

Citation: 1561178 BC LTD. v. 1001433633 ONTARIO CORPORATION, 1001215695 ONTARIO LTD,
BALJIT SINGH DHALIWAL, VITOLos LLC and TARVINDER SOBTI, 2026 ONSC 1746

SUPERIOR COURT OF JUSTICE

CANADA)
PROVINCE OF ONTARIO)
EAST REGION)
PEMBROKE)

Court file No.
CV-26-00000024-0000

1561178 BC LTD.

Plaintiff/Applicant

- and -

**1001433633 ONTARIO CORPORATION, 1001215695 ONTARIO LTD,
BALJIT SINGH DHALIWAL, VITOLos LLC and TARVINDER SOBTI**

Defendant/Respondent

CIVIL ENDORSEMENT RECORD

JUSTICE : Associate Justice Perron

DATE: 3-Mar-26

PARTIES PRESENT:

Manjot Gill for the Plaintiff

N/A for Defendant

ENDORSEMENT:

1. This is a motion by the plaintiff seeking an Order to issue a Certificate of Pending Litigation ("CPL") against the property known municipally as 2991 Petawawa Boulevard, Petawawa, Ontario (the "Property").
2. On February 19, 2026, I directed that it was not appropriate to proceed with an urgent motion on an ex parte basis because the plaintiff's letter requesting to schedule an urgent motion stated that some of the defendants had counsel.

3. Plaintiff's counsel subsequently wrote to the Court to clarify that none of the defendants had counsel of record and/or to allege that the defendants were evading service.
4. I therefore permitted this motion to be brought on an urgent and ex parte basis pursuant to Rule 42.01(3) of the *Rules of Civil Procedure*.
5. The evidence of the plaintiff's representative, Jatinder Singh, is that in October 2025, he was approached by one of the defendants, Mr. Sobti, with an opportunity to purchase the Property. At that time, Mr. Sobti represented – among other things - that the Property was for sale, that he knew the owner (the defendant, Mr. Dhaliwal), that Mr. Sobti's employer was aware of potential tenants for the Property, and that the Property was therefore a safe investment.
6. According to Mr. Singh, Mr. Sobti offered to act as an intermediary to broker the transaction in exchange for a facilitation fee to be built into the purchase price.
7. On November 13, 2025, the plaintiff entered into an agreement of purchase and sale ("APS") with 1001215695 Ontario Ltd ("10012") which provides that the purchase price for the Property was \$2,350,000 with a closing date of January 21, 2026.
8. Mr. Singh states that prior to entering into the APS, Mr. Sobti told him that 10012 was not yet the registered owner of the Property but that 10012 was in the process of acquiring the Property pursuant to power of sale proceedings. Mr. Singh states that he relied on Mr. Sobti's representations to enter into the APS with 10012 notwithstanding that 10012 was not yet the owner of the Property.
9. Mr. Singh's evidence is that, prior to signing the APS, Mr. Sobti made further representations explaining that the transaction was being structured as a share purchase agreement to avoid land transfer tax and reduce tax implications and other fees.
10. Following execution of the APS, Mr. Singh raised concerns about paying the deposit directly to 10012 rather than to the real estate brokerage or the seller's lawyer in trust. In reliance on various representations by Mr. Sobti, including that the deposit would be held in trust by 10012 pending completion of 10012's purchase of the Property, the plaintiff paid a deposit of \$250,000 to 10012 via wire transfer on November 13, 2025.
11. After executing the APS, and because the transaction was being structured as a share purchase agreement, Mr. Singh requested financial disclosure from 10012. 10012 allegedly refused to provide the disclosure. Mr. Singh therefore stated that he was no longer prepared to proceed with the transaction and asked for the return of his deposit.

