

CITATION: Chen v. Xiao, 2026 ONSC 2049
COURT FILE NO.: CV-25-00000627
DATE: 20260407

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:)
)
JIANLIAN CHEN and WEIHAN CHEN) Annabelle Wai Ying Lui, for the Applicants
)
Applicants)
)
– and –)
)
YUXIANG XIAO, YAJING LIU, YUNYI) Ken MacDonald, for the Respondents,
LUO and MASTERMIND MONTESSORI) Yuxiang Xiao, a.k.a. Chris Xiao and Yajing
SCHOOLS INC.) Liu
)
Respondents) Baktash Waseil, for the Respondent, Yunyi
) Luo
)
)
)
)
) **HEARD:** April 1, 2026

2026 ONSC 2049 (CanLII)

REASONS FOR DECISION

CHARNEY J.:

Introduction

- [1] On February 10, 2026, Cameron J. granted leave to the Applicants, Jianlian Chen and Weihan Chen, to register a Certificate of Pending Litigation (“CPL”) against the Respondents’, Yuxiang Xiao and Yajing Liu, residence located at 18 Caine Street, Richmond Hill, Ontario (the “Caine Street Property”).
- [2] The motion before Cameron J. was without notice to the Respondents.
- [3] The Respondents Xiao and Liu¹ now move to set aside Cameron J.’s Order and to discharge the CPL so that they can complete a sale of the Property now scheduled to close on April

¹The Respondent Yunyi Luo was represented by counsel on this motion but took no position, since she has no interest in the property at issue. No factual findings are made with respect to her involvement in the dispute between the Applicants and Xiao and Liu.

10, 2026². The sale cannot close without the discharge of the CPL. The Respondents are willing to pay the net proceeds into Court, if necessary for the discharge.

- [4] They contend that the Applicants have no triable interest in the Caine Street Property, that the Application brought by the Applicants is a claim for damages and does not claim an interest in the Caine Street Property, and that the Applicants failed to make full and frank disclosure on the motion before Cameron J.
- [5] The Applicants oppose this motion and bring a cross motion under Rule 56.09 for security for costs against the Respondents.

Background

- [6] The Applicants commenced this Application on February 24, 2025.
- [7] The Applicants and the Respondent Xiao are the three sole shareholders of Mastermind Montessori School Inc. (“Mastermind” or “the School”). The Applicants allege that Xiao, who until early March 2025 had been the president and director of Mastermind, misappropriated School funds and used them for personal real estate investments. Xiao admits to having borrowed money from Mastermind, and takes the position that he has paid back some but not all.
- [8] On February 24, 2025, the Applicants issued a Notice of Application against the Respondents under the *Ontario Business Corporations Act*, seeking the following relief against Xiao and Liu:
 - a) An Order granting the Applicants leave to obtain a Certificate of Pending Litigation in respect of the real property municipally known as 18 Caine Street, Richmond Hill, Ontario...;
 - b) A declaration that the Applicant, Jianlian CHEN (hereinafter “Jian”), is a proper person to make an application under the provisions of Part XVII of the Business Corporation Act, R.S.O. 1990, c. B.17, as amended, for the relief set out in this application;
 - c) A declaration that the Applicant, Weihang CHEN (“hereinafter “Wei”), is a proper person to make an application under the provisions of Part XVII of the Business Corporation Act, ..., for the relief set out in this application;
 - d) A declaration that the powers of the Respondent, Yuxiang XIAO (hereinafter “Xiao”), as sole director of the Respondent, Mastermind Montessori School Inc. (hereinafter the “Corporation”), have been and

² The original closing date was March 11, 2026, but the parties have agreed to extend the closing date until April 10, 2026 if the CPL can be removed.

are threatened to be exercised in a manner that is oppressive of, unfairly prejudicial to, and that unfairly disregards the interests of the Applicants and the Corporation;

