

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

**MIZUE FUKIAGE, AKIKO KOBAYASHI, YOSHIKI FUKIAGE, KOBAYASHI
KYOHODO CO., LTD. and TORU FUKIAGE**

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. and FORT ERIE HILLS
CAPITAL MANAGEMENT INC.**

Respondents

**MOTION RECORD – VOLUME I OF II
(Returnable October 23, 2025)**

October 14, 2025

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TO: SERVICE LIST

Lawyers for the Receiver

**ONTARIO
SUPERIOR COURT OF JUSTICE
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CAPITAL MANAGEMENT INC.**

Respondents

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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MANAGEMENT INC., LV V CAPITAL MANAGEMENT INC. and FORT ERIE HILLS
CAPITAL MANAGEMENT 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**

**NOTICE OF MOTION
(returnable October 23, 2025)**

KSV Restructuring Inc. ("**KSV**"), in its capacity as the Court-appointed receiver and manager (in such capacities, and not in its personal, corporate or any other capacity, the "**Receiver**"), without security, of the assets, undertakings and properties of 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. and as Receiver in respect of certain property of 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. and Fort Erie Hills Capital Management Inc. will make a motion to a Judge of the Ontario Superior Court of Justice

(Commercial List) (the “**Court**”) on Thursday, October 23, 2025 at 10:00 a.m., or as soon after that time as the motion can be heard, via Zoom coordinates to be provided by the Court.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- ☐ in writing under subrule 37.12.1 (1);
- ☐ in writing as an opposed motion under subrule 37.12.1 (4);
- ☐ in person;
- ☐ by telephone conference;
- ☒ by video conference.

THE MOTION IS FOR:

1. an Order (the “**Claims Process and Interest Holdings Identification Order**”), substantially in the form included in the Motion Record, *inter alia*:
 - (a) identifying certain claims against the Respondents; and
 - (b) confirming with Interest Holders certain Interest Holder Holdings Information (as defined below);
2. an Order (the “**Talbot AVO**”), substantially in the form included in the Motion Record, *inter alia*:
 - (a) approving the sale transaction contemplated by an agreement of purchase and sale dated September 24, 2025 (the “**Talbot APS**”) between the Receiver, as vendor, and Farhi Farming Corporation and Farhi Holdings Corporation (together, the “**Talbot Purchaser**”) for the purchase and sale of, *inter alia*, the Talbot Property (as defined in Schedule “A” hereto), and authorizing the Receiver to complete the transaction contemplated thereby (the “**Talbot Transaction**”); and
 - (b) upon execution and delivery of a certificate by the Receiver containing confirmation of the closing of the Talbot Transaction, vesting in the Talbot

Purchaser all rights, title and interest in the Purchased Assets (as defined in the Talbot AVO) subject to the Permitted Encumbrances (as defined in the Talbot APS);

3. an Order (the “**Ancillary Order**”), substantially in the form included in the Motion Record, *inter alia*:
 - (a) approving the Third Report of the Receiver dated August 1, 2025 (the “**Third Report**”) and the actions and activities of the Receiver and its counsel described therein;
 - (b) approving the Supplement to the Third Report of the Receiver dated August 5, 2025 (the “**Supplement to the Third Report**”) and the actions and activities of the Receiver and its counsel described therein;
 - (c) approving the Second Supplement to the Third Report of the Receiver dated August 13, 2025 (the “**Second Supplement to the Third Report**”) and the actions and activities of the Receiver and its counsel described therein;
 - (d) approving the Fourth Report of the Receiver to the Court dated October 14, 2025 (the “**Fourth Report**”) and the actions and activities of the Receiver and its counsel described therein;
 - (e) approving the fees and disbursements of the Receiver and its legal counsel to and including September 30, 2025; and
 - (f) sealing the Confidential Appendices (as defined in the Fourth Report) until the closing of the Sale Transaction or further Order of the Court; and
4. such other relief as this Honourable Court deems necessary.

THE GROUNDS FOR THE MOTION ARE:

Background:

5. on March 6, 2025, by Order of the Court (the “**Receivership Order**”), KSV was appointed as Receiver, without security, of the assets, undertakings and properties of 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., pursuant to section 101 of the *Courts of Justice Act*;
6. the Receivership Order also appointed KSV as Receiver, without security, in respect of certain property of 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., and Fort Erie Hills Capital Management Inc., with the scope of such appointment as defined in the Receivership Order;
7. these receivership proceedings were commenced by way of application brought by Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage (collectively, the “**Kobayashi Group**”);
8. the Kobayashi Group and other members of their family invested funds in, and became co-owners of, certain land banking projects;
9. according to materials filed by the Kobayashi Group, various companies were formed to hold title to various pieces of real estate in Ontario as nominees and bare trustees. Further, the investments made by the Kobayashi Group and numerous other investors were used to finance the acquisition of such real estate;
10. as a result of concerns regarding, amongst other things, the alleged improper transfer and sale of the real estate subject to these land banking projects, the Kobayashi Group commenced the within receivership application;

11. prior to or concurrently with the hearing of the within motion on October 23, 2025, a separate motion is anticipated to be made by Kwang-Cheng (Tony) Wei, an investor and agent for certain other investors, (i) to expand these receivership proceedings to include certain entities related to the Respondents, including Halton Park Inc., Niagara Falls Park Inc., TSI-HP International Canada Inc. and TSI International-Grandtag A2A Niagara IV Inc., and (ii) to appoint Gowling WLG (Canada) LLP as representative counsel, and the Receiver is supportive of this relief;

Claims Process and Interest Holdings Identification Procedure

12. capitalized terms not expressly defined in this section are defined in the proposed Claims Process and Interest Holdings Identification Order;
13. the establishment of a Claims Procedure is critical at this time as the Receiver has already realized on five real properties and has a consolidated cash balance of approximately \$11 million. Claims against these funds need to be determined in order to understand legal entitlements, at which point the Receiver would be in a position to bring a distribution motion.
14. it is contemplated that the Claims of Interest Holders be determined utilizing a “reverse claim” methodology, where such information is available. In this regard, the Receiver will determine the Claim amounts for these Interest Holders as at the date of the Receivership Order based on the books and records available to the Receiver.
15. the following provides an overview of the key stages of the Claims Process and Interest Holdings Identification Procedure:
 - (a) **Interest Holder Notice.** Within seven (7) business days following the granting of the Claims Process and Interest Holdings Identification Order, the Receiver will deliver an Interest Holder Notice to each Interest Holder, summarizing the applicable Interest Holder Holdings Information.
 - (b) **Notice to Claimants.** The Receiver will send a Claims Package to (i) each Known Claimant within five (5) business days following the granting of the

Claims Process and Interest Holdings Identification Order; and (ii) each party who has requested a Claims Package within five (5) business days of such request. The Receiver will publish the Notice to Claimants in *The Globe and Mail* (National Edition) and on Canadian and U.S. Newswire. The Receiver will also post the Notice to Claimants, the Claims Package and the Claims Process and Interest Holdings Identification Order on the Receiver's website.

- (c) **Amendment Request.** Interest Holders who disagree with the Interest Holder Holdings Information provided in their Interest Holder Notice must deliver to the Receiver an Amendment Request prior to 5:00 p.m. on the Claims Bar Date, failing which such Interest Holder Holdings Information shall be deemed correct and confirmed. This will also include the requirement to provide the Receiver with any redemption payments that an Interest Holder may have received.
- (d) **Proof of Claim.** All Claimants are required to deliver to the Receiver a Proof of Claim, including all relevant supporting documentation, prior to 5:00 p.m. on the Claims Bar Date. Any Person who fails to file a Proof of Claim in respect of any Claim prior to 5:00 p.m. on the Claims Bar Date shall be forever barred from asserting such Claim against the Respondents and such Claim shall be forever barred and extinguished.
- (e) **Review of Proofs of Claim & Amendment Requests.** The Receiver will review all Proofs of Claim and Amendment Requests that are received prior to 5:00 p.m. on the Claims Bar Date and may request additional information from a Claimant and/or Interest Holder and accept, revise or disallow (in whole or in part) the validity, amount and/or status of any Claim or Interest Holder Holdings Information, as applicable. The Receiver will deliver a Notice of Revision or Disallowance to an Interest Holder or Claimant, as applicable, if an Amendment Request or Proof of Claim is revised or disallowed. An Interest Holder or Claimant, as applicable, who wishes to dispute a Notice of Revision or Disallowance must respectively deliver a Notice of Interest Holder Holdings

Information Dispute or a Notice of Dispute within fourteen (14) calendar days of receipt of the Notice of Revision or Disallowance.

- (f) **Disputes.** Disputed Claims and Disputed Interest Holder Holdings Information that are not consensually resolved will be adjudicated in a manner to be determined by further Order of the Court.
16. the Claims Process and Interest Holdings Identification Procedure is not intended to address the priority of Interest Holder Claims or Proven Claims;
 17. the Receiver is of the view that the Claims Process and Interest Holdings Identification Procedure is an efficient and tailored process to identify and quantify Claims and to verify Interest Holder Holdings Information;
 18. the Receiver has consulted with Representative Counsel and counsel to the Kobayashi Group in developing the Claims Process and Interest Holdings Identification Procedure, and both sets of counsel are supportive of the relief sought in connection herewith;

Proposed Sale of the Specified Real Property

19. the Receivership Order authorizes the Receiver to market and, with the approval of this Court, sell the real property described in Schedule “A” hereto (the “**Specified Real Property**”) and negotiate such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
20. the Receiver engaged Jones Lang Lasalle Real Estate Services, Inc. (“**JLL**”) to market the Specified Real Property for sale;
21. based on advice from JLL, the Receiver understands that the purchase price for the Specified Real Property is reasonable based on recent comparable transactions, the status of the current real estate market in London, Ontario, the current use and development potential of the Specified Real Property and any other considerations, including whether there were any reasons to extend the marketing process;

22. based on the results of the marketing process conducted by JLL and the recommendations of JLL regarding the offers, and the other reasons set out in the Fourth Report, the Receiver accepted an offer, subject to Court approval;
23. for the reasons described in the Fourth Report, the Receiver is of the view that the proposed Sale Transaction represents the best offer for the subject Specified Real Property therein;
24. the Talbot APS contemplates that the Receiver will complete the Sale Transaction, subject to Court approval of the same and the Receiver obtaining an approval and vesting order;
25. the Receiver does not contemplate a distribution of the proceeds at this time, other than the payment of any property tax arrears and the fees incurred by itself and its counsel;

Other Activities

26. In addition to the foregoing, the Receiver has taken, *inter alia*, the following steps:
 - (a) closing the transactions relating to the sale of four properties, of which the Receiver obtained previous court approval, including reviewing and commenting on all closing documents and the statement of adjustments in connection therewith;
 - (b) commencing an action on behalf of London Valley IV Inc. against Mr. Behzad Pilehver, Ms. Mahtab Nali and 2621598 Ontario Inc. doing business as Nali and Associates (together, the “**Defendants**”), under Court File No. CV-25-00748799-00CL (the “**Pilehver Action**”);
 - (c) within the Pilehver Action, the Receiver sought and obtained a *Mareva* injunction against the Defendants on an *ex-parte* basis, followed by a with-notice comeback hearing and three further case conferences;
 - (d) also within the Pilehver Action, and in connection with the *Norwich* Order granted as part of the *Mareva* injunction, the Receiver corresponded with various

financial institutions regarding the potential existence of accounts in the names of the Defendants;

- (e) preparing the Third Report, Supplemental Report and Second Supplemental Report, reviewing the motion materials and attending the motions and case conferences in respect of the Pilehver Action;
- (f) held meetings with and responded to inquiries from various stakeholders in the assets of the Respondents;
- (g) retaining a discovery services provider to process over five thousand agreements, and reviewing same, to determine which Co-Owners have an interest in these proceedings;
- (h) preparing, with A&B, a Notice to Investors dated August 18, 2025 (the “**August 18 Notice**”) which was translated into several languages based on the residence of Investors;
- (i) mailing the August 18 Notices to over two hundred Co-Owners located in Asia and emailing a copy of the notice to over 800 investors;
- (j) setting up a designated email to address inquiries from Investors following distribution of the August 18 Notice;
- (k) responding to inquiries from numerous Investors and discussing same with A&B;
- (l) engaged in discussions, and review of materials, regarding the expansion of these receivership proceedings with counsel to Kwang-Cheng (Tony) Wei, in his personal capacity as a Taiwanese investor and in his capacity as agent for the other Taiwanese investors;
- (m) advancing the proceedings commenced by the Receiver on behalf of LV IV as against Mr. Hoffner (CV-25-00740869-00CL) (the “**Hoffner Action**”), which has included court attendances, exchanging materials, and discharging the Receiver’s

certificate of pending litigation in exchange for Mr. Hoffner paying alternative security to the Receiver:

- (n) providing updates to the Kobayashi Group's counsel; and
- (o) attending to administrative matters such as estate banking and arranging for insurance;

Other Grounds

- 27. the Receivership Order also provides, amongst other things, that the Receiver and its counsel shall pass their respective accounts before this Court;
- 28. the Confidential Appendices contain commercially-sensitive information, which, if disclosed, would likely have a detrimental impact on the sale efforts for the Specified Real Property if the underlying transaction were not to close;
- 29. the other grounds set out in the Third Report, the Supplement to the Third Report, the Second Supplement to the Third Report and the Fourth Report;
- 30. sections 100 and 137 of the *Courts of Justice Act* (Ontario);
- 31. rules 1.04, 2.03, 3.02, 37 and 41 of the *Rules of Civil Procedure* (Ontario); and
- 32. such further and other grounds as counsel may advise and this Court may permit.
- 33. **THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:
 - (a) the Third Report;
 - (b) the Supplement to the Third Report;
 - (c) the Second Supplement to the Third Report;
 - (d) the Fourth Report, including, *inter alia*, the fee affidavits appended thereto; and
 - (e) such further and other material as counsel may submit and this Court may permit.

Date: October 14, 2025

AIRD & BERLIS LLP

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Lawyers for the Receiver

TO: SERVICE LIST

Schedule "A"
REAL PROPERTY

1. Colonel Talbot Road
London, Ontario
PIN: PIN 08207-0222 (LT)
PART LOT 57, EAST OF THE NORTH BRANCH OF TALBOT ROAD AS IN WU41565,
SAVE & EXCEPT 87195, 88711, 101207 & PART 1 PLAN 33R20792 AND PARTS 1
AND 2 ON EXPROPRIATION PLAN ER1469124; S/T EASEMENT OVER PART 1
PLAN ER1463513 AS IN ER1463513. "DESCRIPTION IN WU41565 MAY NOT BE
ACCEPTABLE IN THE FUTURE" WESTMINSTER; CITY OF LONDON
(the "**Talbot Property**")

MIZUE FUKIAGE et al.

- and -

CLEARVIEW GARDEN ESTATES INC. et al.

Applicants

Respondents

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**NOTICE OF MOTION
(returnable October 23, 2025)**

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Lawyers for the Receiver

TAB 2



**Fourth Report of
KSV Restructuring Inc.
as Receiver and Manager of
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.; *and***

October 14, 2025

**as Receiver and Manager in respect of certain
property of 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., and Fort
Erie Hills Capital Management Inc.**

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COURT FILE NO.: CV-25-00736577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
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- AND -

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OF CHIPPAWA II INC., LONDON VALLEY INC., LONDON VALLEY II INC., LONDON
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INC., LV II CAPITAL MANAGEMENT INC., LV III CAPITAL MANAGEMENT INC., LV IV
CAPITAL MANAGEMENT INC., LV V CAPITAL MANAGEMENT INC. AND FORT ERIE
HILLS CAPITAL MANAGEMENT INC.

RESPONDENTS

FOURTH REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER

OCTOBER 14, 2025

1.0 Introduction

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on March 6, 2025 (the “**Receivership Order**”), KSV Restructuring Inc. (“**KSV**”) was appointed as the receiver and manager (in such capacities, the “**Receiver**”) of, *inter alios*,
 - a) the assets, undertakings and property of 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. and Fort Erie Hills Inc. (collectively, the “**Nominee Respondents**”) and 2533430 Ontario Inc. (“**253 Ontario**”) acquired for or used in relation to a business carried on by the Nominee Respondents and/or 253 Ontario and the proceeds therefrom including, without limitation, the following real property set out in Schedule “A” to the Receivership Order (collectively the “**Nominee Property**”):

- (i) 5318 Colonel Talbot Road, London, Ontario and legally described under PIN 08207-0183 (the “**5318 CT Property**”) owned by London Valley Inc. (“**LV**”);
- (ii) 5980 Colonel Talbot Road, London, Ontario and legally described under PIN 08207-0053 (“**5980 CT Property**”); 6172 Colonel Talbot Road, London, Ontario and legally described under PIN 08207-0207 (“**6172 CT Property**”); and the real property legally described under PIN 08207-0153 (LT) (the “**Wonderland Road Property**” and collectively with the 5980 CT Property and the 6172 CT Property, the “**Farhi Properties**”) owned by Talbot Crossing Inc., London Valley II Inc. and London Valley V Inc., respectively; and
- (iii) the real property legally described under PIN 08207-0222 (LT) (the “**253 Ontario Real Property**”) owned by 253 Ontario,

and, in the case of each of the Nominee Respondents and/or 253 Ontario, any assets or property held in trust for a third party;

- b) all of the monies paid or invested or caused to be paid or invested by the Co-Owners (as defined below) of any of the real property previously or currently owned by any of the Nominee Respondents or 253 Ontario into or intended for one or more segregated accounts known as the “Concept Planning Funds” for the purposes of defraying costs, expenses and fees to be incurred in connection with the applicable real property pursuant to one or more Co-Owners Agreements (collectively, the “**Concept Planning Funds**”);
 - c) all of the income derived in any way from the ownership, operation, use, leasing, financing, refinancing, sale of, development and/or any other dealing whatsoever with any of the real property previously or currently owned by any of the Nominee Respondents or 253 Ontario (collectively with the Concept Planning Funds, the “**Segregated Funds**”), including, without limiting the generality of the foregoing, the real property municipally and legally described in Schedule “B” of the Receivership Order (the “**Schedule B Properties**”) provided that any such Segregated Funds shall not include any income derived from the Schedule B Properties by any arm’s length purchaser of such property after the date of the applicable property’s sale to such purchaser; and
 - d) all of the assets, undertakings and personal property of 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., and Fort Erie Hills Capital Management Inc. (together with the Nominee Respondents and 253 Ontario, the “**Respondents**” and each a “**Respondent**”) used in connection with or arising from or out of or which is necessary to access or use the Segregated Funds (collectively with the Nominee Property and the Segregated Funds, the “**Property**”).
2. A copy of the Receivership Order is provided as **Appendix “A”** to this report (the “**Fourth Report**”).
 3. On May 28, 2025, the Court issued approval and vesting orders approving sale transactions in respect of the Farhi Properties, the 5318 CT Property and the real

- properties located at (i) 4001 Weaver Road, Niagara Falls, Ontario and legally described under PIN 64254-0298 and 0 Weaver Road, Niagara Falls, Ontario and legally described under PIN 64254-0021 (together, the “**Weaver Properties**”, and together with the 5318 CT Property and the Farhi Properties, the “**Sold Properties**”).
4. The Receiver closed the transactions in respect of the Farhi Properties and the 5318 CT Property on July 4, 2025 and closed the transaction for the Weaver Properties on August 14, 2025 (collectively, the “**Closed Transactions**”).
 5. In a separate proceeding on behalf of London Valley IV Inc. (“**LV IV**”) under court file no. CV-25-00748799-00CL (the “**Pilehver Action**”), as further detailed below, the Receiver sought an *ex parte* interim and interlocutory *Mareva* Injunction and a *Norwich* Order against each of Mr. Behzad Pilehver¹ (“**Mr. Pilehver**”), Ms. Mahtab Nali² (“**Ms. Nali**”) and 2621598 Ontario Inc. doing business as Nali and Associates (“**Nali and Associates**”) (collectively, the “**Defendants**”) as further set out in the Receiver’s third report to Court dated August 1, 2025 (the “**Third Report**”), the Receiver’s supplement to the Third Report dated August 5, 2025 (the “**Supplemental Report**”) and the Receiver’s second supplement to the Third Report dated August 13, 2025 (the “**Second Supplemental Report**”).
 6. This Fourth Report is filed by KSV in its capacity as Receiver.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide an updated overview of the receivership proceedings and the Property;
 - b) discuss the rationale for the proposed appointment of Gowling WLG (Canada) LLP (“**Gowling**”) as representative counsel (if appointed in such capacity, the “**Representative Counsel**”) for all of the investors, other than the Opt-Out Investors (as defined below), who: (i) invested as a beneficial owner in real estate development projects owned by the Respondents; and (ii) have a claim in respect of the Property (collectively, the “**Investors**” and each an “**Investor**”), in respect of all claims to be filed by such Investors in this receivership proceeding (“**Claims**”);
 - c) summarize the proposed procedure for soliciting and determining Claims against, and interest holdings in, the Respondents (the “**Claims Procedure**”);
 - d) summarize the sale process undertaken by the Receiver in respect of the 253 Ontario Real Property (the “**Sale Process**”);
 - e) summarize a proposed sale transaction (the “**Transaction**”) between the Receiver, as vendor, and Farhi Farming Corporation and Farhi Holdings Corporation (together, “**Farhi**”), as purchaser, of the 253 Ontario Real Property pursuant to an agreement of purchase and sale dated September 24, 2025 (the “**APS**”);
 - f) summarize the Receiver’s activities since the Receiver’s second report to Court

¹ Behzad Pilehver is also known as Ben Pilehver, Behzad Pilehvar, Ben Pilehvar, and Ben Pilevhr.

² Mahtab Nali is also known as Mahtab Nali Pilehvar and Mahtab Pilehvar.

dated May 20, 2025 (the “**Second Report**”);

- g) set out the fees and disbursements of the Receiver and its legal counsel, Aird & Berlis LLP (“**A&B**”), for the period from May 1, 2025 to September 30, 2025;
- h) summarize the additional entities/property proposed to be added to this receivership proceedings pursuant to an application for an Amended and Restated Receivership Order brought by certain other Investors;
- i) recommend that the Court issue one or more Orders, among other things:
 - (i) appointing Gowling as Representative Counsel (the “**Representative Counsel Order**”);
 - (ii) approving the Claims Procedure (the “**Claims Procedure Order**”) and authorizing the Receiver to carry out the Claims Procedure on the basis set out in the proposed Claims Procedure Order; and
 - (iii) approving the fees and disbursements of the Receiver and A&B, as summarized in this Fourth Report and the accompanying fee affidavits;
- j) recommend that the Court issue an approval and vesting order (the “**AVO**”):
 - (i) approving the APS and the Transaction;
 - (ii) transferring and vesting all of 253 Ontario’s right, title and interest in and to the 253 Ontario Real Property in Farhi, free and clear of all liens, charges, security interests and encumbrances other than the Permitted Encumbrances (as defined in the APS), following the Receiver’s delivery of a certificate confirming closing of the Transaction substantially in the form attached as Schedule “A” to the proposed AVO; and
 - (iii) sealing the purchase price and deposit in the APS until the completion of the Transaction or further order of the Court.

1.2 Currency

1. All currency references in this Fourth Report are to Canadian dollars, unless otherwise noted.

1.3 Restrictions

1. In preparing this Fourth Report, the Receiver has relied upon the following (collectively, the “**Information**”): (i) information compiled and provided by the Kobayashi Group (defined below) in its receivership application record and in subsequent dealings with its legal counsel; (ii) the Respondents’ books and records, and information provided by stakeholders, to the extent those have been available to the Receiver; (iii) information provided by, and discussions with, Remax West Realty Inc. Brokerage (“**Remax**”), the realtor that marketed the Sold Properties; (iv) discussions with Jones Lang LaSalle Real Estate Services, Inc. (“**JLL**”), the realtor retained by the Receiver to list the 253 Ontario Real Property; (v) information provided by and discussions with Gowling; (vi) the affidavit of Kwang-Cheng (Tony) Wei, an Investor and agent for certain other Investors, affirmed August 1, 2025 (the “**Wei Affidavit**”); and (vii) the affidavit of Patryk Sawicki of Gowling affirmed August 27, 2025 (the “**Sawicki Affidavit**”).
2. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
3. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Fourth Report or relied upon by the Receiver in preparing this Fourth Report. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Fourth Report by any party.

2.0 Overview of the Receivership Proceedings

1. In February 2025, Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage (collectively, the “**Kobayashi Group**”) brought an application to appoint KSV as Receiver. The application was unopposed and the Court granted the Receivership Order.
2. According to the application materials filed by the Kobayashi Group, the Kobayashi Group, other members of their family and numerous other Investors (also referred to herein as the “**Co-Owners**”) invested funds in certain land banking projects.
3. Various companies were formed to hold title to various pieces of real estate in Ontario as nominees and bare trustees. The investments made by the Co-Owners were used to finance the acquisition of such real estate.
4. The Kobayashi Group became concerned over, amongst other things, the alleged improper transfer and sale of the real estate subject to these land banking projects (without the approval of the requisite percentage of Co-Owners) and the alleged improper distribution of sale proceeds (without the knowledge or approval of the Co-Owners). Accordingly, the Kobayashi Group initiated these receivership proceedings with a view to bringing the Property under the supervision and control of the Court-appointed Receiver and securing the underlying collateral.

5. At the time of the Kobayashi Group's receivership application, there were ten properties identified to be of interest, five of which had been sold prior to the commencement of these proceedings.
6. As further set out in the Kobayashi Group's materials, the interests in the Respondents were transferred to their current ownership group through a series of complex transactions. Since the Receiver's appointment, the Receiver and its legal counsel have spent considerable time obtaining and attempting to obtain information about these properties, the nature of these transactions, copies of documentation supporting the investments and aforementioned transactions, and other related litigation involving the Respondents.
7. As noted above, the Receiver completed the Closed Transactions in respect of the Sold Properties. The net sale proceeds are being held by the Receiver. The Receiver intends to seek an order from the Court in due course concerning distributions, but only after the Claims Procedure is administered, assuming the Court approves same, so that the Receiver can determine the Claims and interests held by the Investors and any other stakeholders that may have Claims against the Respondents.
8. Further information regarding the reasons for these receivership proceedings is provided in the Kobayashi Group's Application Record which is on the Receiver's case website here: <https://www.ksvadvisory.com/experience/case/clearviewgarden>.

3.0 Proposed Representative Counsel³

3.1 The Investors

1. The Respondents' Investors are comprised of over a thousand foreign Investors, including, without limitation, the Kobayashi Group, of which many are individual investors that believed they were investing in land banking projects managed or owned by the Respondents. The Investors acquired fractional shares in certain of the real properties owned by the Respondents. The Receiver understands that the vast majority of the Investors are based in Asia, including Japan, China and Taiwan.
2. As set out in the Wei Affidavit, Gowling was retained by Mr. Wei and 45 other Taiwanese investors (collectively, the "**Taiwanese Investors**") in May 2025 for the purposes of (i) bringing a motion in this receivership proceeding to expand the scope of the Receivership Order to include additional entities and/or assets and real properties within the subject land banking structure in which the Taiwanese Investors invested; and (ii) seeking the Representative Counsel Order.

³ Capitalized terms in this section have the meaning provided to them in the proposed Representative Counsel Order unless otherwise defined herein.

3. Mr. Wei has advised the Receiver that he is the agent for the 45 other Taiwanese Investors. The reasons for the proposed expansion of the scope of the receivership are provided in the Wei Affidavit, and accordingly, are not repeated in this Fourth Report. The Receiver has provided its consent to act as Receiver over the additional entities and properties should the Court grant the requested relief.

3.2 Gowling's Prior Involvement with the Respondents/Land Banking Program

1. As is set out in the Sawicki Affidavit, Gowling was formerly retained as legal counsel to TGP Canada Management Inc. ("**TGP**") in October 2024 in connection with related proceedings described in the Third Report as the Hamilton Proceedings. Gowling's involvement with the Investors is set out in the Sawicki Affidavit.
2. As detailed in the Third Report, Mr. Pilehver is the President of TGP.
3. Gowling brought a motion in the Hamilton Proceedings to be removed as counsel of record for TGP, which Order was granted on March 25, 2025.
4. Gowling was independently contacted by Mr. Wei in late March 2025. As noted above, Mr. Wei is an Investor in the land banking program and agent for 45 Taiwanese Investors.
5. As is further described in Section 5.2 below, the Receiver, on behalf of LV IV, commenced the Pilehver Action in August 2025 and obtained a *Mareva* Injunction and *Norwich* Order against Mr. Pilehver and as against his former spouse, Ms. Nali, as well as against Nali and Associates. Ms. Nali is the President and a director of Nali and Associates.
6. The Pilehver Action was commenced by the Receiver, and injunctive orders obtained, given the evidence which demonstrates that Mr. Pilehver improperly directed the sale of 6211 Colonel Talbot Road, London, Ontario (the "**LV IV Property**") in February 2025 prior to the Receiver's appointment, and directed that the proceeds of sale be transferred to certain persons and entities, including to Ms. Nali and Nali and Associates, who appear to have had no entitlement to such proceeds (the "**Impugned Proceeds**").
7. Through the *Norwich* relief obtained by the Receiver in the LV IV Action, the Receiver identified that \$75,000 of the Impugned Proceeds that were received by Ms. Nali were subsequently wired by Ms. Nali to Gowling on February 7, 2025. Given Gowling's representation of TGP as at that date, the Receiver was concerned that \$75,000 of the LV IV Property sale proceeds may have been wrongfully paid to Gowling in order to satisfy an account owing to Gowling by TGP.
8. The Receiver raised its concern with Gowling. In response, on September 9, 2025, Gowling confirmed that it will hold the \$75,000 in trust pending further Order of the Court.

9. The Sawicki Affidavit states that Gowling undertook a thorough internal conflict review in consultation with senior members of Gowling's conflict team, including the firm's General Counsel. The Sawicki Affidavit provides that through that review, Gowling determined that no conflict exists between Gowling's prior representation of TGP and the proposed representation of the Taiwanese Investors.
10. For the reasons set out in the Sawicki Affidavit, Gowling seeks to be appointed as Representative Counsel in these receivership proceedings.

3.3 The Proposed Representative Counsel Order

1. A summary of the key terms of the proposed Representative Counsel Order is as follows:
 - a) within five (5) business days following the date of the issuance of the Representative Counsel Order, the Receiver shall deliver, by way of email (to the extent that the Receiver has such email) and/or regular mail, a copy of the Representative Counsel Order to all known Investors and a copy of the Representative Counsel Order will be posted on the Receiver's case website;
 - b) any Investor who does not wish to be represented by the Representative Counsel in the Receivership Proceedings may, by no later than 4:00 pm (Toronto time) on the first business day that is 45 days after the granting of the Representative Counsel Order, notify the Receiver and Representative Counsel in writing by delivering a completed Opt-Out Notice in accordance with the instructions therein. The Kobayashi Group has advised the Receiver that it will opt out of the proposed mandate of Representative Counsel, and accordingly, the proposed Representative Counsel Order excludes the Kobayashi Group without the need to file an Opt-Out Notice;
 - c) each Opt-Out Investor shall be responsible for representing themselves, personally or through counsel and shall not be bound by the provisions of the proposed Representative Counsel Order;
 - d) the Representative Counsel is authorized to, among other things, (i) take any steps necessary to locate, identify and notify Investors of this receivership proceeding; (ii) correspond with the Receiver regarding actions or steps the Receiver intends to take; (iii) assist Investors with their Claims in the Claims Procedure; (iv) keep the Receiver apprised of the status of the process to identify Investors; and (v) bring any motion as may be required to advance the interests of Investors;
 - e) the fees of the Representative Counsel shall be secured by a charge against the Property, up to a maximum amount of \$300,000 (plus HST and disbursements), including for professional fees incurred prior to the date of the Representative Counsel Order up to a maximum of \$25,000 (plus taxes and disbursements); and
 - f) the Receiver shall provide, subject to confidentiality arrangements acceptable to the Receiver, certain Investor information to Representative Counsel.

3.4 Support for the Appointment of Representative Counsel

1. The Receiver supports the appointment of Gowling as Representative Counsel for the following reasons:
 - a) there are over a thousand Investors who the Receiver understands are largely comprised of individuals residing overseas, the identity of whom is not completely known to the Receiver due to the limited information provided by the Respondents, the language barrier and how unfamiliar the Investors are with Canadian insolvency proceedings;
 - b) absent representative counsel, it may be cost- and language-prohibitive for individual foreign Investors to each retain Canadian legal counsel. Under the existing proposed engagement, such costs are contained and under the supervision of the Court;
 - c) the Investors will be able to access high quality Canadian legal representation to protect their common interests as Investors in respect of the Property which will facilitate the efficient administration of these receivership proceedings and the Claims Procedure and provide a single means through which the inquiries and concerns of Investors can be addressed;
 - d) the appointment of representative counsel will increase the likelihood of the identification of additional Investors;
 - e) Investors will have the option to opt-out of such representation and will have the option to retain their own legal counsel;
 - f) Representative Counsel would be empowered to locate, communicate with and represent the interest of Investors in this receivership proceeding;
 - g) Representative Counsel's role would be primarily to engage with the Receiver on critical matters, communicate with and update Investors and assist Investors in filing claims in the Claims Process which will streamline the Receiver's role and focus on other matters;
 - h) Gowling intends to leverage its international presence, including its Chinese offices in Beijing, Shanghai and Guangzhou and its international network in Southeast Asia, including Japan, to identify the best methods of raising awareness of this receivership proceeding and to identify additional Investors;
 - i) Gowling's Toronto team includes a fluent Mandarin-speaking insolvency lawyer who the Receiver has been advised has been critical in communicating with the Taiwanese Investors to-date;

- j) Gowling has provided information and advised the Receiver that it is of the view that its prior brief period of representation of TGP does not impair its ability to perform this proposed mandate as the prior mandate for TGP was to advance the interests of the Investors, which is aligned with the contemplated Representative Counsel mandate. Gowling was discharged by the Court in the Hamilton Proceedings in March 2025 and it has agreed to hold in trust the sum of \$75,000 paid to it pursuant to its prior involvement pending further order of the Court. Based on the foregoing, the Receiver has no reason to believe that Gowling cannot perform the contemplated mandate. Importantly, Gowling never represented Mr. Pilehver in his personal capacity;
- k) the Receiver is of the view that the quantum of the proposed Representative Counsel Charge (\$300,000) is reasonable in the circumstances and the proposed Order provides that such charge shall only attach to the *pro rata* interest of the Investors that did not opt out;
- l) absent the appointment of Representative Counsel, the Receiver is concerned about its ability to reasonably identify and contact all or a substantial majority of Investors in a streamlined process or cost-effective manner and, as a result, will not be in a position to carry out the Claims Procedure as efficiently; and
- m) the Kobayashi Group is supportive of the appointment of Gowling as Representative Counsel, subject to its client being Opt-Out Investors.

3.5 Claims Procedure⁴

1. The following sections summarize the Claims Procedure. Interested parties are strongly encouraged to read the draft Claims Procedure Order in its entirety.
2. Capitalized terms not otherwise defined in Section 3 of this Fourth Report are intended to have the meaning ascribed to them in the Claims Procedure Order. To the extent there are inconsistencies between this Fourth Report and the Claims Procedure Order, the Claims Procedure Order shall prevail.
3. The Claims Procedure is intended to identify and quantify certain Claims against the Respondents, including to confirm the information reflected in the Respondents' books and records regarding the identities of Interest Holders (as defined below) in the respective Respondents, and the value of any interests held by or in the name of such Interest Holders (an "**Interest Holder**" being any Person who directly or indirectly holds a legal or beneficial interest in any Property) and Unknown Interest Holders (an "**Unknown Interest Holder**" being any Interest Holder for which the Receiver does not have enough information to be able to send an Interest Holder Notice).
4. The establishment of a Claims Procedure is critical at this time as the Receiver has already realized on five real properties and has a consolidated cash balance of approximately \$11 million. Claims against these funds need to be determined in order to understand legal entitlements, at which point the Receiver would be in a position to bring a distribution motion.

⁴ Capitalized terms in this section have the meaning provided to them in the proposed Claims Procedure Order unless otherwise defined herein.

5. The Receiver is also aware that in certain circumstances Investors have a right of redemption under the underlying investment agreement. The Receiver is aware of a handful of Investors who have notified the Receiver that they have triggered such redemption rights prior the receivership and, in some cases, Investors appear to have received partial payments on those redemptions. The Claims Procedure includes a request for information from Investors, where applicable, as to whether they have delivered a notice of redemption and, if so, whether they have received any payments to date.

3.6 Notice to Interest Holders, Claimants and Unknown Interest Holders

1. The Receiver, through Representative Counsel, shall send the Interest Holder Notice to each Interest Holder within seven Business Days following the granting of the Claims Procedure Order by ordinary or electronic mail to each Interest Holder's last known address based on the records provided to the Receiver by the Respondents or its principals.
2. The Receiver shall send a Claims Package to each Known Claimant and to each party who has requested a Claims Package within five Business Days following the issuance of the Claims Procedure Order.
3. The Claims Procedure requires the Notice to Claimants and Unknown Interest Holders to be published in *The Globe and Mail (National Edition)* by the Receiver as soon as practicable, but not later than three Business Days following the granting of the Claims Procedure Order.
4. The Receiver shall also cause the Notice to Claimants and Unknown Interest Holders to be published on Canadian Newswire and U.S. Newswire.
5. The Receiver shall cause the Notice to Claimants and Unknown Interest Holders, the Claims Package and the Claims Procedure Order to be posted to the Receiver's case website as soon as reasonably practicable.
6. The Claims Package includes a Proof of Claim form, the Notice to Claimants and Unknown Interest Holders, the Instruction Letter and any other documentation the Receiver considers appropriate.

3.7 Proof of Claim

1. The Claimants include Unknown Interest Holders. The Claims Procedure in respect of each of the Claimants and the Interest Holders is set out below.

Claimants and Unknown Interest Holders

2. Any Claimant who wishes to file a Claim must deliver a completed Proof of Claim to the Receiver on or before the Claims Bar Date, being **5:00 p.m. (EST) on January 30, 2026**.

Interest Holders

3. It is contemplated that the Claims of Interest Holders be determined utilizing a "reverse claim" methodology, where such information is available. In this regard, the Receiver will determine the Claim amounts for these Interest Holders as at the date of the

Receivership Order based on the books and records available to the Receiver. For certain properties, the Receiver has information regarding the beneficial interest of each Interest Holder. The Interest Holder Notice will be sent by the Receiver to these Interest Holders, including, where permitted, by way of sending same to Representative Counsel, and to the Kobayashi Group's counsel within seven (7) Business Days following the issuance of the Claims Procedure Order.

4. Any Interest Holder that does not dispute the amount of its claim as set out in the Interest Holder Notice is not required to take any further action and their Interest Holder Holdings Information, as set out in their respective Interest Holder Notice, will be deemed to be correct and confirmed by such Interest Holder in all respects unless an Interest Holder completes and files with the Receiver an Amendment Request prior to 5:00 p.m. on the Claims Bar Date. The form of notice sent will also request Interest Holders to advise the Receiver of any redemption payments that have been received.

3.8 Claims Bar Date

1. Any Claimant (including any Unknown Interest Holder) who does not file a Proof of Claim or an Amendment Request with the Receiver in accordance with the Claims Procedure Order by the Claims Bar Date shall:
 - a) be forever barred from asserting or enforcing any such Claim; and
 - b) not be entitled to receive any distributions from any of the Respondents' estates in respect of such Claim.

3.9 Determination of Claims

1. The Receiver shall review all Proofs of Claim and Amendment Requests filed in accordance with this Claims Procedure Order, and at any time may, among other things:
 - a) attempt to resolve and settle any issue arising in a Proof of Claim or in an Amendment Request;
 - b) accept (in whole or in part) the Claim or Amendment Request; and/or
 - c) revise or disallow the amount of any Claim and so notify the Claimant in writing by way of a Notice of Revision or Disallowance.
2. Any Person who intends to dispute the amount set out in a Notice of Revision or Disallowance must deliver a Notice of Dispute to the Receiver in writing, by 5:00 p.m. (EST) on the day that is no later than fourteen (14) days after delivery of the Notice of Revision or Disallowance. If they do not submit a Notice of Dispute, the validity, amount and status of such Claim shall be deemed to be set out in the Notice of Revision or Disallowance.
3. The Receiver and the Claimant or Interest Holder may attempt to resolve the disputed Claim with the Claimant on a consensual basis. If a resolution is not reached, the Receiver may bring a motion for advice and direction to have the unresolved disputed Claim determined by the Court.

3.10 Excluded Claims

1. The only Excluded Claims are:
 - a) any Claim in respect of the Charges;
 - b) any Intercompany Claims;
 - c) any Claim of the Receiver or of any Respondent; and
 - d) any Interest Holder Claims, other than on account of any Claim by an Unknown Interest Holder.

3.11 Recommendation re: Claims Procedure

1. The Receiver recommends that the Court issue the Claims Procedure Order for the following reasons:
 - a) the proposed notices, dispute resolution provisions and timelines set out in the Claims Procedure Order are consistent with those commonly approved by Canadian courts in insolvency proceedings and are sufficient to allow Claimants to file Claims in this proceeding and for Interest Holders to review and, if necessary, dispute the Interest Holder Holdings Information set out in their respective Interest Holder Notice. The Receiver has taken into account the locality of Investors and the anticipated appointment of Representative Counsel, and has extended typical notice periods and deadlines to consider these issues;
 - b) the Claims Procedure is being conducted by the Receiver to determine all Claims against the Respondents, and is intended to facilitate timely and orderly distributions to *bona fide* Claimants;
 - c) in the Receiver's view, the Claims Bar Date is sufficient for Claimants to file a Proof of Claim or the Interest Holders to file an Amendment Request with the Receiver;
 - d) the basis on which the Claims Procedure proposes to address Interest Holders will allow the Receiver to calculate Claims of Interest Holders in a consistent manner based on the Respondents' books and records available to the Receiver and using a consistent currency exchange rate, if applicable, which should minimize the number of disputed claims, thereby streamlining the Claims Procedure and minimizing the professional costs involved in administering the Claims Procedure;
 - e) the Claims Procedure includes a mechanism for determining any redemption claims;
 - f) in the Receiver's view, the categories of claims comprising Excluded Claims are appropriate, particularly to preserve the ability for Intercompany Claims to be addressed in the event the Receiver becomes aware of any improper transfers or transactions that give rise to an Intercompany Claim. Given that the information available to the Receiver is incomplete at this time, and that the Receiver's tracing exercise (as contemplated in the Appointment Order) is

ongoing, the treatment for Intercompany Claims is fair and reasonable in the circumstances;

- g) nothing in the Claims Procedure precludes the Receiver from bringing a motion for the appointment of a Claims Officer should the Receiver believe this is necessary in the circumstances. However, at this time, the Receiver believes it will be able to administer the Claims Procedure without a Claims Officer; and
- h) in the Receiver's view, the "reverse" claims process is appropriate as it mitigates the risk of Investors not being aware of the Claims Procedure and having their Claims barred, notwithstanding the proposed appointment of Representative Counsel and the notice provisions included in the Claims Procedure Order. The Receiver has taken significant steps to gather the information required to conduct a reverse claims process and is of the view that it provides the best way for *bona fide* Claims to be filed in the circumstances with the ability for Investors to file an Amendment Request should their records differ from those of the Respondents.

4.0 The Sale Process and the Transaction

4.1 Engagement of JLL and the Sale Process

1. The Receiver engaged JLL to list the 253 Ontario Real Property pursuant to a listing agreement executed on July 30, 2025 (the "**Listing Agreement**"). JLL is a prominent national real estate brokerage with significant experience selling real properties similar to the 253 Ontario Real Property. The Receiver worked directly with JLL's London team on this mandate. A copy of the Listing Agreement is provided in **Appendix "B"**. The terms of the Sale Process are provided in Schedule "B" to the Listing Agreement and are consistent with the terms of sale processes regularly approved by the Court in respect of real property. The Receiver did not pre-emptively seek Court approval of the Sale Process and the engagement of JLL because (i) the 253 Ontario Real Property is vacant farmland in London, Ontario, which is similar in nature and located geographically adjacent to certain of the other real properties for which the Court approved transactions earlier in these receivership proceedings; and (ii) the Receiver was conscious of the need to manage costs and avoid unnecessary Court attendances during the receivership proceeding. For these reasons, the Receiver is of the view that the steps taken to market this particular property with JLL are fair in circumstances.
2. The key terms of the Sale Process are included below, and reflect a measured and open marketing process taking into consideration the interests of all stakeholders, being primarily the Investors of the subject real property. Capitalized terms have the meanings provided to them in the Listing Agreement.

Sale Process		
Milestone	Description of Activities	Timeline
<i>Phase 1 – Underwriting</i>		
Due diligence	➤ JLL to review all available documents (financial, legal and environmental reports, if any) concerning the Real Property.	Week 2
Finalize marketing materials	➤ JLL and the Receiver to: ○ prepare a marketing brochure; ○ populate an online data room; and ○ prepare a confidentiality agreement ("CA").	

Sale Process		
Milestone	Description of Activities	Timeline
Consulting Reports	➤ The Receiver may arrange for updated and/or new consulting reports to facilitate due diligence by interested parties. These will be made available in the data rooms.	
Prospect Identification	➤ JLL will qualify and prioritize prospects; and ➤ JLL will also have pre-marketing discussions with targeted prospects.	
Phase 2 – Marketing and Offer Solicitation		
Stage 1	➤ Mass market introduction, including: ○ sending offering summary and marketing materials, including marketing brochure to JLL’s client base, including specifically targeted prospects; ○ publishing the acquisition opportunity in such journals, publications and online as the realtor and the Receiver believe appropriate to maximize interest in this opportunity; ○ posting “for sale” signs on the Real Property; ○ engaging in direct canvassing of most likely prospects and tailoring the pitch to each of these candidates based on the broker’s knowledge of these parties; ○ posting the acquisition opportunity on MLS on an unpriced basis; and ○ meeting with prospective bidders to explain the potential of each site. ➤ JLL to provide detailed information to qualified prospects that sign the CA, including access to the data room; ➤ JLL and the Receiver to facilitate diligence by interested parties; ➤ The Receiver and legal counsel will prepare a vendor’s form of Purchase and Sale Agreement (“PSA”) which will be made available in the data room; and ➤ Receiver to arrange for certain updated and/or new consulting reports to facilitate due diligence. These will also be made available in the data rooms, where applicable.	Week 3-8
Stage 3	➤ “Offer not Before Date” of October 1, 2025, if deemed appropriate (tentative date – subject to achieving pervious timelines and market feedback which can be modified at the sole discretion of the Receiver) ➤ Prospective purchasers encouraged to submit offers in the form of the PSA, with any changes to the PSA blacklined.	October 1, 2025 (tentative date)
Phase 3 – Offer Review and Negotiations		
	➤ Short listing of bidders. ➤ Further bidding - bidders may be asked to improve their offers. The Receiver may invite parties to participate in as many rounds of bidding as is required to maximize the consideration and	Week 10

Sale Process		
Milestone	Description of Activities	Timeline
	minimize closing risk. The Receiver may also seek to clarify terms of the offers submitted and to negotiate such terms. ➤ The Receiver will be at liberty to consult with the stakeholders of 253 Ontario regarding the offers received, subject to any confidentiality requirements that the Receiver believes appropriate. ➤ Select successful bidder(s) and finalize definitive documents. The Receiver will select the successful bidder(s), having regards to, among other things: ○ total consideration (cash and assumed liabilities); ○ deposit; ○ third-party approvals required, if any; ○ conditions, if any, and time required to satisfy or waive same; and ○ such other factors affecting the speed and certainty of closing and the value of the offers as the Receiver considers relevant. ➤ 2nd round bids and further bidding - prospective purchasers may be asked to re-submit PSAs on one or more occasions.	
Selection of Successful Bids	➤ Select successful bidder and finalize definitive documents, subject to any final diligence to be performed by the purchaser. ➤ Back up bidders will be kept “warm” in order to have options in case selected bidder does not close.	Week 11
Due Diligence	➤ Manage and monitor final due diligence process, if applicable; ➤ Gather and/or commission missing documentation; and ➤ Additional site visits, as required.	Week 12-20
<i>Phase 4 – Closing</i>		
Sale Approval Motion	➤ Upon execution of definitive transaction documents, the Receiver will seek Court approval of the successful offer, on not less than 7 calendar days’ notice to the service list and registered secured creditors.	15 to 30 days from the date that the selected bidder confirms all conditions have been satisfied or waived
Closing	➤ Following Court approval	ASAP

4.2 Results of the Sale Process

1. JLL launched the Sale Process on August 7, 2025 by listing the property on the multiple listing service and emailing the marketing brochure to its list of 1,542 prospective buyer contacts. JLL also directly solicited interest in parties it thought may have an interest in the 253 Ontario Real Property, including Farhi, who successfully closed on the purchase of the Farhi Properties earlier in these receivership

- proceedings. Farhi was an obvious buyer given Farhi's knowledge of the subject property and ownership of many properties in the surrounding area.
2. The Receiver also provided JLL with terms and conditions for purchasers to include in their offers, which reflect standard terms and conditions for real estate transactions in receivership proceedings.
 3. In consultation with JLL and based on market feedback, the Receiver set a bid deadline of September 10, 2025 at 4:00 p.m. (the "**Bid Deadline**").
 4. JLL's report summarizing its marketing activities is provided in **Appendix "C"** (the "**JLL Report**"). The JLL Report includes a summary of the offers received by the Bid Deadline and has been redacted for the names and amounts of each offer received in the Sale Process. An unredacted copy of the JLL Report is attached as **Confidential Appendix "1"**. The Receiver's recommendation regarding sealing this information is discussed below.
 5. As discussed in the JLL Report, JLL widely canvassed the market and reached out to parties that are active in the London, Ontario real estate market or who were identified as potentially having an interest in the 253 Ontario Real Property.
 6. Three offers were submitted by the Bid Deadline. In consultation with JLL, the Receiver reviewed the offers. The Receiver requested that JLL approach all bidders to improve their offers and encourage all bidders to submit unconditional bids. Farhi increased its purchase price to the amount set out in the APS. One other bidder also increased its purchase price but was unable to waive its material conditions.
 7. In consultation with JLL, the Receiver determined that Farhi's offer was the strongest given (i) the offer was unconditional; (ii) Farhi's reputation as the most prominent purchaser of real estate in London, Ontario and surrounding areas; (iii) Farhi's financial wherewithal to complete a transaction; (iv) the Receiver's experience closing the sale of the Farhi Properties with Farhi; and (v) the risk of losing competitive tension in the Sale Process if the Receiver executed a conditional offer and the bidder did not waive its conditions.
 8. Believing sufficient effort had been made to obtain the best price in the circumstances and in consultation with the Kobayashi Group's legal counsel, the Receiver accepted Farhi's bid and executed the APS. The only remaining condition is Court approval.

4.3 The Transaction

1. A copy of the redacted APS is attached as **Appendix "D"**. Only the Purchase Price and Deposit have been redacted. A copy of the unredacted APS is attached as **Confidential Appendix "2"**.
2. The key terms and provisions of the APS are as follows:
 - a) **Purchaser**: Farhi Farming Corporation and Farhi Holdings Corporation. The Receiver understands Farhi and its affiliates are significant real estate corporations with substantial holdings in the London and surrounding areas and are arm's length parties to the entities subject to the receivership proceedings.
 - b) **Purchased Property**: The 253 Ontario Real Property.

- c) **Purchase Price:** For the reasons provided in Section 4.5 of this Report, the Receiver believes it is appropriate that the Purchase Price of the 253 Ontario Real Property be sealed pending closing of the Transaction or further order of the Court.

The Purchase Price is subject to standard adjustments for a real estate transaction, including for property tax arrears.

- d) **Deposit:** For the reasons provided in Section 4.5 of this Report, the Receiver believes it is appropriate that the Deposit amount be sealed pending closing of the Transaction or further order of the Court. The Deposit is presently being held by the Receiver's legal counsel, Aird & Berlis LLP.
- e) **Permitted Encumbrances:** Include those set out in Exhibit "A" of Schedule "B" to the APS, including, among other things, subdivision agreements, easements and rail siding agreements.
- f) **Instruments to be Deleted from Title:** The Appointment Order, which was registered on title and is attached as **Appendix "A"**. A copy of the title search showing no other instruments is attached as **Appendix "E"**.
- g) **Closing Date:** The earlier of (i) the first business day after the 30-day period in which the AVO may be appealed or the dismissal of any appeal from that order; or (ii) such other date that the Receiver and Farhi may agree in writing.
- h) **Representations and Warranties:** Consistent with customary terms of an insolvency transaction, i.e. on an "as is, where is" and "without recourse" basis, with limited representations and warranties.
- i) **Other:** Farhi shall indemnify the Receiver and its representatives from all liabilities that may arise from breaches, violations or non-compliance with environmental laws that occur after the Closing Date.
- j) **Material Conditions:** The Court shall have issued the AVO approving the APS, the Transaction and directing all registered charges, encumbrances, security interests, liens and other interests, except for Permitted Encumbrances, to be deleted from title. The Receiver notes that there are no other registrations against the registered owner of this property. A copy of the PPSA search against 253 is attached as **Appendix "F"**.

4.4 Recommendation

1. The Receiver recommends that the Court approve the Transaction and grant the AVO for the following reasons:
 - a) in the Receiver's view, the Sale Process was commercially reasonable and was consistent with customary ways in which real estate is marketed and sold in receivership proceedings;
 - b) in the Receiver's view, extending the marketing process for this property will add incremental cost and put the Transaction at risk, and would likely not result in a

better outcome for stakeholders, given the current market conditions and nature of the subject property (i.e. limited buyers);

- c) based on feedback from JLL, the marketing period was sufficient and the purchase price is reasonable based on the current real estate market and the Farhi Properties that were sold earlier in the receivership proceedings which was approved by the Court;
- d) the terms and conditions of the APS are consistent with agreements of purchase and sale typically approved in court-supervised receivership proceedings;
- e) Farhi has paid a material non-refundable deposit and the Transaction is unconditional, except for Court approval;
- f) the Receiver understands that Farhi is a prominent landowner in the London area and has the economic means to close the Transaction; and
- g) the Kobayashi Group, the fulcrum beneficial owner of the 253 Ontario Real Property, supports the Transaction.

