



No. H-250150
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

PETERSON INVESTMENT GROUP INC.

PETITIONER

AND:

1076255 B.C. LTD., LIGHTSTONE DEVELOPMENT LTD.,
1082463 B.C. LTD., 1218548 B.C. LTD., GOLD COAST
INDUSTRIES LTD., XIAO SONG ZHENG, XIZAO LI, YING
ZHENG YU, BLUESHORE LEASING LTD., GOULD LEASING
LTD., LI JIAN, BEI CHEN, QUING SU, JIDE LIU, 686912366
INVESTMENT LTD., LEI BUN LEUNG, XIAO LIAN ZHANG,
JOHNSON RUI LEUNG, JON KIT LEUNG, KAREN LEUNG,
SHUN FENG INVESTMENT LTD., LIWEI SUN, AND
12503343 B.C. LTD.

RESPONDENTS

APPLICATION RESPONSE

Application response of: Peterson Investment Group Inc., (the “**Peterson**” or the “**Petitioner**”)

THIS IS A RESPONSE TO the notice of application of FTI Consulting Canada, Inc. (“**FTI**”) in its capacity as court-appointed receiver and manager (the “**Receiver**”) without security, of all of the assets, undertakings and property (the “**Property**”) of 1076255 B.C. Ltd. (“**107**”) and Lightstone Development Ltd. (“**Lightstone**,” and together with 107, the “**Debtors**”).

The application respondent estimates that the application will take one day.

PART 1 ORDERS CONSENTED TO

Peterson consents to the granting of the orders set out in the following paragraphs of Part 1 of the notice of application on the following terms: **ALL**.

PART 2 ORDERS OPPOSED

Peterson opposes the granting of the orders set out in the following paragraphs of Part 1 of the notice of application: **NONE**.

PART 3 ORDERS ON WHICH NO POSITION IS TAKEN

Peterson takes no position on the granting of the orders set out in the following paragraphs of Part 1 of the notice of application: **NONE**.

PART 4 FACTUAL BASIS

1. Peterson adopts the facts set out in paragraphs 1-21 in Part 2 of the Receiver's Notice of Application in these proceedings filed July 4, 2025 (the "**Notice of Application**").
1. Capitalized terms not otherwise defined have the same meaning ascribed to them in the Notice of Application.

Context

2. The Debtors are developers of a mixed-use residential and commercial development located at 2096 West 46th Avenue, Vancouver British Columbia (the "**Chloe Project**").
3. To fund development of the Chloe Project, the Debtors borrowed funds from, among others, Peterson, and registered a mortgage on title the Lands on October 20, 2022, in favour of Peterson.
4. Certain of the residential strata lots in the Chloe Project (the "**Sold Units**") were sold to purchasers in or about late November to mid December, 2025.
5. Urban One started proceedings under Court File No. VLC-S-S-248509, Vancouver Registry, alleging, *inter alia*, that Lightstone and 107 contracted with Urban One to help develop the Chloe Project and that Lightstone failed to pay Urban One for work completed.

Urban One claims judgment of \$675,733.97 plus interest and a lien against holdbacks for the same amount.

The SPA Holdbacks

6. As stated, the Sold Units were sold in our about late November, 2024 to mid December, 2024.
7. In accordance with the *Strata Property Act*, S.B.C. 1998, c. 43 (the “**SPA**”), each purchaser of any of the Sold Units was required to hold back seven percent of the purchase price of their purchased Sold Unit until 55 days following conveyance (the “**SPA Holdbacks**”).
8. The SPA Holdbacks are portions of the proceeds from the sale of the Sold Units and are thus property of the Debtors.
9. The 55 day hold back period has long passed.
10. No liens are registered against the Sold Units.
11. Under the order appointing the Receiver, pronounced February 13, 2025 (the “**Receivership Order**”), the Receiver was appointed, without security, over all of the Property (as defined in the Receivership Order) of the Debtors and empowered to take possession of an exercise control over the Property.

PART 5 LEGAL BASIS

1. The SPA Holdbacks are the property of the Debtors. The 55 day holdback period has ended. The purchasers of the Sold Units are required to release the SPA Holdbacks to the Debtors.

SPA, ss. 88(2) and 88(4).

2. Per the Receivership Order, the Receiver is empowered and authorized to take possession and control of the SPA Holdbacks where, as in this case, it deems such action necessary or desirable.
3. No liens have been filed against any Sold Unit and the time for filing a lien has lapsed.

SPA, ss. 88(1) and 89.

4. Urban One's claim is subordinate to the Receiver's Charges and the Mortgages.

Receivership Order, at paras. 22 and 23.

Builders Lien Act, SBC 1997, c 45, s. 32.

5. Accordingly, it is appropriate for the Receiver to take possession of the SPA Holdbacks and utilize them in these proceedings, subject to allocation and any required approvals within these proceedings.

PART 6 MATERIAL TO BE RELIED ON

1. Order Made After Application (Receivership Order) made February 13, 2025;
2. First Report of the Receiver dated July 4, 2025;
3. Confidential Supplement to the First Report of the Receiver, dated July 4, 2025;
4. Such further and other materials as counsel may advise and this Court may allow.

☒ The application respondent has filed in this proceeding a document that contains the application respondent's address for service.

☐ The application respondent has not filed in this proceeding a document that contains an address for service.

July 11, 2025

Dated



Signature of ☒ lawyer for application respondent
DLA Piper (Canada) LLP (Arad Mojtahedi)
Lawyer for Peterson Investment Group Inc.

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LTD., LIWEI SUN, AND 12503343 B.C. LTD.

RESPONDENTS

APPLICATION RESPONSE

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