- e) A declaration that Xiao, as sole director of the Corporation, has breached his fiduciary duties towards the Applicants and the Corporation;
- f) A declaration that Xiao has failed to act honestly and in good faith as an officer and director of the Corporation, in contravention of the Business Corporation Act...
- g) A declaration that Xiao is in material breach of the parties' Shareholders' Agreement dated January 6, 2020;
- h) A declaration that Xiao has misappropriated monies from the Corporation and was unjustly enriched;
- i) A declaration that Yajing Liu (hereafter "Liu") has misappropriated monies from the Corporation and was unjustly enriched;
- j) A declaration that Liu conspired with or aided Xiao to defraud and embezzle funds of the Corporation;
- k) ...
- l) An order that Liu and Luo are jointly and severally liable with Xiao for any monies Xiao misappropriated from the Corporation;
- m) An order that the Respondents produce to the Applicants, financial records of the Corporation, including all books, records, invoices, bills, cheques, bank statements and corporate income tax returns, with respect to the operation of the Corporations;
- n) A temporary and permanent order that the written resolutions made by the Applicants, as owners of the majority of shares in the Corporation, to remove Xiao as an officer and director of the Corporation, his dismissal by the Corporation with cause; and to appoint Jian as an officer and director, are valid and enforceable "in Rem";
- o) An order that Xiao repay to the Corporation, all monies he misappropriated from the Corporation;
- p) An order for equitable tracing of all monies misappropriated by Xiao from the Corporation;

- q) An order that all assets purchased by Xiao with monies misappropriated from the Corporation held in trust by Xiao for the benefit of the Corporation;
- r) An order that, pursuant to terms of the Shareholders' Agreement for the Corporation, Xiao sell to the Applicants, his shares in the Corporation, and that the sale be effective on the date that the Applicants pay into court, either: i. ii. Such amount as prescribed in the Shareholders' Agreement; or Such amount as prescribed in the Shareholder's Agreement, less credit for any monies owing by Xiao to the Corporation;
- s) In the alternative, an order for an independent valuation of the shares of the Corporation, and that Xiao sell his shares to the Applicants pursuant to the valuation, without a minority discount, and that the sale be effective on the date that the Applicants pay into court, either: The value of Xiao's shares in the Corporation as determined by the valuation; or The value of Xiao's shares in the Corporation as determined by the valuation, less credit for any monies owing by Xiao to the Corporation;
- t) In the alternative, general damages against Xiao and Luo in the amount of \$2,000,000.00;
- u) A temporary and permanent order, restraining the Respondents, or any of them, from disposing of assets, except in the ordinary course of business;

[9] On the night of February 27, 2025, Xiao removed tuition cheques belonging to Mastermind totaling approximately \$694,029.304. These activities were caught on CCTV cameras in the principal's office. He deposited those cheques into Mastermind's bank account, thereby repaying a line of credit that had been obtained in the School's name and secured against his personal residence at 18 Caine Street. The Caine Street Property is the only property owned by Xiao in Ontario. The Applicants have filed a forensic accounting report that finds that more than \$1.1 million remains outstanding from Xiao to the Corporation.

[10] On March 1, 2025, the Applicants voted for a resolution to remove Xiao from his position at Mastermind, and Jianlian Chen replaced Xiao as Mastermind's director and treasurer.

[11] On March 5, 2025, the Applicants brought an *ex parte* motion in writing for a Mareva Injunction and a CPL. Fraser J. held that the motion, while pressing, should be brought on notice, even if short notice, and directed the Applicants to contact the Trial Coordinator to obtain an urgent hearing date on notice.

[12] The parties appeared before Civil Triage Court on May 1, 2025, followed by a case conference on September 8, 2025. Sutherland J. set a timetable for the Applicants' motion for a CPL:

- a. All cross examinations to be conducted by September 18, 2025.