4.5 Sealing

1. The Receiver recommends that (i) the JLL Report; and (ii) an unredacted copy of the APS be filed with the Court on a confidential basis and remain sealed pending further order of the Court or closing of the Transaction, as making this information publicly available may negatively impact any future sale process for the 253 Ontario Real Property if the Transaction is not approved by the Court or does not close. The Receiver recommends the Deposit amount be redacted because it could be used to imply the purchase price.
2. Sealing this information until the Transaction closes or further order of the Court should assist to maximize recoveries in these proceedings and maintain the integrity and confidentiality of key information, particularly as it relates to the value of the Transaction.
3. In the circumstances, the Receiver believes that the proposed sealing of the Confidential Appendices is appropriate as the salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Receiver is therefore of the view that the proposed sealing is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25, as such decision has been routinely applied by this Court.

5.0 Pilehver Action

5.1 Commencement and Nature of Proceedings

1. On August 5, 2025, the Receiver commenced the Pilehver Action by way of Notice of Action issued August 1, 2025 (the “**Notice of Action**”). A copy of the issued Notice of Action is attached to this Fourth Report as **Appendix “G”**.
2. On September 3, 2025, the Receiver filed with the Court its Statement of Claim dated September 3, 2025 (the “**Statement of Claim**”) and took steps to serve same on each

of the Defendants. A copy of the as-filed Statement of Claim is attached to this Fourth Report as **Appendix “H”**.

3. The Statement of Claim sets out that prior to the Receiver's appointment, the LV IV Property was improperly sold at the direction of LV IV's director, the Defendant, Mr. Pilehver, contrary to the agreements with Co-Owners which governed the LV IV Property and any sale thereof. The proceeds of sale were subsequently disbursed at Mr. Pilehver's direction to persons and entities who appear to have no connection to LV IV or the LV IV Property, including to the Defendants, Ms. Nali and Nali and Associates.
4. On September 3, 2025, the law firm of Henein Hutchison Robitaille LLP (“**HHR**”) accepted service of each of the Notice of Action and Statement of Claim on behalf of Mr. Pilehver. Copies of the backpages of the Notice of Action and Statement of Claim, each endorsed as accepted for service by HHR as of September 3, 2025, are collectively attached to this Fourth Report as **Appendix “I”**.
5. On September 9, 2025, the Receiver's process server, Lisa Maitman (“**Ms. Maitman**”), effected personal service on Ms. Nali in her personal capacity, and in her capacity as director of Nali and Associates, of the Notice of Action and Statement of Claim, together with a covering letter and certain other documents as listed therein (the “**Service Letter**”). A copy of this Service Letter is attached to this Fourth Report as **Appendix “J”**.
6. Despite being served at each stage of these proceedings to date, including, on two occasions, by personal service, Ms. Nali and Nali and Associates have not participated in any way in these proceedings. On October 2, 2025, they were each noted in default.
7. On September 23, 2025, HHR advised the Court that HHR will be withdrawing as Mr. Pilehver's lawyers of record in the Pilehver Action.
8. As none of the Defendants have defended the Pilehver Action, and the time by which Statements of Defence were required has expired, the Receiver intends to pursue default judgment against Mr. Pilehver, Ms. Nali and Nali and Associates.

5.2 Mareva Injunction

1. On August 7, 2025, on an *ex-parte* motion brought by the Receiver, the Honourable Madam Justice J. Dietrich issued an Order (the “**August 7 Order**”) and accompanying Endorsement (the “**August 7 Endorsement**”) granting, among other relief, a worldwide *Mareva* injunction against all of the Defendants and a *Norwich* order compelling The Toronto-Dominion Bank (“**TD Bank**”) to disclose certain information and records to the Receiver regarding the Defendants' accounts. Copies of the August 7 Order and the August 7 Endorsement are attached to this Fourth Report as **Appendix “K”** and **Appendix “L”**, respectively.
2. Among other things, the August 7 Order:
 - a) restrained the Defendants from disposing of any of their assets with an unencumbered value of up to \$1,071,551.06, including certain bank accounts set out in the August 7 Order;

- b) ordered the Defendants provide to the Receiver, within seven days of the August 7 Order, a sworn statement describing the nature, value and location of the Defendants' respective assets worldwide, whether in the Defendants' own names or not and whether jointly or solely owned;
 - c) ordered the Defendants to submit to examinations under oath within 15 days of the delivery by the Defendants of the sworn statements;
 - d) ordered TD Bank to prevent the removal of money in the Defendants' accounts at TD Bank until further order of the Court;
 - e) ordered TD Bank and any other person to deliver to the Receiver all records held by TD Bank concerning the Defendants' assets and accounts;
 - f) ordered that the August 7 Order would cease to have effect if the Defendants provide security by paying the sum of \$1.5 million to the Receiver to be held in trust until further order of the Court; and
 - g) ordered the Receiver to apply for an extension of the Mareva Order within 10 days of the issuance of the August 7 Order, failing which the August 7 Order would terminate.
3. In support of relief sought at the initial hearing, the Receiver filed the Third Report and the Supplemental Report, copies of which are attached collectively, without appendices, to this Fourth Report as **Appendix "M"**. Among other things, the Third Report provides full and fair disclosure of all material facts pertinent to the relief sought at the initial hearing, and provides the basis to obtain an *ex-parte* interim and interlocutory Mareva injunction (and a *Norwich* order) against each of the Defendants.
 4. Immediately upon receiving the August 7 Order and Endorsement, the Receiver took steps to serve the same on each of the Defendants. The Receiver's process server, Neil Markowski ("**Mr. Markowski**") effected personal service of the August 7 Order and Endorsement, together with all of the associated motion materials including, without limitation, the Notice of Action, on Mr. Pilehver on the evening of August 7, 2025 at his residence. A copy of the covering letter delivered to Mr. Pilehver with the materials is attached to this Fourth Report as **Appendix "N"**.
 5. Upon serving Mr. Pilehver, Mr. Pilehver indicated to Mr. Markowski that Mr. Pilehver could assist in serving Ms. Nali by arranging a time for a process server to meet Ms. Nali. Mr. Pilehver did in fact facilitate this meeting such that Ms. Maitman effected personal service of the August 7 Order and Endorsement, together with all of the associated motion materials including, without limitation, the Notice of Action, on Ms. Nali, in her personal capacity and in her capacity as director of Nali and Associates, on August 8, 2025 in the parking lot adjacent to 25 Mallard Road, North York, Ontario. A copy of the covering letter delivered to Ms. Nali with the materials is attached to this Fourth Report as **Appendix "O"**.
 6. On August 9, 2025, being two days after the issuance of the August 7 Order, an email was sent from "Trans Global Partners Limited" at info@paybank.ca to what the Receiver believes to be all Investors in the land banking scheme, inviting them to participate in a class action proceeding against, among other parties, "KSV Advisory", an affiliate of the Receiver, A&B and Bennett Jones LLP ("**Bennett Jones**"), legal counsel to the Kobayashi Group, the applicant in these proceedings. That email

address appears to be associated with 2630306 Ontario Inc. o/a Paybank Financial (“**Paybank Financial**”), being one of Mr. Pilehver’s companies. An investor forwarded this email to the Receiver which is attached as **Appendix “P”** (the investor’s name has been redacted for privacy purposes) and which contained links to several letters to regulators and government officials setting out accusations against the named parties. Each of these letters was on the letterhead of TGP, another of Mr. Pilehver’s companies. The Receiver has serious concerns that the email and letters contain unfounded, baseless and fabricated accusations and has caused confusion among the Respondents’ Investors, many of which have reached out directly to the Receiver to inquire about the legitimacy of TGP and Paybank Financial’s communications. In the Court’s endorsement dated August 15, 2025, which is discussed below, the Court noted that concerns about the conduct of the Receiver should be addressed in the receivership proceeding and leave of the Court is required prior to commencing any litigation against the Receiver and its counsel, A&B.

7. Following the initial *ex-parte* hearing of the Receiver’s motion on August 7, 2025, the Receiver and its counsel re-attended before the Court for a comeback hearing on August 15, 2025 (the “**Comeback Hearing**”).
8. In support of relief sought at the Comeback Hearing, the Receiver filed the Second Supplemental Report. The Second Supplemental Report describes, among other things, (i) the Receiver’s efforts to serve the Defendants with the August 7 Order and Endorsement and the motion materials filed in support thereof, (ii) service of the August 7 Order and Endorsement on TD Bank and TD Bank’s response to such service, namely, account statements for each of the accounts held at TD Bank in the names of the Defendants, (iii) efforts by the Defendant, Mr. Pilehver, and his companies, TGP and 2630306 Ontario Inc. o/a Paybank Financial (“**Paybank Financial**”), to obtain support from Co-Owners to join a proposed class action lawsuit against the Receiver, its counsel, and others, and (iv) certain correspondence with Blaney McMurtry LLP which received a portion of the Impugned Proceeds from the sale of the LV IV Property in its trust account at the direction of Mr. Pilehver, which correspondence reflects that Blaney McMurtry LLP is holding such amount in trust pending further Order of the Court. Blaney McMurtry LLP was formerly engaged by Mr. Pilehver, TGP and Paybank in these receivership proceedings.
9. A copy of the Second Supplemental Report is attached to this Fourth Report as **Appendix “Q”**.
10. At the Comeback Hearing, Justice J. Dietrich issued an Order (the “**August 15 Order**”) and accompanying Endorsement (the “**August 15 Endorsement**”) extending the August 7 Order until further Order of the Court and expanding the application of the *Norwich* relief therein to capture accounts which received monies from accounts in the names of the Defendants at TD Bank on or after February 5, 2025. Copies of the August 15 Order and the August 15 Endorsement are attached to this Fourth Report as **Appendix “R”** and **Appendix “S”**, respectively.
11. Mr. Pilehver attended the Comeback Hearing and advised the Court that he was in the process of retaining counsel and intended to bring a motion to discharge the August 7 Order (the “**Discharge Motion**”). For the purpose of timetabling the Discharge Motion, Justice J. Dietrich also scheduled a case conference to be held on August 26, 2025.
12. As Mr. Pilehver attended the Comeback Hearing, the Court provided him with copies of the August 15 Order and Endorsement directly via e-mail. A copy of Court Registrar

David Basskin's e-mail to, *inter alios*, Mr. Pilehver is attached to this Fourth Report as **Appendix "T"**.

13. Immediately upon receiving the August 15 Order and Endorsement, the Receiver took steps to serve the same on each of the Defendants. On August 15, 2025, the Receiver's counsel served the August 15 Order and Endorsement on Mr. Pilehver by sending him copies via e-mail. On August 15, 2025, the Receiver's counsel also served all of the Defendants by sending copies of the August 15 Order and Endorsement to all known addresses for each of the Defendants by same-day courier.
14. In addition, as described above, the August 15 Order and Endorsement were each served upon Ms. Nali personally, both in her personal capacity and in her capacity as director of Nali and Associates, by Ms. Maitman on September 9, 2025.

5.3 Case Conferences, Mr. Pilehver's Sworn Statement of Assets and Examination

1. On August 26, 2025, the Receiver, its counsel and HHR attended a case conference before Justice Osborne. At this attendance, HHR had not yet been formally engaged by Mr. Pilehver and HHR asked that Justice Osborne adjourn the case conference to be held on September 9, 2025. A copy of the Endorsement of Justice Osborne dated August 26, 2025 (the "**August 26 Endorsement**") is attached to this Fourth Report as **Appendix "U"**.
2. On September 2, 2025, the Receiver's counsel served a copy of the August 26 Endorsement on Mr. Pilehver by sending him a copy via e-mail. On September 2, 2025, the Receiver's counsel also served all of the Defendants by sending copies of the August 26 Endorsement to all known addresses for each of the Defendants by same-day courier.
3. On September 9, 2025, the Receiver, its counsel and HHR attended a case conference before Justice J. Dietrich. Rather than schedule a Discharge Motion, HHR advised the Court that Mr. Pilehver would deliver a sworn statement of his assets (as required by paragraph 5 of the August 7 Order) by September 16, 2025. Justice J. Dietrich scheduled a further case conference for September 23, 2025. A copy of the Endorsement of Justice J. Dietrich dated September 9, 2025 (the "**September 9 Endorsement**") is attached to this Fourth Report as **Appendix "V"**.
4. In purported compliance with paragraph 5 of the August 7 Order, on September 16, 2025, Mr. Pilehver delivered a two-page sworn statutory declaration (the "**Stat Dec**") without any supporting documents. The Stat Dec is unsatisfactory for a number of reasons.
5. On September 18, 2025, the Receiver's counsel contacted Mr. Pilehver's counsel to address the issues with the Stat Dec and to schedule Mr. Pilehver's examination in accordance with paragraph 6 of the August 7 Order. Mr. Pilehver's counsel instead advised the Receiver's counsel that HHR would be seeking to be removed as Mr. Pilehver's lawyers of record, and that counsel therefore had no instructions to discuss the matter.
6. Given the foregoing, and in accordance with the August 7 Order, on September 19, 2025, the Receiver served its Notice of Examination for its examination of Mr. Pilehver returnable on September 30, 2025. A copy of the Notice of Examination is attached to this Fourth Report as **Appendix "W"**.

7. On September 23, 2025, the Receiver, its counsel, Mr. Pilehver and HHR attended a case conference before Justice J. Dietrich. Her Honour's Endorsement of that date (the "**September 23 Endorsement**") reflects as follows: (i) the Receiver identified deficiencies with the Stat Dec; (ii) the Receiver intended to proceed with its examination of Mr. Pilehver on September 30, 2025 without prejudice to its right to seek production thereafter of relevant documents; and (iii) HHR is seeking to withdraw as counsel. A copy of the September 23 Endorsement is attached to this Fourth Report as **Appendix "X"**.
8. The September 9 Endorsement and the September 23 Endorsement were each provided to or served upon the Defendants, as applicable.
9. Given its pending withdrawal as counsel to Mr. Pilehver, HHR required that Mr. Pilehver's September 30 examination be adjourned. The Receiver agreed to the adjournment on a without prejudice basis.
10. On October 14, 2025, the Receiver, the Receiver's counsel, HHR and Mr. Pilehver attended a further case conference in the Pilehver Action before Justice J. Dietrich. At the October 14 case conference, two motions were scheduled: (i) a motion by HHR to be removed as Mr. Pilehver's lawyer of record, returnable on November 3, 2025; and (ii) a motion for default judgment to be brought by the Receiver as against each of the Defendants, returnable November 17, 2025. Mr. Pilehver indicated at the October 14 case conference that he remains in the process of attempting to engage new counsel, but intends to defend the Pilehver Action by October 31, 2025. If he fails to do so, the Receiver intends to move for default judgment as against Mr. Pilehver. The endorsement from the October 14 case conference is attached as **Appendix "CC"**.
11. The Defendants, Ms. Nali and Nali and Associates, to date have failed to comply with the August 7 and August 15 Orders, have not delivered the sworn statements of assets required therein and have not otherwise participated in the Pilehver Action proceedings despite the service on these Defendants of all underlying Court Orders in the Pilehver Action, as well as the Notice of Action and Statement of Claim.

6.0 Receiver's Activities

1. In addition to dealing with the matters discussed above, the Receiver's activities since the Second Report have included:
 - a) corresponding extensively with A&B regarding all matters in these proceedings, including reviewing and discussing correspondence prepared by A&B to third parties requesting information and correspondence received from third parties;
 - b) corresponding with A&B regarding the Nominee Property and the Sold Properties;
 - c) reviewing information filed in the receivership proceedings of CBJ-Clearview Garden Estates Inc. and CBJ-Fort Erie Hills Inc. (the "**FEH Receivership Proceedings**") in connection with the real property formerly owned by Clearview Garden Estates Inc. (the "**Clearview Property**") and Fort Erie Hills Inc. (the "**FEH Property**"), respectively;

- d) corresponding with TDB Restructuring Limited (“**TDB**”), the Court-appointed receiver in the FEH Receivership Proceedings, and Thornton Grout Finnigan LLP, TDB’s legal counsel in the FEH Receivership Proceedings, regarding the sale of the FEH Property and the proposed distribution of sale proceeds therefrom;
- e) reviewing materials related to the receivership proceedings concerning the FEH Property and Clearview Property, and attending hearings in both proceedings;
- f) corresponding with Remax, the realtor who marketed the Sold Properties prior to the receivership proceeding, regarding the transactions concerning the Sold Properties;
- g) closing the Closed Transactions on July 4, 2025 and August 14, 2025, as applicable, including reviewing and commenting on all closing documents and the statement of adjustments in connection therewith;
- h) providing periodic updates to Bennett Jones LLP, the Kobayashi Group’s counsel;
- i) corresponding with A&B concerning LV IV’s claimed interest in the sale proceeds of the real property municipally known as 601 Maplehurst Avenue, Oakville, Ontario (the “**Maplehurst Property**”), previously owned by Randy Hoffner;
- j) advancing the proceedings commenced by the Receiver on behalf of LV IV as against Mr. Hoffner (CV-25-00740869-00CL) (the “**Hoffner Action**”), including:
 - i. obtaining the Order of Justice Black issued May 14, 2025, on the consent of the Receiver and Mr. Hoffner, pursuant to which \$731,331.20 was paid by Mr. Hoffner to the Receiver’s counsel, in trust, pending the final disposition of the Hoffner Action or further Order of the Court. In exchange for this alternative security, the Receiver discharged the Certificate of Pending Litigation which was registered by the Receiver on title to the Maplehurst Property pursuant to the Order of Justice Black issued April 10, 2025. The May 14, 2025 and April 10, 2025 Orders of Justice Black are attached hereto as **Appendix “Y”** and **Appendix “Z”**, respectively;
 - ii. reviewing Mr. Hoffner’s statement of defence dated August 4, 2025; and
 - iii. negotiating a discovery plan with Mr. Hoffner’s counsel;
- k) preparing the Third Report, Supplemental Report and Second Supplemental Report, reviewing the motion materials and attending the motions and case conferences in respect of the Pilehver Action;
- l) corresponding extensively with A&B regarding matters concerning the Pilehver Action and following up with the Defendants therein regarding provision of their sworn statements of assets as required by the August 7 Order;
- m) reviewing bank account information provided by financial institutions in respect of the Defendants to the Pilehver Action and discussing same with A&B;

- n) reviewing and commenting on numerous aide-memoires and other Court materials in connection with the Pilehver Action;
- o) corresponding with A&B regarding a class action lawsuit threatened by Mr. Pilehver, TGP and Paybank against the Receiver, A&B, Bennett Jones and certain other parties and addressing same in the Pilehver Action;
- p) retaining a discovery services provider to process over five thousand agreements, and reviewing same, to determine which Co-Owners have an interest in these proceedings;
- q) preparing, with A&B, a Notice to Investors dated August 18, 2025 (the “**August 18 Notice**”) which was translated into several languages based on the residence of Investors;
- r) mailing the August 18 Notices to over two hundred Co-Owners located in Asia and emailing a copy of the notice to over 800 investors;
- s) setting up a designated email to address inquiries from Investors following distribution of the August 18 Notice;
- t) responding to inquiries from numerous Investors and discussing same with A&B;
- u) engaging JLL to market the 253 Ontario Real Property, corresponding with JLL regarding the marketing process and reviewing marketing materials prepared by JLL;
- v) corresponding with JLL regarding bids received for the 253 Ontario Real Property;
- w) reviewing information provided by various stakeholders;
- x) dealing with administrative matters, including estate banking;
- y) investigating the validity of certain mortgage charges registered on title to certain of the real properties subject to these receivership proceedings;
- z) continuing to carry out investigatory efforts regarding the real properties (and proceeds of sale therefrom) listed on Schedule “B” to the Appointment Order; and
- aa) preparing this Fourth Report, the Third Report, the Supplemental Report, the Second Supplemental Report and reviewing the motion materials in respect of each.

7.0 Professional Fees

1. The fees of the Receiver and A&B from the commencement of these proceedings to April 30, 2025 were approved pursuant to a Court Order dated May 29, 2025.
2. The fees of the Receiver and A&B for the period May 1 to September 30, 2025 total \$242,437.75 and \$670,934.50, respectively, excluding disbursements and HST. Fee affidavits, which include the corresponding invoices for the Receiver and A&B, are provided as **Appendices “AA” and “BB”**, respectively.
3. The average hourly rate for the Receiver and A&B for the referenced billing period was \$719.61 and \$516.82, respectively.
4. The Receiver is of the view that the hourly rates charged by A&B are consistent with rates charged by law firms practising in restructuring and insolvency in the downtown Toronto market, and that the fees charged are reasonable and appropriate in the circumstances.
5. The fees incurred to-date have not yet been allocated across the properties. The Receiver will allocate professional fees across the properties in due course, following which it will seek approval of such fee allocation.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the proposed Representative Counsel Order, Claims Procedure Order, AVO and Ancillary Relief Order.

All of which is respectfully submitted by,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF
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., AND AS RECEIVER AND MANAGER IN RESPECT OF CERTAIN PROPERTY
OF 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. AND FORT ERIE HILLS CAPITAL MANAGEMENT INC. AND NOT IN ITS
PERSONAL OR IN ANY OTHER CAPACITY**

APPENDIX A



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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE

)

THURSDAY, THE 6TH

JUSTICE STEELE

)

DAY OF MARCH, 2025

)

BETWEEN:

**MIZUE FUKIAGE, AKIKO KOBAYASHI, YOSHIKI FUKIAGE, KOBAYASHI
KYOHODO CO., LTD. AND TORU FUKIAGE**

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. AND FORT ERIE HILLS CAPITAL MANAGEMENT
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**

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage (collectively, the "**Applicants**") for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") and Rules 14.05(2) and (3) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"), among other things, appointing KSV Restructuring Inc. ("**KSV**") as receiver and manager (in such capacities, the "**Receiver**") of the Property (as defined below), was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Application Record of the Applicants, including the affidavit of Akiko Kobayashi sworn February 27, 2025 and the Exhibits thereto (the "**Kobayashi Affidavit**"), and the affidavit of Lorraine Klemens sworn February 28, 2025 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicants, the proposed Receiver and such other parties listed on the Participant Information Form, no one appearing for any other party although duly served as appears from the affidavit of service sworn and filed, and on reading the consent of KSV to act as the Receiver,

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that all terms not otherwise defined herein shall have the meaning ascribed to them in the Kobayashi Affidavit.

APPOINTMENT

3. THIS COURT ORDERS that pursuant to section 101 of the CJA, KSV is hereby appointed Receiver, without security, of:
 - (a) all of the assets, undertakings and personal property of 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. and Fort Erie Hills Inc. (collectively, the "**Nominee Respondents**" and each, a "**Nominee Respondent**") and 2533430 Ontario Inc. acquired for, or used in relation to a business carried on by the Nominee Respondents (or any one of them) and/or 2533430 Ontario Inc. and the proceeds therefrom, including, without limitation, the real property municipally and legally described in Schedule "A" hereto and any assets or property held by any of the Nominee Respondents and/or 2533430 Ontario Inc. in trust for any third party (collectively, the "**Nominee Property**");

- (b) all of the monies paid or invested or caused to be paid or invested by the Co-Owners of any of the real property previously or currently owned by any of the Nominee Respondents or 2533430 Ontario Inc. into or intended for one or more segregated accounts known as the "Concept Planning Fund" for the purposes of defraying costs, expenses and fees to be incurred in connection with the applicable real property pursuant to one or more Co-Owners Agreements (collectively, the "**Concept Planning Funds**"), as determined by the Receiver;
- (c) all of the income derived in any way from the ownership, operation, use, leasing, financing, refinancing, sale of, development and/or any other dealing whatsoever with any of the real property previously or currently owned by any of the Nominee Respondents or 2533430 Ontario Inc., including, without limiting the generality of the foregoing, the real property municipally and legally described in Schedule "B" hereto (collectively with the Concept Planning Funds, the "**Segregated Funds**"), provided that such Segregated Funds shall not include any income derived from the real property municipally and legally described in Schedule "B" hereto by any arm's length purchaser of such property after the date of the applicable property's sale to such purchaser; and
- (d) all of the assets, undertakings and personal property of 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., and Fort Erie Hills Capital Management Inc. (collectively the "**Operator Respondents**" and each, an "**Operator Respondent**", and together with the Nominee Respondents and 2533430 Ontario Inc., the "**Respondents**" and each, a "**Respondent**") used in connection with or arising from or out of or which is necessary to access or use the Segregated Funds (collectively with the Nominee Property and the Segregated Funds, the "**Property**").

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, including, without limitation, all proceeds in any bank accounts or trust accounts (including any account in the name of any of the Operator Respondents and any lawyer's trust account) in the name, or for the benefit, of any of the Respondents and any Property held in the name of any third party but beneficially owned by any of the Respondents;
 - (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of the Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate, and carry on the business of the Respondents (or any one of them), in connection with the Property, including the powers to enter into any agreements or incur any obligations in the ordinary course of business in connection with the Property, cease to carry on all or any part of the business in connection with the Property, or cease to perform or disclaim any contracts of any of the Respondents, provided that the Receiver shall not disclaim any agreement of purchase and sale related to the real property municipally and legally described in Schedule "A" hereto without further Order of this Court on notice to the service list in these proceedings;
 - (d) to engage managers, contractors, subcontractors, trades, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and

such other Persons (as defined below) from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Respondents (or any one of them) in connection with the Property, or as may be appropriate to receive, preserve or protect the Property or any part or parts thereof;
- (f) for greater certainty, notwithstanding the order (the "**First Global Injunction**") of the Honourable Justice MacNeil granted on October 31, 2024 in the Hamilton Proceedings (as defined below), to receive and collect all monies and accounts now owed or hereafter owing to any of the Respondents in connection with the Property (including, without limitation, any insurance proceeds, rent payments or any other income from the Property) and to exercise all remedies of any of the Respondents in collecting such monies and accounts, including, without limitation, taking steps to enforce any security held by any of the Respondents;
- (g) to settle, extend or compromise any indebtedness owing to any of the Respondents in connection with the Property;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of any of the Respondents, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings or claims (including, without limitation, claims under insurance policies held by any of the Respondents or related to the Property) and to defend all proceedings now pending or hereafter instituted with respect to any of the Respondents, the Property or the Receiver, and to settle or compromise any such proceedings or claims. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to review, investigate, and report to this Court on: (i) all payments, receipts, disbursements, accounts payable, conveyances, transfers, preferences, transactions and other arrangements between or among any of the Respondents and other Persons, including, without limitation, other companies and entities that are affiliates of any of the Respondents, that appear to the Receiver to be out of the ordinary course of business; and (ii) the respective interests, rights and priorities of any of the Respondents' creditors and other Persons in, in and to, and in respect of the Property or any part thereof. All Persons shall be required to provide any and all information and documents related to the Respondents and/or the Property requested by the Receiver in connection with any such review and investigation;
- (k) for greater certainty, notwithstanding the First Global Injunction, to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) for greater certainty, notwithstanding the First Global Injunction, to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under Part V of the *Personal Property Security Act*, R.S.O. 1990, c. P. 10, as amended or section 31 of the *Mortgages Act*, R.S.O. 1990, c. M. 40, as amended, as the case may be, shall not be required;
- (m) for greater certainty, notwithstanding the First Global Injunction, to apply for any vesting order or other orders necessary to convey the Property or any part or parts

thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) to report to, meet with and discuss with such affected Persons as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including, without limitation, the real property municipally and legally described in Schedule "A" hereto;
- (p) apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of any of the Respondents and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Respondents, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Respondents;
- (r) to undertake any investigations deemed appropriate by the Receiver with respect to: (i) the location and/or disposition of assets reasonably believed to be, or to have been, Property; and (ii) any ownership interest, claim, lien, charge, security interest or encumbrance asserted, filed or registered, as applicable, against the Property or any part thereof;
- (s) to examine under oath any Person the Receiver reasonably considers to have knowledge of the affairs of the Respondents (or any one of them) or the Property

or any part thereof, including, without limitation, any present or former director, officer, employee or shareholder of the Respondents (or any one of them);

- (t) to trace and follow (i) the Segregated Funds or any portion thereof and (ii) the proceeds of any real property previously owned by any of the Respondents that was sold, transferred, assigned or conveyed on or after the granting of the First Global Injunction, including, without limitation, the real property municipally and legally described in Schedule "B" hereto;
- (u) to take such steps as the Receiver deems appropriate in the following proceedings before the Commercial List of the Ontario Superior Court of Justice: (i) *1180544 Ontario Limited v. CBJ Developments Inc. et al.* bearing Court File No. CV-23-00707989-00CL; and (ii) *Hillmount Capital Mortgage Holdings Inc. v. CBJ-Fort Erie Hills Inc.*, bearing Court File No. CV-24-00730993-00CL (together, the **"Extant Receivership Proceedings"**);
- (v) to exercise any shareholder, partnership, joint venture or other rights which any of the Respondents may have;
- (w) to make an assignment in bankruptcy on behalf of the Respondents (or any one of them); and
- (x) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including each of the Respondents, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) each of the Respondents, (ii) all of the Respondents' current and former directors, officers, employees, agents, accountants, legal counsel, shareholders and affiliates, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other

entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records, information and cloud-based data of any kind related to the business or affairs of any of the Respondents or the Property, and any computer programs, computer tapes, computer disks, cloud or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software, cloud and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.
7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer, in a cloud or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph 7, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer, cloud or other system and

providing the Receiver with any and all access codes, account names, account numbers and account creating credentials that may be required to gain access to the information.

8. THIS COURT ORDERS that, without limiting the generality of paragraphs 5-7 and subject to such confidentiality arrangements as the Receiver deems advisable, each of TSI-CGE International Canada Inc., TGP-Talbot Crossing Inc., TSI-NEC II International Canada Inc., TSI-LV International Canada Inc., TSI-LV II International Canada Inc., TSI-LV III International Canada Inc., TSI-LV IV International Canada Inc., TSI-LV V International Canada Inc. and Fort Erie Hills International Canada Inc. (collectively, the "**Vendors**") and each of the Respondents shall provide the following information (collectively, the "**Co-Owner Information**") to the Receiver forthwith, in each case, without charge: (i) the names, last known address, last known email addresses (if any) and entitlements of all of the Co-Owners, in each case, to the extent in the possession or control of the Respondents and/or the Vendors; and (ii) upon request of the Receiver, such documents and data as may be reasonably relevant to the issues affecting the Co-Owners in these proceedings, in each case, to the extent in the possession or control of the Respondents and/or the Vendors. In providing the Co-Owner Information, the Respondents and the Vendors shall not be required to obtain the express consent of any Co-Owner authorizing the disclosure of the Co-Owner Information to the Receiver for the purposes of these proceedings, and further, in accordance with clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, each of the Respondents and the Vendors is authorized and permitted to disclose the Co-Owner Information to the Receiver for the purposes of these proceedings, without the knowledge or consent of the Co-Owners.
9. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by

further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

10. THIS COURT ORDERS that each applicable Land Registry Office, including, without limitation, Land Registry Office No. 33, is hereby directed to register a copy of this Order against title to the Property municipally and legally described in Schedule "A" hereto.
11. THIS COURT ORDERS that the Receiver may file a copy of this Order in the Extant Receivership Proceedings and the Hamilton Proceedings.

NO PROCEEDINGS AGAINST THE RECEIVER

12. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY

13. THIS COURT ORDERS that no Proceeding, including for greater certainty, the proceedings before the Ontario Superior Court of Justice styled as *Trans Global Partners Limited et al. v. First Global Financial Corp. et al.*, bearing Court File No. CV-24-00087580-0000 (the "**Hamilton Proceedings**"), against or in respect of any of the Respondents or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of any of the Respondents or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that all rights and remedies against the Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and further provided that nothing in this paragraph 14 shall: (i) empower the Receiver or any of the Respondents to

carry on any business which the Respondents are not lawfully entitled to carry on; (ii) exempt the Receiver or any of the Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

15. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Respondents, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that all Persons having oral or written agreements with any of the Respondents or contractual, statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, accounting services, centralized banking services, payroll services, insurance, transportation services, utility or other services to any of the Respondents are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of any of the Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of each of the Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

17. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order

from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

18. THIS COURT ORDERS that all employees of the Respondents shall remain the employees of the applicable Respondent until such time as the Receiver, on the applicable Respondent's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1, as amended.

PIPEDA

19. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by each of the Respondents, and shall

return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

20. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999, S.C. 1999, c. 33, as amended, the *Environmental Protection Act*, R.S.O. 1990, c. E.19, as amended, the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, as amended, or the *Occupational Health and Safety Act*, R.S.O. 1990, c. O.1, as amended, and regulations thereunder (collectively, the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

21. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1, as amended. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

22. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
23. THIS COURT ORDERS that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.
24. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

25. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of

the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subordinate in priority to the Receiver's Charge and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

26. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
27. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "C" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
28. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further Order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

NORWICH ORDER

29. THIS COURT ORDERS that the Toronto Dominion Bank shall forthwith disclose and produce to the Applicants and the Receiver copies of:
 - (a) bank account statements;
 - (b) instruments (including deposits, withdrawals and transfers); and
 - (c) other documents (including but not limited to files, papers, records, notes, correspondence, memoranda, communications and other records) pertaining to the identity of any person who instructed the Toronto Dominion Bank to conduct any payments or transfers to account holders or third parties, the identity of the payees and particulars of the instruments and transactions,

in the possession of the Toronto Dominion Bank or its subsidiaries that relate to the transfer of \$1,899,528.20 (the "**Sale Proceeds**") from the account bearing account number 03481062053 at the Bank of Montreal in the name of McKenzie Lake Lawyers LLP to the account owned or operated by Parminder Hundal Law Professional Corporation bearing account number 1140-5017446 (the "**Hundal Account**") at the Toronto Dominion Bank on February 5, 2025 and any subsequent transfer(s) of the Sale Proceeds or any portion thereof out of the Hundal Account thereafter.

30. THIS COURT ORDERS that the disclosure ordered in paragraph 29 above shall include, but not be limited to, the account number(s) to which the Sale Proceeds were sent from the Hundal Account, and if known, the identity of the recipient(s) of those funds.
31. THIS COURT ORDERS that the Toronto Dominion Bank shall provide the records pursuant to this Order as soon as reasonably practicable.
32. THIS COURT ORDERS that the Applicants shall pay the reasonable costs incurred by the Toronto Dominion Bank in complying with this Order.
33. THIS COURT ORDERS that:
 - (a) the information produced by Toronto Dominion Bank to the Applicants with respect to the Hundal Account shall not be disclosed to any person or entity that is not a party to this application, other than the Receiver. Notwithstanding the foregoing, the details of any transactions related to the Sale Proceeds (whether direct or indirect) (the "**Relevant Information**") may be disclosed. If the Applicants or the Receiver publicly file with the court in any manner or in any proceeding any of the documents produced by Toronto Dominion with respect to the Hundal Account, including as an exhibit at trial or on a motion, all information except for the Relevant Information shall be redacted or the party seeking to file the document shall seek a sealing order on notice to Parminder Hundal; and
 - (b) the Deemed Undertaking Rule does not apply to the documents and information obtained by the Applicants and the Receiver in furtherance of paragraphs 29-30 of this Order such that the Applicants and the Receiver may use the documents

obtained from paragraphs 29-30 of this Order (with redactions to protect confidential information pertaining to third parties unrelated to the Sale Proceeds, if applicable, including in accordance with paragraph 33(a) of this Order) in order to commence a Proceeding against other third parties as appropriate with respect to the matters and facts as described in the Application Record filed by the Applicants on the within application.

SERVICE AND NOTICE

34. THIS COURT ORDERS that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <https://www.ksvadvisory.com/experience/case/clearviewgarden> (the "**Receiver's Website**").
35. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to any of the Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

36. THIS COURT ORDERS that notice of the appointment of the Receiver shall be provided to all of the Co-Owners by: (i) the Receiver sending a letter to each of the Co-Owners at the address provided pursuant to paragraph 8 of this Order, advising of such appointment as soon as practicable following the date hereof; and (ii) the posting of such appointment on the Receiver's Website.
37. THIS COURT ORDERS that the Applicants, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Respondents' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

GENERAL

38. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
39. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents (or any one of them).
40. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
41. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this

Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

42. THIS COURT ORDERS that the Applicants shall have their costs of this Application, up to and including entry and service of this Order on a substantial indemnity basis to be paid by the Receiver from the net realizations from the Property with the same priority as, and as secured by, the Receiver's Borrowings Charge.
43. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
44. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Order and are enforceable without the need for entry and filing.

Jana
Steele

Digitally signed
by Jana Steele
Date: 2025.03.07
11:53:23 -05'00'

SCHEDULE "A"
REAL PROPERTY

1. London Valley Inc.

Municipal Description: 5318 Colonel Talbot Road, London, Ontario

Legal Description:

PIN 08207-0183 (LT)

PART LOT 63 ETR AS IN WU28828; EXCEPT WU30493, WU45704, WU49601, WU80146, 299895, 106748, 88711, CM168 & PLAN ER1060831; SUBJECT TO 340398, WU45704; "DESCRIPTION IN 398299 MAY NOT BE ACCEPTABLE IN THE FUTURE" LONDON/WESTMINSTER

2. London Valley II Inc.

Municipal Description: 6172 Colonel Talbot Road, London, Ontario

Legal Description:

PIN 08207-0207 (LT)

PART LOTS 58 & 57 ETR AS IN 422573; EXCEPT PART 1, 33R8976 AND PART 1 EXPROPRIATION PLAN ER1469082; "DESCRIPTION IN 422573 MAY NOT BE ACCEPTABLE IN THE FUTURE" LONDON/WESTMINSTER "DESCRIPTION REVISED 2012/01/16, RE: EXCEPTION"

3. 2533430 Ontario Inc.

Municipal Description: Unavailable

Legal Description:

PIN 08207-0222 (LT)

PART LOT 57, EAST OF THE NORTH BRANCH OF TALBOT ROAD AS IN WU41565, SAVE & EXCEPT 87195, 88711, 101207 & PART 1 PLAN 33R20792 AND PARTS 1 AND 2 ON EXPROPRIATION PLAN ER1469124; S/T EASEMENT OVER PART 1 PLAN ER1463513 AS IN ER1463513. "DESCRIPTION IN WU41565 MAY NOT BE ACCEPTABLE IN THE FUTURE" WESTMINSTER; CITY OF LONDON

4. London Valley V Inc.

Municipal Description: Wonderland Road. S, London, Ontario

Legal Description:

PIN 08207-0153 (LT)

PART LOTS 58 & 59 ETR WESTMINSTER DESIGNATED PARTS 8 & 9, 33R2972; AND PT LT 59, ETR WESTMINSTER AS IN 559255; SAVE & EXCEPT PART 1, PLAN ER864297; CITY OF LONDON

5. Talbot Crossing Inc.

Municipal Description: 5980 Colonel Talbot Road, London, Ontario

Legal Description:

PIN 08207-0053 (LT)

PART LOT 58 & 59 ETR DESIGNATED PART 1, 33R9477; SUBJECT TO 871357 LONDON/WESTMINSTER

SCHEDULE "B"
SOLD REAL PROPERTY

1. Clearview Garden Estates Inc.

Municipal Description: 6237 27/28 Side Road Nottawasaga, Clearview, Ontario

Legal Description:

PIN 58239-0014 (LT)

PT LT 27 CON 3 NOTTAWASAGA AS IN RO289265, EXCEPT 51R27930; S/T RO130023;
CLEARVIEW

PIN 58239-0014 (LT)

PT LT 27 CON 3 NOTTAWASAGA PT 1, 51R27930; CLEARVIEW

PIN 58239-0014 (LT)

PT LT 27 CON 3 NOTTAWASAGA PT 2, 51R27930; CLEARVIEW

2. London Valley IV Inc.

Municipal Description: 6211 Colonel Talbot Road, London, Ontario

Legal Description:

PIN 08211-0150 (LT)

PART LOT 57 WTR AS IN 753369 SAVE & EXCEPT PART 2 PLAN 33R-16279 AND PARTS
1 AND 2 ON EXPROPRIATION PLAN ER1469148, WESTMINSTER; CITY OF LONDON

3. Fort Erie Hills Inc.

Municipal Description: 87 Crooks Street & 0 Thompson Road ES, Fort Erie, Ontario

Legal Description:

PIN 64233-0064 (LT)

BLK R W/S CROOKS ST PL 525 VILLAGE OF BRIDGEBURG; LT 84 W/S CROOKS ST PL
525 VILLAGE OF BRIDGEBURG; PT BLK S W/S CROOKS ST PL 525 VILLAGE OF
BRIDGEBURG; PT LT 8 CON 2 NIAGARA RIVER BERTIE AS IN RO461513; FORT ERIE

4. Niagara Estates of Chippawa II Inc.

Municipal Description: 5559 Sodom Road, Niagara Falls, Ontario

Legal Description:

PIN 64254-0015 (LT)

PT LT 18 CON 2 WILLOUGHBY PT 1, 59R4701 EXCEPT PT 1, 59R4942; NIAGARA FALLS

5. 2533430 Ontario Inc.

Municipal Description: 6188 Colonel Talbot Road, London, Ontario

Legal Description:

PIN 08207-0216 (LT)

PART LOT 57, EAST OF THE NORTH BRANCH OF THE TALBOT ROAD, PART 1 PLAN 33R20792 EXCEPT PART 1 EXPROPRIATION PLAN ER1469093, WESTMINSTER; CITY OF LONDON

SCHEDULE "C"
RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "**Receiver**") of all of (i) the assets, undertakings and personal property of 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. and Fort Erie Hills Inc. (collectively, the "**Nominee Respondents**") and 2533430 Ontario Inc. acquired for, or used in relation to a business carried on by the Nominee Respondents (or any one of them) and/or 2533430 Ontario Inc. and the proceeds therefrom, including, without limitation, the real property legally described in Schedule "A" to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 6, 2025 (the "**Order**") made in an application having Court File Number CV-25-00736577-00CL, and any assets or property held by any of the Nominee Respondents and/or 2533430 Ontario Inc. in trust for any third party (collectively, the "**Nominee Property**"), and (ii) the Segregated Funds and all of the assets, undertakings and personal property of 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., and Fort Erie Hills Capital Management Inc. used in connection with or arising from or out of or which is necessary to access or use the Segregated Funds (collectively with the Nominee Property, the "**Property**"), has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.¹

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [**daily**][**monthly not in advance on the _____ day**]

¹ Capitalized terms used in this certificate and not otherwise defined herein have the meaning ascribed to them in the Order or the Affidavit of Akiko Kobayashi sworn February 27, 2025, as applicable.

of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 202_.

KSV Restructuring Inc., solely in its capacity
as Receiver of the Property, and not in its
personal, corporate or any other capacity

Per: _____
Name:
Title:

IN THE MATTER OF 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

**MIZUE FUKIAGE, AKIKO KOBAYASHI, YOSHIKI
FUKIAGE, KOBAYASHI KYOHODO CO., LTD. AND
TORU FUKIAGE**

**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. AND FORT ERIE HILLS
CAPITAL MANAGEMENT INC.**

Applicants

Respondents

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced in Toronto

APPOINTING ORDER

BENNETT JONES LLP

One First Canadian Place, Suite 3400
P.O. Box 130
Toronto, ON M5X 1A4

Amanda McLachlan (LSO# 58365O)

Tel: (416) 777-5393

Email: mclachlana@bennettjones.com

Mike Shakra (LSO#: 64604K)

Tel: (416) 777-6236

Email: shakram@bennettjones.com

Joshua Foster (LSO# 79447K)

Tel: (416) 777-7906

Email: fosterj@bennettjones.com

Lawyers for the Applicants

APPENDIX B



Form 593

for use in the Province of Ontario

Listing Agreement - Commercial Seller Designated Representation Agreement Authority to Offer for Sale

This is a Multiple Listing Service® Agreement



OR

Exclusive Listing Agreement

EXCLUSIVE



BETWEEN:

BROKERAGE:

Jones Lang LaSalle Real Estate Services Inc.

120 Victoria Street S. Kitchener ON N2G 2B3 (the "Listing Brokerage") Tel. No. 5192791183

SELLER: KSV Restructuring Inc., in its capacity as receiver and manager of 2533430 Ontario Inc. (the "Seller")

DESIGNATED REPRESENTATIVE(S): Mitchell Blaine, Bryce Gibson, Mallory Weldon, Chris Kotseff and Alexandra Smith
(Name of Salesperson/Broker/Broker of Record)

The Designated Representative will be providing services and representation to the Seller and the Brokerage provides services but not representation.

In consideration of the Listing Brokerage listing the real property for sale known as See Schedule A

(the "Property")

the Seller hereby gives the Listing Brokerage the exclusive and irrevocable right to act as the Seller's agent,

commencing at 9:00 (a.m./p.m.) on the 25 day of July, 2025

and expiring at 11:59 p.m. on the 31 day of December, 2025 (the "Listing Period"),

{ Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Trust in Real Estate Services Act, 2002 (TRESA), the Listing Brokerage must obtain the Seller's initials.



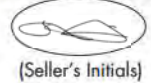
to offer the Property for sale at a price of: Dollars (CDN\$) \$1,187,640

One Million One Hundred Eighty Seven Thousand Six Hundred Forty

Dollars

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the Property.



Schedule A, & B attached hereto forms part of this Agreement, of which Schedule A sets out the details with respect to the services, confidentiality and representation of the Brokerage and Designated Representative.

1. DEFINITIONS AND INTERPRETATIONS: For the purposes of this Agreement ("Authority" or "Agreement"): "Seller" includes vendor and a "buyer" includes a purchaser or a prospective purchaser. "Self-represented assistance" shall mean assistance provided to a self-represented party. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, or the causing of a First Right of Refusal to be exercised, or an agreement to sell or transfer shares or assets. "Real property" includes real estate as defined in the Trust in Real Estate Services Act (2002). The "Property" shall be deemed to include any part thereof or interest therein. A "real estate board" includes a real estate association. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.

2. COMMISSION: In consideration of the Listing Brokerage listing the Property, the Seller agrees to pay the Listing Brokerage a commission of % of the sale price of the Property or See Schedule A

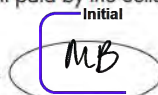
for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period, as may be acceptable to the Seller. The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage) and to offer to pay the co-operating brokerage a commission of % of the sale price of the Property or

out of the commission the Seller pays the Listing Brokerage.

The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone

on the Seller's behalf within Schedule A days after the expiration of the Listing Period (Holdover Period), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

INITIALS OF LISTING BROKERAGE:



INITIALS OF SELLER(S):



The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.

Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.

In the event the buyer fails to complete the purchase and the deposit or any part thereof becomes forfeited, awarded, directed or released to the Seller, the Seller then authorizes the Listing Brokerage to retain as commission for services rendered, fifty (50%) per cent of the amount of the said deposit forfeited, awarded, directed or released to the Seller (but not to exceed the commission payable had a sale been consummated) and to pay the balance of the deposit to the Seller. All amounts set out as commission are to be paid plus applicable taxes on such commission.

- 3. REPRESENTATION:** The Seller acknowledges that the Listing Brokerage has provided the Seller with written information explaining relationships, including information on Seller Representation, Sub-agency, Buyer Representation, Multiple Representation and Self-Represented Party assistance. The Seller understands that unless the Seller is otherwise informed, the co-operating brokerage is representing the interests of the buyer in the transaction. The Seller further acknowledges that the Listing Brokerage may be listing other properties that may be similar to the Seller's Property and the Seller hereby consents to the Listing Brokerage listing other properties that may be similar to the Seller's Property without any claim by the Seller of conflict of interest. The Seller hereby appoints the Listing Brokerage as the Seller's agent for the purpose of giving and receiving notices pursuant to any offer or agreement to purchase the Property. Unless otherwise agreed in writing between Seller and Listing Brokerage, any commission payable to any other brokerage shall be paid out of the commission the Seller pays the Listing Brokerage, said commission to be disbursed in accordance with the Commission Trust Agreement.

MULTIPLE REPRESENTATION: The Seller hereby acknowledges that the Listing Brokerage may be entering into buyer representation agreements with buyers who may be interested in purchasing the Seller's Property. In the event that the Listing Brokerage has entered into or enters into a buyer representation agreement with a prospective buyer for the Seller's Property, the Listing Brokerage will require the Seller's written consent to represent both the Seller and the buyer for the transaction. The Seller understands and acknowledges that the Listing Brokerage must be impartial when representing both the Seller and the buyer and equally protect the interests of the Seller and buyer. The Seller understands and acknowledges that when representing both the Seller and the buyer, the Listing Brokerage shall have a duty of full disclosure to both the Seller and the buyer.

However, the Seller further understands and acknowledges that the Listing Brokerage shall not disclose:

- that the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- that the buyer may or will pay more than the offered price, unless otherwise instructed in writing by the buyer;
- the motivation of or personal information about the Seller or buyer, unless otherwise instructed in writing by the party to which the information applies or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- the price the buyer should offer or the price the Seller should accept; and
- the Listing Brokerage shall not disclose to the buyer the terms of any other offer, unless otherwise directed in writing by the Seller.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

The Brokerage shall not be appointed or authorized to be agent for either the Seller or the buyer for the purpose of giving and receiving notices where the Brokerage represents both the Seller and the buyer (multiple representation) or where the buyer or the seller is a self-represented party.

MULTIPLE REPRESENTATION AND DESIGNATED REPRESENTATION: The Seller understands and acknowledges where both the Seller and buyer are represented by a designated representative of the Listing Brokerage, multiple representation will not result, unless that designated representative represents more than one client in the same trade, and will require consent in writing for such multiple representation. In the event of multiple representation and designated representation, the Brokerage duty of disclosure to both the seller and the buyer client is as more particularly set out in the agreement with the respective seller or buyer.

- 4. FINDERS FEES:** The Seller acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Seller consents to any such benefit being received and retained by the Brokerage in addition to the Commission as described above.
- 5. REFERRAL OF ENQUIRIES:** The Seller agrees that during the Listing Period, the Seller shall advise the Listing Brokerage immediately of all enquiries from any source whatsoever, and all offers to purchase submitted to the Seller shall be immediately submitted to the Listing Brokerage by the Seller before the Seller accepts or rejects the same. If any enquiry during the Listing Period results in the Seller accepting a valid offer to purchase during the Listing Period or within the Holdover Period after the expiration of the Listing Period described above, the Seller agrees to pay the Listing Brokerage the amount of Commission set out above, payable within five (5) days following the Listing Brokerage's written demand therefor.
- 6. MARKETING:** The Seller agrees to allow the Listing Brokerage to show and permit prospective buyers to fully inspect the Property during reasonable hours and the Seller gives the Listing Brokerage the sole and exclusive right to place "For Sale" and "Sold" sign(s) upon the Property. The Seller consents to the Listing Brokerage including information in advertising that may identify the Property. The Seller further agrees that the Listing Brokerage shall have sole and exclusive authority to make all advertising decisions relating to the marketing of the Property for sale during the Listing Period. The Seller agrees that the Listing Brokerage will not be held liable in any manner whatsoever for any acts or omissions with respect to advertising by the Listing Brokerage or any other party, other than by the Listing Brokerage's gross negligence or wilful act.
- 7. WARRANTY:** The Seller represents and warrants that the Seller has the exclusive authority and power to execute this Authority to offer the Property for sale and that the Seller has informed the Listing Brokerage of any third party interests or claims on the Property such as rights of first refusal, options, easements, mortgages, encumbrances or otherwise concerning the Property, which may affect the sale of the Property.
- 8. INDEMNIFICATION AND INSURANCE:** The Seller will not hold the Listing Brokerage and representatives of the Brokerage responsible for any loss or damage to the Property or contents occurring during the term of this Agreement caused by the Listing Brokerage or anyone else by any means, including theft, fire or vandalism, other than by the Listing Brokerage's gross negligence or wilful act. The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury, including but not limited to loss of the Commission payable under this Agreement, caused or contributed to by the breach of any warranty or representation made by the Seller in this Agreement and, if attached, the accompanying data form. The Seller warrants the Property is insured, including personal liability insurance against any claims or lawsuits resulting from bodily injury or property damage to others caused in any way on or at the Property and the Seller indemnifies the Brokerage and all of its employees, representatives, salespersons and brokers (Listing Brokerage) and any co-operating brokerage and all of its employees, representatives, salespersons and brokers (co-operating brokerage) for and against any claims against the Listing Brokerage or co-operating brokerage made by anyone who attends or visits the Property.
- 9. ENVIRONMENTAL INDEMNIFICATION:** The Seller agrees to indemnify and save harmless the Listing Brokerage and representatives of the Brokerage and any co-operating brokerage from any liability, claim, loss, cost, damage or injury as a result of the Property being affected by any contaminants or environmental problems.
- 10. FAMILY LAW ACT:** The Seller hereby warrants that spousal consent is not necessary under the provisions of the Family Law Act, R.S.O. 1990, unless the spouse of the Seller has executed the consent hereinafter provided.
- 11. VERIFICATION OF INFORMATION:** The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. The Seller hereby appoints the Listing Brokerage or the Listing Brokerage's authorized representative as the Seller's attorney to execute such documentation as may be necessary to effect obtaining any information as aforesaid. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

INITIALS OF LISTING BROKERAGE:

Initial
MB

INITIALS OF SELLER(S):



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12. USE AND DISTRIBUTION OF INFORMATION: The Seller consents to the collection, use and disclosure of personal information by the Brokerage for the purpose of listing and marketing the Property including, but not limited to: listing and advertising the Property using any medium including the Internet; disclosing Property information to prospective buyers, brokerages, salespersons and others who may assist in the sale of the Property; such other use of the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may: during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling:

consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.



Does



Does Not

- 13. SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.
- 14. CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Authority from the Seller to the Listing Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.
- 15. ELECTRONIC COMMUNICATION:** This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.
- 16. ELECTRONIC SIGNATURES:** If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act, 2000, S.O. 2000, c17* as amended from time to time.

THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.

