CITATION: Starlike v. MTCC No. 1213, 2026 ONSC 2642
COURT FILE NO.: CV-25-747705
DATE: 20260504

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: STARLIKE INC.

Applicant

AND:

METRO TORONTO CONDOMINIUM CORPORATION NO. 1213

Respondents

BEFORE: Justice Pollak

COUNSEL: *Megan Mackey*, for the Applicant

Andrea Lusk, for the Respondent

HEARD: March 11, 2026

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ENDORSEMENT

[1] This is an Application pursuant to subsections 135(1)-(2)of the *Condominium Act, 1998* (the "Act"), by Starlike Inc. ("Starlike") against Metropolitan Toronto Condominium Corporation No. 1213 ("MTCC 1213") (the "Respondents") for oppression.

[2] MTCC 1213 is a condominium corporation created by the registration of a declaration and description on title to the lands in the City of Toronto in September 1998 under the *Condominium Act*, then prevailing. The Condominium has 144 residential units, 2 commercial units (at ground floor) and other ancillary units in a mid-rise building at 1 Leaside Park Drive, Toronto. MTCC 1213 was formerly a commercial property that was converted into a condominium corporation by its declarant, Invar (Leaside) Limited ("Invar").

[3] Invar was the registered owner of Commercial Unit 1, Level 1 ("Unit 101") and Commercial Unit 2, Level 1 ("Unit 201") since the condominium's registration until these units were transferred to the applicant on August 2, 2023.

[4] Invar was also the registered owner of the Communication Unit and had been paying the common expenses for the unit until August 4, 2023, when it transferred the unit to a numbered company 1141692 Ontario Inc. ("114").

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[5] The Applicant alleges that two weeks after Starlike closed on its purchase of the commercial units (i.e. the first level of the building), MTCC 1213's Manager Mr. Louis Lee told the Applicant's manager Mr. Choy that:

a. there was a unit called 801 on the upper floor that provides services only to the commercial units and that it was an essential equipment room for the commercial units;

b. that if Starlike did not own that room, it would have no access to the room which could raise insurance concerns; and that the previous commercial owner still owned 801 and was paying the management fees on it.

[6] The 801 unit was transferred to the applicant on April 2, 2024 to ("114"). The Applicant's lawyer did not order a status certificate for the Communication Unit before the transfer and did not do a title search.

[7] 114 defaulted in paying common expenses of the Communication Unit in September 2023. MTCC 1213 registered a certificate of lien against the Communication Unit on November 29, 2023, pursuant to section 85(1) of the Act.

[8] When Starlike bought the commercial units, it did not acquire title to Unit 801, which had been transferred at that time, from the declarant Invar to 114, which did not pay the common expenses for the unit.

[9] The Applicant became the registered owner of the Communication Unit when a transfer was registered on April 2, 2024. The Respondent was not involved in the transaction between the Applicant and 114, with each party represented by their own lawyers.

[10] At the time of the transfer of the Communication Unit from 114 to the applicant, the parcel register for that Unit recorded the Lien as registered on November 29, 2023. The Lien was not paid or discharged by 114 or the Applicant.

[11] As the registered owner of the Unit, the applicant has an obligation to pay to MTCC 1213 common expenses, legal costs, collection expenses, interest and HST attributable to the Unit referred to in the Lien arising before and after the applicant's ownership of the Unit pursuant to the Act and the provisions in the Respondent's declaration and its By-law No. 1.

[12] At the hearing of this Application, the Court must interpret Article 4.3(g) of the Respondent's declaration, which provides that the owner of the Communication Unit has a right to convey the unit to the Respondent at any time "free and clear of any encumbrances" and that the Respondent must accept it.

[13] The Respondent disagrees with the applicant's interpretation of Article 4.3(g) of the declaration. The Applicant submits that the Respondent must accept title to the Unit, without discharging the Lien because the Lien falls under the exception "as being created by the registration of the condominium". Article 4.3(g) provides that:

> (g) **The Owner of the Communication Unit shall have the right to convey the Unit to the Corporation at any time free and clear of any encumbrances save those created by the registration of the Condominium and the Corporation shall be obliged to accept same.**

[14] The Applicant submits that the right to register a condominium lien only arises as the result of registration of a condominium declaration. Condominium liens are inherent to condominium corporations. The Condominium therefore is not entitled to rely on its own lien as a basis for refusing to take title to the Communication Unit.

