

CITATION: Wang, Fengxi (Re), 2025 ONSC 6707
COURT FILE NO.: BK-24-00208725-OT31
DATE: 20251201

SUPERIOR COURT OF JUSTICE – ONTARIO (COMMERCIAL LIST)

RE: IN THE MATTER OF THE BANKRUPTCY OF FANSEAY WANG a.k.a FENGXI WANG OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

BEFORE: KIMMEL J.

COUNSEL: *Wendy Greenspoon-Soer*, for the Applicant/Creditor, Cameron Stephens Mortgage Capital Ltd.

Fanseay Wang a.k.a. Fengxi Wang, Self-Represented

HEARD: October 21, 2025 and November 10, 2025

ENDORSEMENT
(CONTESTED BANKRUPTCY APPLICATION)

The Application

[1] Cameron Stephens Mortgage Capital Ltd. (“Cameron Stephens”) seeks a Bankruptcy Order against Fanseay Wang a.k.a Fengxi Wang (“Wang”). The Application was supported by an Affidavit of Truth sworn by Jerrold Marriott on October 3, 2024.

[2] The bankruptcy application was contested by Wang. He submitted a responding affidavit sworn October 15, 2025. While it was served late, the aspects of it that contained facts (as opposed to argument), as supplemented by Wang’s oral testimony at the hearing, formed part of the evidentiary record.

[3] Both Mr. Marriott and Mr. Wang testified in chief and were cross-examined at the hearing, which lasted for two days. There was a break in between because the original hearing had been scheduled for only one day but could not be completed in a day.

Background

[4] Wang signed a personal guarantee on March 8, 2022 in favour of Cameron Stephens (the “CS Guarantee”). The CS Guarantee secured the indebtedness of Jefferson Properties Limited Partnership and 2011836 Ontario Corp. (the “Jefferson Debtors”) to Cameron Stephens in respect of a 96 unit condominium and townhouse development project (the “Jefferson Project”). Wang was the principal of the Jefferson Debtors.

[5] The loan from Cameron Stephens to the Jefferson Debtors went into default in August of 2023. On September 5, 2023, Cameron Stephens made demand for payment upon the Jefferson Debtors and upon Wang, pursuant to the CS Guarantee. The demand on the CS Guarantee was reiterated when Cameron Stephens sued Wang in March 2024 (together with the original September 5, 2023 demand, the “Demands”).

[6] As of October 8, 2024 just before the bankruptcy application was issued, with accrued interest the total amount owed by the Jefferson Debtors to Cameron Stephens was in excess of \$50 million (the “Indebtedness”). By the time of the bankruptcy trial in October 2025, the Indebtedness had increased to more than \$58 million.

[7] Cameron Stephens commenced an action against Wang seeking judgement on the CS Guarantee on March 19, 2024 (the “Guarantee Action”). Wang was noted in default on July 15, 2024, and has not defended the Guarantee Action, although he has recently indicated an intention to seek to set aside the noting in default.

[8] Under the terms of the CS Guarantee, Cameron Stephens is not required to exhaust its recourse against the Jefferson Debtors before requiring or being entitled to payment from Wang for all of the guaranteed Indebtedness.

[9] The CS Guarantee provides, *inter alia*, that:

4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Borrower, any other Undersigned, any other person, firm or corporation, nor any securities you may hold at any time not to value such securities before requiring of being entitled to payment from the Undersigned of all Indebtedness hereby guaranteed.

5. This Guarantee ... shall not be subject to or affected by any Promise or condition affecting or limiting the Undersigned liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Undersigned liability hereunder

....

11. The statement in writing of any of your authored officers from me to time of the Indebtedness of the Borrower to you and covered by this Guarantee shall be received as prima facie evidence as against the Undersigned that such amount is at such time so due and payable to you and is covered hereby.

...

15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Undersigned shall be cumulative and - not alternative and shall be in addition to all rights, powers and remedies given to you by law...

...

17. In case of default you may maintain an action upon this Guarantee whether or not the Borrower is joined therein or separate action is brought against the Borrower or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the undersigned or by any number of successive actions until and unless all Indebtedness hereby guaranteed has been paid and the undersigned's obligations hereunder have been fully performed.

[10] Upon the application of Cameron Stephens, on December 21, 2023, Cavanagh J. granted an order appointing Albert Gelman Inc., (“AGI” or the “Receiver”) as Receiver of the Jefferson Debtors and the Jefferson Project (the “Receivership”). The Receivership is ongoing. Current projections indicate that there will be a shortfall of between \$15 and \$16 million after the completion of the proposed sales by the Receiver of the completed units in the Jefferson Project and distribution of net sale proceeds. This deficiency between the debt owing to Cameron Stephens and the anticipated recoveries under its mortgage security is based on the Receiver’s current estimates of anticipated recoveries.

[11] Wang is also indebted to two other known creditors to whom he guaranteed the obligations of the Jefferson Debtors and/or other corporations, including:

- a. WPC GP Inc. (“WPC”), in its capacity as the sole general partner of Windsor Private Capital Limited Partnership. WPC advanced a loan of \$5 million to the Jefferson Debtors that was registered against title to the properties of the Jefferson Debtors in a subordinate secured position to that of Cameron Stephens. Wang guaranteed the indebtedness of the Jefferson Debtors to WPC (the “WPC Guarantee”). WPC issued a Statement of Claim against Wang on March 22, 2024 (Court File No. CV-24-00717073-0000) seeking judgment on the WPC Guarantee for more than \$4.6 million, plus interest and costs continuing to accrue (the “WPC Guarantee Claim”). As of October 17, 2025, WPC’s statement of indebtedness indicated in excess of \$5 million to be owing to WPC. Wang initially did not defend WPC’s claim against him. More recently, WPC filed a motion for Summary Judgment against Wang and the parties are waiting for a hearing date to be assigned. Wang says he intends to ask that the noting in default be set aside and to oppose this motion for summary judgment.

