**CITATION:** Sanasie v. Chateramdas, 2026 ONSC 1599
**DIVISIONAL COURT FILE NO.:** DC-25-00000149-0000
**DATE:** 20260327

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**DIVISIONAL COURT**

**Backhouse, Shore and Tranquilli JJ.**

| | |
|---|---|
| **BETWEEN:** | |
| MELISSA SANASIE and ANDREW JAMES SANASIE<br><br>Appellants | *David Conn*, for the Appellants |
| **– and –** | |
| NATHRAMDAS CHATERAMDAS, PREMWATTIE CHATERAMDAS and VANESSA SHIM CHIM<br><br>Respondents | *Darren Frank*, for the Respondents |
| **AND BETWEEN:** | |
| RIVERROCK MORTGAGE INVESTMENT CORPORATION<br><br>Appellant | *Christopher Staples*, for the Appellant |
| **– and –** | |
| NATHRAMDAS CHATERAMDAS, PREMWATTIE CHATERAMDAS, VANESSA SHIM CHIM, DIRECTOR OF TITLES, MELISSA SANASIE and ANDREW JAMES SANASIE<br><br>Respondents | *Darren Frank*, for the Respondents Nathramdas Chateramdas, Premwattie Chateramdas and Vanessa Shim Chim; *Matthew Chung* for the Respondent Director of Titles; *David Conn*, for the Respondents Melissa Sanasie and Andrew James Sanasie |
| | **HEARD at Toronto:** September 17, 2025 |

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## REASONS FOR JUDGMENT

**Shore J.**

[1] The facts on this appeal are uncomplicated. An adult child fraudulently transferred title to a home out of her parents' name into her own name and then obtained a mortgage for her own benefit against the home. She ultimately stopped making the mortgage payments and the mortgage company tried to enforce the mortgage and foreclose on the parents' home.

[2] The parents brought a motion for summary judgment. Justice Brownstone (the "motion judge") made an order, dated January 27, 2025 (the "Decision"), granting partial summary judgement, setting aside both the transfer of the home and registration of the mortgage, and ordered punitive damages to be paid by the adult child. Costs were ordered in a decision, dated February 21, 2025 ("Cost Decision").

[3] There are two separate appeals before this Court. The adult child and her husband are appealing the punitive damages ordered and the costs. The mortgage company is appealing the order setting aside the mortgage. The appeals were heard together by the Court.

[4] For the reasons below, both appeals are dismissed.

**Background:**

*The First Appeal*

[5] The first appeal is brought by Melisa Sanasie (aka Melissa Chateramdas) ("Melissa") and Andrew Sanasie ("Andrew"), husband and wife. Melissa is a paralegal and worked for David Todd.

[6] The respondents are Melissa's parents, Nathramdas and Premwattie Chateramdas ("the Chateramdas").

[7] Melissa and Andrew also seek leave to appeal the Cost Decision.

*The Second Appeal*

[8] The second appeal is brought by RiverRock Mortgage Investment Corporation ("RiverRock"). The respondents remain the same from the first appeal, but the Director of Titles is also a respondent in this appeal, having been added to the proceeding pursuant to s. 57(14) of the *Land Titles Act*, R.S.O, 1990, c.L.5, ("*LTA*").

[9] The Chateramdas have owned and lived at 152 Fawcett Trail, Scarborough (the "Property"), since July 2000. The Property has been mortgage-free since 2010.

[10] On November 19, 2022, Melissa arranged for an appraisal of the Property, without her parents' knowledge. The appraisal company did a title search prior to preparing the appraisal. The

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appraisal identified the Chateramdas as the "Borrowers", RiverRock as the "Lender", and Melissa as the contact person. A copy of the appraisal was provided to RiverRock.

[11] On November 21, 2022, Melissa caused title to be transferred and registered in her name. Melissa subsequently acknowledged that she fraudulently transferred title by forging her parents' signatures on the transfer documents.

[12] On November 23, 2022, Melissa applied for and received mortgage approval from RiverRock, in the sum of $760,000, in line with RiverRock's commitment to a "four-hour turnaround time". The mortgage was registered as a charge against the Property on December 8, 2023. There were inconsistencies in Melissa's application and her subsequent interview with RiverRock.

[13] Melissa and Andrew used more than $515,000 from the proceeds of the mortgage to discharge and pay down mortgages on their own home, located at 71 Betony Drive, Richmond Hill, and to purchase a new property.

[14] In January 2024, the Chateramdas discovered that title had been transferred when they received a property tax bill from the city that was in Melissa's name.

