

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

**CHIEF EXECUTIVE OFFICER OF THE FINANCIAL SERVICES
REGULATORY AUTHORITY OF ONTARIO**

Applicant

**SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC. and
1981361 ONTARIO INC.**

Respondent

APPLICATION UNDER SECTION 37 OF THE *MORTGAGE BROKERAGES, LENDERS AND
ADMINISTRATORS ACT*, 2006, S.O. 2006, c. 29, AS AMENDED, and SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

RESPONDING APPLICATION RECORD

April 23, 2025

THORNTON GROUT FINNIGAN LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

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Lawyers for Logpin Investments Limited, The
Goldfarb Corporation, Jeffrey Goldfarb and
Gary Goldfarb

TO: CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

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Lawyers for the Applicant

AND TO: SUSSMAN MORTGAGE FUNDING INC.
129 Dunlop Street East
Barrie, ON L4M 1A6

Respondent

AND TO: 2486976 ONTARIO INC.
129 Dunlop Street East
Barrie, ON L4M 1A6

Respondent

AND TO: 1981361 ONTARIO INC.
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Tab	Description
1	Affidavit of Dannallyn Salita sworn April 23, 2025
Exhibit “A”	Correspondence from TGF to counsel of FSRA dated April 16, 2025
Exhibit “B”	Response Letter from counsel of FSRA to TGF dated April 22, 2025
Exhibit “C”	Further Correspondence from TGF to counsel of FSRA dated April 22, 2025
Exhibit “D”	Further Response Letter from counsel of FSRA to TGF dated April 23, 2025

TAB 1

**ONTARIO
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B E T W E E N:

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AFFIDAVIT OF DANNALLYN SALITA

I, **DANNALLYN SALITA**, of the City of Toronto, in the Province of Ontario, **MAKE
OATH AND SAY:**

1. I am a legal assistant with the law firm of Thornton Grout Finnigan LLP (“**TGF**”), lawyers for Logpin Investments Limited, The Goldfarb Corporation, Jeffrey Goldfarb, and Gary Goldfarb, and, as such, I have knowledge of the matters contained in this affidavit.
2. The facts set out below are either within my personal knowledge or derived from the face of the documents referred to herein. Where I do not have personal knowledge of the matters set out below, I have stated the source of my information and believe it to be true.
3. On or about April 16, 2025, TGF sent a letter (the “**April 16 Letter**”) to Mr. George Benchetrit of Chaitons LLP, counsel to the Financial Services Regulatory Authority (“**FSRA**”) in this proceeding, requesting certain information in respect of the affidavit filed

by Antoinette Leung affirmed on April 11, 2025, which was attached as Tab 2 to the Application Record of FSRA dated April 11, 2025. A copy of the April 16 Letter is attached as **Exhibit “A”**.

4. On or about April 22, 2025, Mr. Benchetrit delivered a responding letter to TGF. A copy of the response letter and attachments (with personal information redacted) is attached as **Exhibit “B”**.
5. On April 22, 2025, TGF delivered a further letter to Mr. Benchetrit in response to the letter received. A copy of that letter is attached as **Exhibit “C”**.
6. On April 23, 2025, Mr. Benchetrit delivered a further responding letter (the “**April 23 Letter**”) to the letter sent by TGF on April 22, 2025. A copy of the April 23 Letter is attached as **Exhibit “D”**.
7. The April 23 Letter included a link to a document sharing platform containing documents provided by FSRA in response to the information requests made in the April 16 Letter. These documents (with personal information redacted) can be accessed via the following ShareFile link: <https://tgf.sharefile.com/d-s941818f14bcb4df7aceac5e4c3131a77>.

SWORN remotely via video conference
by Dannallyn Salita at the City of Toronto, in
the Province of Ontario, before me on this
23rd day of April, 2025, in accordance with
*O. Reg. 431/20, Administering Oath or
Declaration Remotely.*



Commissioner for Taking Affidavits
(or as may be)

DEREK HARLAND



DANNALLYN SALITA

This is Exhibit "A" referred to in the
Affidavit of Service sworn by Dannallyn Salita at the City of
Toronto, in the Province of Ontario, before me this 23rd
day of April, 2025 in accordance with *O. Reg. 431/20*,
Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

DEREK HARLAND

April 16, 2025

BY EMAIL

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto ON M2N 7E9

Attention: George Benchetrit

Dear Mr. Benchetrit:

Re: Chief Executive Officer of the Financial Services Regulatory Authority of Toronto (“FSRA”) v. Sussman Mortgage Funding Inc. (“SMFI”) et al, Court File No.: CV-25-00741044-00CL

We represent Logpin Investments Limited, The Goldfarb Corporation and members of the Goldfarb family as lenders with respect to the above-noted receivership application (the “**Application**”). Our client has advanced approximately \$42 million to SMFI and are therefore the largest lenders.

We refer to the application record dated April 11, 2025 (the “**Application Record**”) filed by FSRA in connection with the Application and, in particular, the Affidavit of Antoinette Leung of FSRA affirmed on April 11, 2025 (the “**Leung Affidavit**”). We also refer to the case conference held before Justice Dietrich yesterday, wherein a schedule was established leading to the hearing of the Application on May 2, 2025.

While we continue to review the Application Record and the Leung Affidavit in advance of the return of the Application on May 2, 2025, there are preliminary questions and information requests we have for FSRA following our initial review. These requests are set out at Schedule “A” hereto (the “**Preliminary Requests**”).

We reserve the right to make further information requests, and also reserve the right to cross-examine Antoinette Leung in the event the requested information is not received forthwith. In order to determine whether any cross-examination will be necessary, in which case it would take place tomorrow, we require responses to the Preliminary Requests **by the end of the day today**.

As you are aware, the Application has been scheduled by FSRA on an urgent basis and the timetable established by the Endorsement of Justice Dietrich dated April 15, 2025 requires the delivery of responding materials and facts on an expedited basis. Accordingly, FSRA’s prompt attention to the Preliminary Requests is critical to ensure the expedited timetable can be met and cross-examinations can be scheduled, if necessary.



Thornton Grout Finnigan LLP

2.

We look forward to receiving your response to the Preliminary Requests, and thank you in advance.

Yours truly,

Thornton Grout Finnigan LLP

A handwritten signature in blue ink, appearing to read 'D.J. Miller', written over the printed name.

D.J. Miller
DM/gk

Schedule “A”

1. Referring to paragraph 4 of the Leung Affidavit, please provide copies of the annual information return (“**AIR**”) for Sussman Mortgage Funding Inc. (“**SMFI**”) filed with FSRA for the past 5 years.
2. Paragraph 4(b) of the Leung Affidavit states that 11 of the 38 mortgages (valued at \$73,191,452 of the total value of \$101,148,392) are in arrears. Please advise as to the status of the mortgages not in arrears, including who the principal and interest payments are being paid to in respect of each of those mortgages.
3. Please advise if FSRA has any document (whether received from SMFI or prepared itself or by anyone else) indicating the amount that each investor invested in each mortgage. Does FSRA have any information or document indicating that there any mortgages where the syndicated mortgage investments exceeds the face value of the mortgage?
 - (a) If yes, when did FSRA receive such information or document?
4. The Leung Affidavit refers to various complaints received by FSRA, starting on March 28, 2025. The Leung Affidavit does not refer to concerns raised with FSRA by Stanley Goldfarb starting in September 2024 regarding SMFI and Sandford Sussman, or to calls to FSRA made by Jeffrey Goldfarb and Gary Goldfarb thereafter.
 - (a) Does FSRA acknowledge that these reach-outs occurred by the Goldfarbs?
 - (b) Does FSRA have notes or internal communications regarding the reach-outs last Fall and thereafter by the Goldfarbs?
 - (c) Did FSRA receive complaints from any other parties in the Fall of 2024 regarding SMFI?
 - (d) Did FSRA take any steps to investigate or obtain information or responses from SMFI in respect of these various concerns raised?
5. Paragraph 15 of the Leung Affidavit refers to a letter sent by SMFI to investors dated April 1, 2025 regarding its retention of B. Riley Farber to conduct a review of the mortgage portfolio.
 - (a) Prior to SMFI itself sending this letter to investors, did FSRA take any steps to make contact with investors with respect to SMFI or Sandford Sussman?
 - (b) Did FSRA receive or review a draft of the letter sent by SMFI to investors prior to it being sent?

- (c) Was FSRA involved in any way with SMFI's retention of B. Riley Farber as financial advisor to SMFI?
 - (d) Has SMFI or Sussman (or anyone affiliated with either of them) been offered anything in exchange for the consent to the receivership sought by FSRA?
 - (i) If so, please advise of the details of any such arrangement.
- 6. Paragraph 19 of the Leung Affidavit refers to "transactions with SMFI that may give them preferential treatment over other lenders." Please advise as to any information or evidence that FSRA has, that this statement in the Affidavit is based on.
- 7. Exhibit "A" to the Leung Affidavit has Mary Chmiel's name highlighted. What is her relationship with SMFI?
- 8. Does FSRA have a copy of any annual audited financial statements of SMFI and the Independent Auditor's Reasonable Assurance Report on Compliance (which SMFI confirmed to FSRA was prepared at Exhibit "C" to the Leung Affidavit on page 37 of the Application Record) for the prior 5 years? If so, please provide copies for each of those years, or any years that FSRA has copies of within that 5 year period.
- 9. Exhibit "C" to the Leung Affidavit (on PDF page 39 of the Application Record) refers to monthly trust account reconciliations undertaken by SMFI that SMFI confirmed to FSRA.
 - (a) Has FSRA requested or reviewed any monthly trust account reconciliations for SMFI at any time?
 - (b) Please provide us with copies of any monthly trust account reconciliations or notes taken by FSRA in respect of any review of monthly trust account reconciliations undertaken at any time over the past 5 years.