- b. Duca Financial Services Credit Union (“Duca”) has a guarantee from Wang (“Duca Guarantee”) against loans made by Duca to corporations controlled by Wang in respect of other properties that are not part of the Jefferson Project. Duca made demand upon Wang pursuant to the Duca Guarantee in March of 2024 claiming approximately \$7.2 million. Duca later commenced an action for judgment on the Duca Guarantee (Court File No. CV-25-00742064-0000, the “Duca Guarantee Claim”).

[12] The amounts that these other creditors have demanded be paid by Wang all remain unpaid.

[13] While he was working on the Jefferson Project, Wang maintained a residence in a condominium located at 980 Yonge Street, #1001, in Toronto, which is the address that appears on his Ontario Driver’s Licence. The Condo was sold by a secured creditor and the net proceeds applied to reduce some of the secured debt associated with that property. Wang says that he now resides in China, although he has in the past spent, and continues to spend, time in Boston.

Grounds of Wang’s Opposition to the Bankruptcy Order

[14] Wang argues that the Jefferson Project Receivership was, according to what he was told by Cameron Stephens at the time, supposed to enable the quick completion of the Jefferson Project using the consultants, project manager, timeline, trades and funding sources already in place. He points to the December 21, 2023 endorsement of Cavanagh J. when the Receiver was appointed as support for his understanding at the time that the Receiver was appointed to bring stability and financing to enable the construction manager to complete the Jefferson Project, when faced at the time with the prospect trades leaving, construction liens, and the potential loss of the construction manager at a time when there was a need to protect the Project from the elements with the winter months approaching: *Cameron Stephens Mortgage Capital Ltd. v. 2011836 Ontario Corp., Jefferson Properties Limited, et al.* (21 December 2023), Toronto, CV-23-00710795-00CL (Ont. S.C.), at para. 20.

[15] Instead, according to Wang, shortly after the Receiver was appointed, the existing arrangements with trades and the construction manager were cancelled by the Receiver, leading to lengthy construction delays and increased additional costs to complete the Jefferson Project of \$30-40 million (Wang estimates \$37 million for cancelled agreements of purchase and sale with end purchasers, increased carrying costs, fees and penalties, budget overruns and structural remediation). Wang also contends that the sale price of units in the Jefferson Project’s dropped in value dropped many millions of dollars because of the construction delays that delayed getting the built units into market, which has resulted in the sales of these condominium units into the now depressed and oversaturated condominium market in the Greater Toronto Area. Wang claims to have lost his equity in the Jefferson Project as a result of this.

[16] Wang primarily blames Cameron Stephens for this. These assertions are the subject of the recently issued Wang Civil Action against Cameron Stephens. Wang says that these delays and losses on the Jefferson Project had a domino effect on his and his other companies’ ability to pay other creditors (including because of cross-collateralization of security), which in turn resulted in

defaults under other loans and the other proceedings against him by WPC and Duca. Wang contends that Cameron Stephens has acted in bad faith and has caused him to lose his development projects and put him in the current financial situation that he finds himself in with all of the lenders that are now suing him on his guarantees.

[17] Wang has also been second guessing the Receiver throughout the Receivership, opposing most requests for approval that the Receiver has sought, unsuccessfully. Most recently, Wang opposed the Receiver's proposed Sales Process for the condominium units. In a decision released shortly before this one, the court approved the Receiver's proposed Sales Process.

[18] Wang maintains that until the Receivership has concluded and the amounts recovered by Cameron Stephens are known, his indebtedness under the CS Guarantee is uncertain and is not a provable claim that can support this bankruptcy application.

[19] Accordingly, Wang asks the court to:

- a. Dismiss the bankruptcy application as premature, unproven, and an abuse of process; or, in the alternative,
- b. Stay the application pending:
 - i. completion of the Receivership and the Receiver's final accounting and sales;
 - ii. determination of all set-offs and mutual dealings; and
 - iii. any related motions in the Commercial List that bear on quantum/causation; and
- c. In the further alternative, should this Honourable Court determine that additional factual clarification is required, the Respondent requests that the disputed factual issues be referred to trial pursuant to r. 38.09(3) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.

Summary of Outcome

[20] For the reasons outlined in this endorsement, the bankruptcy application is granted.

[21] Wang was at the time this application was issued on October 8, 2024, and remains, indebted to Cameron Stephens under the CS Guarantee for more than \$1,000. It is not necessary for the precise amount owing under the guarantee to have been determined, as long as the court is satisfied that the amount was in excess of \$1,000, which is the case here. Further, Wang had at the time this application was commenced ceased to meet his liabilities as they come due, to Cameron Stephens and at least two other creditors that he provided his personal guarantee to, despite demands having been made of him under his guarantees. Wang has thus committed an act of bankruptcy.

[22] Cameron Stephens has demonstrated that it is not likely to recover the full Indebtedness guaranteed by Wang under the CS Guarantee through the realization of its security in the ongoing Receivership of the Jefferson Project. Wang's repeated attempts to blame the Receiver and Cameron Stephens for the now anticipated deficiencies in recoveries through the Receivership have not been substantiated or pursued. These assertions do not warrant a denial or stay of the bankruptcy order.

