



**Home  
Construction  
Regulatory  
Authority**

Home Construction Regulatory Authority  
40 Sheppard Avenue West, Fourth Floor, Suite 400  
Toronto, ON M2N 6K9  
Tel: 416-487-HCRA (4272) Fax: 416-352-7724



**Home  
Construction  
Regulatory  
Authority**

Home Construction Regulatory Authority  
40 Sheppard Avenue West, Fourth Floor, Suite 400  
Toronto, ON M2N 6K9  
Tel: 416-487-HCRA (4272) Fax: 416-352-7724

May 9, 2023

Delivered by email to: loreto.perruzza@gmail.com

To: Pinetree Developments Inc.  
1511 Pinetree Crescent  
Mississauga, ON L5G 2S9

Attention Loreto Perruzza:

**Re: NOTICE OF PROPOSAL TO REVOKE LICENCE**

**The Home Construction Regulatory Authority (“HCRA”) proposes to revoke the licence of Pinetree Developments Inc. under section 40(2) of the *New Home Construction Licensing Act, 2017* (“NHCLA”).<sup>1</sup>**

**A. REASONS**

**Summary**

1. On December 20, 2022, the HCRA commenced an inspection into the business operations of Pinetree Developments Inc. (“Pinetree”) in relation to two complaints that had been received. These complaints suggested that Pinetree’s conduct had resulted in significant hardship for consumers and showed a failure to follow Orders issued by the City of Mississauga (the “City”).
2. The HCRA’s inspection showed that Pinetree attempted to resell a property where there was already an Agreement of Purchase and Sale (“APS”), falsified building permit applications, failed to enrol five properties with Tarion Warranty Authority

---

<sup>1</sup> *New Home Construction Licensing Act, 2017*, SO 2017, c 33, Sched 1, available online here: [www.ontario.ca/laws/statute/17n33#BK44](http://www.ontario.ca/laws/statute/17n33#BK44).



(“Tarion”), repeatedly failed to provide responses to HCRA inspection letters as well as ignored multiple compliance orders.

3. These actions combined with the unexplained price increase and failure to comply with City orders show dishonesty, a lack of willingness to comply with the law, and unprofessional conduct. Pinetree’s conduct also raises concerns about the financial viability and responsibility of the company. As a result, the HCRA believes that Pinetree is not entitled to a licence.

### **Background**

4. In 2018, Pinetree was charged and convicted for illegally acting as a vendor of a new home.
5. Despite this, Tarion agreed to register Pinetree as vendor and builder on October 27, 2020. Loreto Perruzza is an officer of Pinetree.
6. Further, Patricia Perruzza, a principal, officer, director and guarantor for Pinetree, was also charged and convicted in relation to a previous registration held by Pinetree. She was charged and convicted of two counts of illegally acting as a builder of a new home, illegally acting as a vendor of a new home, being an Officer/Director of a company that illegally acted as a vendor of a new home, and two counts of failing to enrol a new home.

### **The HCRA**

7. The HCRA regulates new home vendors and builders in accordance with the NHCLA and with the principle of promoting the protection of the public interest.
8. Part of the HCRA’s oversight function includes considering concerns raised about applicants and licensees and taking appropriate action to protect the public as authorized by the NHCLA.

### **Particulars**

#### *Financial Irresponsibility*

9. The HCRA received a complaint about Pinetree’s conduct from the purchaser of 762 Montbeck Crescent in Mississauga, ON (the “Property”). The complaint alleges that, despite a binding APS, Pinetree has sought to increase the price by \$518,000 without supporting documentation to justify the change. Pinetree now refuses to close the transaction and, despite numerous extensions, construction is not complete.