Mitchell Blaine 2025-07-30 Mitchell Blaine
(Authorized Agent for Listing Brokerage) (Date) (Name of Person Signing)

THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME, I ACCEPT THE TERMS OF THIS AGREEMENT AND I ACKNOWLEDGE ON THIS DATE I HAVE SIGNED UNDER SEAL Any representations contained herein or as shown on any accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

KSV Restructuring Inc. in its capacity as receiver and manager of 253343a Ontario Inc.
(Name of Seller)

[Signature] July 29, 2025 416.932.6030
(Signature of Seller/Authorized Signing Officer) (Seal) (Date) (Tel. No.)

(Signature of Seller/Authorized Signing Officer) (Seal) (Date) (Tel. No.)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

(Spouse) (Seal) (Date) (Tel. No.)

DECLARATION OF INSURANCE

The Salesperson/Broker/Broker of Record Mitchell Blaine
(Name of Salesperson/Broker/Broker of Record)

hereby declares that he/she is insured as required by TRESA.

Mitchell Blaine
9AAA939E5E744EE
(Signature(s) of Salesperson/Broker/Broker of Record) Mitchell Blaine

ACKNOWLEDGEMENT

The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a copy of this Agreement on the day of, 20

[Signature] July 29, 2025
(Signature of Seller) (Date)

(Signature of Seller) (Date)

Schedule A

Listing Agreement - Commercial

Seller Designated Representation Agreement

Authority to Offer for Sale

This Schedule is attached to and forms part of the Listing Agreement - Commercial Seller Designated Representation Agreement, Authority to Offer for Sale (Agreement) between:

BROKERAGE:

Jones Lang LaSalle Real Estate Services Inc.

,and

SELLER:

KSV Restructuring Inc. , in its capacity as receiver and manager of 2533430 Ontario Inc.

PROPERTY:

See Schedule A

This Schedule to the Agreement, *inter alia*, sets out the details of the provision of services, confidentiality and representation by the Brokerage and Designated Representative, and subject to the terms of Clause 14 in the Agreement (Conflict or Discrepancy), is in addition to provision of services, confidentiality and representation set out in the Agreement.

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This form must be initialled by all parties to the Agreement.

INITIALS OF LISTING BROKERAGE:

Initial

MB

INITIALS OF SELLER(S):



Schedule A to OREA Listing Agreement - Commercial

This Listing Agreement (the “**Agreement**”) is entered into on July 25, 2025 between **Jones Lang Lasalle Real Estate Services, Inc.** (the “**Listing Brokerage**”) and **KSV Restructuring Inc.** (the “**Seller**”) as receiver and manager (in such capacities, the “**Receiver**”) of all of the assets, undertakings and property of 2533430 Ontario Inc. (“**253 Ontario**”), including the real property legally described as:

PIN 08207-0222 (LT)

PART LOT 57, EAST OF THE NORTH BRANCH OF TALBOT ROAD AS IN WU41565, SAVE & EXCEPT 87195, 88711, 101207 & PART 1 PLAN 33R20792 AND PARTS 1 AND 2 ON EXPROPRIATION PLAN ER1469124; S/T EASEMENT OVER PART 1 PLAN ER1463513 AS IN ER1463513. "DESCRIPTION IN WU41565 MAY NOT BE ACCEPTABLE IN THE FUTURE" WESTMINSTER; CITY OF LONDON (the “**Real Property**”).

pursuant to an order (the “**Receivership Order**”) of the Ontario Superior Court of Justice (the “**Court**”) issued on March 6, 2025, and without personal or corporate liability and solely in its capacity as Receiver under the Receivership Order.

To the extent of any inconsistency between this Agreement and the “OREA Listing Agreement – Commercial”, this Agreement shall govern. Notwithstanding anything contained in the OREA Listing Agreement – Commercial, each of the Listing Brokerage and the Seller acknowledges and agrees as follows:

1. Termination Rights. The Seller may without penalty or cost to the Seller terminate the Agreement at any time, if the Listing Brokerage is in default hereunder or under any other agreement with the Seller. In addition, this Agreement shall automatically terminate if: (a) the Receivership Order is revoked, overturned on appeal, suspended or terminated; (b) the Seller is restricted in or enjoined from dealing with the Real Property by a court of competent jurisdiction; and/or (c) any of the mortgagees of the Real Property or any other future lenders are permitted by court order to enforce their rights and/or remedies against the Real Property.

2. Price. While it is the Seller’s intention to obtain the highest and best offer for the Real Property, the Listing Brokerage acknowledges and agrees that the Seller need not accept the highest offers and/or the best offers or any offer, and that acceptance by the Seller of any offer for the Real Property is subject at all times to the Seller’s approval in its sole and absolute discretion and as well as approval by the Court. No fee, commission or other compensation is payable to the Listing Brokerage (except as detailed in Section 5 below) in respect of the Real Property unless and until the sale of the Real Property has been completed and the purchase price consideration payable to the Seller has been paid in its entirety.

3. Holdover Period Commission. A commission will be paid to the Listing Brokerage if a Court-approved transaction for the Real Property closes within Three (3) months of the termination of this Agreement (“**Holdover Period**”) with one or more of the prospective parties contacted by Listing Brokerage while performing its services under this Agreement or one or more of their affiliates and such Sale subsequently closes, the Receiver/Seller shall be obligated to pay Listing Brokerage the commission determined in accordance with the terms of this Agreement upon the consummation of the Sale. Upon request, a complete list of such prospective parties shall be provided to the Receiver/Seller within fifteen (15) days following the effective date of the termination of this Agreement.

4. Listing Brokerage’s Duties. The Listing Brokerage covenants and agrees with the Seller to:

- (a) pursuant to the Seller’s instructions as outlined below, offer the Real Property for sale on an unpriced basis (save and except as described in (b) below with respect to the Multiple Listings Service (“**MLS**”));
- (b) if instructed by the Seller, offer the Real Property for sale on MLS, for which the listed price shall be \$1,185,000.00 million, or as otherwise directed by the Seller, and the Commissions to Co-operating Brokerage shall be as listed on Schedule “A”;
- (c) unless otherwise agreed by the Seller, diligently market the Real Property for sale and use commercially reasonable efforts to sell the Real Property pursuant to the process set out in Schedule “B” attached hereto (the “**Sale Process**”);
- (d) co-operate with all licensed real estate brokers and agents in the sale of the Real Property (collectively the “**Cooperating Agents**” and each a “**Cooperating Agent**”), with any commissions or fees of such Cooperating Agents to be paid by the Seller as set out in Schedule “A”;

(e) ensure that there is continuity in the assignment of individual staff members and partners to the work performed by the Listing Brokerage under the terms of this engagement. In particular, the Listing Brokerage agrees to ensure that the individual staff members originally assigned, including Mitchell Blaine, Bryce Gibson, Mallory Weldon, Chris Kotseff and Alexandra Smith (collectively, the **"Listing Team"**), to perform work in connection with the Listing Brokerage's engagement, will each be available and will devote the time required to undertake the assignment contemplated herein;

(f) subject to the instructions of the Seller and clause 20 (Excluded from Services) below, to assist the Seller in negotiating binding agreements of purchase and sale subject to Court approval with those parties identified by the Seller. Only the Seller shall have authority to accept offers and the Listing Brokerage shall not have any authority whatsoever to enter into any sale, financing or other contract on behalf of the Seller and/or to otherwise bind the Seller in any manner whatsoever;

(g) continue to assist the Seller in connection with the sale of the Real Property and seeking Court approval after the execution of a binding agreement of purchase and sale with respect to the same until such sale has been successfully concluded; and

(h) unless the Seller's written consent is provided in advance, to act solely for the benefit of the Seller in connection with the marketing and sale of the Real Property and not to have any direct or indirect interest in any entity purchasing or proposing to purchase the Real Property and not to receive any payments or other benefits from said purchasers or potential purchasers.

5. Commission Payable to the Listing Brokerage. The Seller shall pay to the Listing Brokerage upon the successful completion of a sale of the Real Property, a commission payable in accordance with Schedule "A" attached hereto (the **"Listing Fee"**). The Seller acknowledges that payment of HST applies on all commissions payable. As it relates to the commission payable, a sale constitutes a Court approved sale of the Real Property, share transaction, exercise of first right to purchase, option or other form of sale or transfer of the rights of the Real Property. The Seller agrees to notify the Listing Brokerage of the successful completion or closing. The Seller hereby instructs its solicitors to distribute payment to the Listing Brokerage in the amount noted above directly out of the proceeds of sale in accordance with an accepted agreement of purchase and sale and to have same addressed as a closing cost to the transaction.

6. Acknowledgments. The Listing Brokerage acknowledges and agrees in favour of the Seller that: (a) the Real Property is to be marketed and sold on an "as is, where is" basis and, accordingly, any agreement of purchase and sale shall provide an acknowledgment by such purchaser that the Real Property is being sold by the Seller on an "as is, where is" basis, and that no representations or warranties have been or will be made by the Seller or anyone acting on its behalf, to the Listing Brokerage or such purchaser as to the condition of the Real Property or any buildings located thereon; (b) the Seller may annex a schedule to the transfer/deed of land (or other registrable document with respect to the sale) expressly excluding any covenants deemed to be included pursuant to the Land Registration Reform Act of Ontario, other than one to the effect that the Seller has the right to convey the Real Property; (c) in lieu of a transfer/deed of land for the Real Property, the Seller will vest title to the Real Property by way of an approval and vesting order issued by the Court; and (d) the sale of the Real Property requires the prior approval of the Court in said Court's sole and absolute discretion.

7. Advertisement Expenses, Third Party Consultants and Reporting. All advertising and sales promotion shall be subject to the approval of the Seller and all such advertisement and promotional material shall be prepared, published and distributed by the Listing Brokerage and shall be at the expense of the Listing Brokerage. All third-party reports and legal service fees requested and/or approved by the Seller shall be at the expense of the Seller. The Listing Brokerage agrees to provide the Seller with detailed reporting regarding the status of the Sale Process, including weekly lists of its solicitation efforts, the parties interested in the opportunity, the status of their diligence and such other information as is reasonably requested by Seller to be kept apprised of all material developments in the Sale Process. The Listing Brokerage will participate in no less than one weekly update call with the Seller, in the Seller's discretion.

8. Indemnity. The Listing Brokerage confirms that it owes an obligation to the Seller and its officers, employees and agents (collectively, the **"Indemnified Parties"**) to carry out its activities in a competent and professional manner acting reasonably and in good faith. As such, the Listing Brokerage hereby indemnifies the Indemnified Parties with respect to claims made by third parties against the Indemnified Parties arising out of the grossly negligent acts, willful misconduct or fraud by the Listing Brokerage or the Listing Brokerage's failure to comply with its obligations hereunder. This indemnity shall survive the expiration or termination of the Agreement.

9. Confidentiality. The Listing Brokerage shall treat and shall cause its agents to treat as confidential and shall not disclose, during or after the rendering of the services contracted herein, any confidential information, records or documents to which the Listing Brokerage becomes privy as a result of its performance of the Agreement and shall take all necessary steps to ensure the

confidentiality of information in the Listing Brokerage's possession or control except for disclosure that may be required for the reasonable performance by the Listing Brokerage of its responsibilities hereunder.

10. Assignment. This Agreement shall not be assigned in whole or in part by the Listing Brokerage without the prior written consent of the Seller which consent may be unreasonably and/or arbitrarily withheld and any assignment made without that consent is void and of no effect.

11. Seller's Capacity. Notwithstanding the foregoing or anything else contained herein or elsewhere, the Listing Brokerage acknowledges and agrees that any transaction or transactions involving a sale of the Real Property require the prior approval of the Court in the Court's sole and absolute discretion.

12. Warranty. Subject to Section 11 above and the remainder of this Section 12, the Seller represents and warrants that upon approval by the Court the Seller will have the exclusive authority and power to execute this Agreement and to authorize the Listing Brokerage to offer the Real Property for sale. Notwithstanding the foregoing, the Listing Brokerage acknowledges and agrees that the Seller has only limited knowledge about the Real Property and cannot confirm any third-party interests or claims with respect to the Real Property such as rights of first refusal, options, easements, mortgages, encumbrances or other otherwise concerning the Real Property, which may affect the sale of the Real Property.

13. Execution. This Agreement and any other agreement delivered in connection therewith, and any amendments thereto, may be executed by electronic copy or such similar format and if so executed and transmitted, will be for all purposes as effective as if the parties had delivered an executed original of this Agreement, or such other agreement or amendment, as the case may be, and shall be deemed to be made when the receiving party confirms this Agreement, or such agreement or amendment, as the case may be, to the requesting party by electronic copy or such similar format. This Agreement may be executed in several counterparts, and each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and, notwithstanding their date of execution, shall be deemed to bear date as of the date first written above.

14. Jurisdiction. This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario. Any disputes shall be heard in the Province of Ontario (City of Toronto). If any provision hereof is invalid or unenforceable in any jurisdiction where this Agreement is to be performed, such provision shall be deemed to be deleted and the remaining portions of this Agreement shall remain valid and binding on the parties hereto.

15. Finder's Fees. The Seller does not consent to the Listing Brokerage or any Cooperating Agents (or their respective affiliates) receiving and retaining, in addition to the commission provided for or otherwise contemplated in this Agreement, a finder's fee for any financing of the Real Property.

16. Verification of Information. The Seller authorizes the Listing Brokerage to obtain any information from any regulatory authorities, governments, mortgagees or others affecting the Real Property and the Seller agrees to execute and deliver such further authorizations in this regard as may be reasonably required. For greater certainty, none of the Listing Brokerage or the Listing Brokerage's representatives may bind the Seller or execute any documentation on behalf of the Seller. The Seller hereby authorizes, instructs and directs the above noted regulatory authorities, governments, mortgagees or others to release any and all information to the Listing Brokerage.

17. Listing Period. The term of this Agreement shall begin upon acceptance of this Agreement (the "**Commencement Date**") and shall expire one minute before midnight on the sixth month anniversary of the Commencement Date or upon earlier termination as otherwise prescribed herein (the "**Listing Period**"). Notwithstanding any other provision in this Agreement, the Listing Brokerage shall not advertise the Real Property on MLS until the Seller provides expressed authority to do so and all marketing materials have been approved. The Listing Brokerage shall have five (5) days following said approval to post the Real Property on MLS.

18. Limited Liability. Neither party shall be liable to the other for, and each party hereby waives any and all rights to claim against the other, any special, indirect, incidental, consequential, punitive or exemplary damages in connection with this Agreement, including, but not limited to, lost profits, even if such party has knowledge of the possibility of such damages; and except as provided under above clause 8 (Indemnity), in no event shall the Listing Brokerage's liability to the Seller and/or Receiver exceed One Million (\$1 million) Dollars.

19. FINTRAC. The Seller and/or Receiver all times agree to: i) comply with all legal requirements under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and FINTRAC and ii) provide any and all reasonable assistance/information as soon

as reasonably possible (but in no event no later than 5 business days) upon request by the Listing Brokerage in order to allow it to do the same.

20. Excluded from Services. The Listing Brokerage and its agents may assist in the preparation of offer documentation but the Receiver acknowledges and agrees that it will be solely responsible for reviewing and approving any offers it accepts and drafting and negotiating the sale and purchase agreement and related documentation (collectively the "Purchase Agreement") with respect to the Property and may require certain legal advice and analysis in connection with the preparation, review, negotiation(s) and eventual sale and conveyancing of the Property by its legal advisors. It is expressly understood and agreed that Listing Brokerage and its agents are not providing any legal or environmental advice or services in connection with the Agreement, the Property or the Purchase Agreement.

21. Marketing of Property – MLS. The Seller/Receiver shall make available to Listing Brokerage and its agents, where available, such documents, materials and information regarding the Property which, in the reasonable professional judgment of the Listing Brokerage, are necessary or appropriate for the proper marketing/advertising of the Property. In addition, the Seller/Receiver agrees to review and verify the accuracy of the actual square footage of the Property, and all financial and other factual data and other information submitted to or prepared by Listing Brokerage regarding the Property.

**JONES LANG LASALLE REAL ESTATE SERVICES,
INC.**

Signed by:

Per:



9AAA939E5E744EE...

Name: Mitchell Blaine

Title: Executive vice president

**KSV RESTRUCTURING INC. SOLELY IN ITS
CAPACITY AS COURT APPOINTED RECEIVER OF
2533430 ONTARIO INC. AND NOT IN ITS
PERSONAL CAPACITY OR IN ANY OTHER
CAPACITY**

Per:



Name: David Sieradzki

Title: Managing Director

Schedule "A"

Sale of the Real Property: The Listing Fee is equal to 4% of the purchase price of the Real Property, plus applicable taxes, if solely completed by the Listing Team. If a Cooperating Agent is involved, the Listing Fee will be increased to 5%, with 2.5% being payable to the Cooperating Agent and 2.5% to the Listing Team, plus all applicable taxes.

Schedule "B"

Sale Process:

Sale Process		
Milestone	Description of Activities	Timeline
Phase 1 – Underwriting		
Due diligence	➤ JLL to review all available documents (financial, legal and environmental reports, if any) concerning the Real Property.	Week 2
Finalize marketing materials	➤ JLL and the Receiver to: ○ prepare a marketing brochure; ○ populate an online data room; and ○ prepare a confidentiality agreement (“CA”).	
Consulting Reports	➤ The Receiver may arrange for updated and/or new consulting reports to facilitate due diligence by interested parties. These will be made available in the data rooms.	
Prospect Identification	➤ JLL will qualify and prioritize prospects; and ➤ JLL will also have pre-marketing discussions with targeted prospects.	
Phase 2 – Marketing and Offer Solicitation		
Stage 1	➤ Mass market introduction, including: ○ sending offering summary and marketing materials, including marketing brochure to JLL’s client base, including specifically targeted prospects; ○ publishing the acquisition opportunity in such journals, publications and online as the realtor and the Receiver believe appropriate to maximize interest in this opportunity; ○ posting “for sale” signs on the Real Property; ○ engaging in direct canvassing of most likely prospects and tailoring the pitch to each of these candidates based on the brokers’ knowledge of these parties; ○ posting the acquisition opportunity on MLS on an unpriced basis; and ○ meeting with prospective bidders to explain the potential of each site. ➤ JLL to provide detailed information to qualified prospects that sign the CA, including access to the data room; ➤ JLL and the Receiver to facilitate diligence by interested parties; ➤ The Receiver and legal counsel will prepare a vendor’s form of Purchase and Sale Agreement (“PSA”) which will be made available in the data room; and ➤ Receiver to arrange for certain updated and/or new consulting reports to facilitate due diligence. These will also be made available in the data rooms, where applicable.	Week 3-8
Stage 3	➤ “Offer not Before Date” of October 1, 2025, if deemed appropriate (tentative date – subject to achieving pervious timelines and market feedback which can be modified at the sole discretion of the Receiver) ➤ Prospective purchasers encouraged to submit offers in the form of the PSA, with any changes to the PSA blacklined.	October 1, 2025 (tentative date)
Phase 3 – Offer Review and Negotiations		
	➤ Short listing of bidders. ➤ Further bidding - bidders may be asked to improve their offers. The Receiver may invite parties to participate in as many rounds of	Week 10

Sale Process		
Milestone	Description of Activities	Timeline
	bidding as is required to maximize the consideration and minimize closing risk. The Receiver may also seek to clarify terms of the offers submitted and to negotiate such terms. ➤ The Receiver will be at liberty to consult with the stakeholders of 253 Ontario regarding the offers received, subject to any confidentiality requirements that the Receiver believes appropriate. ➤ Select successful bidder(s) and finalize definitive documents. The Receiver will select the successful bidder(s), having regards to, among other things: ○ total consideration (cash and assumed liabilities); ○ deposit; ○ third-party approvals required, if any; ○ conditions, if any, and time required to satisfy or waive same; and ○ such other factors affecting the speed and certainty of closing and the value of the offers as the Receiver considers relevant. ➤ 2nd round bids and further bidding - prospective purchasers may be asked to re-submit PSAs on one or more occasions.	
Selection of Successful Bids	➤ Select successful bidder and finalize definitive documents, subject to any final diligence to be performed by the purchaser. ➤ Back up bidders will be kept “warm” in order to have options in case selected bidder does not close.	Week 11
Due Diligence	➤ Manage and monitor final due diligence process, if applicable; ➤ Gather and/or commission missing documentation; and ➤ Additional site visits, as required.	Week 12-20
<i>Phase 4 – Closing</i>		
Sale Approval Motion	➤ Upon execution of definitive transaction documents, the Receiver will seek Court approval of the successful offer, on not less than 7 calendar days’ notice to the service list and registered secured creditors.	15 to 30 days from the date that the selected bidder confirms all conditions have been satisfied or waived
Closing	➤ Following Court approval	ASAP

APPENDIX C



Colonel Talbot Road

London, ON



MARKETING STATUS REPORT

OCTOBER 7, 2025

Mitchell Blaine

+1 519 577 6156

Mitchell.Blaine@jll.com

Bryce Gibson

+1 416 238 9785

Bryce.Gibson@jll.com

Mallory Weldon

+1 519 998 0229

Mallory.Weldon@jll.com



MARKETING SUMMARY

MARKET FEEDBACK

- The Advisory Team did sneak peak calls to select potential Buyers prior to launch. Initial feedback was good.
- Listing was launched on MLS, LinkedIn and the JLL website on August 7th. We received [REDACTED] offers withing a few days from the launch.
- [REDACTED]
- [REDACTED]
- The Advisory Team sent out an email blast on August 14th, to all groups on its distribution list.
- The Advisory Team sent out an email blast on September 3rd to provide notification of a bid date on September 10th.
- A reminder email blast was sent on September 8th.
- All inquiries were followed up with and advised of the bid date.
- The Advisory Team received 3 offers on the bid date. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- The offer from Farhi Farming Corp. is a positive outcome of the sale process and is the best available based on recent transactions for similar properties in London.

Colonel Talbot Road



KEY DATES & STATS



INITIAL LAUNCH
August 7



**BID DATE
BLAST**
September 3



**BID DATE
REMINDER**
September 8



BID DATE
September 10

Marketing Initiatives

- **MLS** – Site has been listed on MLS by JLL
- **LinkedIn** – Posting has been published by the Advisory team
- **Launch Email** – August 14 to 1,542 recipients with a relaunch in the form of a Bid Date notification on September 3rd

Additional Points

- **Bid Date Reminder** – Email sent out for September 8th, 2025 to 1,542 recipients

MARKETING SUMMARY #7



INVESTOR ACTIVITY SUMMARY

Key highlights from the Advisory team's latest discussions with a non-exhaustive list of target groups is summarized below:

Date	Prospect	Broker	Inquiry	Offer	Comments/Deal Status
New & Henry Active - buyers					
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		[REDACTED] [REDACTED]

APPENDIX D



Agreement of Purchase and Sale Commercial

Form 500

for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 24 day of September, 2025

BUYER: Farhi Farming Corporation as to a 99.9% Interest and Farhi Holdings Corporation as to a .1% Interest
(Full legal names of all Buyers)

SELLER: KSV Restructuring Inc., solely in its capacity as Court appointed receiver and not in its personal or corporate capacity of
the assets and properties of 2533430 Ontario Inc.
(Full legal names of all Sellers), the following

REAL PROPERTY:

Address See Schedule Afronting on the East side of Colonel Talbot Roadin the City of London, Ontarioand having a frontage of N/A more or less by a depth of N/A more or less

and legally described as

See Legal Description on Schedule A
(Legal description of land including easements not described elsewhere) (the "property")

PURCHASE PRICE:

Dollars (CDN\$) [REDACTED][REDACTED] Dollars

DEPOSIT: Buyer submits Upon Acceptance
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

[REDACTED] Dollars (CDN\$) [REDACTED]

by negotiable cheque payable to Seller's Solicitor "Deposit Holder"
to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A & B attached hereto form(s) part of this Agreement.

1. IRREVOCABILITY: This offer shall be irrevocable by Buyer until 5:00 on
(Seller/Buyer) (a.m./p.m.)
the 30 day of September, 2025, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the [REDACTED] day of [REDACTED], 20[REDACTED]. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

Initial

SF

INITIALS OF BUYER(S):

Initial

SF

INITIALS OF SELLER(S):



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- 3. NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **The Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices where the Brokerage represents both the Seller and the Buyer (multiple representation) or where the Buyer or the Seller is a self-represented party.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.:
(For delivery of Documents to Seller)

FAX No.:
(For delivery of Documents to Buyer)

Email Address:
(For delivery of Documents to Seller)

Email Address:
(For delivery of Documents to Buyer)

4. CHATELS INCLUDED:

N/A

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. FIXTURES EXCLUDED:

N/A

- 6. RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

N/A

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

- 7. HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

- 8. TITLE SEARCH:** ~~Buyer shall be allowed until 6:00 p.m. on the day of, 20....., (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there~~
- Initial**
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- ~~are no outstanding work orders or deficiency notices affecting the property, that its present use (.....) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.~~
- 9. FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.
- 10. TITLE:** ~~Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.~~
- Initial**
SF
- 11. CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.
- 12. DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
- 13. INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
- 14. INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S):

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INITIALS OF SELLER(S):

Initial

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Initial

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- 15. PLANNING ACT:** ~~This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.~~
- 16. DOCUMENT PREPARATION:** ~~The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.~~
- 17. RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 18. ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
- 19. TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 20. PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 21. TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Lynx high value payment system as set out and prescribed by the *Canadian Payments Act (R.S.C., 1985, c. C-21)*, as amended from time to time.
- 22. FAMILY LAW ACT:** ~~Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.~~
- 23. UFEI:** ~~Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing urea formaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains urea formaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.~~
- 24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
- 25. CONSUMER REPORTS:** **The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.**
- 26. AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 27. ELECTRONIC SIGNATURES:** The parties hereto consent and agree to the use of electronic signatures pursuant to the *Electronic Commerce Act, 2000, S.O. 2000, c17* as amended from time to time with respect to this Agreement and any other documents respecting this transaction.
- 28. TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

Initial
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INITIALS OF SELLER(S):

29. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.
SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Signed by: Samuel Farhi 2025-09-29
(Witness) (Buyer/Authorized Signing Officer) (Seal) (Date)
(Witness) (Buyer/Authorized Signing Officer) (Seal) (Date)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) (Seller/Authorized Signing Officer) (Seal) (Date)
(Witness) (Seller/Authorized Signing Officer) (Seal) (Date)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness) (Spouse) (Seal) (Date)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at this day of, 20.....
(a.m./p.m.)

(Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)

Listing Brokerage Jones Lang LaSalle Real Estate Services Inc (Tel.No.)
Mitchell Blaine
(Salesperson/Broker/Broker of Record Name)
Co-op/Buyer Brokerage (Tel.No.)
.....
(Salesperson/Broker/Broker of Record Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

Signed by: Samuel Farhi 2025-09-29
(Seller) (Date)
(Seller) (Date)
Address for Service
..... (Tel. No.)
Seller's Lawyer
Address
Email
(Tel. No.) (Fax. No.)

(Buyer) (Date)
(Buyer) (Date)
Address for Service
..... (Tel. No.)
Buyer's Lawyer
Address
Email
(Tel. No.) (Fax. No.)

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

(Authorized to bind the Listing Brokerage)

(Authorized to bind the Co-operating Brokerage)



Schedule A

Agreement of Purchase and Sale – Commercial

Form 500

for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

Farhi Farming Corporation as to a 99.9% Interest and Farhi Holdings Corporation as to a .1% Interest

BUYER:
KSV Restructuring Inc., solely in its capacity as Court appointed receiver and not in its personal or corporate capacity of the assets and properties of 2533430
Ontario Inc.

SELLER:

for the purchase and sale of **See Schedule A** **Ontario**

..... dated the **24** day of **September**, 20**25**

Buyer agrees to pay the balance as follows:

PIN 08207-0222 (LT)

PART LOT 57, EAST OF THE NORTH BRANCH OF TALBOT ROAD AS IN WU41565, SAVE & EXCEPT 87195, 88711, 101207 & PART 1 PLAN 33R20792 AND PARTS 1 AND 2 ON EXPROPRIATION PLAN ER1469124; S/T EASEMENT OVER PART 1 PLAN ER1463513 AS IN ER1463513. "DESCRIPTION IN WU41565 MAY NOT BE ACCEPTABLE IN THE FUTURE" WESTMINSTER; CITY OF LONDON

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

Initial
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INITIALS OF SELLER(S):

SCHEDULE B TO AGREEMENT OF PURCHASE AND SALE

This Schedule is attached to and forms part of the agreement of purchase and sale dated as of the _____ day of 2025-09-29, 2025 (the "**APS**") between:

Buyer: Farhi Farming Corporation as to a 99.9% Interest and Farhi Holdings Corporation as to a .1% Interest

Seller: KSV Restructuring Inc., in its capacity as Court appointed receiver and not in its personal corporate capacity (in such capacity, the "**Receiver**") of the assets and properties of 2533430 or Ontario Inc. (the "**Company**")

For the property known as: legally described in Schedule "A" attached to the APS (collectively, the "**Property**"):

1. For clarity, any references herein to "the APS" or "this APS" in this Schedule shall collectively include reference to the APS and the terms of this Schedule, as applicable, provided that in the event of any conflict or inconsistency between any provision of this Schedule and any provision of the APS not contained in this Schedule, the provisions of this Schedule shall govern and prevail.
2. The Buyer acknowledges that:
 - a. the Seller, in executing the APS, is entering into the APS solely in its capacity as Receiver of the Company, and not in its personal or any other capacity;
 - b. the Receiver shall have no personal or corporate liability of any kind whether in contract, tort or otherwise; and
 - c. the Seller's authority to act in respect of the property is governed by the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 6, 2025.
3. The Property is being sold on an "as is, where is" and "without recourse" basis with no representations, warranties or condition, express or implied, statutory or otherwise of any nature and kind whatsoever as to title, encumbrances, description, present or future use, fitness for use, environmental condition including the existence of hazardous substances, merchantability, quantity, defect (latent or patent), condition, location of structures, improvements and mezzanines or the legality thereof, zoning or lawful use of the Property, rights over adjoining properties and any easements, right-of-way, rights of re-entry, restrictions and/or covenants which run with the land, ingress and egress to the Property, the condition or state of repair of any chattels, encroachments on the Property by adjoining properties or encroachments by the Property on adjoining properties, if any, any outstanding work orders, orders to comply, deficiency notices, building permits or building permit applications, municipal or other governmental requirements agreements or requirements (including site plan agreements, development agreements, subdivision agreements, building or fire codes, building and zoning bylaws and regulations, development fees, imposts, lot levies and sewer charges) or any other matter or thing whatsoever, either stated or implied. The Buyer acknowledges having reviewed the state of title to the property and agrees to accept title subject to all of the foregoing, and that it shall, despite any presumption to the contrary at law or otherwise, not be entitled to make any requisition as to title or otherwise. The Buyer shall not have any recourse against the Seller as to the nature or the condition of the Property whatsoever. This Section 3 shall survive closing.

Initial
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4. The Seller's obligations contained in the APS shall be subject to the fulfillment at or prior to closing of each of the following conditions:
 - a. the Seller obtaining an order of the Court approving the APS and transaction contemplated herein;
 - b. the Seller obtaining an order of the Court vesting the Property in the Buyer, on closing and directing the Land Registry Office to delete all registered charges from title (collectively, the "**Sale Approval and Vesting Order**");
 - c. the Buyer shall have complied in all material respects with each and every covenant/agreement made by it herein and required to be completed at or prior to closing;
 - d. all necessary corporate steps and proceedings shall have been taken by the Buyer to permit the Buyer execution of the APS and performance of each of the Buyer's obligations hereunder; and
 - e. each of the Buyer's representations and warranties contained in the APS shall be true in all material respects at and as of the date hereof and each of such representations and warranties shall continue to be true as at closing.

For greater certainty, each of the conditions contained in this Section have been inserted for the benefit of the Seller. In the event that any of the foregoing conditions shall not be fulfilled, in whole or in part, at or prior to closing, the Seller may, in its absolute and unfettered discretion, terminate the APS by written notice to the Buyer without penalty or liability whatsoever to the Seller, subject to the return of the Deposit, and otherwise without cost or other compensation and each of the Seller and the Buyer shall be released from their obligations and liabilities hereunder, except for any surviving obligations expressly set out herein.

5. The Buyer's obligations contained in the APS shall be subject to the fulfillment, at or prior to closing, of each of the following conditions:
 - a. each of the Seller's representations and warranties contained in the APS shall be true in all material respects at and as of the date hereof and each of such representations and warranties shall continue to be true as at closing;
 - b. the Seller shall have complied in all material respects with each and every covenant/agreement made by it herein and required to be completed at or prior to closing; and
 - c. the Seller shall have obtained the Sale Approval and Vesting Order.

For greater certainty, each of the conditions contained in this Section have been inserted for the benefit of the Buyer. In the event that any of the foregoing conditions shall not be fulfilled, in whole or in part, at or prior to closing, the Buyer may, in its absolute and unfettered discretion, terminate the APS by written notice to the Seller without penalty or liability whatsoever to the Buyer, subject to the return of the Deposit, and otherwise without cost or other compensation and each of the Seller and the Buyer shall be released from their obligations and liabilities hereunder, except for any surviving obligations expressly set out herein.

6. The Seller represents and warrants to the Buyer that, as at the date hereof, the Seller is not now and does not intend to become, prior to closing, a non-resident of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada); the Seller is not now and does not intend to become, prior to closing, an agent or a trustee of such non-resident;

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SF

7. The Buyer represents and warrants to the Seller that, as at the date hereof:
- a. neither the execution of the APS nor the performance (such performance shall include, without limitation, the exercise of any of the Buyer's rights and compliance with each of the Buyer's obligations hereunder) by the Buyer of the transaction contemplated hereunder will violate:
 - i. any agreement to which the Buyer is bound or is a party;
 - ii. any judgement or order of a court of competent authority or any government authority; or
 - iii. any applicable law;
 - b. if HST is applicable, the Buyer is or will be registered under Part IX of the Excise Tax Act (Ontario) on the Closing Date;
 - c. to the extent applicable to the Property, the Buyer is not a "non-Canadian" within the meaning of the Prohibition on the Purchase of Residential Property by Non-Canadians Act (Canada);
 - d. the Buyer is not a "non-Canadian", as defined in the Investment Canada Act (Canada); and
 - e. the Buyer has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

The Buyer shall promptly deliver to the Seller written notice specifying the occurrence or likely occurrence of any event which may result in any of the Buyer's representations and warranties contained in this APS not continuing to be true as at closing.

8. The Buyer shall accept title to the Property subject to all encumbrances and registrations, including without limitation, the encumbrances set out in **Exhibit "A"** attached hereto (collectively, the **"Permitted Encumbrances"**). The Buyer acknowledges that it shall, at its own expense, examine title to the Property and satisfy itself as to the state thereof, satisfy itself as to outstanding work orders affecting the Property, satisfy itself as to the use of the Property being in accordance with applicable zoning requirements and satisfy itself that any buildings or structures may be insured to the satisfaction of the Buyer. The Buyer further acknowledges that, notwithstanding any statutory provisions in this APS to the contrary, the Buyer has no right to submit requisitions on title or in regard to any outstanding work orders, deficiency notices or orders to comply issued by any government authorities and the Buyer shall accept the title to the Property subject to all Permitted Encumbrances.
9. The Buyer acknowledges that, on closing, title to the Property will be transferred by the Sale Approval and Vesting Order and not by Transfer/Deed of Land.
10. The Buyer acknowledges that it has relied entirely on its own judgment, inspection and investigation of the Property and any rights necessary to the access, use and enjoyment of, appurtenant or otherwise, the Property.
11. The Seller shall not be required to furnish any abstracts of title or any survey or other document.

12. The Deposit shall be held in trust by the Deposit Holder and shall be:

- a. credited to the Buyer as an adjustment against the Purchase Price on the closing date (as defined below) if the transaction is completed;
- b. refunded to the Buyer without interest or deduction if the transaction is not completed, provided that the Buyer is not in default under the APS; or
- c. retained by the Seller as a genuine pre-estimate of liquidated damages and not as a penalty, in addition to any other rights and remedies that the Seller may have under the APS and at law, including offering the Property for sale to another person, if the transaction is not completed as a result of the Buyer's breach hereunder.

13. The Buyer acknowledges that the fixtures, improvements and chattels, if any, presently on the Property (collectively, the "**Chattels**") are to be taken by it, at its own risk completely, without representation or warranty of any kind from the Seller as to the ownership or state of repair of any such Chattels. The Buyer further acknowledges that the Chattels presently on the Property may be subject to security interests.

14. The Buyer acknowledges and agrees that the Buyer is acquiring the Property together with all of the Chattels (list to be provided, if applicable) on an "as is where is" basis." The Buyer represents and warrants to the Seller that the Buyer has absolutely satisfied itself as to the status and condition of the Chattels including without limitation their state of repairs.

15. The Buyer agrees with the Seller that the Buyer takes title to the Property subject to any tenancies in existence, if any. The Buyer shall obtain possession of the Property at the Buyer's own expense. The Buyer acknowledges that the Seller will not obtain or provide any acknowledgments or agreements with respect to the Property from third parties, the property manager and any tenants.

16. The Buyer acknowledges that any information supplied to the Buyer by the Seller or its agents or representatives is, and was supplied, without any representation or warranty, and that the responsibility for the verification of any such information shall be wholly the responsibility of the Buyer.

17. The Buyer shall be responsible for payment of all realty taxes owing on the Property from and after the Closing Date, and payment of all taxes exigible on sale and transfer of the Property and any Chattels, including without limitation, HST as applicable, retail sales tax as applicable and Land Transfer Tax, except any HST owing prior to completion, which will be the responsibility of the Seller. Any outstanding amounts relating to realty taxes, utilities and any other items which are usually adjusted in transactions involving assets similar to the Property in the context of a receivership sale accruing for the period prior to the Closing Date will be adjusted for pursuant to the statement of adjustments on the Closing Date. All accounts for electricity, power, gas, water and other services and utilities as applicable will be the sole responsibility of the Buyer as of and subsequent to the Closing Date.

18. The Seller shall provide the Buyer with only the keys to the Property that are in its possession.

19. **CLOSING DATE:** the closing date shall occur on the earlier of (i) the first business day after the 30-day period in which the Sale Approval and Vesting Order may be appealed or the dismissal of any appeal from that order or (ii) on such other date as the Seller and the Buyer may agree in writing (the “**Closing Date**”).
20. Notwithstanding anything to the contrary herein, in the event that the Sale Approval and Vesting Order is for any reason (not including the default of the Buyer) not obtained by the 90th day following the date on which the APS is executed, this APS shall be null and void and the Deposit shall be returned to the Buyer.

CLOSING DOCUMENTS

Deliveries by Seller

21. The Seller will deliver on Closing to the Buyer:
- a. the Sale Approval and Vesting Order for registration by the Buyer, with all Land Transfer Taxes to be paid by the Buyer;
 - b. a direction from the Seller designating the party or parties to which the balance of the purchase price hereof shall be paid; and
 - c. the Seller’s certificate setting out that the Seller is not a “non-resident” of Canada within the meaning and purpose of Section 116 of the Income Tax Act (Canada) and is not the agent nor trustee of a “non-resident”.

For clarity, the Seller shall not be obliged to re-adjust any item on or omitted from the statement of adjustments.

Deliveries by Buyer

22. At or before Closing, upon fulfillment by the Seller of all of the conditions herein in favour of the Buyer which have not been waived in writing by the Buyer, the Buyer shall deliver the following, each of which shall be in form and substance satisfactory to the Seller, acting reasonably:
- a. payment of the Purchase Price pursuant to the APS;
 - b. a certificate signed by the Buyer confirming that the Buyer is not a non-resident of Canada for the purpose of section 116 of the *Income Tax Act*;;
 - c. if HST is applicable, evidence satisfactory to the Seller that the Buyer is registered for HST under the *Excise Tax Act*, including the Buyer’s HST number and an undertaking to self-assess for HST;
 - d. a direction from the Buyer designating the transferee(s) in the Sale Approval and Vesting Order (required only in the event that the Sale Approval and Vesting Order is to be inscribed in favour of a person/entity other than the Buyer);

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- e. an HST indemnity in form and substance satisfactory to the Seller and its solicitors;
- f. the Buyer's certificate setting out that each of the Buyer's representations and warranties contained in this APS are true as at closing;
- g. an environmental indemnity indemnifying and holding the Seller harmless from any and all damages, claims, actions, losses, costs, liabilities or expenses (collectively "Damages") suffered or incurred by the Seller, directly or indirectly, as a result of or in connection with any of the following, whether arising as a result of the actions of Seller and/or its predecessors, or of any party claiming through the Seller, or otherwise, and without restricting the generality of the foregoing, which include Damages incurred in addressing an administrative order by a government authority or in addressing a notice, investigation or other process which could reasonably be anticipated to result in such an order:
 - i. the presence or release of any hazardous materials in, on or under the Property or the threat of a release;
 - ii. the presence of any hazardous materials in, on or under properties adjoining or proximate to the Property;
 - iii. any other environmental matters relating to the Property;
 - iv. the breach by the Buyer or those for whom it is responsible at law of any environmental law applicable to the Property; or,
 - v. the release or threatened release of any hazardous materials owned, managed, generated, disposed of, controlled or transported by or on behalf of the Buyer; and

such further and other documentation as is referred to in this APS or as the Seller may reasonably require to give effect to this APS-

CONFIDENTIALITY

23. The Buyer shall not publicly announce the existence of the APS or disclose any of its contents except:
- a. in accordance with a written public statement or other form of disclosure satisfactory to both parties; or
 - b. as required in connection with the application for Court approval.

GENERAL

24. Any notice to be given or document to be delivered to the Seller pursuant to this APS shall be sufficient if delivered personally or by facsimile transmission to the Seller as follows:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, PO Box 20
Toronto, ON, M5J 2W4
Attention: Jordan Wong & David Sieradzki
Email: dsieradzki@ksvadvisory.com

Email: jwong@ksvadvisory.com

With a Copy to:

Aird & Berlis LLP
Brookfield Place, 181 Bay St. #1800
Toronto, ON M5J 2T9
Attention: Mario Pedro
Fax: 416-863-1515
Email: mpedro@airdberlis.com

25. Any notice to be given or document to be delivered to the Buyer pursuant to this Agreement shall be sufficient if delivered personally or by facsimile transmission to the Buyer as follows:

Name:
Address:
Attention
Fax:
Email:

With a Copy to:

Name:
Address:
Attention:
Fax:
Email:

26. Any written notice or delivery of documents given in either manner prior to 5:00 p.m. (Toronto time) on a business day shall be deemed to have been given and received on the day of delivery or facsimile transmission. The address for notice to either party may be changed by notice in writing given by such party to the other party.
27. This APS shall be interpreted with all changes of gender and number required by the context.
28. This APS or any amendments to this APS may be delivered by either party by facsimile transmission, email or any similar system reproducing the original with the necessary signatures. Such delivery shall be deemed to be made when the facsimile transmission or email is received by the applicable party. The signatory shall promptly thereafter deliver the original to the recipient if requested to do so.
29. On the closing date, the Buyer shall deliver the balance of the Purchase Price due on closing by wire transfer in good funds using the LVTS system to the Seller or as Seller shall direct, together with other closing documents as provided above, all not later than 1:00 p.m. on the date set for closing (unless the Seller otherwise agrees in its sole discretion), following which the Seller will release the executed receiver's certificate comprising Schedule "A" of the Sale Approval and Vesting Order as set out in Section 4(b) above (the "**Receiver's Certificate**") to the Buyer.

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Contemporaneously with the release of the Receiver's Certificate to the Buyer, closing shall have occurred and all funds and other closing deliveries shall automatically be released from escrow. Following closing, Aird & Berlis LLP shall file the Receiver's Certificate with the Court, and the Buyer shall be responsible for registering an Application for Vesting Order (in respect of the Sale Approval and Vesting Order) against title; provided for certainty that such filings/registrations shall be completed on a post-closing basis. For greater certainty, the closing mechanics shall not include use of a document registration agreement.

30. In the event that the closing date falls on a date on which the court office or the land registry office is not open or available to accept registrations, then in such event the closing shall take place on the next day on which the court office and the land registry office are open.
31. Property taxes only shall be adjusted as of the closing date. The Buyer acknowledges and agrees that the Seller shall not deliver any undertaking to re-adjust on closing.
32. Sections 2, 8, 10, 15, 16, 22 and 23 of the APS are hereby deleted.
33. Notwithstanding anything to the contrary contained in this APS, if at any time or times prior to the closing date, the Seller is unable to complete this APS as a result of any action taken by an encumbrancer, any action taken by the present registered owner, the refusal by the present registered owner to take any action, the exercise of any right by the present registered owner or other party which is not terminated upon acceptance of this APS, a certificate of pending litigation is registered against the Property, a court order is made prohibiting the completion of the sale, or if the sale of the Property is restrained or otherwise enjoined at any time by a Court of competent jurisdiction, the Seller may, in its sole and unfettered discretion, elect by written notice to the Buyer to terminate this APS, whereupon the Deposit and any interest earned thereon shall be returned to the Buyer and neither party shall have any further rights or liabilities hereunder against the other.
34. Notwithstanding anything to the contrary contained in this APS, if the transaction contemplated by this Agreement is found not to comply with the subdivision control provisions of the *Planning Act* at any time prior to closing, as determined by the Seller in its sole discretion, this Agreement may be terminated by the Seller at its sole discretion on prior written notice to the Buyer.
35. The Seller, by acceptance of the Offer, is entering into the APS solely in its capacity as Receiver and not in its personal or any other capacity. Any claim against the Seller shall be limited to, and only enforceable against the property and assets of the Company then held by or available to the Seller in its capacity as Receiver and shall not apply to its personal property and assets held by it in any other capacity. The Seller shall have no personal or corporate liability of any kind, whether in equity, contract, tort or otherwise in relation to this APS.
36. The Buyer may not assign any or all rights or benefits under the APS to any person without the Seller's written consent which consent shall be in the Seller's sole discretion.
37. This APS and the schedules attached hereto constitute the entire agreement between the Seller and the Buyer in respect of the Property and the Chattels, if applicable, being purchased. Each of the parties acknowledges that, except as contained in this APS, there is no representation, warranty, collateral agreement or condition (whether a direct or collateral condition or an express or implied

condition) which induced it to enter into this APS. Each of the parties agrees that all provisions of this APS, and all provisions of any and all documents and security delivered in connection herewith, shall not merge and except where otherwise expressly stipulated herein, shall survive the closing of the transactions contemplated by this APS.

38. Time shall in all respect be of the essence hereof provided that the time for the doing or completing of any matter referred to herein may be extended or abridged by an agreement, in writing, executed by the Seller and the Buyer or their respective solicitors who are hereby expressly appointed for that purpose.
39. This APS has been executed in the Province of Ontario and, for all purposes, shall be construed in accordance with and governed by the laws in effect within the Province of Ontario.
40. The parties hereby attorn to the jurisdiction of the Court for any disputes in relation to or arising out of this APS.

[end of page]

Exhibit “A” to Schedule B to the APS

Permitted Encumbrances

General Encumbrances

1. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown including, without limitation, the reservation of any royalties, mines and minerals in the Crown or in any other person.
2. Subdivision agreements, site plan control agreements, development agreements, heritage easements and agreements relating thereto, servicing agreements, utility agreements, permits, licenses, airport zoning regulations and other similar agreements with governmental authorities or private or public utilities affecting the development or use of the Property.
3. Rail siding agreements or facility, cost sharing, servicing, reciprocal use or other similar agreements.
4. Any easements, servitudes, or rights-of-way in favour of any governmental authority, any private or public utility, any railway company or any adjoining owner.
5. Any unregistered easements, servitudes, rights-of-way or other unregistered interests or claims not disclosed by registered title in respect of the provision of utilities to the Property.
6. Any rights of expropriation, access or use or any other similar rights conferred or reserved by applicable law.
7. Encumbrances for real or immovable property taxes (which term includes charges, rates and assessments) or charges for electricity, power, gas, water and other services and utilities in connection with the Property that have accrued but are not yet due and owing or, if due and owing, are adjusted for on closing.
8. Restrictive covenants, private deed restrictions and other similar land use control agreements.
9. Minor encroachments by any buildings on the Property over neighbouring lands and/or permitted under agreements with neighbouring landowners and minor encroachments over the Property by improvements of neighbouring landowners and/or permitted under agreements with neighbouring landowners.
10. The provisions of all applicable laws, including by-laws, regulations, ordinances and similar instruments relating to development and zoning of the Property.
11. The exceptions and qualifications contained in Section 44(1) of the *Land Titles Act* (Ontario) (other than paragraphs 4, 6 and 11).
12. Security given to a public utility or any municipality or governmental or other public authority when required by the operations of the Property in the ordinary course of business, including, without limitation, the right of the municipality to acquire portions of the Property for road widening or interchange construction and the right of the municipality to complete improvements, landscaping or remedy deficiencies in any pedestrian walkways or traffic control or monitoring to be provided to the Property.
13. Permits, licenses, agreements, servitudes, easements, (including, without limitation, heritage easements and agreements relating thereto), restrictions, restrictive covenants, options, rights-of-way, public ways, rights in the nature of an easement or servitude and other similar rights in land granted to or reserved by other persons (including, without in any way limiting the generality of the foregoing, permits, licenses, agreements, easements, rights-of-way, sidewalks, public ways, and rights in the nature of easements or servitudes for sewers, drains, steam, gas and water mains or

electric light and power or telephone and telegraph conduits, poles, wires and cables) which do not materially impair the current use, operation or marketability of the Property.

14. Undetermined or inchoate liens incidental to construction, renovations or current operations, a claim for which shall not at the time have been registered against the Property or of which notice in writing shall not at the time have been given to the Seller pursuant to the Construction Act (Ontario) or similar legislation, and in respect of any of the foregoing cases, the Seller has, where applicable, complied with the holdback or other similar provisions or requirements of the relevant construction contracts.
15. Any reference plans or plans registered pursuant to the *Boundaries Act* (Ontario).
16. Any unregistered interests in the Property of which the Buyer has actual notice.
17. All rights of first refusal, option to purchase or similar rights relating to the Property.

Specific Encumbrances

1. Instrument No. 195932 registered on April 3, 1964 being a Bylaw.
2. Instrument No. ER1062947 registered on September 13, 2016 being a Transfer.
3. Instrument No. ER1106876 registered on June 8, 2017 being a Notice of Lease.
4. Instrument No. 33R21117 registered on October 21, 2021 being a Reference Plan.
5. Instrument No. ER1461107 registered on May 5, 2022 being a Certificate.
6. Instrument No. ER1463513 registered on May 16, 2022 being a Plan of Expropriation.

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APPENDIX E



ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #33

08207-0222 (LT)

PAGE 1 OF 2
PREPARED FOR Hollie01
ON 2025/09/24 AT 15:16:58

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PART LOT 57, EAST OF THE NORTH BRANCH OF TALBOT ROAD AS IN WU41565, SAVE & EXCEPT 87195, 88711, 101207 & PART 1 PLAN 33R20792 AND PARTS 1 AND 2 ON EXPROPRIATION PLAN ER1469124; S/T EASEMENT OVER PART 1 PLAN ER1463513 AS IN ER1463513. "DESCRIPTION IN WU41565 MAY NOT BE ACCEPTABLE IN THE FUTURE" WESTMINSTER; CITY OF LONDON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

DIVISION FROM 08207-0201

PIN CREATION DATE:

2022/07/20

OWNERS' NAMES

2533430 ONTARIO INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2022/07/20 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHENTS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1992/09/14 **						
195932	1964/04/03	BYLAW				C
ER1062947	2016/09/13	TRANSFER	\$4,186,000	LONDON VALLEY III INC.	2533430 ONTARIO INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
ER1106876	2017/06/08	NOTICE OF LEASE	\$2	SHOGUN MAITAKE CANADA CO. LTD.	2533430 ONTARIO INC.	C
ER1107112	2017/06/09	NO CHARGE LEASE		*** DELETED AGAINST THIS PROPERTY *** SHOGUN MAITAKE CANADA CO. LTD.	GENCAP ENTERPRISES INC. EARNSHAW, PETER	
REMARKS: ER1106876.						
33R21117	2021/10/21	PLAN REFERENCE				C
ER1461107	2022/05/05	CERTIFICATE		HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO, REPRESENTED BY THE MINISTER OF TRANSPORTATION FOR THE PROVINCE OF ONTARIO		C
REMARKS: CERTIFICATE OF APPROVAL						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND
REGISTRY
OFFICE #33

08207-0222 (LT)

PAGE 2 OF 2
PREPARED FOR Hollie01
ON 2025/09/24 AT 15:16:58

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
ER1463513	2022/05/16	PLAN EXPROPRIATION			HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO, REPRESENTED BY THE MINISTER OF TRANSPORTATION FOR THE PROVINCE OF ONTARIO	C
		REMARKS: LIMITED INTEREST UNTIL 2025/12/31 1				
ER1478967	2022/07/25	DISCH OF CHARGE		*** COMPLETELY DELETED *** GENCAP ENTERPRISES INC. EARNSHAW, PETER		
		REMARKS: ER1107112.				
ER1617325	2025/02/26	CAUTION-LAND		*** COMPLETELY DELETED *** 2533430 ONTARIO INC.	KOBAYASHI, AKIKO	
		REMARKS: EXPIRES 60 DAYS FROM 2025/02/26				
ER1618791	2025/03/10	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	KSV RESTRUCTURING INC.	C
		REMARKS: APPOINTS KSV RESTRUCTURING INC. AS RECEIVER				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

APPENDIX F

RUN NUMBER : 282
RUN DATE : 2025/10/09
ID : 20251009090509.89

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(6114)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

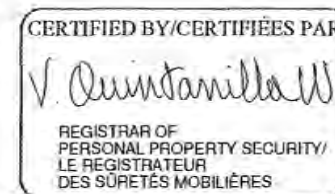
SEARCH CONDUCTED ON : 2533430 ONTARIO INC.

