



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 330 University Avenue
court office: 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

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place

181 Bay Street, Suite 1800

Toronto, ON M5J 2T9

Mark van Zandvoort (LSO No. 59120U)

Tel: (416) 865-4742

Email: mvanzandvoort@airdberlis.com

Kyle Plunkett (LSO No. 61044N)

Tel: (416) 865-3406

Email: kplunkett@airdberlis.com

Adrienne Ho (LSO No. 68439N)

Tel: (416) 865-7980

Email: aho@airdberlis.com

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)

Email: mvanzandvoort@airdberlis.com

Kyle Plunkett (LSO No. 61044N)

Email: kplunkett@airdberlis.com

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