Analysis

[23] This bankruptcy application was filed on December 8, 2024, in Toronto, which was the locality of the debtor (Wang) at the time of filing, being where he resided and carried on business in the year prior to the filing.

[24] Before the receivers' appointment over his business assets, in December 2023 (by Cameron Stephens) and in March 2024 (by Duca), Wang was carrying on those businesses that are now in receivership, whose obligations he had personally guaranteed. He was the sole owner of the companies and limited partnerships now in receivership. Wang also had a residence in Toronto at the time this bankruptcy application was filed.

[25] The applicant must satisfy the court that the requirements of s. 43 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 ("BIA") have been met for Wang to be declared a bankrupt. To do so, the bankruptcy application must allege and demonstrate that:

- a. the debt owing to the applicant creditor amounts to at least one thousand dollars; and
- b. the debtor has committed an act of bankruptcy within the six months preceding the filing of the application.

[26] A debtor commits an act of bankruptcy if he ceases to meet his liabilities generally as they become due: s. 42(1)(j) of the BIA.

[27] Because the applicant is a secured creditor and has not stated it is willing to give up its security for the benefit of the creditors in the event a bankruptcy order is made against the debtor, the applicant must also provide a satisfactory estimate of the value of its security.

[28] If the applicant meets this onus, the court must then consider whether it should exercise its discretion not to grant the requested bankruptcy order. Section 43(7) provides that:

If the court is not satisfied with the proof of the facts alleged in the application or of the service of the application, or is satisfied by the debtor that the debtor is able to pay their debts, or that for other sufficient cause no order ought to be made, it shall dismiss the application.

[29] The court may also consider, if asked, whether it would be appropriate, for any reason, to stay the bankruptcy application under s. 43(11), on such terms as it considers just.

Wang Owes at least \$1,000 to Cameron Stephens

[30] If the guarantee clearly provides that the creditor is not required to seek recourse against the principal debtor or realize on security before being entitled to payment under the guarantee, the contract governs: see *Bank of Montreal v. 9310088 Canada Inc.*, 2024 ONSC 2191, at paras. 37-43; *Toronto-Dominion Bank v. Konga*, 2016 ONCA 976, 44 C.B.R. (6th) 189, at paras. 23-24, leave to appeal to S.C.C. refused, 37481 (June 8, 2017).

[31] The CS Guarantee provides that payment is due “upon demand” and does not require Cameron Stephens to exhaust its recourse against the Jefferson Debtors. Its rights against the Debtors and Wang are cumulative. Further, upon the Demands being made, the CS Guarantee states that Wang was bound as principal debtor to pay the amounts guaranteed (e.g. all debts and liabilities of the Jefferson Debtors) directly to Cameron Stephens. The validity and enforceability of the CS Guarantee is not disputed by Wang. He acknowledges that it was signed by him and his signature was witnessed by someone in his lawyer’s office.

[32] Cameron Stephens made its Demands for payment from Wang first in December 2023 and then again in March 2024, when it issued its statement of claim for judgment on the CS Guarantee. These Demands crystalized Wang’s obligation to pay the entire amount of the Indebtedness. It is not necessary to prove the exact amount of the debt if the court is satisfied that there is at least \$1,000 owing: see *Suitor v. Fuller Landau Group*, 2025 ONSC 1686, at para. 26, citing *Relectra Ltd., Re* (1979), 30 C.B.R. (N.S.) 141 (Ont. S.C.); *Beach (Re)*, 2022 ONSC 6474, 4 C.B.R. (7th) 168, at para. 26. Contingent and unliquidated claims can be proven and valued during a bankruptcy (see ss. 121 and 135 of the BIA).

[33] Section 43(1)(a) of the BIA requires only that a debt be “owing” and not that it be “payable” as at the date of the petition: see *Beach (Re)*, at para. 25. As of the date of this application, based on the Demands, the Indebtedness owing by Wang under the CS Guarantee was well in excess of \$1,000.

[34] Wang relies heavily upon the fact that Cameron Stephens only asserts approximate amounts owing in its bankruptcy application and refers to the deficiency that it will suffer based on “anticipated losses”, or words to that effect that appear elsewhere in its materials. He interprets s. 43(1) of the BIA to require a fixed proven debt, not one that is uncertain or disputed. This is contrary to the aforementioned authorities cited by Cameron Stephens, which I find to be persuasive and applicable to the circumstances of this case.

[35] In contrast, while the cases relied on by Wang appear from the manner described by Wang to be inconsistent with the earlier stated principles, I have been unable to locate these cases in CanLII or the material provided by Wang to verify that they in fact stand for the propositions put forward by Wang. Those propositions are, among other places, summarized by him at page 9 of 19 of the Oral Presentation (marked as Trial Exhibit A for identification purposes), under the heading “Part A - The debt is not “provable” because the deficiency is not fixed”, as follows [**emphasis in original text**]:

Authorities. The Ontario Court of Appeal in *Royal Bank v. Humaira*, 2019 ONCA 667 held that bankruptcy cannot proceed where the debt is genuinely disputed or uncertain-the application "is not a substitute for resolving a bona fide dispute." The same principle is confirmed in *Royal Bank v. Rehmani*, 2017 ONCA 615 and *Royal Bank v. St-Onge*, 2001 SKCA 117: where liability or quantum is unsettled, bankruptcy is refused or stayed. And *Re H.Y. Louie Co. Ltd.*,

2001 BCSC 556 is directly on point for **contingent guarantees**: do not bankrupt until the claim is quantified.

Conclusion on A. Reading s.43(1) with s.121(1) and these appellate authorities, the legal entry requirement is not met. The **proper sequence** is to finish the receivership, settle the accounting, then see if any deficiency truly exists.