This is Exhibit "B" referred to in the
Affidavit of Service sworn by Dannalyn Salita at the City of
Toronto, in the Province of Ontario, before me this 23rd
day of April, 2025 in accordance with *O. Reg. 431/20*,
Administering Oath or Declaration Remotely.

A handwritten signature in blue ink, appearing to read "Derek Harland", is positioned above a horizontal line.

A Commissioner for taking affidavits

DEREK HARLAND

April 22, 2025

VIA EMAIL

Thornton Grout Finnigan LLP

Toronto-Dominion Centre
100 Wellington Street West
Toronto, ON M5K 1K7

Attention: D.J. Miller

**Re: Chief Executive Officer of the Financial Services Regulatory Authority of Ontario ("FSRA")
v. Sussman Mortgage Funding Inc. et al. - CV-25-00741044-00CL**

Dear Ms. Miller,

I am responding to your letter dated April 16, 2025.

As previously indicated, your comments regarding the cross-examination of Ms. Leung ignored your obligation to deliver all materials on which you intend to rely on for the application before conducting any cross-examination, pursuant to Rule 39.02 of the *Rules of Civil Procedure*. Additionally, you didn't include all parties in the discussion regarding scheduling. We also raised the question of relevance with you in respect of some of your document requests, and requested a call to discuss these issues, but you have not responded on these points.

Without conceding the relevance of the questions in your letter or the documents you have requested in the context of FSRA's receivership application, we are providing in Schedule "A" to this letter our responses to the information requests, using the same paragraph numbering as in your letter.

Please confirm that the information in Schedule "A" will only be used for the purpose of responding to the receivership application.

It is still unclear to us whether your clients intend to oppose the receivership application, and if so, on what basis. We have invited you to provide comments on the draft order that we circulated last week, but you have still not done so. In the event that your clients will be opposing the application, we reserve the right to rely on this letter and all attachments in support of the application.

Yours truly,
CHAITONS LLP



George Benchetrit

PARTNER*

*Denotes Professional Corporation

GB/di.

Schedule “A”

1. **Referring to paragraph 4 of the Leung Affidavit, please provide copies of the annual information return (“AIR”) for Sussman Mortgage Funding Inc. (“SMFI”) filed with FSRA for the past 5 years.**

Please clarify the relevance of this information for the purpose of the receivership application. Please also confirm that this information, if produced, will only be used for the purpose of responding to the receivership application.

2. **Paragraph 4(b) of the Leung Affidavit states that 11 of the 38 mortgages (valued at \$73,191,452 of the total value of \$101,148,392) are in arrears. Please advise as to the status of the mortgages not in arrears, including who the principal and interest payments are being paid to in respect of each of those mortgages.**

The information in paragraph 4 of Ms. Leung’s affidavit is contained at Exhibit “C”, which is SMFI’s 2024 draft AIR dated April 9, 2025 (the “**2024 AIR**”). FSRA does not have information regarding the current payees for the mortgages that are not in arrears.

3. **Please advise if FSRA has any document (whether received from SMFI or prepared itself or by anyone else) indicating the amount that each investor invested in each mortgage. Does FSRA have any information or document indicating that there any mortgages where the syndicated mortgage investments exceeds the face value of the mortgage?**

FSRA has the information provided in the 2024 AIR, which includes, among other things, the total number and dollar value of all mortgages under administration, the total number of investors in those mortgages, and the total number and value of mortgages in arrears, as well as the information in the table in Exhibit “J” to the Leung Affidavit, which outlines the status of each mortgage, the number of investors for each mortgage, the borrower(s) for each loan and the property description. FSRA does not have information on whether the syndicated mortgage investments exceeds the face value of the mortgage.

a. If yes, when did FSRA receive such information or document?

FSRA received the 2024 AIR on April 9, 2025 and the chart in Exhibit “J” from B. Riley Farber Inc. (“**BRF**”) on or about April 10, 2025.

4. **The Leung Affidavit refers to various complaints received by FSRA, starting on March 28, 2025. The Leung Affidavit does not refer to concerns raised with FSRA by Stanley Goldfarb starting in September 2024 regarding SMFI and Sandford Sussman, or to calls to FSRA made by Jeffrey Goldfarb and Gary Goldfarb thereafter.**

a. Does FSRA acknowledge that these reach-outs occurred by the Goldfarbs?

On or about October 29, 2024, Stanley Goldfarb filed a complaint, a copy of which is attached hereto as **Appendix “A”**, along with supporting documents submitted by Mr. Goldfarb. In the complaint, Mr. Goldfarb states that he owns two companies that have made investments with SMFI and are not receiving any principal or interest payments. He notes that no loans have been repaid in full since 2022, at which point the Goldfarbs stopped renewing mortgages with SMFI. Mr. Goldfarb also referred to a payment schedule Mr. Sussman proposed in late 2022 that SMFI did not adhere to and asked whether FSRA could “help [them] in any way to recover the funds [they] have loaned, if not the interest.”

On November 14, 2024, Christine Brown-Abdul sent an email to Mr. Goldfarb indicating that she was the Compliance Officer at FSRA who had been assigned to review his complaint. On November 18, 2024, Ms. Brown-Abdul sent an email to Mr. Goldfarb indicating that she attempted to reach him by phone and offered times that week for a telephone call. Copies of the November 14, 2024 and November 18, 2024 emails are attached hereto as **Appendix “B”** and **Appendix “C”**, respectively.

By letter dated December 4, 2024, FSRA indicated to Mr. Goldfarb that, as the complaints were limited to SMFI's failure to repay its debts to the Goldfarbs, FSRA indicated it was closing Mr. Goldfarb's complaint file. A copy of FSRA's letter dated December 4, 2024 is attached hereto as **Appendix “D”**.

After receiving complaints of fraud at the end of March 2025, FSRA reached out to Stanley Goldfarb, who referred FSRA to his son, Gary Goldfarb. Gary indicated to FSRA that he would need to consult legal counsel before discussing the matter further or providing any documentation. No further responses were received from the Goldfarbs.

- b. **Does FSRA have notes or internal communications regarding the reach-outs last Fall and thereafter by the Goldfarbs?**

Collectively attached hereto as **Appendix “E”** are the file activity notes.

- c. **Did FSRA receive complaints from any other parties in the Fall of 2024 regarding SMFI?**

No.

- d. **Did FSRA take any steps to investigate or obtain information or responses from SMFI in respect of these various concerns raised?**

As set out in Ms. Leung's affidavit, FSRA contacted SMFI and BRF to request information and also entered into an undertaking with SMFI to govern their operations.

5. **Paragraph 15 of the Leung Affidavit refers to a letter sent by SMFI to investors dated April 1, 2025 regarding its retention of B. Riley Farber to conduct a review of the mortgage portfolio.**

- a. **Prior to SMFI itself sending this letter to investors, did FSRA take any steps to make contact with investors with respect to SMFI or Sanford Sussman?**

FSRA did engage with parties who contacted FSRA and who filed complaints.

- b. **Did FSRA receive or review a draft of the letter sent by SMFI to investors prior to it being sent?**

No.

- c. **Was FSRA involved in any way with SMFI's retention of B. Riley Farber as financial advisor to SMFI?**

No.

- d. **Has SMFI or Sussman (or anyone affiliated with either of them) been offered anything in exchange for the consent to the receivership sought by FSRA? (i) If so, please advise of the details of any such arrangement.**

No.

6. **Paragraph 19 of the Leung Affidavit refers to “transactions with SMFI that may give them preferential treatment over other lenders.” Please advise as to any information or evidence that FSRA has, that this statement in the Affidavit is based on.**

This statement is based on the Statement of Claim in Court File No. CV-25-00740475-00CL, a copy of which is attached as Exhibit “M” to Ms. Leung’s affidavit, and the two Assignments of Co-Tenancy Interest and Cash Flow dated December 30, 2024 and February 5, 2025 provided by Mr. Davis to Chaitons LLP on April 7, 2025, copies of which are attached as **Appendix “F”** and **Appendix “G”**, respectively.

7. **Exhibit “A” to the Leung Affidavit has Mary Chmiel’s name highlighted. What is her relationship with SMFI?**

According to SMFI’s regulatory filings, Mary Chmiel was a licensed broker until her license expired on March 31, 2025. She submitted a renewal application on April 2, 2025, which is currently pending. Additionally, she was designated as the principal broker by SMFI, and was identified by SMFI in the 2024 AIR as the individual responsible for ensuring compliance.