[15] The submission of the Respondent is that the exception in the above provision, "save those [encumbrances] created by the registration of the Condominium", refers to encumbrances arising when it was *first registered and created* under sections 2 and 14 of the Act, and not to encumbrances arising from a unit owner's default in payment of common expenses or the operation of condominium corporation generally. I agree that such interpretation is consistent with a plain reading of the provision. It would not be reasonable to find that the common expense collection system and super priority of a condominium lien under sections 85 and 86 of the Act would be rendered meaningless, as a result of the interpretation of this declaration provision. A declaration provision cannot contradict or supersede the provisions of the Act. Any provision of a declaration that is inconsistent with the Act is deemed to be amended accordingly.

[16] The Respondent will accept title to the Communication Unit as required by its declaration once the entire debt is cleared.

[17] Starlike submits that it should not be required to pay anything with respect to the Unit because the "Respondent lied and duped Starlike into taking title to that unit in an attempt to extract money from it".

[18] Starlike's manager contacted the realtor to ask questions about the unit but he could not answers his questions. He then contacted the previous owner's 114 manager who advised that there was a lockbox in the main lobby with building keys. The lobby lockbox contained a key to the mechanical room that housed the equipment needed to heat and cool Starlike's units. This is the same mechanical room that Starlike was shown when they were viewing the commercial units before the purchase of the units.

[19] The applicant has paid no common expenses attributable to the unit, including arrears secured by the Lien or monthly common expenses during its ownership of the unit, despite demands for payment by MTCC 1213. The applicant's default continues to the date of this Application.

[20] The applicant alleges that it was misled by the Respondent or its representative with respect to the use or function of the Communication Unit and convinced it to assuming ownership of the unit. The Respondent, however, submits that it was the Applicant's mistake or incorrect assumption, which believed the Communication Unit was the same as the mechanical room in the

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building required for the operation of the Commercial Units it owned, that led to the purchase of the unit. The Applicant did not do its due diligence.

[21] After the transfer of the Unit, to the applicant, the Respondent requested that the applicant clear all arrears secured by the Lien in accordance with its duty under the Act and MTCC 1213's declaration and by-laws to collect common expense arrears from delinquent owners.

[22] The Applicant then discovered that the mechanical room is not the Communication Unit related to the ground floor commercial units. Starlike now relies on Article 4.3(g) of the declaration to submit that TheRespondent must accept title to the Communication Unit under Article 4.3(g) of MTCC 1213's declaration without a discharge of the Lien, which, as I have found above, is only required when the lien is discharged by the Applicant.

[23] The Respondent advised that it was required that the Applicant to pay all arrears that had previously accumulated and demanded payment of $23,114.96.

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The Evidence

a. The applicant's property manager, Johnson Choy ("Choy") states that he was shown the property by Invar's property manager before the purchase of the Commercial Units. He was shown MTCC 1231's *mechanical room*, which houses cooling/heating and other equipment servicing the building. The mechanical room door is labelled as such, and the room is located on a different floor from the Communication Unit.

b. Mr. Choy met with or spoke with MTCC 1213's property manager on various occasions before the transfer of the Communication Unit, but the evidence of MTCC 1213's property manager was that he never told the applicant's manager or represented any connection between the operation of Units 101 and 102 with the Communication Unit nor did he suggest that the applicant should acquire the Communication Unit.

c. Mr. Choy never visited or inspected the Communication Unit before its transfer to the applicant, and he did not ask MTCC 1213's property manager to show him the unit or grant him access to the unit. Choy assumed the room he viewed with Invar's representative (being the clearly labeled mechanical room) prior to the purchase of the Commercial Units was the same as the Communication Unit.

d. The Respondent submits that the applicant or its representatives knew or ought to have known the Communication Unit was not part of the Commercial Units and did not serve them. The applicant and its representatives failed to review MTCC 1213's registered declaration and various amendments, which explicitly refer to the Unit 1, Level 8 as the Communication Unit.

e. Further, the applicant also referred to the Communication Unit as a "Telecommunications Unit" in the transfer registered on April 2, 2024 as

Instrument No. AT6543245 and included Provincial and Municipal Land Transfer Tax Statements by YunFu Wang, as President of the applicant, showing total consideration of $0 with an explanation for "nominal consideration" being "other: Telecommunications Unit which has no fair market value" (emphasis added). The tax statement was prepared by the applicant's lawyer, Yang Wang.

f. As well, the applicant did not order a status certificate for the Communication Unit before the transfer, which would have noted that there are common expense arrears and a registered Lien at paragraphs 5, 8 and/or 12 of the certificate. MTCC 1213 received no request for a status certificate for the Communication Unit from the applicant or any of its representatives. It issued no status certificate for the Communication Unit before the transfer on April 2, 2024.

g. Further the applicant did not do a title search for the Communication Unit before its transfer, which would have shown the Lien registered on title as of November 28, 2023. The Lien is the last registered instrument prior to the transfer to the applicant.