[36] None of the cited styles of cause for the above referenced cases listed by Wang could be found on CanLII and the neutral citations provided are all to other cases with different names dealing with issues unrelated the points that Wang has cited the case for. This was only discovered by the court during the review and consideration of the cases cited by Wang after the hearing. It would appear that Wang may have used Artificial Intelligence (“AI”) to assist in his legal research. That is the most plausible explanation for how he could have referred to so many authorities that cannot be verified. The alternative conclusion would be that Wang simply made up these cases and citations himself, but that seems less likely.

[37] I have included in Appendix A at the end of this decision the relevant provisions of the Civil Practice Direction concerning case citations and the use of AI. Since Wang has not had an opportunity to explain how these authorities were identified by him and why they were not verified before they were provided to the court, the court will not at this time impose any sanction upon him for having not complied with his duties in this regard. I do not foreclose the possibility of a sanction being imposed for this at a later time.

[38] For the purposes of this decision, it is noted that, in addition to the potential consequences noted in the Civil Practice Direction, whatever the explanation may be these erroneous citations have caused the court to spend extra time attempting to locate and consider non-existent authorities. This is not an effective use of judicial resources and has delayed the release of this decision.

[39] Ultimately, with no other verified authorities to undermine or challenge the authority of the cases cited by Cameron Stephens, the logic and reasoning of which I find to be compelling and applicable to the circumstances of this case, I am satisfied that the exact amount of the Indebtedness of Wang to Cameron Stephens under the CS Guarantee does not need to be established to satisfy the requirements of s. 43 of the BIA.

[40] Even though the Receivership is continuing and it is projected that there will be some realizations and some of the Indebtedness will be repaid to Cameron Stephens from the security it holds over the property of the Jefferson Debtors, there is a significant projected shortfall. Cameron Stephens has provided evidence that the value of its security is not expected to be sufficient to cover the Indebtedness. Wang says that if that turns out to be so, it is due to the mismanagement of the Receivership by either or both of Cameron Stephens and the Receiver, allegations that are the subject of Wang’s recently commenced Civil Action against Cameron Stephens, a May 9, 2025 Investigation Motion brought by Wang in the Jefferson Receivership that has yet to be scheduled or timetabled, and a threatened action against the Receiver.

[41] Many of Wang’s criticisms of the Receiver and Cameron Stephens have been raised previously in opposition to relief that was ultimately granted by this court. By way of example only, in Steele J.’s endorsement of October 27, 2024 in *Cameron Stephens Mortgage Capital Ltd. v. 2011836 Ontario Corp. et al.*, 2024 ONSC 3507, when, over Wang’s objection on behalf of the Jefferson Debtors, the court authorized the Receiver to disclaim 28 asset purchase agreements (“APSs”) under which buyers contracted pre-construction with the Jefferson Debtors to buy certain freehold properties, the court described a different factual narrative than what Wang contends, including that:

[11] At the time of the Receiver's appointment, the debtors were in the middle of constructing the Project. Under the appointment order, the Receiver was empowered to borrow \$7,000,000. That borrowing limit was subsequently increased to \$9,500,000, and then to \$11,500,000.

[12] Following its appointment, the Receiver determined that stakeholder value would be maximized by completion of the Project. However, shortly after its appointment, the Receiver determined that there were construction, health and safety, and recordkeeping deficiencies with the Project.

[13] The Receiver shut down the Project on January 24, 2024, to assess the management of the Project. As part of this assessment, the Receiver obtained a report from a chartered quantity surveyor (the "Glynn Report") that assessed the cost to complete the Project at \$23,000,000.

[14] After its appointment, the Receiver retained an independent construction representative, Camcos Management Inc., because the Receiver was uncomfortable with certain construction practices and processes implemented by the Project's existing construction manager. The Receiver decided not to renew the contract with the existing construction manager and, in consultation with Camcos and CSMC, retained a new construction manager.

[42] If the conduct of Cameron Stephens or the Receiver in realizing upon the security is relevant at all to this bankruptcy application, it would be in the context of the court’s exercise of its discretion not to grant or to stay the requested bankruptcy order (discussed later in this endorsement). This alleged misconduct is not relevant to the determination of whether Wang was indebted to Cameron Stephens for more than \$1,000 at the time this application was commenced, or had committed an act of bankruptcy in the six months preceding the filing of this bankruptcy application.

[43] By the contractual terms of the CS Guarantee, Wang “owed” the Indebtedness to Camron Stephens upon demand having been made, independently of whatever Cameron Stephens may realize through its security in the Jefferson Project and other remedies it is pursuing. Wang’s assertion that Cameron Stephens’ alleged misconduct has caused or contributed to the deficiency in its recoveries from the Receivership does not relieve Wang of his *prima facie* contractual

responsibility under the CS Guarantee for the Indebtedness owing as of the date of the Demands, plus interest, expenses and costs continuing to accrue. I am satisfied that Wang owed more than \$1,000 to Cameron Stephens under the CS Guarantee as of the date of this Application.

[44] I will briefly address one further argument raised by Cameron Stephens that was the subject of much contention, although I do not need to decide this point given the findings already made. To reinforce its position regarding Wang's Indebtedness, Cameron Stephens relies upon a Forbearance Agreement signed by Wang in September of 2023, which Cameron Stephens says is an acknowledgment by Wang of the Indebtedness outstanding under the Loan, stated to be \$40,090,073.55 as of September 28, 2023 (not including interest, legal costs, and other permitted expenses related to these agreements). Wang disputes that he knowingly acknowledged this by signing the Forbearance Agreement, claiming that he was convinced to sign it based on misrepresentations by Cameron Stephens, even though he was represented by counsel at the time. These allegations form part of the factual narrative of Wang's recently commenced Civil Action against Cameron Stephens.