8. **Does FSRA have a copy of any annual audited financial statements of SMFI and the Independent Auditor’s Reasonable Assurance Report on Compliance (which SMFI confirmed to FSRA was prepared at Exhibit “C” to the Leung Affidavit on page 37 of the Application Record) for the prior 5 years? If so, please provide copies for each of those years, or any years that FSRA has copies of within that 5 year period.**

Please clarify the relevance of this information for the purpose of the receivership application. Please also confirm that this information, if produced, will only be used for the purpose of responding to the receivership application.

9. **Exhibit “C” to the Leung Affidavit (on PDF page 39 of the Application Record) refers to monthly trust account reconciliations undertaken by SMFI that SMFI confirmed to FSRA.**

- a. **Has FSRA requested or reviewed any monthly trust account reconciliations for SMFI at any time?**

Please clarify the relevance of this information for the purpose of the receivership application. Please also confirm that this information, if produced, will only be used for the purpose of responding to the receivership application.

- b. **Please provide us with copies of any monthly trust account reconciliations or notes taken by FSRA in respect of any review of monthly trust account reconciliations undertaken at any time over the past 5 years.**

Please clarify the relevance of this information for the purpose of the receivership application. Please also confirm that this information, if produced, will only be used for the purpose of responding to the receivership application.

APPENDIX "A"

Mr. Goldfarb's Complaint dated October 29, 2024 and Supporting Documents

Instructions

To help with our review, please complete and sign the form and send us the following information:

- A copy of your complaint that was sent to the person/entity who you have a concern with
- Final response that the person/entity provided to resolve your complaint
- All documents that support your complaint (e.g., contracts, policy documents, emails, letters sent to or received from the person/entity etc.). You may attach the documents separately, if necessary.

Please note that we cannot review your complaint unless you have received a final response from the person/entity who your complaint is about. E.g., if you have a complaint about your Mortgage Agent, please make sure the Principal Broker has responded to you in writing. If you have a complaint with an Insurance Agent or an Insurance Company, please make sure their Ombudsman's Office has responded to you in writing. If your complaint is about a Credit Union, please make sure the officer or employee designated by the Credit Union to resolve your complaint has responded to your complaint in writing.

Please send this form and any documents that support your complaint to the attention of the "Complaints and Risk Assessment Branch" by email to contactcentre@fsrao.ca, by fax to 416 590-8480, or by regular mail to:
25 Sheppard Avenue West, Suite 100, Toronto, ON, M2N 6S6.

Contact Information

Last Name

Goldfarb

Initials

First Name

Stanley

Street Address

Unit Number

Street Number

Street Name

City

Province

Postal Code

Preferred method of contact

☒ Phone ☐ Email ☐ Letter

Who is your complaint with? (select all that apply)

☐ Credit Union/Caisse Populaire☐ Health Service Provider(Health and rehabilitation clinics providing services to
auto insurance accident benefit claimants)☐ Insurance Agent/Adjuster☐ Insurance Company☐ Mortgage Administrator☐ Mortgage Agent/Broker☒ Mortgage Brokerage☐ Mortgage Lender☐ Financial Planner/Financial Advisor☐ Other, Specify: _____

What is your complaint about? (select all that apply)

- | | |
|--|---|
| <input type="checkbox"/> Accident and Sickness Insurance | <input type="checkbox"/> Individual using the Financial Planner or Financial Advisor title without an approved credential |
| <input type="checkbox"/> Automobile Insurance | <input type="checkbox"/> Insurance Investments |
| <input type="checkbox"/> Billing for goods or services related to automobile accident benefits | <input type="checkbox"/> Property Insurance |
| <input type="checkbox"/> Disability Insurance | <input type="checkbox"/> Mortgage |
| <input type="checkbox"/> Unapproved Credentialing body / Unapproved Credential | <input type="checkbox"/> Life Insurance |
| <input type="checkbox"/> Credentialing Body | <input checked="" type="checkbox"/> Other, Specify: <u>Not repaying Principal loans</u> |

The complaint is against the following person/entity

Individual Name (if applicable) Mr Sandy Sussman	Claim/Policy/Licence/Reference No. Broker No. 10666
---	--

Entity Name (if applicable)
Sussman Mortgage Funding Inc

Street Address

Unit Number	Street Number 129	Street Name Dunlop Street	
City Barrie		Province Ontario	Postal Code L4M 1A6
Telephone Number 705-726-0981	ext.	Fax Number	E-mail Address info@mortgagefunding.on.ca

Complaint Details

The date when you first became aware of the matter giving rise to your complaint (yyyy/mm/dd) 2022/01/01

Briefly describe your complaint. Include facts and documents that are relevant to your complaint.

You may attach the documents separately, if necessary.

I own 2 companies that have invested \$40Mil plus, in Sussman Mortgage Funding Inc. mortgages and I am not being paid the interest nor the principal, as per our agreement. One company is 1 1/2 months behind in interest and the other 2 1/2 months behind. No loans have been paid off in full since 2022, when we stopped renewing mortgages with him. He has consistently lied or made promises he has not kept. We even asked for a payment schedule in late 2022 that he provided but did not adhere to. I have included our spreadsheet of all payments received for the year to date. Very little has been paid toward principal considering how much he owes. We are wondering now if his license is even legitimate. Would you be able to help us in any way to recover the funds we have loaned, if not the interest.

Please provide the name and details of the person who you attempted to resolve your complaint with:

Name of Contact Sandy Sussman	Email Address info@mortgagefunding.on.ca	Telephone Number 705-726-0981
----------------------------------	---	----------------------------------

Summary of steps you have taken to resolve your complaint to date.

- Bi-weekly phone calls for the last 2 years
- Requested and received a Principal Payment Schedule in 2022
- Requested his Final Position on paying the interest on time and paying off outstanding loans, as per FSRA recommendations

Final Position/Response

- ☐ I have attached the final response letter that the person/entity provided to me
- ☒ I have **not** attached the final response letter

If you have **not** attached the final response letter, explain why. Please note that the review of your complaint may be delayed if you do not provide documents to support your complaint.

I have not received his letter as of yet to send you but I have attached the following:

- Payment Schedule he provided in 2022
- Our Spreadsheet of payments he made in 2024
- The Goldfarb Corporation Outstanding Sussman loan Schedule
- Logpin Investments Outstanding Sussman loan Schedule

Legal Action

Have you commenced legal action?

- ☐ Yes ☒ No

If yes, please explain

Notification and Consent

Your personal information is being collected by the Financial Services Regulatory Authority of Ontario ("FSRA") under the authority of the *Financial Services Regulatory Authority of Ontario Act*¹, as part of FSRA's role in regulating the financial services sectors and protecting the rights and interests of consumers. FSRA requires the personal information you have provided in this form to investigate your complaint.

FSRA may need to disclose your personal information to third parties as part of its review or ensuing investigation, if required. By signing below, you consent to FSRA's disclosure of the information contained on this form, and any additional information about your complaint to the following parties:

1. The person(s) and or entity named in your complaint
2. Any government ministry, agency, board or commission
3. Any self-regulatory agency or association; and
4. Any Canadian law enforcement agency

If FSRA is required to share your personal information with a person or entity not listed above to resolve your complaint, you will be contacted to provide further consent.

If you have any questions about FSRA's collection and disclosure of your personal information, please contact:

Financial Services Regulatory Authority of Ontario

25 Sheppard Avenue West, Suite 100

Toronto, ON M2N 6S6

Telephone: (416) 250-7250

Toll Free: 1-800-668-0128

Fax: (416) 590-8480

TTY: 1-800-387-0584

Email: contactcentre@fsrao.ca

☒ I hereby consent to FSRA's collection, use and disclosure of the information I have submitted in my complaint, including my personal information to:

1. The person(s) and or entity named in your complaint
2. Any government ministry, agency, board or commission
3. Any self-regulatory agency or association; and
4. Any Canadian law enforcement agency

☐ I do not consent to the collection, use and disclosure of the information I have submitted in my complaint.