FILE CURRENCY : 08OCT 2025

ENQUIRY NUMBER 20251009090509.89 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

AIRD & BERLIS LLP
ATTN: MACKENZIE CONSIPT
HOLD FOR PICKUP
TORONTO ON M5J2T9



(enq6 05/2022)

APPENDIX G



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

**LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also known as BEHZAD PILEHVAR
also known as BEN PILEHVAR also known as BEN PILEVHR, MAHTAB NALI also known
as MAHTAB NALI PILEHVAR also known as MAHTAB PILEHVAR and 2621598 ONTARIO
INC. doing business as NALI AND ASSOCIATES**

Defendants

NOTICE OF ACTION

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the Statement of Claim served with this Notice of Action.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this Notice of Action is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: August 1, 2025

Issued by: _____
Local registrar

Address of court office: 330 University Avenue
Toronto, ON M5G 1R7

TO: **BEHZAD PILEHVER**
50 West Wilmont Street, Suite 100
Richmond Hill, ON L4B 1M5

AND TO: **MAHTAB NALI**
48 Chelford Road
North York, ON M3B 2E5

AND TO: **2621598 ONTARIO INC. doing business as NALI AND ASSOCIATES**
Attention/Care of Mahtab Nali
48 Chelford Road
North York, ON M3B 2E5

70 Harrison Road
North York, ON M2L 1V9

CLAIM

1. The Plaintiff, KSV Restructuring Inc. ("**KSV**"), solely in its capacity as receiver and manager of London Valley IV Inc. ("**LV IV**") and not in its personal capacity or in any other capacity, claims against the Defendants, Behzad Pilehver also known as Ben Pilehver also known as Behzad Pilehvar also known as Ben Pilehvar also known as Ben Pilevhr ("**Pilehver**"), Mahtab Nali also known as Mahtab Nali Pilehvar also known as Mahtab Pilehvar ("**Nali**") and 2621598 Ontario Inc. doing business as Nali and Associates ("**Nali and Associates**"), jointly and severally:

(a) an interim, interlocutory and permanent injunction:

- (i) restraining the Defendants, and their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, from directly or indirectly, by any means whatsoever, selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of the Defendants, wherever situate and whether held in the Defendants' own names or whether they are solely or jointly owned, and including if a third party holds or controls the assets in accordance with any of the Defendants' direct or indirect instructions, including without limitation the accounts at The Toronto-Dominion Bank ("**TD Bank**") bearing account number 1929-6177612 and 1929-5023332, which are believed to be held in the name of Mahtab Nali (the "**Nali Bank Account(s)**");
- (ii) ordering that TD Bank and all financial institutions and other entities at which the Defendants, or any of them, hold bank accounts, credit cards, loans, or other assets in their name, whether jointly or individually (such

financial institutions and entities being collectively referred to herein as **“Financial Institutions”**), forthwith freeze such accounts and assets, and prevent any removal or transfer of such monies and assets of the Defendants until further Order of the Court, including without limitation contained in the Nali Bank Accounts;

- (iii) requiring the Financial Institutions and other persons having notice of the injunction to forthwith disclose and deliver up to the Plaintiff any and all records related to accounts or assets held by the Defendants, or any of them, including but not limited to account agreements, account statements, cheques, cancelled cheques, deposit vouchers, internal credit applications, loan agreements, security documents, communications and any other records whatsoever;
- (b) a constructive trust, equitable lien and/or damages in the amount of \$1,071,551.06, and such additional amounts as may be particularized prior to trial, for:
 - (i) with respect to Pilevhver, fraud, breach of fiduciary duty, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
 - (ii) with respect to Nali and Nali and Associates, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
- (c) a declaration that the Plaintiff is entitled to trace its assets into the hands of the Defendants and a declaration that the Defendants hold those assets as a constructive trustee for the Plaintiff;
- (d) an order for an accounting of all funds, benefits and real and personal property that the Defendants have obtained, directly or indirectly, that have been wrongfully

derived by any of the Defendants directly or indirectly from the LV IV Property (as defined herein) and the proceeds from the sale thereof;

- (e) special damages, including all costs and expenses arising out of the detection, investigation, and quantification of the losses suffered by the Plaintiff, in an amount to be particularized prior to trial;
- (f) punitive damages in the sum of \$250,000;
- (g) pre-judgment and post-judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (h) costs of this action, including the costs of any and all interim and interlocutory motions, on a full indemnity or other appropriate scale, including all applicable taxes; and
- (i) such further and other relief as this Honourable Court deems just.

Parties

2. Pursuant to an Order dated March 6, 2025 (the “**Receivership Order**”), the Honourable Madam Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) appointed KSV as receiver and manager (in such capacity, and not in its personal, corporate or any other capacity, the “**Receiver**”) of the assets, undertakings and personal property of, *inter alios*, LV IV, and the proceeds thereof, including with respect to the LV IV Property (as defined below) and any assets or property held by LV IV in trust for any third party, pursuant to section 101 of the *Courts of Justice Act* (the “**Receivership Proceedings**”).

3. The Receivership Proceedings were commenced by way of application brought by Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage

(collectively, the "**Kobayashi Group**") over various property and companies. Members of the Kobayashi Group were investors in and co-owners (all such co-owners being referred to as "**Co-Owners**") of, *inter alia*, the LV IV Property (holding an approximately 72% undivided beneficial interest therein).

4. LV IV is an Ontario corporation, and owned the property municipally known as 6211 Colonel Talbot Road, London, Ontario (the "**LV IV Property**") until the property was sold and transferred to a third party purchaser for consideration of \$2 million on February 5, 2025. The transfer occurred prior to the Receiver's appointment.

5. The Defendants are Ontario residents. Pilehver is a director of LV IV. Nali is believed to be Pilehver's spouse.

Misappropriation of Funds

6. This action is in respect of a scheme whereby the LV IV Property was improperly sold on February 5, 2025, and a significant portion of the sale proceeds were improperly diverted, prior to the Receiver's appointment, from LV IV and its co-owners (including the Kobayashi Group) to, directly or indirectly, Nali, Nali and Associates and Pilehver.

7. The applicable members of the Kobayashi Group, holding an approximately 72% undivided beneficial interest in the LV IV Property, did not have knowledge or give consent regarding the sale of the LV IV Property.

8. The sale of the LV IV Property was in contravention of co-ownership arrangements governing the LV IV Property which require that, *inter alia*, such property can only be sold if an ordinary resolution is passed by the applicable Co-Owners, and that net income from the financing, refinancing and sale of the LV IV Property is to be distributed to the Co-Owners. No such distribution occurred.

9. In particular, on February 5, 2025, the LV IV Property was sold and transferred for \$2 million.

10. Upon the sale of the LV IV Property, proceeds of \$1,899,510.740 (the “**Proceeds**”) were paid into the trust account of a lawyer named Parminder Hundal of the law firm Parminder Hundal Law Professional Corporation (“**Hundal**”), who acted as counsel to LV IV in the transaction.

11. In February and March 2025, prior to the Receiver’s appointment, the Proceeds were disbursed at Pilehver’s direction, including as follows:

(a) Per a written direction executed by Pilehver, Pilehver directed that the net proceeds of the sale be payable to Nali and Associates and Mahtab Nali, which resulted in the following disbursements totalling \$897,859.49:

(i) By certified cheque dated February 6, 2025, \$817,859.49 of the Proceeds was paid from Hundal’s trust account to Pilehver’s spouse, Nali, and which appears to have been deposited in the Nali Bank Account bearing account number 1929-6177612. Initially, a wire in this amount was sent to the Nali Bank Account bearing account number 1929-5023332, but was evidently voided and did not go through;

(ii) By cheque dated February 18, 2025, a further \$80,800 was paid from Hundal’s trust account to Nali and Associates, which the Receiver believes to be to the benefit of Nali and/or Pilehver;

(b) Per a further written direction executed by Pilehver on February 10, 2025:

- (i) On February 12, 2025, \$5,000 was wired by Hundal to Bally Hundal/Hundal Law Firm which appears to have no connection to LV IV or the LV IV Property;
- (ii) on February 14, 2025, \$30,000 was wired by Hundal to Stockwoods LLP which again appears to have no connection to LV IV or the LV IV Property;
- (c) payments totalling \$103,040.42 were paid to Hundal on February 10, 12, 20, and March 5, 2025 in purported satisfaction of accounts rendered, of which at least \$94,000.42 appears to have no connection to LV IV or the LV IV Property; and
- (d) On March 5, 2025, one day prior to the Receivership Order, \$34,000 was wired by Hundal to a third law firm, Blaney McMurtry LLP. On March 21, 2025, Blaney McMurtry LLP advised the Service List in the Receivership Proceedings that it has been retained by Pilehver in his personal capacity, as well as by 2630306 Ontario Inc. o/a Paybank Financial ("**Paybank**") and TGP Canada Management Inc. ("**TGP Canada**") (collectively, the "**Paybank Parties**"). Pilehver is an officer and director of Paybank and TGP Canada.

12. Pilehver, in his capacity as director of LV IV, breached his fiduciary and other legal obligations to LV IV by failing to comply with the co-ownership arrangements governing the LV IV Property. He wrongfully directed the sale of the LV IV Property, and then misappropriated the proceeds of sale therefrom by directing LV IV's counsel, Hundal, to disburse the foregoing proceeds as detailed in paragraph 11 above. There was no consideration nor valid business purpose for the proceeds of sale to have been disbursed in this regard.

13. Pilehver profited and benefited from these breaches of his duties, as did the defendants Nali and Nali and Associates.

Fraud

14. Pilehver:

- (a) falsely and knowingly represented to the Plaintiff that the Co-Owners of LV IV had consented to the sale of the LV IV Property;
- (b) directed, caused and/or facilitated prohibited payments to be made by LV IV to persons and entities for which no goods or services, or no good or service of any material value, was provided to LV IV or the LV IV Property;
- (c) diverted funds from LV IV, including to obtain improper benefits for themselves; and
- (d) knowingly received, retained and used funds which rightfully belonged to LV IV, and as a direct result LV IV suffered a loss.

Breach of Fiduciary Duty

15. Pilehver owed a fiduciary duty to LV IV as the sole director thereof. By engaging in his fraudulent or improper transfers of funds – misappropriating company funds to benefit the Defendants – Pilehver breached that fiduciary duty. Moreover, he did so deceitfully and dishonestly by failing to make proper disclosure to LV IV's stakeholders as required by agreements governing the property of LV IV.

Conversion and Unjust Enrichment

16. By virtue of the facts set out above, the Defendants have been unjustly enriched by conversion. LV IV has suffered a corresponding deprivation. There is no juristic reason for the Defendants' enrichment or for LV IV's corresponding deprivation.

Knowing Receipt/Knowing Assistance

17. The Defendants, or any of them, have directly or indirectly benefitted from the transfer and misappropriation of the proceeds of sale from the LV IV Property, despite knowing that such proceeds were held in trust by LV IV for its co-owners.

18. Given that LV IV was controlled by Pilehver at the time of the sale and the distribution of proceeds therefrom, the Defendants knew or ought to have known that any such transfer or misappropriation of the proceeds was a breach of LV IV's duties to its co-owners. The Defendants are therefore jointly and severally liable to LV IV and its co-owners for the value of the misappropriated proceeds on the basis of knowing receipt.

19. Further and/or in the alternative, the Defendants participated in, authorized and/or acquiesced to the transfer or misappropriation of the proceeds from the sale of the LV IV Property and knew or ought to have known that such conduct was in breach of LV IV's obligations. Accordingly, the Defendants are jointly and severally liable to LV IV and its co-owners for the value of the misappropriated proceeds on the basis of knowing assistance of a breach of trust.

20. The Receivership Order, including paragraph 4(t) thereof, specifically empowers the Receiver to trace and follow the proceeds of any real property previously owned by LV IV that was sold, transferred, assigned or conveyed, including the LV IV Property which is described in Schedule "B" to the Receivership Order.

The Injunctive Relief Sought is Warranted

21. The Plaintiff has a strong *prima facie* case against the Defendants, or any of them, for fraud, breach of fiduciary duty, conversion, unjust enrichment, knowing assistance and/or knowing receipt, as applicable and as pleaded above.

22. Pilehver and Nali are Ontario residents. Nali and Associates is a corporation incorporated in Ontario. In addition, there are grounds for believing that the Defendants have assets in Ontario including, without limitation, shares in several Ontario corporations, and ownership of the Nali Bank Accounts.

23. The inference of a sufficient risk of asset disposition can reasonably be drawn from the facts herein, namely, the fraudulent conduct and misappropriation and conversion of the LV IV Proceeds as pleaded above.

24. The Plaintiff and its stakeholders will suffer irreparable harm, and will be prevented from recovering their misappropriated funds and assets, and assets traceable thereto, or other exigible assets, if the Defendants are not prevented from further moving, dissipating or otherwise attempting to put their assets beyond the reach of LV IV and its stakeholders.

25. The balance of convenience favours granting a *Mareva* injunction.

26. The Plaintiff, by its Receiver, ought not to be required to provide an undertaking as to damages given the Receiver's role as a court-appointed officer and the strong *prima facie* strength of the case.

27. In light of the foregoing, the requested *Norwich* order is warranted. The Plaintiff has a *bona fide* claim against the Defendants, the Financial Institutions from whom discovery is sought are the only practical source of information available to the Plaintiff and will be reasonably compensated for the expense arising out of compliance with the discovery order, and the public interests in favour of disclosure outweigh any privacy concerns which may be alleged by the Defendants.

Punitive Damages

28. An award of punitive damages against the Defendants in favour of the Plaintiff is warranted, given their high-handed, malicious, arbitrary and reprehensible misconduct that departs from a marked degree from ordinary standard of decent behaviour, and given the misappropriated funds were trust funds which are beneficially owned by vulnerable investors, the Co-Owners. The loss and harm suffered by the Plaintiff cannot be adequately compensated merely by compensatory damages award equal to the sum of the misappropriated Proceeds.

29. The Plaintiff pleads and relies upon:

- (a) rules 1.04, 2.01, 2.03, 3.02 and 40 of the Ontario *Rules of Civil Procedure*;
- (b) sections 96 and 101 of the Ontario *Courts of Justice Act*; and
- (c) the statutory, inherent and equitable jurisdiction of this Honourable Court.

30. Based on the foregoing, the Plaintiff pleads that it is entitled to the relief claimed in paragraph 1 hereof.

31. The Plaintiff pleads that this action is appropriately commenced in the Ontario Superior Court of Justice (Commercial List) (the “**Commercial List**”) in Toronto, Ontario, given: (i) it is commenced pursuant to the powers granted to the Receiver under the Receivership Order issued by the Commercial List; and (ii) the action seeks a *Mareva* injunction and *Norwich* Order. The Plaintiff pleads and relies upon paragraph F.2.h. and paragraph F.8.29.e of the Consolidated Practice Direction – Toronto Region, effective June 30, 2025, with respect to this action being eligible for commencement on the Commercial List.

Date: August 1, 2025

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Lawyers for the Plaintiff

LONDON VALLEY IV INC.

**by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC.**

and

**BEHZAD PILEHVER also known as BEN PILEHVER also
known as BEHZAD PILEHVAR also known as BEN
PILEHVAR, MAHTAB NALI also known as MAHTAB NALI
PILEHVAR also known as MAHTAB PILEHVAR and
2621598 ONTARIO INC. doing business as NALI AND
ASSOCIATES**

Plaintiff

Defendants

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

NOTICE OF ACTION

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Lawyers for the Plaintiff

APPENDIX H

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

**LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also known as BEHZAD PILEHVAR
also known as BEN PILEHVAR also known as BEN PILEVHR, MAHTAB NALI also known
as MAHTAB NALI PILEHVAR also known as MAHTAB PILEHVAR and 2621598 ONTARIO
INC. doing business as NALI AND ASSOCIATES**

Defendants

**STATEMENT OF CLAIM
(Notice of Action issued on August 5, 2025)**

1. The Plaintiff, KSV Restructuring Inc. ("**KSV**"), solely in its capacity as receiver and manager of London Valley IV Inc. ("**LV IV**") and not in its personal capacity or in any other capacity, claims against the Defendants, Behzad Pilehver also known as Ben Pilehver also known as Behzad Pilehvar also known as Ben Pilehvar also known as Ben Pilevhr ("**Pilehver**"), Mahtab Nali also known as Mahtab Nali Pilehvar also known as Mahtab Pilehvar ("**Nali**") and 2621598 Ontario Inc. doing business as Nali and Associates ("**Nali and Associates**"), jointly and severally:

(a) an interim, interlocutory and permanent injunction:

(i) restraining the Defendants, and their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, from directly or indirectly, by any means whatsoever, selling, removing, dissipating, alienating, transferring, assigning, encumbering, or

similarly dealing with any assets of the Defendants, wherever situate and whether held in the Defendants' own names or whether they are solely or jointly owned, and including if a third party holds or controls the assets in accordance with any of the Defendants' direct or indirect instructions, including without limitation the accounts at The Toronto-Dominion Bank ("**TD Bank**") bearing account numbers 1929-6177612 and 1929-5023332, which are believed to be held in the name of Mahtab Nali and/or Nali and Associates (the "**Nali Bank Account(s)**");

- (ii) ordering that TD Bank and all financial institutions and other entities at which the Defendants, or any of them, hold bank accounts, credit cards, loans, or other assets in their name, whether jointly or individually (such financial institutions and entities being collectively referred to herein as "**Financial Institutions**"), forthwith freeze such accounts and assets, and prevent any removal or transfer of such monies and assets of the Defendants until further Order of the Court, including without limitation contained in the Nali Bank Accounts;
- (iii) requiring the Financial Institutions and other persons having notice of the injunction to forthwith disclose and deliver up to the Plaintiff any and all records related to accounts or assets held by the Defendants, or any of them, including but not limited to account agreements, account statements, cheques, cancelled cheques, deposit vouchers, internal credit applications, loan agreements, security documents, communications and any other records whatsoever;

- (b) a constructive trust, equitable lien and/or damages in the amount of \$1,071,551.06, and such additional amounts as may be particularized prior to trial, for:
 - (i) with respect to Pilehver, fraud, breach of fiduciary duty, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
 - (ii) with respect to Nali and Nali and Associates, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
- (c) orders for restitution, an accounting and disgorgement of all assets belonging to the Plaintiff and improperly diverted by or to the Defendants or any person, corporation or other entity on the Defendants' behalf;
- (d) a declaration that the Plaintiff is entitled to trace its assets into the hands of the Defendants and a declaration that the Defendants hold those assets as a constructive trustee for the Plaintiff;
- (e) an order for an accounting of all funds, benefits and real and personal property that the Defendants have obtained, directly or indirectly, that have been wrongfully derived by any of the Defendants directly or indirectly from the LV IV Property (as defined herein) and the proceeds from the sale thereof;
- (f) special damages, including all costs and expenses arising out of the detection, investigation, and quantification of the losses suffered by the Plaintiff, in an amount to be particularized prior to trial;
- (g) punitive damages in the sum of \$250,000;
- (h) a declaration that LV IV is a "complainant" for the purposes of advancing a claim under section 248 of Ontario's *Business Corporations Act* (the "**OBCA**");

- (i) relief pursuant to section 248 of the OBCA that this Honourable Court deems just;
- (j) pre-judgment and post-judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (k) costs of this action, including the costs of any and all interim and interlocutory motions, on a full indemnity or other appropriate scale, including all applicable taxes; and
- (l) such further and other relief as this Honourable Court deems just.

Parties

2. Pursuant to an Order dated March 6, 2025 (the “**Receivership Order**”) in the proceedings bearing Court File No. CV-25-00736577-00CL (the “**Receivership Proceedings**”), the Honourable Madam Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) appointed KSV as receiver and manager (in such capacity, and not in its personal, corporate or any other capacity, the “**Receiver**”) of the assets, undertakings and personal property of, *inter alios*, LV IV, and the proceeds thereof, including with respect to the LV IV Property (as defined below) and any assets or property held by LV IV in trust for any third party, pursuant to section 101 of the *Courts of Justice Act*.

3. LV IV is an Ontario corporation incorporated under the OBCA, and owned the property municipally known as 6211 Colonel Talbot Road, London, Ontario (the “**LV IV Property**”) until the property was sold and transferred to a third-party purchaser for consideration of \$2 million on February 5, 2025. The transfer occurred prior to the Receiver’s appointment.

4. Nali and Associates is a registered business name of 2621598 Ontario Inc., which is an Ontario corporation incorporated under the OBCA.

5. The Defendants are Ontario residents. Pilehver is the sole director and officer of LV IV. Nali is believed to be Pilehver's spouse. Nali is the sole director and officer of Nali and Associates.

Background to Receivership Proceedings

6. The Receiver was appointed on an application made by Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage (collectively, the "**Kobayashi Group**").

7. The Kobayashi Group are investors (co-owners) in the LV IV Property, having acquired an approximately 72% undivided beneficial interest in this property pursuant to four sale agreements, dated November 13, 2013, November 13, 2013, January 10, 2014 and January 10, 2014, respectively, among the applicable member of the Kobayashi Group, as purchaser, LV IV, as nominee, and TSI-LV IV International Canada Inc., as vendor.

8. Attached to the foregoing sale agreements (the "**Sale Agreements**") were certain co-owner agreements (the "**Co-Owner Agreements**") which governed ownership of the LV IV Property.

9. The Sale Agreements provide, among other things:

(a) Pursuant to sections 11.1 and 11.3:

(i) LV IV, as nominee, holds the registered title to the LV IV Property to the extent of the co-owner's interest as nominee and bare trustee for the co-owner to the extent of its undivided interests in the LV IV Property;

- (ii) LV IV agreed to execute and deliver to the co-owner a declaration of trust wherein it will confirm that it is holding the title to the LV IV Property for and on behalf of the co-owner to the extent of its interest;
 - (b) Pursuant to sections 13.1 and 13.2, the Co-Owners Agreements govern any future sale of the LV IV Property, procedures for consents and approvals by co-owners, and the obligations of LV IV as nominee for and on behalf of co-owners; and
 - (c) Pursuant to section 20, Schedule “C”, the Co-Owners Agreement forms an integral part of the Sale Agreement.
10. The Co-Owner Agreements provide, among other things:
- (a) Pursuant to section 19, any offer to purchase the LV IV Property is to be presented to all co-owners (“**Co-Owners**”) for consideration;
 - (b) Pursuant to section 8, the LV IV Property can only be sold if an ordinary resolution is passed by the owners, being a resolution signed by the co-owners (which includes the Kobayashi Group) holding in aggregate not less than 51% of the interests in the property; and
 - (c) Pursuant to section 6(j), the net income from the financing, refinancing and sale of the LV IV Property is to be distributed to the co-owners, which includes the Kobayashi Group.
11. The sale of the LV IV Property (as is addressed below) was completed without the Kobayashi Group’s knowledge or consent, in violation of the Sale Agreements and Co-Owner Agreements. The Kobayashi Group did not know of or approve the sale of the LV IV Property, nor

did they receive any net income or other proceeds in connection with the sale of the LV IV Property.

12. The Receivership Order, including paragraph 4(t) thereof, specifically empowers the Receiver to trace and follow the proceeds of any real property previously owned by LV IV that was sold, transferred, assigned or conveyed, including the LV IV Property which is described in Schedule "B" to the Appointment Order.

13. In furtherance of the scope of its appointment, the Receiver seeks to trace and recover the proceeds from the sale of the LV IV Property for the benefit of the LV IV estate and its Co-Owners and creditors.

Misappropriation of Funds

14. This action is in respect of a scheme whereby the LV IV Property was improperly sold on February 5, 2025, and a significant portion of the sale proceeds, being \$1,071,551.06, were improperly diverted, prior to the Receiver's appointment, from LV IV and its Co-Owners (including the Kobayashi Group) to, directly or indirectly, Nali, Nali and Associates and Pilehver, all at Pilehver's direction. Such funds ought to have been distributed to the underlying Co-Owners of LV IV, including the Kobayashi Group.

15. The applicable members of the Kobayashi Group, holding an approximately 72% undivided beneficial interest in the LV IV Property, did not have knowledge or give consent regarding the sale of the LV IV Property.

16. The sale of the LV IV Property was in contravention of the Sale Agreements and Co-Owner Agreements governing the LV IV Property which, as stated above, require that, *inter alia*, such property can only be sold if an ordinary resolution is passed by the applicable Co-Owners,

and that net income from the financing, refinancing and sale of the LV IV Property is to be distributed to the Co-Owners. No such distribution occurred.

17. In particular, on February 5, 2025, the LV IV Property was sold and transferred for \$2 million.

18. Upon the sale of the LV IV Property, proceeds of \$1,899,510.740 (the “**Proceeds**”) were paid into the trust account of a lawyer named Parminder Hundal also known as Pam Hundal of the law firm Parminder Hundal Law Professional Corporation (“**Hundal**”), who acted as counsel to LV IV in the transaction.

19. In February and March 2025, prior to the Receiver’s appointment, the Proceeds were disbursed at Pilehver’s direction, including as follows:

- (a) Per a written direction executed by Pilehver, Pilehver directed that the net proceeds of the sale be payable to Nali and Associates and Mahtab Nali, which resulted in the following disbursements totalling \$897,859.49:
 - (i) By certified cheque dated February 6, 2025, \$817,859.49 of the Proceeds was paid from Hundal’s trust account to Nali, which was deposited in the Nali Bank Account at TD Bank bearing account number 6177612. Initially, a wire in this amount was sent to the Nali Bank Account bearing account number 1929-5023332, but was voided and did not go through;
 - (ii) By cheque dated February 18, 2025, a further \$80,800 was paid from Hundal’s trust account to Nali and Associates and was deposited into the Nali Bank Account at TD Bank bearing account number 5023332, which the Receiver believes to be to the benefit of Nali and/or Pilehver;

- (b) Per a further written direction executed by Pilehver on February 10, 2025:
- (i) On February 12, 2025, \$5,000 was wired by Hundal to Bally Hundal/Hundal Law Firm which appears to have no connection to LV IV or the LV IV Property;
 - (ii) on February 14, 2025, \$30,000 was wired by Hundal to Stockwoods LLP which again appears to have no connection to LV IV or the LV IV Property;
- (c) payments totalling \$103,040.42 were paid to Hundal on February 10, 12, 20, and March 5, 2025 in purported satisfaction of accounts rendered, of which at least \$94,000.42 appears to have no connection to LV IV or the LV IV Property; and
- (d) On March 5, 2025, one day prior to the Receivership Order, \$34,000 was wired by Hundal to a third law firm, Blaney McMurtry LLP ("**Blaney**"). On March 21, 2025, Blaney advised the Service List in the Receivership Proceedings that it was retained by Pilehver in his personal capacity, as well as by 2630306 Ontario Inc. o/a Paybank Financial ("**Paybank**") and TGP Canada Management Inc. ("**TGP Canada**") (collectively, the "**Paybank Parties**"). Pilehver is an officer and director of Paybank and TGP Canada. On August 11 and 12, 2025, after the August 7 *Mareva* Order (as defined below) was served on the Defendants and Blaney, Blaney advised the Receiver that it was no longer retained by the Paybank Parties and that Blaney would hold the funds which it received from Hundal in trust until further order of the Court.

20. Pilehver, in his capacity as director of LV IV, breached his fiduciary and other legal obligations to LV IV and exercised his powers as a director in a manner that was oppressive, unfairly prejudicial and which unfairly disregarded the interests of LV IV and its underlying Co-

Owners, by failing to comply with the co-ownership arrangements governing the LV IV Property. He wrongfully directed the sale of the LV IV Property and then misappropriated the proceeds of sale therefrom by directing LV IV's counsel, Hundal, to disburse the foregoing proceeds as detailed in paragraph 19 above. There was no consideration nor valid business purpose for the proceeds of sale to have been disbursed in this regard.

21. Pilehver profited and benefited from these breaches of his duties, as did the Defendants Nali and Nali and Associates.

Fraud

22. Pilehver:

- (a) falsely and knowingly represented to LV IV, either expressly or by omission, that the Co-Owners of LV IV had consented to the sale of the LV IV Property;
- (b) directed, caused and/or facilitated prohibited payments of the Proceeds to be made by LV IV to persons and entities for which no goods or services, or no good or service of any material value, was provided to LV IV or the LV IV Property;
- (c) diverted funds from LV IV, including to obtain improper benefits for himself; and
- (d) knowingly received, retained and used funds which rightfully belonged to LV IV, and as a direct result LV IV suffered a loss.

23. In conceiving and executing his plan to intentionally defraud LV IV, and in breaching his fiduciary duties to LV IV, Pilehver's knowledge of his fraud cannot be imputed to LV IV.

Breach of Fiduciary Duty

24. As a director of LV IV, Pilehver owed duties to LV IV, including a duty of care and fiduciary duty. He wrongfully exercised his discretion and power so as to adversely affect LV IV's legal and practical interests, and LV IV was peculiarly vulnerable to and at the mercy of Pilehver who held such discretion and power.

25. In breach of his duties to LV IV, Pilehver concealed and misrepresented material facts, breached the trust of LV IV, all with a view to making a secret profit and acting in a conflict of interest through his misappropriation of the LV IV Property sale proceeds.

26. The actions knowingly and intentionally taken by Pilehver in furtherance of the foregoing scheme caused LV IV to breach the Sale Agreements and Co-Owner Agreements and were in breach of Pilehver's fiduciary duties to LV IV, by, among other things:

- (a) misappropriating LV IV funds or using LV IV funds in a manner inconsistent with the business of LV IV;
- (b) failing to act prudently, reasonably, honestly, in good faith and in the best interests of LV IV and its stakeholders; and
- (c) failing to disclose the self dealing and conflicts of interest, as detailed above, to Co-Owners, including the Kobayashi Group.

27. Pilehver knew he was breaching the Sale Agreements and Co-Owner Agreements and did so in order to generate a benefit for himself and the other Defendants.

28. The Receiver pleads and relies upon section 134 of the OBCA which sets out the standard of care of directors and officers of a corporation.

29. As the sole director of LV IV, Pilehver owed a fiduciary duty to LV IV and had the obligation to act in the best interests of the corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

30. Pilehver failed to do so. Instead of acting in accordance with the Sale Agreements and Co-Owner Agreements and facilitating returns to Co-Owners of LV IV such as the Kobayashi Group, Pilehver breached his fiduciary duty by selling the LV IV Property without authority and by engaging in his fraudulent and improper conduct by misappropriating the LV IV Property sale proceedings to benefit the Defendants.

31. None of the actions taken by Pilehver were in the best interests of LV IV. His actions were purely self-motivated and were in breach of his duties to LV IV.

Oppression

32. LV IV is a complainant for the purposes of section 248 of the OBCA.

33. Pilehver's actions, as director and officer of LV IV, have been oppressive, unfairly prejudicial and unfairly disregard LV IV's interests and those of its investors, being the Co-Owners.

34. LV IV and its investors had the reasonable expectation that Pilehver, as LV IV's sole director and officer, would cause LV IV to act in accordance with the Sale Agreements and Co-Owners Agreements so as to not unfairly prejudice or disregard their interests.

35. Instead, Pilehver used his power as a director to obtain a personal benefit through the unlawful sale of the LV IV Property and subsequent distribution of the Proceeds to the Defendants' personal benefit as pleaded in paragraph 19 above. Pilehver has acted solely in his own interest,

to LV IV's detriment, and ought to be ordered to compensate the Plaintiff for the quantum of the Proceeds wrongfully distributed in this regard.

Restitution and Tracing

36. The Plaintiff pleads that by receiving the proceeds of sale of the LV IV Property and/or directing such proceeds to be paid to third parties for their own benefit contrary to the Sale Agreements and Co-Owner Agreements, each of the Defendants have been unjustly enriched by conversion at LV IV's expense and are each liable to the Plaintiff for all amounts by which they have been unjustly enriched. The Plaintiff has been correspondingly deprived of the benefit of these amounts, and there is no juristic reason for the Defendants' enrichment. The Plaintiff pleads and relies upon the doctrine of unjust enrichment and claims that it is entitled to restitution from the Defendants.

37. The Plaintiff pleads that the Defendants hold any amounts by which they have been unjustly enriched at the Plaintiff's expense as trust funds and/or pursuant to a constructive trust, and that the Plaintiff is the beneficiary of those funds. The Plaintiff further pleads that, given the circumstances, there are no factors that would render unjust the imposition of a constructive trust in favour of the Plaintiff. Indeed, per the terms of the Sale Agreements and Co-Owner Agreements, the LV IV Property and the proceeds of sale therefrom were to be held in trust for the benefit of the Co-Owners.

38. Any funds originating with or that should have been paid to the Plaintiff but which were instead obtained by, or for the benefit of, the Defendants by way of fraud, breach of fiduciary duty, oppression, conversion, knowing assistance and/or knowing receipt or other improper conduct, as applicable, should be impressed with a trust in favour of the Plaintiff.

39. The Plaintiff seeks such orders as may be necessary to trace such misappropriated funds, including any such funds or assets currently held by or transferred to the Defendants, or transferred to any other person or entity not yet known to the Plaintiff.

40. The Plaintiff further seeks orders requiring the Defendants to disgorge and/or pay restitution in relation to any benefit obtained directly or indirectly as a consequence of the fraud, breach of fiduciary duty, oppression, conversion, knowing assistance and/or knowing receipt or other improper conduct, as applicable and as pleaded herein, including any assets obtained with funds originating with or that should have been paid to the Plaintiff.

Knowing Receipt/Knowing Assistance

41. The Defendants, or any of them, have directly or indirectly benefitted from the transfer and misappropriation of the Proceeds, despite knowing that such Proceeds were to be held in trust by LV IV for its Co-Owners.

42. Given that LV IV was controlled by Pilehver at the time of the sale and the distribution of Proceeds therefrom, the Defendants knew or ought to have known that any such transfer or misappropriation of the Proceeds was a breach of LV IV's duties to its Co-Owners. The Defendants are therefore jointly and severally liable to LV IV for the value of the misappropriated Proceeds on the basis of knowing receipt.

43. Further and/or in the alternative, the Defendants participated in, authorized and/or acquiesced to the transfer or misappropriation of the Proceeds as pleaded herein and knew or ought to have known that such conduct was in breach of LV IV's obligations. Accordingly, the Defendants are jointly and severally liable to LV IV for the value of the misappropriated Proceeds on the basis of knowing assistance of a breach of trust.

Injunctive Relief

44. The Plaintiff has a strong *prima facie* case against the Defendants, or any of them, for fraud, breach of fiduciary duty, conversion, unjust enrichment, oppression, knowing assistance and/or knowing receipt, as applicable and as pleaded above.

45. Pilehver and Nali are Ontario residents. Nali and Associates is a corporation incorporated in Ontario. There are grounds for believing that the Defendants have assets in Ontario including, without limitation, shares in several Ontario corporations, and ownership of the Nali Bank Accounts.

46. The inference of a sufficient risk of asset disposition can reasonably be drawn from the facts herein, namely, the fraudulent conduct and misappropriation and conversion of the LV IV Proceeds as pleaded above.

47. The Plaintiff and its stakeholders will suffer irreparable harm and will be prevented from recovering their misappropriated funds and assets, and assets traceable thereto, or other exigible assets, if the Defendants are not prevented from further moving, dissipating or otherwise attempting to put their assets beyond the reach of LV IV and its stakeholders.

48. The balance of convenience favours granting a *Mareva* injunction.

49. The Plaintiff, by its Receiver, ought not to be required to provide an undertaking as to damages given the Receiver's role as a court-appointed officer and the strong *prima facie* strength of the case.

50. In light of the foregoing, the requested *Mareva* Order and accompanying *Norwich* relief is warranted. The Plaintiff has a *bona fide* claim against the Defendants, the Financial Institutions from whom discovery is sought are the only practical source of information available to the Plaintiff

and will be reasonably compensated for the expense arising out of compliance with the discovery order, and the public interests in favour of disclosure outweigh any privacy concerns which may be alleged by the Defendants.

51. On August 7, 2025, this Honourable Court issued an *ex parte* Order (the “**August 7 Mareva Order**”) granting *Mareva* and *Norwich* relief as against the Defendants.

52. On August 7, 2025, Pilehver was served with the August 7 *Mareva* Order and motion materials which were relied upon by the Plaintiff in obtaining the August 7 Order. On August 8, 2025, Nali and Nali and Associates were served with the August 7 *Mareva* Order and the same materials.

53. On April 15, 2025, this Honourable Court issued a further Order which expanded and extended the application of the August 7 *Mareva* Order until further Order of the Court.

54. Notwithstanding the obligation imposed upon the Defendants by the August 7 *Mareva* Order to produce a sworn statement of assets to the Plaintiff within seven (7) days of the issuance of the August 7 *Mareva* Order, no such sworn statements have been received at the time of filing this Statement of Claim.

55. Following service of the August 7 *Mareva* Order on TD Bank, a representative thereof advised the Receiver and its counsel that pursuant to the August 7 *Mareva* Order, the Nali Bank Accounts, as well as one additional account previously unknown to the Plaintiff, had been frozen as of August 8, 2025, and provided account statements (collectively, the “**Account Statements**”) for each account for the period on or after February 5, 2025, as follows:

- (a) Account 6177612 in the name of Mahtab Nali, being the Nali Bank Account into which \$817,859.49 of the Proceeds had been paid. The Account Statement provided by TD Bank reflected that the proceeds had been quickly dissipated from

this account, and that this account had a negative balance of -\$15.89 as of July 31, 2025;

(b) Account 5023332 in the name of Nali and Associates, being the account into which \$80,800 of the Proceeds had been paid. The Account Statement provided by TD Bank again reflected that the proceeds had been quickly dissipated from this account, and that this account had a nominal balance of \$6.20 as of August 5, 2025; and

(c) Account 6189920 (Mahtab Nali) had a negative balance of -\$368.23 as of July 31, 2025.

56. The Account Statements reflect the deposit of the Proceeds, as described above, into the aforementioned accounts, as well as the dissipation of such assets shortly thereafter in a series of large transactions by way of drafts, transfers, withdrawals, wire transfers and e-transfers, amongst other transactions, including to jewellery stores, a car dealership and other transactions which appear to have no connection to LV IV or the LV IV Property. Thereafter, the Account Statements reflect what appears to be deliberate and habitual account management such that the balances never exceeded several thousand dollars, with funds being transferred into the accounts on an *ad hoc* basis to cover transactions.

Punitive Damages

57. An award of punitive damages against the Defendants in favour of the Plaintiff is warranted, given their high-handed, malicious, arbitrary and reprehensible misconduct that departs from a marked degree from ordinary standard of decent behaviour, and given the misappropriated funds were trust funds which are beneficially owned by vulnerable public investors, being the Co-Owners. The loss and harm suffered by the Plaintiff cannot be adequately

compensated merely by compensatory damages equal to the sum of the misappropriated Proceeds.

General

58. The Plaintiff pleads and relies upon:

- (a) rules 1.04, 2.01, 2.03, 3.02 and 40 of the Ontario *Rules of Civil Procedure*;
- (b) sections 96 and 101 of the Ontario *Courts of Justice Act*;
- (c) section 248 of the OBCA; and
- (d) the statutory, inherent and equitable jurisdiction of this Honourable Court.

59. Based on the foregoing, the Plaintiff pleads that it is entitled to the relief claimed herein and as claimed in the Notice of Action issued August 5, 2025.

Date: September 3, 2025

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Lawyers for the Plaintiff

LONDON VALLEY IV INC.
by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC.

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also
known as BEHZAD PILEHVAR also known as BEN
PILEHVAR also known as PILEVHR, MAHTAB NALI also
known as MAHTAB NALI PILEHVAR also known as
MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing
business as NALI AND ASSOCIATES**
Defendants

Court File No. CV-25-00748799-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

STATEMENT OF CLAIM

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Lawyers for the Plaintiff

APPENDIX I

LONDON VALLEY IV INC.
by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC.

and

BEHZAD PILEHVER also known as BEN PILEHVER also
known as BEHZAD PILEHVAR also known as BEN
PILEHVAR, MAHTAB NALI also known as MAHTAB NALI
PILEHVAR also known as MAHTAB PILEHVAR and
2621598 ONTARIO INC. doing business as NALI AND
ASSOCIATES

Plaintiff

Defendants

Court File No.

I, Sarina Nezhadian, associate at Henein Hutchison
Robitaille LLP, accept service on behalf of the
Defendant, Behzad Pilehvar.

Sarina Nezhadian

September 3, 2025

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

NOTICE OF ACTION

AIRD & BERLIS LLP
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Lawyers for the Plaintiff

LONDON VALLEY IV INC.
by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC.

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also
known as BEHZAD PILEHVAR also known as BEN
PILEHVAR also known as PILEVHR, MAHTAB NALI also
known as MAHTAB NALI PILEHVAR also known as
MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing
business as NALI AND ASSOCIATES**
Defendants

Court File No. CV-25-00748799-00CL

I, Sarina Nezhadian, associate at Henein Hutchison
Robitaille LLP, accept service on behalf of the
Defendant, Behzad Pilehvar.

Sarina Nezhadian

September 3, 2025

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

STATEMENT OF CLAIM

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Lawyers for the Plaintiff

APPENDIX J



Mark van Zandvoort
Direct: 416.865.4742
E-mail: mvanzandvoort@airdberlis.com

September 8, 2025

DELIVERED VIA PROCESS SERVER

MAHTAB NALI
48 Chelford Road
Toronto, ON M3B 2E5

MAHTAB NALI
335 Parkview Avenue
Toronto, ON M2N 3Z6

**2621598 ONTARIO INC. doing business as
NALI AND ASSOCIATES**
48 Chelford Road
Toronto, ON M3B 2E5

**2621598 ONTARIO INC. doing business as
NALI AND ASSOCIATES**
335 Parkview Avenue
Toronto, ON M2N 3Z6

Dear Ms. Nali:

**Re: LONDON VALLEY IV INC., by its Court-Appointed Receiver and Manager, KSV
RESTRUCTURING INC. v. BEHZAD PILEHVER also known as BEN PILEHVER
also known as BEHZAD PILEHVAR also known as BEN PILEHVAR also known as
BEN PILEVHR et al.
Court File No. CV-25-00748799-00CL**

In connection with the above-noted matter, please find enclosed the materials listed below, all of which is hereby personally served upon you pursuant to the *Rules of Civil Procedure*:

1. Statement of Claim dated September 3, 2025;
2. Notice of Action issued on August 5, 2025;
3. Order (and accompanying Endorsement) of Justice J. Dietrich dated August 15, 2025; and
4. Endorsement of Justice Osborne dated August 26, 2025.

Please take note that you are required to deliver to us, without further delay, sworn statements in accordance with paragraph 5 of the Order of Justice J. Dietrich dated August 7, 2025 (which was previously served upon you personally), both in your personal capacity and in your capacity as a director and officer of 2621598 Ontario Inc. doing business as Nali and Associates.

We continue to re-iterate the request in our previous correspondence that you please provide us with your email address. Furthermore, if you have retained counsel, please provide us with their contact information.

Yours truly,

Mark van Zandvoort
MZ/ch
Encl.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

**LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also known as BEHZAD PILEHVAR
also known as BEN PILEHVAR also known as BEN PILEVHR, MAHTAB NALI also known
as MAHTAB NALI PILEHVAR also known as MAHTAB PILEHVAR and 2621598 ONTARIO
INC. doing business as NALI AND ASSOCIATES**

Defendants

**STATEMENT OF CLAIM
(Notice of Action issued on August 5, 2025)**

1. The Plaintiff, KSV Restructuring Inc. ("**KSV**"), solely in its capacity as receiver and manager of London Valley IV Inc. ("**LV IV**") and not in its personal capacity or in any other capacity, claims against the Defendants, Behzad Pilehver also known as Ben Pilehver also known as Behzad Pilehvar also known as Ben Pilehvar also known as Ben Pilevhr ("**Pilehver**"), Mahtab Nali also known as Mahtab Nali Pilehvar also known as Mahtab Pilehvar ("**Nali**") and 2621598 Ontario Inc. doing business as Nali and Associates ("**Nali and Associates**"), jointly and severally:

(a) an interim, interlocutory and permanent injunction:

(i) restraining the Defendants, and their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, from directly or indirectly, by any means whatsoever, selling, removing, dissipating, alienating, transferring, assigning, encumbering, or

similarly dealing with any assets of the Defendants, wherever situate and whether held in the Defendants' own names or whether they are solely or jointly owned, and including if a third party holds or controls the assets in accordance with any of the Defendants' direct or indirect instructions, including without limitation the accounts at The Toronto-Dominion Bank ("**TD Bank**") bearing account numbers 1929-6177612 and 1929-5023332, which are believed to be held in the name of Mahtab Nali and/or Nali and Associates (the "**Nali Bank Account(s)**");

- (ii) ordering that TD Bank and all financial institutions and other entities at which the Defendants, or any of them, hold bank accounts, credit cards, loans, or other assets in their name, whether jointly or individually (such financial institutions and entities being collectively referred to herein as "**Financial Institutions**"), forthwith freeze such accounts and assets, and prevent any removal or transfer of such monies and assets of the Defendants until further Order of the Court, including without limitation contained in the Nali Bank Accounts;
- (iii) requiring the Financial Institutions and other persons having notice of the injunction to forthwith disclose and deliver up to the Plaintiff any and all records related to accounts or assets held by the Defendants, or any of them, including but not limited to account agreements, account statements, cheques, cancelled cheques, deposit vouchers, internal credit applications, loan agreements, security documents, communications and any other records whatsoever;

- (b) a constructive trust, equitable lien and/or damages in the amount of \$1,071,551.06, and such additional amounts as may be particularized prior to trial, for:
 - (i) with respect to Pilehver, fraud, breach of fiduciary duty, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
 - (ii) with respect to Nali and Nali and Associates, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
- (c) orders for restitution, an accounting and disgorgement of all assets belonging to the Plaintiff and improperly diverted by or to the Defendants or any person, corporation or other entity on the Defendants' behalf;
- (d) a declaration that the Plaintiff is entitled to trace its assets into the hands of the Defendants and a declaration that the Defendants hold those assets as a constructive trustee for the Plaintiff;
- (e) an order for an accounting of all funds, benefits and real and personal property that the Defendants have obtained, directly or indirectly, that have been wrongfully derived by any of the Defendants directly or indirectly from the LV IV Property (as defined herein) and the proceeds from the sale thereof;
- (f) special damages, including all costs and expenses arising out of the detection, investigation, and quantification of the losses suffered by the Plaintiff, in an amount to be particularized prior to trial;
- (g) punitive damages in the sum of \$250,000;
- (h) a declaration that LV IV is a "complainant" for the purposes of advancing a claim under section 248 of Ontario's *Business Corporations Act* (the "**OBCA**");

- (i) relief pursuant to section 248 of the OBCA that this Honourable Court deems just;
- (j) pre-judgment and post-judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (k) costs of this action, including the costs of any and all interim and interlocutory motions, on a full indemnity or other appropriate scale, including all applicable taxes; and
- (l) such further and other relief as this Honourable Court deems just.

Parties

2. Pursuant to an Order dated March 6, 2025 (the “**Receivership Order**”) in the proceedings bearing Court File No. CV-25-00736577-00CL (the “**Receivership Proceedings**”), the Honourable Madam Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) appointed KSV as receiver and manager (in such capacity, and not in its personal, corporate or any other capacity, the “**Receiver**”) of the assets, undertakings and personal property of, *inter alios*, LV IV, and the proceeds thereof, including with respect to the LV IV Property (as defined below) and any assets or property held by LV IV in trust for any third party, pursuant to section 101 of the *Courts of Justice Act*.

3. LV IV is an Ontario corporation incorporated under the OBCA, and owned the property municipally known as 6211 Colonel Talbot Road, London, Ontario (the “**LV IV Property**”) until the property was sold and transferred to a third-party purchaser for consideration of \$2 million on February 5, 2025. The transfer occurred prior to the Receiver’s appointment.

4. Nali and Associates is a registered business name of 2621598 Ontario Inc., which is an Ontario corporation incorporated under the OBCA.

5. The Defendants are Ontario residents. Pilehver is the sole director and officer of LV IV. Nali is believed to be Pilehver's spouse. Nali is the sole director and officer of Nali and Associates.

Background to Receivership Proceedings

6. The Receiver was appointed on an application made by Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage (collectively, the "**Kobayashi Group**").

7. The Kobayashi Group are investors (co-owners) in the LV IV Property, having acquired an approximately 72% undivided beneficial interest in this property pursuant to four sale agreements, dated November 13, 2013, November 13, 2013, January 10, 2014 and January 10, 2014, respectively, among the applicable member of the Kobayashi Group, as purchaser, LV IV, as nominee, and TSI-LV IV International Canada Inc., as vendor.

8. Attached to the foregoing sale agreements (the "**Sale Agreements**") were certain co-owner agreements (the "**Co-Owner Agreements**") which governed ownership of the LV IV Property.

9. The Sale Agreements provide, among other things:

(a) Pursuant to sections 11.1 and 11.3:

(i) LV IV, as nominee, holds the registered title to the LV IV Property to the extent of the co-owner's interest as nominee and bare trustee for the co-owner to the extent of its undivided interests in the LV IV Property;

- (ii) LV IV agreed to execute and deliver to the co-owner a declaration of trust wherein it will confirm that it is holding the title to the LV IV Property for and on behalf of the co-owner to the extent of its interest;
 - (b) Pursuant to sections 13.1 and 13.2, the Co-Owners Agreements govern any future sale of the LV IV Property, procedures for consents and approvals by co-owners, and the obligations of LV IV as nominee for and on behalf of co-owners; and
 - (c) Pursuant to section 20, Schedule “C”, the Co-Owners Agreement forms an integral part of the Sale Agreement.
10. The Co-Owner Agreements provide, among other things:
- (a) Pursuant to section 19, any offer to purchase the LV IV Property is to be presented to all co-owners (“**Co-Owners**”) for consideration;
 - (b) Pursuant to section 8, the LV IV Property can only be sold if an ordinary resolution is passed by the owners, being a resolution signed by the co-owners (which includes the Kobayashi Group) holding in aggregate not less than 51% of the interests in the property; and
 - (c) Pursuant to section 6(j), the net income from the financing, refinancing and sale of the LV IV Property is to be distributed to the co-owners, which includes the Kobayashi Group.
11. The sale of the LV IV Property (as is addressed below) was completed without the Kobayashi Group’s knowledge or consent, in violation of the Sale Agreements and Co-Owner Agreements. The Kobayashi Group did not know of or approve the sale of the LV IV Property, nor

did they receive any net income or other proceeds in connection with the sale of the LV IV Property.

12. The Receivership Order, including paragraph 4(t) thereof, specifically empowers the Receiver to trace and follow the proceeds of any real property previously owned by LV IV that was sold, transferred, assigned or conveyed, including the LV IV Property which is described in Schedule “B” to the Appointment Order.

13. In furtherance of the scope of its appointment, the Receiver seeks to trace and recover the proceeds from the sale of the LV IV Property for the benefit of the LV IV estate and its Co-Owners and creditors.

Misappropriation of Funds

14. This action is in respect of a scheme whereby the LV IV Property was improperly sold on February 5, 2025, and a significant portion of the sale proceeds, being \$1,071,551.06, were improperly diverted, prior to the Receiver’s appointment, from LV IV and its Co-Owners (including the Kobayashi Group) to, directly or indirectly, Nali, Nali and Associates and Pilehver, all at Pilehver’s direction. Such funds ought to have been distributed to the underlying Co-Owners of LV IV, including the Kobayashi Group.

15. The applicable members of the Kobayashi Group, holding an approximately 72% undivided beneficial interest in the LV IV Property, did not have knowledge or give consent regarding the sale of the LV IV Property.

16. The sale of the LV IV Property was in contravention of the Sale Agreements and Co-Owner Agreements governing the LV IV Property which, as stated above, require that, *inter alia*, such property can only be sold if an ordinary resolution is passed by the applicable Co-Owners,

and that net income from the financing, refinancing and sale of the LV IV Property is to be distributed to the Co-Owners. No such distribution occurred.

17. In particular, on February 5, 2025, the LV IV Property was sold and transferred for \$2 million.

18. Upon the sale of the LV IV Property, proceeds of \$1,899,510.740 (the “**Proceeds**”) were paid into the trust account of a lawyer named Parminder Hundal also known as Pam Hundal of the law firm Parminder Hundal Law Professional Corporation (“**Hundal**”), who acted as counsel to LV IV in the transaction.

19. In February and March 2025, prior to the Receiver’s appointment, the Proceeds were disbursed at Pilehver’s direction, including as follows:

- (a) Per a written direction executed by Pilehver, Pilehver directed that the net proceeds of the sale be payable to Nali and Associates and Mahtab Nali, which resulted in the following disbursements totalling \$897,859.49:
 - (i) By certified cheque dated February 6, 2025, \$817,859.49 of the Proceeds was paid from Hundal’s trust account to Nali, which was deposited in the Nali Bank Account at TD Bank bearing account number 6177612. Initially, a wire in this amount was sent to the Nali Bank Account bearing account number 1929-5023332, but was voided and did not go through;
 - (ii) By cheque dated February 18, 2025, a further \$80,800 was paid from Hundal’s trust account to Nali and Associates and was deposited into the Nali Bank Account at TD Bank bearing account number 5023332, which the Receiver believes to be to the benefit of Nali and/or Pilehver;

- (b) Per a further written direction executed by Pilehver on February 10, 2025:
- (i) On February 12, 2025, \$5,000 was wired by Hundal to Bally Hundal/Hundal Law Firm which appears to have no connection to LV IV or the LV IV Property;
 - (ii) on February 14, 2025, \$30,000 was wired by Hundal to Stockwoods LLP which again appears to have no connection to LV IV or the LV IV Property;
- (c) payments totalling \$103,040.42 were paid to Hundal on February 10, 12, 20, and March 5, 2025 in purported satisfaction of accounts rendered, of which at least \$94,000.42 appears to have no connection to LV IV or the LV IV Property; and
- (d) On March 5, 2025, one day prior to the Receivership Order, \$34,000 was wired by Hundal to a third law firm, Blaney McMurtry LLP ("**Blaney**"). On March 21, 2025, Blaney advised the Service List in the Receivership Proceedings that it was retained by Pilehver in his personal capacity, as well as by 2630306 Ontario Inc. o/a Paybank Financial ("**Paybank**") and TGP Canada Management Inc. ("**TGP Canada**") (collectively, the "**Paybank Parties**"). Pilehver is an officer and director of Paybank and TGP Canada. On August 11 and 12, 2025, after the August 7 *Mareva* Order (as defined below) was served on the Defendants and Blaney, Blaney advised the Receiver that it was no longer retained by the Paybank Parties and that Blaney would hold the funds which it received from Hundal in trust until further order of the Court.