*The Initial Action*

[15] In March 2024, the Chateramdas issued a Statement of Claim against Melissa and Andrew, RiverRock and Ziba Heydarian ("Heydarian"), the lawyer who acted for Melissa on the transfer and charge. The Chateramdas sought an order declaring the transfer of the Property to their daughter a "fraudulent instrument", within the meaning of the *LTA* and an order declaring the mortgage Melissa took out against the Property in favour of RiverRock, a "fraudulent instrument". They also sought damages against Melissa and Andrew, amongst other relief.

[16] The action against Heydarian is for negligence for her part in transferring the Property to Melissa and Andrew.

[17] In an order dated April 5, 2024, Justice Papageorgiou granted leave for the Chateramdas to issue a certificate of pending litigation (CPL) to be registered on title to Melissa and Andrew's home at 71 Betony Drive, Richmond Hill. In May 2024. A further order was made, granting the Chateramdas leave to register a CPL on title to the Property, because that Property was still registered in Melissa's name. Costs were ordered in the sum of $6,000.

[18] Melissa and Andrew brought a counterclaim for a declaration that the transfer of title was good and valid, that the charge registered on title was a valid instrument and $2,000,000 in damages, amongst other relief.

[19] In May 2024, Melissa stopped making the mortgage payments to RiverRock, and on June 19, 2024, RiverRock issued a statement of claim for possession of the Property.

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[20] In response to various court orders for disclosure, Melissa produced several fraudulent and doctored documents, including closing funds summary and bank statements. She also produced a false affidavit.

[21] Justice Papageorgiou then scheduled an urgent summary judgment motion to be heard on November 4, 2024. There was urgency in having the motion heard because RiverRock delivered a notice of sale under the mortgage on August 29, 2024.

[22] By order of Dow J., dated August 12, 2024, the negligence claim against Heydarian was to proceed separately from the summary judgment motion and therefore Heydarian is not a party to the appeal before this Court.

[23] Until October 25, 2024, Melissa maintained the position that the Property was gifted to her. On Friday October 25, 2025, five business days before the summary judgment motion, and during mediation, Melissa consented to an order declaring the transfer of the Property to her as a fraudulent instrument and void. She acknowledged forging her parents' signature on various legal documents.

[24] Specifically, she consented to an order:

a. Declaring she had no interest in the Property;
b. Setting aside or rectifying the Transfer;
c. Ordering that the Land Titles Office rectify title; and
d. Requiring her to pay costs forthwith.

[25] However, Melissa opposed some of the other orders sought, including the order with respect to RiverRock, and that she pay aggravated, punitive and/or exemplary damages.

[26] RiverRock took the position that the charge was valid.

[27] The summary judgment motion proceeded on November 4, 2024, and continued on January 15, 2025, to allow the Director of Titles an opportunity to make submissions.

[28] On January 27, 2025, the motion judge released her decision, finding the Transfer of the Property to Melissa to be a "fraudulent instrument" and void, finding the mortgage to be a "fraudulent instrument" and void against the Property and the Chateramdas, and ordering Melissa to pay the Chateramdas punitive damages in the sum of $150,000. Costs were subsequently ordered in the sum of $90,000 payable to the Chateramdas.

[29] Both Melissa and Andrew, and RiverRock appeal the orders, Melissa and Andrew's appeal is Divisional Court file no. 149/25. RiverRock's appeal is Divisional Court file no. 169/25. The appeals were ordered to be heard together.

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**Standard of Review:**

[30] On an appeal, the standard of review on a question of law is that of correctness. The standard of review for findings of fact is that such findings are not to be reversed unless it can be established that the trial judge made a "palpable and overriding error": *Housen* at para. 8 and 10.

[31] Questions of mixed fact and law involve applying a legal standard to a set of facts: *Housen* at para 26. The standard of review for a question of mixed fact and law is palpable and overriding error, unless there is an extricable question of law, in which case, the standard is correctness: *Housen* at para. 37.

[32] The decision by a motion judge to grant partial summary judgment is a finding of mixed fact and law, and reviewable for palpable and overriding error, where there is no extricable error in principle. However, deference is to be afforded to a decision to grant summary judgment, unless there are extricable errors of law: *Froom v. Lafontaine,* 2023 ONCA 519, 168 O.R. (3d) 102, at para. 80

**Melissa and Andrew's appeal:**

[33] Melissa and Andrew submit that the judge erred in:

a. granting partial summary judgment, when there remained an outstanding claim against Heydarian. The issue of Heydarian's liability and damages has not been determined. The Chateramdas sought damages against Melissa and Heydarian on a joint and several basis; and
b. awarding $150,000 in punitive damages, because it was arbitrary and not supported by case law.