Name (please print)

Stanley Goldfarb

Date (yyyy/mm/dd)

2024/10/29

¹*Financial Services Regulatory Authority of Ontario Act, 2016, S.O., 2016, c 37, s 3(3).*

Sussman Deposit Record**Updated 10/28/2024****Goldfarb Corp****Logpin Inv****I-24**

<u>Interest Period</u>	<u>Date Paid</u>	<u>Interest Pd</u>	<u>Principal Pd</u>	<u>Interest Period</u>	<u>Date Paid</u>	<u>Interest Pd</u>	<u>Principal Pd</u>	<u>Total Paid</u>
Jan 1 - 15, 2024	24-Jan-2024	27,938.87		Jan 1 - 15, 2024	24-Jan-2024	80,689.11	\$9,005.76	89,694.87
Jan 16 - 31, 2024	16-Feb-2024	38,312.79		Jan 16 - 31, 2024	15-Feb-2024	134,344.71		
Feb 1 - 15, 2024	27-Feb-2024	27,938.87		Feb 1 - 15, 2024	26-Feb-2024	80,578.34	\$9,147.12	89,725.46
Feb 16 - 29, 2024	14-Mar-2024	38,312.79		Feb 16 - 29, 2024	14-Mar-2024	134,344.71		
Mar 1 - 15, 2024	2-Apr-2024	27,938.87		Mar 1 - 15, 2024	19-Apr-2024	81,473.39	\$9,289.96	90,763.35
Mar 16 - 31, 2024	3-May-2024	38,312.79		Mar 16 - 31, 2024	8-May-2024	134,344.71		
Apr 1 - 15, 2024	3-May-2024	27,938.87		Apr 1 - 15, 2024	10-May-2024	81,366.39	\$9,431.62	90,798.01
Apr 16 - 30, 2024	23-May-2024	38,312.79		Apr 16 - 30, 2024	23-May-2024	134,344.71		
May 1 - 15, 2024	17-Jun-2024	27,938.87		May 1 - 15, 2024	17-Jun-2024	81,260.50	\$9,575.04	90,835.54
May 16 - 31, 2024	25-Jun-2024	38,312.79		May 16 - 31, 2024	25-Jun-2024		125,000.00	M-37
Jun 1 - 15, 2024	22-Jul-2024	27,938.87		Jun 1 - 15, 2024	22-Jul-2024	81,158.13	\$9,719.20	90,877.33
Jun 16 - 30, 2024	22-Aug-2024	38,312.79		Jun 16 - 30, 2024	2-Jul-2024		\$125,000.00	M-37
Jul 1 - 15, 2024	30-Aug-2024	27,938.87		Jul 1 - 15, 2024	22-Aug-2024	133,463.46		
Jul 16 - 31, 2024	9-Sep-2024	38,312.79		Jul 1 - 15, 2024	30-Aug-2024	81,029.79	\$9,900.00	90,929.79
Aug 1 - 15, 2024	26-Sep-2024	27,938.87		Jul 16 - 31, 2024	9-Sep-2024	132,582.21		
Aug 16 - 31, 2024	26-Sep-2024	38,312.79		Aug 1 - 15, 2024			\$316,068.70	
Sept 1 - 15, 2024				Aug 16 - 31, 2024				
Sept 16 - 30, 2024				Sept 1 - 15, 2024				
Oct 1 - 15, 2024				Sept 16 - 30, 2024				
Oct 16 - 31, 2024				Oct 1 - 15, 2024				
Nov 1 - 15, 2024				Oct 16 - 31, 2024				
Nov 16 - 30, 2024				Nov 1 - 15, 2024				
Dec 1 - 15, 2024				Nov 16 - 30, 2024				
Dec 16 - 31, 2024				Dec 1 - 15, 2024				
				Dec 16 - 31, 2024				

Deal	Investor	Balance	Interest Rate	Maturity Date	
A-14	Logpin	\$1,550,000.00	7.50%	March 2023	8.50% + 1.00%
A-18	Logpin	\$3,450,000.00	7.50%	March 2023	Land leases sold closing June 2023
A-18	Goldfarb	\$2,000,000.00	7.50%	March 2023	Land leases sold closing June 2023
B-73	Logpin	\$ 380,000.00	7.00%	Payout Spring 23	
B-83	Logpin	\$4,708,334.00	8.00%	August 2024	131 Homes sold / property serviced in full
B-83	Goldfarb	\$2,366,666.00	8.00%	August 2024	131 Homes sold / property serviced in full
B-86	Logpin	\$2,516,667.33	9.00%	March 2023	
B-86	Goldfarb	\$1,433,332.67	9.00%	March 2023	
B-90	Logpin	\$ 700,000.00	10.25%	December 2023	
C-64	Logpin	\$ 540,000.00	8.50%	May 2023	
H-20	Logpin	\$ 600,000.00	9.00%	February 2024	
H-26	Logpin	\$ 420,000.00	8.00%	August 2023	
H-27	Logpin	\$1,150,000.00	9.00%	January 2024	Renewed at 10.50% 1 Year
I-24	Logpin	\$ 799,618.66	10.00%	July 2023	
J-17	Logpin	\$ 283,333.00	7.00%	September 2023	
J-17	Goldfarb	\$ 566,667.00	7.00%	September 2023	
K-19	Logpin	\$ 800,000.00	10.00%	September 2023	
L-16	Logpin	\$2,488,333.00	9.00%	April 2023	
L-16	Goldfarb	\$ 416,667.00	9.00%	April 2023	
M-27	Logpin	\$ 353,334.00	9.00%	April 2023	
M-27	Goldfarb	\$ 706,666.00	9.00%	April 2023	
M-35	Logpin	\$ 500,000.00	10.50%	December 2023	
M-37	Logpin	\$2,075,000.00	9.00%	July 2023	4 closings scheduled for Summer 2023
R-61	Logpin	\$ 350,000.00	8.00%	March 2023	
R-66	Logpin	\$1,338,334.00	10.00%	April 2023	
R-66	Goldfarb	\$ 966,666.00	10.00%	April 2023	
S-18	Logpin	\$ 985,000.00	11.00%	January 2024	
T-14	Logpin	\$1,945,000.00	9.00%	July 2023	
T-14	Goldfarb	\$1,000,000.00	9.00%	July 2023	
T-18	Logpin	\$2,000,000.00	9.00%	August 2023	
W-21	Logpin	\$ 200,000.00	7.50%	Payout June 23	
W-21	Goldfarb	\$ 400,000.00	7.50%	Payout June 23	
W-29	Logpin	\$ 500,000.00	9.00%	Payout June 23	
W-30	Logpin	\$1,050,000.00	8.00%	November 2023	6 Homes closing Summer 23 / Payout in full

Goldfarb Corp - Sussman Loans Sept 30, 2024

Sussman Loan #	GL Account	Sussman Balance at Aug 31, 2024	GL Balance at Aug 31, 2024
B-83	1567	2,366,666.00	2,366,666.00
J-17	1568	566,667.00	566,667.00
A-18	1569	2,000,000.00	2,000,000.00
L-16	1571	416,667.00	416,667.00
M-27	1575	706,666.00	706,666.00
B-86	1581	1,433,332.67	1,433,332.67
T-14	1585	1,000,000.00	1,000,000.00
R-66	1592	966,666.00	966,666.00
W-21	1594	400,000.00	400,000.00
		9,856,664.67	9,856,664.67

Logpin Inv - Sussman Mortgage Funding Loan Summary

Loan #	GL Acct	Sussman Stmt's at Dec 31, 2023	Principal Pd in 2024	GL as at Sept 30, 2024
A-14	1319	1,550,000.00		1,550,000.00
A-18	1308	3,450,000.00		3,450,000.00
B-73	1320	380,000.00		380,000.00
B-83	1310	4,708,334.00		4,708,334.00
B-86	1318	2,516,667.33		2,516,667.33
B-90	1349	600,000.00		600,000.00
C-64	1337	540,000.00		540,000.00
H-20	1303	600,000.00		600,000.00
H-26	1350	420,000.00		420,000.00
H-27	1351	1,150,000.00		1,150,000.00
I-24	1317	717,114.17	-66,068.70	651,045.47
J-17	1315	283,333.00		283,333.00
K-19	1301	800,000.00		800,000.00
L-16	1314	2,488,333.00		2,488,333.00
M-27	1334	353,334.00		353,334.00
M-35	1312	500,000.00		500,000.00
M-37	1326	1,825,000.00	-250,000.00	1,575,000.00
R-61	1336	350,000.00		350,000.00
R-66	1328	1,338,334.00		1,338,334.00
S-18	1340	985,000.00		985,000.00
T-14	1335	1,945,000.00		1,945,000.00
T-18	1344	2,000,000.00		2,000,000.00
W-21	1306	200,000.00		200,000.00
W-29	1323	500,000.00		500,000.00
W-30	1324	1,050,000.00		1,050,000.00
		31,250,449.50	-316,068.70	30,934,380.80

APPENDIX “B”

FSRA’s Email dated November 14, 2024


File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc.


workbasket cets file search my cets files file home file summary file activity

This Site: File #54845: Stanley (▼)

File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. > File Emails > File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. 10666

File Emails: File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. 10666

 Print Email in Outlook

 Alert Me

From	Christine Brown-Abdul <Christine.Brown-Abdul@fsrao.ca>
To	
Cc	
Sent	Thursday, November 14, 2024 4:35:37 PM
Subject	File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. 10666
Title	File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. 10666

Email Body

Hello Mr. Goldfarb,

I am a Compliance Officer at FSRA who has been assigned to review your complaint submission regarding Sussman Mortgage Funding Inc.

I am diligently working through the details of the case, but do not have any specific questions for you currently. I will reach out should I have any additional questions during my review.

Thank you for bringing this to our attention.