- b. Undertakings to be answered and position in writing on any refusals by October 31, 2025.
- c. Any motion required for undertakings and/or refusals can be obtained through me at a telephone civil conference. Such conference to be requested through my judicial assistant.
- d. Once completed, date at Triage Court is required to set a date for the hearing of the long motion and fix a timetable for factums.

[13] The parties completed the cross-examinations, and the answers to undertakings were completed on November 26, 2026.

[14] The parties returned to Triage Court on January 13, 2026 to obtain a motion date. Sutherland J. set a timetable for the exchange of factums in May, and scheduled the CPL motion to be heard in June 2026, for ½ day.

[15] On January 14, 2026, the Applicants discovered that the Property had been listed for sale since mid-December 2025 – a fact that had not been disclosed by the Respondents’ lawyer. The Applicants’ lawyer requested another urgent case conference, which was scheduled for January 20, 2026,

[16] At the January 20, 2026 case conference, Sutherland J. issued the following Order and abridged timetable for the Applicants’ motion for injunctive relief:

- a. That the respondents Xiao and Liu to keep the applicants apprised of any pending sale and the terms of the sale being price and closing date.
- b. Timetable as follows:
 - i. Motion material to be served and filed by January 30, 2026;
 - ii. Any responding materials to be served and filed by February 16, 2026;
 - iii. Any reply material to be served and filed by February 23, 2026;
 - iv. Any cross examinations to be conducted by March 13, 2026.
- c. Once all completed, parties can attend Triage Court on an urgent basis to obtain a date for the hearing of this long motion.

[17] On February 2, 2026, the Applicants’ counsel obtained a copy of the parcel registry for the Caine Street Property and discovered that on January 27, 2026, the Respondents had registered a new charge on the Caine Street Property in the amount of \$49,990 in favour of the law firm acting for Xiao.

- [18] On February 3, 2026, counsel for Xiao advised counsel for the Applicants that the Property had sold and the anticipated closing date was March 26, 2026.
- [19] The Applicants subsequently learned from a third-party generated MLS listing that the closing date was not March 26, 2026 as they had been advised by the Respondents' counsel, but was actually March 11, 2026. This discovery resulted in the Applicants bringing their motion for a CPL, or, in the alternative, an order that the net proceeds of sale be paid into Court, on an urgent, without notice basis on February 6, 2026.
- [20] As indicated, on February 10, 2026, Cameron J. granted leave to the Applicants to register a CPL against the Respondents' Caine Street Property.
- [21] The Order signed by Cameron J. actually gave the Applicants a choice:
- (i) leave to obtain and register an interim Certificate of Pending Litigation with respect to the Caine Street Property, or
 - (ii) an order that the net proceeds of sale of the Property shall be paid into Court pending further order, after payment of registered encumbrances, without prejudice to the Applicants' right to challenge the validity, priority, enforceability, or quantum of any such encumbrances.
- [22] The Applicants chose the former and registered the CPL.

Issues

- [23] Xiao submits that under s. 103 (6) of the *Courts of Justice Act*, there are four distinct grounds (each of them sufficient on their own) to discharge the CPL:
- a. The Applicants do not have a reasonable claim to an interest in the Caine Street Property (s. 103 (6) (a) (ii))
 - b. The Applicants claim a sum of money (s.103 (6) (a) (i))
 - c. The interests of the Applicants can be adequately protected by paying the net proceeds into Court (s.103 (6) (b) and (d))
 - d. There were several material non-disclosures in the Applicants' evidence on their *ex parte* CPL motion (s. 103 (6)), which motion ought not to have been brought *ex parte*.

The Test on A Motion to Discharge a CPL

- [24] Section 103 (6) of the *Courts of Justice Act* provides:
- (6) The court may make an order discharging a certificate,
 - (a) where the party at whose instance it was issued,

(i) claims a sum of money in place of or as an alternative to the interest in the land claimed,

(ii) does not have a reasonable claim to the interest in the land claimed, or

(iii) does not prosecute the proceeding with reasonable diligence;

(b) where the interests of the party at whose instance it was issued can be adequately protected by another form of security; or

(c) on any other ground that is considered just,

and the court may, in making the order, impose such terms as to the giving of security or otherwise as the court considers just.