[24] Mr. Louis Lee admitted to arranging a meeting and meeting with Mr. Choy on August 17, 2023, and admitted bringing up and discussing ownership of unit 801 during this meeting. Mr. Lee also admitted that he described 801 as "a mechanical room on the 8th floor", and that he questioned why Starlike did not own this mechanical room.

[25] However, as Mr. Lee did not take Starlike's manager into unit 801, Mr. Choy therefore assumed that Mr. Lee was talking about the mechanical room housing the cooling tower and boilers serving only the commercial spaces that Starlike had inspected before its purchase because that is where the boilers were located.

[26] During the August 17, 2023 meeting, Mr. Lee further also advised that Starlike was not allowed to enter 801 because only the owner was allowed to enter that unit. He also stated he would not enforce that rule because he knows Starlike has machines inside of that room.

[27] The evidence is that Mr. Choy was concerned there would be an issue with insurance if the "mechanical room" 801, was not owned by Starlike. Starlike's lawyer advised that neither the agreements of purchase and sale nor the status certificates mentioned that the commercial units were tied to and needed to be owned together with an equipment room.

[28] No further action was taken until Mr. Lee sent Starlike's manager an email on December 19, 2023 which was entitled, in part, "Commercial Unit 801". The email enclosed a copy of the title transfer for unit 801 showing that unit 801 had been transferred to 114.

[29] The Applicant submits that this email dated December 19, 2023 was likely designed to generate confusion because Starlike owned the entirety of the Condominium's commercial units, except for "Commercial Unit 801" (the same room Mr. Lee had also called "mechanical room"). Starlike's manager became very concerned that some other corporation had taken title to the mechanical room which contained equipment necessary for Starlike's commercial units, and which

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the Condominium's manager said Starlike needed to own. Mr. Choy followed up again with Starlike's lawyer, sending the following email:

> "Good morning Lawyer Wang,
>
> I have attached herewith correspondence with the Condo Corporation regarding the transfer ownership of unit 801. The Condo Corporation said unit 801 should be our property as there are two boilers and one cooler in the unit serving unit 101 and 102. But, as shown in the attached transfer, the seller's lawyer has applied to transfer the ownership to 1141692 Ontario Inc.
>
> Since there are boilers and coolers in unit 801 serving unit 101 and 102. Our insurance policy should include unit 801. But we are not the owner and the insurance company won't accept it. If an accident happens in unit 801, we will have a big problem.
>
> Besides, the boilers are using gas. We have contacted Enbridge to change the registracion [sic] to our company. But they can't find any record for unit 801 nor unit 101 and 102. Can you ask the seller what is the registered company and address for the gas serving the boilers in unit 801 ?
>
> Because we are in risk of an accident and the cut-off of gas supply, would you please help clarify ASAP."

[30] Starlike acquired title to "Commercial Unit 801" on April 2, 2024.

[31] The evidence is also that before Starlike took title to unit 801, the Condominium had been prepared to accept title back from 114, to unit 801 and write off some of the common expenses for that unit. When Starlike became the owner of unit 801, the Condominium reversed its position and refused to take title until the common expenses for unit 801 were all paid.

[32] The Applicant submits that the Respondent should have taken title to the unit when Starlike asked the Respondent to return the unit to the Condominium.

[33] The oppression remedy is an equitable remedy that "seeks to ensure fairness—what is 'just and equitable'. It doe gives a court a broad, equitable jurisdiction to enforce not just what is legal but what is fair." This is based on the <u>reasonable</u> expectations of stakeholders in consideration of the context and relationships.

[34] The legislative intent behind the oppression remedy is to balance the interests of the claimant against the importance of conducting business in an efficient manner.

[35] I must consider if there was a breach of <u>reasonable</u> expectations of the Applicant and whether the conduct is oppressive, unfairly prejudicial or unfairly disregard the interests of the Applicant. The conduct must be coercive, abusive, burdensome, harsh and wrongful, or an abuse of power resulting in an impairment of confidence with now the company's affairs are being conducted, a limitation on or injury to a Applicant's rights or interests that is unfair or inequitable.

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[36] Are the expectations of the Applicant's reasonable having regard to the facts of this case, the relationship at issue, and the entire context, including the fact that there may be conflicting claims and expectations?