Regards,

Christine Brown-Abdul
Compliance Officer
Complaints and Risk Assessment, Market Conduct
Financial Services Regulatory Authority (FSRA)

T: 437-688-9335
E: Christine.Brown-Abdul@fsrao.ca
www.fsrao.ca

Expires

Created from e-mail at 11/14/2024 4:35 PM by FSRAO\CBrownAb

Last modified at 11/14/2024 4:35 PM by FSRAO\CBrownAb

APPENDIX “C”

FSRA’s Email dated November 18, 2024

File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc.

workbasket cets file search my cets files file home file This Site: File #54845: Stanley (▼)

[File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc.](#) > [File Emails](#) > FW: File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. 10666

[File Emails](#): FW: File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. 10666

 [Print Email in Outlook](#)

 [Alert Me](#)

From	Christine Brown-Abdul <Christine.Brown-Abdul@fsrao.ca>
To	
Cc	
Sent	Monday, November 18, 2024 12:54:31 PM
Subject	FW: File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. 10666
Title	FW: File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. 10666

Email Body

Hello Mr. Goldfarb,

I hope this email finds you well! I attempted to call you earlier this morning . I left you a voice message, but wanted to follow-up with an email a well to ensure you received my message.

Please let me know if you have some time to speak with me over the phone.

My available times are :

Today Nov 18th: between 1.30-3 Pm

Tuesday Nov 19th between 1- 3 pm

Friday 9 am -10 am ; 1-3 pm

I look forward to hearing from you soon.

Christine Brown-Abdul
Compliance Officer
Complaints and Risk Assessment, Market Conduct
Financial Services Regulatory Authority (FSRA)

T: 437-688-9335
E: Christine.Brown-Abdul@fsrao.ca
www.fsrao.ca

From: Christine Brown-Abdul

Sent: Thursday, November 14, 2024 4:36 PM

Subject: File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. 10666

Hello Mr. Goldfarb,

I am a Compliance Officer at FSRA who has been assigned to review your complaint submission regarding Sussman Mortgage Funding Inc.

I am diligently working through the details of the case, but do not have any specific questions for you currently.
I will reach out should if I have any additional questions during my review.

Thank you for bringing this to our attention.

Regards,

Christine Brown-Abdul
Compliance Officer
Complaints and Risk Assessment, Market Conduct
Financial Services Regulatory Authority (FSRA)

T: 437-688-9335
E: Christine.Brown-Abdul@fsrao.ca
www.fsrao.ca

Expires

Created from e-mail at 11/18/2024 12:54 PM by FSRAO\CBrownAb

Last modified at 11/18/2024 12:54 PM by FSRAO\CBrownAb

APPENDIX “D”

FSRA’s Letter dated December 4, 2024



Financial Services Regulatory
Authority of Ontario



Autorité ontarienne de réglementation
des services financiers

www.fsrao.ca

25 Sheppard Ave W.
Suite 100
Toronto ON
M2N 6S6

Telephone: 416 250 7250
Toll free: 1 800 668 0128

25, avenue Sheppard Ouest
bureau 100
Toronto (Ontario)
M2N 6S6

Téléphone : 416 250 7250
Sans frais : 1 800 668 0128

December 4, 2024

Stanley Goldfarb

Re: File Number File #54845: Stanley Goldfarb vs Sussman Mortgage

We have completed our review of your complaint, received on November 12, 2024, against Sussman Mortgage Funding. You allege that Sussman Mortgage Funding Inc. has defaulted on a \$40 million plus loan from two companies, failing to pay both interest and principal for several months despite a payment schedule set in late 2022.

The Financial Services Regulatory Authority of Ontario (FSRA) is a crown corporation that regulates mortgages in Ontario. When there may be non-compliance with legislation and regulations, FSRA investigates and takes appropriate enforcement action against any persons or entities that are contravening or failing to comply with the acts we regulate.

Based on the information provided and our review thereof, this matter is outside FSRA's authority as it is contractual, and contractual obligations are not governed under the [Mortgage Brokerages, Lenders and Administrators Act, 2006](#) (MBLAA, 2006).

FSRA has no authority to intervene in contractual matters, including those between a borrower and a lender or to recover funds on consumer's behalf. We are restricted to matters regulated by the MBLAA or any of its Regulations in relation to FSRA licensees. FSRA also cannot seek compensation on behalf of an individual or resolve individual disputes. If you are seeking compensation, you will need to take your own action.

If you intend to initiate legal proceedings and need to better understand your options, you can take advantage of a free 30-minute consultation with a lawyer through the [Law Society of Ontario's Referral Service](#) as there may be deadlines and limitations to consider.

We wish you the best outcome for your situation. We have now closed our file.

Sincerely,

Christine Brown-Abdul
Compliance Officer, Complaints & Risk Assessment

APPENDIX “E”

File Activity Notes

File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc.

workbasket cets file search my cets files file home file This Site: File #54845: Stanley (▼)

File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. > File Activity > Case Notes

File Activity: Case Notes

Alert Me

Version History

File Type Stream	Complaint
Process	File Review or Update
Activity	File Review/Update
Description	Case Notes
Activity Priority	(2) Normal
Start Date	11/14/2024
Due Date	
End Date	12/4/2024
Activity Status	Completed
Assigned/Referred to Area	Market Conduct Compliance Unit
Assigned/Referred to Staff	FSRAO\CBrownAb
Assigned/Referred Date	11/14/2024
FYI	
Activity Notes	<div>File assigned Nov 14th, 2024</div> <div>Initial Contact completed via email</div> <div>Nov 18/24</div> <div>CO left a VM for complainant , Hoping to speak with him over the phone about he complaint. Followed-up with an email</div> <div>2 p.m</div> <div>CO spoke to the complainant, who reiterated his allegations as stated above. He hopes FSRA can assist with recovering his funds for the past 4 months.</div> <div>CO explained that FSRA cannot seek compensation on his behalf and recommended he seek legal advice.</div> <div>Dec 4</div> <div>Closed file -No Jurisdiction. RAPR is not required</div>
Form Template	
Form	

Content Type: File Review or Update

Version: 7.0

Created at 11/14/2024 2:35 PM by FSRAO\CBrownAb

Last modified at 12/4/2024 12:36 PM by FSRAO\CBrownAb

File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc.

workbasket cets file search my cets files file home file summary

This Site: File #54845: Stanley (▼)

File #54845: Stanley Goldfarb vs Sussman Mortgage Funding Inc. > File Activity > Initial Report/Final Report

File Activity: Initial Report/Final Report

Alert Me Version History

File Type Stream	Complaint
Process	File Review or Update
Activity	File Review/Update
Description	Initial Report/Final Report
Activity Priority	(2) Normal
Start Date	11/14/2024
Due Date	
End Date	12/4/2024
Activity Status	Completed
Assigned/Referred to Area	Market Conduct Compliance Unit
Assigned/Referred to Staff	FSRAO\CBrownAb
Assigned/Referred Date	11/14/2024
FYI	
Activity Notes	<div>***** HOW RECEIVED ***** 1. Complaint received by FSRA on Nov 12th, 2024 2. File assigned to CO Christine Brown-Abdul on Nov 14th, 2024 ***** NATURE OF COMPLAINT ***** The complainant Stanley Goldfarb alleges financial default and mismanagement against Sussman Mortgage Funding Inc. operating as Mortgage Funding, involving 40 million from 2 companies. Despite providing a payment schedule in late 2022, Sussman Mortgage has allegedly failed to adhere to the agreement terms . The core allegation is that Sussman Mortgage has not paid the interest nor the principal for the 3-4 months. Complainant is seeking help to recover the funds they have loaned. ***** PROFILE ***** <div></div> COMPLAINT AGAINST: Sussman Mortgage Funding Inc. operating as Mortgage Funding</div>

Mortgage Brokerage Licence Information:

Licence #: 10666

Contact Information: 129 Dunlop Street East Barrie ON L4M1A6

Telephone: 705-726-0981

Principal Broker: CHMIEL, MARY

Status: Licensed

SUSSMAN, SANDFORD L (SANDY SUSSMAN)

Mortgage Agent/Broker Licence Information:

Agent/Broker Name: SUSSMAN, SANDFORD L (SANDY SUSSMAN)

Licence #: M14001182

Brokerage Name: Sussman Mortgage Funding Inc. operating as Mortgage Funding

Licence Class: Agent Level 2

Status: Authorized to Sell

Issue Date: April 1, 2024

Expiry Date: March 31, 2025

705-726-0981

mortgagefunding@rogers.com

SEARCHES:

CETS : multiple CETS files (11) related to several reviews, desk review , examination, compliance and complaint

CanLii:

<https://www.canlii.org/en/on/onfst/doc/2003/2003onfst2/2003onfst2.html?resultId=a10a2b4e50fa417a823efed79870adf5&searchId=2024-11-18T11:14:23:474/343bb0c2524347e389d0b91a4601ef4f>

* It is reasonable to assume that this matter, being a judgment from 2003, has been adjudicated.

Degree of Risk: N/A

ANALYSIS

Initial Analysis

- Consent received (box checked off)
- Final Position not provided

Nov 18/ 24

CO spoke to the complainant, who reiterated his allegations as stated above. He hopes FSRA can assist with recovering the funds for the past 4 months.

CO explained that FSRA cannot seek compensation on his behalf and recommended he seek legal advice.

Hence, the disposition is no jurisdiction.

