

COURT OF APPEAL FOR ONTARIO

CITATION: Chen v. Huang, 2025 ONCA 776

DATE: 20251113

DOCKET: COA-25-CV-0076

Roberts, Miller and Monahan JJ.A.

BETWEEN

Ronghai Chen and Jianlin Feng

Applicants (Appellants)

and

Jiaxiang Huang a.k.a. Jason Huang\*, 2614069 Ontario Inc., IBC Ventures Inc., Golden Ocean Investment Corporation, Yong Shi, Xin Di Huang, Kit Ying Teresa Lo, Nia Law Professional Corporation, Pinteng Tan o/a Tan & Associates, Kevin Lee, Wing Chao-Ma\*, Angel Uniform Ltd., Ufeel Scrubs Inc., Wu Law Professional Corporation, Kurt Anthony Sunn, 710561 Ontario Limited\*, Chia Mao Hsiang\*, Yadong Zhao\*, Ting Ting Lam\*, Xiaoli Yu\*, Yutong Ge\*, Haoxiang Liang\*, 14455169 Canada Inc.\*, Linda Hung-I Chao\*, Katherine Wong Professional Corporation, Jian Jiang\*, Yinghua Guan\*, JX Law Professional Corporation, Canwell Asset Management Inc., 11202898 Canada Inc., Bo Xiao, Volodymyr Chagrov, John Doe Purchaser, John Doe solicitor for Mortgagees in Possession and John Doe solicitor for Unknown Purchaser

Respondents (Respondents)

Jonathan Mesiano-Crookston, for the appellants

Dominique Michaud, for the respondents, 710561 Ontario Limited, Chia Mao Hsiang, Yadong Zhao, Ting Ting Lam, Xiaoli Yu, Wing Chao-Ma, Yutong Ge, Haoxiang Liang, 14455169 Canada Inc. and Linda Hung-I Chao

Parjot Benipal, for the respondents, Jian Jiang and Yinghua Guan

Heard and rendered orally: November 10, 2025

On appeal from the order of Justice Edward M. Morgan of the Superior Court of Justice, dated December 13, 2024.

## REASONS FOR DECISION

[1] The appellants appeal the dismissal of their challenge to the validity and enforceability of two mortgages, which arose in the context of their shareholders oppression application under the *Ontario Business Corporations Act* (“*OBCA*”).

[2] The appellants are the two majority shareholders of the corporation, Golden Ocean Investment Corporation (“Golden Ocean”). The third, minority shareholder, Mr. Huang, the sole director and officer of Golden Ocean, authorized the second and third mortgages on the property owned by Golden Ocean. The appellants impugn these mortgages as fraudulent conveyances. The appellants allege that they were defrauded, and Golden Ocean was manipulated by Mr. Huang.

[3] The appellants argue that the motion judge erred in failing to set aside the second and third mortgages as fraudulent conveyances. According to the appellants, there were clear badges of fraud that the second and third mortgagees willfully ignored and, further, that there was no consideration for the third mortgage.

[4] We are not persuaded that the motion judge made any reversible error. He applied the governing legal principles and was alert to the appellants’ submissions, repeated on appeal.

[5] The motion judge concluded, correctly in our view, that the second and third mortgagees, represented and relying on counsel, “did all the due diligence required of them”, and that they were “*bona fide* purchasers for value with no notice of any fraud by Mr. Huang”, and entitled to rely on the fact that Mr. Huang “had both ostensible authority and, as sole director and officer, actual authority to enter into the mortgages”.

[6] With respect to the question of consideration for the third mortgage, the evidence establishes that monies were advanced under that mortgage and in accordance with directions provided by the lawyers representing the parties to the transaction.

[7] There is no basis to interfere with the motion judge’s conclusion that the second and third mortgages “were valid and enforceable”.

[8] The appeal is dismissed.

[9] We reserved our decision on the question of costs. The second mortgagee respondents seek their costs of the appeal on a full indemnity basis in the amount of \$29,653.25. They rely on the provisions set out in s. 8 of the Standard Charge Terms, which form part of the mortgage between them and Golden Ocean. Those terms provide that they are entitled to any costs of enforcing their mortgage on a full indemnity basis and that they can add those costs to the mortgage principal.

[10] We do not agree that these provisions apply to the disposition of costs in relation to the appellants. The appellants are not parties to the mortgage contract between the second mortgagees and Golden Ocean and are therefore not bound by the Standard Charge Terms. Neither do the Standard Charge Terms fetter this court's discretion as to costs.

[11] The second mortgagee respondents have not submitted any other basis for the extraordinary award of costs on a full indemnity basis. They are entitled to their costs from the appellants on a partial indemnity scale in the amount of \$18,176.97.

[12] The third mortgagee respondents do not seek costs of the appeal.

“L.B. Roberts J.A.”  
“B.W. Miller J.A.”  
“P.J. Monahan J.A.”