[25] The factors the court must consider on a motion to discharge a CPL were summarized by Master Glustein, as he then was, in his oft-cited decision in *Perruzza v. Spatone*, 2010 ONSC 841, at para. 20:

- (i) The test on a motion for leave to issue a CPL made on notice to the defendants is the same as the test on a motion to discharge a CPL (*Homebuilder Inc. v. Man-Sonic Industries Inc.*, 1987 CarswellOnt 499 (S.C.-Mast.) (“*Homebuilder*”) at para. 1);
- (ii) The threshold in respect of the “interest in land” issue in a motion respecting a CPL (as that factor is set out at section 103(6) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43) is whether there is a triable issue as to such interest, not whether the plaintiff will likely succeed (*1152939 Ontario Ltd. v. 2055835 Ontario Ltd.*, 2007 CarswellOnt 756 (S.C.J.), as per van Rensburg J., citing *Transmaris Farms Ltd. v. Sieber*, [1999] O.J. No. 300 (Gen. Div. – Comm. List) at para. 62);
- (iii) The onus is on the party opposing the CPL to demonstrate that there is no triable issue in respect to whether the party seeking the CPL has “a reasonable claim to the interest in the land claimed” (*G.P.I. Greenfield Pioneer Inc. v. Moore*, 2002 CanLII 6832 (ON CA), 2002 CarswellOnt 219 (C.A.) at para. 20);
- (iv) Factors the court can consider on a motion to discharge a CPL include (i) whether the plaintiff is a shell corporation, (ii) whether the land is unique, (iii) the intent of the parties in acquiring the land, (iv) whether there is an alternative claim for damages, (v) the ease or difficulty in calculating damages, (vi) whether damages would be a satisfactory remedy, (vii) the presence or absence of a willing purchaser, and (viii) the harm to each party if the CPL is or is not removed with or without security (572383

Ontario Inc. v. Dhunna, 1987 CarswellOnt 551 (S.C.-Mast.) at paras. 10-18); and

- (v) The governing test is that the court must exercise its discretion in equity and look at all relevant matters between the parties in determining whether a CPL should be granted or vacated (*931473 Ontario Ltd. v. Coldwell Banker Canada Inc.*, 1991 CarswellOnt 460 (Gen. Div.); *Clock Investments Ltd. v. Hardwood Estates Ltd.*, 1977 CanLII 1414 (ON SC), 1977 CarswellOnt 1026 (Div. Ct.) at para. 9).

- [26] In *Karkoulis v. Karkoulis*, 2023 ONSC 499, at paras. 18 and 19, Ryan-Bell J. added the following points (citations omitted):

It is not the court’s role to determine whether the plaintiff’s claim will likely succeed at trial, but whether a triable issue exists with respect to a reasonable claim to an interest in land: *HarbourEdge Mortgage Investment Corp. v. Timbercreek Mortgage Investment Corp. (Trustee of)*, at para. 56. The onus is on the party opposing the CPL to show that there is no triable issue: *Boal v. International Capital Management Inc.*, at para. 64.

In determining if there is a triable issue, the evidentiary bar is low ... The court is not to assess credibility or decide disputed issues of fact and credibility...

- [27] In the recent decision of *MCAN Home Mortgage Corporation v. Broad*, 2026 ONCA 217, the Court of Appeal summarized the purpose of a CPL at paras. 23 – 24 (citations omitted):

The purpose of a CPL is to give notice that an interest in land is in question in litigation. It serves to prevent the claimed interest from being defeated by a transfer or other dealing with the land in favour of a person who otherwise could assert they acquired the land without notice of that claimed interest...