10. Pinetree appears unable to close the transaction due to financing issues with its lenders. However, the HCRA cannot confirm this because Pinetree has failed to produce documents and respond to the HCRA's concerns despite a Compliance Order requiring them to do so.
11. Pinetree entered into an APS for the Property for \$2,600,000. Within weeks of executing the APS, Pinetree demanded an increase of \$105,000 to the purchase price in order to complete the home. The purchaser agreed to the price increase, resulting in a new price of \$2,705,000.
12. After construction of the home began Pinetree demanded an additional \$518,000 but has been unwilling to provide any documentation to support the increase despite repeated requests from both the purchaser and the HCRA. The complainant began an action against Pinetree seeking a Certificate of Pending Litigation. Pinetree did not participate in the proceeding and as such was noted in default.
13. After the purchaser refused to agree to the price increase, Pinetree listed the Property for sale on Realtor.com for \$2,999,999 despite the binding APS and a Certificate of Pending Litigation being registered on title.
14. The HCRA expressed its concerns to Pinetree and sent Pinetree a letter setting out its expectations that it would honour the APS and comply with the law. The HCRA indicated that if Pinetree did not do so, the HCRA would take regulatory action.
15. To date, the Property is still listed for sale.

#### *Submitting False Documentation to the City*

16. In order to obtain building permits from the City, Pinetree falsely identified the name and credentials of another builder (Northmount Homes), and without their knowledge, listed Northmount Homes as the builder for the following new homes:
  - a. 762 Montbeck Cres, Mississauga
  - b. 119 Cumberland Drive, Mississauga
  - c. 121 Cumberland Drive, Mississauga
  - d. 1032 West Ave, Mississauga

#### *Failure to Enrol Multiple Homes*

17. Under sections 10.1(e) and 10.2(4) of the Ontario New Home Warranties Plan Act ("ONWHPA"), Pinetree is not permitted to sell, offer to sell, or commence



construction of a new home unless it has received confirmation from Tarion that the home has been enrolled in the Plan.

18. Despite this, Pinetree has started construction on or already built at least the following five homes without enrolling the homes with Tarion:
  - a. 762 Montbeck Cres, Mississauga
  - b. 119 Cumberland Drive, Mississauga
  - c. 121 Cumberland Drive, Mississauga
  - d. 739 Ebony Ave, Mississauga
  - e. 1032 West Ave, Mississauga
19. It did so despite the fact that in four of the five applications for Building Permits for these properties, Pinetree acknowledged that the construction proposed would require enrollment.
20. Despite the HCRA issuing a Compliance Order to enrol the homes, Pinetree has failed to do so.

#### *Failure to Comply with Municipal Compliance Orders*

21. The HCRA received a complaint from the City of Mississauga indicating that Pinetree began construction on 739 Ebony Avenue, Mississauga, ON before the City issued a building permit.
22. Once the City had discovered that Pinetree had done so, it issued an Order to immediately stop construction. Pinetree did not. The City then issued a second Order but Pinetree still continued to build.

#### *Failure to Comply with HCRA Inspection and Compliance Orders*

23. The HCRA has sent a demand letter, issued two Compliance Orders to Pinetree, as well as sent a letter from the Registrar regarding concerns with their conduct.
24. The HCRA sent Pinetree a letter to produce documents and to respond to the HCRA's concerns about Pinetree's conduct and its financial viability. Pinetree did not respond to the letter. As a result, the HCRA issued an Immediate Compliance Order. Pinetree did not respond to the Order, and has never provided the HCRA with any documents or information to address the HCRA's concerns.
25. The Registrar also sent a letter to Pinetree expressing its concerns about the sale of the Property and setting out its expectations of Pinetree to comply with the law. The HCRA warned Pinetree that if Pinetree did not comply with its obligations, it



would take regulatory action. Despite the warning, the Property is still listed for sale.

26. The HCRA then issued its second Compliance Order, this time ordering Pinetree to enrol the five homes mentioned above with Tarion. To date, Pinetree has not complied.

### **Grounds for the Proposal**

27. Under section 38 (1)(b)(i) of the NHCLA, in the Registrar's opinion, it has not been demonstrated that Pinetree, having regard to its past and present financial position, can reasonably be expected to be financially responsible in the conduct of its business.
28. Under section 38(1)(b)(iii) of the NHCLA, in the Registrar's opinion, it has not been demonstrated that the past and present conduct of Pinetree's officers and directors affords reasonable grounds for belief that its business will be carried on in accordance with the law and with integrity and honesty.
29. Under section 38(1)(b)(iv) of the NHCLA, in the Registrar's opinion, it has not been demonstrated that no officer or director of Pinetree has made any false statement with respect to the conduct of the applicant's business.
30. Under section 38(1)(d) of the NHCLA, in the Registrar's opinion, it has not been demonstrated that Pinetree is not in breach of a condition of its license.
31. Under section 38(1)(g) of the NHCLA, in the Registrar's opinion, granting a licence to Pinetree is contrary to the public interest.