POSSIBLE CONTRAVENTIONS

Not applicable

DISPOSITION

No jurisdiction

RISK

low

Next Steps

Close file

Form Template

Form

Content Type: File Review or Update
Version: 13.0
Created at 11/14/2024 2:35 PM by FSRAO\CBrownAb
Last modified at 12/4/2024 10:36 AM by FSRAO\CBrownAb

APPENDIX “F”

Assignment of Co-Tenancy Interest and Cash Flow dated December 30, 2024 (Ballymore)

ASSIGNMENT OF CO-TENANCY INTEREST AND CASH FLOW

THIS AGREEMENT made as of the 30th day of December, 2024.

BY:

2486976 Ontario Inc.
(hereinafter called the “Assignor”)

IN FAVOUR OF:

LOGPIN INVESTMENTS LIMITED, on its own behalf and on
behalf of The Goldfarb
Corporation, Jeffrey Goldfarb and Gary Goldfarb
(hereinafter called the “Lender”)

WHEREAS the Assignor holds an undivided forty nine point nine eight (49.98%) co-tenancy interest in the Lands, pursuant to a Joint Venture Agreement dated January 19, 2016 and amended March, 2016 (collectively the “**Joint Venture Agreement**”) with respect to the lands set out in Schedule A of the Joint Venture Agreement (the “**Lands**”);

AND WHEREAS Sussman Mortgage Funding Inc. (“**Sussman**”) is a registered mortgage broker in the Province of Ontario;

AND WHEREAS the Assignor and Sussman are related companies with common directors, officers and shareholders;

AND WHEREAS Sussman was the registered owner of a mortgage on the Lands registered as Instrument No. SC1293088 (the “**Mortgage**”);

AND WHEREAS the Assignor, as beneficial owner of an undivided interest in the Lands, was aware of and agreed to the Mortgage which was assigned to Sussman;

AND WHEREAS, Sussman, as mortgage broker, syndicated the Mortgage to certain investors, including the Lender, The Goldfarb Corporation, Jeffrey Goldfarb and Gary Goldfarb, under Sussman’s syndicated loans numbered B-86, B -83, L-16 and C-64 (the “**Syndicated Loans**”) for a total of Fourteen Million Nine Hundred Nineteen Thousand Nine Hundred Ninety Dollars (\$14,919,990.00);

AND WHEREAS the principal balance of the Syndicated Loans exceeded the principal balance payable to Sussman under the Mortgage;

AND WHEREAS payment of principal were made under the Mortgage to Sussman which payment were not paid by Sussman to the Lender to repay the Syndicated Loans;

AND WHEREAS the Assignor and Sussman agreed that they owe the Lender the principal amount of Fourteen Million Nine Hundred Nineteen Thousand Nine Hundred Ninety Dollars (\$14,919,990.00) pursuant to the Syndicated Loans;

AND WHEREAS the Assignor and Sussman have executed a certain demand promissory note (the "Note") dated even date herewith to confirm the amount that they owe to the Lender (the "Loan");

AND WHEREAS the Assignor holds an undivided forty nine point nine eight (49.98%) co-tenancy interest in the Lands, pursuant to a Joint Venture Agreement dated January 19, 2016 and amended March, 2016 (the "Joint Venture");

AND WHEREAS Ballymore Building (Innisfil) Corp. is the registered owner of the Lands and holds an undivided 49.98% interest in the Lands in trust for the Assignor.

AND WHEREAS the Lender has agreed to forego making immediate demand under the Note and commencing enforcement proceedings on the Note in consideration of the Assignor assigning its interest and cash flow from the Joint Venture in accordance with the terms hereof;

AND WHEREAS as security for amounts owing to the Lender for the Loan pursuant to the Note, the Assignor has agreed, among other things, to execute and deliver this agreement in favour of the Lender;

NOW THEREFORE, in consideration of the Lender foregoing immediate enforcement of the Note and the payment by the Lender to the Assignor of \$2.00 (the receipt and sufficiency whereof is hereby acknowledged by the Assignor) and for other good and valuable consideration, the Assignor covenants with the Lender as follows;

ARTICLE I **DEFINITIONS**

1.01 **Definitions:** Capitalized terms used in this Agreement have the respective meanings ascribed thereto in this section:

- (a) **"Co-Tenancy Interest"** means an undivided forty nine point nine eight percent (49.98%) co-tenancy interest of the Assignor in respect of the Lands;
- (b) **"Indebtedness"** means all present and future debts and liabilities due or to become due, absolute or contingent, direct or indirect, now existing or hereafter arising owing by the Assignor and/or Sussman to the Lender, whether pursuant to the Note or otherwise and includes any extensions,

renewals or replacements thereof and includes the Loan, and whether the said obligations are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again;

- (c) **“Lands”** means the lands and premises set out in Schedule A of the Joint Venture Agreement that have not yet been sold to third party purchasers for value; and

ARTICLE II **ASSIGNMENT AND ATTACHMENT**

2.01 **Assignment:** As continuing security for the payment of the Indebtedness and the performance, fulfillment and satisfaction of all covenants, obligations and conditions on the part of the Assignor set out herein, the Assignor assigns and transfers to and in favour of the Lender all of its Co-Tenancy Interest and the Assignor also grants to and in favour of the Lender a security interest in all amounts owing or distributable to the Assignor pursuant to the Co-Tenancy Interest (the “Cash Flow”).

2.02 **Attachment:** The Assignor and the Lender confirm that they have not postponed or agreed to postpone the time for attachment of the security interests constituted by this Agreement and that the Assignor has received value.

ARTICLE III **ACKNOWLEDGEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS**

3.01 **Burdens Not Assigned:** The Assignor expressly acknowledges and agrees that all liabilities, obligations and other burdens arising from the Co-Tenancy Interest are reserved exclusively to the Assignor and are not included in the property and assets that are assigned, transferred and otherwise encumbered to or in favour of the Lender.

3.02 **Further Acknowledgement of Assignor:** The Assignor acknowledges that neither this Agreement nor the assignment set out herein:

- (a) shall in any way lessen or relieve the Assignor from its obligations to perform, fulfill and satisfy its covenants or obligations arising from the Co-Tenancy Interest or any part thereof;
- (b) imposes any obligation on the Lender to assume any obligation under, or to perform, fulfill or satisfy any covenant or obligation arising from the Co-Tenancy Interest or any part thereof; and
- (c) imposes any liability on the Lender for any act or omission on its part in connection with this Agreement, the assignment constituted hereby, the Co-Tenancy Interest or any part thereof.

3.03 **Positive Covenants of Assignor:** The Assignor covenants and agrees:

- (a) to perform, fulfill and satisfy all covenants and obligations arising from the Co-Tenancy Interest or any part thereof;
- (b) to deliver to the Lender a copy of all written notices, demands or requests given in connection with the Co-Tenancy Interest or any part thereof that are received by the Assignor, forthwith upon receipt of same and that are delivered by the Assignor, contemporaneously with the delivery of same;
- (c) to indemnify and save the Lender harmless from and against any losses, damages, costs and expenses (including legal fees and disbursements on a solicitor and his own client basis) suffered or incurred by the Lender in connection with, on account of or by reason of:
 - (i) the assignment to the Lender of the Co-Tenancy Interest and any obligation of the Lender resulting therefrom to perform, fulfill or satisfy any covenant or obligation arising from the Co-Tenancy Interest or any part thereof;
 - (ii) any failure of the Assignor to observe, perform or satisfy its covenants, obligations and all other provisions set out in this Agreement or arising from the Co-Tenancy Interest or any part thereof; and
 - (iii) the enforcement by the Lender of the assignment constituted by this Agreement;
- (d) to notify the Lender in writing as soon as the Assignor becomes aware of any Dispute (as hereinafter defined), claim or litigation in respect of the Co-Tenancy Interest or any part thereof or of any breach or default by the Assignor or any other person, firm or corporation in the performance or satisfaction of any of the covenants or obligations arising from the Co-Tenancy Interest or any part thereof;
- (e) to obtain such consents from third parties as may be necessary or required in connection with the assignments constituted by this Agreement and, in addition, such other consents from third parties as the Lender may require or desire; and
- (f) that it will pay to the Lender upon demand all costs, fees and expenses including, without limitation, legal fees and disbursements on a solicitor and his own client basis, incurred by or on behalf of the Lender in connection with or arising out of or from this Agreement including, without limitation, any one or more of the following:

- (i) any act done or taken by or on behalf of the Lender, or any proceeding instituted by or on behalf of the Lender, the Assignor or any other person, firm or corporation, in connection with or in any way relating to any one or more of this Agreement or any part thereof, the preservation, protection, enforcement or realization of the Co-Tenancy Interest or any part thereof, the recovery of the Indebtedness or any part thereof and responding to enquiries regarding the scope of the security interest perfected by the registration of a financing statement under the Personal Property Security Act of Ontario (the "Act"); and
- (ii) all amounts incurred or paid by the Lender pursuant to Section 4.01 hereof;

together with interest thereon from the date of the incurring of such expenses at the highest rate provided for in any of the loan documents given by the Borrower to the Lender. Whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Lender under this subsection shall be added to the Indebtedness; and

- (g) furnish to the Lender in writing all information requested by the Lender relating to the Co-Tenancy Interest or any part thereof.

