mr. Pilehver - entered into transactions and dealings in an apparent attempt to defeat the Co-Owners' beneficial interests in the properties held by the Nominee Respondents.

77. As set out in the Fifth Report, the Receiver was appointed given the concerns of Co-Owners about alleged improper transfers and sales of real estate held by the Nominee Respondents.[122] The Kobayashi Affidavit sworn in support of the Receiver's appointment details the Co-Owners' concerns regarding other transactions involving First Global, the Salvatores and corporate entities in which they are involved pursuant to which they came to acquire property or interests in property of other Nominee Respondents for nominal or no consideration to the

[118] Fifth Report, Appendix "8" (Pilehver Affidavit) at paras 10-12 and 74-75, Case Center pp. E6469-E6470 and E6488-E6489.
[119] Fifth Report, Appendix "5" (Kobayashi Affidavit) at paras 134-135, Case Center p. E6385.
[120] Fifth Report, Appendix "8" (Pilehver Affidavit), paras 68(a) and (b), Case Center, p. E6487.
[121] Fifth Report at para 40, Case Center p. E6190.
[122] Fifth Report at paras 19 and 46-49, Case Center p. E6185 and E6191.

detriment of Co-Owners. One such transaction occurred on April 12, 2024, two weeks prior to the Exchange, when the Nominee Respondent Clearview Garden Estates Inc. transferred an unrelated vendor take back mortgage (the "**Clearview VTB Charge**") to First Global for $2.00.[123]

78. With respect to the sale and distribution of sale proceeds concerning an unrelated property (the "**LV IV Property**") formerly held by a different Nominee Respondent, London Valley IV Inc. ("**LV IV**"), the Receiver obtained a *Mareva* injunction and judgment against Mr. Pilehver for fraud after he caused LV IV to sell the LV IV Property and subsequently misappropriated the proceeds.[124]

79. In connection with the misappropriation of the sale proceeds of the LV IV Property, the Receiver has also commenced an action against Mr. Hoffner and obtained a certificate of pending litigation against a property registered in the name of Mr. Hoffner (the "**Hoffner Property**").[125] Proceeds from the pre-receivership sale of the LV IV Property effected by Mr. Pilehver were used to repay and discharge a collateral mortgage which had been registered on title to the LV IV Property to secure a mortgage loan principally registered against the Hoffner Property.[126]

80. By Order of the Honourable Justice Black dated April 10, 2025, the Receiver was granted leave to issue a certificate pending litigation on title to the Hoffner Property.[127] Justice Black found that "*There is no evidence of any consideration or valid business purpose for the LV IV Property to have been offered as collateral to secure the mortgage loan against the [Hoffner Property], and*

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[123] Fifth Report, Appendix "5" (Kobayashi Affidavit) at paras 9(a)-9(b), Case Center pp. E6326-E6327, para 9(i), Case Center p. E6332, para 89, Case Center p. E6365, para 105, Case Center p. E6371, para 107, Case Center p. E6372, paras 111-113, Case Center pp. E6373-E6374, paras 118-119, Case Center pp. E6376-E6377 and para 133, Case Center p. E6384.
[124] Fifth Report at para 49(b), Case Center p. E6192, Appendix "37" (Deitrich J. Judgment dated November 17, 2025), Case Center p. E6983, Appendix "38" (Deitrich J. Endorsement dated November 17, 2025), Case Center p. E7004.
[125] Fifth Report at para 49(a), Case Center pp. E6191-E6192, Appendix "36" (Black J. Endorsement dated April 10, 2025), Case Center p. E6974.
[126] Fifth Report at para 49(a), Case Center pp. E6191-E6192.
[127] Fifth Report at para 49(a), Case Center pp. E6191-E6192, Appendix "36" (Black J. Endorsement dated April 10, 2025), Case Center p. E6974.

doing so also appears to be in contravention of certain co-ownership arrangements governing the LV IV Property".[128] Mr. Hoffner did not oppose the motion or seek to set aside the Order of Justice Black, but has defended the Hoffner Action which remains ongoing.