[37] The theory and allegations of the Applicant's case is that the Condominium "lied" to Starlike and pressured it to become the owner of the Communications Unit. The Respondent knew Starlike was confused. The Condominium board expected that once it got Starlike to take title, it would pay the arrears and continue to pay the monthly common expenses going forward. It is alleged that the Condominium also demanded pay of exorbitant legal costs – over $30,000 in legal fees. The Respondent was aware that unit 801 was a useless room associated with high monthly common expense payments but did not give this information from the Applicant. It "lied" to Starlike about the purpose of the room, failed to mention the arrears, and tricked Starlike into acquiring title to unit 801 so it could try to keep its income stream associated with unit 801 alive. The Condominium knew it had tricked Starlike and even blamed Starlike for falling into its trap. The Applicant argues that in its letter dated October 7, 2024, the Condominium's lawyer chastised Starlike for failing to protect itself from its own condominium corporation and suggested Starlike was required to hire "an experienced condominium lawyer" so it could avoid "legal traps". I do not accept this characterization of the evidence. The evidence is conflicting with respect to what the property manager of the Applicant was told.

[38] Even though, as mentioned above, the evidence was that before Starlike took title to unit 801, the Respondent had been prepared to accept title to unit 801 and write off some of the common expenses for that unit; When the Applicant became the owner of unit 801, the Respondent reversed its position and said it would not take title and refused to waive any common expenses on behalf of unit 801 – which it had been prepared to do for the previous unit owner.

[39] Further, the Applicant relies on the fact that the Condominium is demanding that Starlike pay common expenses that have accrued since the Condominium refused to take title to unit 801 (which refusal began before Starlike even owned 801). It is alleged that this is not fair. The evidence is that the prior owner of 801 first asked the Condominium to take title to unit 801 in 2023.

[40] It is alleged that by demanding that the Applicant pay large sums on behalf of unit 801, the Respondent is putting the interests of the residential unit owners ahead of the interests of the commercial unit owner. The Condominium board is attempting to keep maintenance costs lower for residential owners by forcing the commercial unit owner to pay costs on behalf of a useless rooftop room. The evidence is that the Condominium deliberately increased the common expenses for that room on consent of the residential unit owners, through a declaration amendment. However, I do not find that the Respondent has failed to meet reasonable expectations and has acted oppressively. Its conduct was unfairly prejudicial and unfairly disregarded the Applicant's interests.

[41] The Respondent relies on sections 85(6) and 136 of the Act, which (respectively) provides that a lien may be enforced in the same manner as a mortgage and the Act does not exclude other

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remedies. A mortgagee may sue on the promise to pay, as well as enforce the security provided by a mortgage. The Respondent may take action against the applicant to enforce its Lien.

[42] The Respondent emphasizes that even if the applicant was unaware of the declaration or Lien, it could not legally ignore them because they are registered on title to the Communication Unit and would have been provided with the status certificate had the applicant requested one. The registered Lien provides notice of the Respondent's claims.

[43] The Respondent submits that it is not responsible for the applicant's failure to verify available information about the Unit, which would have revealed the Lien before registration of the transfer and confirmed its function/suitability for purchase. The Act does not require the Respondent to provide information about a unit to a purchaser other than via a status certificate pursuant to s.75 of the Act or a request for MTCC 1213's records under s.55 of the Act. The Applicant and 114 were represented by their own lawyers in the transfer of the Communication Unit. I do not find that it was a reasonable expectation of the Applicant that the Respondent had to warn it about the lien or the common expense payments or about the potential use of the unit, which could have been determined by normal inspection of the unit and the appropriate legal documents. As I have already noted, the evidence as to what exactly was said between the two property managers is conflicting.

[44] For all of these reasons, I find that the Applicant has not met its burden that it has been "oppressed" by the Respondent. Further, I find that the amount of the debt that must be cleared before it takes back the unit is oppressive.

[45] The Respondent's request for an ordert:

a. directing Starlike to pay MTCC 1213 all amounts secured under the Lien including, all legal fees, collection fees, interest and HST required by section 85 of the Act;

b. directing MTCC 1213 to take title of the Communication Unit once all amounts in paragraph (a) above have been paid;

c. An order dismissing the applicant's application; and

d. Costs of this application is granted;

<u>Costs</u>

[46] As the successful party in this Application, the Respondent is entitled to an award of costs on a partial indemnity basis, as submitted during the hearing of the Application, inclusive of applicable taxes and disbursements and I so order. However, if the parties are unable to agree on the amount of costs to be paid to the Respondent **that arise as a result of the operation of the rules regarding Offers to Settle,** the Respondents may make submissions of no more than two pages, double-spaced, sent to the Applicant, uploaded to Case Center, and with a copy sent to my assistant Roxanne Johnson at Roxanne.stammers@ontario.ca by May 13, 2026 . The Applicant may make submissions of no more than two pages, double-spaced, sent to the Respondent,

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uploaded to Case Center, and with a copy sent to my assistant by May 25, 2026. No reply submissions will be accepted. If no submissions are received by May 25, 2026, costs will be deemed to be settled.

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Justice Pollak

Date: May 4, 2026

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