[34] The final question raised by the appellants is whether the Court should grant leave to appeal the cost order and set aside the cost order.

**No barriers to granting partial summary judgment:**

[35] The appellants submit that the motion judge erred in granting partial summary judgment, specifically because the claims against Heydarian remain outstanding, including claims for damages. They submit that splitting the cases could lead to inconsistent outcomes by different judges.

[36] The motion judge specifically addressed the issue of whether partial summary judgment was appropriate in this case and concluded that the claim against Heydarian was a different cause of action and would not lead to inconsistent results. There was no crossclaim by the appellants against Heydarian. Paragraphs 41 and 42 of the decision provide as follows:

> [41] The motion, if successful, will dispose of the action between three of the four parties. The claim against Ms. Heydarian is a separate cause of action. It will not lead to inconsistent results. Papageorgiou J. undoubtedly considered this when scheduling the motion to proceed as a partial summary judgment motion. Melissa

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> has acknowledged her role and responsibility *vis-à-vis* the funds. Whether Ms. Heydarian also had a role is a separate matter. Melissa does not crossclaim against Ms. Heydarian. The case is closer to *Froom v. Lafontaine,* 2023 ONCA 519, than to *Mason*: the claim against Ms. Heydarian can be easily bifurcated without duplication or risk of inconsistent results. The claim against Ms. Heydarian is a negligence claim. There is no allegation in the pleading that she knew of Melissa's fraud. Although punitive damages are claimed against her, it would be rare to obtain a punitive damages award based on negligence.
>
> [42] Partial summary judgment will achieve the objectives of proportionate, timely and affordable justice. There is no reason for RiverRock, for example, to be involved in the claim against Ms. Heydarian. There is no reason for delay, and there would be substantial prejudice to the plaintiffs if they must wait for trial when the facts before the court are clear and can readily be ascertained. Furthermore, there is potentially imminent action to be taken under the charge which should be addressed as soon as possible. There will not be inconsistent findings in the Heydarian action; the question of her liability is a separate issue.

[37] The motion judge correctly points out that the decision of Justice Papageorgiou, bifurcating the actions is not subject to appeal.

[38] I find no error in proceeding by way of partial summary judgment in this case.

**No error in awarding punitive damages:**

[39] The appellants submit that the motion judge erred in ordering punitive damages in the sum of $150,000, and in the alternative, the amount should be reduced to $10,000, because the appellant, Melissa, admitted to her fraudulent actions.

[40] The appellants submit that the judge erred in not considering a lesser amount of punitive damages.

[41] The appellants also submit that the motion judge failed to consider and weigh the various factors set out in *Whiten v. Pilot Insurance Co.*, 2002 SCC 18, 58 O.R. (3d) 480.

[42] The appellant refers to the factors set out by in *Whiten* by Binnie, J. at paragraph 113

a. Whether the misconduct was planned and deliberate;
b. The intent and motive of the defendant;
c. whether the defendant persisted in the outrageous conduct over a lengthy period of time;
d. whether the defendant concealed or attempted to cover up its misconduct;
e. the defendant's awareness that what he or she was doing was wrong;
f. whether the defendant profited from its misconduct; and

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g. whether the interest violated by the misconduct was known to be deeply personal to the plaintiff.

[43] While the motion judge did not specifically set out the various sums she was considering, it is clear from her Decision that she did consider all of the relevant factors in arriving at the amount of $150,000.

[44] In this case, the answers to most of the questions and factors above lead towards a higher range of punitive damages. The fact that Melissa ultimately consented to a judgment, just a few days before the motion, holds little weight against the other egregious facts highlighted by the motion judge. Even after she was caught, Melissa maintained her position that the transfer of Property was a gift from her parents, including filing a counterclaim with respect to same. She continued her façade until just days before the motion.

[45] Punitive damages are awarded in exceptional cases for "malicious, oppressive and high-handed" misconduct that "offends the court's sense of decency": *Hill v. Church of Scientology of Toronto*, [1995] 2 S.C.R. 1130, at para. 196. The test thus limits the award to misconduct that represents a marked departure from ordinary standards of decent behaviour. Because their objective is to punish the defendant rather than compensate a plaintiff (whose just compensation will already have been assessed), punitive damages straddle the frontier between civil law (compensation) and criminal law (punishment).