20. Pilehver, in his capacity as director of LV IV, breached his fiduciary and other legal obligations to LV IV and exercised his powers as a director in a manner that was oppressive, unfairly prejudicial and which unfairly disregarded the interests of LV IV and its underlying Co-

Owners, by failing to comply with the co-ownership arrangements governing the LV IV Property. He wrongfully directed the sale of the LV IV Property and then misappropriated the proceeds of sale therefrom by directing LV IV's counsel, Hundal, to disburse the foregoing proceeds as detailed in paragraph 19 above. There was no consideration nor valid business purpose for the proceeds of sale to have been disbursed in this regard.

21. Pilehver profited and benefited from these breaches of his duties, as did the Defendants Nali and Nali and Associates.

Fraud

22. Pilehver:

- (a) falsely and knowingly represented to LV IV, either expressly or by omission, that the Co-Owners of LV IV had consented to the sale of the LV IV Property;
- (b) directed, caused and/or facilitated prohibited payments of the Proceeds to be made by LV IV to persons and entities for which no goods or services, or no good or service of any material value, was provided to LV IV or the LV IV Property;
- (c) diverted funds from LV IV, including to obtain improper benefits for himself; and
- (d) knowingly received, retained and used funds which rightfully belonged to LV IV, and as a direct result LV IV suffered a loss.

23. In conceiving and executing his plan to intentionally defraud LV IV, and in breaching his fiduciary duties to LV IV, Pilehver's knowledge of his fraud cannot be imputed to LV IV.

Breach of Fiduciary Duty

24. As a director of LV IV, Pilehver owed duties to LV IV, including a duty of care and fiduciary duty. He wrongfully exercised his discretion and power so as to adversely affect LV IV's legal and practical interests, and LV IV was peculiarly vulnerable to and at the mercy of Pilehver who held such discretion and power.

25. In breach of his duties to LV IV, Pilehver concealed and misrepresented material facts, breached the trust of LV IV, all with a view to making a secret profit and acting in a conflict of interest through his misappropriation of the LV IV Property sale proceeds.

26. The actions knowingly and intentionally taken by Pilehver in furtherance of the foregoing scheme caused LV IV to breach the Sale Agreements and Co-Owner Agreements and were in breach of Pilehver's fiduciary duties to LV IV, by, among other things:

- (a) misappropriating LV IV funds or using LV IV funds in a manner inconsistent with the business of LV IV;
- (b) failing to act prudently, reasonably, honestly, in good faith and in the best interests of LV IV and its stakeholders; and
- (c) failing to disclose the self dealing and conflicts of interest, as detailed above, to Co-Owners, including the Kobayashi Group.

27. Pilehver knew he was breaching the Sale Agreements and Co-Owner Agreements and did so in order to generate a benefit for himself and the other Defendants.

28. The Receiver pleads and relies upon section 134 of the OBCA which sets out the standard of care of directors and officers of a corporation.

29. As the sole director of LV IV, Pilehver owed a fiduciary duty to LV IV and had the obligation to act in the best interests of the corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

30. Pilehver failed to do so. Instead of acting in accordance with the Sale Agreements and Co-Owner Agreements and facilitating returns to Co-Owners of LV IV such as the Kobayashi Group, Pilehver breached his fiduciary duty by selling the LV IV Property without authority and by engaging in his fraudulent and improper conduct by misappropriating the LV IV Property sale proceedings to benefit the Defendants.

31. None of the actions taken by Pilehver were in the best interests of LV IV. His actions were purely self-motivated and were in breach of his duties to LV IV.

Oppression

32. LV IV is a complainant for the purposes of section 248 of the OBCA.

33. Pilehver's actions, as director and officer of LV IV, have been oppressive, unfairly prejudicial and unfairly disregard LV IV's interests and those of its investors, being the Co-Owners.

34. LV IV and its investors had the reasonable expectation that Pilehver, as LV IV's sole director and officer, would cause LV IV to act in accordance with the Sale Agreements and Co-Owners Agreements so as to not unfairly prejudice or disregard their interests.

35. Instead, Pilehver used his power as a director to obtain a personal benefit through the unlawful sale of the LV IV Property and subsequent distribution of the Proceeds to the Defendants' personal benefit as pleaded in paragraph 19 above. Pilehver has acted solely in his own interest,

to LV IV's detriment, and ought to be ordered to compensate the Plaintiff for the quantum of the Proceeds wrongfully distributed in this regard.

Restitution and Tracing

36. The Plaintiff pleads that by receiving the proceeds of sale of the LV IV Property and/or directing such proceeds to be paid to third parties for their own benefit contrary to the Sale Agreements and Co-Owner Agreements, each of the Defendants have been unjustly enriched by conversion at LV IV's expense and are each liable to the Plaintiff for all amounts by which they have been unjustly enriched. The Plaintiff has been correspondingly deprived of the benefit of these amounts, and there is no juristic reason for the Defendants' enrichment. The Plaintiff pleads and relies upon the doctrine of unjust enrichment and claims that it is entitled to restitution from the Defendants.

37. The Plaintiff pleads that the Defendants hold any amounts by which they have been unjustly enriched at the Plaintiff's expense as trust funds and/or pursuant to a constructive trust, and that the Plaintiff is the beneficiary of those funds. The Plaintiff further pleads that, given the circumstances, there are no factors that would render unjust the imposition of a constructive trust in favour of the Plaintiff. Indeed, per the terms of the Sale Agreements and Co-Owner Agreements, the LV IV Property and the proceeds of sale therefrom were to be held in trust for the benefit of the Co-Owners.

38. Any funds originating with or that should have been paid to the Plaintiff but which were instead obtained by, or for the benefit of, the Defendants by way of fraud, breach of fiduciary duty, oppression, conversion, knowing assistance and/or knowing receipt or other improper conduct, as applicable, should be impressed with a trust in favour of the Plaintiff.

39. The Plaintiff seeks such orders as may be necessary to trace such misappropriated funds, including any such funds or assets currently held by or transferred to the Defendants, or transferred to any other person or entity not yet known to the Plaintiff.

40. The Plaintiff further seeks orders requiring the Defendants to disgorge and/or pay restitution in relation to any benefit obtained directly or indirectly as a consequence of the fraud, breach of fiduciary duty, oppression, conversion, knowing assistance and/or knowing receipt or other improper conduct, as applicable and as pleaded herein, including any assets obtained with funds originating with or that should have been paid to the Plaintiff.

Knowing Receipt/Knowing Assistance

41. The Defendants, or any of them, have directly or indirectly benefitted from the transfer and misappropriation of the Proceeds, despite knowing that such Proceeds were to be held in trust by LV IV for its Co-Owners.

42. Given that LV IV was controlled by Pilehver at the time of the sale and the distribution of Proceeds therefrom, the Defendants knew or ought to have known that any such transfer or misappropriation of the Proceeds was a breach of LV IV's duties to its Co-Owners. The Defendants are therefore jointly and severally liable to LV IV for the value of the misappropriated Proceeds on the basis of knowing receipt.

43. Further and/or in the alternative, the Defendants participated in, authorized and/or acquiesced to the transfer or misappropriation of the Proceeds as pleaded herein and knew or ought to have known that such conduct was in breach of LV IV's obligations. Accordingly, the Defendants are jointly and severally liable to LV IV for the value of the misappropriated Proceeds on the basis of knowing assistance of a breach of trust.

Injunctive Relief

44. The Plaintiff has a strong *prima facie* case against the Defendants, or any of them, for fraud, breach of fiduciary duty, conversion, unjust enrichment, oppression, knowing assistance and/or knowing receipt, as applicable and as pleaded above.

45. Pilehver and Nali are Ontario residents. Nali and Associates is a corporation incorporated in Ontario. There are grounds for believing that the Defendants have assets in Ontario including, without limitation, shares in several Ontario corporations, and ownership of the Nali Bank Accounts.

46. The inference of a sufficient risk of asset disposition can reasonably be drawn from the facts herein, namely, the fraudulent conduct and misappropriation and conversion of the LV IV Proceeds as pleaded above.

47. The Plaintiff and its stakeholders will suffer irreparable harm and will be prevented from recovering their misappropriated funds and assets, and assets traceable thereto, or other exigible assets, if the Defendants are not prevented from further moving, dissipating or otherwise attempting to put their assets beyond the reach of LV IV and its stakeholders.

48. The balance of convenience favours granting a *Mareva* injunction.

49. The Plaintiff, by its Receiver, ought not to be required to provide an undertaking as to damages given the Receiver's role as a court-appointed officer and the strong *prima facie* strength of the case.

50. In light of the foregoing, the requested *Mareva* Order and accompanying *Norwich* relief is warranted. The Plaintiff has a *bona fide* claim against the Defendants, the Financial Institutions from whom discovery is sought are the only practical source of information available to the Plaintiff

and will be reasonably compensated for the expense arising out of compliance with the discovery order, and the public interests in favour of disclosure outweigh any privacy concerns which may be alleged by the Defendants.

51. On August 7, 2025, this Honourable Court issued an *ex parte* Order (the “**August 7 Mareva Order**”) granting *Mareva* and *Norwich* relief as against the Defendants.

52. On August 7, 2025, Pilehver was served with the August 7 *Mareva* Order and motion materials which were relied upon by the Plaintiff in obtaining the August 7 Order. On August 8, 2025, Nali and Nali and Associates were served with the August 7 *Mareva* Order and the same materials.

53. On April 15, 2025, this Honourable Court issued a further Order which expanded and extended the application of the August 7 *Mareva* Order until further Order of the Court.

54. Notwithstanding the obligation imposed upon the Defendants by the August 7 *Mareva* Order to produce a sworn statement of assets to the Plaintiff within seven (7) days of the issuance of the August 7 *Mareva* Order, no such sworn statements have been received at the time of filing this Statement of Claim.

55. Following service of the August 7 *Mareva* Order on TD Bank, a representative thereof advised the Receiver and its counsel that pursuant to the August 7 *Mareva* Order, the Nali Bank Accounts, as well as one additional account previously unknown to the Plaintiff, had been frozen as of August 8, 2025, and provided account statements (collectively, the “**Account Statements**”) for each account for the period on or after February 5, 2025, as follows:

- (a) Account 6177612 in the name of Mahtab Nali, being the Nali Bank Account into which \$817,859.49 of the Proceeds had been paid. The Account Statement provided by TD Bank reflected that the proceeds had been quickly dissipated from

this account, and that this account had a negative balance of -\$15.89 as of July 31, 2025;

(b) Account 5023332 in the name of Nali and Associates, being the account into which \$80,800 of the Proceeds had been paid. The Account Statement provided by TD Bank again reflected that the proceeds had been quickly dissipated from this account, and that this account had a nominal balance of \$6.20 as of August 5, 2025; and

(c) Account 6189920 (Mahtab Nali) had a negative balance of -\$368.23 as of July 31, 2025.

56. The Account Statements reflect the deposit of the Proceeds, as described above, into the aforementioned accounts, as well as the dissipation of such assets shortly thereafter in a series of large transactions by way of drafts, transfers, withdrawals, wire transfers and e-transfers, amongst other transactions, including to jewellery stores, a car dealership and other transactions which appear to have no connection to LV IV or the LV IV Property. Thereafter, the Account Statements reflect what appears to be deliberate and habitual account management such that the balances never exceeded several thousand dollars, with funds being transferred into the accounts on an *ad hoc* basis to cover transactions.

Punitive Damages

57. An award of punitive damages against the Defendants in favour of the Plaintiff is warranted, given their high-handed, malicious, arbitrary and reprehensible misconduct that departs from a marked degree from ordinary standard of decent behaviour, and given the misappropriated funds were trust funds which are beneficially owned by vulnerable public investors, being the Co-Owners. The loss and harm suffered by the Plaintiff cannot be adequately

compensated merely by compensatory damages equal to the sum of the misappropriated Proceeds.

General

58. The Plaintiff pleads and relies upon:

- (a) rules 1.04, 2.01, 2.03, 3.02 and 40 of the Ontario *Rules of Civil Procedure*;
- (b) sections 96 and 101 of the Ontario *Courts of Justice Act*;
- (c) section 248 of the OBCA; and
- (d) the statutory, inherent and equitable jurisdiction of this Honourable Court.

59. Based on the foregoing, the Plaintiff pleads that it is entitled to the relief claimed herein and as claimed in the Notice of Action issued August 5, 2025.

Date: September 3, 2025

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Lawyers for the Plaintiff

**LONDON VALLEY IV INC.
by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC.**

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also
known as BEHZAD PILEHVAR also known as BEN
PILEHVAR also known as PILEVHR, MAHTAB NALI also
known as MAHTAB NALI PILEHVAR also known as
MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing
business as NALI AND ASSOCIATES**
Defendants

Court File No. CV-25-00748799-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

STATEMENT OF CLAIM

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Lawyers for the Plaintiff



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

**LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also known as BEHZAD PILEHVAR
also known as BEN PILEHVAR also known as BEN PILEVHR, MAHTAB NALI also known
as MAHTAB NALI PILEHVAR also known as MAHTAB PILEHVAR and 2621598 ONTARIO
INC. doing business as NALI AND ASSOCIATES**

Defendants

NOTICE OF ACTION

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the Statement of Claim served with this Notice of Action.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this Notice of Action is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: August 1, 2025

Issued by: _____
Local registrar

Address of court office: 330 University Avenue
Toronto, ON M5G 1R7

TO: **BEHZAD PILEHVER**
50 West Wilmont Street, Suite 100
Richmond Hill, ON L4B 1M5

AND TO: **MAHTAB NALI**
48 Chelford Road
North York, ON M3B 2E5

AND TO: **2621598 ONTARIO INC. doing business as NALI AND ASSOCIATES**
Attention/Care of Mahtab Nali
48 Chelford Road
North York, ON M3B 2E5

70 Harrison Road
North York, ON M2L 1V9

CLAIM

1. The Plaintiff, KSV Restructuring Inc. ("**KSV**"), solely in its capacity as receiver and manager of London Valley IV Inc. ("**LV IV**") and not in its personal capacity or in any other capacity, claims against the Defendants, Behzad Pilehver also known as Ben Pilehver also known as Behzad Pilehvar also known as Ben Pilehvar also known as Ben Pilevhr ("**Pilehver**"), Mahtab Nali also known as Mahtab Nali Pilehvar also known as Mahtab Pilehvar ("**Nali**") and 2621598 Ontario Inc. doing business as Nali and Associates ("**Nali and Associates**"), jointly and severally:

(a) an interim, interlocutory and permanent injunction:

- (i) restraining the Defendants, and their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, from directly or indirectly, by any means whatsoever, selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of the Defendants, wherever situate and whether held in the Defendants' own names or whether they are solely or jointly owned, and including if a third party holds or controls the assets in accordance with any of the Defendants' direct or indirect instructions, including without limitation the accounts at The Toronto-Dominion Bank ("**TD Bank**") bearing account number 1929-6177612 and 1929-5023332, which are believed to be held in the name of Mahtab Nali (the "**Nali Bank Account(s)**");
- (ii) ordering that TD Bank and all financial institutions and other entities at which the Defendants, or any of them, hold bank accounts, credit cards, loans, or other assets in their name, whether jointly or individually (such

financial institutions and entities being collectively referred to herein as **“Financial Institutions”**), forthwith freeze such accounts and assets, and prevent any removal or transfer of such monies and assets of the Defendants until further Order of the Court, including without limitation contained in the Nali Bank Accounts;

- (iii) requiring the Financial Institutions and other persons having notice of the injunction to forthwith disclose and deliver up to the Plaintiff any and all records related to accounts or assets held by the Defendants, or any of them, including but not limited to account agreements, account statements, cheques, cancelled cheques, deposit vouchers, internal credit applications, loan agreements, security documents, communications and any other records whatsoever;
- (b) a constructive trust, equitable lien and/or damages in the amount of \$1,071,551.06, and such additional amounts as may be particularized prior to trial, for:
 - (i) with respect to Pilevhver, fraud, breach of fiduciary duty, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
 - (ii) with respect to Nali and Nali and Associates, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
- (c) a declaration that the Plaintiff is entitled to trace its assets into the hands of the Defendants and a declaration that the Defendants hold those assets as a constructive trustee for the Plaintiff;
- (d) an order for an accounting of all funds, benefits and real and personal property that the Defendants have obtained, directly or indirectly, that have been wrongfully

derived by any of the Defendants directly or indirectly from the LV IV Property (as defined herein) and the proceeds from the sale thereof;

- (e) special damages, including all costs and expenses arising out of the detection, investigation, and quantification of the losses suffered by the Plaintiff, in an amount to be particularized prior to trial;
- (f) punitive damages in the sum of \$250,000;
- (g) pre-judgment and post-judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (h) costs of this action, including the costs of any and all interim and interlocutory motions, on a full indemnity or other appropriate scale, including all applicable taxes; and
- (i) such further and other relief as this Honourable Court deems just.

Parties

2. Pursuant to an Order dated March 6, 2025 (the “**Receivership Order**”), the Honourable Madam Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) appointed KSV as receiver and manager (in such capacity, and not in its personal, corporate or any other capacity, the “**Receiver**”) of the assets, undertakings and personal property of, *inter alios*, LV IV, and the proceeds thereof, including with respect to the LV IV Property (as defined below) and any assets or property held by LV IV in trust for any third party, pursuant to section 101 of the *Courts of Justice Act* (the “**Receivership Proceedings**”).

3. The Receivership Proceedings were commenced by way of application brought by Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage

(collectively, the "**Kobayashi Group**") over various property and companies. Members of the Kobayashi Group were investors in and co-owners (all such co-owners being referred to as "**Co-Owners**") of, *inter alia*, the LV IV Property (holding an approximately 72% undivided beneficial interest therein).

4. LV IV is an Ontario corporation, and owned the property municipally known as 6211 Colonel Talbot Road, London, Ontario (the "**LV IV Property**") until the property was sold and transferred to a third party purchaser for consideration of \$2 million on February 5, 2025. The transfer occurred prior to the Receiver's appointment.

5. The Defendants are Ontario residents. Pilehver is a director of LV IV. Nali is believed to be Pilehver's spouse.

Misappropriation of Funds

6. This action is in respect of a scheme whereby the LV IV Property was improperly sold on February 5, 2025, and a significant portion of the sale proceeds were improperly diverted, prior to the Receiver's appointment, from LV IV and its co-owners (including the Kobayashi Group) to, directly or indirectly, Nali, Nali and Associates and Pilehver.

7. The applicable members of the Kobayashi Group, holding an approximately 72% undivided beneficial interest in the LV IV Property, did not have knowledge or give consent regarding the sale of the LV IV Property.

8. The sale of the LV IV Property was in contravention of co-ownership arrangements governing the LV IV Property which require that, *inter alia*, such property can only be sold if an ordinary resolution is passed by the applicable Co-Owners, and that net income from the financing, refinancing and sale of the LV IV Property is to be distributed to the Co-Owners. No such distribution occurred.

9. In particular, on February 5, 2025, the LV IV Property was sold and transferred for \$2 million.

10. Upon the sale of the LV IV Property, proceeds of \$1,899,510.740 (the “**Proceeds**”) were paid into the trust account of a lawyer named Parminder Hundal of the law firm Parminder Hundal Law Professional Corporation (“**Hundal**”), who acted as counsel to LV IV in the transaction.

11. In February and March 2025, prior to the Receiver’s appointment, the Proceeds were disbursed at Pilehver’s direction, including as follows:

(a) Per a written direction executed by Pilehver, Pilehver directed that the net proceeds of the sale be payable to Nali and Associates and Mahtab Nali, which resulted in the following disbursements totalling \$897,859.49:

(i) By certified cheque dated February 6, 2025, \$817,859.49 of the Proceeds was paid from Hundal’s trust account to Pilehver’s spouse, Nali, and which appears to have been deposited in the Nali Bank Account bearing account number 1929-6177612. Initially, a wire in this amount was sent to the Nali Bank Account bearing account number 1929-5023332, but was evidently voided and did not go through;

(ii) By cheque dated February 18, 2025, a further \$80,800 was paid from Hundal’s trust account to Nali and Associates, which the Receiver believes to be to the benefit of Nali and/or Pilehver;

(b) Per a further written direction executed by Pilehver on February 10, 2025:

- (i) On February 12, 2025, \$5,000 was wired by Hundal to Bally Hundal/Hundal Law Firm which appears to have no connection to LV IV or the LV IV Property;
- (ii) on February 14, 2025, \$30,000 was wired by Hundal to Stockwoods LLP which again appears to have no connection to LV IV or the LV IV Property;
- (c) payments totalling \$103,040.42 were paid to Hundal on February 10, 12, 20, and March 5, 2025 in purported satisfaction of accounts rendered, of which at least \$94,000.42 appears to have no connection to LV IV or the LV IV Property; and
- (d) On March 5, 2025, one day prior to the Receivership Order, \$34,000 was wired by Hundal to a third law firm, Blaney McMurtry LLP. On March 21, 2025, Blaney McMurtry LLP advised the Service List in the Receivership Proceedings that it has been retained by Pilehver in his personal capacity, as well as by 2630306 Ontario Inc. o/a Paybank Financial ("**Paybank**") and TGP Canada Management Inc. ("**TGP Canada**") (collectively, the "**Paybank Parties**"). Pilehver is an officer and director of Paybank and TGP Canada.

12. Pilehver, in his capacity as director of LV IV, breached his fiduciary and other legal obligations to LV IV by failing to comply with the co-ownership arrangements governing the LV IV Property. He wrongfully directed the sale of the LV IV Property, and then misappropriated the proceeds of sale therefrom by directing LV IV's counsel, Hundal, to disburse the foregoing proceeds as detailed in paragraph 11 above. There was no consideration nor valid business purpose for the proceeds of sale to have been disbursed in this regard.

13. Pilehver profited and benefited from these breaches of his duties, as did the defendants Nali and Nali and Associates.

Fraud

14. Pilehver:

- (a) falsely and knowingly represented to the Plaintiff that the Co-Owners of LV IV had consented to the sale of the LV IV Property;
- (b) directed, caused and/or facilitated prohibited payments to be made by LV IV to persons and entities for which no goods or services, or no good or service of any material value, was provided to LV IV or the LV IV Property;
- (c) diverted funds from LV IV, including to obtain improper benefits for themselves; and
- (d) knowingly received, retained and used funds which rightfully belonged to LV IV, and as a direct result LV IV suffered a loss.

Breach of Fiduciary Duty

15. Pilehver owed a fiduciary duty to LV IV as the sole director thereof. By engaging in his fraudulent or improper transfers of funds – misappropriating company funds to benefit the Defendants – Pilehver breached that fiduciary duty. Moreover, he did so deceitfully and dishonestly by failing to make proper disclosure to LV IV's stakeholders as required by agreements governing the property of LV IV.

Conversion and Unjust Enrichment

16. By virtue of the facts set out above, the Defendants have been unjustly enriched by conversion. LV IV has suffered a corresponding deprivation. There is no juristic reason for the Defendants' enrichment or for LV IV's corresponding deprivation.

Knowing Receipt/Knowing Assistance

17. The Defendants, or any of them, have directly or indirectly benefitted from the transfer and misappropriation of the proceeds of sale from the LV IV Property, despite knowing that such proceeds were held in trust by LV IV for its co-owners.

18. Given that LV IV was controlled by Pilehver at the time of the sale and the distribution of proceeds therefrom, the Defendants knew or ought to have known that any such transfer or misappropriation of the proceeds was a breach of LV IV's duties to its co-owners. The Defendants are therefore jointly and severally liable to LV IV and its co-owners for the value of the misappropriated proceeds on the basis of knowing receipt.

19. Further and/or in the alternative, the Defendants participated in, authorized and/or acquiesced to the transfer or misappropriation of the proceeds from the sale of the LV IV Property and knew or ought to have known that such conduct was in breach of LV IV's obligations. Accordingly, the Defendants are jointly and severally liable to LV IV and its co-owners for the value of the misappropriated proceeds on the basis of knowing assistance of a breach of trust.

20. The Receivership Order, including paragraph 4(t) thereof, specifically empowers the Receiver to trace and follow the proceeds of any real property previously owned by LV IV that was sold, transferred, assigned or conveyed, including the LV IV Property which is described in Schedule "B" to the Receivership Order.

The Injunctive Relief Sought is Warranted

21. The Plaintiff has a strong *prima facie* case against the Defendants, or any of them, for fraud, breach of fiduciary duty, conversion, unjust enrichment, knowing assistance and/or knowing receipt, as applicable and as pleaded above.

22. Pilehver and Nali are Ontario residents. Nali and Associates is a corporation incorporated in Ontario. In addition, there are grounds for believing that the Defendants have assets in Ontario including, without limitation, shares in several Ontario corporations, and ownership of the Nali Bank Accounts.

23. The inference of a sufficient risk of asset disposition can reasonably be drawn from the facts herein, namely, the fraudulent conduct and misappropriation and conversion of the LV IV Proceeds as pleaded above.

24. The Plaintiff and its stakeholders will suffer irreparable harm, and will be prevented from recovering their misappropriated funds and assets, and assets traceable thereto, or other exigible assets, if the Defendants are not prevented from further moving, dissipating or otherwise attempting to put their assets beyond the reach of LV IV and its stakeholders.

25. The balance of convenience favours granting a *Mareva* injunction.

26. The Plaintiff, by its Receiver, ought not to be required to provide an undertaking as to damages given the Receiver's role as a court-appointed officer and the strong *prima facie* strength of the case.

27. In light of the foregoing, the requested *Norwich* order is warranted. The Plaintiff has a *bona fide* claim against the Defendants, the Financial Institutions from whom discovery is sought are the only practical source of information available to the Plaintiff and will be reasonably compensated for the expense arising out of compliance with the discovery order, and the public interests in favour of disclosure outweigh any privacy concerns which may be alleged by the Defendants.

Punitive Damages

28. An award of punitive damages against the Defendants in favour of the Plaintiff is warranted, given their high-handed, malicious, arbitrary and reprehensible misconduct that departs from a marked degree from ordinary standard of decent behaviour, and given the misappropriated funds were trust funds which are beneficially owned by vulnerable investors, the Co-Owners. The loss and harm suffered by the Plaintiff cannot be adequately compensated merely by compensatory damages award equal to the sum of the misappropriated Proceeds.

29. The Plaintiff pleads and relies upon:

- (a) rules 1.04, 2.01, 2.03, 3.02 and 40 of the Ontario *Rules of Civil Procedure*;
- (b) sections 96 and 101 of the Ontario *Courts of Justice Act*; and
- (c) the statutory, inherent and equitable jurisdiction of this Honourable Court.

30. Based on the foregoing, the Plaintiff pleads that it is entitled to the relief claimed in paragraph 1 hereof.

31. The Plaintiff pleads that this action is appropriately commenced in the Ontario Superior Court of Justice (Commercial List) (the “**Commercial List**”) in Toronto, Ontario, given: (i) it is commenced pursuant to the powers granted to the Receiver under the Receivership Order issued by the Commercial List; and (ii) the action seeks a *Mareva* injunction and *Norwich* Order. The Plaintiff pleads and relies upon paragraph F.2.h. and paragraph F.8.29.e of the Consolidated Practice Direction – Toronto Region, effective June 30, 2025, with respect to this action being eligible for commencement on the Commercial List.

Date: August 1, 2025

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Barristers and Solicitors
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181 Bay Street, Suite 1800
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Calvin Horsten (LSO No. 90418I)
Tel: (416) 865-3077
Email: chorsten@airdberlis.com

Lawyers for the Plaintiff

LONDON VALLEY IV INC.

**by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC.**

and

**BEHZAD PILEHVER also known as BEN PILEHVER also
known as BEHZAD PILEHVAR also known as BEN
PILEHVAR, MAHTAB NALI also known as MAHTAB NALI
PILEHVAR also known as MAHTAB PILEHVAR and
2621598 ONTARIO INC. doing business as NALI AND
ASSOCIATES**

Plaintiff

Defendants

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

NOTICE OF ACTION

AIRD & BERLIS LLP

Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Mark van Zandvoort (LSO No. 59120U)

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Calvin Horsten (LSO No. 90418I)

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Tel: (416) 863-1500

Lawyers for the Plaintiff



Court File No.: CV-25-00748799-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE

)

FRIDAY, THE 15TH

JUSTICE J. DIETRICH

)

DAY OF AUGUST, 2025

)

B E T W E E N :

**LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also known as BEHZAD PILEHVAR
also known as BEN PILEHVAR, MAHTAB NALI also known as MAHTAB NALI PILEHVAR
also known as MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing business as NALI
AND ASSOCIATES**

Defendants

ORDER

NOTICE

If you, the Defendants, disobey this Order you may be held to be in contempt of court and may be imprisoned, fined or have your assets seized. You are entitled to apply on at least forty-eight (48) hours' notice to the Plaintiff, for an order granting you sufficient funds for ordinary living expenses and legal advice and representation.

Any other person who knows of this Order and does anything which helps or permits the Defendants to breach the terms of this Order may also be held to be

in contempt of court and may be imprisoned, fined or have their assets seized.

THIS MOTION, made by the Plaintiff, London Valley IV Inc. by its Court-Appointed Receiver and Manager, KSV Restructuring Inc., solely in its capacity as Receiver and Manager of certain property of London Valley IV Inc. and all proceeds thereof, and not in its personal capacity or in any other capacity (in such capacity, the “**Receiver**”), for, among other relief, an interlocutory Order continuing and extending the Order of Justice J. Dietrich issued August 7, 2025 which issued a *Mareva* injunction restraining the Defendants from dissipating their assets and which ordered other relief, was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the motion materials filed by the Plaintiff, including the Notice of Action, the Notice of Motion dated August 1, 2025, the Notice of Motion dated August 7, 2025, the Third Report of the Receiver dated August 1, 2025 and the Appendices thereto, the Supplement to the Third Report of the Receiver dated August 5, 2025 and the Appendix thereto, the Second Supplement to the Third Report of the Receiver dated August 13, 2025 and the Appendices thereto, the Factum of the Plaintiff and the Aide-Memoire of the Plaintiff dated August 14, 2025 (collectively, the “**Motion Materials**”), and on reviewing the Affidavit of Service of Neil Markowski sworn August 8, 2025, the Affidavit of Service of Lisa Maitman sworn August 8, 2025 and the Affidavit of Service of Calvin Horsten sworn August 13, 2025, and on hearing the submissions of counsel for the Plaintiff and the submissions of the Defendant, Behzad Pilehver, who appeared in person to request an adjournment of today’s hearing on behalf of the Defendants, no one appearing on behalf of any other Defendant despite service having been effected as set out in the Affidavits of Service filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Motion Materials of the Plaintiff is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF ORDER

2. **THIS COURT ORDERS** that the Order of Justice J. Dietrich dated August 7, 2025, attached as Schedule "A", (the "**August 7 Order**"), is hereby extended until further Order of the motion judge who hears the Discharge Motion (as defined in paragraph 4 below).

3. **THIS COURT ORDERS** that the term "Bank", as defined in paragraphs 8 and 9 of the August 7 Order, shall be hereby amended such that the term "Bank" also includes all financial institutions and entities which have received funds from The Toronto-Dominion Bank account nos. 6177612, 5023332 or 6189920 on or after February 5, 2025 and have held such funds in any account or on credit on behalf of any of the Defendants.

4. **THIS COURT ORDERS** that the parties shall attend at a case conference at 11 a.m. on August 26, 2025 for the purpose of timetabling and scheduling the Defendants' motion, should they wish to bring it, to request that the within Order and the August 7 Order be varied or discharged (the "**Discharge Motion**") or any ancillary motion related to such Orders.

COSTS

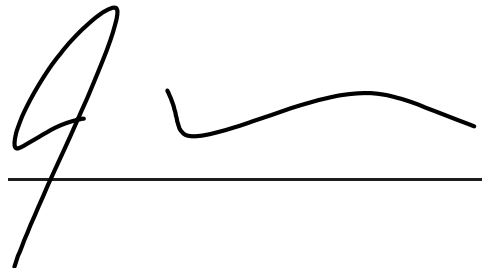
5. **THIS COURT ORDERS** that the costs of this motion and of the *ex parte* motion heard on August 7, 2025 shall be in the cause, or as otherwise determined by the motion judge who hears the Discharge Motion.

GENERAL

6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the United Kingdom, or any other jurisdiction, to give effect to this Order and to assist the Plaintiff and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Plaintiff, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Plaintiff in any foreign proceeding, or to assist the Plaintiff and its agents in carrying out the terms of this Order.

7. **THIS COURT ORDERS** that the Plaintiff is authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition and/or enforcement of this Order and any further orders issued in these proceedings, and for assistance in carrying out the terms and/or intent of all such orders.

8. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date of this Order without the need for entry or filing.

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a horizontal line and a wavy line extending to the right.

SCHEDULE “A”



Court File No.: CV-25-00748799-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE

)

THURSDAY, THE 7TH

JUSTICE J. DIETRICH

)

DAY OF AUGUST, 2025

)

B E T W E E N :

**LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also known as BEHZAD PILEHVAR
also known as BEN PILEHVAR, MAHTAB NALI also known as MAHTAB NALI PILEHVAR
also known as MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing business as NALI
AND ASSOCIATES**

Defendants

ORDER

NOTICE

If you, the Defendants, disobey this order you may be held to be in contempt of court and may be imprisoned, fined or have your assets seized. You are entitled to apply on at least forty-eight (48) hours' notice to the Plaintiff, for an order granting you sufficient funds for ordinary living expenses and legal advice and representation.

Any other person who knows of this order and does anything which helps or permits the Defendants to breach the terms of this Order may also be held to be

in contempt of court and may be imprisoned, fined or have their assets seized.

THIS MOTION, made without notice by the Plaintiff, London Valley IV Inc. by its Court-Appointed Receiver and Manager, KSV Restructuring Inc., solely in its capacity as Receiver and Manager of certain property of London Valley IV Inc. and all proceeds thereof, and not in its personal capacity or in any other capacity (in such capacity, the “**Receiver**”), for an interim Order in the form of a *Mareva* injunction restraining the Defendants from dissipating their assets and in the form of a *Norwich* Order compelling third parties to disclose information and documents relating to the assets and accounts of the Defendants, and for other relief, was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the materials filed by the Plaintiff, including the Notice of Action, the Notice of Motion, the Third Report of the Receiver dated August 1, 2025 and the Appendices thereto, the Supplement to the Third Report of the Receiver dated August 5, 2025 and the Appendix thereto, and the Factum of the Plaintiff, and on hearing the submissions of counsel for the Plaintiff,

***Mareva* Injunction**

1. **THIS COURT ORDERS** that the Defendants, and their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, are restrained from directly or indirectly, by any means whatsoever:

- (a) selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of the Defendants, wherever situate, including but not limited to the accounts listed in Schedule “A” hereto;
- (b) instructing, requesting, counselling, demanding, or encouraging any other

person to do so; and

- (c) facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so.

2. **THIS COURT ORDERS** that paragraph 1 of this Order applies to all of the Defendants' assets whether or not they are in his, her or its own name and whether they are solely or jointly owned. For the purpose of this Order, the Defendants' assets include any asset which he, she or it has the power, directly or indirectly, to dispose of or deal with as if it were his, her or its own. The Defendants are to be regarded as having such power if a third party holds or controls the assets in accordance with any of the Defendants' direct or indirect instructions.

3. **THIS COURT ORDERS** that if the total value free of charges or other securities of the Defendants' assets exceeds \$1,071,551.06, the Defendants may sell, remove, dissipate, alienate, transfer, assign, encumber, or similarly deal with them so long as the total unencumbered value of the Defendants' assets remains above \$1,071,551.06.

Ordinary Living Expenses

4. **THIS COURT ORDERS** that the Defendants may apply for an order, on at least forty-eight (48) hours' notice to the Plaintiff, specifying the amount of funds and source thereof from which the Defendants seek to have access in order to spend on ordinary living expenses and legal advice and representation.

Disclosure of Information

5. **THIS COURT ORDERS** that the Defendants each prepare and provide to the Plaintiff within seven (7) days of the date of service of this Order, with a sworn statement describing the nature, value, and location of the Defendants' respective assets worldwide, whether in the Defendants' own names or not and whether solely or jointly owned.

6. **THIS COURT ORDERS** that the Defendants each submit to examinations under oath within fifteen (15) days of the delivery by the Defendants of the aforementioned sworn statements.

7. **THIS COURT ORDERS** that if the provision of any of this information is likely to incriminate the Defendants, they may be entitled to refuse to provide such information, but are recommended to take legal advice before refusing to provide the information. Wrongful refusal to provide the information referred to in paragraph 5 herein is contempt of court and may render the Defendants liable to be imprisoned, fined, or have their assets seized.

Third Parties

8. **THIS COURT ORDERS** that The Toronto-Dominion Bank (the "**Bank**") forthwith freeze and prevent any removal or transfer of monies or assets of the Defendants held in any account or on credit on behalf of any of the Defendants, with the Bank, until further Order of the Court, including but not limited to the accounts listed in Schedule "A" hereto.

9. **THIS COURT ORDERS** that the Bank and any other person having notice of this Order forthwith disclose and deliver up to the Plaintiff any and all past, present and future records held by the Bank and such persons concerning the Defendants' assets and

accounts, including the existence, nature, value and location of any monies or assets or credit, wherever situate, held on behalf of the Defendants worldwide.

Alternative Payment of Security

10. **THIS COURT ORDERS** that this Order will cease to have effect if the Defendants provide security by paying the sum of \$1,500,000.00 to the Receiver to be held in trust until further Order of the Court.

Variation, Discharge or Extension of Order

11. **THIS COURT ORDERS** that anyone served with or notified of this Order may apply to this Court at any time to vary or discharge this Order, on four (4) days' notice to the Plaintiff.

12. **THIS COURT ORDERS** that the Plaintiff shall apply for an extension of this Order within ten (10) days hereof, failing which this Order will terminate.

General

13. **THIS COURT ORDER** that the Plaintiff shall not be required to provide an undertaking to abide by any order concerning damages under Rule 40.03 of the *Rules of Civil Procedure*, R.R.O. 194.

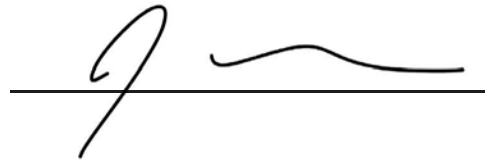
14. **THIS COURT ORDERS** that the Plaintiff is hereby granted leave to register this Order against title to any real property in the name or names of the Defendants.

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the United Kingdom, or any other jurisdiction, to give effect to this Order and to assist the

Plaintiff and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Plaintiff, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Plaintiff in any foreign proceeding, or to assist the Plaintiff and its agents in carrying out the terms of this Order.

16. **THIS COURT ORDERS** that the Plaintiff is authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition and/or enforcement of this Order and any further orders issued in these proceedings, and for assistance in carrying out the terms and/or intent of all such orders.

17. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date of this Order without the need for entry or filing.

A handwritten signature in black ink is written over a solid horizontal line. The signature is stylized, starting with a large loop and ending with a wavy line.

SCHEDULE "A"

BANK	ACCOUNT NO.
The Toronto-Dominion Bank	1929-6177612
Unknown	1929--5023332

LONDON VALLEY IV INC.
by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC.

Plaintiff

and

Court File No./N° du dossier du greffe : CV-25-00748799-00CL
BEHZAD PILEHVAR also known as BEN PILEHVAR also known
as BEHZAD PILEHVAR also known as BEN PILEHVAR, MAHTAB
NALI also known as MAHTAB NALI PILEHVAR also known as
MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing business
NALI AND ASSOCIATES
Defendants

Court File No.: CV-25-00748799-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Mark van Zandvoort (LSO No. 59120U)
Email: mvanzandvoort@airdberlis.com

Kyle Plunkett (LSO No. 61044N)
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Adrienne Ho (LSO No. 68439N)
Email: aho@airdberlis.com

Calvin Horsten (LSO No. 90418I)
Email: chorsten@airdberlis.com

Tel: (416) 863-1500

Lawyers for the Plaintiff

**by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC.**

Plaintiff

and

Court File No./N° du dossier du greffe : CV-25-00748799-00CL
BEHZAD PILEHVAR also known as BEN PILEHVAR also known
as BEHZAD PILEHVAR also known as BEN PILEHVAR, MAHTAB
NALI also known as MAHTAB NALI PILEHVAR also known as
MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing business
NALI AND ASSOCIATES
Defendants

Court File No.: CV-25-00748799-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
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Calvin Horsten (LSO No. 90418I)
Email: chorsten@airdberlis.com

Tel: (416) 863-1500

Lawyers for the Plaintiff



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00748799-00CL

DATE: August 15, 2025

NO. ON LIST: 1

TITLE OF PROCEEDING: London Valley IV Inc., by its Court-Appointed Receiver and Manager, KSV Restructuring Inc. v. Pilehvar et al.

BEFORE: Madam Justice J. Dietrich

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Mark van Zandvoort	Plaintiff and Receiver KSV Restructuring	mvanzandvoort@airdberlis.com
Calvin Horsten	Plaintiff and Receiver KSV Restructuring	chorsten@airdberlis.com
David Sieradzki	Receiver	dsieradzki@ksvadvisory.com
Jordan Wong	Receiver	jwong@ksvadvisory.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Behzad Pilehvar	Defendant, self-represented	ben@sandgecko.ca

ENDORSEMENT OF JUSTICE J. DIETRICH:

- [1] On August 7, 2025, I granted an order on ex parte basis against the defendants which included a Mareva injunction and Norwich order relief. As required by Rule 40.01 of the *Rules of Civil Procedure* RRO Reg 194 (the "**Rules**"), an interlocutory injunction or

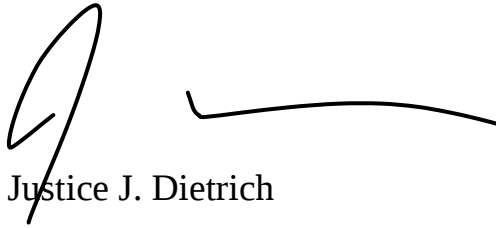
mandatory order under section 101 of the CJA may include such terms as are just, and may be sought on motion made without notice for a period not exceeding 10 days.

- [2] Accordingly, my endorsement of August 7, 2025, required notice be provided to the defendants and a comeback hearing was scheduled for today.
- [3] Defined terms used but not defined herein have the meaning provided to them in my endorsement of August 7, 2025.
- [4] London Valley IV Inc. ("**LV IV**") by KSV Restructuring Inc. ("**KSV**") solely in its capacity as the Court- Appointed Receiver and Manager of LV IV, (the "**Receiver**"), being the Plaintiff in the matter served the defendant Behzad Pilehver on August 7, 2025 with the material and served the defendants Mahtab Nali and 2621598 Ontario Inc. doing business as Nali and Associates on August 8, 2025 with the material.
- [5] A Second Supplement to the Third Report of the Receiver dated August 13, 2025 (the "**Second Supplement**") was delivered later.
- [6] Yesterday, Mr. Pilehver filed written submissions with the Commercial List Office on behalf of himself and the other defendants requesting an adjournment of four weeks to permit the defendants to (i) retain and instruct counsel; (ii) prepare responding material; and (ii) consider the overlap of this matter with a 'pending class action process'.
- [7] During submissions, Mr. Pilehver advised that counsel was expected to be retained within one week. In the circumstances, I am adjourning the comeback hearing to be scheduled at a case conference following the expected retention of counsel. That case conference is scheduled for **August 26, 2025 for 30 min at 11:00 am.**
- [8] Aide Memoires outlining proposed schedules (or if agreed a proposed schedule) should be uploaded to Case Center no later than August 24, 2025.
- [9] Mr. Pilehver is to bring this endorsement to the attention of counsel as soon as possible.
- [10] Pending a determination of the comeback hearing, the August 7, 2025 Order remains in effect. As set out in the Second Supplement, the Receiver has identified a number of additional accounts into which proceeds have been deposited. To the extent those accounts are held by the Defendants they are also to be subject to the terms of the August 7, 2025 Order.
- [11] I note that although Mr. Pilehver requested an adjournment to address the 'pending class action process' that is not a matter that before me and it is not the basis on which an adjournment has been granted. As noted in the Second Supplement, following service of the material in this matter, the Receiver has become aware of a number of emails, a

website post, press release and additional correspondence to certain regulators and others making various allegations against the Receiver and others.

[12] Concerns regarding the conduct of the Receiver – who is a court-appointed officer – should be addressed within the existing receivership proceeding. Further, leave of the Court is required in that proceeding prior to commencing litigation against the Receiver or its counsel.

[13] Order to go in the form signed by me this day.

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line that curves slightly upwards at the end.

August 15, 2025

Justice J. Dietrich



ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
ENDORSEMENT

COURT FILE NO.: CV-25-00748799-00CL DATE: August 26, 2025

NO. ON LIST: 2

TITLE OF PROCEEDING: **LONDON VALLEY IV INC., BY ITS COURT-APPOINTED RECEIVER AND MANAGER, KSV RESTRUCTURING INC. v. PILEHVER et al**

BEFORE: **Justice OSBORNE**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Mark van Zandvoort Kyle Plunkett	Lawyers for the Plaintiff, London Valley IV Inc., by its Court appointed Receiver and Manager, KSV Restructuring Inc.	mvanzandvoort@airdberlis.com kplunkett@airdberlis.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Peter Henein	Potential lawyer for Mr. Pilehver	phenein@hhllp.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
David Sieradzki Jordan Wong	Receiver, KSV Restructuring Inc	dsieradzki@ksvadvisory.com jwong@ksvadvisory.com

ENDORSEMENT OF JUSTICE OSBORNE:

1. This case conference was requested by the Receiver to address matters related to the continuation of the Mareva injunction granted by Justice J. Dietrich on August 7, 2025, and thereafter continued.
2. At the time of filing materials, the Defendants had not complied with their obligations under the August 7 Order to provide sworn statements as to assets.
3. Mr. Henein appears today, having just been retained. He is getting up to speed on the matter.
4. Counsel advised that there is a very real possibility that all outstanding matters can be resolved on consent without the need for a further contested hearing.
5. Accordingly, and on the agreement of the parties, this matter is adjourned to **September 9, 2025, at 2 PM via Zoom continuing as necessary for 60 minutes**. All parties have confirmed their availability for that date.

Osborne J.

APPENDIX K



Court File No.: CV-25-00748799-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE

)

THURSDAY, THE 7TH

JUSTICE J. DIETRICH

)

DAY OF AUGUST, 2025

)

B E T W E E N :

**LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also known as BEHZAD PILEHVAR
also known as BEN PILEHVAR, MAHTAB NALI also known as MAHTAB NALI PILEHVAR
also known as MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing business as NALI
AND ASSOCIATES**

Defendants

ORDER

NOTICE

If you, the Defendants, disobey this order you may be held to be in contempt of court and may be imprisoned, fined or have your assets seized. You are entitled to apply on at least forty-eight (48) hours' notice to the Plaintiff, for an order granting you sufficient funds for ordinary living expenses and legal advice and representation.

Any other person who knows of this order and does anything which helps or permits the Defendants to breach the terms of this Order may also be held to be

in contempt of court and may be imprisoned, fined or have their assets seized.

THIS MOTION, made without notice by the Plaintiff, London Valley IV Inc. by its Court-Appointed Receiver and Manager, KSV Restructuring Inc., solely in its capacity as Receiver and Manager of certain property of London Valley IV Inc. and all proceeds thereof, and not in its personal capacity or in any other capacity (in such capacity, the “**Receiver**”), for an interim Order in the form of a *Mareva* injunction restraining the Defendants from dissipating their assets and in the form of a *Norwich* Order compelling third parties to disclose information and documents relating to the assets and accounts of the Defendants, and for other relief, was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the materials filed by the Plaintiff, including the Notice of Action, the Notice of Motion, the Third Report of the Receiver dated August 1, 2025 and the Appendices thereto, the Supplement to the Third Report of the Receiver dated August 5, 2025 and the Appendix thereto, and the Factum of the Plaintiff, and on hearing the submissions of counsel for the Plaintiff,

***Mareva* Injunction**

1. **THIS COURT ORDERS** that the Defendants, and their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, are restrained from directly or indirectly, by any means whatsoever:

- (a) selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of the Defendants, wherever situate, including but not limited to the accounts listed in Schedule “A” hereto;
- (b) instructing, requesting, counselling, demanding, or encouraging any other

person to do so; and

- (c) facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so.

2. **THIS COURT ORDERS** that paragraph 1 of this Order applies to all of the Defendants' assets whether or not they are in his, her or its own name and whether they are solely or jointly owned. For the purpose of this Order, the Defendants' assets include any asset which he, she or it has the power, directly or indirectly, to dispose of or deal with as if it were his, her or its own. The Defendants are to be regarded as having such power if a third party holds or controls the assets in accordance with any of the Defendants' direct or indirect instructions.

3. **THIS COURT ORDERS** that if the total value free of charges or other securities of the Defendants' assets exceeds \$1,071,551.06, the Defendants may sell, remove, dissipate, alienate, transfer, assign, encumber, or similarly deal with them so long as the total unencumbered value of the Defendants' assets remains above \$1,071,551.06.

Ordinary Living Expenses

4. **THIS COURT ORDERS** that the Defendants may apply for an order, on at least forty-eight (48) hours' notice to the Plaintiff, specifying the amount of funds and source thereof from which the Defendants seek to have access in order to spend on ordinary living expenses and legal advice and representation.

Disclosure of Information

5. **THIS COURT ORDERS** that the Defendants each prepare and provide to the Plaintiff within seven (7) days of the date of service of this Order, with a sworn statement describing the nature, value, and location of the Defendants' respective assets worldwide, whether in the Defendants' own names or not and whether solely or jointly owned.

6. **THIS COURT ORDERS** that the Defendants each submit to examinations under oath within fifteen (15) days of the delivery by the Defendants of the aforementioned sworn statements.

7. **THIS COURT ORDERS** that if the provision of any of this information is likely to incriminate the Defendants, they may be entitled to refuse to provide such information, but are recommended to take legal advice before refusing to provide the information. Wrongful refusal to provide the information referred to in paragraph 5 herein is contempt of court and may render the Defendants liable to be imprisoned, fined, or have their assets seized.

Third Parties

8. **THIS COURT ORDERS** that The Toronto-Dominion Bank (the "**Bank**") forthwith freeze and prevent any removal or transfer of monies or assets of the Defendants held in any account or on credit on behalf of any of the Defendants, with the Bank, until further Order of the Court, including but not limited to the accounts listed in Schedule "A" hereto.

9. **THIS COURT ORDERS** that the Bank and any other person having notice of this Order forthwith disclose and deliver up to the Plaintiff any and all past, present and future records held by the Bank and such persons concerning the Defendants' assets and

accounts, including the existence, nature, value and location of any monies or assets or credit, wherever situate, held on behalf of the Defendants worldwide.

Alternative Payment of Security

10. **THIS COURT ORDERS** that this Order will cease to have effect if the Defendants provide security by paying the sum of \$1,500,000.00 to the Receiver to be held in trust until further Order of the Court.

Variation, Discharge or Extension of Order

11. **THIS COURT ORDERS** that anyone served with or notified of this Order may apply to this Court at any time to vary or discharge this Order, on four (4) days' notice to the Plaintiff.

12. **THIS COURT ORDERS** that the Plaintiff shall apply for an extension of this Order within ten (10) days hereof, failing which this Order will terminate.

General

13. **THIS COURT ORDER** that the Plaintiff shall not be required to provide an undertaking to abide by any order concerning damages under Rule 40.03 of the *Rules of Civil Procedure*, R.R.O. 194.

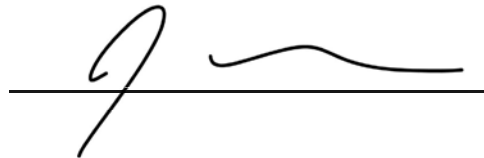
14. **THIS COURT ORDERS** that the Plaintiff is hereby granted leave to register this Order against title to any real property in the name or names of the Defendants.

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the United Kingdom, or any other jurisdiction, to give effect to this Order and to assist the

Plaintiff and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Plaintiff, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Plaintiff in any foreign proceeding, or to assist the Plaintiff and its agents in carrying out the terms of this Order.

16. **THIS COURT ORDERS** that the Plaintiff is authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition and/or enforcement of this Order and any further orders issued in these proceedings, and for assistance in carrying out the terms and/or intent of all such orders.

17. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date of this Order without the need for entry or filing.

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line and a wavy flourish, positioned above a solid horizontal line.

SCHEDULE "A"

BANK	ACCOUNT NO.
The Toronto-Dominion Bank	1929-6177612
Unknown	1929--5023332

**by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC.**

Plaintiff

and

Court File No./N° du dossier du greffe : CV-25-00748799-00CL
BEHZAD PILEHVAR also known as BEN PILEHVAR also known
as BEHZAD PILEHVAR also known as BEN PILEHVAR, MAHTAB
NALI also known as MAHTAB NALI PILEHVAR also known as
MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing business
NALI AND ASSOCIATES
Defendants

Court File No.: CV-25-00748799-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

ORDER

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APPENDIX L



SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00748799-00CL

DATE: August 7, 2025

NO. ON LIST: 5

TITLE OF PROCEEDING:

London Valley IV, by Its Court-Appointed Receiver And Manager, KSV Restructuring
Vs.
Pilehver, Behzad / Nali, Mahtab / 2621598 Ontario Inc.

BEFORE: Justice J. Dietrich

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Mark van Zandvoort, Counsel Calvin Horsten, Counsel	The Plaintiff	mvanzandvoort@airdberlis.com chorsten@airdberlis.com
David Sieradzki, Receiver Jordan Wong, Receiver	KSV Advisory	dsieradzki@ksvadvisory.com jwong@ksvadvisory.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE J. DIETRICH:

Introduction

[1] London Valley IV Inc. (“**LV IV**”) by KSV Restructuring Inc. (“**KSV**”) solely in its capacity as the Court-Appointed Receiver and Manager of LV IV, (the “**Receiver**”) seeks on an ex parte basis a Mareva injunction and Norwich Order as against the Defendants, Behzad Pilehver (“**Pilehver**”), Mahtab Nali (“**Nali**”) and 2621598 Ontario Inc. doing business as Nali and Associates (“**Nali and Associates**”).