### **Conclusion**

32. For the reasons stated above, and further to the mandate of the HCRA under section 3(3) of the NHCLA to maintain a fair, safe and informed marketplace and promote the protection of the public interest, the Registrar maintains that Pinetree is not entitled to be licenced under the NHCLA.

### **Amended or Additional Reasons or Particulars**

33. The Registrar may serve amended or additional reasons or particulars of conduct or financial position.



**Home  
Construction  
Regulatory  
Authority**

Home Construction Regulatory Authority  
40 Sheppard Avenue West, Fourth Floor, Suite 400  
Toronto, ON M2N 6K9  
Tel: 416-487-HCRA (4272) Fax: 416-352-7724

## **B. RIGHT TO A HEARING**

**If you dispute this decision, you have the right to request a hearing before the Licence Appeal Tribunal (“Tribunal”) about this proposal.**

**To request a hearing, you must deliver a Notice of Appeal form within 15 calendar days after this Notice of Proposal is delivered to you, addressed to the following:**

Licence Appeal Tribunal  
PO Box 250  
Toronto, ON M7A 1N3  
LATregistrar@ontario.ca  
Phone: 416-326-1356  
Toll free: 1-888-444-0240  
TTY: Call the Bell Relay Service at 1-800-855-0511

AND

The Registrar  
Home Construction Regulatory Authority  
40 Sheppard Ave West, 4th Floor, Suite 400  
Toronto, Ontario M2N 6K9  
Legal@hcraontario.ca

**IMPORTANT NOTE: This is a notice of proposed action. If you choose not to dispute this decision, your Licence will be revoked without any further advance notice to you.**

**If your Licence is revoked, then you will be prohibited from acting or holding yourself out as a vendor or builder, offering to sell or transfer a new home, selling or transferring a new home, offering to construct a new home, or constructing a new home.**

The Notice of Appeal form and other information about hearings may be found on the Tribunal’s website at <https://slasto-tsapno.gov.on.ca/lat-tamp/en/>.

When an applicant or licensee delivers a Notice of Appeal form within the timeline set out above, a legal proceeding before the Tribunal will commence. The Tribunal may direct the Registrar to carry out the proposal or may substitute its opinion. The Tribunal may also attach conditions to its order or to a licence.



**Home  
Construction  
Regulatory  
Authority**

Home Construction Regulatory Authority  
40 Sheppard Avenue West, Fourth Floor, Suite 400  
Toronto, ON M2N 6K9  
Tel: 416-487-HCRA (4272) Fax: 416-352-7724

The HCRA cannot advise you about the appeal process. If you dispute this decision, you have the right to retain a lawyer or paralegal to represent you.

Information about this proposal will be reported publicly on the HCRA website <https://www.hcraontario.ca/> and the Ontario Builder Directory <https://obd.hcraontario.ca/>.

### **Contact Information**

If you have any questions about the reasons for the Proposal or wish to discuss this matter with the HCRA, please contact [Legal@hcraontario.ca](mailto:Legal@hcraontario.ca). If you have any questions about the appeal process or timelines, please contact the Tribunal at:

Licence Appeal Tribunal  
PO Box 250  
Toronto, ON M7A 1N3  
[LATregistrar@ontario.ca](mailto:LATregistrar@ontario.ca)  
Phone: 416-326-1356  
Toll free: 1-888-444-0240  
TTY: Call the Bell Relay Service at 1-800-855-0511

Dated at Toronto this 9<sup>th</sup> day of May, 2023.

A handwritten signature in black ink, appearing to read 'Wendy Moir', enclosed in a thin black rectangular border.

Wendy Moir  
Registrar, HCRA