[46] The motion judge carefully reviewed the facts of the case. The motion judge listed, in detail, the steps taken by Melissa to commit this fraud, as well as the actions that continued after title was transferred into Melissa's name, and the mortgage proceeds obtained. These include but are not limited to:

a. Creating an email address to impersonate Mr. Todd;
b. Production of falsified documents in response to court orders;
c. Swearing a false affidavit;
d. Maintaining that the transfer was not fraudulent, until late in these proceedings.

[47] The motion judge correctly set out and applied the law. At paragraph 98, the motion judge concludes:

> I find that this is a rare case in which punitive damages are appropriate. Melissa stole her own parents' equity. She has acknowledged she will have to repay the funds she took. But that does not denounce the heinousness of her attack on her own family. The production of falsified documents in response to the court order is also conduct that must be deterred in the strongest terms. The impersonation of counsel, her employer, and the establishment of a false email address in his name must likewise be denounced and deterred. So, too, must swearing a false affidavit. These are actions that go to the very heart of the justice system and the administration of justice. They are actions which deserve punishment in the form of punitive damages.

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[48] Melissa's counsel acknowledged that her actions need to be denounced and deterred. As set out at paragraph 68 of *Whiten*, "the general objectives of punitive damages are punishment (in the sense of retribution), deterrence of the wrongdoer and others, and denunciation (or, as Cory J. put it in *Hill, supra*, at para. 196, they are "the means by which the jury or judge expresses its outrage at the egregious conduct")".

[49] The motion judge assessed "Melissa'[s] blameworthiness to be high. Her fraudulent conduct was persistent and deliberate. The Chateramdas are vulnerable seniors. Melissa put their ability to live in their home at jeopardy. The need for deterrence is high. Melissa's conduct goes to the heart of the administration of justice.".

[50] I find no error in the judge's application of the facts to the law in ordering punitive damages.

**Quantum:**

[51] The standard of appellate review applicable to a trial judge's award of punitive damages is whether "a reasonable jury, properly instructed, could have concluded that an award in that amount, and no less, was rationally required to punish the defendant's misconduct": *Whiten*, at para. 96 and see para. 107.

[52] The award of punitive damages need not be so large as to shock the appellate court's conscience before it may interfere; it is sufficient if the award's size offends the court's sense of reason: see *Pate Estate v. Galway-Cavendish and Harvey*, 2013 ONCA 669, 117 O.R. (3d) 481, at para. 99.

[53] There is no formulaic or mechanical approach in awarding damages: *Whiten,* at para. 73. An appellant court is entitled to intervene if the award of damages exceeds the outer boundaries of a rational and measured response to the facts of the case: *Whiten,* at para. 76. The key considerations are rationality and proportionality of the award.

[54] The appellant refers to *Pate Estate*, wherein the Court of Appeal reviewed the range of punitive damages awarded by their Court and concludes that there is a wide range. Ultimately, the Court of Appeal decided that there is not a lot of assistance in the review of the cases, other than observing that there is a spectrum of punitive damage awards reflecting a spectrum of misconduct and that it is hardly surprising that especially vile misconduct by someone in a position of power seriously impacting an individual tends to draw larger punitive damages awards: *Pate*, at para. 145.

[55] In other words, the more reprehensible the conduct, the higher the award. In this case, Melissa took advantage of her vulnerable and elderly parents, and her fraudulent and deceitful actions would have resulted in them being evicted from their own home. Melissa then continued her charade by swearing a false affidavit and doctoring and fabricating documents. This would all indicate a higher award of damages. As set out above, in applying the facts of this case to the factors set out by Justice Binnie at para. 113 of *Whiten,* it would indicate a higher quantum of damages.

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[56] As explained by the Supreme Court in *Whiten* and discussed above, proportionality is related to the blameworthiness of the defendant's conduct, the degree of vulnerability of the plaintiff, the harm or potential harm directed specifically at the plaintiff, the need for deterrence, other penalties paid by the defendant and the advantage wrongfully gained by the defendant: *Whiten*, at paras. 110-14, 116-19 and 125-26.

[57] In *Whiten*, the jury's award of $1 million in punitive damages was upheld by the Court. Justice Binnie concluded that while he would not have ordered $1 million in damages, the award is within the rational limits. The award is not so disproportionate as to exceed the boundaries of rationality.

[58] From reading the Decision, it is clear that the motion judge considered the blameworthiness of Melissa, the Chateramdas' age and vulnerability, the relationship between the parties, the potential harm to the Chateramdas and the need for deterrence.