Section 103(6) of the CJA gives the court a discretion to discharge a CPL, with or without terms, in various circumstances, including where the party who obtained the CPL does not have a reasonable claim to the interest in land claimed, where they could be protected by another form of security, or “on any other ground that is considered just”. Section 103(7) stipulates that the effect of a discharge is to free up the land to be dealt with as though the CPL had not been registered.

- [28] Also helpful is McCarthy J.’s recent decision in *Tian v. Jiang*, 2026 ONSC 1947, at paras. 10 - 13:

The party challenging the certificate must show that there is no triable issue as to whether the party seeking the certificate has “a reasonable claim to the interest in the land”: *G.P.I. Greenfield Pioneer Inc.*, at para. 20.

If the claimant has a “reasonable claim to the interest in the land”, it is appropriate for the court to weigh the equities, in particular the 8 factors suggested in *572383 Ontario Inc. v. Dhunna* (1987), 24 C.P.C. (2d) 287 (Ont. S.C.).

...

Courts will not issue a CPL where damages are sufficient. As observed in *Canadian West Trust Co. v. 1324789 Ontario Inc.*, 2019 ONSC 4789, at para. 30, a certificate is intended to protect an interest in land only where other remedies would be ineffective.

Analysis

(i) Interest in Land

[29] The Respondents argue that the Applicants Jianlian Chen and Weihan Chen do not themselves have any interest in the land. Their Notice of Application alleges Xiao misappropriated Mastermind’s funds and that he owes Mastermind money. The Notice does not allege that Xiao took any money from, or owes anything to, the Applicants themselves, nor is there any evidence to that effect.

[30] As a general rule, “shareholders of a company do not have “an interest in property” so as to allow them to obtain a certificate of pending litigation with respect to the property owned by the company in the case of a shareholders oppression case”: *Kafouf v. Kafouf et al.*, 2017 ONSC 5093, at para. 12.

[31] That said, there is at least an arguable case that the Applicants in this case will be given leave to make this application on behalf of the corporation. Mastermind is a closely held private corporation with only three shareholders, two of whom are the Applicants. In this circumstance the Applicants may be able to claim an interest in land on behalf of the corporation.

[32] See *Kafouf v. Kafouf et al.*, 2017 ONSC 5093, at para. 12:

I am of the view that the *Chilian v. Augdome Corporation* decision is distinguishable from this case on the facts, as in this case the applicant is not claiming interest in the land. The primary issue decided in that case was that an entitlement to a certificate of pending litigation does not necessarily require that the interest in land in question be claimed directly by the plaintiff for itself. This is as exemplified in *829194 Ontario v. Garibotti*, 2013 ONSC 5857, where the individual plaintiff brought action seeking an interest in the defendant’s land on behalf of the corporation. [Emphasis added.]

[33] The Respondents note that the Applicants appear to be arguing that their interest in land is based on “constructive trust”, but that the Notice of Application does not refer to “constructive trust” as a basis for the claim.

[34] Paragraph q) of the Notice of Application does seek a declaration that monies are held in trust, it requests “An order that all assets purchased by Xiao with monies misappropriated from the Corporation [are] held in trust by Xiao for the benefit of the Corporation”. The Applicants contend that Xiao used the tuition payments to repay a line of credit that had been obtained in the School’s name and secured against his personal residence at 18 Caine Street. In my view, this is sufficient to meet the requirement that “an interest in land is in question”.

(ii) Material Non-Disclosure

[35] Rule 39.01(6) provides that where a motion is made without notice, “the moving party must make full and fair disclosure of all material facts, and failure to do so is in and of itself sufficient ground for setting aside any order obtained on the motion”.