81. The Receiver has since agreed to a release of the certificate of pending litigation given Mr. Hoffner has paid alternative security.[129]

82. The intention to defeat the Co-Owners' interests in the VTB by effecting the Exchange is bolstered by the fact that this was not an isolated incident – it is one instance in a pattern of fraudulent behaviour by the current and former principals of the Nominee Respondents to defeat the Co-Owners' interests in the property of the Nominee Respondents.

(iv) No Party Has Attempted to Rebut the Presumption of Fraud

83. It is submitted that badges of fraud, as detailed at paragraphs 59 to 82 above, raise a presumption of fraud, and that the parties to the Exchange have failed to rebut the presumption.[130]

84. No evidence has been filed by the parties to the Exchange, and none of them have claimed an entitlement to the VTB Proceeds. Contrary to paragraph 8 of the Appointment Order, Mr. Hoffner and First Global have failed to respond to the Receiver's inquiries concerning the circumstances surrounding the VTB Exchange.[131] First Global has not proffered any plausible theory of an honest purpose for having taken an assignment and transfer of the VTB.[132]

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[128] Fifth Report, Appendix "36" (Black J. Endorsement dated April 10, 2025) at para 23, Case Center, p. E6976.
[129] Fifth Report at para 83, Case Center p. E6597.
[130] *Conte (Executrix and trustee of) v. Alessandro*, 2002 CanLII 20177 (ONSC) at paras 21-22.
[131] Fifth Report at paras 72-75, Case Center pp. E6195-E6196, Appendices "54", "55" and "56", Case Center pp. E7119, E7120 and E7163.
[132] *Stevens et al. v. Hutchens et al.*, 2022 ONSC 1508 at paras 62-65, aff'd in *Stevens v. Hutchens*, 2022 ONCA 771 at para 22.

85. First Global has not filed a Proof of Claim in the Receivership Proceedings, and the Claims Bar Date has passed, further reflecting First Global's acknowledgment that the VTB Proceeds are properly payable to Halton Park.[133]

B. In the Alternative, Judgment Should Be Awarded on the Halton Park Promissory Note

86. Should the Court decline to declare the Exchange void as a fraudulent conveyance, the Receiver alternatively asks that judgment be granted to Halton Park in the amount of $7.8 million, pursuant to the value of the unpaid Promissory Note.[134]

PART V – RELIEF REQUESTED

87. Given the foregoing, the Receiver seeks an Order: (i) declaring the Exchange of the VTB void against the Co-Owners of Halton Park as a fraudulent conveyance; and (ii) permitting the VTB Proceeds to be distributed by the Receiver, net of costs.

88. Alternatively, the Receiver requests an Order granting judgment against First Global pursuant to the Promissory Note, and an Order directing that the VTB Proceeds be released to the Receiver for the benefit of Halton Park in partial satisfaction of the judgment.

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[133] Pursuant to paragraph 2 of the Amended CPO, the Claims Bar Date under the CPO was extended to March 31, 2026: Fifth Report, Appendix "66", Case Center p. E7578. The Receiver's letter to First Global dated March 3, 2026 specifically requested that First Global advise if it intends to file a Proof of Claim by the Claims Bar Date of March 31, 2026: Fifth Report at Appendix "65", Case Center p. E7428.

[134] See *Stevens v. Hutchens*, 2024 ONCA 717 at paras 16-19; *Constantine Enterprises Inc. v. Mizrahi (128 Hazelton) Inc*., 2026 ONSC 2781 at paras 24-26. See also Fifth Report, Appendix "2" (Appointment Order) at paras 6(i), 6(x) and 41, Case Center pp. E6238, E6242 and E6257.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 5th day of June, 2026.