[45] Since I do not need to rely upon any acknowledgment of the Indebtedness in the Forbearance Agreement to conclude that the test under s. 43 of the BIA is met, I need not make a determination at this time about the validity or enforceability of that agreement, which was hotly contested by Wang.

Wang Had Committed an Act of Bankruptcy When this Application was Filed

[46] By the time the bankruptcy application was commenced on October 8, 2024, Wang had "ceased to meet his liabilities generally as they came due". This is an act of bankruptcy under s. 42(1)(j) of the BIA.

[47] Within the six months preceding the filing of this bankruptcy application, Wang committed an act of bankruptcy by failing to meet his liabilities as they came due to not only Cameron Stephens (following its Demands in December 2023 and March 2024), but also to WPC and Duca, each of which had also made demands of him in March of 2024 to pay the debts that he had guaranteed and subsequently commenced law suits for recovery of his debts to them. None of these debts had been repaid by October 8, 2024, nor have they been to date. As well, by October 8, 2024 receivers had been appointed by the court at the request of both Cameron Stephens and Duca due to continuing defaults under their loans that Wang had guaranteed.

[48] In *Suitor*, at paras. 55-59, the court found that there was evidence establishing that there were other creditors where the applicant pointed to (a) a claim filed against the respondent for enforcement of a promissory note, which he had defended; (b) a demand letter in respect of a mortgage which had matured and remained in default; and (c) guarantee obligations in relation to loans advanced to a group of corporations which the applicant was a principal of that had commenced CCAA proceedings. These are similar in nature to Wang's obligations to his other creditors, WPC and Duca.

[49] This is not a single creditor bankruptcy application and the exceptions that may apply in those circumstances (referenced by Cameron Stephens, for example in *Sergio Grillone (Re)*, 2023 ONSC 5710, at paras. 160-62) do not need to be considered.

Should the Court Decline to Adjudge Wang a Bankrupt or Stay the Application for Bankruptcy?

Section 43(7) of the BIA: Discretion to Dismiss the Bankruptcy Application

[50] Section 43(7) of the BIA provides that if the court is not satisfied with the proof of the facts alleged in the application or is satisfied by the debtor that the debtor is able to pay their debts, or that for other sufficient cause no order ought to be made, the court shall dismiss the application. The onus is on the debtor to satisfy the court that he or she comes within s. 43(7).

[51] For the reasons indicated in this endorsement, I am satisfied with the proof of facts alleged in the application as supplemented by the evidence from both witnesses at the hearing, that the requirements of s. 43 of the BIA have been met.

[52] If the debtor wishes to counter this, they must produce affirmative evidence that proves that they are able to pay their debts: see *Re Hayes* (1979), 34 C.B.R. (N.S.) 280 (B.C.S.C.), at pp. 280-81. Wang has not provided any evidence to demonstrate that he has assets in or outside of Canada sufficient to satisfy the outstanding Indebtedness that he has guaranteed to Cameron Stephens and others.

[53] Wang says he is meeting his liabilities as they come due but the only evidence he has presented to support this bald assertion in his affidavit is a credit score summary. He has produced no financial statements, bank statements, tax returns, or other material to indicate his financial position and prove that he is able to pay his debts: see *484030 Ontario Ltd., Re* (1992), 8 O.R. (3d) 243 (Ont. Gen. Div.), at p. 254 and *Medcap Real Estate Holdings Inc. (Re)*, 2022 ONCA 318, 468 D.L.R. (4th) 253, at para. 14, applying *Hayes* and the latter of which is cited in *Beach*.

[54] In the meantime, Wang was not (and still is not) paying or attempting to pay the amounts owing to Cameron Stephens, WPC or Duca, which suggests that he is not able to pay those debts: see *Re Glenn* (1941), 23 C.B.R. 81 (Ont. S.C.).

[55] This court has emphasized that the discretion under s. 43(7) “should not be exercised lightly, but on the basis of sound judicial reasoning, credible evidence, according to common sense and in a manner which does not cause an injustice”: *Suitor*, at para. 69, citing *Immeubles Zenda Ltée/Zenda Realities Ltd. et A. Schuster Holdings Inc.*, 2020 QCCS 3450, at para. 31, citing *Goulakos (Syndic de)*, 2016 QCCS 84, at para. 41.

[56] The arguments raised by Wang relating to the conduct of the Receiver (and by extension, Cameron Stephens) in realizing upon the security are said by Wang to give rise to a set-off against any amounts that Cameron Stephens claims to be owing under the CS Guarantee. Cameron Stephens points out that the Receiver sought and received, over Wang’s objections, court approval of its reports, recommendations and activities, many of which are the subject of Wang’s continued criticisms. There are, however, limitations on the reliance of court approval of the Receiver’s reports

and activities, in that the orders approving the Receiver's reports and activities restricting the reliance upon that approval to the Receiver itself.