[59] Punitive damages awards are "designed to punish wrongful conduct, to denounce that misconduct, and to act as a deterrent for future misconduct. […] Deterrence is impossible unless the punishment is meaningful": *Baker v. Blue Cross Life Insurance Company of Canada*, 2023 ONCA 842, 491 D.L.R. (4th) 164 ("*Baker*") at paras. 32 and 34. The punitive damages awarded in this case are reasonable, proportional, and rational.

[60] In considering the facts of this case as set out above, I find that the quantum of damages is well within the range and does not exceed the boundaries of rationality or proportionality.

[61] Melissa does not get 'bonus marks' for acknowledging the fraudulent action only once she had been caught and had no way to get out of her predicament. Ten thousand dollars does not satisfy the objective of retribution, deterrence and denunciation.

**No error in Costs**

[62] The appellants submit the judge erred in ordering costs in the sum of $90,000. Specifically, the appellant alleges that the judge erred in awarding costs on a substantial indemnity basis having already made an order for significant punitive damages.

[63] Leave to appeal a costs order will not be granted except in obvious cases where the party seeking leave convinces the court there are "strong grounds upon which the appellate court could find that the judge erred in exercising his discretion": *Baker*, at para. 40 and *Brad-Jay Investments Limited v. Village Developments Limited* (2006), 218 O.A.C. 315 (C.A.), at para. 21. This test is designed to impose a high threshold because appellate courts recognize that fixing costs is highly discretionary and that trial judges are best positioned to understand the dynamics of a case and to render a costs decision that is just and reflective of what actually happened on the ground: *Baker*, at para. 40.

[64] The appellant has not met this onus. I do not find there are strong grounds upon which this court could find the motion judge erred in exercising her discretion.

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[65] Melissa and Andrew submit that the motion judge erred in awarding costs on a substantial indemnity basis, having awarded a significant sum in punitive damages. However, this argument was rejected by the Court of Appeal: "It would not be an error in principle to award costs of this litigation on an elevated scale based on conduct that I found justified an award of punitive damages ... the purposes of punitive damages and full indemnity costs differ.": see *Beaumont v. Beaumont*, 2025 ONCA 94, 508 D.L.R. (4th) 674, at para. 18 and *NDrive Navigation Systems S.A. v. Zhou*, 2022 ONCA 602, 472 D.L.R. (4th) 736.

[66] In any event, I see no basis to interfere with the motion judge's costs award. The motion judge considered and applied the relevant law with respect to costs. The motion judge considered the reasonableness and proportionality of the cost award, the offers to settle, the fact that Melissa's conduct lengthened the proceedings, the falsified documents, the parties' expectations with respect to costs, the importance of the motion to the Chateramdas, the complexity of the issues and time spent, and costs incurred.

[67] Leave to appeal the cost order is dismissed.

**RiverRock's appeal:**

[68] RiverRock submits that the motion judge erred:

a. By finding Melissa to be a "fraudulent person" as defined under s.1 of the *LTA*;
b. By finding that the charge in favour of RiverRock is a "fraudulent instrument" as defined by the *LTA* and void as against the Property and the Chateramdas; and
c. By ordering the Land Registrar to delete the charge from title on the Property, as a result of the findings above.

[69] The Director of Titles submits that the motion judge made no error and that by purporting to exercise powers conferred exclusively to a registered owner, Melissa brought herself within the definition of a "fraudulent person". It is the Director's position that having codified the doctrine of deferred indefeasibility in the *LTA* the interest of lenders who had the opportunity to discover real estate fraud must yield to those of innocent homeowners.

**Analysis:**

[70] On November 23, 2022, RiverRock offered a first mortgage to Melissa in the sum of $760,000 by a conditional mortgage commitment. The Property had already been transferred into her name. RiverRock submits that they were not made aware that the transfer of Property to Melissa was being challenged until they received a letter from the Chateramdas' lawyer, dated February 2, 2024.

[71] The essence of RiverRock's submission is that it is the intention of the *LTA* to provide certainty through registration. It should be entitled to rely on the registration of ownership, and therefore the mortgage was valid and unaffected by the fraud. RiverRock further submits that the doctrine of deferred indefeasibility was superseded by the 2006 amendments to the *LTA*.

[72] Section 78(4) of the *LTA* provides as follows:

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> (4) When registered, an instrument shall be deemed to be embodied in the register and to be effective according to its nature and intent, and to create, transfer, charge or discharge, as the case requires, the land or estate or interest therein mentioned in the register.