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SCHEDULE "A"
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5. *Constantine Enterprises Inc. v. Mizrahi (128 Hazelton) Inc*., 2026 ONSC 2781
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7. *Crowe Soberman Inc. v. Noir Property Management Ltd.*, 2025 ONSC 4954
8. *Easy Loan Corporation v Base Mortgage & Investments Ltd,* 2022 ABKB 803
9. *Environmental Refuelling Systems Inc v Dougan Senior*, 2018 ABQB 208
10. *Mohammed v. Makhlouta*, 2020 ONSC 7494
11. *Ontario Securities Commission v. Camerlengo Holdings Inc.,* 2023 ONCA 93
12. *Stevens et al. v. Hutchens et al.,* 2022 ONSC 1508
13. *Stevens v. Hutchens*, 2022 ONCA 771
14. *Stevens v. Hutchens*, 2024 ONCA 717

Certificate of Authenticity

I, Roula Khairalla, am satisfied as to the authenticity of every authority cited in the factum, in accordance with Rule 4.06.1(2.1) of the *Rules of Civil Procedure*, R.R.O, 1990, Reg. 194.

Date: June 5, 2026

Roula Khairalla - LSO No. 90775A

SCHEDULE "B"
TEXT OF STATUTES & REGULATIONS

***Fraudulent Conveyances Act,* RSO 1990, c F 29**

Definitions

1. In this Act,

"conveyance" includes gift, grant, alienation, bargain, charge, encumbrance, limitation of use or uses of, in, to or out of real property or personal property by writing or otherwise; ("cession")

Where conveyances void as against creditors

2. Every conveyance of real property or personal property and every bond, suit, judgment and execution heretofore or hereafter made with intent to defeat, hinder, delay or defraud creditors or others of their just and lawful actions, suits, debts, accounts, damages, penalties or forfeitures are void as against such persons and their assigns.

Where s. 2 does not apply

3. Section 2 does not apply to an estate or interest in real property or personal property conveyed upon good consideration and in good faith to a person not having at the time of the conveyance to the person notice or knowledge of the intent set forth in that section. R.S.O. 1990, c. F.29, s. 3.

Where s. 2 applies

4. Section 2 applies to every conveyance executed with the intent set forth in that section despite the fact that it was executed upon a valuable consideration and with the intention, as between the parties to it, of actually transferring to and for the benefit of the transferee the interest expressed to be thereby transferred, unless it is protected under section 3 by reason of good faith and want of notice or knowledge on the part of the purchaser. R.S.O. 1990, c. F.29, s. 4.

Saving as to mortgages

[7] (2) No lawful mortgage made in good faith, and without fraud or covin, and upon good consideration shall be impeached or impaired by force of this Act, but it has the like force and effect as if this Act had not been passed. R.S.O. 1990, c. F.29, s. 7 (2)

***Land Titles Act,* RSO 1990, c L.5**

Protection of unregistered estates

71 (1) Any person entitled to or interested in any unregistered estates, rights, interests or equities in registered land may protect the same from being impaired by any act of the registered owner by entering on the register such notices, cautions, inhibitions or other restrictions as are authorized by this Act or by the Director of Titles. R.S.O. 1990, c. L.5, s. 71 (1).

Agreement of purchase and sale

(1.1) An agreement of purchase and sale or an assignment of that agreement shall not be registered, but a person claiming an interest in registered land under that agreement may register a caution under this section on the terms specified by the Director of Titles. 1998, c. 18, Sched. E, s. 129.

Effect of registration

(2) Where a notice, caution, inhibition or restriction is registered, every registered owner of the land and every person deriving title through the registered owner, excepting owners of encumbrances registered prior to the registration of such notice, caution, inhibition or restriction, shall be deemed to be affected with notice of any unregistered estate, right, interest or equity referred to therein. R.S.O. 1990, c. L.5, s. 71 (2).

Note: A caution registered under section 71 or a predecessor of that section before June 16, 1999 ceases to have effect five years from June 16, 1999, if the date that the caution ceases to have effect is not specified in the caution or by subsection 128 (4) of this Act, as it read immediately before June 16, 1999, or if there is a date specified in the caution or by subsection 128 (4) of this Act, as it read immediately before June 16, 1999, the earlier of that date and five years from the date of registration of the caution. See: 1998, c. 18, Sched. E, s. 151 (2).

MIZUE FUKIAGE, et al.
Applicant

- and -

CLEARVIEW GARDEN ESTATES INC., et al.
Respondents

Court File No. CV-25-00736577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

FACTUM OF THE RECEIVER/MOVING PARTY
(Motion returnable June 16, 2026)

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