

CITATION: Crepulja et al v. Masterson et al, 2026 ONSC 3559

COURT FILE NO.: CV-24-00002225-0000

DATE: 2026 06 19

SUPERIOR COURT OF JUSTICE – ONTARIO

RE: CREPULJA, TANYA
FONTES, STEVEN, plaintiffs

AND:

FOLEY, MICHAEL
MASTERSON, CRYSTAL
MASTERSON LAW
LEASK, SAMANTHA
DI CICCIO, LUIGI
MASTERSON, SCOTT
MASTERSON, SUSAN
SERPA, MICHELLE
SERPA, NELSON, defendants

BEFORE: Justice Mandhane

COUNSEL: MCMACKIN, RYAN, for the plaintiffs

CAPLAN, GARY M., for Michelle and Nelson Serpa

LEWIS, ATRISHA and DE ALMEIDA, RICHARD, for Susan and
Scott Masterson

SAMANTHA LEASK and LUIGI DI CICCIO, Self-Represented

MICHAEL FOLEY, CRYSTAL MASTERSON, MASTERSON LAW,
No one appearing

HEARD: May 11, 2026

ENDORSEMENT

I. OVERVIEW

[1] This is one of several lawsuits launched by victims of a fraudster, Douglas Grozelle. The victims seek to recoup monies they invested in his multimillion-dollar real estate Ponzi scheme (“the Grozelle Ponzi”): see, *In the Matter of the Bankruptcy of Douglas Grozelle*, 2026 ONSC 758 (CanLII). The Ponzi collapsed sometime around November 2022.

[2] The plaintiffs in this lawsuit allege that Crystal Masterson and Michael Foley participated in and profited from the Grozelle Ponzi. Prior to this lawsuit being filed, other investors sued Crystal and Michael on April 6, 2023 (“the Dourado Claim”).

[3] Here, the plaintiffs—Tanya Crepulja and Steven Fontes, a couple—invested half a million dollars with Crystal and Michael but were never repaid their principal. They seek corresponding damages for breach of contract.

[4] Michael is not defending this lawsuit. Crystal is self-represented; she maintains that she was an innocent dupe, having herself invested and lost monies in the Grozelle Ponzi. Crystal has since been charged criminally and consented to an interlocutory suspension of her license to practice law: *Law Society of Ontario v. Masterson*, 2025 ONLSTH 122 (CanLII).

[5] On the motion before me, the plaintiffs seek to register certificates of pending litigation (CPL) on three properties which they say Crystal and Michael

fraudulently transferred to non-arm's length parties to evade their creditors after the Ponzi collapsed. The properties were all transferred after the Dourado claim was filed, but before Crystal or Michael defended it.

II. THE CPL MOTION

[6] The plaintiffs move for a CPL on the following properties:

- a. 2062 Hadfield Court, Burlington, ON ("Hadfield");
- b. 4144 Milcroft Park Drive, Burlington, ON ("Milcroft"); and
- c. 90 Coles Avenue, Vaughan, ON ("Coles").

[7] While Crystal does not take a position on this motion, the current owners of the properties oppose it ("the owners"). (The owners are named as defendants in relation to the alleged fraudulent transfer.)

[8] Susan and Scott Masterson are Crystal's parent. They own Hadfield and live there with Crystal, Michael and their minor children, and Crystal's new intimate partner. The Mastersons oppose placing a CPL on Hadfield, arguing that they paid fair market value for it and did not know about any fraud.

[9] Michelle Serpa is Crystal's close friend. Michelle and her partner Nelson Serpa owned Milcroft (it has since been sold with proceeds being held in trust

pending this motion). Michelle and Nelson say they paid fair market value for Milcroft well-before the Grozelle Ponzi collapsed and did not know about any fraud.

[10] Samantha Leask is Crystal's best friend from childhood. Samantha and her husband, Luigi Di Cicco, own Coles; they live there with their children. Samantha says that she and Luigi acquired Coles from Crystal in 2023 pursuant to a pre-existing agreement, and that she did not know about any fraud.

[11] As a preliminary matter, I reject the defence argument that the plaintiffs are barred from obtaining a CPL because they were required to seek it on behalf of all of Crystal and Micheal's creditors. Interpreting *Lieba Insurance v. Stuart*, [1982] O.J. No. 2281 this widely would effectively require the plaintiffs to locate, serve, and then act on behalf of all the victims of the Grozelle Ponzi scheme—a nearly impossible task. Instead, I interpret *Lieba Insurance* as requiring the plaintiffs to have acted on behalf of all the creditors under the promissory note at the heart of the current action. They have satisfied this requirement because they were the only beneficiaries of that specific promissory note.

[12] Therefore, to decide the motion, I must answer the following questions:

- a. Does the plaintiff's claim have a high probability of success?

- b. Was the transfer made with the intent to defeat or delay creditors? If the transfer was for fair market value, did the purchaser know about the fraud?
- c. Does the balance of convenience favour issuance of the CPL?