12. In December 2025 and early January 2026, Mr. Singh had various communications with Mr. Sobti about the return of his deposit.
13. Mr. Singh also alleges that in January 2026, he learned that another corporation owned by Mr. Dhaliwal, 1001433633 Ontario Corporation, had completed the purchase of the Property via the power of sale proceedings.
14. Mr. Singh further alleges that he subsequently learned – all through Mr. Sobti – that one of the corporations that previously owned the Property prior to the power of sale proceedings intends to repurchase the Property from 10014 and that this transaction is imminent.
15. The deposit funds have not been returned to the plaintiff.
16. The plaintiff registered a caution on title to the Property on February 4, 2026. The caution has since expired.
17. The plaintiff therefore commenced this action and has brought this motion for a CPL. The action seeks, among other relief, a declaration that the plaintiff has an equitable and beneficial interest in the Property.

The test for obtaining a CPL

18. Pursuant to section 103 of the *Courts of Justice Act*, the plaintiff must first establish that it has a “reasonable” interest in the Property. The Court will consider whether there is a triable issue as to the interest and not whether the plaintiff will likely succeed at trial (*Hupka v Aarts Estate*, 2003 CanLII 49303 (ON SC), at paras 45 and 50; see also *Waxman v Waxman* [1991] O.J. No. 89, ON Gen Div, at paras 7 and 8).
19. Where the interest claimed in the land is a constructive trust, the first part of the test is unchanged. The plaintiff need only establish that there is a triable interest regarding the claim and need not establish that it will succeed at trial (*Transmaris Farms Ltd. v Sieber*, [1999] O.J. No. 300 (ON Gen Div) at paras 62 and 69).
20. Once the interest in land is established, the Court considers various factors in exercising its discretion to determine whether the issuance of the CPL is appropriate including: whether the plaintiff is a shell corporation, whether the land is unique, whether there is an alternative claim for damages, whether damages would be a satisfactory remedy, the presence or absence of a willing purchaser and the harm to each party if the certificate is, or is not removed with or without security (*572383 Ontario Inc. v Dhunna*, [1987] O.J. No. 1073, at para 10).

Should the plaintiff be permitted to register a CPL against the Property

21. On the first part of the test, I am satisfied that the plaintiff has established that it has a “reasonable” claim to the interest in the Property.
22. The plaintiff entered into an APS to purchase the Property. Although the APS was not entered into with the owner of the Property, if the plaintiff is successful in proving its allegations against the group of defendants, the plaintiff may have a claim for constructive trust against the Property.
23. Although further evidence will be required by the plaintiff to make out those allegations beyond Mr. Singh’s assertions, it is not for me to make findings on those claims on this motion. I am therefore satisfied on the basis of the APS and the allegations in the affidavit that the plaintiff has met the first part of the test.
24. In considering whether it is equitable to grant the request for a CPL, I must now consider the factors suggested by the caselaw. My findings on each of those factors are below.

Is the plaintiff a shell corporation?

25. Although the plaintiff asserts in its factum that it is not a shell corporation, in response to a request for clarification by the Court during the hearing of the motion, the plaintiff’s counsel admitted that the plaintiff is a shell corporation. The plaintiff was incorporated for the purpose of acquiring the Property and it does not own any other assets.
26. The plaintiff’s counsel also submitted that some of the defendant corporations are also shell corporations with no assets and that without a CPL, it will be very difficult to enforce any judgment against the corporations. There is no evidence to support these allegations in the record before me.
27. Because the plaintiff is a shell corporation, this factor weighs against the issuance of a CPL.

Is the Property Unique?

28. There is no evidence in the record that the Property is unique. The plaintiff admits that it seeks to acquire the Property as an investment property which suggests that it is *not* unique.

29. The plaintiff submits that because it does not seek specific performance of the APS, this factor weighs in favour of the issuance of a CPL. I do not agree. The fact that the plaintiff admits that the APS was breached and that the plaintiff no longer seeks to close on the transaction is further evidence that the Property is not unique.

30. This factor also militates against the issuance of a CPL.

Does the plaintiff have an alternative claim for damages?