[36] In *R. A. Fox v. R.S. Fox*, 2014 ONSC 1135, the Divisional Court outlined the reason for Rule 39.01(6), at paras. 11-13:

The reason for requiring such disclosure is based on the recognition that the judicial officer hearing a motion has only the moving party or their counsel before him. There is usually no opponent present who can file opposing evidence and make opposing submissions. Accordingly, there is a heavy burden on a moving party to tender evidence that he might prefer not to tender so the judicial officer can obtain a reasonably balanced view of those facts that might reasonably affect the outcome of the motion.

[37] This Rule does not require that an order obtained in the absence of full and fair disclosure be set aside, rather, it provides only that it may be set aside solely on that basis: *Gong v. Neuhaus Management Ltd.*, 2021 ONSC 531, at para. 51. A court still has the discretion to consider whether a CPL should be continued or discharged under s. 103(6) of the CJA even where there has been material non-disclosure: *Gong*, at para. 51.

[38] In the present case, the Applicant Jianlian Chen’s affidavit dated February 6, 2026, sworn in support of the *ex parte* motion before Cameron J. stated, at para. 28:

To date, Xiao has not delivered any evidence responding to the substantive allegations advanced by the Applicants. As a result, the Applicants’ sworn evidence concerning the diversion of School funds and the proprietary claims affecting the Property remain uncontradicted on the record.

[39] The Respondents point out that this is untrue. On or about April 7, 2025, Xiao did serve an affidavit setting out his response to the allegations advanced by the Applicants. He explained that the School’s line of credit was secured by a mortgage on his house which the bank required for the substantial overdraft on the School’s operating account. This was

the account from which the School paid its various operating expenses including payroll and rent. In other words, he pledged his own property to finance the operation of the school. The operating account was overdrawn, and he deposited the tuition cheques into the School's operating account. Xiao takes the position that it would not be appropriate for his personal residence to continue as security for the School's overdraft account after he was no longer managing the School.

[40] This response was not provided to Cameron J. when the *ex parte* motion was before her, and there is no reference to Xiao's April 7, 2025 responding affidavit in the material filed in support of the *ex parte* motion. I agree with the Respondents that this was a material non-disclosure and "is in and of itself sufficient ground for setting aside any order obtained on the motion".

(iii) Claim for Sum of Money/Alternative Form of Security

[41] A court may discharge a CPL where "the party at whose instance it was issued ... claims a sum of money in place of or as an alternative to the interest in the land claimed"

[42] In their Notice of Application, the Applicants seek, inter alia, "an order that Xiao repay the [School] all monies he misappropriated from the [School]" (para. 1 (o)) and "in the alternative, general damages against Xiao and Luo in the amount of \$2,000,000.00" (para. 1 (t)).

[43] Indeed, reading the Notice of Application as a whole, repayment or damages appears to be the primary relief requested by the Applicants. The claim for the interest in land is really a claim for security for their damages claim.

[44] As the Court noted in *Tribecca Development Corporation v. Danieli* 2015 ONSC 7638, "a CPL is intended to protect an interest in land where other remedies would be ineffective. It is not intended to be an instrument to secure a claim for damages". This sentiment was echoed by Doi J., who stated in *Bains v. Khatri*, 2019 ONSC 1401, that "[s]hould the moving Plaintiffs have concerns about the dissipation of assets, it is open for them to seek relief by way of a Mareva order. A certificate of pending litigation is intended to protect an interest in land in situations where other remedies would be ineffective." See also: *Mr. Greek Meats Inc. v. Mr. Zagros Management Inc.*, 2023 ONSC 791, at para. 12; *George v. George*, 2026 ONSC 1544, at para. 145.

[45] This factor is directly related to s. 103(6)(b) of the Court of Justice Act: "where the interests of the party at whose instance it was issued can be adequately protected by another form of security".

[46] The Applicants don't actually want Xiao's Caine Street Property; they want to ensure that there are assets available in Ontario to satisfy any judgment they may obtain should Xiao return to China before their Application is heard. The evidence suggests that Xiao may have already returned to China. The Applicant's affidavit in support of the CPL stated:

I verily believe that, absent immediate interim relief, the property will be conveyed and the net proceeds of sale dissipated or removed from the jurisdiction by Xiao before the court can adjudicate the Applicants' claims, thereby rendering any eventual relief illusory.

