



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

June 19, 2023

To: **Stateview Homes (Minu Towns) Inc.,  
Stateview Homes (Nao Towns) Inc.,  
Stateview Homes (High Crown Estates) Inc.,  
Stateview Homes (BEA Towns) Inc.,  
Stateview Homes (Elm&Co) Inc.,  
Stateview Homes (Ashburn Heights) Inc.,  
Stateview Homes (Queen's Court) Inc.,  
Stateview Homes (Baldwin Heights) Inc.,  
Stateview Homes (Elia Collection) Inc.,  
Stateview Construction Ltd.,  
Stateview Homes (Hampton Heights) Inc.,  
Stateview Homes (Main & Co.) Inc.,  
Stateview Homes (S COLLECTION) Inc., and  
Stateview Homes (Edge Towns) Inc.**  
16-410 Chrislea Road  
Woodbridge, Ontario L4L 8B5

Delivered by email to: daniel@stateviewhomes.com; carlo@stateviewhomes.com;  
dino@stateviewhomes.com; and bkofman@ksvadvisory.com

## **Re: NOTICE OF PROPOSAL TO SUSPEND LICENCES**

The Home Construction Regulatory Authority ("HCRA") proposes to suspend the licences of Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (High Crown Estates) Inc., Stateview Homes (BEA Towns) Inc., Stateview Homes (Elm&Co) Inc., Stateview Homes (Ashburn Heights) Inc., Stateview Homes (Queen's Court) Inc., Stateview Homes (Baldwin Heights) Inc., Stateview Homes (Elia Collection) Inc., Stateview Construction Ltd., Stateview Homes (Hampton Heights) Inc., Stateview Homes (Main & Co.) Inc., Stateview Homes (S COLLECTION) Inc., and Stateview Homes (Edge Towns) Inc. (collectively, "Stateview Homes") pursuant to section 40(2) of the *New Home Construction Licensing Act, 2017* ("NHCLA").

### **A. REASONS**

#### **Overview**

1. The Stateview Homes licensees are part of the Stateview Homes umbrella group. All Stateview Homes licensees have Dino Taurasi and/or Carlo Taurasi as common principals, officers, and/or directors.

2. In May 2023, the Ontario Superior Court of Justice (the “Court”) appointed receivers to manage the affairs of numerous Stateview Homes corporations. Stateview Homes (On the Mark) Inc., Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (High Crown Estates) Inc., Stateview Homes (BEA Towns) Inc., Stateview Homes (Elm&Co) Inc. (the “Receivership Entities”) were the licensed corporations ordered into receivership. Two other unlicensed corporations related to Stateview Homes were also ordered into receivership. This receivership process was commenced by the corporations’ creditors after an alleged \$37 million cheque kiting fraud was made public by TD Bank. Carlo Taurasi and Dino Taurasi were personally named in TD Bank’s civil claim for fraud.
3. Recently, the court appointed receiver filed a report outlining a number of concerns relating to the financial mismanagement of the Receivership Entities. As a result of these allegations of mismanagement, the HCRA has serious concerns about the financial viability of the Receivership Entities. The HCRA does not believe that the Receivership Entities can reasonably be expected to be financially responsible in the conduct of their businesses.
4. Further, the allegations of mismanagement raise serious concerns about the past and present conduct and financial position of the officers, directors, and interested persons of the Receivership entities. Given that these officers, directors, and interested persons, namely Carlo Taurasi and Dino Taurasi, are the same officers, directors, and interested persons of all Stateview Homes licensees, the HCRA does not believe that Stateview Homes can reasonably be expected to be financially responsible in the conduct of the businesses nor can these licensees be expected to carry on business in accordance with the law and with integrity and honesty.
5. As a result, the HCRA seeks to suspend the Stateview Homes’ licenses while the receivership process unfolds.

### **The HCRA**

6. 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.
7. Part of the HCRA’s oversight function includes considering concerns raised about licensees and taking appropriate action to protect the public as authorized by the NHCLA.