31. Yes, the plaintiff also seeks damages against the defendants. This form of relief is not pled as alternative relief but as primary relief in the statement of claim.

32. In particular, the plaintiff seeks judgment in the amount of \$250,000 (for the return of its deposit) plus punitive damages of \$100,000.

33. Because the plaintiff does not seek specific performance of the APS and claims damages against the defendants, the purpose of the CPL is to facilitate the enforcement of any judgment.

34. This factor also militates against the issuance of a CPL.

Would damages be an adequate remedy?

35. For the same reasons set out immediately above, yes, damages would be an adequate remedy. In fact, damages are the primary remedy sought by the plaintiff in this matter; the plaintiff no longer seeks to acquire the Property.

36. In addition, most of the damages claimed are easily quantifiable. The deposit has been paid for a specific amount. Punitive damages would be quantified by the Court based on the Court's factual determinations at trial.

37. While the claim for lost profits would require the Court to draw inferences and is not as easy to quantify as the two claims above, the plaintiff also appears to have entered into a letter of intent with respect to prospective tenancies. Therefore, there may be objective evidence for the Court to consider to calculate damages for this head of damages.

38. I find that damages would be an adequate remedy, and this factor also weighs against the issuance of a CPL.

The Presence of a Willing Purchaser

39. The only evidence that the plaintiff has to support that 10014 is attempting to sell the Property is hearsay evidence from Mr. Sobti.
40. The plaintiff's counsel submitted that 10014 is actively trying to sell the Property and that Mr. Dhaliwal has several judgments against him in other Court proceedings where there have been findings of misconduct against him. There is no evidence in the motion record before me to support any of these assertions.
41. While the plaintiff may acquire further evidence in support of these allegations as the litigation progresses, and that without a CPL being registered on title, 10014 may very well sell the Property to another party, I cannot place any significant weight on the speculative evidence of a pending sale or intention to sell.
42. At best, this factor is therefore neutral on this motion.

Prejudice to each Party if the CPL is Granted or Not Granted

43. Regarding potential prejudice, Mr. Singh's affidavit contains the following assertion: "In the absence of [the CPL being granted], there is a real and substantial risk that the Property may be sold or transferred, thereby defeating my equitable interest and materially impairing my ability to recover the monies advanced to the Defendants, which have been applied towards the Property".
44. Mr. Singh also asserts that he is not aware of any prejudice that could be sustained by any of the defendants if a CPL was issued.
45. Mr. Singh also submits that the defendants have caused him prejudice by using the deposit funds to purchase the Property, but there is no evidence in the record before me to support that the deposit funds paid to 10012 were then provided to 10014 to facilitate its acquisition of the Property. There is also no evidence before me to support that Mr. Dhaliwal is the controlling mind behind 10014.
46. Although I am prepared to infer that the plaintiff will be prejudiced in its ability to execute any judgment against the defendants if it is successful in the action and if the Property is sold to a third party by 10014, I am not prepared to accept Mr. Singh's general assertion that "he is not aware" of any prejudice on the defendants.
47. Because this motion was brought ex parte, I have no evidence before me on the potential prejudice to the defendants if the CPL was granted. In addition, just like I can infer prejudice to the plaintiff as above, I can also infer that the defendants, especially 10014, could be prejudiced by the registration of the CPL which would

restrict its ability to deal with the Property, particularly if the allegations of the plaintiff against 10014 are not made out.

48. I also note that so far in this proceeding, the plaintiff relies heavily on hearsay evidence from the intermediary broker, Mr. Sobti. It does not appear that the plaintiff has had any direct communications with 10012 or 10014 or Mr. Dhaliwal.

49. In the circumstances, this factor is also neutral.

Conclusion

50. Although I am satisfied that the plaintiff has met the initial threshold to establish that it has a reasonable interest in the Property, when considering all of the applicable factors, I am not satisfied that it is appropriate to permit the issuance of a CPL in this matter.

51. The plaintiff's motion is dismissed.



Associate Justice Perron