[2] Defined terms used but not otherwise defined herein have the meaning provided to them in the factum of the Receiver filed for use on this motion.

[3] As an initial matter, in support of this motion the Receiver filed the third Report of KSV dated August 1, 2025 as evidence. For the reasons set out in *Intercity Realty Inc v. PricewaterhouseCoopers Inc. et al.*, 2024 ONSC 2400 at para 51-53, I accept that a report of the Receiver as a court-officer is appropriate evidence in this context.

[4] For the reasons set out below, the relief requested by the Receiver is granted.

Background

The Receivership Proceedings and the Parties

[5] On March 6, 2025, under Court File No. CV-25-00736577-00CL (the “**Receivership Proceedings**”), KSV was appointed as Receiver of the assets, undertakings and properties of, among others, LV IV, and the proceeds thereof, including with respect to the LV IV Property (as defined below) (the “**Appointment Order**”).

[6] The Receivership Proceedings were commenced by Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage (collectively, the “**Kobayashi Group**”).

[7] The Kobayashi Group, other members of their family and numerous other investors (collectively, the “**Co-Owners**”) invested funds in certain land banking projects to finance the acquisition of real estate (the “**Land Banking Enterprise**”). Various companies (some of which are defined in the Appointment Order as the “**Nominee Respondents**”), including LV IV, were formed to hold title to various pieces of real estate in Ontario as nominees and bare trustees for the Co-Owners.

[8] As part of the Receiver’s powers under the Appointment Order, it was authorized to trace and follow the proceeds of any real property previously owned by any of the Nominee Respondents that was sold, transferred, assigned or conveyed on or after October 31, 2024, including in respect of the LV IV Property.

[9] LV IV is an Ontario corporation, and owned the property municipally known as 6211 Colonel Talbot Road, London, Ontario (the “**LV IV Property**”) until the property was sold and transferred to a third-party purchaser for consideration of \$2 million on February 5, 2025.

[10] At the time of the Receiver’s appointment, Pilehver was and remains a director and officer of certain Nominee Respondents in the Land Banking Enterprise, including LV IV of which he is the sole director and President.

[11] Nali is believed to be Pilehver’s wife, although this has not been confirmed by the Receiver.

[12] Nali and Associates is a business name registered by 2621598 Ontario Inc. (an Ontario Corporation). Nali is the President and sole director of Nali and Associates. In corporate filings, both Nali and Pilehver list their address for service as 48 Chelford Road, North York, Ontario.

The LV IV Property

[13] The Kobayashi Group claims to have invested the aggregate amount of \$3.7 million to acquire an approximately 72% undivided beneficial interest in the LV IV Property. This interest was acquired pursuant to four sale agreements among the applicable member of the Kobayashi Group, as purchaser, LV IV, as nominee, and TSI-LV IV International Canada Inc., as vendor. Each of these sale agreements includes certain co-owner agreements, which require that, amongst other things, net income from the property be paid to Co-Owners and that Co-Owners holding at least 51% of the interests in the property approve any sale.

[14] On October 31, 2024, the Honourable Justice MacNeil issued an Order (the “**October 31, 2024 Injunction Order**”) in the proceedings under Court File No. CV-24-00087580-0000 (the “**Hamilton Proceedings**”) which includes at paragraph 5 of the Order provided that all persons with notice of the order were restrained from selling, removing, dissipating alienating, transferring, assigning, encumbering, or similarly dealing with their assets, or the assets of certain companies. The Receiver's reading of this Order is that the companies referenced included LV IV and therefore the restriction applied to the LV IV Property. Although the defined terms in the October 31, 2024 Injunction Order are not straightforward, it appears on the evidence that all parties understood that the LV IV Property was subject to the Order and that formed part of the basis set out in the Receivership Proceedings.

[15] Mr. Pilehver was aware of the October 31, 2024 Injunction Order as he attached it to an affidavit he swore in the Hamilton Proceedings on January 20, 2025 (prior to the transfer of the LVI IV Property on February 5, 2025).

[16] The Kobayashi Group, as a subset of the Co-Owners of the LV IV Property, filed evidence in support of the Appointment Order that the sale of the LV IV Property on February 5, 2025 was completed without the Kobayashi Group's knowledge or consent. Further, the Kobayashi Group asserted that they have not received any net income or other proceeds in connection with the LV IV Property.

Sale of LV IV Property and Alleged Misappropriation of Funds

[17] The LV IV Property was sold without compliance with the co-owners agreement. Accepting the Receiver's interpretation of the October 31, 2024 Injunction Order, the LV IV Property was also sold in contravention of that Order and in the face of the pending Receivership Proceeding of which Pilehver was aware.

[18] Based on the terms of the Appointment Order the Receiver was provided with information that on February 5, 2025, the proceeds from the sale of the LV IV Property were deposited into the trust account (the “**Hundal Account**”) for the lawyer, Parminder Hundal (“**Hundal**”), who acted for LV IV on the sale transaction were subsequently disbursed by Hundal, at Pilehver's direction, to the following persons and entities who appear to have no connection to LV IV or the LV IV Property:

- a. on February 7, 2025, a payment was made from the Hundal Account to Nali in the amount of \$817,859.49, which payment was made by cheque and deposited into the Nali Bank Account. Initially, a wire in this amount was evidently sent to “Mahtab Nali” on February 6, 2025 with reference to an account number 1929-5023332 (together with the Nali Bank Account, the “**Nali Bank Accounts**”), but was evidently voided and did not go through;
- b. on February 18, 2025, a further \$80,800 was paid by cheque from the Hundal Account to Nali and Associates;
- c. on February 12, 2025, \$5,000 was wired by Hundal to Bally Hundal/Hundal Law Firm;
- d. on February 14, 2025, \$30,000 was wired by Hundal to Stockwoods LLP;

- e. payments totalling \$103,040.42 were paid to Hundal's law firm on February 10, 12, 20 and March 5, 2025 in purported satisfaction of accounts rendered, of which at least \$94,000. appears to have no connection to LV IV or the LV IV Property; and
- f. on March 5, 2025, one day prior to the Appointment Order, \$34,000 was wired by Hundal to a third law firm, Blaney McMurtry LLP.⁴² On March 21, 2025, Blaney McMurtry LLP advised the service list in the Receivership Proceedings that it had been retained by Pilehver in his personal capacity, as well as by 2630306 Ontario Inc. o/a Paybank Financial ("**Paybank**") and TGP Canada (collectively, the "**Paybank Parties**"). Pilehver is an officer and director of Paybank and TGP Canada.

[19] Despite the Receiver's inquiries of Pilehver and his known lawyers as to what happened to the sale proceeds from the LV IV Property, no explanation or response has been provided by Pilehver.

Issues

[20] The issues to be decided in this motion are whether:

- a. the Court should grant an ex parte interim and interlocutory Mareva injunction against the Defendants; and
- b. the Norwich relief requested ought to be granted.

Analysis

Mareva Order

[21] This Court has jurisdiction to grant an interlocutory injunction, including a Mareva injunction, pursuant to section 101 of the *Courts of Justice Act* (the "**CJA**"), where it appears just or convenient to do so. Pursuant to Rule 40.01 of the *Rules of Civil Procedure* RRO Reg 194 (the "**Rules**"), an interlocutory injunction or mandatory order under section 101 of the CJA may include such terms as are just, and may be sought on motion made without notice for a period not exceeding 10 days.

[22] A Mareva injunction is an exceptional remedy see *Aetna Financial Services v. Feigelman*, 1985 CanLII 55 (SCC).

[23] The factors to be ordinarily considered in determining whether to grant Mareva relief include:

- a. a strong prima facie case;
- b. particulars of its claim against the defendant, setting out the grounds of its claim and the amount thereof, and fairly stating the points that could be made against it by the defendant;
- c. some grounds for believing that the defendant has assets in Ontario (although this requirement has been modified by more recent jurisprudence discussed below, such that it is perhaps better expressed as: some grounds for believing that the defendant has assets within the jurisdiction of the Ontario Court);
- d. some grounds for believing that there is a serious risk of defendant's assets being removed from the jurisdiction or dissipated or disposed of before the judgment or award is satisfied;
- e. proof of irreparable harm if the injunctive relief is not granted;
- f. the balance of convenience favours the granting of the relief; and

g. an undertaking as to damages.

See *Original Traders Energy Ltd. (Re)*, 2023 ONSC 1887 [***Original Traders #1***] at para 22.

Strong Prima Facie Case

[24] To find a strong prima facie case the court must be satisfied that upon a preliminary review of the case, there is a strong likelihood on the law and the evidence presented that, at trial, the applicant will be ultimately successful in proving the allegations set out in the originating notice see *R v Canadian Broadcasting Corp.*, 2018 SCC 5 at para 17.

[25] Here, the Receiver claims fraud, breach of fiduciary duty, conversion, unjust enrichment, knowing assistance and knowing receipt as against the Defendants or any of them. Only one cause of action against each Defendant must show a strong prima facie case.

[26] With respect to Pilehver, the claim of breach of fiduciary duty is asserted. To establish a breach of fiduciary duty, a plaintiff must establish the following elements: (a) proof of the duty, including that the fiduciary has scope for the exercise of some discretion or power, the fiduciary can unilaterally exercise that power or discretion so as to affect the beneficiary's legal or practical interest, and the beneficiary is peculiarly vulnerable to or at the mercy of the fiduciary holding the discretion or power; and (b) breach of the duty, including concealment or failure to advise of material facts, breach of trust, making a secret profit or acting in a conflict of interest, a causal connection between the breach and the alleged damages and the fiduciary's profit from its actions see *Hodgkinson v Simms*, [1994] 3 SCR 377.

[27] Pilehver owed a fiduciary duty to LV IV, as the sole director thereof. By orchestrating a sale of the LV IV Property without proper authorization and then improperly transferring the proceeds to benefit the Defendants – the Receiver has established a strong prima facie case of breach of fiduciary duty.

[28] The tort of conversion is also asserted against all defendants. It involves a wrongful interference with the goods of another, such as taking, using or destroying the goods in a manner inconsistent with the owner's right to possession. The tort is one of strict liability, and accordingly, it is no defence that the wrongful act was committed in all innocence see *Wymor Construction Inc. v Gray*, 2012 ONSC 5022 at paras 18-19. In the present case, whether or not Nali knew about Pilehver's fraudulent activities is immaterial. The mere fact that she and Nali and Associates obtained funds belonging to LV IV (and, by virtue, its Co-Owners) without permission, and without any legal entitlement, amounts to strong prima facie case of conversion.

[29] It may be that strong prima facie cases are also established in additional causes of action asserted including fraud, unjust enrichment, knowing assistance and knowing receipt, however, given my finding that a strong prima facie causes of action have been established against each of the defendants above it is not necessary to consider each of the causes of action asserted.

Full Disclosure of the Case

[30] I am satisfied that at this time the Receiver has provided full disclosure of the case. This matter will be subject to a comeback hearing and the Defendants will be provided an opportunity to challenge the order at that time.

Grounds for Believing the Defendants have Assets in Ontario

[31] The evidence that each of the Defendants has assets in Ontario is limited.

[32] In *Borrelli*, in his Capacity as Trustee of the *SFC Litigation Trust v. Chan*, 2017 ONSC 1815 (CanLII) [*SFC Litigation Trust*], the Divisional Court reviewed a decision of Hainey J. where a worldwide Mareva

injunction was granted, despite a lack of evidence that the defendant had assets in Ontario. In reviewing the decision Justices Leitch and Sachs wrote:

[25] ...The appellant's position is that in order to obtain an injunction, there is a substantive requirement that a defendant have assets in the jurisdiction to be subject to the restraining order. The appellants say there must be assets in this jurisdiction to ensure the order of the court is capable of implementation.

[26] I do not accept the appellant's assertion. I recognize that in *Chitel* the injunction was sought to restrain the dissipation of assets in Ontario. Similarly, in virtually all of the cases referenced by counsel on this appeal, the assets which were at the risk of dissipation existed in Ontario.

[27] However, a court's in personam jurisdiction over a defendant justifying the issuance of a Mareva injunction is not dependant, related to or "tied to" a requirement that a defendant has some assets in the jurisdiction.

[28] Section 101(1) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 provides the court with jurisdiction to grant an interlocutory junction or mandatory order "where it appears to a judge of the court to be just or convenient to do so".

[29] A Mareva injunction is an equitable remedy and as such I agree with the respondent's submission that this remedy evolves as facts and circumstances merit.

[33] As was recognized in *SFC Litigation Trust* (see para 38), although the usual case for a Maerva injunction is to prevent assets from leaving the jurisdiction, world-wide Maerva injunctions have been granted with increasing frequency to ensure that a judgment can be enforced in the exceptional circumstances where the plaintiff has established a strong prima facie case on the merits.

[34] The evidence shows that Pilehver and Nali are each directors of several Ontario corporations with addresses for service listed in the corporate profile reports for each of them in Richmond Hill and Toronto. As noted above, Nali & Associates is incorporated in Ontario and the corporate profile report shows a registered or head office in North York, Ontario.

[35] In addition, the evidence reflects that the cheque paid to Nali in the amount of \$817,859.49 was deposited into an account in the name of "NALI M" bearing Account No. 6177612 at The Toronto-Dominion Bank.

Risk of Dissipation of Assets

The risk of dissipation may be inferred by evidence suggestive of the defendants' fraudulent conduct see *Sibley & Associates LP v Ross*, 2011 ONSC 2951 [*Sibley*] at para 64. As in *Sibley*, here it is a reasonable inference given the following evidence that the Defendants are likely to attempt other means to put money out of the reach of the Receiver:

- a. Pilehver directed the sale of the LV IV Property and the distribution of sale proceeds therefrom despite having prior notice of the pending Receivership Proceedings concerning the LV IV Property and the October 31, 2024 Injunction Order restraining dealings with the LV IV Property, and despite being well aware of the consent and distribution requirements established by the relevant co-owner agreements (which requirements had not been complied with);
- b. the Defendants caused and/or facilitated the misappropriation of LV IV Property sale proceeds as evidenced by, among other things, (i) the payment of proceeds to Nali, Nali and Associates and

other third parties; and (ii) written directions signed by Pilehver authorizing such payments without compliance with the requirements of the co-owner agreements; and

- c. despite repeated requests to Pilehver and his counsel to provide information and documentation regarding the distribution of the LV IV Property sale proceeds, which requests have gone unanswered.

Undertaking

[36] The Receiver has not provided an undertaking as to damages. As noted by Justice Osborne in *Original Traders #1* at para 51 " In my view, it is appropriate to dispense with the requirement for an undertaking as to damages where, as here, the case of the moving parties is strong and they are insolvent: *Sabourin & Sun Group of Cos. v. Laiken*, [2006] OJ No. 3847 at para. 16." Here LV IV is insolvent and the Receiver as a Court officer is pursuing the relief for the benefit of LV IV's creditors.

[37] As well, in *Business Development Bank of Canada v Aventura II Properties Inc*, 2016 ONCA 300, the Ontario Court of Appeal rejected that the court-appointed officer (a receiver) should be required to provide an undertaking as to damages in similar circumstances.

[38] Accordingly, I am satisfied that the requirement for an undertaking as to damages is not required in this case.

Irreparable Harm & Balance of Convenience

[39] An analysis of the irreparable harm and the balance of convenience is also required given that injunctive nature of the relief requested. Irreparable harm is harm which either cannot be quantified in monetary terms or which cannot be cured, usually because one party cannot collect damages from the other. *RJR-MacDonald Inc. v. Canada (Attorney General)*, [1994] 1 SCR at 341. 26.

[40] In cases where a strong prima facie case for fraud has been established, it has been recognized that if the assets of the defendant are not secured, the plaintiff will likely not be able to collect on a money judgment, if successful.

[41] LV IV stakeholders will suffer irreparable harm, and will be prevented from recovering their misappropriated funds and assets, and assets traceable thereto, or other exigible assets, if the Defendants are not prevented from further moving, dissipating or otherwise attempting to put their assets beyond the reach of LV IV and its stakeholders. Indeed, "the probability of irreparable harm increases as the probability of recovering damages decreases" see *Original Traders #1* at para 49, citing *Christian-Philip v Rajalingam*, 2020 ONSC 1925 at para 33.

Norwich Order

[42] In addition to a Mareva injunction, the Plaintiffs also seek a Norwich Order requiring the Defendants to produce documents from financial institutions.

[43] The Supreme Court of Canada has confirmed the elements of the test for obtaining a Norwich Order: (a) a bona fide claim against the unknown alleged wrongdoer; (b) the person from whom discovery is sought must be in some way involved in the matter under dispute, he must be more than an innocent bystander; (c) the person from whom discovery is sought must be the only practical source of information available to the applicants; (d) the person from whom discovery is sought must be reasonably compensated for his expenses arising out of compliance with the discovery order; and (e) the public interests in favour of disclosure must outweigh the legitimate privacy concerns. See *Rogers Communications v. Voltage Pictures, LLC*, 2018 SCC 38 at para 18.

[44] As noted above, a *bone fide* claim has been established. Courts have emphasized that financial institutions are “innocently involved” third parties from whom Norwich relief is regularly sought in fraud cases: see *Carbone v. Boccia*, 2022 ONSC 6528 [*Carbone*] at para 20. Records at such financial institutions are necessary in order to trace the funds obtained by the Defendants and identify any others involved in the scheme. The need to identify and trace to be legitimate objectives on which a Norwich order can be based see *Carbone* at para 17.

[45] At this time, the order to produce documents is limited to The Toronto-Dominion Bank, however, the request for expanded relief may be made in the future on appropriate evidence.

Order and Comeback

[46] Order to go in the form signed by me today with immediate effect and without the necessity of a formal order being taken out.

[47] Because the Mareva Order is being granted on a motion without notice, it can only be granted for a limited duration of up to ten days. Accordingly, the matter has been scheduled to return to court on Friday, **August 15, 2025, at 9:00 a.m** (virtually), at which time, the Receiver may ask for the Mareva Order to be extended.

[48] If they appear, the court will hear from the Defendants. They may file evidence for purposes of that return date, or they may appear and ask to schedule a further return date, to challenge the Order and have it dissolved or terminated.

[49] If none of the Defendants appear at the next return date, the Court will consider, based on the evidence to be provided by the Receiver about his efforts to serve them, whether to set a further return date or what further and other orders and directions might be appropriate regarding service and any future court appearances.

[50] To that end, the Receiver shall make reasonable efforts to serve, or at least bring to the attention of, the Defendants as soon as possible this endorsement and the Order signed by me today. The Receiver shall also provide to the defendants its motion record in support of this motion.

August 7, 2025



Justice J. Dietrich

APPENDIX M



**Third Report of
KSV Restructuring Inc.
as Receiver of
London Valley IV Inc. *et al.***

August 1, 2025

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KK	Paybank Guarantee to Trans Global (Exhibit TT to Pilehver Affidavit)
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MM	Release to Trans Global (Exhibit VV to Pilehver Affidavit)
NN	Timeline of Events provided to Receiver from Pilehver's Hard Drive
OO	LV IV-TGP Canada SPA

PP	DocuSign Signature Summary Page
QQ	TGP Canada-Hoffner Promissory Note
RR	October 31, 2024 Email from Pilehver to Applicants in Hamilton Proceedings (Exhibit 010 to Fourth Hoffner Affidavit)
SS	October 31, 2024 Injunction Order in Hamilton Proceedings
TT	First 7 Pages of Pilehver's Submissions (Exhibit 015 to Fourth Hoffner Affidavit)
UU	November 19, 2024 Endorsement of Justice Sheard in Hamilton Proceedings
VV	December 5, 2024 Timetabling Order of Justice Bordin in Hamilton Proceedings
WW	August 13, 2024 Letter on TGP Website
XX	Removal Endorsement
YY	Agreement of Purchase and Sale for LV IV Property
ZZ	Parcel Abstract for LV IV Property (with deleted instruments)
AAA	February 21, 2025 Letter from Kobayashi Group's counsel to TD
BBB	February 25, 2025 Letter from Respondents in Hamilton Proceedings to Pilehver, Hundal and Canonaco
CCC	Notice of Action Against Hoffner
DDD	Statement of Claim Against Hoffner
EEE	April 10, 2025 Order of Justice Black re: CPL
FFF	April 10, 2025 Endorsement of Justice Black re: CPL
GGG	April 10, 2025 Certificate of Pending Litigation
HHH	May 15, 2025 Alternative Security Order of Justice Black
III	Correspondence between Receiver's Counsel, Hoffner and Ross & McBride LLP
JJJ	March 12, 2025 Letter from Receiver's Counsel to LawPro Counsel
KKK	April 22, 2025 Email from LawPro Counsel with Highlighted Hundal Law Account Statement
LLL	April 22/23, 2025 Emails between Receiver's Counsel and LawPro Counsel
MMM	July 4, 2025 Email from LawPro Counsel to Receiver's Counsel
NNN	Olympia Payment Documents
OOO	Nali Payment Documents
PPP	Unik Credit Management Payment Documents
QQQ	Blaney Payment Documents
RRR	Remax Payment Documents
SSS	Hundal Payment Documents
TTT	Nali and Associates Payment Documents
UUU	City of London Payment Documents
VVV	Corporate Profile Report for Nali and Associates
WWW	Corporate Profile Report for Sand Gecko Inc.
XXX	Sand Gecko Ltd. [UK] Certificate of Incorporation, Application to Register a Company and Corporate Profile Report
YYY	Parcel Abstract for 50 West Wilmot Street, Suite 100, Richmond Hill, Ontario
ZZZ	Parcel Abstract for 48 Chelford Road, Toronto, Ontario
AAAA	Parcel Abstract for 70 Harrison Road, Toronto, Ontario
BBBB	Parcel Abstract for 355 Parkview Avenue, Toronto, Ontario
CCCC	Corporate Profile Report for Global Petroleum Investment Corporation
DDDD	Parcel Abstract for 27 Rean Drive, Ph 703, Toronto, Ontario

EEEE	Parcel Abstract for 3275 Sheppard Avenue East, Toronto, Ontario
FFFF	Corporate Profile Report for Golden Griddle Inc.
GGGG	Parcel Abstract for 10551 Highway 12, Port Perry, Ontario
HHHH	Parcel Abstract for 100 Harrison Garden Boulevard, 1515, Toronto, Ontario
IIII	LSO Proceedings Against Hundal (Exhibit "N" to Klemens Affidavit)
JJJJ	March 21, 2025 Service Letter from Paybank Parties' lawyer to Service List in Receivership Proceedings
KKKK	April 2, 2025 Email from Pilehver to Receiver
LLLL	April 8, 2025 Correspondence from Receiver's Counsel to Paybank Parties' lawyer
MMMM	April 16, 2025 Letter from Receiver's Counsel to Paybank Parties' lawyer
NNNN	Parcel Abstract for 25 Mallard Road, Unit 100, North York, Ontario
OOOO	TSI International-TGP Canada Promissory Note
PPPP	Parcel Abstract for 9063 Twiss Road, Milton, Ontario
QQQQ	Correspondence between Receiver's Counsel and Olympia Trust Company

COURT FILE NO.: CV-25-00736577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

MIZUE FUKIAGE, AKIKO KOBAYASHI, YOSHIKI FUKIAGE, KOBAYASHI KYOHODO
CO., LTD. AND TORU FUKIAGE

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. AND FORT ERIE
HILLS CAPITAL MANAGEMENT INC.

RESPONDENTS

THIRD REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER

AUGUST 1, 2025

1.0 Introduction

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made in the Receivership Proceedings¹ on March 6, 2025 (the “**Appointment Order**”), a copy of which is attached hereto as **Appendix “A”**, KSV Restructuring Inc. (“**KSV**”) was appointed as receiver and manager (in such capacity, and not in its personal, corporate or any other capacity, the “**Receiver**”) of certain entities and funds involved in a Land Banking Enterprise (as defined below), including:
 - a. the assets, undertakings and personal property of a number of corporations defined in the Appointment Order as the “**Nominee Respondents**”, which includes London Valley IV Inc. (“**LV IV**”); and

¹ The proceedings bearing Court File No. CV-25-00736577-00CL being referred to herein as the “**Receivership Proceedings**”. The Receiver’s Case Website can be accessed at: [Clearview Garden Estates](#).

- b. the income derived in any way from the ownership, operation, use, leasing, financing, refinancing, sale of, development and/or any other dealing whatsoever with any of the real property previously or currently owned by any of the Nominee Respondents, including the real properties municipally and legally described in Schedule “B” of the Appointment Order (the “**Segregated Funds**”) provided that such Segregated Funds shall not include any income derived from or by an arm’s length purchaser of such property after the date of such sale.
2. One of the properties listed in Schedule “B” to the Appointment Order is 6211 Colonel Talbot Road, London, Ontario (the “**LV IV Property**”).
3. Based on the Receiver’s investigatory steps taken to-date, it appears to the Receiver that the LV IV Property was improperly sold and transferred² on February 5, 2025, and that certain of the sale proceeds were improperly disbursed at the direction of Mr. Behzad Pilehver³ (“**Mr. Pilehver**”), including to Mahtab Nali⁴ (“**Ms. Nali**”) and to 2621598 Ontario Inc. doing business as Nali and Associates (“**Nali and Associates**”) (collectively, the “**Defendants**”).
4. At the time of the Receiver’s appointment, Mr. Pilehver was and remains a director and officer of certain Nominee Respondents in the Land Banking Enterprise, including LV IV of which he is the sole director and President. According to various corporate records, Ms. Nali and Mr. Pilehver have the same address, and the Receiver believes Ms. Nali is Mr. Pilehver’s spouse, although that has not been confirmed by the Receiver.
5. As is detailed in Section 4.0 below, there is evidence that \$1,071,551.06 of the LV IV Property sale proceeds appear to have been improperly distributed to or for the benefit of Ms. Nali and Mr. Pilehver, through payments made to Ms. Nali, Nali and Associates and to various law firms.
6. These transfers were completed on and after February 7, 2025, and were not subsequently reversed, despite Mr. Pilehver, either directly or through his lawyers, having been provided with notice of: (i) an October 31, 2024 Injunction Order issued in the Hamilton Proceedings⁵ prohibiting the sale of property within the Land Banking Enterprise, including the LV IV Property; (ii) the pending Receivership Proceedings; and subsequently, (iii) the Appointment Order.
7. The Receiver is of the view that such sale proceeds were improperly converted for the benefit of the Defendants, that LV IV and its underlying public investors were correspondingly deprived, and that there is no juristic reason for the Defendants’ enrichment in this regard.

² Titan Lands Inc. was the ultimate purchaser of the LV IV Property and is an Ontario corporation whom the Receiver understands to be an arm’s length purchaser.

³ Behzad Pilehver is also known as Ben Pilehver, Behzad Pilehvar, Ben Pilehvar, and Ben Pilevhr.

⁴ Mahtab Nali is also known as Mahtab Nali Pilehvar and Mahtab Pilehvar.

⁵ The Hamilton Proceedings and October 31, 2024 Injunction Order are addressed in Section 3.0 below. The October 31, 2024 Injunction Order is attached hereto as Appendix “SS”, and contains the *Mareva* injunction order at paragraph 5 thereof.

8. This report (“**Report**”) is filed by KSV, in its capacity as Receiver of LV IV, in support of the Receiver’s motion for an *ex parte* interim, and interlocutory, *Mareva* injunction as against the Defendants and related *Norwich* Order arising from the sale of the LV IV Property and the improper distribution of the sale proceeds thereof.

1.1 Purposes of this Report

9. The purposes of this Report are to:
- a. provide background information on the Receivership Proceedings and to provide full and fair disclosure of all material facts pertinent to the relief sought on the within motion; and
 - b. provide the basis to obtain an *ex parte* interim, and interlocutory, *Mareva* Injunction against each of the Defendants and a *Norwich* Order.

1.2 Currency

10. All currency references in this Report are to Canadian dollars, unless otherwise noted.

1.3 Restrictions

11. In preparing this Report, the Receiver has relied upon information, including:
- a. information compiled and provided by the Applicants in the Receivership Proceeding, referred to herein as the “**Kobayashi Group**” or the “**Receivership Applicants**”, including in the Application Record dated February 28, 2025⁶ which was filed by the Kobayashi Group in support of the Appointment Order;
 - b. information provided to the Receiver by Gardiner Roberts LLP, who is LawPro appointed counsel to Parminder Hundal also known as Pam Hundal (“**Ms. Hundal**”) of the law firm Parminder Hundal Law Professional Corporation (“**Hundal Law**”), the lawyer who took instruction from Mr. Pilehver in connection with the sale of the LV IV Property and subsequent distribution of the sale proceeds;
 - c. information provided, and/or which has not been provided despite the Receiver’s requests, by Mr. Pilehver and his legal counsel in the Receivership Proceedings, Blaney McMurtry LLP;⁷ and
 - d. materials filed in the Hamilton Proceedings, including Mr. Pilehver’s affidavit affirmed January 20, 2025 (the “**Pilehver Affidavit**”) and affidavits sworn by a former principal of the Land Banking Enterprise named Randy Hoffner (“**Mr. Hoffner**”) (collectively, the “**Information**”).

⁶ The Kobayashi Group’s Application Record dated February 28, 2025 in support of the Appointment Order, including the affidavits sworn by Akiko Kobayashi and Lorraine Klemens, is available on the Receiver’s Case Website [here](#).

⁷ Blaney McMurtry LLP represents Mr. Pilehver, TGP Canada (defined below) and Paybank (defined below) in the Receivership Proceedings.

12. The Receiver has not made inquiries with Ms. Nali or Nali and Associates in order to ascertain why Ms. Nali and Nali and Associates received sale proceeds of the LV IV Property totalling \$898,659.49.
13. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
14. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Any party wishing to place reliance on LV IV's financial information should perform its own diligence.

2.0 Background to the Land Banking Enterprise, the Receivership Proceedings and the Improper Sale of the LV IV Property

2.1 Background to the Land Banking Enterprise and Mr. Pilehver's Involvement

15. The Nominee Respondents are part of a land banking investment enterprise (the "**Land Banking Enterprise**") in which approximately 3,000-3,500 investors (the "**Co-Owners**") invested funds in certain land banking projects based in Ontario since around 2009, with the principal of such investments totalling approximately USD \$161,000,000.
16. The Receiver understands that the Co-Owners are largely comprised of individual investors based in Hong Kong, Japan, Taiwan, Malaysia, Philippines, China and Singapore. The investments made by the Co-Owners were used to finance the acquisition of real estate within the Land Banking Enterprise in Ontario.
17. The Nominee Respondents, including LV IV, were in turn formed to hold title to the various pieces of real estate, including the LV IV Property, as nominees and bare trustees for the Co-Owners.
18. At the time of the Receiver's appointment, Mr. Pilehver was and remains a director and officer of certain Nominee Respondents in the Land Banking Enterprise, including LV IV of which he is the sole director and President. The corporate profile report for LV IV is appended hereto as **Appendix "B"**.
19. As will be discussed further in Section 4.8 below, in addition to being the director and officer of Nominee Respondents including LV IV, Mr. Pilehver is also a director and principal of other entities involved in the Land Banking Enterprise, including:
 - a. the director, President and principal of TGP Canada Management Inc. ("**TGP Canada**"), an Ontario corporation and an intermediate parent company within the Land Banking Enterprise. The corporate profile report for TGP Canada is appended hereto as **Appendix "C"**; and

- b. the director and principal of 2630306 Ontario Inc. o/a Paybank Financial (“**Paybank**”), an Ontario corporation. The Receiver understands that Paybank acquired TGP Canada in or around June 2024. The corporate profile report for Paybank is appended hereto as **Appendix “D”**. Paybank’s website describes the company as specializing in construction and mortgage financing. An individual by the name of Behzad Pilehver is listed as the President. A copy of the relevant excerpts from Paybank’s website is attached as **Appendix “E”**.
20. The Receiver understands that in or around March 2018, Mr. Hoffner and his wife Paula Hoffner (“**Ms. Hoffner**”) acquired the Land Banking Enterprise through various corporate entities, including Trans Global Partners Limited⁸ (“**Trans Global**”).
21. The Receiver understands that in or around June 2024, various persons and entities including Trans Global, TGP Canada, Paybank and an entity named First Global Financial Corp. (“**First Global**”) appear to have entered into a series of transactions pursuant to which Trans Global sold the Land Banking Enterprise to First Global and Paybank (referred to herein as the “**Enterprise Transaction**”).
22. The Enterprise Transaction is addressed in Section 2.5 below.
23. A simplified organizational chart depicting the corporate structure of the Land Banking Enterprise prior to the Enterprise Transaction is attached as **Appendix “F”**.⁹
24. As is detailed in this Report, prior to and at the time of the Receiver’s appointment, the various parties to the Enterprise Transaction were embroiled in disputes concerning and arising from the Enterprise Transaction which are the subject of the Hamilton Proceedings discussed in Section 3.0 below.

2.2 The Nature of the Co-Owners’ Investments in the Land Banking Enterprise

25. The Application Record¹⁰ filed by the Kobayashi Group in support of the Appointment Order explains how the Co-Owners’ investments in the Land Banking Enterprise were made, which is summarized below.
26. Various companies within the Land Banking Enterprise, including the Nominee Respondents, were formed to hold title to various pieces of real estate in Ontario as nominees and bare trustees. The investments made by Co-Owners, including the Kobayashi Group, were used to finance the acquisition of such real estate.
27. The Co-Owners’ investment in the Land Banking Enterprise was generally effected through agreements of purchase and sale (“**sale agreements**”) between the Co-Owner, as purchaser, a Nominee Respondent, as nominee, and a Vendor (as defined in the Appointment Order), as vendor. Attached as a schedule to the sale agreements were co-owner agreements (the “**Co-Owner Agreements**”), which section 20.1 of the sale agreements states form an integral part of the sale agreement.

⁸ Also known as Trans Global Partners HK Limited or Trans Global Partners Limited (H.K.).

⁹ This organizational chart is from the Affidavit of Mr. Hoffner sworn on October 18, 2024 (referred to later herein as the “**First Hoffner Affidavit**”), as filed in the Hamilton Proceedings.

¹⁰ The Kobayashi Group’s Application Record dated February 28, 2025 in support of the Appointment Order, including the affidavits sworn by Akiko Kobayashi and Lorraine Klemens, is available [here](#).

28. The Kobayashi Group claims to have invested the aggregate amount of \$3.7 million to acquire an approximately 72% undivided beneficial interest in the LV IV Property. This interest was acquired pursuant to four sale agreements among the applicable member of the Kobayashi Group, as purchaser, LV IV, as nominee, and the Receivership Respondent, TSI-LV IV International Canada Inc., as vendor. Pursuant to the sale agreements:
- a. LV IV, as nominee, holds the registered title to the LV IV Property to the extent of the purchaser's interest as nominee and bare trustee for the purchaser and others to the extent of their respective undivided interests in the LV IV Property; and
 - b. LV IV agreed to execute and deliver to the purchaser a declaration of trust (the "**Declaration of Trust**") wherein it will confirm that it is holding the title to the LV IV Property for and on behalf of the purchaser to the extent of its interest.¹¹

Copies of the LV IV sale agreements with the attached Co-Owner Agreements and Declarations of Trust, as filed by the Kobayashi Group in the Receivership Proceedings, are attached hereto as **Appendix "G"**.

29. Pursuant to section 13.2 of the sale agreements, the Co-Owner Agreements govern, amongst other things noted in s. 13.2: (i) the rights and obligations of the purchasers, as owner; (ii) any future sale of the LV IV Property; (iii) procedures for consents and approvals by the Co-Owners; and (iv) the obligation of LV IV as nominee and as the registered holder of the title to the LV IV Property for and on behalf of the Co-Owners. Using the Kobayashi Group's investment in the LV IV Property as an example, under the terms of the applicable Co-Owner Agreements:
- a. the Operator (as defined in the Appointment Order), being LV IV Capital Management Inc.¹², can only sell all or any part of the Property if an Ordinary Resolution is passed by the Co-Owners, being a resolution signed by Co-Owners holding, in the aggregate, not less than 51% of the interests in the property (section 8(a));
 - b. the Operator is to distribute the Net Income from the financing, refinancing and sale of the Property to Co-Owners, meaning the gross receipts minus the aggregate of all proper expenses and charges incurred in connection therewith as specified and listed in section 6(j) of the Co-Owner Agreements (section 6(j));
 - c. a separate Declaration of Trust shall be executed and delivered by the Nominee to each Co-Owner (section 14); and
 - d. any offer to purchase the Property is to be presented to all Co-Owners for consideration (section 19).

¹¹ See section 11.1 and 11.3 of the sale agreements concerning Nominee as Bare Trustee; Declaration of Trust.

¹² LV IV Capital Management Inc. is also a Respondent in the Receivership Proceedings.

30. As a result of concerns regarding, amongst other things, the alleged improper transfer and sale of certain real estate subject to the Land Banking Enterprise without the requisite notice to and consent from the Co-Owners, the Kobayashi Group commenced the Receivership Application to appoint KSV as Receiver of the Respondents, including LV IV.

2.3 The Receivership Proceedings

31. As indicated, the Kobayashi Group became concerned over, amongst other things, the alleged improper: (i) sale of real estate from the Land Banking Enterprise, including the sale of the LV IV Property effected by Mr. Pilehver, which was done without notice to or the approval of the requisite percentage of Co-Owners; and (ii) distribution of sale proceeds without the knowledge or approval of the Co-Owners.
32. Given the concern of the Kobayashi Group with the Receivership Respondents and their present and former principals' conduct, alleged breaches of the underlying investment documents¹³, the Kobayashi Group's substantial ownership interests in certain of the properties subject of the Land Banking Enterprise, the deadlock created by, and material omissions in, the Hamilton Proceedings, and the number of properties, creditors, and Co-Owners involved, the Kobayashi Group initiated the Receivership Proceedings with a view to hand control over to the Receiver and secure the underlying collateral, including certain of the Land Banking Enterprise real estate and proceeds thereof.
33. The Receivership Application was unopposed, including by Mr. Pilehver, and the Court granted the Appointment Order on March 6, 2025 appointing KSV as Receiver.
34. In support of the Receivership Application, the Kobayashi Group relied upon an extensive affidavit sworn by Akiko Kobayashi (the "**Kobayashi Affidavit**"), as well as an affidavit sworn by Lorraine Klemens (the "**Klemens Affidavit**").¹⁴ The Kobayashi Affidavit and the Klemens Affidavit are attached hereto, without exhibits, at **Appendix "H"** and **Appendix "I"**, respectively.

2.4 The Notice of the Pending Receivership Proceedings Provided to Mr. Pilehver

35. With respect to the notice provided to Mr. Pilehver and his lawyers concerning the pending Receivership Proceedings and the interest of the Kobayashi Group in the LV IV Property, the Klemens Affidavit set out, among other things, that:
- a. TGP Canada was represented by Gowling WLG (Canada) LLP ("**Gowling**") in the Hamilton Proceedings (discussed in Section 3.0 below);

¹³ The underlying investment documentation governing the Co-Owners' investment in the Land Banking Enterprise is comprised of sale agreements and attached co-owner agreements, discussed, in the case of the Kobayashi Group's investment in LV IV, in paragraph 28 above.

¹⁴ The Kobayashi Group's Application Record dated February 28, 2025 in support of the Appointment Order, including the affidavits sworn by Akiko Kobayashi and Lorraine Klemens, is available [here](#).

- b. well before the closing of the sale of the LV IV Property, by letter dated November 18, 2024, Bennett Jones LLP (the “**Kobayashi Group’s counsel**”), as counsel to the Kobayashi Group, wrote to Gowling to raise certain concerns over the relief being sought in the Hamilton Proceedings and the closing of transactions involving certain real property owned by the Nominee Respondents. In its letter, the Kobayashi Group’s counsel further advised, among other things, that the Kobayashi Group is invested in the LV IV Property. A copy of this letter, which is contained at Exhibit HHH to the Pilehver Affidavit, is attached as **Appendix “J”**;
- c. on February 7, 2025, Kobayashi Group’s counsel served its Notice of Application in the Receivership Proceedings on Mr. Pilehver’s known lawyers, being Gowling and Ms. Hundal (pam@hundallaw.ca), which correspondence is appended hereto as **Appendix “K”**;
- d. on February 21, 2025, Gowling advised the Kobayashi Group’s counsel that Gowling does not act for TGP Canada or its affiliates, and that Mr. Pilehver has advised Gowling that he has retained alternative counsel. Gowling copied Mr. Pilehver (ben@sandgecko.ca) on its email, which is attached as **Appendix “L”**;
- e. on February 21, 2025, the Kobayashi Group’s counsel sent correspondence to Ms. Hundal, which is attached as **Appendix “M”**. This correspondence reflected the Kobayashi Group’s counsel’s understanding that Ms. Hundal acted as counsel to Mr. Pilehver and LV IV in connection with the sale of the LV IV Property, and that:
 - i. the required consent to sell the LV IV Property was not obtained from the Kobayashi Group by Ms. Hundal, Mr. Pilehver or LV IV;
 - ii. the sale of the LV IV Property was further constrained by a court order¹⁵ issued in October 2024 in the Hamilton Proceedings of which Mr. Pilehver was aware; and
 - iii. the sale of the LV IV Property closed on or around February 5, 2025 and that Ms. Hundal’s firm received \$1,899,528.20 (the “**Sale Proceeds**”) of the proceeds of sale. Kobayashi Group’s counsel requested confirmation that Ms. Hundal’s firm still held the Sale Proceeds, and advised that pursuant to the October 31, 2024 Injunction Order, she is restrained from dealing with, assigning or transferring such Sale Proceeds. An out of office alert was received from Ms. Hundal, attached as **Appendix “N”**, indicating she was on medical leave and would be accessing emails periodically.
- f. On February 22, 2025, the Kobayashi Group’s counsel sent an email to Mr. Pilehver directly, which correspondence is attached as **Appendix “O”**, to indicate, among other things, that:
 - i. neither Mr. Pilehver nor anyone on behalf of LV IV sought to obtain the consent of the Kobayashi Group to sell the LV IV Property, despite the Kobayashi Group holding a 370/512th (approximately 72%) undivided beneficial interest in the LV IV Property;

¹⁵ The October 31, 2024 Injunction Order issued in the Hamilton Proceedings is discussed further in Section 3.0 below.

- ii. the sale of the LV IV Property was constrained by the October 31, 2024 Injunction Order of which Mr. Pilehver was aware;
 - iii. Ms. Hundal has failed or refused to respond to the Kobayashi Group's counsel's communications. The Kobayashi Group's counsel set out its understanding that Ms. Hundal is employed as General Counsel and Managing Partner at Rozhina Development Group, an organization in which Mr. Pilehver holds the position of Vice President. The "Meet our Team" section of the Rozhina Development Group website which lists Mr. Pilehver as "Vice President / Partner" and which lists Ms. Hundal as "General Counsel / Managing Partner" was appended at Exhibit EE of the Klemens Affidavit and is attached hereto as **Appendix "P"**. A copy of the corporate profile report for Rozhina Development is attached as **Appendix "Q"**;
 - iv. pursuant to the October 31, 2024 Injunction Order, Mr. Pilehver is restrained from dealing with, assigning or transferring the Sale Proceeds. The Kobayashi Group's counsel indicated that it requires Mr. Pilehver to instruct Ms. Hundal and/or any other individuals/entities that have come into possession of the funds to refrain from transferring, dissipating or otherwise dealing with the funds, pending further Order of the Ontario Superior Court of Justice;
 - v. the Kobayashi Group's counsel required that Mr. Pilehver "**immediately confirm by reply email that Ms. Hundal still has the Sale Proceeds in her firm's possession [and] that neither you nor Ms. Hundal (or any individuals or entities acting on your behalf, directly or indirectly) will not disburse the Sale Proceeds to any party, subject to further order of the Ontario Superior Court of Justice**";
 - g. in response to the Kobayashi Group's counsel's February 22nd correspondence, a read receipt was sent by Mr. Pilehver which is attached hereto as **Appendix "R"**). However, the Receiver understands that he did not otherwise provide the confirmation requested by the Kobayashi Group's counsel; and
 - h. on February 27, 2025, Ms. Hundal sent an email to the Kobayashi Group's counsel and others to indicate she is not retained by anyone in relation to the proposed Receivership Proceedings, which correspondence is attached hereto as **Appendix "S"**.
36. Based on the certificate of service filed by the Kobayashi Group's counsel, Mr. Pilehver and Ms. Hundal were served with the Application Record in support of the Appointment Order on February 28, 2025. A copy of this certificate of service is attached hereto as **Appendix "T"**.
37. As indicated above, the application to appoint the Receiver was unopposed, including by Mr. Pilehver, and the Appointment Order was issued by the Court on March 6, 2025.

38. As detailed below, as a result of the Appointment Order, and the *Norwich* Order obtained therein, the Receiver has learned that the Sale Proceeds were improperly disbursed by Ms. Hundal's firm at the direction of Mr. Pilehver.

2.5 The Enterprise Transaction

39. As reflected in the simplified organizational chart previously appended at Appendix "F", the Receiver understands that each of the Nominee Respondents, including LV IV, are special or single purpose corporations owned by Land Mutual Inc. through various holding companies. Land Mutual Inc. was also owned by TGP Canada, Titan Shield Inc. and ultimately by Trans Global. The profile reports for Land Mutual Inc., Titan Shield Inc. and Trans Global are attached hereto as **Appendix "U"**, **Appendix "V"** and **Appendix "W"**, respectively.
40. The Receiver understands that in or around June 2024, the interests in the Land Banking Enterprise were sold by Trans Global to First Global and Paybank pursuant to a series of transactions, collectively defined herein as the **"Enterprise Transaction"**. A corporate profile report for First Global is appended hereto as **Appendix "X"**, which reflects that Elena Salvatore (**"Ms. Salvatore"**) is the sole director and President of First Global.
41. Based on the Application Record filed by the Kobayashi Group in the Receivership Proceedings, the Receiver understands that through these transactions, First Global was to become an indirect owner of the Receivership Proceeding Respondents. Further, First Global, along with Paybank, were to, amongst other things, assume certain existing investor/ownership agreements.
42. The details of the Enterprise Transaction are addressed in the Kobayashi Affidavit, as well as by both Mr. Pilehver and Mr. Hoffner in affidavits which they each filed in the Hamilton Proceedings¹⁶ prior to the commencement of the Receivership Proceedings.
43. The Pilehver Affidavit is attached without exhibits as **Appendix "Y"**.
44. Affidavits of Randy Hoffner sworn October 18, 2024 (the **"First Hoffner Affidavit"**) and November 12, 2024 (the **"Fourth Hoffner Affidavit"**), as filed in the Hamilton Proceedings, are attached without exhibits as **Appendix "Z"** and **Appendix "AA"**, respectively.¹⁷
45. Based on the Receiver's review of the Information, the Receiver understands that the Enterprise Transaction can be summarized as follows:
- a. Trans Global, through TGP Canada, sold to First Global all of the shares of Titan Shield for a purchase price of \$10,000 (the **"Titan Shield SPA"**). According to Mr. Pilehver, the intent was for First Global to assume and comply with all existing investor and co-owner agreements involving Titan Shield. A copy of the Titan Shield SPA dated June 4, 2024, which is contained at Exhibit "QQ" to the Pilehver Affidavit, is attached hereto as **Appendix "BB"**;

¹⁶ The Hamilton Proceedings are discussed in greater detail in Section 3.0 below.

¹⁷ Mr. Hoffner also swore two affidavits in the Hamilton Proceedings on October 24, 2024 in support of a motion to add Danny Iandoli, Evangelista Tolfa, and Balwinder Cheema as personal respondents, as well as a supplemental affidavit in support of the application proper.

- b. Trans Global sold the shares of TGP Canada to Paybank for a purchase price of \$10,000. A copy of this share purchase agreement dated June 4, 2024 (the “**Trans Global SPA**”), which is contained at Exhibit “RR” to the Pilehver Affidavit, is attached hereto as **Appendix “CC”**;
- c. Ms. Hoffner sold the shares of TGP Property Management Inc. (“**TGP Property**”), an Ontario corporation, to First Global. A copy of this share purchase agreement dated June 4, 2024 (the “**TGP Property SPA**”), attached as Exhibit “011” to the First Hoffner Affidavit, is attached hereto as **Appendix “DD”**. Pursuant to the TGP Property SPA, First Global acquired all of the shares in the capital of TGP Property for a purchase price of \$1.5 million payable by way of a promissory note due on or before June 11, 2024. A corporate profile report for TGP Property is attached hereto as **Appendix “EE”**;
- d. Mr. Hoffner sold the shares of 1837732 Ontario Limited (“**183 Ontario**”), an Ontario corporation, to First Global. A copy of this share purchase agreement dated June 4, 2024 (the “**183 Ontario SPA**”), attached as Exhibit “013” to the First Hoffner Affidavit, is attached hereto as **Appendix “FF”**. Pursuant to the 183 Ontario SPA, First Global acquired all of the shares in the capital of 183 Ontario for a purchase price of \$1.5 million payable by way of a promissory note due on or before August 3, 2024. A corporate profile report for 183 Ontario is attached hereto as **Appendix “GG”**;
- e. First Global issued promissory notes to Trans Global, Mr. Hoffner and Ms. Hoffner. Copies of these promissory notes (the “**Promissory Notes**”), which are contained at Exhibit “WW” to the Pilehver Affidavit, are attached hereto as **Appendix “HH”**. While not contemplated as a portion of the purchase price under the Titan Shield SPA or the Trans Global SPA, one of these Promissory Notes was issued in favour of Trans Global in the principal amount of \$7 million, which was due on or before August 3, 2024;
- f. As general and continuing collateral security for the payment of First Global’s obligations under the Promissory Notes, First Global pledged to Trans Global, Mr. Hoffner and Ms. Hoffner the shares in Titan Shield. A copy of the Share Pledge Agreement dated June 4, 2024 (the “**Share Pledge Agreement**”), which is contained at Exhibit “XX” to the Pilehver Affidavit, is attached as **Appendix “II”**;
- g. By way of an assignment and transfer of rights agreement, Trans Global purportedly assigned and transferred to TGP Canada the rights and powers related to the co-owner agreements operated by the assignor. A copy of this agreement, which is contained at Exhibit “SS” to the Pilehver Affidavit, is attached hereto as **Appendix “JJ”**;
- h. Paybank provided a guarantee to Trans Global to repay the beneficial owners up to a total amount of \$100,000,000 of their investments over the course of 36 months following the closing of these transactions. A copy of this guarantee, which is contained at Exhibit “TT” to the Pilehver Affidavit, is attached hereto as **Appendix “KK”**;

- i. Paybank and First Global provided an indemnity to Trans Global in connection with any claims arising out of certain transactions, including the purchase of TGP Canada. A copy of this indemnity, which is contained at Exhibit “UU” to the Pilehver Affidavit, is attached hereto as **Appendix “LL”**; and
 - j. Paybank and First Global also provided Trans Global with a release in connection with these series of transactions. A copy of this release, which is contained at Exhibit “VV” to the Pilehver Affidavit, is attached hereto as **Appendix “MM”**.
46. The Receiver is not able to opine on the various transactions and agreements which comprise the Enterprise Transaction, or the validity of them, given the scarcity and incompleteness of the books and records available to the Receiver. In this regard, the Receiver has observed conflicting and/or incomplete Information concerning what transactions and agreements comprise the Enterprise Transaction. For example:
- a. a document entitled “Timeline of Events FGFC – TGP – Marie Prepared for RECO (1)” was contained amongst the documentation provided by Mr. Pilehver on a hard drive delivered to the Receiver on April 26, 2025. This Timeline, attached as **Appendix “NN”**, purports to set out various events and transactions during the period June 4, 2024 to in or around October 5, 2024. The Receiver is unaware of who authored the Timeline, which purports to set out details of alleged wrongdoing by First Global and its principals, and purported efforts by TGP Canada to focus on recovering investor funds; and
 - b. neither the Pilehver Affidavit, nor the affidavits filed by Mr. Hoffner in the Hamilton Proceedings, make any mention of agreements allegedly entered into in September 2024. However, in correspondence sent by Mr. Pilehver to Mr. Hoffner’s counsel in the Hamilton Proceedings, and in the files sent by Mr. Pilehver to the Receiver in April 2025, Mr. Pilehver makes reference to:
 - i. a share purchase agreement dated September 12, 2024 (the “**LV IV-TGP Canada SPA**”), pursuant to which TGP Canada, represented by Mr. Pilehver, was to purportedly purchase the shares of LV IV from Mr. Hoffner upon payment by TGP Canada on or before the end of September 2024 of an outstanding mortgage on the LV IV Property valued at \$700,690.41 as detailed in Schedule “A” of the share purchase agreement.¹⁸ Section 2.2 of the LV IV-TGP Canada SPA indicates that upon full payment of the mortgage, Mr. Hoffner would execute all necessary documents to transfer the legal and beneficial title of the LV IV Property to TGP Canada. Based on the Receiver’s review of the Information, a transfer of beneficial title would contradict the nature of this trust property as set out in the sale agreements and Co-Owner Agreements. A copy of the LV IV-TGP Canada SPA, as provided by Mr. Pilehver to the Receiver, is attached as **Appendix “OO”**;

¹⁸ The version of this share purchase agreement provided by Mr. Pilehver to the Receiver is missing Schedule “A”.