[73] The *LTA* was amended in 2006 to provide limited exceptions to the absolute nature of s.78(4), as follows:

> (4.1) Subsection (4) does not apply to a fraudulent instrument that is registered on or after October 19, 2006.
> (4.2) Nothing in subsection (4.1) invalidates the effect of a registered instrument that is not a fraudulent instrument described in that subsection, including instruments registered subsequent to such a fraudulent instrument.

[74] The key to an application under s. 78(4.1) is the definition of a “fraudulent instrument”. “Fraudulent instrument” is defined under s.1 of the *LTA* to include an instrument "under which a fraudulent person purports to receive or transfer an estate or interest in land". Pursuant to s. 155 of the *LTA*, an instrument that is fraudulent and void remains so despite having been registered. Section 155 states:

> 155. Subject to this Act, a fraudulent instrument that, if unregistered, would be fraudulent and void is, despite registration, fraudulent and void in like manner.

[75] RiverRock does not dispute that the transfer of the Property to Melissa is a fraudulent instrument. However, they submit the motion judge erred in finding that the charge was also a fraudulent instrument. Whether the charge was a “fraudulent instrument” turns on whether Melissa was a “fraudulent person” in relation to the charge. This is the crux of the appeal. Therefore, to determine if this case comes within s.78(4.1), it is important to determine whether Melissa was a “fraudulent person”.

[76] The question of whether Melissa falls within the definition of “fraudulent person”, is a question of mixed fact and law. It is therefore reviewable for palpable and overriding error, absent an extricable error of law.

[77] A "fraudulent person" is defined in s. 1, as a person who executes or purports to execute an instrument if:

a. the person forged the instrument,
b. the person is a fictitious person, or
c. the person holds oneself out in the instrument to be, but knows that the person is not, the registered owner of the estate or interest in land affected by the instrument.

[78] The motion judge found that Melissa was a person who holds herself out in the instrument to be, but knows that she is not, the registered owner of the estate or interest in land affected by the instrument: Decision para.89.

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[79] RiverRock submits that the motion judge erred by adding in the word "true" before the word "registered" owner and that the definition of fraudulent person does not apply if the person in the instrument is the registered owner.

[80] RiverRock submits that there were two separate transactions, first the transfer and registration of title on November 21, 2023, and then the financing of the mortgage on November 23, 2022, with registration of the charge taking place on December 8, 2022.

[81] RiverRock submits that the doctrine of deferred indefeasibility does not apply because it was superseded or incorporated into the 2006 amendments to the *Act*. It submits that s.78(4.2) was included to ensure that if an instrument is registered subsequent to a fraudulent instrument, it is nonetheless valid. For the following reasons, I do not accept these arguments. The doctrine of deferred indefeasibility means that a party dealing with a fraudster (an intermediate owner) may not be able to uphold its own instrument given for valid consideration, but any party obtaining title thereafter (a deferred owner) takes title despite the earlier fraud.

[82] The motion judge correctly considered the modern approach to statutory interpretation which requires the words of an act "to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of [the legislator]": *Bell ExpressVu Limited Partnership v. R.*, 2002 SCC 42, [2002] 2 SCR 559 at para. 26. The court must consider the text, context, and purpose of the legislation: *Froom v. Lafontaine*, 2023 ONCA 519 ("*Froom*") at para. 20; Decision, para.59.

[83] The motion judge then went on to review the leading case law that applies the former and current relevant provisions of the *LTA* that sheds important light on the words, object, context, and intention of the legislation.

[84] The motion judge considered the predecessor provisions to those at issue in this case which were considered by the Court of Appeal in *Household Realty Corporation Ltd. v. Liu*, 2005 CanLII 43402 (ONCA) ("*Household Realty*")where the Court found: 1) the legislation protected the mortgagee's interest; 2) the mortgages had been given for valuable consideration without notice of the fraud; and 3) once they were registered, the mortgages were effective: Decision, para.61.

[85] The legislature then amended the *LTA* to add ss. 78(4.1) and (4.2), as set out above.

[86] The motion judge next considered the case of *Lawrence v. Wright*, 2006 CanLII 24129; *Lawrence v. Maple Trust Company*, 2007 ONCA 74 ("*Lawrence*"). Although the appeal was decided after the *LTA* amendments came into force, it was determined under the previous provisions, which were in effect at the time of the transaction at issue. The Court of Appeal determined that *Household Realty* had been incorrectly decided.