- [47] The interests of Applicants can, in my view, be adequately protected by the alternative security proposed by the Respondents: discharge the CPL, permit the property to be sold, and pay the net proceeds into Court pending the final resolution of this case.
- [48] There is no evidence to suggest that the sale of the Caine Street Property was not an arms length transaction or that the sale price (\$1,813,800) is less than fair market value. The Caine Street Property was on the market for 1.5 months and was sold to the highest of 4 offers.
- [49] The only issue with regard to this alternative relates to what is to be deducted from the sale price in order determine the "net proceeds".
- [50] There is no dispute that the CIBC mortgage debt of \$1,279,060.41 (as at April 10, 2026) must be deducted. There is no dispute that municipal taxes owing (approximately \$2,462) must be deducted. There is no dispute that the real estate commission must be deducted, and that legal fees for closing (approximately \$5,400) must be deducted.
- [51] The only dispute relates to the \$49,990 charge in favour of Xiao's law firm registered on January 27, 2026. The Respondents' counsel advises that this charge relates to future legal expenses that might be incurred as a result of this litigation.
- [52] In my view, this charge should not be deducted from the sale proceeds at this stage but paid into court with the net sale proceeds. Whether the Respondents will be permitted to use all or some of these funds to pay for this litigation will be determined in a future proceeding.

Conclusion

- [53] Based on the foregoing, an Order shall go as follows:
1. THIS COURT ORDERS that paragraph one of the Order of February 10, 2026 is amended by deleting the word "OR" at the end of that paragraph.
 2. THIS COURT ORDERS that paragraph two of the Order is deleted and replaced with the following: "The net proceeds of sale, after payment of the CIBC registered encumbrance, payment of sales commission and HST, payment of municipal taxes owing for the period Jan. 1 – April 10, 2026, and payment of the legal fees for the sale of the Property and HST, shall be paid into court pending further order.
 3. THIS COURT ORDERS that the \$49,990 required to discharge the second mortgage to Henry K. Hui & Associates be paid into Court, subject to further court order or agreement of the parties.

4. THIS COURT ORDERS that if the parties are unable to agree on the exact amount to be paid into Court, the disputed amount shall be paid into Court and either party may bring a motion on 10 days notice to request that the Court resolve this dispute.
5. THIS COURT ORDERS that upon payment of the above-mentioned net proceeds of sale into court, the certificate of pending litigation registered as instrument No. YR3896118 on Feb. 2, 2026 on title to 18 Caine Street, Richmond Hill (legal description Lot 226, Plan 65M4571; subj. to an easement for entry as in YR2805292; subj to an easement for entry as in YR3114457; City of Richmond Hill PIN 03187-0475 – LT) be discharged.
6. THIS COURT ORDERS that this Order shall be effective as of the date of this Order and is enforceable without need for entry or filing; provided however that any party may nonetheless submit a formal order for signing, entry and filing.

[54] If the parties cannot agree on costs, the Respondents may file costs submissions of no more than 3 pages, plus costs outline and any offers to settle, within 20 days of the release of this Decision. The Applicants may file responding submissions on the same terms within a further 15 days. Costs submissions should be uploaded to Case Center and forwarded to my Judicial Assistant at Robyn.Pope@Ontario.ca.

Justice R.E. Charney

Released: April 7, 2026

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BETWEEN:

JIANLIAN CHEN and WEIHAN CHEN

Applicants

– and –

YUXIANG XIAO, YAJING LIU, YUNYI LUO and
MASTERMIND MONTESSORI SCHOOLS INC.

Respondents

REASONS FOR DECISION

Justice R.E. Charney

Released: April 7, 2026