- ii. the LV IV-TGP Canada SPA was signed electronically on September 12, 2024. A DocuSign signature summary page provided by Mr. Pilehver to the Receiver, attached as **Appendix “PP”**, indicates the signatures were digitally signed by individuals using email addresses known by the Receiver to be associated with both Mr. Hoffner and Mr. Pilehver;
 - iii. pursuant to a promissory note dated September 12, 2024 (the “**TGP Canada-Hoffner Promissory Note**”) which appears to be signed by Mr. Pilehver on behalf of TGP Canada and by Mr. Hoffner personally, TGP Canada agreed to assume and pay “the outstanding mortgages in the name of Pauline Hoffner and Randy Hoffner” related to the LV IV Property with an approximate amount of \$700,690.41. The TGP Canada-Hoffner Promissory Note states that this note was issued as part of the LV IV-TGP Canada SPA. The payee is described as “Randy Hoffner (payable to Olympia Trust Company)” and the payor is “TGP Canada Management Inc.”. A copy of the TGP Canada-Hoffner Promissory Note is attached as **Appendix “QQ”**; and
 - iv. pursuant to a promissory note dated September 12, 2024 (the “**TSI International-TGP Canada Promissory Note**”), TSI International Canada Inc. (“**TSI**”), represented by Mr. Hoffner, and TGP Canada, represented by Mr. Pilehver, agreed that TSI would transfer all outstanding shares of TSI to TGP Canada, and that the property municipally known as 9063 Twiss Road, Milton, Ontario (the “**Twiss Road Property**”) would be transferred by Mr. Hoffner to TSI on closing, upon TGP Canada paying out the existing mortgage on the Twiss Road Property, valued at \$1,249,369.42, payable to CIBC, by September 30, 2024. The TSI International-TGP Canada Promissory Note is attached as **Appendix “OOOO”**. A current parcel abstract for the Twiss Road Property is attached as **Appendix “PPPP”**. It appears the transaction contemplated by the TSI International-TGP Canada Promissory Note did not proceed, as the Twiss Road Property remains registered in Mr. Hoffner's name and the CIBC charge remains on title.
47. As set out in Section 4.3 and Section 4.4 below, the Receiver learned of an Olympia Trust Charge registered against the LV IV Property. The Olympia Trust Charge was discharged as against the LV IV Property by Hundal Law on February 5, 2025 after Olympia Trust Company was paid \$731,331.20 of the LV IV Property Sale Proceeds by Hundal Law.
48. As set out in Section 4.5 below, Ms. Hundal claims to have taken direction from Mr. Pilehver with respect to the LV IV Property sale and with respect to Hundal Law's distribution of the Sale Proceeds.

3.0 The Hamilton Proceedings

49. As noted above, in October 2024, several of the parties to the Enterprise Transaction became embroiled in litigation arising from the Enterprise Transaction. Such proceedings are referred to herein as the “**Hamilton Proceedings**”.
50. Specifically, Trans Global, Mr. Hoffner and Ms. Hoffner (collectively, the “**Hamilton Applicants**”) brought an application as against First Global, Ms. Salvatore, Vincent Salvatore and Tiberis Capital Corp. (collectively, the “**Hamilton Respondents**”), bearing Court File No. CV-24-00087580-0000 (the “**Hamilton Proceedings**”). The style of cause was subsequently amended to add Danny Landoli as a respondent.
51. In the Hamilton Proceedings, the Hamilton Applicants allege, among other things, that First Global’s failure to pay the monies owing under the Promissory Notes is in breach of the terms of the Trans Global SPA and constituted an Event of Default under the Share Pledge Agreement.
52. The application in the Hamilton Proceedings was returnable on October 31, 2024, at which time, the Hamilton Applicants sought certain Orders, including:
- a. an order approving certain agreements of purchase and sale entered into by certain Nominee Respondents to sell property within the Land Banking Enterprise. Those agreements did not concern LV IV or the LV IV Property;¹⁹
 - b. an order requiring the proceeds of sale to be paid to the Hamilton Applicants’ lawyers, Simpson Wigle LLP, whether in trust or into court; and
 - c. an interim and interlocutory order in the form of a *Mareva* injunction restraining the Hamilton Respondents, and any and all persons with notice of the Order sought, from directly or indirectly selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with the assets of any companies which they came to control pursuant to the Enterprise Transaction, including any funds received with respect to same (the “**Hamilton Mareva Relief**”).
53. According to Mr. Hoffner’s Fourth Affidavit:
- a. on October 30, 2024, the Hamilton Applicants’ lawyer: (i) spoke with Ms. Hundal, real estate counsel for Mr. Pilehver, and advised her of the Hamilton Application and the October 31, 2024 return date; and (ii) sent all of the materials filed in the Hamilton Proceedings to Ms. Hundal.²⁰ Neither Mr. Pilehver, nor TGP Canada or Paybank, are parties to the Hamilton Proceedings;

¹⁹ The Nominee Respondents being Talbot Crossing Inc., London Valley II Inc., and London Valley V. Inc. The subject properties were ultimately sold by the Receiver, pursuant to certain Approval and Vesting Orders issued by the Honourable Justice Kimmel in the Receivership Proceedings on May 29, 2025. The endorsement of Justice Kimmel in this regard is available on the Receiver’s Case Website [here](#).

²⁰ Fourth Hoffner Affidavit, paragraph 31.

- b. on October 31, 2024, while the parties to the Hamilton Proceedings were attending the Zoom hearing of the Hamilton Application, Mr. Pilehver sent an email to the Hamilton Applicants' counsel advising that he was currently in the process of retaining Gowling with respect to the matter and requested a three-week adjournment. Mr. Pilehver also made certain comments in his October 31, 2024 email regarding the dispute between the parties, and his position with respect to same, including his position that TGP Canada and Paybank had dedicated considerable efforts over the past four months to cooperate closely with the Hamilton Applicants "*to prevent further unauthorized actions by [First Global] and Salvatore*". Mr. Pilehver's October 31, 2024 email (sent from ben@sandgecko.ca) and enclosures, which is attached as Exhibit "010" to the Fourth Hoffner Affidavit, is appended hereto as **Appendix "RR"**;
 - c. on October 31, 2024, the parties to the Hamilton Proceedings as well as Mr. Pilehver consented to an Order, which was issued by the Honourable Justice MacNeil dated October 31, 2024 (the "**October 31, 2024 Injunction Order**"). The October 31, 2024 Injunction Order, which includes the Hamilton Mareva Relief at paragraph 5 thereof, is attached hereto as **Appendix "SS"**;
 - d. on November 4, 2024, Mr. Pilehver sent an email to various parties which included a link to a document which he indicated not only outlined his concerns but which he intended to present to the court ("**Mr. Pilehver's Submissions**"). The link was to a 969 page document of which 7 pages outline Mr. Pilehver's position, including that the Application submitted to the court by the Hamilton Applicants "*is factually incorrect, misleading, and reflects a misunderstanding of the underlying agreements*" and "*is an abuse of legal process*". In these first 7 pages of Mr. Pilehver's Submissions, Mr. Pilehver also makes reference to other alleged agreements, including a Share Purchase Agreement dated September 12, 2024 between LV IV and TGP Canada.²¹ These first 7 pages of Mr. Pilehver's Submissions, which are contained at Exhibit '015" to the Fourth Hoffner Affidavit, are attached hereto as **Appendix "TT"**; and
 - e. the Hamilton Applicants intend to provide a response to the contents of Mr. Pilehver's Submissions should he ever file materials in this matter.
54. Pursuant to the October 31, 2024 Injunction Order, the Hamilton Application was adjourned to November 19, 2024.
55. Pursuant to an endorsement issued in the Hamilton Proceedings on November 19, 2024, attached as **Appendix "UU"**, the Honourable Justice Sheard confirmed that paragraph 5 (the Hamilton Mareva Relief) of the October 31, 2024 Injunction Order remained in effect, and adjourned the application to December 5, 2024 for the purposes of setting a timetable for: (i) Mr. Pilehver and/or TGP Canada to bring a motion to seek intervenor status; and (ii) the hearing of all remaining issues in the application.

²¹ The Receiver understands this September 12, 2024 share purchase agreement to be a reference to the LV IV-TGP Canada SPA which is discussed by the Receiver in paragraph 46.b.i. above. While Mr. Pilehver referenced the LV IV-TGP Canada SPA in Mr. Pilehver's Submissions of November 4, 2024, he does not reference the LV IV-TGP Canada SPA in the Pilehver Affidavit which he later affirmed in the Hamilton Proceedings on January 20, 2025 as part of TGP Canada's motion to intervene in the Hamilton Proceedings.

56. On December 5, 2024, the Honourable Justice Bordin approved a timetable for TGP Canada to bring a motion for intervenor status in the week of March 24, 2025. A copy of the December 5, 2024 Order is attached hereto as **Appendix “VV”**.
57. TGP Canada, who at the time was represented by Gowling, served a motion record dated January 20, 2025 in support of TGP Canada’s motion to intervene in the Hamilton Proceedings on behalf of the Co-Owners of certain of the Nominee Respondents and other entities in the Land Banking Enterprise. In support of the intervenor motion, TGP Canada’s motion record included the Pilehver Affidavit. The Receiver understands that no parties filed responding materials in response to TGP Canada’s motion to intervene.
58. In describing the Enterprise Transaction, Mr. Pilehver testifies in the Pilehver Affidavit that Trans Global sold its ownership of the Land Banking Enterprise in 2024 to Mr. Pilehver’s company, Paybank, and to First Global. Mr. Pilehver further testifies in the Pilehver Affidavit that the parties to the Hamilton Proceedings were engaging in dealings in respect of certain properties which are the subject of the Land Banking Enterprise, apparently for the purpose of settling their private debts, all without notice to or consent from the beneficial owners (the underlying Co-Owners). Mr. Pilehver testified that TGP Canada *“seeks to intervene in [the Hamilton Proceedings] to protect the interests of hundreds of individual investors whose savings and investments financed the acquisition of the Properties”*.
59. In Mr. Pilehver’s affidavit, he further explains that as principal of TGP Canada, he has been making efforts to engage with investors in the Land Banking Enterprise, including setting up a townhall and a website, with the domain name <https://trans-globalpart.com> (the **“TGP Website”**). Further, he indicated that TGP Canada had prepared consent forms for thousands of beneficial owners (Co-Owners), and that he had obtained the consent of 628 investors across multiple properties.²²
60. Based on the Receiver’s review of the TGP Website, there are various updates posted to investors. This includes a letter dated August 13, 2024, addressed to Elena Salvatore, First Global and Vincent Salvatore. The letter is from Ben Pilehver and Paybank on behalf of investors in the Land Banking Enterprise, including LV IV, requesting that the recipients of the letter cease any ongoing transactions in relation to various companies. A copy of this letter is attached hereto as **Appendix “WW”**.
61. Mr. Pilehver’s affidavit conveys an urgency to ensure that the court in the Hamilton Proceedings was aware of the existence of the underlying investors who are the beneficial owners of the subject properties in the Land Banking Enterprise, so that such properties could not be sold or otherwise alienated by the parties to the Hamilton Proceedings to settle their private debts.
62. While the precise components of the Enterprise Transaction remain unclear, the concern for the underlying investors raised by Mr. Pilehver in the Pilehver Affidavit appears to be in stark contrast with Mr. Pilehver’s subsequent actions in effecting the sale and transfer of the LV IV Property, and directing the distribution of the Sale Proceeds to recipients who were not the Co-Owners of LV IV, and accordingly had no apparent entitlement to such Sale Proceeds.

²² See Pilehver Affidavit at para 78.

63. Despite having notice of the Hamilton Proceedings and the October 31, 2024 Injunction Order, Mr. Pilehver caused LV IV to sell the LV IV Property on February 5, 2025, without notice to, or the consent of, the Kobayashi Group, which owned approximately 72% of the undivided beneficial interest therein.
64. Ultimately, neither TGP Canada's intervenor motion, nor the application proper in the Hamilton Proceedings, proceeded. Gowling brought a motion to be removed as the lawyers of record for TGP Canada, and as reflected by an endorsement of the court issued in the Hamilton Proceedings on March 25, 2025 (the "**Removal Endorsement**"), Gowling was removed as the lawyers of record for TGP Canada in the Hamilton Proceedings. The Removal Endorsement is appended at **Appendix "XX"**.
65. Paragraph 13 of the Appointment Order provides that the Hamilton Proceedings are stayed against or in respect of the Receivership Respondents and the Property (as defined in the Appointment Order). Accordingly, the Receiver understands that the application in the Hamilton Proceedings has yet to be determined.

4.0 The Sale of the LV IV Property & Distribution of the Sale Proceeds

4.1 Tracing the LV IV Sale Proceeds: Pre-Receivership Efforts

66. Despite Mr. Pilehver's knowledge of the October 31, 2024 Injunction Order issued in the Hamilton Proceedings, and the position of the Kobayashi Group, he nevertheless caused the LV IV Property to be sold to Titan Lands Inc. for \$2 million on February 5, 2025. The Agreement of Purchase and Sale as executed by Mr. Pilehver on behalf of LV IV, as amended, is attached hereto at **Appendix "YY"**. A parcel abstract for the LV IV Property containing deleted instruments is attached hereto at **Appendix "ZZ"**.²³
67. The Kobayashi Group asserts that it did not consent to the sale nor did it receive any of the Sale Proceeds from the sale of the LV IV Property, contrary to sections 8(a), 6(j) and 19 of the applicable Co-Owner Agreements.
68. As detailed in Section 2.4 above, throughout the month of February 2025, to no avail, various correspondence was sent by the Kobayashi Group's counsel to Mr. Pilehver and to his lawyer, Ms. Hundal, who acted on the sale, in an effort to secure the Sale Proceeds and to advise of the pending Receivership Proceedings.
69. Prior to the Receiver's appointment, the Kobayashi Group's counsel wrote to The Toronto-Dominion Bank ("**TD Bank**") on February 21, 2025 noting, amongst other things, that the Kobayashi Group understood that Sale Proceeds paid on closing from the sale of the LV IV Property, totaling \$1,899,528.20, were transferred from the purchaser's lawyers, McKenzie Lake LLP, to a bank account at TD Bank in the name of Hundal Law (the "**Hundal Account**"). A copy of the Kobayashi Group's letter to TD, with the wire details and account number redacted, is attached as **Appendix "AAA"**.

²³ Following its appointment on March 15, 2025, the Receiver was provided with the Agreement of Purchase and Sale and Amendment by the realtor, Marie Canonaco, who represented LV IV in the sale. Ms. Canonaco advised the Receiver at that time that Mr. Pilehver was the contact for LV IV, as vendor, on the transaction, and that the vendor's lawyer was Ms. Hundal. It is unclear how the ultimate purchaser became Titan Lands Inc., as opposed to 2314503 Ontario Inc., the latter of whom is listed as the Buyer in the Agreement of Purchase and Sale and Amendment. The Receiver nevertheless understands from the purchaser's counsel, McKenzie Lake LLP, that these entities are related, and as such, the Receiver assumes that an assignment occurred and that the closing date was moved up to February 5, 2025.

70. Additionally, the Receiver understands that by letter dated February 25, 2025, the lawyers for the Hamilton Respondents, Brar Tamber Rigby Badham Litigation Lawyers (“**BTRB Lawyers**”), sent a letter to Mr. Pilehver, Ms. Hundal and the real estate broker representing LV IV on the LV IV Property sale transaction, alleging amongst other things, that Mr. Pilehver was falsely representing himself as the officer and director of LV IV. The letter further asserted that Mr. Pilehver did not have authority to control LV IV or any other company acquired by First Global from Trans Global. The letter requested that the sale proceeds of the LV IV Property be delivered to BTRB Lawyers in trust. A copy of this letter is attached hereto as **Appendix “BBB”**.

4.2 The Norwich Order and Hundal Law Account Statement Provided by TD Bank

71. The Appointment Order was subsequently issued on March 6, 2025. None of the parties to the Hamilton Proceedings, nor Mr. Pilehver, opposed the Appointment Order.
72. Paragraph 4(t) of the Appointment Order provides the Receiver with the power to trace and follow any proceeds of the real property previously owned by LV IV, including the LV IV Property enumerated in Schedule B to the Appointment Order.
73. Paragraphs 29 to 33 of the Appointment Order set out the Norwich Order issued by the Court. On March 12, 2025, in response to the Appointment Order, TD Bank provided the Receiver with a detailed account statement for the Hundal Account for the period February 5, 2025 (the closing date of the LV IV Property sale) through to March 10, 2025 (the “**Hundal Law Account Statement**”).
74. The Hundal Law Account Statement reflected, among other information, that:
- a. on February 5, 2025, the Sale Proceeds in the sum of \$1,899,510.70 were received in the Hundal Account from “Mckenzie Lake Lawyers LLP”, being the lawyers for the purchaser of the LV IV Property; and
 - b. on February 5, 2025, a payment was disbursed from the Hundal Account to “Olympia Trst company” in the amount of \$731,331.20.
75. Ultimately, as is detailed below, the Receiver was able to identify the disbursements of the Sale Proceeds made by Hundal Law, who claims to have distributed such funds at Mr. Pilehver’s direction:
- a. **Olympia Trust Charge:** On February 5, 2025, a payment was disbursed from the Hundal Account to “Olympia Trst company” in the amount of \$731,331.20 in order to discharge a collateral mortgage registered by Olympia Trust on the LV IV Property. The Receiver’s understanding is that there was no basis for this collateral charge to have been registered on the LV IV Property, and that it was placed on the LV IV Property as collateral for indebtedness owing by Mr. Hoffner, as is further discussed in Section 4.3 below;
 - b. **Payments to or for the benefit of the Defendants:** \$1,071,551.06 of the Sale Proceeds appear to have been improperly distributed to or for the benefit of Ms. Nali, Nali and Associates and Mr. Pilehver, through payments made to Ms. Nali, Nali and Associates and to the various law firms as detailed in Section 4.5 below;

- c. **Property Tax and Realtor Commissions:** \$87,801.19 was paid to a real estate brokerage and the City of London on account of property taxes and commission. The Receiver's view is that these amounts would have been properly payable had the LV IV Property been lawfully sold and not subject to the October 31, 2024 Injunction Order; and
- d. **Remaining Balance Remitted to the Receiver:** The remainder of the Sale Proceeds in the sum of \$8,844.75 (the "**Remaining Balance**") was wired by Hundal Law to the Receiver on May 21, 2025.

4.3 The Olympia Trust Charge

- 76. As further set out in the First Report²⁴ of the Receiver and the Second Report²⁵ of the Receiver, a collateral mortgage in favour of Olympia Trust Company in the amount of \$700,000 (the "**Olympia Charge**") was registered against each of:
 - a. the LV IV Property;
 - b. a property municipally known as 1264 Falgarwood Drive, Oakville (PIN 24888-0109) (the "**Falgarwood Property**"); and
 - c. a property municipally known as 601 Maplehurst Ave, Oakville, Ontario (PIN 24847-0084 (the "**Maplehurst Property**").
- 77. Mr. Hoffner previously owned the Falgarwood Property, which was sold in August 2024.
- 78. Mr. Hoffner also owned the Maplehurst Property until it was sold and transferred to an arm's length purchaser on May 30, 2025.
- 79. At the time of the registration of the Olympia Charge against each of these properties, Mr. Hoffner was a director of LV IV.
- 80. As described in the First Report, the Olympia Charge contained language indicating that it was a registered mortgage against the Maplehurst Property, and a collateral mortgage against the LV IV Property and the Falgarwood Property.
- 81. On June 27, 2025, the Receiver's counsel sent a request for information to Olympia Trust Company regarding the Olympia Trust Charge. On July 4, 2025, Olympia Trust Company responded, indicating that it was "a Registered Plans Trustee for our self-directed clients. As such, Olympia held the Mortgage in trust for our clients, the beneficial owners of the Mortgage." A copy of the foregoing correspondence is attached hereto as **Appendix "QQQQ"**.

²⁴ The First Report of the Receiver is available [here](#).

²⁵ The Second Report of the Receiver is available [here](#).

4.4 The Action Commenced by the Receiver Against Mr. Hoffner and the CPL Order Obtained by the Receiver Against the Maplehurst Property

82. As is detailed in the First Report and Second Report of the Receiver:

- a. the Receiver had reason to believe that \$731,331.20 (the “**Olympia Trust Payout**”) of the Sale Proceeds from the sale of the LV IV Property were used to discharge the Olympia Charge;
 - b. the Receiver made inquiries of Mr. Hoffner’s known counsel as well as Ms. Hundal’s LawPro counsel regarding the nature of the transactions in the Hundal account. Despite making such inquiries, the Receiver did not receive any evidence of any consideration or a valid business purpose for the LV IV Property to have been offered as collateral to secure the mortgage loan against the Maplehurst Property. Doing so was also in contravention of the Co-Owners Agreements governing the LV IV Property;
 - c. Given that the Maplehurst Property was listed by Mr. Hoffner for sale, the Receiver requested from Mr. Hoffner’s counsel that any sale proceeds be held in trust. As the Receiver did not receive any undertakings, the Receiver commenced an action against Mr. Hoffner on April 10, 2025 and brought an *ex parte* motion to register a certificate of pending litigation on title to the Maplehurst Property. Copies of the Notice of Action and Statement of Claim are attached as **Appendix “CCC”** and **Appendix “DDD”**, respectively; and
 - d. On April 10, 2025, the Honourable Justice Black granted the requested Order (the “**CPL Order**”) permitting the Receiver to register a certificate of pending litigation (the “**CPL**”) on title to the Maplehurst Property. A copy of the CPL Order, accompanying endorsement of Justice Black, and the CPL are attached as **Appendix “EEE”**, **Appendix “FFF”** and **Appendix “GGG”**, respectively.
83. In order to allow an arm’s length sale of the Maplehurst Property to proceed, the Receiver and Mr. Hoffner subsequently consented to an Order permitting alternative security to be paid by Mr. Hoffner in the sum of \$731,331.20 (the “**Alternative Security**”) from the proceeds of sale of the Maplehurst Property, in exchange for the discharge of the CPL. The Order of Justice Black issued May 15, 2025 (the “**Alternative Security Order**”) concerning this Alternative Security is appended hereto as **Appendix “HHH”**.
84. On May 30, 2025, the Receiver’s lawyers received the Alternative Security in trust in accordance with the Alternative Security Order. The CPL was discharged and the Maplehurst Property was transferred to an arm’s length purchaser on the same date.
85. By email sent to Mr. Hoffner on May 12, 2025, the Receiver provided Mr. Hoffner with both the Notice of Action and Statement of Claim, which was acknowledged by Mr. Hoffner. The Receiver made numerous attempts to arrange to personally serve Mr. Hoffner with the Notice of Action and Statement of Claim, however, Mr. Hoffner advised the Receiver that he was out of the country. On July 2, 2025, after Mr. Hoffner returned to Canada, the Receiver was able to effect personal service on him of the Notice of Action and Statement of Claim. Recent correspondence exchanged by the Receiver’s counsel with Mr. Hoffner and Ross & McBride LLP, the latter of whom

advised on July 29, 2025 that it has been retained by Mr. Hoffner in connection with the action, is attached as **Appendix “III”**.²⁶ As of today’s date, neither Mr. Hoffner, nor counsel on his behalf, has defended the action. The Receiver has provided Mr. Hoffner until August 1, 2025 to serve a Statement of Defence, after which time, default proceedings will be initiated.

4.5 The Receiver’s Efforts to Trace the Remainder of the Sale Proceeds

86. To investigate the whereabouts of the balance of the Sale Proceeds aside from the Olympia Trust Payout, the Receiver wrote to Gardiner Roberts LLP (“**Ms. Hundal’s LawPro counsel**”), who is Ms. Hundal’s counsel as appointed by LawPro. A letter dated March 12, 2025 to Ms. Hundal’s LawPro counsel is attached hereto as **Appendix “JJJ”** (with detailed account information redacted).
87. By email sent to the Receiver’s counsel on April 22, 2025, Ms. Hundal’s LawPro counsel:
- a. provided a copy of the Hundal Law Account Statement as highlighted by Ms. Hundal’s LawPro counsel to identify the transactions that relate to LV IV; and
 - b. Advised that there is a small amount, under \$10,000, remaining in trust for LV IV.

Ms. Hundal’s LawPro counsel’s April 22, 2025 email, with the attached highlighted Hundal Law Account Statement, is attached hereto as **Appendix “KKK”**. The items not highlighted by Ms. Hundal’s LawPro counsel have been redacted by the Receiver in accordance with paragraph 33(a) of the Appointment Order.

88. Following receipt of this information on April 22, 2025, the Receiver’s counsel asked Ms. Hundal’s LawPro counsel for details concerning the highlighted transactions, including any supporting documentation for them. The Receiver further requested that the remaining Sale Proceeds be wired in trust to the Receiver. Ms. Hundal’s LawPro counsel responded in two separate emails on April 23, 2025 to advise that:

“...my understanding is that Ms. Hundal was directed to send the proceeds to each of the payees by Mr. Pilehvar. The payees are all companies, whose contact information is public, with the exception of Ms. Nali, for whom my client does not have any contact information...”

“...Mr. Pilehvar would need to explain why he gave Ms. Hundal those directions...”

The foregoing email correspondence exchanged between the Receiver and Ms. Hundal’s LawPro counsel on April 22 and 23, 2025 is attached hereto as **Appendix “LLL”**.

²⁶ The Notice of Action and Statement of Claim, though attached to this email exchange, are not included in this Appendix as they are already attached as Appendix “CCC” and Appendix “DDD”.

89. On July 4, 2025, Ms. Hundal's LawPro counsel provided additional information and documentation to the Receiver by email (the "**July 4th Email**") concerning the distribution of the Sale Proceeds from the Hundal Account, which email is attached, without appendices, as **Appendix "MMM"**, given the appendices are addressed in the table immediately below.
90. Taken together, the information concerning how the LV IV Sale Proceeds were distributed by Hundal Law, as advised by Ms. Hundal's LawPro counsel on April 22, 2025 and July 4, 2025, is summarized in the following Table. The Appendix references refer to the applicable enclosure to Ms. Hundal's LawPro counsel's July 4th Email, and reflects two separate accounts associated with Ms. Nali, being account no. 1929-5023332 (per **Appendix "KKK"**) and account no. 1929-6177612 (per **Appendix "OOO"**):

Date	Trans Description	Amount	CR/ DR	To:	Encls. to July 4 th Email
02/05/2025	250205B6289400RPW	\$731,331.20	DR	Olympia Trst company - 9471715	Appendix "NNN"
02/06/2025	250206W7020100DR REV	\$817,859.49	CR	Mahtab Nali 1929- 5023332	Appendix "KKK" and Appendix "OOO" ²⁷
02/06/2025	250206W7020100RPW	\$817,859.49	DR	Mahtab Nali 1929- 5023332	Appendix "OOO"
02/14/2025	250214B2065300RPW	\$30,000	DR	Unik Credit mgmt. in trust	Appendix "PPP" ²⁸
03/05/2025	250305W3644600RPW	\$34,000	DR	Blaney McMurtry LLP Mixed Trust	Appendix "QQQ"
02/07/2025	CERTIFIED CHQ #03351	\$817,859.49	DR	To: Mahtab Nali 1929- 6177612	Appendix "OOO"
02/10/2025	CHQ#03350-4141552521	\$80,800	DR	Remax West Realty Inc. Brokerage	Appendix "RRR"
02/10/2025	RQ554 TFR-TO 5017322	\$58,000	DR	5017322 1140 – Hundal Law	Appendix "SSS" ²⁹
02/10/2025	SEND E-TFR ***BPW	\$5,000	DR	BALLY Hundal / bally@hundallawfirm. com	Appendix "PPP"

²⁷ With respect to the payments made to and from Ms. Nali, this Appendix contains the supporting documentation provided in the July 4th Email with respect to both the voided wire transfer on February 6, 2025, and the cheque which was deposited on February 7, 2025.

²⁸ With respect to the payments made to Unik Credit Mgmt and to Bally Hundal, this Appendix contains the supporting documentation provided in the July 4th Email, namely, a direction executed by Mr. Pilehver directing to make further cheques from the net proceeds of sale of the LV IV Property payable to Stockwoods LLP – Nader Hasan (\$30,000) and Bally Hundal Law Firm (\$5,000).

²⁹ With respect to all payments made to Hundal Law, this Appendix contains the supporting documentation provided in the July 4th Email. All redactions were done by Ms. Hundal's LawPro counsel. The supporting documentation provided in the July 4 Email only reflects invoices rendered by Hundal Law in the amount of \$37,855, many of which appear to be unrelated to LV IV, and despite Hundal Law having been paid \$103,040.42 of the Sale Proceeds.

02/12/2025	HI133 TFR-TO 5017322	\$5,000	DR	5017322 1140 – Hundal Law	Appendix “SSS”
02/18/2025	CERTIFIED CHQ #03354	\$80,800	DR	To: NALI AND ASSOCIATES	Appendix “TTT”
02/20/2025	IJ540 TFR-TO 5017322	\$30,000	DR	5017322 1140 - Hundal Law	Appendix “SSS”
02/28/2025	CHQ#03349-2144381989	\$7,001.19	DR	City of London	Appendix “UUU”
03/03/2025	RR042 TFR-TO 5017322	\$4,040	DR	5017322 1140 - Hundal Law	Appendix “SSS”
03/03/2025	RR101 TFR-TO 5017322	\$6,000.42	DR	5017322 1140 - Hundal Law	Appendix “SSS”
Net Sale Proceeds Disbursed	\$1,889,832.30 (of the total Sale Proceeds of \$1,899,528.20)				

91. The Receiver provides the following summary as to how the Sale Proceeds appear to have been distributed:
- \$817,859.49 to Mahtab Nali (reason unknown);
 - \$80,800 to Nali and Associates (reason unknown);
 - \$731,331.20 to Olympia Trust Company to discharge the Olympia Charge;
 - \$30,000 to Unik Credit Management, which may in fact be a reference to “Stockwoods LLP – Nader Hasan” (reason unknown);
 - \$5,000 to Bally Hundal Law Firm (reason unknown);
 - \$103,040.42 paid to Hundal Law Professional Corporation (much of this amount is unsupported and/or appears to pertain to matters for Mr. Pilehver and/or other entities unrelated to LV IV);
 - \$7,001.19 paid to City of London on account of property taxes owed by LV IV;
 - \$34,000 to Blaney McMurtry (reason unknown, but given the reference to Timothy Dunn of Blaney McMurtry LLP, it appears this amount may have been paid to fund a retainer on behalf of Mr. Pilehver personally, TGP Canada and Paybank so that they could engage Blaney McMurtry LLP to represent them in the Receivership Proceedings); and
 - \$80,800 to Remax West Realty Inc. Brokerage (commission payment).
92. As indicated in the Table above, these transfers total \$1,889,832.30 (\$9,678.40 less than the Sale Proceeds). The Receiver received the Remaining Balance of \$8,844.75 from Hundal Law on May 21, 2025.³⁰

³⁰ There is accordingly a small discrepancy of \$833.65 between the total Sale Proceeds, and the amounts disbursed by Hundal Law, for which the Receiver is unable to account.

93. To elaborate on the information and documentation contained in the Table above, the Receiver provides the following additional details for each of the foregoing transactions.

4.6 Payments to Stockwoods LLP and Bally Hundal Law Firm

94. As explained above, \$30,000 was transferred to Unik Credit Management and \$5,000 to Bally Hundal Law Firm.
95. Based on the information provided by Ms. Hundal's LawPro counsel, a direction was signed by Mr. Pilehver in his capacity as a director of LV IV directing cheques from the Sale Proceeds be made to Bally Hundal Law Firm in the amount of \$5,000 and to Stockwoods LLP-Nader Hasan in the amount of \$30,000. There is a handwritten annotation next to Stockwoods LLP with the text "Unik Credit [illegible text]". A copy of this direction is attached hereto as **Appendix "PPP"**.
96. In the documents provided by Ms. Hundal's LawPro counsel, there does not seem to be an explanation for why Sale Proceeds from the LV IV Property sale would be transferred to these parties.
97. Based on an internet search of Bally Hundal Law Firm, the website for Bally Hundal Law Firm appears to be: [Top Criminal Lawyers Brampton - Hundal Law firm](#), having an address of 490 Bramalea Road, Unit 104, Brampton. This is the same address as Hundal Law, based on the Hundal Law invoices and cheques provided by Ms. Hundal's LawPro counsel to the Receiver.
98. The Receiver understands that Bally Hundal Law Firm provides criminal defence services.

4.7 Payments to Ms. Nali and Nali and Associates

99. As noted above, \$817,859.49 of the Sale Proceeds were paid to Ms. Nali and \$80,800 of the Sale Proceeds were paid to Nali and Associates.
100. Mr. Pilehver had provided the Receiver with a number of co-owner agreements, including in respect of the LV IV Property. Based on the Receiver's review of these documents, none of Nali and Associates, Ms. Nali or Mr. Pilehver are listed as Co-Owners with respect to the LV IV Property.
101. Ms. Hundal's LawPro counsel provided to the Receiver copies of:
- A direction signed by Mr. Pilehver in his capacity as a director of LV IV to pay net Sale Proceeds of the LV IV Property sale to "*Nali & Associates or Mahtab Nali or as they may otherwise direct*". The direction does not indicate the amount of money to be paid to either party;
 - A certified cheque made from Hundal Law in the amount of \$817,859.49 to Mahtab Nali, which appears to have been deposited on February 7, 2025 at a TD Bank Branch: 0089 Bramalea City Centre, 60 Peel Centre Dr., Unit 103, Brampton, Ontario in an account held by "NALI M" bearing Account No. 6177612;

- c. A copy of a February 6, 2025 wire transfer with the handwritten note that the wire to Mahtab Nali did not go through and cheque deposited as per accounting attached. In the highlighted Hundal Law Account Statement provided by Ms. Hundal's LawPro counsel on April 22, 2025, attached as **Appendix "KKK"**, the account to which this wire transfer was sent is noted as "Mahtab Nali 1929-5023332"; and
 - d. A cheque made from Hundal Law in the amount of \$80,800 to Nali and Associates, which appears to have been deposited on February 18, 2025.
102. Copies of the direction, the cheque to Mahtab Nali and the wire transfer are attached hereto as **Appendix "OOO"**. A copy of the cheque made to Nali and Associates is attached hereto as **Appendix "TTT"**.
103. The Receiver has taken further steps to ascertain the nature of Mahtab Nali, Nali and Associates and their relationship, if any, to the receivership entities and Mr. Pilehver.
104. Based on a corporate profile search of Nali and Associates, an individual by the name of Mahtab Nali is listed as director and President. A copy of this corporate profile search is attached hereto as **Appendix "VVV"**.

4.8 Relationship Between Mr. Pilehver, Ms. Nali, Nali and Associates and Their Presence in Ontario and the UK

105. As noted above, \$817,859.49 of the Sale Proceeds were paid to Ms. Nali and \$80,800 of the Sale Proceeds were paid to Nali and Associates.
106. The Receiver has reason to believe that Ms. Nali and Mr. Pilehver may be spouses of one another, or otherwise related, and that they have residences and/or assets in Ontario, and perhaps, the United Kingdom. In this regard, the Receiver notes the following:
- a. Mr. Pilehver corresponds with the Receiver and others using an email address (ben@sandgecko.ca) with the domain name of Sand Gecko.
 - b. A company by the name of "Sand Gecko Inc." is incorporated in Ontario. An individual by the name of "Behzad Pilehver" is listed as one of the directors. The address for service listed in the corporate profile report is 27 Rean Drive, Ph 703, Toronto, Ontario. A copy of the corporate profile report is attached hereto as **Appendix "WWW"**.
 - c. A company by the name of "Sand Gecko Ltd" was also incorporated in the United Kingdom. Two individuals by the name of Mrs. Mahtab Pilehver (former name Nali) and Mr. Behzad Pilehver are listed as directors in the Application to Register a Company. The service address for both individuals on the Application to Register a Company and corporate profile are nearly identical to those listed for Sand Gecko Inc. above, being "Merci, PH 703, 27 Rean Drive, Toronto, Ontario, M2K 0A6". Additionally, Sand Gecko Inc. is listed as the initial shareholder in the Application to Register a Company. Copies of the Certificate of Incorporation, Application to Register a Company and corporate profile report for Sand Gecko Ltd. are attached hereto as **Appendix "XXX"**.

107. Additionally, the Receiver has identified commonality in several addresses associated with Mr. Pilehver, Ms. Nali and Nali and Associates, as is summarized in the Table below:

Entity	Company Address(es) (Registered Owner)	Mr. Pilehver Address for Service (Registered Owner)	Ms. Nali Address for Service (Registered Owner)
LV IV (see Appendix "B")	Attention/Care of Behzad Pilhver, 50 West Wilmont Street, Suite 100, Richmond Hill, Ontario, L4B 1M5 (Registered Owner 50 West Wilmot Inc.) (" 50 West Wilmot ") ³¹ (see Appendix "YYY")	50 West Wilmot	
Titan Shield Inc. (see Appendix "V")	Attention/Care of Behzad Pilhver, 50 West Wilmot (see Appendix "YYY")	50 West Wilmot (see Appendix "YYY")	
TGP Canada (see Appendix "C")	25 Mallard Road, Unit 100, North York, Ontario, M3B 1S4 ³² (Registered Owner St. George and St. Rueiss Coptic Orthodox Church, Toronto) (" Mallard Road ") (see Appendix "NNNN")	Attention/Care of Behzad Pilhver, Mallard Road (see Appendix "NNNN")	
Nali and Associates (see Appendix "VVV")	Registered Office: Attention/Care of MAHTAB NALI, 48 Chelford Road, Toronto, Ontario, M3B 2E5 (Registered Owner Yuzhen Li) (" 48 Chelford ") ³³ (see Appendix "ZZZ") Principal Place of Business (as set out in Business Names Registration): 70 Harrison Road, Toronto, Ontario, M2L 1V8, Canada (Registered Owner Jie Dai) (" 70 Harrison Road ") (see Appendix "AAAA")		48 Chelford (see Appendix "ZZZ")
Paybank (see Appendix "D")	Attention/Care of Behzad Pilhver, 50 West Wilmot (see Appendix "YYY")	335 Parkview Avenue, Toronto, Ontario, M2N 3Z6, Canada (Registered Owner Morkos Investments Limited) (" 335 Parkview Avenue ") (see Appendix "BBBB")	
Global Petroleum Investment Corporation (see Appendix "CCCC")	Attention/Care of MAHTAB NALI, 335 Parkview Avenue ³⁴ (see Appendix "BBBB")		70 Harrison Road (see Appendix "AAAA")

³¹ The Receiver understands that there is no Suite 100 at this address. The appended parcel abstract reflects the last inactive PIN before the property was subdivided into condominiums.

³² Despite the reference to Unit 100, the Receiver understands that this property is not condominiumized.

³³ The Receiver notes that the February 10, 2025 direction signed by Mr. Pilehver concerning the distribution of the Sale Proceeds, as provided by Ms. Hundal's LawPro counsel in the July 4 Email and attached as Appendix "PPP", referenced "Yu Tong Law Professional Corporation in trust (RE: Rent – 48 Chelford Rd, North York, ON, M3B 2E5)" \$63,100 – with a hand written notation striking such entry from the direction.

³⁴ The corporate profile report for Global Petroleum Investment Corporation misstates the registered address as 355 Parkview Avenue, which is a municipally-owned park.

Sand Gecko Inc. (see Appendix "WWW")	27 Rean Drive, Ph 703, Toronto, Ontario, M2K 0A6 (Registered Owners John Craven and Carolyn Craven) (" Rean Drive ") (see Appendix "DDDD")	3275 Sheppard Avenue East, Toronto, Ontario, M1T 3P1, Canada (Registered Owner 1430730 Ontario Limited) (" 3275 Sheppard Ave. East ") (see Appendix "EEEE")	
Sand Gecko Ltd. (see Appendix "XXX")		Merci, PH 703, 27 Rean Drive, Toronto, Ontario, M2K 0A6 (see Appendix "DDDD")	Merci, PH 703, 27 Rean Drive, Toronto, Ontario, M2K 0A6 (see Appendix "DDDD")
Rozhina Development Group Inc. (see Appendix "Q")	Attention/Care of Behzad Pilhver, 50 West Wilmot (see Appendix "YYY")	50 West Wilmot (see Appendix "YYY")	
Golden Griddle Inc. (see Appendix "FFFF")	Attention/Care of HAROLD MCDONNELL, 10551 Highway 12, Port Perry, Ontario, L9L 1B3 (Registered Owner 1000900173 Ontario Inc.) (see Appendix "GGGG")	100 Harrison Garden Boulevard, 1515, Toronto, Ontario, M2N 0C1 (Registered Owners Tae Sup Shim and In Young Park) (see Appendix "HHHH")	

108. Publicly, Mr. Pilehver indicated in 2015 that he is the CEO of Sand Gecko Inc., the parent company of certain Golden Griddle franchises: [Former Golden Griddle staff go to labour board over unpaid wages](#).
109. With respect to the 70 Harrison Road address noted below, a 2020 CanLii decision³⁵ reflects that Sandgecko Inc. was a tenant of the rental unit and had its tenancy terminated for non-payment of rent. Sandgecko Inc. then sought to appeal. The decision reflects that despite Madam Justice Favreau's direction that the tenant be advised of a case conference, "*Neither Mr. Pilehvar nor Ms. Nali attended the case conference*" ([para. 22](#)). While Mr. Pilehver appeared at a subsequent case conference, Justice Favreau dismissed Sandecko Inc.'s appeal, finding at [paragraph 39](#) that "*The appeal and the tactics on the appeal are designed to avoid the effect of the Board's termination order. This is a clear case of abuse of process.*"
110. As is summarized in the Table above, the Receiver has identified commonality in several Ontario addresses associated with Mr. Pilehver, Ms. Nali and Nali and Associates:
- 48 Chelford Road, Toronto is an address for service for both Mr. Pilehver and Ms. Nali, and is the registered office of Nali and Associates, attention Ms. Nali;
 - 355 Parkview Avenue, Toronto is an address for service for Mr. Pilehver and is also the registered address of Global Petroleum Investment Corporation, attention/care of Ms. Nali; and

³⁵ *Sandgecko Inc. v. Ye*, [2020 ONSC 7245](#) (CanLII)

- c. Merci, PH 703, 27 Rean Drive, Toronto is an address for service for both Mr. Pilehver and Ms. Nali, as listed in the Application to Register a Company for Sand Gecko Ltd., a UK entity.

111. As detailed in this Report, there is evidence to indicate that the Defendants have assets and/or an active business presence in Ontario.

4.9 Payments to Hundal Law Firm

112. Based on the transactions identified by Ms. Hundal's LawPro counsel, a series of payments were made to Hundal's Law Firm from the LV Sale Proceeds as follows:

Date	Amount Paid to Hundal Law
02/10/2025	\$58,000
02/12/2025	\$5000
02/20/2025	\$30,000
03/03/2025	\$4,040.00
03/03/2025	\$6,000.42
Total	\$103,040.42

113. In purported support of the aforesaid payments to Hundal Law using the LV IV Property Sale Proceeds, Ms. Hundal's LawPro counsel provided the following documents in the July 4 Email, all of which are enclosed at **Appendix "SSS"** as noted in the Table at paragraph 90 above:

Date	Comment
December 3, 2018	A redacted letter to Mr. Behzad Pilehver re "your purchase from Island View Estates". There is a handwritten note as follows of PH18-0015. \$21,719.73 plus late penalty 3,140.27 = 24860.00"
February 5, 2025	Invoice addressed to Ben Pilevhr for \$3,955 (including HST and disbursements) for services rendered including "TO acting for you and your various companies with respect to 4750 Yonge and 220 Duncan Mills Road May 2019..."
February 5, 2025	Invoice addressed to Ben Pilevhr for \$9,040 (including HST and disbursements) for services rendered including "Legal work from Sept 10 - Nov 15/2024 including various claims review related to London properties, phone calls with lawyers several days. Emails, file work for Talbot and Tottenham claims..."

114. The supporting documentation provided in the July 4 Email only accounted for \$37,855 of the \$103,040.42 paid to Hundal Law utilizing the Sale Proceeds.

115. Of this \$37,855, the amounts referenced in the first two rows above appear to be unrelated to LV IV or the LV IV Property.
116. The Receiver notes, as was set out at Exhibit “N” of the Klemens Affidavit filed in the Receivership Application and is attached hereto as **Appendix “III”**, the Law Society of Ontario commenced an application against Ms. Hundal on March 16, 2023 for alleged conduct unbecoming a licensee. The Receiver is unaware of the outcome of the proceeding, which appears to be unrelated to the subject matter of the Receivership Proceeding. Ms. Hundal has no practice restrictions listed on the Law Society of Ontario directory, which notes the existence of current regulatory proceedings: [Member | Law Society of Ontario](#).
117. The Receiver also notes that Ms. Hundal, Mr. Pilehver, Sand Gecko Inc., Ali Razian (a listed director of Sand Gecko Inc.) and others appear to each be party to other litigation in the Ontario Superior Court of Justice: *Madani v. Razian*, [2023 ONSC 6734](#) (CanLII). The Receiver has not investigated the nature of such proceedings or their status and has no reason to believe that such proceedings concern matters pertaining to the Land Banking Enterprise or the Receivership Proceedings.

4.10 Payments to Remax Commission and the City of London

118. Based on the transactions identified by Ms. Hundal’s LawPro lawyer, two additional payments from the Sale Proceeds were made as follows:
- a. On February 28, 2025, \$7,001.19 paid to City of London; and
 - b. On February 10, 2025, \$80,800 to Remax West Realty Inc. Brokerage.
119. In the July 4 Email, Ms. Hundal’s LawPro counsel provided the Receiver with a copy of a Remax invoice supporting this amount for the sale of the LV IV Property. The Receiver has also received a City of London property tax invoice from Ms. Hundal’s LawPro counsel. These are attached hereto as **Appendices “RRR”** and **“UUU”** respectively.
120. Had the sale of the LV IV Property been authorized by Co-Owners and permitted to lawfully proceed, the Receiver would not have taken issue with these specific expenses incurred in connection with the sale.

4.11 Payments to Blaney McMurtry LLP

121. Finally, based on the transactions identified by Ms. Hundal’s LawPro counsel and the documentation provided in the July 4 Email, \$34,000 was paid to Blaney McMurtry LLP on March 5, 2025. A copy of this wire confirmation, with Blaney’s account information redacted, is attached hereto as **Appendix “QQQ”**.
122. The Receiver believes that these Sale Proceeds may have been improperly paid to Blaney McMurtry LLP in order for Blaney McMurtry LLP to be engaged by Mr. Pilehver in his personal capacity, TGP Canada and Paybank (collectively, the **“Paybank Parties”**) in connection with the Receivership Proceedings.

123. In this regard, on March 21, 2025, Timothy Dunn of Blaney McMurtry LLP (the “**Paybank Parties’ lawyer**”) sent a letter to the Service List in the Receivership Proceeding indicating “*We have recently been retained by the Paybank Parties in connection with this matter and various other related matters*”. In its letter, Blaney McMurtry LLP indicated, among other things, that certain allegations have been made against the Paybank Parties in the materials filed to support the Receivership that the Paybank Parties reject as either inaccurate or, in some cases, deliberately misleading. Nevertheless, the March 21, 2025 letter indicates that notwithstanding the inaccuracy of the information submitted to the court to support the appointment of the Receiver, the Paybank Parties are content to have KSV act in this capacity as it provides a stability that would otherwise not exist. The March 21, 2025 letter is appended hereto as **Appendix “JJJJ”**.

124. Subsequent to sending the March 21, 2025 letter, Blaney McMurtry LLP has not otherwise been an active participant in the Receivership Proceedings on behalf of the Paybank Parties, aside from periodic email exchanges with the Receiver’s counsel.

4.12 The Receiver’s Requests of Mr. Pilehver to Provide Particulars of the Distribution of the LV IV Sale Proceeds Have Been Ignored

125. On March 28, 2025, representatives of the Receiver met virtually with Mr. Pilehver as well as Ralph Canonaco (“**Mr. Canonaco**”). According to the Paybank³⁶ and Rozhina Development Group³⁷ websites, Mr. Canonaco is the Chairman of Paybank and is the President of Rozhina Development Group.

126. Subsequently, on April 4, 2025, in response to a request made by the Receiver for the Co-Owner Information (as defined in paragraphs 5 to 8 of the Appointment Order), Mr. Pilehver provided the Receiver with access to a data room, as well as links to two Trans Global websites. Mr. Pilehver’s April 4, 2025 email to the Receiver is appended hereto as **Appendix “KKKK”**.

127. A review of the data room revealed that the requested Co-Owner Information had not been fully provided. Accordingly, on April 8, 2025, the Receiver’s counsel wrote to the Paybank Parties’ counsel reiterating the request that such Co-Owner Information be provided, which correspondence is attached at **Appendix “LLLL”**.

128. On April 16, 2025, Mr. Pilehver emailed the Receiver’s counsel, the Paybank Parties’ counsel and the Receiver, writing in his capacity as representative of TGP Canada, which he asserted is the recognized and duly authorized management entity overseeing the interests of various co-owners and beneficiaries of mortgage receivables pertaining to two entities in the Land Banking Enterprise which are not respondents to the Receivership Proceedings.

³⁶ [Our Team | PAYBANK FINANCIAL SERVICES](#)

³⁷ [Our People | Rozhina Development Group](#)

129. By letter dated April 16, 2025 (the “**Receiver’s Counsel’s April 16 Letter**”) sent by the Receiver’s counsel to the Paybank Parties’ counsel, the Receiver’s counsel responded to Mr. Pilehver’s correspondence and reiterated that the requested Co-Owner Information remained outstanding. The Receiver’s counsel indicated that to accommodate the Paybank Parties’ counsel’s request for technical support, a hard drive (the “**Hard Drive**”) was delivered to the Paybank Parties’ lawyers on April 11, 2025 so that requested documentation could be provided to the Receiver by the Paybank Parties. The Receiver’s Counsel’s April 16 Letter (without enclosures), and the email exchanges with Mr. Pilehver from April 16, 2025, are attached as **Appendix “MMMM”**.

130. The Receiver’s Counsel’s April 16 Letter specifically requested that the Hard Drive be provided to the Receiver by Monday, April 21, 2025, and that it contain certain requested information and documentation, including:

“...with respect to the sale by the Respondent London Valley IV Inc. (“**LV IV**”) of 6211 Colonel Talbot Road, London, Ontario (the “**LV IV Property**”), we understand that Mr. Pilehver engaged Parminder Hundal Law Professional Corporation as real estate counsel to complete the sale transaction on behalf of LV IV on February 5, 2025, prior to the Receiver’s appointment. We further understand that Ms. Hundal’s firm received the sale proceeds of \$1,899,510.70 (the “**Sale Proceeds**”) by wire transfer on February 5, 2025. The Receiver requires that Mr. Pilehver provide all records and information concerning to whom the Sale Proceeds were disbursed, in what amounts, and for what purpose, including information concerning the current location of the Sale Proceeds”.

(the “**LV IV Sale Proceeds Inquiry**”)

131. By email sent on April 25, 2025, the Receiver’s counsel requested an email response be provided by Mr. Pilehver in response to the LV IV Sale Proceeds Inquiry. The Paybank Parties’ counsel responded on April 25, 2025 indicating that the Hard Drive was ready to be picked up, and that Mr. Pilehver was arranging for the information the Receiver required in response to the LV IV Sale Proceeds Inquiry to be available on April 28 or 29, 2025. This email exchange between the Receiver’s counsel and the Paybank Parties’ counsel is contained in **Appendix “MMMM”**.

132. While a Hard Drive was made available to be picked up by the Receiver on April 26, 2025, it did not contain information responsive to the Receiver’s LV IV Sale Proceeds Inquiry.³⁸ Accordingly, on May 2, 2025, the Receiver’s counsel again emailed the Paybank Parties’ lawyer requesting that Mr. Pilehver respond to the LV IV Sale Proceeds Inquiry forthwith. The Receiver’s counsel’s email in this regard is contained in **Appendix “MMMM”**.

³⁸ On the Hard Drive, Mr. Pilehver has provided the Receiver with various documents related to, amongst other things, financial information related to the receivership entities, documents related to the above described transactions, complaints to regulators, and co-owner agreements for multiple properties. Given the materials filed in the Hamilton Proceedings, the Receiver had specifically requested from Mr. Pilehver copies of the consents that were purportedly signed by these numerous foreign investors, permitting TGP Canada to act as their agent. Although Mr. Pilehver has provided numerous Co-Owner Agreements, based on the review of the documents received to date, the Receiver is unable to identify documents that would seem to reflect the type of consents he has purportedly obtained.

133. On May 27 and June 23, 2025, the Receiver's counsel again sent correspondence to the Paybank Parties' lawyers, copying Mr. Pilehver, requesting that Mr. Pilehver respond to the LV IV Sale Proceeds Inquiry. The Receiver's counsel's emails in this regard are also contained in **Appendix "MMMM"**, together with the Paybank Parties' lawyer's May 27 email indicating he would follow-up with Mr. Pilehver.
134. To date, neither Mr. Pilehver nor the Paybank Parties' counsel on his behalf has responded to the LV IV Sale Proceeds Inquiry.
135. As a result of the documentation delivered by Ms. Hundal's LawPro counsel in the July 4 Email concerning the improper distribution of the LV IV Sale Proceeds, the Receiver proceeded to bring the within motion in an effort to trace and secure LV IV's property in accordance with the Appointment Order.

5.0 Injunctive Relief

136. Based on the information set out in this Third Report, the Receiver believes there is strong evidence that:
- a. The LV IV Property was sold at the direction of Mr. Pilehver in breach of the October 31, 2024 Injunction Order, and contrary to the notice and approval requirements contained in the Co-Owners Agreements;
 - b. The LV IV Sale Proceeds were not distributed as required by the Co-Owner Agreements. Instead, \$1,071,551.06 of the Sale Proceeds appears to have been improperly distributed to or for the benefit of Ms. Nali and Mr. Pilehver, through the payments made to Ms. Nali, Nali and Associates, and to the various law firms as noted in Section 4.5 above. As a result, the Receiver believes Ms. Nali, Nali and Associates and Mr. Pilehver were unjustly enriched, LV IV has suffered a corresponding deprivation, and there is no juristic reason for their enrichment in this regard;
 - c. Despite the Receiver's repeated requests of Mr. Pilehver and his counsel to advise as to how the LV IV Sale Proceeds were distributed, Mr. Pilehver has failed or refused to respond to the Receiver's inquiries;
 - d. The Receiver has reason to believe that Mr. Pilehver, Ms. Nali and Nali and Associates each have assets or businesses in Ontario;
 - e. Given the conduct observed by the Receiver, the Receiver believes that if the requested injunctive relief is not granted as against the Defendants to restrain them from transferring or dealing with assets, there is a serious risk of their assets being removed from the jurisdiction or otherwise dissipated or disposed of before a judgment can be obtained against them to recover the improperly distributed Sale Proceeds; and

- f. Given the Receiver's position as an officer of the court having a duty to comply with the powers granted to it in the Appointment Order, and given the fact that LV IV is insolvent, the Receiver is of the view that it is just and convenient in all the circumstances for the requested injunctive relief to issue without an undertaking as to damages being provided.
137. The Receiver will fund the expenses associated with the costs incurred by financial institutions in complying with the *Norwich* Order requested on this motion.