[13] After answering these questions, I would issue the CPLs on the Hadfield and Milcroft properties, but not on Coles.

III. ANALYSIS

[14] The applicable law is properly set out in *Grefford v. Fielding*, 2004, CanLII 8709 (ONSC), para. 26; see also, *Roopchan v. Abeywardena, et al.*, 2026 ONSC 1221 (CanLII). The plaintiffs must satisfy me on a balance of probabilities that:

- a. There is a high probability that they will be successful in the main action;
- b. There is evidence demonstrating that the transfer was made with the intent to defeat or delay creditors—a transfer for less than fair market value lightens the burden;
- c. The balance of convenience favours issuing a CPL in the circumstances of the case.

[15] I turn now to my analysis.

a. Does the plaintiffs' main action have a high probability of success?

[16] The short answer is, yes. It is uncontroversial that the plaintiffs invested \$500,000 with the Crystal and Michael and that they were never repaid the principal. This was a clear breach of contract for which they will be owed damages at least equivalent to \$500,000 plus interest.

b. Is there evidence demonstrating that the transfer made with the intent to defeat or delay creditors?

[17] The plaintiffs have adduced ample evidence that Crystal and Michael transferred the properties with an intention to defeat and delay creditors.

[18] An overwhelming number of "badges of fraud" are present in this case, and these badges are common to all three property transfers: *Indcondo v. Sloan*, 2014 ONSC 4018 (CanLII).

[19] Note the following:

- a. The properties were transferred after the plaintiffs had invested \$500,000 with Crystal and Michael;
- b. The properties were transferred after Crystal learned that the Ponzi had collapsed;
- c. The properties were not listed on MLS;

- d. The properties were all transferred to non-arms length parties over the course of 30 days;
- e. Susan was a real estate agent on all the transfers;
- f. Crystal was the real estate lawyer on the transfers, which was a clear conflict of interest;
- g. The Dourado claim was filed before the transfers, and Crystal only filed her defence after all the transfers were complete;
- h. After the transfers were complete, Crystal emailed Tanya that her and Michael's total joint assets now only amounted to \$6,737.

[20] These uncontroversial facts themselves support a very strong inference that Crystal and Michael intended to evade the Dourado claimants and other creditors—including the plaintiffs—when they transferred their properties to their closest family and friends. That is the only logical explanation for this chain of events. Crystal and Michael have not sworn affidavits to provide any alternative explanation for what is patently obvious.

[21] I reject the defendants claims to have paid fair market value for their properties. I also reject the Serpa's claim that they agreed to buy their home in 2022 and not 2023. Most of the supporting records—such as agreements of

purchase and sale and trust ledgers—were created either by Susan or Crystal in their capacity as agent or lawyer and therefore have very little weight.

c. Does the balance of convenience favour issuing of the CPL?

[22] The balance of convenience favours issuing a CPL on Hadfield because the plaintiffs' claim in the main action is very strong, Crystal and Scott are the defendants in the main action and are currently living in Hadfield rent free, and because Susan was central to the scheme to transfer the properties to evade creditors.

[23] There is no longer a real property interest in Milcroft because it was sold, which favours the plaintiffs. In lieu of a CPL, and in light of concerns about over-securing the possible damage award, I order that \$500,000 only continue to be held in trust pending the outcome of this litigation. Any remaining funds above that can be dispersed.

[24] Finally, the balance of convenience does not favour granting a CPL on Coles. Given the funds available to satisfy judgement from Hadfield and Milcroft, it is not strictly necessary to encumber Coles to secure any potential damage award—even if Samantah and Luigi are held liable in the main action in some way. Given that Samantha and Luigi live in the home with their five-year old child, the balance of convenience weights maintaining stability in the child's schooling and community life pending the outcome of this litigation.

IV. Costs

[25] The plaintiffs were successful in their claims against Crystal, Michael, Michelle, Nelson, Scott and Susan. They were unsuccessful against Samantha and Luigi.

[26] Weighing all the factors from the *Courts of Justice Act* and the rules, I would order a total quantum of \$38,000 in costs, all inclusive. While the matter was not legally complicated, the evidentiary record was voluminous, and counsel conducted multiple cross-examinations. The defendants did not follow timelines for filing their responding materials, which delayed things. The defendants were all represented by the same lawyer at first, but were represented by three different lawyers at the hearing. There were four factums. The hearing ballooned from one to two full days. Finally, the defendants took unreasonable positions given the admitted factual context, including that Crystal has been criminally charged with fraud.

[27] In terms of apportionment, Samantha and Luigi are not liable to pay costs because they were successful in defending the motion. Given that Michael did not defend the claim, I would only order him to pay nominal costs in the amount of

\$3,000. Crystal, Michelle, Nelson, Scott and Susan are jointly and severally liable to pay the remaining costs of \$35,000 in costs to the plaintiffs.

Mandhane J.

Released: June 19, 2026

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