[57] Wang maintains that the court should exercise its discretion under s. 43(7) not to grant the bankruptcy application because of alleged misconduct and bad faith (or failure to act in good faith) of Cameron Stephens, which Wang has been complaining about throughout the Receivership proceeding and has recently asserted in his new Civil Action against Cameron Stephens. This is based, in part, upon a misplaced reliance on the decision of the Supreme Court of Canada in *Scott v. Golden Oaks Enterprises Inc.*, 2024 SCC 32, which, as far as I can tell, has no application to the issues in this case. Even if it did, it would not be a reason to deny the bankruptcy order. This case dealt in part with s. 97(3) of the BIA, which provides that:

(3) The law of set-off or compensation applies to all claims made against the estate of the bankrupt and also to all actions instituted by the trustee for the recovery of debts due to the bankrupt in the same manner and to the same extent as if the bankrupt were plaintiff or defendant, as the case may be, except in so far as any claim for set-off or compensation is affected by the provisions of this Act respecting frauds or fraudulent preferences.

[58] Even if Wang is right that his claims against Cameron Stephens might give rise to a set-off, that is not a reason to stay or dismiss the bankruptcy application. The procedural analogy that could be drawn to this case would be if Wang's trustee in bankruptcy were to determine that Wang has a claim worth pursuing against Cameron Stephens (or any other creditor of his estate), then there might be a basis upon which the claims by and against Cameron Stephens could be set off against each other in the course of the bankruptcy proceeding. On the particular facts, I see no substantive analogy that can be drawn between *Golden Oaks* and this case. The merits of any set-off claim, who might have the ability to pursue it, and whether the underlying claim ultimately can be pursued and, if so, when, do not need to be determined for me to decide this application.

[59] Wang is correct that this bankruptcy application is not the proper forum in which to adjudicate his assertions of misconduct and *mala fides* or bad faith, etc. against Cameron Stephens. However, he is not correct that those need to be resolved before the bankruptcy application can be granted. The authorities cited by Wang, if relevant at all, might allow for the adjudication of the set-off claims in the context of the bankruptcy proceeding. There is no need to direct a trial of issues under r. 38 prior to granting the application. The record before the court on this application does not warrant such a direction and would simply add to the cost and the delay. They can be dealt with in the course of the bankruptcy proceeding, if appropriate.

[60] In support of his request that the court dismiss the bankruptcy order under s. 43(7) of the BIA Wang also argues that the bankruptcy order is premature because both the Jefferson Properties Receivership and the Duca receivership could, in theory, still lead to more recovery for these secured creditors than currently projected. He relies upon some general principles from *Toronto (City) v. C.U.P.E., Local 79*, 2003 SCC 63, [2003] 3 S.C.R. 77 about abuse of process and duplicative proceedings to support his alternative request for the court to stay the bankruptcy

application while the receiverships run their course. Once again Wang misconstrues the principles of this case and misapplies them to the circumstances of this case. The Supreme Court of Canada in *C.U.P.E., Local 79* was concerned about collateral attacks and attempts to relitigate findings already made by the court (see for example, paras. 37 and 46).

[61] However, even leaving aside the mis-applied legal doctrine, I am not persuaded that there is a factual predicate for the argument that Wang advances, of “Prematurity & Abuse” based on the parallel Receivership proceeding involving the Jefferson Project. The evidence does not support an inference or finding (which Cameron Stephens disputes) that this bankruptcy application was initiated to avoid or undermine Wang’s Investigation Motion in the Receivership or his Civil Action. Rather, it has been commenced to compliment the receivership which will be limited to recoveries against other entities (not Wang) and in which deficiencies are projected and the anticipated deficiency for Cameron Stephens does not appear to be a close call. The deficiency is projected to be significant and there does not appear to be any reasonable prospect of it being entirely eliminated.

[62] I do not find there to be any compelling facts or circumstances to support the exercise of the court’s discretion under s. 43(7) of the BIA to dismiss the bankruptcy application, and I decline to do so.

Section 47(11): Discretion to Stay the Bankruptcy Application

[63] Section 43(11) of the BIA provides that:

The court may for other sufficient reason make an order staying the proceedings under an application, either altogether or for a limited time, on any terms and subject to any conditions that the court may think just.

[64] Wang specifically only referred to s. 43(7) but some of the authorities referenced by Cameron Stephens were decided under s. 43(11). Many of the same facts and circumstances are relevant to the court’s consideration of whether to exercise its discretion under s. 43(7) and 43(11) of the BIA. The discussion in this endorsement is separated to recognize that some cases referred to were s. 43(11) rather than 43(7) BIA cases, but the reasoning applies equally to the consideration of both.

[65] The implication of the bankruptcy order being granted, which Cameron Stephens is upfront about, is that if Wang is adjudged a bankrupt, three existing civil list matters (the WPC Guarantee Claim, the Duca Guarantee Claim and the claim by Cameron Stephens on the CS Guarantee) would be subject to an automatic stay of proceedings against Wang, and the trustee in bankruptcy would have to determine whether to pursue the Wang Civil Action (against Cameron Stephens) or the other proceeding Wang may have wanted to pursue against the Receiver of the Jefferson Project as well as any pending motions (one that the court is aware of is a request for an Investigation into the Receiver’s conduct that is the subject of a Notice of Motion dated May 9, 2025 in the Jefferson Receivership that Wang purported to bring stating that he is the court-authorized representative of the respondent debtor corporations).

[66] In other words, if the bankruptcy order is granted, there is a possibility that Wang's assertions and claims regarding the alleged misconduct by Cameron Stephens and the Receiver will not be adjudicated, depending upon the capacity in which Wang may seek to raise them, and depending on whether leave is required to pursue them because of an automatic bankruptcy stay (in respect of claims by and against Wang) or because Wang has not formally obtained authorization to represent the Jefferson Debtors and needs leave to do so. Wang suggests that this is part of the *mala fides* or improper purpose of this receivership application, to silence him and shield Cameron Stephens and the Receiver from any further criticism by him.