6.0 Receiver's Recommendations

138. Based on the foregoing, the Receiver recommends and requests that the Court grant:
(i) the *Mareva* injunctive relief sought as against each of Mr. Pilehver, Nali and Associates and Ms. Nali; and (ii) the *Norwich* Order sought.

* * *

All of which is respectfully submitted,

Handwritten signature in blue ink that reads "KSV Restructuring Inc."

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER OF
LONDON VALLEY IV INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**



**Supplement to the Third Report of
KSV Restructuring Inc.
as Receiver of
London Valley IV Inc. *et al.***

August 5, 2025

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COURT FILE NO.: CV-25-00736577-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

MIZUE FUKIAGE, AKIKO KOBAYASHI, YOSHIKI FUKIAGE, KOBAYASHI KYOHODO
CO., LTD. AND TORU FUKIAGE

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. AND FORT ERIE
HILLS CAPITAL MANAGEMENT INC.

RESPONDENTS

SUPPLEMENT TO THIRD REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER

AUGUST 5, 2025

1.0 Introduction

1. This report (the “**Supplemental Report**”) supplements the Receiver’s third report to Court dated August 1, 2025 (the “**Third Report**”). Capitalized terms not otherwise defined herein have the meanings given to them in the Third Report.

1.1 Currency

1. All currency references in this Supplemental Report are to Canadian dollars, unless otherwise noted.

1.2 Restrictions

1. This Supplemental Report is subject to the same restrictions as the Third Report.

2.0 Mr. Hoffner's Statement of Defence

1. With respect to the status of the action commenced by the Receiver against Randy Hoffner ("**Mr. Hoffner**") discussed in section 4.4 of the Third Report, on August 4, 2025, Mr. Hoffner's counsel served a Statement of Defence on Mr. Hoffner's behalf. With respect to the LV IV Property, this Statement of Defence alleges at paragraphs 20 and 21 that the sale of the LV IV Property was effected by Mr. Pilehver in breach of the October 31, 2024 Injunction Order. A copy of Mr. Hoffner's Statement of Defence is attached as **Appendix "A"**.
2. All of the Receiver's recommendations set out in the Third Report remain unchanged.

All of which is respectfully submitted by,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER OF
LONDON VALLEY IV INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N :

**LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

Plaintiff

and

RANDY HOFFNER

Defendant

STATEMENT OF DEFENCE

1. Hoffner admits the allegations at paragraphs 5 and 7 of the Statement of Claim.
2. Hoffner denies all other allegations contained in the Statement of Claim unless expressly admitted herein.

Parties

3. The Plaintiff, London Valley IV Inc. ("**LV IV**"), is a corporation incorporated pursuant to the laws of Ontario. LV IV was the owner of the property with the PIN 0821-0150, with the municipal address of 6211 Colonel Talbot Road, London Ontario, (the "**London Property**").

4. At all material times, LV IV is controlled and operated, through a chain of ownership, by TGP Canada Management Inc. ("**TGP**").

5. Randy Hoffner ("**Hoffner**") is a resident of Ontario.

Sale of TGP

6. On or about June 4, 2024, First Global Financial Corporation, Titan Shield Inc., 2630306 Ontario Inc. operating as Paybank Financial, and Trans Global Partners Limited (collectively the "**Purchasers**") entered into a Share Purchase Agreement with Trans Global Partners Limited (H.K.).

7. Pursuant to this Share Purchase Agreement the Purchasers purchased 100% of the shares of TGP from Trans Global Partners Limited (H.K.) and effectively gained full control and ownership of LV IV.

Timeline of Events

8. Prior to the Share Purchase Agreement, Hoffner was a Director of LV IV and other corporations that were controlled and operated by TGP.

9. The operating expenses of LV IV, and the other corporations Hoffner was a director of, were funded by money received from Trans Global Partners Limited (H.K.).

10. In or about 2023, the funding from Trans Global Partners Limited (H.K.) ceased or became insufficient to meet the liabilities of these corporations.

11. The LV IV property required certain renovations in order to be rented out.

12. Hoffner sought to obtain a mortgage to fund the renovations to the LV IV property and the ongoing expenses of the aforementioned corporations.

13. Hoffner was unable to obtain a mortgage on the London Property.

14. Hoffner secured a mortgage on his residence, the Maplehurst Property, as defined in the Statement of Claim, which mortgage was also registered on two other properties, including the London Property. Hoffner personally guaranteed this mortgage.

15. Hoffner used the funds from this mortgage to pay for renovations to the London Property and to fund the operating costs of LV IV and of other corporations owned directly or indirectly by TGP.

16. Hoffner took these actions in good faith in order to protect the interests of, among other parties, the Kobayashi Group, as defined in the Statement of Claim.

No Involvement in the Sale of the London Property

17. Following the sale of the shares in TGP from Trans Global Partners Limited (H.K.) to the purchasers, Hoffner resigned as a director of LV IV.

18. Hoffner was not an officer or director of LV IV at the time that the Agreement of Purchase and Sale of the London Property was entered into. Hoffner denies any involvement with the sale of the London Property. Hoffner denies that he instructed the solicitor acting on the sale transaction.

19. Hoffner was not a direct or indirect party to the purchase and sale of the London Property.

20. The sale of the London Property was effected by Behzad (Ben) Pilehver, who was at the time the sole registered director of LV IV.

21. The sale of the London Property was made in breach of an Order for a Mareva Injunction obtained on October 31, 2024, by Justice MacNeil in the matter with Court File Number CV-24-00087580 commenced at Hamilton by Hoffner, among other Applicants (the “**Hamilton Application**”).

22. The Hamilton Application was commenced by Hoffner, and others, due to the failure of the Purchasers to pay the purchase funds under the aforementioned Share Purchase Agreement, among other things.

No oppressive conduct

23. Hoffner denies that he acted in an oppressive manner by registering the aforementioned mortgage, or otherwise.

24. Hoffner denies that he obtained any personal benefit from this mortgage, or that he has been unjustly enriched by this mortgage.

25. Hoffner denies that he owed any fiduciary duty to the Kobayashi Group.

26. Hoffner denies that he engaged in any other improper conduct.

27. Hoffner denies that the Plaintiff is entitled to an interest his personal residence. There is no basis for any constructive, resulting, or other trust to arise as a result of the mortgage being registered. Hoffner owned the Maplehurst Property prior to the mortgage being obtained.

28. Hoffner denies that the Plaintiff suffered any damages as a result of his conduct, or alternatively, the damages claimed are remote and excessive.

29. The Plaintiff failed to take steps to mitigate its losses, if any, including by failing to take steps to enforce the Mareva Injunction which prevented the disposition of the London Property.

August 4, 2025

ROSS & MCBRIDE LLP

Barristers & Solicitors
1 King Street West, 10th Floor
Hamilton, ON L8P 1A4

ANDREI DOBROGEANU (LSO #69957Q)

adobrogeanu@rossmcbride.com

INDERDEEP TOOR (LSO #85004D)

itoor@rossmcbride.com

Tel: (905) 526-9800

Lawyers for the Defendant

TO: AIRD & BERLIS LLP

Barrister & Solicitors
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Toronto, ON M5J 2T9

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chorsten@airdberlis.com

Tel: (416) 865-3077

Lawyers for the Plaintiff

**London Valley IV Inc. by its Court-
Appointed Receiver and Manager,
KSV Restructuring Inc.**

-and-

Randy Hoffner

Plaintiff

Defendant

Court File No. CV-25-00740869-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT
TORONTO

STATEMENT OF DEFENCE

ROSS & MCBRIDE LLP

Barristers and Solicitors
1 King Street West, 10th floor
Hamilton, Ontario L8P 1A4

ANDREI DOBROGEANU (LSO #69957Q)

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INDERDEEP TOOR (LSO #85004D)

itoor@rossmcbride.com

Tel: (905) 526-9800

Lawyers for the Defendant

APPENDIX N



Mark van Zandvoort
Direct: 416.865.4742
E-mail: mvanzandvoort@airdberlis.com

August 7, 2025

**DELIVERED VIA EMAIL (ben@sandgecko.ca and tdunn@blaney.com),
PROCESS SERVER, COURIER AND REGISTERED MAIL**

BEHZAD “BEN” PILEHVER
50 West Wilmot Street, Suite 100
Richmond Hill, ON L4B 1M5

BEHZAD “BEN” PILEHVER
25 Mallard Road, Unit 100
North York, ON M3B 1S4

BEHZAD “BEN” PILEHVER
48 Chelford Road
Toronto, ON M3B 2E5

BEHZAD “BEN” PILEHVER
335 Parkview Avenue
Toronto, ON M2N 3Z6

BEHZAD “BEN” PILEHVER
Merci, PH 703, 27 Rean Drive
Toronto, ON M2K 0A6

BEHZAD “BEN” PILEHVER
3275 Sheppard Avenue East
Toronto, ON M1T 3P1

BEHZAD “BEN” PILEHVER
100 Harrison Garden Boulevard, 1515
Toronto, ON M2N 0C1

With a copy to:

BLANEY MCMURTRY LLP
Attention: Timothy Dunn
2 Queen Street East, Suite 1500
Toronto, ON M5C 3G5

Dear Mr. Pilehver:

**Re: LONDON VALLEY IV INC., by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC. v. BEHZAD PILEHVER also known as BEN
PILEHVER also known as BEHZAD PILEHVAR also known as BEN
PILEHVAR et al.
Court File No. CV-25-00748799-00CL**

We are the lawyers for the Plaintiff, London Valley IV Inc. by its Court-Appointed Receiver and Manager, KSV Restructuring Inc. (the “**Plaintiff**”), in the above noted action (the “**Action**”).

We enclose and hereby serve upon you the Order (the “**Order**”) and accompanying Endorsement of the Honourable Justice J. Dietrich made today in the Action granting the Plaintiff interim *Mareva* and *Norwich* injunctive relief against the following Defendants, including, without limitation, against you:

1. The Defendant, Behzad Pilehver also known as Ben Pilehver also known as Behzad Pilehvar also known as Ben Pilehvar also known as Ben Pilevhr;
2. The Defendant, Mahtab Nali also known as Mahtab Nali Pilehvar also known as Mahtab Pilehvar; and
3. The Defendant, 2621598 Ontario Inc. doing business as Nali and Associates.

Restrictions Under the Order

Pursuant to paragraph 1 of the Order, and as further detailed therein, you are immediately restrained from directly or indirectly, by any means whatsoever: (i) selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of the Defendants, wherever situate, including but not limited to the accounts listed in Schedule “A” of the Order; (ii) instructing, requesting, counselling, demanding, or encouraging any other person to do so; and (iii) facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so.

The foregoing restrictions apply to all of the Defendants’ assets, including your own, whether or not they are in your name and whether or not they are solely or jointly owned. Your assets include any asset which you have the power, directly or indirectly, to dispose of or deal with as if it were your own. You are considered to have such power if a third party holds or controls the assets in accordance with your direct or indirect instructions.

Pursuant to paragraph 3 of the Order, if the total value free of charges or other securities of the Defendants’ assets exceeds \$1,071,551.06, the Defendants may sell, remove, dissipate, alienate, transfer, assign, encumber, or similarly deal with them so long as the total unencumbered value of the Defendants’ assets remains above \$1,071,551.06.

As outlined at the top of the Order, failure to comply therewith may result in the Court holding you in contempt. If held to be in contempt, you may be imprisoned, fined or have your assets seized. Any other person who knows of this Order and does anything which helps or permits the Defendants to breach the terms of this Order may also be held in contempt of court and may be imprisoned, fined or have their assets seized.

Requirement to Deliver Sworn Statement

Pursuant to paragraph 5 of the Order, you are required to prepare and provide to the Plaintiff within seven (7) days a sworn statement describing the nature, value and location of your assets worldwide, whether in your own name or not and whether solely or jointly owned.

Requirement to Submit to Examination

Pursuant to paragraph 6 of the Order, you are required to submit to an examination under oath of the foregoing sworn statement or affidavit within fifteen (15) days of the delivery of such sworn statement or affidavit.

Materials Relied Upon in Support of Motion

The motion materials which were relied upon by the Plaintiff in support of the Order are enclosed as follows and are available in the following sharefile link:

<https://airdberlis.sharefile.com/public/share/web-s2ef162d2fbfc4e239e9e972e8b27f071>

- i. Motion Record of the Plaintiff dated August 1, 2025 (Volumes I to V);
- ii. Supplementary Motion Record of the Plaintiff dated August 5, 2025;
- iii. Factum of the Plaintiff dated August 1, 2025;
- iv. Notice of Action issued August 5, 2025; and
- v. Book of Authorities issued August 1, 2025.

Comeback Hearing

In accordance with paragraph 12 of the Order, pursuant to the Endorsement enclosed, this matter has been scheduled for a comeback hearing before the Ontario Superior Court of Justice (Commercial List) on Friday, August 15, 2025 at 9:00 am via Zoom video conference in order to extend the duration of the Order (the “**Comeback Hearing**”). Please find enclosed a notice of motion in connection with that Comeback Hearing.

As is set out in paragraphs 48 to 49 of the Endorsement, should you wish to appear at the Comeback Hearing, the Court will hear from you. You may file evidence for the purpose of the Comeback Hearing, or you may appear at the Comeback Hearing and ask to schedule a further return date to challenge the Order.

Alternative Payment of Security

Pursuant to paragraph 10 of the Order and as alternative security thereto, you may pay the sum of \$1,500,000.00 to the Receiver to be held in trust until further Order of the Court, and upon making such payment, the Order will cease to have effect.

Please review this letter, its enclosures and the Order carefully, and govern yourself accordingly.

We would ask that if you have the most recent contact information for Ms. Nali and Nali and Associates, including email addresses, that you provide them to the undersigned.

Yours truly,



Mark van Zandvoort
MZ/ch
Encl.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE

)

THURSDAY, THE 7TH

JUSTICE J. DIETRICH

)

DAY OF AUGUST, 2025

)

B E T W E E N :

**LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also known as BEHZAD PILEHVAR
also known as BEN PILEHVAR, MAHTAB NALI also known as MAHTAB NALI PILEHVAR
also known as MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing business as NALI
AND ASSOCIATES**

Defendants

ORDER

NOTICE

If you, the Defendants, disobey this order you may be held to be in contempt of court and may be imprisoned, fined or have your assets seized. You are entitled to apply on at least forty-eight (48) hours' notice to the Plaintiff, for an order granting you sufficient funds for ordinary living expenses and legal advice and representation.

Any other person who knows of this order and does anything which helps or permits the Defendants to breach the terms of this Order may also be held to be

in contempt of court and may be imprisoned, fined or have their assets seized.

THIS MOTION, made without notice by the Plaintiff, London Valley IV Inc. by its Court-Appointed Receiver and Manager, KSV Restructuring Inc., solely in its capacity as Receiver and Manager of certain property of London Valley IV Inc. and all proceeds thereof, and not in its personal capacity or in any other capacity (in such capacity, the “**Receiver**”), for an interim Order in the form of a *Mareva* injunction restraining the Defendants from dissipating their assets and in the form of a *Norwich* Order compelling third parties to disclose information and documents relating to the assets and accounts of the Defendants, and for other relief, was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the materials filed by the Plaintiff, including the Notice of Action, the Notice of Motion, the Third Report of the Receiver dated August 1, 2025 and the Appendices thereto, the Supplement to the Third Report of the Receiver dated August 5, 2025 and the Appendix thereto, and the Factum of the Plaintiff, and on hearing the submissions of counsel for the Plaintiff,

***Mareva* Injunction**

1. **THIS COURT ORDERS** that the Defendants, and their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, are restrained from directly or indirectly, by any means whatsoever:

- (a) selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of the Defendants, wherever situate, including but not limited to the accounts listed in Schedule “A” hereto;
- (b) instructing, requesting, counselling, demanding, or encouraging any other

person to do so; and

- (c) facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so.

2. **THIS COURT ORDERS** that paragraph 1 of this Order applies to all of the Defendants' assets whether or not they are in his, her or its own name and whether they are solely or jointly owned. For the purpose of this Order, the Defendants' assets include any asset which he, she or it has the power, directly or indirectly, to dispose of or deal with as if it were his, her or its own. The Defendants are to be regarded as having such power if a third party holds or controls the assets in accordance with any of the Defendants' direct or indirect instructions.

3. **THIS COURT ORDERS** that if the total value free of charges or other securities of the Defendants' assets exceeds \$1,071,551.06, the Defendants may sell, remove, dissipate, alienate, transfer, assign, encumber, or similarly deal with them so long as the total unencumbered value of the Defendants' assets remains above \$1,071,551.06.

Ordinary Living Expenses

4. **THIS COURT ORDERS** that the Defendants may apply for an order, on at least forty-eight (48) hours' notice to the Plaintiff, specifying the amount of funds and source thereof from which the Defendants seek to have access in order to spend on ordinary living expenses and legal advice and representation.

Disclosure of Information

5. **THIS COURT ORDERS** that the Defendants each prepare and provide to the Plaintiff within seven (7) days of the date of service of this Order, with a sworn statement describing the nature, value, and location of the Defendants' respective assets worldwide, whether in the Defendants' own names or not and whether solely or jointly owned.

6. **THIS COURT ORDERS** that the Defendants each submit to examinations under oath within fifteen (15) days of the delivery by the Defendants of the aforementioned sworn statements.

7. **THIS COURT ORDERS** that if the provision of any of this information is likely to incriminate the Defendants, they may be entitled to refuse to provide such information, but are recommended to take legal advice before refusing to provide the information. Wrongful refusal to provide the information referred to in paragraph 5 herein is contempt of court and may render the Defendants liable to be imprisoned, fined, or have their assets seized.

Third Parties

8. **THIS COURT ORDERS** that The Toronto-Dominion Bank (the "**Bank**") forthwith freeze and prevent any removal or transfer of monies or assets of the Defendants held in any account or on credit on behalf of any of the Defendants, with the Bank, until further Order of the Court, including but not limited to the accounts listed in Schedule "A" hereto.

9. **THIS COURT ORDERS** that the Bank and any other person having notice of this Order forthwith disclose and deliver up to the Plaintiff any and all past, present and future records held by the Bank and such persons concerning the Defendants' assets and

accounts, including the existence, nature, value and location of any monies or assets or credit, wherever situate, held on behalf of the Defendants worldwide.

Alternative Payment of Security

10. **THIS COURT ORDERS** that this Order will cease to have effect if the Defendants provide security by paying the sum of \$1,500,000.00 to the Receiver to be held in trust until further Order of the Court.

Variation, Discharge or Extension of Order

11. **THIS COURT ORDERS** that anyone served with or notified of this Order may apply to this Court at any time to vary or discharge this Order, on four (4) days' notice to the Plaintiff.

12. **THIS COURT ORDERS** that the Plaintiff shall apply for an extension of this Order within ten (10) days hereof, failing which this Order will terminate.

General

13. **THIS COURT ORDER** that the Plaintiff shall not be required to provide an undertaking to abide by any order concerning damages under Rule 40.03 of the *Rules of Civil Procedure*, R.R.O. 194.

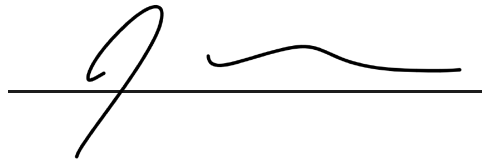
14. **THIS COURT ORDERS** that the Plaintiff is hereby granted leave to register this Order against title to any real property in the name or names of the Defendants.

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the United Kingdom, or any other jurisdiction, to give effect to this Order and to assist the

Plaintiff and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Plaintiff, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Plaintiff in any foreign proceeding, or to assist the Plaintiff and its agents in carrying out the terms of this Order.

16. **THIS COURT ORDERS** that the Plaintiff is authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition and/or enforcement of this Order and any further orders issued in these proceedings, and for assistance in carrying out the terms and/or intent of all such orders.

17. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date of this Order without the need for entry or filing.

A handwritten signature, consisting of a large loop followed by a wavy line, is written over a solid horizontal line.

SCHEDULE "A"

BANK	ACCOUNT NO.
The Toronto-Dominion Bank	1929-6177612
Unknown	1929--5023332

**LONDON VALLEY IV INC.
by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC.**

and

**BEHZAD PILEHVER also known as BEN PILEHVER also known
as BEHZAD PILEHVAR also known as BEN PILEHVAR, MAHTAB
NALI also known as MAHTAB NALI PILEHVAR also known as
MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing business
NALI AND ASSOCIATES**

Plaintiff

Defendants

Court File No.: CV-25-00748799-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

ORDER

AIRD & BERLIS LLP

Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Mark van Zandvoort (LSO No. 59120U)

Email: mvanzandvoort@airdberlis.com

Kyle Plunkett (LSO No. 61044N)

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Adrienne Ho (LSO No. 68439N)

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Calvin Horsten (LSO No. 90418I)

Email: chorsten@airdberlis.com

Tel: (416) 863-1500

Lawyers for the Plaintiff



SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00748799-00CL

DATE: August 7, 2025

NO. ON LIST: 5

TITLE OF PROCEEDING:

London Valley IV, by Its Court-Appointed Receiver And Manager, KSV Restructuring
Vs.
Pilehver, Behzad / Nali, Mahtab / 2621598 Ontario Inc.

BEFORE: Justice J. Dietrich

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Mark van Zandvoort, Counsel Calvin Horsten, Counsel	The Plaintiff	mvanzandvoort@airdberlis.com chorsten@airdberlis.com
David Sieradzki, Receiver Jordan Wong, Receiver	KSV Advisory	dsieradzki@ksvadvisory.com jwong@ksvadvisory.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE J. DIETRICH:

Introduction

[1] London Valley IV Inc. (“**LV IV**”) by KSV Restructuring Inc. (“**KSV**”) solely in its capacity as the Court-Appointed Receiver and Manager of LV IV, (the “**Receiver**”) seeks on an ex parte basis a Mareva injunction and Norwich Order as against the Defendants, Behzad Pilehver (“**Pilehver**”), Mahtab Nali (“**Nali**”) and 2621598 Ontario Inc. doing business as Nali and Associates (“**Nali and Associates**”).

[2] Defined terms used but not otherwise defined herein have the meaning provided to them in the factum of the Receiver filed for use on this motion.

[3] As an initial matter, in support of this motion the Receiver filed the third Report of KSV dated August 1, 2025 as evidence. For the reasons set out in *Intercity Realty Inc v. PricewaterhouseCoopers Inc. et al.*, 2024 ONSC 2400 at para 51-53, I accept that a report of the Receiver as a court-officer is appropriate evidence in this context.

[4] For the reasons set out below, the relief requested by the Receiver is granted.

Background

The Receivership Proceedings and the Parties

[5] On March 6, 2025, under Court File No. CV-25-00736577-00CL (the “**Receivership Proceedings**”), KSV was appointed as Receiver of the assets, undertakings and properties of, among others, LV IV, and the proceeds thereof, including with respect to the LV IV Property (as defined below) (the “**Appointment Order**”).

[6] The Receivership Proceedings were commenced by Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage (collectively, the “**Kobayashi Group**”).

[7] The Kobayashi Group, other members of their family and numerous other investors (collectively, the “**Co-Owners**”) invested funds in certain land banking projects to finance the acquisition of real estate (the “**Land Banking Enterprise**”). Various companies (some of which are defined in the Appointment Order as the “**Nominee Respondents**”), including LV IV, were formed to hold title to various pieces of real estate in Ontario as nominees and bare trustees for the Co-Owners.

[8] As part of the Receiver’s powers under the Appointment Order, it was authorized to trace and follow the proceeds of any real property previously owned by any of the Nominee Respondents that was sold, transferred, assigned or conveyed on or after October 31, 2024, including in respect of the LV IV Property.

[9] LV IV is an Ontario corporation, and owned the property municipally known as 6211 Colonel Talbot Road, London, Ontario (the “**LV IV Property**”) until the property was sold and transferred to a third-party purchaser for consideration of \$2 million on February 5, 2025.

[10] At the time of the Receiver’s appointment, Pilehver was and remains a director and officer of certain Nominee Respondents in the Land Banking Enterprise, including LV IV of which he is the sole director and President.

[11] Nali is believed to be Pilehver’s wife, although this has not been confirmed by the Receiver.

[12] Nali and Associates is a business name registered by 2621598 Ontario Inc. (an Ontario Corporation). Nali is the President and sole director of Nali and Associates. In corporate filings, both Nali and Pilehver list their address for service as 48 Chelford Road, North York, Ontario.

The LV IV Property

[13] The Kobayashi Group claims to have invested the aggregate amount of \$3.7 million to acquire an approximately 72% undivided beneficial interest in the LV IV Property. This interest was acquired pursuant to four sale agreements among the applicable member of the Kobayashi Group, as purchaser, LV IV, as nominee, and TSI-LV IV International Canada Inc., as vendor. Each of these sale agreements includes certain co-owner agreements, which require that, amongst other things, net income from the property be paid to Co-Owners and that Co-Owners holding at least 51% of the interests in the property approve any sale.

[14] On October 31, 2024, the Honourable Justice MacNeil issued an Order (the “**October 31, 2024 Injunction Order**”) in the proceedings under Court File No. CV-24-00087580-0000 (the “**Hamilton Proceedings**”) which includes at paragraph 5 of the Order provided that all persons with notice of the order were restrained from selling, removing, dissipating alienating, transferring, assigning, encumbering, or similarly dealing with their assets, or the assets of certain companies. The Receiver's reading of this Order is that the companies referenced included LV IV and therefore the restriction applied to the LV IV Property. Although the defined terms in the October 31, 2024 Injunction Order are not straightforward, it appears on the evidence that all parties understood that the LV IV Property was subject to the Order and that formed part of the basis set out in the Receivership Proceedings.

[15] Mr. Philehver was aware of the October 31, 2024 Injunction Order as he attached it to an affidavit he swore in the Hamilton Proceedings on January 20, 2025 (prior to the transfer of the LVI IV Property on February 5, 2025).

[16] The Kobayashi Group, as a subset of the Co-Owners of the LV IV Property, filed evidence in support of the Appointment Order that the sale of the LV IV Property on February 5, 2025 was completed without the Kobayashi Group's knowledge or consent. Further, the Kobayashi Group asserted that they have not received any net income or other proceeds in connection with the LV IV Property.

Sale of LV IV Property and Alleged Misappropriation of Funds

[17] The LV IV Property was sold without compliance with the co-owners agreement. Accepting the Receiver's interpretation of the October 31, 2024 Injunction Order, the LV IV Property was also sold in contravention of that Order and in the face of the pending Receivership Proceeding of which Pilehver was aware.

[18] Based on the terms of the Appointment Order the Receiver was provided with information that on February 5, 2025, the proceeds from the sale of the LV IV Property were deposited into the trust account (the “**Hundal Account**”) for the lawyer, Parminder Hundal (“**Hundal**”), who acted for LV IV on the sale transaction were subsequently disbursed by Hundal, at Pilehver's direction, to the following persons and entities who appear to have no connection to LV IV or the LV IV Property:

- a. on February 7, 2025, a payment was made from the Hundal Account to Nali in the amount of \$817,859.49, which payment was made by cheque and deposited into the Nali Bank Account. Initially, a wire in this amount was evidently sent to “Mahtab Nali” on February 6, 2025 with reference to an account number 1929-5023332 (together with the Nali Bank Account, the “**Nali Bank Accounts**”), but was evidently voided and did not go through;
- b. on February 18, 2025, a further \$80,800 was paid by cheque from the Hundal Account to Nali and Associates;
- c. on February 12, 2025, \$5,000 was wired by Hundal to Bally Hundal/Hundal Law Firm;
- d. on February 14, 2025, \$30,000 was wired by Hundal to Stockwoods LLP;

- e. payments totalling \$103,040.42 were paid to Hundal's law firm on February 10, 12, 20 and March 5, 2025 in purported satisfaction of accounts rendered, of which at least \$94,000. appears to have no connection to LV IV or the LV IV Property; and
- f. on March 5, 2025, one day prior to the Appointment Order, \$34,000 was wired by Hundal to a third law firm, Blaney McMurtry LLP.⁴² On March 21, 2025, Blaney McMurtry LLP advised the service list in the Receivership Proceedings that it had been retained by Pilehver in his personal capacity, as well as by 2630306 Ontario Inc. o/a Paybank Financial ("**Paybank**") and TGP Canada (collectively, the "**Paybank Parties**"). Pilehver is an officer and director of Paybank and TGP Canada.

[19] Despite the Receiver's inquiries of Pilehver and his known lawyers as to what happened to the sale proceeds from the LV IV Property, no explanation or response has been provided by Pilehver.

Issues

[20] The issues to be decided in this motion are whether:

- a. the Court should grant an ex parte interim and interlocutory Mareva injunction against the Defendants; and
- b. the Norwich relief requested ought to be granted.

Analysis

Mareva Order

[21] This Court has jurisdiction to grant an interlocutory injunction, including a Mareva injunction, pursuant to section 101 of the *Courts of Justice Act* (the "**CJA**"), where it appears just or convenient to do so. Pursuant to Rule 40.01 of the *Rules of Civil Procedure* RRO Reg 194 (the "**Rules**"), an interlocutory injunction or mandatory order under section 101 of the CJA may include such terms as are just, and may be sought on motion made without notice for a period not exceeding 10 days.

[22] A Mareva injunction is an exceptional remedy see *Aetna Financial Services v. Feigelman*, 1985 CanLII 55 (SCC).

[23] The factors to be ordinarily considered in determining whether to grant Mareva relief include:

- a. a strong prima facie case;
- b. particulars of its claim against the defendant, setting out the grounds of its claim and the amount thereof, and fairly stating the points that could be made against it by the defendant;
- c. some grounds for believing that the defendant has assets in Ontario (although this requirement has been modified by more recent jurisprudence discussed below, such that it is perhaps better expressed as: some grounds for believing that the defendant has assets within the jurisdiction of the Ontario Court);
- d. some grounds for believing that there is a serious risk of defendant's assets being removed from the jurisdiction or dissipated or disposed of before the judgment or award is satisfied;
- e. proof of irreparable harm if the injunctive relief is not granted;
- f. the balance of convenience favours the granting of the relief; and

g. an undertaking as to damages.

See *Original Traders Energy Ltd. (Re)*, 2023 ONSC 1887 [**Original Traders #1**] at para 22.

Strong Prima Facie Case

[24] To find a strong prima facie case the court must be satisfied that upon a preliminary review of the case, there is a strong likelihood on the law and the evidence presented that, at trial, the applicant will be ultimately successful in proving the allegations set out in the originating notice see *R v Canadian Broadcasting Corp.*, 2018 SCC 5 at para 17.

[25] Here, the Receiver claims fraud, breach of fiduciary duty, conversion, unjust enrichment, knowing assistance and knowing receipt as against the Defendants or any of them. Only one cause of action against each Defendant must show a strong prima facie case.

[26] With respect to Pilehver, the claim of breach of fiduciary duty is asserted. To establish a breach of fiduciary duty, a plaintiff must establish the following elements: (a) proof of the duty, including that the fiduciary has scope for the exercise of some discretion or power, the fiduciary can unilaterally exercise that power or discretion so as to affect the beneficiary's legal or practical interest, and the beneficiary is peculiarly vulnerable to or at the mercy of the fiduciary holding the discretion or power; and (b) breach of the duty, including concealment or failure to advise of material facts, breach of trust, making a secret profit or acting in a conflict of interest, a causal connection between the breach and the alleged damages and the fiduciary's profit from its actions see *Hodgkinson v Simms*, [1994] 3 SCR 377.

[27] Pilehver owed a fiduciary duty to LV IV, as the sole director thereof. By orchestrating a sale of the LV IV Property without proper authorization and then improperly transferring the proceeds to benefit the Defendants – the Receiver has established a strong prima facie case of breach of fiduciary duty.

[28] The tort of conversion is also asserted against all defendants. It involves a wrongful interference with the goods of another, such as taking, using or destroying the goods in a manner inconsistent with the owner's right to possession. The tort is one of strict liability, and accordingly, it is no defence that the wrongful act was committed in all innocence see *Wymor Construction Inc. v Gray*, 2012 ONSC 5022 at paras 18-19. In the present case, whether or not Nali knew about Pilehver's fraudulent activities is immaterial. The mere fact that she and Nali and Associates obtained funds belonging to LV IV (and, by virtue, its Co-Owners) without permission, and without any legal entitlement, amounts to strong prima facie case of conversion.

[29] It may be that strong prima facie cases are also established in additional causes of action asserted including fraud, unjust enrichment, knowing assistance and knowing receipt, however, given my finding that a strong prima facie causes of action have been established against each of the defendants above it is not necessary to consider each of the causes of action asserted.

Full Disclosure of the Case

[30] I am satisfied that at this time the Receiver has provided full disclosure of the case. This matter will be subject to a comeback hearing and the Defendants will be provided an opportunity to challenge the order at that time.

Grounds for Believing the Defendants have Assets in Ontario

[31] The evidence that each of the Defendants has assets in Ontario is limited.

[32] In *Borrelli*, in his Capacity as Trustee of the *SFC Litigation Trust v. Chan*, 2017 ONSC 1815 (CanLII) [*SFC Litigation Trust*], the Divisional Court reviewed a decision of Hainey J. where a worldwide Mareva

injunction was granted, despite a lack of evidence that the defendant had assets in Ontario. In reviewing the decision Justices Leitch and Sachs wrote:

[25] ...The appellant's position is that in order to obtain an injunction, there is a substantive requirement that a defendant have assets in the jurisdiction to be subject to the restraining order. The appellants say there must be assets in this jurisdiction to ensure the order of the court is capable of implementation.

[26] I do not accept the appellant's assertion. I recognize that in *Chitel* the injunction was sought to restrain the dissipation of assets in Ontario. Similarly, in virtually all of the cases referenced by counsel on this appeal, the assets which were at the risk of dissipation existed in Ontario.

[27] However, a court's in personam jurisdiction over a defendant justifying the issuance of a Mareva injunction is not dependant, related to or "tied to" a requirement that a defendant has some assets in the jurisdiction.

[28] Section 101(1) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 provides the court with jurisdiction to grant an interlocutory junction or mandatory order "where it appears to a judge of the court to be just or convenient to do so".

[29] A Mareva injunction is an equitable remedy and as such I agree with the respondent's submission that this remedy evolves as facts and circumstances merit.

[33] As was recognized in *SFC Litigation Trust* (see para 38), although the usual case for a Maerva injunction is to prevent assets from leaving the jurisdiction, world-wide Maerva injunctions have been granted with increasing frequency to ensure that a judgment can be enforced in the exceptional circumstances where the plaintiff has established a strong prima facie case on the merits.

[34] The evidence shows that Pilehver and Nali are each directors of several Ontario corporations with addresses for service listed in the corporate profile reports for each of them in Richmond Hill and Toronto. As noted above, Nali & Associates is incorporated in Ontario and the corporate profile report shows a registered or head office in North York, Ontario.

[35] In addition, the evidence reflects that the cheque paid to Nali in the amount of \$817,859.49 was deposited into an account in the name of "NALI M" bearing Account No. 6177612 at The Toronto-Dominion Bank.

Risk of Dissipation of Assets

The risk of dissipation may be inferred by evidence suggestive of the defendants' fraudulent conduct see *Sibley & Associates LP v Ross*, 2011 ONSC 2951 [*Sibley*] at para 64. As in *Sibley*, here it is a reasonable inference given the following evidence that the Defendants are likely to attempt other means to put money out of the reach of the Receiver:

- a. Pilehver directed the sale of the LV IV Property and the distribution of sale proceeds therefrom despite having prior notice of the pending Receivership Proceedings concerning the LV IV Property and the October 31, 2024 Injunction Order restraining dealings with the LV IV Property, and despite being well aware of the consent and distribution requirements established by the relevant co-owner agreements (which requirements had not been complied with);
- b. the Defendants caused and/or facilitated the misappropriation of LV IV Property sale proceeds as evidenced by, among other things, (i) the payment of proceeds to Nali, Nali and Associates and

other third parties; and (ii) written directions signed by Pilehver authorizing such payments without compliance with the requirements of the co-owner agreements; and

- c. despite repeated requests to Pilehver and his counsel to provide information and documentation regarding the distribution of the LV IV Property sale proceeds, which requests have gone unanswered.

Undertaking

[36] The Receiver has not provided an undertaking as to damages. As noted by Justice Osborne in *Original Traders #1* at para 51 " In my view, it is appropriate to dispense with the requirement for an undertaking as to damages where, as here, the case of the moving parties is strong and they are insolvent: *Sabourin & Sun Group of Cos. v. Laiken*, [2006] OJ No. 3847 at para. 16." Here LV IV is insolvent and the Receiver as a Court officer is pursuing the relief for the benefit of LV IV's creditors.

[37] As well, in *Business Development Bank of Canada v Aventura II Properties Inc*, 2016 ONCA 300, the Ontario Court of Appeal rejected that the court-appointed officer (a receiver) should be required to provide an undertaking as to damages in similar circumstances.

[38] Accordingly, I am satisfied that the requirement for an undertaking as to damages is not required in this case.

Irreparable Harm & Balance of Convenience

[39] An analysis of the irreparable harm and the balance of convenience is also required given that injunctive nature of the relief requested. Irreparable harm is harm which either cannot be quantified in monetary terms or which cannot be cured, usually because one party cannot collect damages from the other. *RJR-MacDonald Inc. v. Canada (Attorney General)*, [1994] 1 SCR at 341. 26.

[40] In cases where a strong prima facie case for fraud has been established, it has been recognized that if the assets of the defendant are not secured, the plaintiff will likely not be able to collect on a money judgment, if successful.

[41] LV IV stakeholders will suffer irreparable harm, and will be prevented from recovering their misappropriated funds and assets, and assets traceable thereto, or other exigible assets, if the Defendants are not prevented from further moving, dissipating or otherwise attempting to put their assets beyond the reach of LV IV and its stakeholders. Indeed, "the probability of irreparable harm increases as the probability of recovering damages decreases" see *Original Traders #1* at para 49, citing *Christian-Philip v Rajalingam*, 2020 ONSC 1925 at para 33.

Norwich Order

[42] In addition to a Mareva injunction, the Plaintiffs also seek a Norwich Order requiring the Defendants to produce documents from financial institutions.

[43] The Supreme Court of Canada has confirmed the elements of the test for obtaining a Norwich Order: (a) a bona fide claim against the unknown alleged wrongdoer; (b) the person from whom discovery is sought must be in some way involved in the matter under dispute, he must be more than an innocent bystander; (c) the person from whom discovery is sought must be the only practical source of information available to the applicants; (d) the person from whom discovery is sought must be reasonably compensated for his expenses arising out of compliance with the discovery order; and (e) the public interests in favour of disclosure must outweigh the legitimate privacy concerns. See *Rogers Communications v. Voltage Pictures, LLC*, 2018 SCC 38 at para 18.

[44] As noted above, a *bone fide* claim has been established. Courts have emphasized that financial institutions are “innocently involved” third parties from whom Norwich relief is regularly sought in fraud cases: see *Carbone v. Boccia*, 2022 ONSC 6528 [**Carbone**] at para 20. Records at such financial institutions are necessary in order to trace the funds obtained by the Defendants and identify any others involved in the scheme. The need to identify and trace to be legitimate objectives on which a Norwich order can be based see **Carbone** at para 17.

[45] At this time, the order to produce documents is limited to The Toronto-Dominion Bank, however, the request for expanded relief may be made in the future on appropriate evidence.

Order and Comeback

[46] Order to go in the form signed by me today with immediate effect and without the necessity of a formal order being taken out.

[47] Because the Mareva Order is being granted on a motion without notice, it can only be granted for a limited duration of up to ten days. Accordingly, the matter has been scheduled to return to court on Friday, **August 15, 2025, at 9:00 a.m** (virtually), at which time, the Receiver may ask for the Mareva Order to be extended.

[48] If they appear, the court will hear from the Defendants. They may file evidence for purposes of that return date, or they may appear and ask to schedule a further return date, to challenge the Order and have it dissolved or terminated.

[49] If none of the Defendants appear at the next return date, the Court will consider, based on the evidence to be provided by the Receiver about his efforts to serve them, whether to set a further return date or what further and other orders and directions might be appropriate regarding service and any future court appearances.

[50] To that end, the Receiver shall make reasonable efforts to serve, or at least bring to the attention of, the Defendants as soon as possible this endorsement and the Order signed by me today. The Receiver shall also provide to the defendants its motion record in support of this motion.

August 7, 2025



Justice J. Dietrich

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

**LONDON VALLEY IV INC.,
by its Court-Appointed Receiver and Manager, KSV RESTRUCTURING INC.**

Plaintiff

and

**BEHZAD PILEHVER also known as BEN PILEHVER also known as BEHZAD PILEHVAR
also known as BEN PILEHVAR also known as BEN PILEVHR, MAHTAB NALI also known
as MAHTAB NALI PILEHVAR also known as MAHTAB PILEHVAR and 2621598 ONTARIO
INC. doing business as NALI AND ASSOCIATES**

Defendants

**NOTICE OF MOTION
(Comeback Hearing – *Mareva* Injunction and *Norwich* Order)**

THE MOVING PARTY, London Valley IV Inc. (“**LV IV**”) by its Court-Appointed Receiver and Manager, KSV Restructuring Inc. (“**KSV**”) will make a motion, to be heard by a judge of the Ontario Superior Court of Justice (Commercial List), on August 15, 2025 at 9:00am.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- ☐ In writing under subrule 37.12.1 (1) because it is made without notice;
- ☐ In writing as an opposed motion under subrule 37.12.1(4);
- ☐ In person;
- ☐ By telephone conference;
- ☒ By video conference.

THE MOTION IS FOR:

1. an Order for the continuation of the Mareva Order (as defined herein) of the Honourable Madam Justice Dietrich dated August 7, 2025 on an interlocutory basis through to trial of this matter, or alternatively, an extension of the Mareva Order for a further ten days pending a further comeback hearing;
2. an order that the costs of this Motion be paid by the Defendants to the Plaintiff on a scale as is just; and
3. granting such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

4. Pursuant to an Order of this Court issued March 6, 2025 (the “**Receivership Order**”), the Honourable Madam Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) appointed KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacity, and not in its personal, corporate or any other capacity, the “**Receiver**”) of the assets, undertakings and personal property of, *inter alios*, London Valley IV Inc. (“**LV IV**”), and the proceeds thereof, including with respect to the LV IV Property (as defined below) and any assets or property held by LV IV in trust for any third party, pursuant to section 101 of the *Courts of Justice Act* (the “**Receivership Proceedings**”).
5. The Receivership Proceedings were commenced by way of application brought by Mizue Fukiage, Akiko Kobayashi, Yoshiki Fukiage, Kobayashi Kyohodo Co., Ltd. and Toru Fukiage (collectively, the “**Kobayashi Group**”) over various property and companies. Members of the Kobayashi Group were investors in and co-owners (all such co-owners

being referred to as “**Co-Owners**”) of, *inter alia*, the LV IV Property (holding an approximately 72% undivided beneficial interest therein).

6. Since its appointment, the Receiver has used, and continues to use, its investigatory powers under the Receivership Order to investigate misconduct in the governance of LV IV for the benefit of stakeholders thereof including, *inter alia*, the Kobayashi Group and other co-owners of the LV IV Property.

THE LV IV PROPERTY

7. LV IV was previously the registered owner of the real property municipally known as 6211 Colonel Talbot Road, London, Ontario and legally described under PIN 08211-0150 (the “**LV IV Property**”).
8. On February 5, 2025, the LV IV Property was sold and transferred for \$2 million.
9. At the time of the sale of the LV IV Property, the Defendant Behzad Pilehver also known as Ben Pilehver also known as Behzad Pilehvar also known as Ben Pilehvar also known as Ben Pilevhr (“**Pilehver**”) was a director of LV IV.
10. Upon the sale of the LV IV Property, proceeds of \$1,899,510.740 (the “**Proceeds**”) were paid into the trust account of a lawyer named Parminder Hundal of the law firm Parminder Hundal Law Professional Corporation (“**Hundal**”), who acted as counsel to LV IV in the transaction.
11. In February and March 2025, prior to the Receiver’s appointment, the Proceeds were disbursed at Pilehver’s direction, including as follows:
 - (a) Per a written direction executed by Pilehver, Pilehver directed that the net proceeds of the sale be payable to the Defendants 2621598 Ontario Inc. doing business as Nali and

Associates (“**Nali and Associates**”) and Mahtab Nali also known as Mahtab Nali Pilehvar also known as Mahtab Pilehvar (“**Nali**”), which resulted in the following disbursements totalling \$897,859.49:

- (i) By certified cheque dated February 6, 2025, \$817,859.49 of the Proceeds was paid from Hundal’s trust account to Nali, which is believed to have been deposited into The Toronto-Dominion Bank account number 1929-6177612 held in the name of Mahtab Nali (the “**Nali Bank Account**”). Initially, a wire in this amount was evidently sent to “Mahtab Nali” with reference to an account number 1929-5023332 (together with the Nali Bank Account, the “**Nali Bank Accounts**”), but was evidently voided and did not go through. Nali is believed to be Pilehver’s spouse, although that has not been confirmed by the Receiver;
 - (ii) By cheque dated February 18, 2025, a further \$80,800 was paid from Hundal’s trust account to Nali and Associates, which the Receiver believes to be to the benefit of Nali and/or Pilehver;
- (b) Per a further written direction executed by Pilehver on February 10, 2025:
- (i) On February 12, 2025, \$5,000 was wired by Hundal to Bally Hundal/Hundal Law Firm which appears to have no connection to LV IV or the LV IV Property;
 - (ii) on February 14, 2025, \$30,000 was wired by Hundal to Stockwoods LLP which again appears to have no connection to LV IV or the LV IV Property;
- (c) payments totalling \$103,040.42 were paid to Hundal on February 10, 12, 20, and March 5, 2025 in purported satisfaction of accounts rendered, of which at least \$94,000.42 appears to have no connection to LV IV or the LV IV Property; and

- (d) On March 5, 2025, one day prior to the Receivership Order, \$34,000 was wired by Hundal to a third law firm, Blaney McMurtry LLP. On March 21, 2025, Blaney McMurtry LLP advised the Service List in the Receivership Proceedings that it has been retained by Pilehver in his personal capacity, as well as by 2630306 Ontario Inc. o/a Paybank Financial (“**Paybank**”) and TGP Canada Management Inc. (“**TGP Canada**”) (collectively, the “**Paybank Parties**”). Pilehver is an officer and director of Paybank and TGP Canada.
12. Pilehver, in his capacity as director of LV IV, breached his fiduciary and other legal obligations to LV IV by failing to comply with the co-ownership arrangements governing the LV IV Property. He wrongfully directed the sale of the LV IV Property, and then misappropriated the proceeds of sale therefrom by directing LV IV’s counsel, Hundal, to disburse the foregoing proceeds as detailed in paragraph 11 above. There was no consideration nor valid business purpose for the proceeds of sale to have been disbursed in this regard.
13. Pilehver profited and benefited from these breaches of his duties, as did Nali and Nali and Associates.
14. The applicable members of the Kobayashi Group, holding an approximately 72% undivided beneficial interest in the LV IV Property, did not have knowledge or give consent regarding the sale of the LV IV Property.
15. The sale of the LV IV Property was in contravention of co-ownership arrangements governing the LV IV Property which require that, *inter alia*, such property can only be sold if an ordinary resolution is passed by the applicable owners, and that net income from the financing, refinancing and sale of the LV IV Property is to be distributed. No such distribution occurred.

16. Based on the foregoing transactions and the surrounding circumstances, as further detailed in the Third Report of the Receiver dated August 1, 2025 (the “**Third Report**”) and Supplement to the Third Report of the Receiver dated August 5, 2025 (the “**Supplement to the Third Report**”), the Receiver believes that the proceeds from the sale of the LV IV Property were improperly paid to directly or indirectly benefit the Defendants.
17. The Receiver commenced this action to seek the *Mareva* Injunction and *Norwich* Order which is the subject of the within motion, and to claim additional relief, including, a constructive trust, equitable lien and/or damages in the amount of \$1,071,551.06, and such additional amounts as may be particularized prior to trial, for:
 - (a) with respect to Pilevhver, fraud, breach of fiduciary duty, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
 - (b) with respect to Nali and Nali and Associates, conversion, unjust enrichment and knowing receipt and/or knowing assistance;
18. By virtue of the facts set out in the Third Report and Supplement to the Third Report, the Plaintiff has a strong *prima facie* case against the Defendants.
19. Pilehver and Nali are Ontario residents. Nali and Associates is a corporation incorporated in Ontario. In addition, there are grounds for believing that the Defendants have assets in Ontario including, without limitation, shares in several Ontario corporations, and the Nali Bank Accounts.
20. The inference of a sufficient risk of asset disposition can reasonably be drawn from the facts herein.

21. The Plaintiff and its stakeholders will suffer irreparable harm, and will be prevented from recovering their misappropriated funds and assets, and assets traceable thereto, or other exigible assets, if the Defendants are not prevented from further moving, dissipating or otherwise attempting to put their assets beyond the reach of LV IV and its stakeholders.
22. The balance of convenience favours granting a *Mareva* injunction.
23. The Plaintiff, by its Receiver, ought not to be required to provide an undertaking as to damages given the Receiver's role as a court-appointed officer and its strong *prima facie* case as against the Defendants.
24. Furthermore, the *Norwich* relief sought is justified given the Plaintiff's *bona fide* claim against the Defendants and the fact that records at the Financial Institutions are necessary in order to trace the funds obtained by the Defendants and identify any others involved in the scheme. Furthermore, the Financial Institutions are the only practical source of this information, and the public interest favours disclosure.
25. In the Third Report and Supplement to the Third Report, the Receiver has made full and frank disclosure of all material facts, including that:
 - (a) The Receiver has not inquired with the recipients of the Proceeds listed in paragraph 11 above as to why they received such proceeds. It is the Receiver's position that it is not required to have made such inquiries. Despite the Receiver's inquiries of Pilehver and his known lawyers as to what happened to the sale proceeds from the LV IV Property, no explanation or response was provided by Pilehver, and upon receiving documentation from Hundal's LawPro counsel as to where the proceeds were disbursed, the Receiver commenced this action and motion in an attempt to secure the misappropriated public investors' funds at issue for the benefit of LV IV's stakeholders;

- (b) To the Receiver's knowledge, Pilehver and the Paybank Parties have at all times taken the position that they have acted in the best interests of the Co-Owners, with requisite authority of the Co-Owners, including as was detailed by Pilehver in an affidavit which he swore on January 20, 2025 (the "**Pilehver Affidavit**") in certain proceedings commenced in Hamilton, Ontario (CV-24-00087580-0000, the "**Hamilton Proceedings**"), in which TGP Canada had sought to intervene;
- (c) The Hamilton Proceedings were commenced by and against certain parties to transactions which took place in 2024 concerning the Land Banking Enterprise (as defined in the Third Report) at issue, and which transactions are referred to in the Third Report as the Enterprise Transaction; and
- (d) The underlying transactions and validity of them which took place in 2024 as part of the Enterprise Transaction are not yet fully understood by the Receiver given the scarcity and incompleteness of the books and records available to the Receiver, and Pilehver may have an explanation for his conduct as pleaded herein. However, based on the Receiver's review of the Pilehver Affidavit, the underlying investment documentation concerning the Kobayashi Group's beneficial interest as Co-Owners in the LV IV Property and an October 31, 2024 Injunction Order issued in the Hamilton Proceedings (as is discussed in the Third Report, Supplement to the Third Report and Plaintiff's factum filed on this motion), there does not appear to be a *bona fide* justification for Pilehver's marketing and sale of the LV IV Property and his subsequent directions to Hundal with respect to the distribution of the Proceeds. The Receiver believes it has a strong *prima facie* case against the Defendants.

26. On August 7, 2025, on an *ex parte* basis, the Honourable Madam Justice Dietrich issued an Order in these proceedings (the “**Mareva Order**”) granting *Mareva* and *Norwich* relief as against the Defendants.
27. In all the circumstances, it is just and equitable for the Order sought to be continued on an interlocutory basis through to trial of this matter.
28. Rules 1.04, 2.01, 2.03, 3.02, 37, 39, 40, 40.02(2), 40.02(3), 40.03 and 57 of the *Rules of Civil Procedure*.
29. Sections 96 and 101 of the *Courts of Justice Act*.
30. The statutory, inherent and equitable jurisdiction of this Honourable Court.
31. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

32. The Third Report of the Receiver dated August 1, 2025.
33. The Supplement to the Third Report of the Receiver dated August 5, 2025.
34. The Factum of the Plaintiff dated August 1, 2025.
35. The pleadings and proceedings herein.
36. Such further and other evidence as counsel may advise and this Honourable Court may permit.

August 7, 2025

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**LONDON VALLEY IV INC.
by its Court-Appointed Receiver and Manager,
KSV RESTRUCTURING INC.**

and

**BEHZAD PILEHVER also known as BEN PILEHVER also known
as BEHZAD PILEHVAR also known as BEN PILEHVAR, MAHTAB
NALI also known as MAHTAB NALI PILEHVAR also known as
MAHTAB PILEHVAR and 2621598 ONTARIO INC. doing business
NALI AND ASSOCIATES**
Defendants

Plaintiff

Court File No.: CV-25-00748799-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

NOTICE OF MOTION

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Applicants

- 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

**MOTION RECORD – VOL I OF II
(Returnable October 23, 2025)**

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