[87] The motion judge noted that *Lawrence*, like the case now before the court, involved a fraudulent transfer by Wright and subsequent mortgage to a third party, Maple Trust. The Court of Appeal found that Wright never took valid title to the property because he obtained it by fraud and was therefore not a registered owner. In accordance with s. 68(1) of the *LTA*, only a registered owner may give valid charges on land. Maple Trust was the intermediate owner of an interest in the property. It had an opportunity to avoid the fraud. It did not take from a registered owner.

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Therefore, despite registering its charge, Maple Trust lost in a contest with the true registered owner, Ms. Lawrence. Accordingly, the charge against the property in favour of Maple Trust was set aside.

[88] The motion judge then went on to review the subsequent case law which considered the amended *LTA* provisions. She correctly notes that the amendments were not aimed at, and do not have the effect of dealing with fraud at large (Decision, para.73) and that it is not the theories of the *LTA* that determine what is and what is not valid, it is the *LTA* itself (Decision at para.74). She properly distinguished the decisions relied upon by RiverRock (*CIBC Mortgages Inc. v. Computershare Trust Company of Canada*, 2016 ONSC 7094 (Div. Ct.) ("*Computershare"*); *1168760 Ontario Inc. v. 6706037 Canada Inc*., 2019 ONSC 4702, 7 R.P.R. (6th) 48 (Div. Ct.), *Froom, supra*, and *Hillmount Capital Mortgages Inc. v. Onsori-Saisa*, 2024 ONSC 4481.

[89] The Court of Appeal recently commented on the issue of the amendments to the *LTA* at para. 26 of *Froom*:

> The 2006 amendments to the *LTA* were passed in the wake of this court's decision in *Household Realty* and before the court overruled that decision in *Lawrence*. The amendments were aimed at ensuring that fraudulent instruments would not be given effect in the title register. The legislative debates evidence a concern about real estate fraud and the attendant risk that a property owner might lose their property or become responsible for a fraudulent mortgage ....

[90] The Court of Appeal was clear: "Ownership of a person's home is fraudulently transferred. The property is then mortgaged. In a contest between the two innocent parties -- the homeowner and the lender of mortgage moneys -- who wins? This appeal answers that question in favour of the homeowner.": *Lawrence,* at para. 1.

[91] In view of the legislative history of the *LTA*, and subsequent case law, there is little doubt that the *LTA* incorporates the doctrine of deferred indefeasibility and should be interpreted accordingly. The *LTA* operates to put the obligation on the party acquiring the interest in land to ensure that it acquires that interest from the true owner: *Froom,* at para. 70.

[92] On the theory of deferred indefeasibility, registration of a void instrument does not cure its defect, thus neither the instrument nor its registration gives good title. As set out by the Court in *Froom,* starting at paragraph 40:

> [40] …Under this doctrine, the risk of fraud is borne by the immediate parties to the fraudulent transaction. Subsequent parties may rely upon the Register. Thus, the indefeasibility of the registered title is postponed and is applied only on a subsequent conveyance to a bona fide purchaser for value. [page 46]
>
> [41] This approach places the risk of fraud on the party who, by due diligence, has an opportunity to uncover it and possibly prevent it. The result requires a mortgage lender to protect itself to ensure that it is receiving a genuine mortgage before advancing the funds.

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[93] The law is aimed to protect innocent parties who do not have the opportunity to investigate the fraud themselves. Here RiverRock had the opportunity to investigate the fraud whereas the Chateramdas are purely innocent.

[94] In the case of *Computershare*, relied upon by RiverRock, the property owners committed fraud by fraudulently discharging a first mortgage. They then proceeded to obtain another mortgage on the same property. This case is easily distinguishable. The fraud in that case was the concealment of the first mortgage and cannot be found in the instrument itself – whereas here the fraud was in the ownership – which is found in the document itself.

[95] Section 66 of the *LTA* provides:

> **66** Every transfer or charge signed by a registered owner, or others claiming by transfer through or under a registered owner, purporting to transfer or charge freehold or leasehold land, or an interest therein, capable of being registered, or purporting to transfer a charge, shall, until cut out by a conflicting registration, confer upon the person intended to take under the transfer or charge a right to be registered as the owner of the land or charge and, where a person applies to be registered under this section, the land registrar may, either forthwith or after requiring such notices to be given as the land registrar considers expedient, register the applicant as owner, subject to such encumbrances, if any, as the condition of the title requires, although the transfer or charge has been executed or bears date prior to the entry of the transferor or chargor as the owner of the land or charge.[Emphasis added]

[96] In this case, it is uncontested that the Transfer was never signed by the Chateramdas who had the authority under s. 87 to transfer the Property. By operation of these provisions, the Chateramdas therefore remained the "registered owners" of the Property.