[67] On the flip side, Cameron Stephens argues that it is Wang that has approached all of the claims in the various proceedings with a scorched earth policy, objecting to everything himself and while purporting to act on behalf of the Jefferson Debtors in the Receivership, and raising the same objections over and over again to anything that Cameron Stephens or the Receiver seeks approval of. Cameron Stephens argues that Wang's Civil Action is just another example of this.

[68] While the Receivership proceeding has been ongoing for a number of years, Wang chose to wait to initiate his Civil Action until mid-way through this contested bankruptcy application. As previously noted, this contested bankruptcy trial commenced on October 21, 2025, but had to be adjourned to complete the cross-examination of Wang and hear final submissions. It was adjourned to the next available court date, on Monday, November 10, 2025. The week before it was set to resume, Wang submitted his Civil Action to be issued by the court.

[69] A similar (albeit less extreme) situation arose in *Blancco Oy Ltd v. Inside The Box Inc.*, 2015 ONSC 277, 23 C.B.R. (6th) 126. In that case, after determining that the debtor had committed an act of bankruptcy, the court went on to consider whether the discretion of the court should be exercised under s. 43(11) to grant a stay of the bankruptcy order.

[70] The issue in *Blancco* was whether the debtor had raised a *bona fide* dispute about whether the funds were owing, or whether a *bona fide* counterclaim had been initiated. After determining in *Blancco* that the allegations and assertions in the counterclaim were vague, uncertain and not well supported by the debtor, the court observed that:

[31] ...the court may consider that the debtor's chances of success in the civil action are remote. This becomes a relevant factor to be taken into account in the exercise of the court's discretion to grant a stay. This is because the evident weakness in the purported claim has some bearing on the *bona fides* of the debtor purporting to make the claim.

[32] I find, in the circumstances of this case, the respondent debtor has not met its onus of showing that the litigation it proposes to bring is genuine and intended to be prosecuted. Rather, it appears to me, on the evidence, that the threatened litigation is merely an attempt to hinder or delay the applicant in the enforcement of its rights, *Re 1130703 Ontario Ltd.*, 2003 CarswellOnt 3414 (S.C.J.) at paras. 18 and 24.

[71] Similar considerations are at play in this case. Wang has not met his onus of showing that the assertions he now proposes to make in his recently commenced Civil Action, some of which overlap with his May 9, 2025 Investigation Motion in the Jefferson Receivership that Wang has not sought to schedule, are genuine and intended to be prosecuted. These are the same assertions involving criticisms of the conduct of Cameron Stephens (and the Receiver) that Wang has repeatedly made in his attempts to hinder or delay the enforcement of rights under Cameron Stephen's security. Wang launches these complaints but does not pursue them or attempt to corroborate them through independent evidence. The fact that some of these assertions have now, in the midst of this contested bankruptcy trial, been formally asserted in the Wang Civil Action, does not constitute a compelling fact or circumstance to support the exercise of the court's discretion under s. 43(11) of the BIA to dismiss the bankruptcy application. Merely raising these assertions does not entitle a debtor to ask the court to stay or hold off in granting a bankruptcy order while those claims are adjudicated, and I decline to do so..

[72] Penny J. observed in *Blanco*, at para. 19, that: "...no counterclaim had been asserted during the roughly 3 years the civil proceeding has been underway. The prospect of the current alleged counterclaim really only arose, on the evidence, after the applicant served its notice of application for bankruptcy order." The situation is more extreme here, Wang having not commenced his Civil Action until mid-way through this bankruptcy application. As the court found in *Blanco*, I too find that the timing of Wang's latest allegations of the basis for his Civil Action "is highly suggestive of a tactic being employed to stave off the inevitable", namely him being declared a bankrupt.

[73] In terms of any balancing of relative prejudice, the only prejudice that Wang has identified, since his businesses in Canada are already in receivership, is his potential inability to pursue his claims against Cameron Stephens and the Receiver. That is not a reason to dismiss an application for a bankruptcy order when the requirements have otherwise been met.

[74] Where a debtor has committed an act of bankruptcy and failed to lead any evidence of their ability to pay their creditors, they have an extremely high onus to meet if they want the court to exercise its discretion to stay the bankruptcy order: see *Beach (Re)*, at paras. 79-81, citing *Medcap* at para. 23. Wang has not established that there is no purpose in a bankruptcy or that the application has been brought for an improper purpose, which is what would be required for him to meet that onus: see *Re Bankruptcy of Jonathan Chukwudi Okoakih*, 2013 ONSC 7492, 7 C.B.R. (6th) 270, at para. 37.

[75] In *Beach (Re)*, the debtor alleged that the bankruptcy would serve no purpose: at para. 81. The court found that the debtor's conduct in responding to the bankruptcy application against him and his litigation conduct more generally were reason enough to warrant an investigation of his affairs by a trustee. I am of the same view here. Wang says he has the ability to pay his debts as they come due but has not provided any evidence of his ability to pay the creditors that have been identified in this bankruptcy application. He has instead focused all of his efforts on detracting from himself and blaming others for the status of the Jefferson Project and other real estate investments. I consider an investigation into Wang's affairs by a trustee in bankruptcy to be appropriate. A trustee in bankruptcy has investigative powers that can be utilized for the benefit of all creditors: see *Re Jonathan Chukwudi Okoakih*, at para. 36.