### **Particulars**

8. In May 2023, the Court appointed KSV Restructuring Inc. (“KSV”) as receiver and manager of the Receivership Entities.
9. The Receivership Entities were given an opportunity to attempt to refinance the projects. Pursuant to the receivership orders, KSV was not authorized to

commence any formal sale processes or repudiate any agreements until May 29, 2023. This was to allow the Receivership Entities an opportunity to obtain financing to save the businesses. The Receivership Entities failed to obtain the required financing.

10. On May 30, 2023, KSV filed the First Report of KSV Restructuring as Receiver and Manager ("First Receiver's Report") outlining the details of its actions and findings as receiver. This report suggested significant financial issues within the Receivership Entities.
11. More particularly, the First Receiver's Report alleged the following:
  - a. The Receivership Entities, as well as other Stateview Homes companies, and Carlo and Dino Taurasi were implicated in an alleged \$37 million cheque kiting scheme;
  - b. Stateview Homes (Elm&Co) Inc. removed over \$300,000 from a bank account to pay costs unrelated to this company despite notice that a receivership order was imminent;
  - c. The Receivership Entities had entered 689 contracts to sell new homes to consumers. The Receivership Entities collected \$69,555,000 in deposits. The Receivership Entities claim to have spent all of these funds without providing any of the contracted homes;
  - d. The land required for the Receivership Entities projects will be sold as part of the receivership process. KSV had asked that the buyers of the land not be required to honour the Receivership Entities contracts and not be required to return the deposit funds paid to the Receivership Entities;
  - e. At least one company operated by Carlo and Dino Taurasi has entered into contracts and received deposits from consumers with no ability to complete the homes. This company sold these units on land it did not own and now does not have the ability to purchase the land or return the deposits; and
  - f. Some companies operated by Carlo and Dino Taurasi appear to have sold homes without obtaining a licence from the HCRA in violation of the NHCLA.
12. On June 5, 2023, after reviewing the First Receiver's Report, the Court approved a sale process to sell the land associated with the Receivership Entities projects. As a condition of this sale process, the Court has ordered that prospective purchasers are not required to honour the hundreds of agreements that the Receivership Entities have entered into with consumers. The Court did not order the Stateview Homes (On the Mark) Inc. land to be sold because this project is close to completion.

13. Given the Receivership Entities' ongoing insolvency and apparent misconduct, the HCRA does not believe that the Receivership Entities can be expected to be financially responsible. Further, Carlo Taurasi and Dino Taurasi, both appear to have been in charge of the Receivership Entities while these issues arose. This raises serious concerns about these individuals' ability to properly manage the remaining Stateview Homes' licensees.

#### **Grounds for the Order**

14. Under section 38 (1) (b) (i) of the NHCLA, in the Registrar's opinion, it has not been demonstrated that Stateview Homes, having regard to their past and present financial position, can reasonably be expected to be financially responsible in the conduct of the businesses.
15. Under section 38 (1) (b) (ii) of the NHCLA, in the Registrar's opinion, it has not been demonstrated that Stateview Homes, having regard to the past and present financial position of their officers, directors, and interested persons, can reasonably be expected to be financially responsible in the conduct of their businesses.
16. Under section 38 (1) (b) (iii) of the NHCLA, in the Registrar's opinion, it has not been demonstrated that Stateview Homes, having regard to the past and present conduct of their officers, directors, and interested persons, can reasonably be expected to carry on business in accordance with the law and with integrity and honesty.

#### **Conclusion**

17. 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 the Stateview Homes licences ought to be suspended.

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

18. The Registrar may serve Stateview Homes with amended or additional reasons or particulars.

## **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 suspended without any further advance notice to you.**

**If your Licence is suspended, 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.

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 19<sup>th</sup> day of June, 2023.



Wendy Moir  
Registrar, HCRA