[97] The Director submits that in the Charge, Melissa falsely and knowingly held herself out to be the registered owner of the Property because she purported to exercise powers granted exclusively to the registered owner with knowledge that she was not entitled to do so. This brought Melissa within the scope of paragraph (c) of the *LTA*'s definition of a "fraudulent person". As s. 93(1) of the *LTA* makes clear, only a "registered owner" - in this case, the Chateramdas - may charge land securing the payment of money.

[98] “Registered” is defined in the *LTA* as “registered under this Act”. Melissa may have registered the charge, but it was not registered under and in accordance with the *LTA*.

[99] As the Court of Appeal explained, "the mere registration of an instrument that is void because of fraud does not cure the defect for the party who immediately acquires the property by means of that fraudulent instrument, but the next person dealing with the property may rely on the fraudulent document and its registration and takes good title.": *Froom*, at para. 66.

[100] The motion judge made the express finding that RiverRock had an opportunity to discover Melissa's fraud. As the motion judge noted, "[i]f a lender commits to a maximum four-hour turnaround time, it is undoubtedly exposing itself to some risk as an intermediate owner”:

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Decision, para.85. Further, on the mortgage application, Melissa stated that her address was Betony Drive but subsequently stated that she resides at 152 Fawcett Trail.

[101] By codifying the doctrine of deferred indefeasibility, the Legislature fully intended the result in this case. Namely, the interests of intermediate owners like RiverRock must yield to those of innocent homeowners like the Chateramdas.

[102] As summarized by the motion judge:

> [89] The case now before the court is markedly different from *Computershare*, *1168760 Ontario Inc.*, *Froom*, and *Hillmount*. Here, the fraud goes to the very issue of title, and the issue of whether Melissa was the "true" owner and therefore legally able to convey an interest in land. I note that in both *Computershare* and *Froom*, the Divisional Court and Court of Appeal respectively used the language of "true owner" in their analyses of the *LTA* provisions (*Computershare* para. 53, *Froom* para. 70). Melissa's actions in this case are exactly the kind of fraud the amendments were meant to protect against. The definition of fraudulent person is intended to, and does, capture this very situation. Melissa knew she had no legal interest in the Property. She held herself out to be, but knew she was not, the true registered owner of the land. She purported to take title by fraud and then convey an interest she knew she did not have. She meets the definition of fraudulent person as defined in clause (c) of the *LTA* definition vis-à-vis the charge.
>
> [90] Given that Melissa is a fraudulent person, the mortgage is a fraudulent instrument and void against the Property and the plaintiffs. The register must be rectified to delete it from title.

[103] I therefore find no palpable or overriding error in the motion judge's findings of facts and no error in the law as set out by the motion judge. The appeal by RiverRock is also dismissed.

**Costs:**

[104] The parties have agreed to costs as follows:

a. As between the appellants Melissa and Andrew, and the respondents, the sum of $10,000 to the successful party.
b. As between the appellant RiverRock and the respondents, the sum of $13,000 to the successful party.
c. No costs with respect to the Director of Title.

**Disposition:**

[105] The appeals are dismissed.

[106] The Appellants, Melissa and Andrew shall pay costs to the Chateramdas in the sum of $10,000.

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[107] The Appellant, RiverRock shall pay costs to the Chateramdas in the sum of $13,000.

_____
Shore J.

I agree _____
Backhouse J.

I agree _____
Tranquilli J.

**Released:** March 27, 2026

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**CITATION:** Sanasie v. Chateramdas, 2026 ONSC 1599
**DIVISIONAL COURT FILE NO.:** DC-25-00000149-0000
**DATE:** 20260327

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**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**DIVISIONAL COURT**

**Backhouse, Shore and Tranquilli JJ.**

**BETWEEN:**

MELISSA SANASIE and ANDREW JAMES SANASIE

Appellants

**– and –**

NATHRAMDAS CHATERAMDAS, PREMWATTIE CHATERAMDAS and VANESSA SHIM CHIM

Respondents

**AND BETWEEN:**

RIVERROCK MORTGAGE INVESTMENT CORPORATION

Appellant

**– and –**

NATHRAMDAS CHATERAMDAS, PREMWATTIE CHATERAMDAS, VANESSA SHIM CHIM, DIRECTOR OF TITLES, MELISSA SANASIE and ANDREW JAMES SANASIE

Respondents

**REASONS FOR JUDGMENT**

**Released:** March 27, 2026

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