3.04 Negative Covenants of Assignor: The Assignor covenants and agrees that it shall not without the consent of the Lender in writing:

- (a) sell, assign, transfer or dispose of the Co-Tenancy Interest, the Lands, or any part thereof nor do, nor permit to be done, any act or thing whereby the Lender may be prevented or hindered from so doing;
- (b) pledge, charge, mortgage, hypothecate, create a security interest in or otherwise encumber the Co-Tenancy Interest, the Lands, or any part thereof except for any pledge or charge to any project lender for the development of the Lands;
- (c) give any consent or approval contemplated by, or required or permitted to be given pursuant to the Co-Tenancy Interest; or
- (d) settle or resolve any Dispute.

Notwithstanding the foregoing, the security interest created herein is subject to any existing project financing or future project financing for the development of the lands. The Lender shall provide such postponements as may be required by any project lender.

3.05 Representations and Warranties of Assignor: The Assignor represents and warrants to the Lender that:

- (a) the Assignor has good, valid and legal right to absolutely assign and transfer to the Lender the Co-Tenancy Interest, free and clear of all assignments, mortgages, charges, pledges, security interests and other encumbrances;
- (b) the Assignor has not received any notice of default or claim for set-off from any party to the Co-Tenancy Interest; and
- (c) the Co-Tenancy Interest is capable of assignment to the Lender in accordance with the provisions of this Agreement, and the consent of any third party required for the assignment set out in this Agreement or in connection with any further assignment by the Lender, is affixed hereto.

ARTICLE IV

DEFAULT AND REMEDIES

4.01 **Enforcement upon Default:** Without limiting in any manner whatsoever the Lender's rights, remedies and recourses pursuant to this Agreement, by operation of law or otherwise, if any of the representations and warranties set out in this Agreement is untrue or if the Assignor has defaulted under or pursuant to, or otherwise failed to perform, fulfill or satisfy any covenant, obligation or condition set out in, or upon the occurrence of an event described as an "Event of Default" or a "Default" in this Agreement or the Note (hereinafter collectively called a "**Default**") the Lender may from time to time and at any time, at its sole discretion, in its own name or in the name of the Assignor and without notice to the Assignor, do any one or more of the following:

- (a) perform, fulfill or satisfy any covenant or obligation arising from the Co-Tenancy Interest which could have been performed, fulfilled or satisfied by the Assignor;
- (b) exercise any of the rights, powers, authority and discretion which, pursuant to the Co-Tenancy Interest, could have been exercised by the Assignor including, without limitation, participating in all settlement negotiations and arbitration proceedings resulting from a dispute (the "Dispute") arising out of, in connection with or pursuant to any matter arising out of or pursuant to the Co-Tenancy Interest; and
- (c) collect any proceeds, receipts or income arising from or out of the Co-Tenancy Interest including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Lender or both, for the collection of same;

and in the event that the Lender does any one or more of the foregoing, for such period of time that the Lender continues to do so, the rights, powers, authority and discretion of the Assignor with respect thereto shall thereupon be extinguished.

The Assignor acknowledges and agrees that all costs and expenses incurred by the Lender or any receiver or receiver and manager in connection with doing anything permitted in this Section 4.01 including, without limitation, legal fees and disbursements on a solicitor and his own client basis, shall be forthwith paid by the Assignor to the Lender.

4.02 Application of Funds: All amounts realized from the Co-Tenancy Interest upon the enforcement of this Agreement shall be applied by the Lender firstly, to the payment of expenses owing hereunder, secondly, to the payment of such part of the Indebtedness as constitutes interest, and thirdly, to the payment of the balance of the Indebtedness; and any deficiency shall be and remain payable by the Assignor to the Lender. If any surplus remains after the payments itemized herein, such surplus shall be applied in the manner provided for in the Act. Notwithstanding the foregoing, the Lender reserves the right to interplead or make any appropriate application pursuant to the Trustee Act (Ontario) or any successor legislation thereto.

4.03 Lender Not Liable: Subject to the Act (as hereinafter defined) the Lender shall not be bound to do any one or more of the following:

- (a) give any notice;
- (b) exercise any rights, powers, authority, discretion or remedies whatsoever; and
- (c) institute proceedings for the purpose of seizing, realizing upon, disposing of the Co-Tenancy Interest or any part thereof or for the purpose of collecting or obtaining payment of the Indebtedness or any part thereof or for the purpose of preserving any rights of the Lender, the Assignor or any other person, firm or corporation in respect of same;

nor shall the Lender be liable or accountable for doing or failing to do any one or more of the foregoing. The Assignor shall be liable for all actions, causes of action, proceedings, debts, demands, claims, losses, damages and other liabilities incurred or suffered by the Assignor or the Lender by reason of or on account of any act or failure to act of the Lender.

ARTICLE V **ASSIGNMENT OF CASH FLOW**

5.01 Assignment: The Assignor assigns and transfers to the Lender the Cash Flow. All monies received by or on behalf of the Assignor and/or Sussman on account of any of the Cash Flow shall be received and held by the Assignor and/or Sussman in trust for the Lender and forthwith remitted by the Assignor and/or Sussman to the Lender.

ARTICLE VI **GENERAL CONTRACT PROVISIONS**

6.01 **Further Assurances:** The Assignor agrees to execute all such further assignments and other documents and to do all such further acts and things including obtaining any consents which are required by the Lender, from time to time, to more effectively assign and transfer the Co-Tenancy Interest to the Lender and the Lender is irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes.

6.02 **No Novation:** The assignment and transfer to the Lender of the Co-Tenancy Interest is continuing security granted to the Lender, without novation or impairment of any existing or future security held by the Lender in order to secure, among other things, payment to the Lender of the Indebtedness.

6.03 **Rights, Powers and Remedies:** Each right, power and remedy of the Lender provided for in this Agreement or available at law or in equity may be exercised separately from or in combination with, and is in addition to and not in substitution for, any other right, power and remedy of the Lender however created. Without limiting the generality of the foregoing, the taking of a judgment or judgments by the Lender shall not operate as a merger or affect the right of the Lender to interest as provided herein.

6.04 **Re-assignment:** Upon the Indebtedness being paid in full, the Lender shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Co-Tenancy Interest to the Assignor.

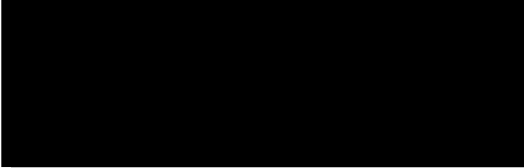
6.05 **Waiver:** No consent or waiver, express or implied, by the Lender to or of any breach or default by the Assignor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by the Assignor of its obligations hereunder. Failure on the part of the Lender to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder.

6.06 **Dealings with Persons:** The Lender may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Co-Tenancy Interest to third parties and otherwise deal with the Co-Tenancy Interest, the Assignor, debtors of the Assignor, sureties and others, as the Lender may see fit, without prejudice to the Lender's rights, powers and remedies whatsoever.

6.07 **Notices:** Any notice or demand which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally or by facsimile or electronic mail upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail addressed to the Assignor at:

Sandy Sussman
 129 Dunlop St East
 Barrie, ON L4M 1A6
 email: mortgagefunding@rogers.com

and to the Lender at:



The date of receipt of such notice or demand, if served personally or by facsimile or by electronic mail, shall be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. The Lender or the Assignor may, from time to time, change its address or stipulate another address from the address described in this Agreement by giving notice in the manner provided in this section.

6.08 **Entire Agreement:** This Agreement constitutes the entire agreement between the Lender and the Assignor pertaining to the assignment of the Co-Tenancy Interest and may not be amended in any manner except by written instrument signed by them. This Agreement shall enure to the benefit of the successors and assigns of the Lender and shall be binding upon the successors and permitted assigns of the Assignor.

6.09 **Survival:** All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances made by the Lender to the Assignor, and shall continue in full force and effect until the Indebtedness is paid in full. The representations and warranties made by the Assignor shall be deemed to have been relied upon by the Lender.

6.10 **Applicable Law:** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

6.11 **Number and Gender:** All nouns and personal pronouns relating hereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.

6.12 **Recitals Correct:** The Assignor confirms the validity and truth of the above noted recitals, which have the same force and effect as if repeated herein at length.

6.13 **Receipt of Copy:** The Assignor acknowledges receipt of a copy of this Agreement.

6.14 **Counterparts and Electronic Execution:** It is specifically acknowledged and agreed that this document may be transmitted by fax or electronic mail and shall be effective upon the undersigned as if executed and delivered in the original. This document may be signed by electronic signature.

6.15 **Independent Legal Representation:** The undersigned acknowledge and agree that the law firm of Owens Wright, LLP ("OW") has acted solely on behalf of and represent only the Holder, in respect of the Loan and this Assignment Agreement. The undersigned acknowledge, warrant and represent that they have been independently represented, prior to executing this Assignment Agreement and thereby becoming bound by its terms and subject to its obligations and have not been advised by OW with respect to any aspects of the loan evidenced by this Assignment Agreement. The undersigned hereby waive and agree not to assert or cause to be asserted on their behalf and acknowledge that they may be estopped from asserting or causing to be asserted on their behalf, any defences, claims or rights respecting the legal effect of the Assignment Agreement or the legality, validity or binding effect of their obligations hereunder or the enforceability of the Assignment Agreement.