[76] I agree with Cameron Stephens that there is a benefit to all stakeholders in having one trustee in bankruptcy looking to identify and secure for the benefit of all stakeholders any assets that Wang may personally still have (as distinct from the assets under the corporate receiverships), so that there is not a race by creditors to realize on any assets Wang may have. A bankruptcy also provides a single forum for proving, valuing and prioritizing all the known claims, which so far are three claims on guarantees against Wang, rather than having a multiplicity of guarantee actions in which Wang is likely to be raising the same defences that would run the risk of overlapping or inconsistent findings.

[77] Further, the trustee in bankruptcy can assess if and when the appropriate time would be for the determination and valuation of the various unsecured guarantee and other claims against Wang. The trustee would also be best situated to determine whether it would make sense to defer doing so (as Wang suggests) until after those same creditors' secured claims in the receivership proceedings have worked themselves out, so that *pro rata* distributions can eventually be made as between creditors, if that becomes relevant.

[78] The record does not support the inference that Wang asks the court to draw that Cameron Stephens has brought this bankruptcy application for an improper purpose, with *mala fides* and the ulterior and primary motive of silencing him. As noted earlier in this endorsement, that this may be the effect of granting the order requested is not, in and of itself, a reason not to grant the application.

Summary of Outcome

[79] For the foregoing reasons, I find that the requirements of s. 43 of the BIA have been met and I am granting the requested order declaring Wang to be a bankrupt. Cameron Stephens has alleged and demonstrated that as of the date of this application in December of 2024:

- a. it was (and still is) owed at least one thousand dollars by Wang and the value of its estimated other security for the debt is less than the total amount claimed to be owing; and
- b. Wang had ceased to meet his liabilities generally as they came due to the Applicant creditor and to other creditors in the six months preceding the filing of the application.

[80] Wang has not satisfied the court that he is able to pay his debts, and has not identified any credible and supported reason for the court to exercise its discretion not to make the bankruptcy order, or to stay it.

[81] Accordingly, the bankruptcy order is granted. Wang is adjudged bankrupt. Albert Gelman Inc. is qualified and has agreed to act as trustee of the property of Wang.

[82] The court requests that counsel for the applicant amend the preambles to draft bankruptcy order to reflect all of the pre-filed affidavit evidence and oral testimony and submissions of the witnesses over the course of the two days of the hearing that took place on October 21 and November 10, 2025, and to reflect the specific findings made in this endorsement (summarized at

paragraph 80, 81 and 82) and re-date it to the date of this endorsement. This revised draft shall be provided in a word format to the court, by email to my assistant Therese.Navrotski@ontario.ca, copied to Wang and the trustee. The court will then review it, make any further changes it deems appropriate and sign it, effective as of today.

[83] In the proposed draft bankruptcy order the applicant requests that the costs of and incidental to this Bankruptcy Application and Bankruptcy Order be paid to the Applicant Creditor out of the assets of the Debtor thereof. The court so orders.

Kimmel J.

Date: December 1, 2025

APPENDIX A – EXCERPTS FROM THE CONSOLIDATED PROVINCIAL PRACTICE DIRECTIONS FOR CIVIL PROCEEDINGS IN ONTARIO

K. The Use of Artificial Intelligence (AI) for Court Proceedings.

Maintaining the integrity of the justice system is the shared responsibility of all justice sector participants. As officers of the court, lawyers play a pronounced role in ensuring its fair and proper administration. Without exception, however, it is the responsibility of all counsel and litigants to guarantee accuracy when preparing materials for use in court proceedings, and particularly when using AI, regardless of whether they directly interacted with the technology. The misuse of AI is detrimental to the justice system and can occur in any number of ways. Most often, it occurs when counsel or litigants carelessly rely on fictitious authorities generated by AI, commonly referred to as "hallucinations". Hallucinations can consist of non-existent cases, mischaracterizations of case law, and fabricated quotations. To avoid these risks, counsel and litigants must exercise careful, informed, and ongoing oversight at all times when they or their staff use AI for court proceedings. The court will not tolerate inadvertence in this regard.

The court directs counsel and litigants to consider the following, as applicable, when using AI for court proceedings:

...

For Counsel & Litigants

- **Use authoritative sources to verify citations.** AI-generated references may include incorrect or fictitious legal authorities. All legal information obtained using the assistance of AI must be verified against trusted and authoritative sources.
- **Comply with obligations under the *Rules of Civil Procedure*.** Counsel and litigants are reminded of their obligations under 4.06.1 of the *Rules of Civil Procedure* when preparing factums, with regard for subrules (2) - (2.2):

Citations

(2) Each citation to an authority in a factum must include a reference to the relevant paragraph, provision or page number of the authority.

(2.1) A factum shall include a statement signed by the party's lawyer, or on the lawyer's behalf by someone the lawyer has specifically authorized, certifying that the person signing the statement is satisfied as to the authenticity of every authority cited in the factum.

(2.2) An authority that is published on a government website or otherwise by a government printer, on the Canadian Legal Information Institute website (CanLII),

on a court's website or by a commercial publisher of court decisions is presumed to be authentic for the purposes of subrule (2.1), absent evidence to the contrary.

...

Potential Sanctions for Misuse of Artificial Intelligence for Court Proceedings.

The court has a range of powers to ensure that counsel and litigants comply with their duties to the court. Where those duties are not complied with, the court's powers include, but are not limited to, public reprimand of the counsel or litigant, the imposition of cost orders, adjourning a hearing or dismissing the matter, the initiation of contempt proceedings, and in regards to counsel, referral to the Law Society of Ontario. In each instance, the court's response will depend on the specific facts and circumstances of the case.