2486976 ONTARIO INC.

Per: _____

Sandy Sussman

President

I have authority to bind the Corporation

ACKNOWLEDGMENT

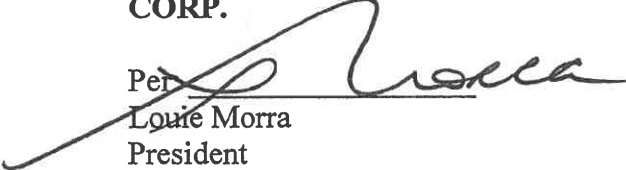
Ballymore Building (Innisfil) Corp. (the "Trustee") and Ballymore Development (Innisfil) Corp. ("Ballymore") hereby acknowledge receipt of the above Assignment, and in consideration of the sum of Ten (\$10.00) Dollars and other good and valuable consideration now paid to it by the Lender (the receipt of which is hereby acknowledged), agrees as follows:

1. The Joint Venture Agreement (as defined in the above Assignment) is in full force and effect and has not been amended so as to affect the interest of the Assignor in the property and assets held by the Trustee, and pursuant thereto, the Assignor now owns an undivided 49.98% interest in the property and assets now held by the Trustee.
2. The Joint Venture Agreement shall not be amended so as to effect a transfer, reduction, variance or waiver of the interest of the Assignor, as that interest appears in the Joint Venture Agreement, without the prior written consent of the Lender.

3. The Trustee and Ballymore hereby consent to the Assignor entering into this Assignment Agreement.

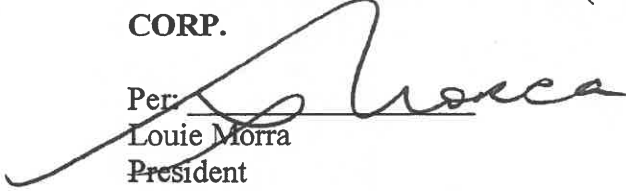
4. The Trustee and Ballymore agree to pay to the Lender all moneys, dividends, cash flow, waterfall payments and other amounts which may at any time be owing or payable to the Assignor, pursuant to the aforesaid Joint Venture Agreement.

**BALLYMORE BUILDING (INNISFIL)
CORP.**

Per 
Louie Morra
President

I have authority to bind the Corporation

**BALLYMORE DEVELOPMENT (INNISFIL)
CORP.**

Per 
Louie Morra
President

I have authority to bind the Corporation

APPENDIX "G"

Assignment of Co-Tenancy Interest and Cash Flow dated February 5, 2025 (Waterways)

ASSIGNMENT OF CO-TENANCY INTEREST AND CASH FLOW

THIS AGREEMENT made as of the 5th day of February, 2025.

BY:

1981361 Ontario Inc.
(hereinafter called the "**Assignor**")

IN FAVOUR OF:

LOGPIN INVESTMENTS LIMITED, on its own behalf and on
behalf of Jeffrey Goldfarb
(hereinafter called the "**Lender**")

WHEREAS the Assignor holds an undivided fifty (50%) co-tenancy interest in the Property, pursuant to Joint Venture Agreements dated as of January 30, 2020 and June 2, 2020 (collectively the "**Joint Venture Agreement**") with respect to the Property defined in the Joint Venture Agreement (the "**Property**");

AND WHEREAS Sussman Mortgage Funding Inc. ("**Sussman**") is a registered mortgage broker in the Province of Ontario;

AND WHEREAS 198 and Sussman are related companies with common directors, officers and shareholders;

AND WHEREAS Sussman was the registered owner of mortgages on parts of the Property registered as Instrument No. MT250770, MT244449, MT238164 and MT251982 (the "**Mortgages**");

AND WHEREAS, Sussman, as mortgage broker, syndicated the Mortgage to certain investors, including the Logpin Investment Limited, and Jeffrey Goldfarb (collectively called the "**Holder**"), under Sussman's syndicated loans numbered W-30 and M-27 (the "**Syndicated Loans**") for a total currently owing to the Holders of Two Million Four Hundred Twenty Thousand Dollars (\$2,420,000.00) plus accrued and unpaid interest;

AND WHEREAS Sussman held the Mortgage in trust, in part for Logpin Investments Limited and Jeffrey Goldfarb;

AND WHEREAS 198, as beneficial owner of an undivided interest in the Property, was aware of and agreed to the Mortgages and that they were syndicated and held in trust by Sussman;

AND WHEREAS Sussman received certain payments under the Mortgages and did not pay the Holder's share of the payments received by it to the Holder;

AND WHEREAS the principal balance still owing to the Holders pursuant to the Syndicated Loans exceeded the value of the Property still secured by the Mortgages as a result of Sussman having partially or fully discharge the Mortgages without paying the funds received to the Holder, as required;

AND WHEREAS Sussman and 198 both agree that the Sussman improperly, fraudulently and illegally, and in breach of Sussman's fiduciary duty, appropriated payments paid under the Syndicated Loans in violation of the laws of the Province of Ontario governing mortgage brokers and syndicated loans;

AND WHEREAS both Sussman and 198 were participants in and beneficiaries of the improper, illegal and fraudulent appropriation of funds by Sussman from Syndicated Loans;

AND WHEREAS Sussman and 198 made monthly interest payments to the Holder on the Syndicated Loans up until around August of 2024, notwithstanding that they were not receiving interest payments on the Mortgages;

AND WHEREAS after the Holder found out about the fraud of Sussman and 198, Sussman assigned the remainder of the Mortgages that were not yet discharged to Logpin Investments Limited to secure the Syndicated Loans;

AND WHEREAS there is a dispute as to the amount still owing on the Mortgages;

AND WHEREAS 198 and Sussman agree that they owe the Holder the principal amount of Two Million Four Hundred Twenty Thousand Dollars (\$2,420,000.00) plus accrued and unpaid interest from around August 2024, pursuant to the Syndicated Loans;

AND WHEREAS the Assignor and Sussman have executed a certain demand promissory note (the "Note") dated even date herewith to confirm the amount that they owe to the Lender (the "Loan");

AND WHEREAS the Assignor holds an undivided fifty (50%) co-tenancy interest in the Property, pursuant to the Joint Venture Agreement (the "Joint Venture");

AND WHEREAS Waterways of Muskoka Ltd. is the registered owner of the Property and holds an undivided 50% interest in the Property in trust for the Assignor.

AND WHEREAS the Lender has agreed to continue providing partial discharges on the Mortgage to facilitate lot closings without obtaining full payment of the Loan in consideration of the Assignor assigning its interest and cash flow from the Joint Venture in accordance with the terms hereof;

AND WHEREAS as security for amounts owing to the Lender for the Loan pursuant to the Note, the Assignor has agreed, among other things, to execute and deliver this agreement in favour of the Lender;

NOW THEREFORE, in consideration of the Lender continue providing partial discharges on the Mortgage to facilitate lot closings without obtaining full payment of the Loan and the payment by the Lender to the Assignor of \$10.00 (the receipt and sufficiency whereof is hereby acknowledged by the Assignor) and for other good and valuable consideration, the Assignor covenants with the Lender as follows;

ARTICLE I **DEFINITIONS**

1.01 **Definitions:** Capitalized terms used in this Agreement have the respective meanings ascribed thereto in this section:

- (a) **"Co-Tenancy Interest"** means an undivided fifty percent (50%) co-tenancy interest of the Assignor in respect of the Property;
- (b) **"Indebtedness"** means all present and future debts and liabilities due or to become due, absolute or contingent, direct or indirect, now existing or hereafter arising owing by the Assignor and/or Sussman to the Lender, whether pursuant to the Note or otherwise and includes any extensions, renewals or replacements thereof and includes the Loan, and whether the said obligations are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again;
- (c) **"Property"** means the Property as defined in the Joint Venture Agreement that have not yet been sold to third party purchasers for value; and

ARTICLE II **ASSIGNMENT AND ATTACHMENT**

2.01 **Assignment:** As continuing security for the payment of the Indebtedness and the performance, fulfillment and satisfaction of all covenants, obligations and conditions on the part of the Assignor set out herein, the Assignor assigns and transfers to and in favour of the Lender all of its Co-Tenancy Interest and the Assignor also grants to and in favour of the Lender a security interest in all amounts owing or distributable to the Assignor pursuant to the Co-Tenancy Interest (the **"Cash Flow"**).

2.02 **Attachment:** The Assignor and the Lender confirm that they have not postponed or agreed to postpone the time for attachment of the security interests constituted by this Agreement and that the Assignor has received value.

ARTICLE III

ACKNOWLEDGEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

3.01 **Burdens Not Assigned:** The Assignor expressly acknowledges and agrees that all liabilities, obligations and other burdens arising from the Co-Tenancy Interest are reserved exclusively to the Assignor and are not included in the property and assets that are assigned, transferred and otherwise encumbered to or in favour of the Lender.

3.02 **Further Acknowledgement of Assignor:** The Assignor acknowledges that neither this Agreement nor the assignment set out herein:

- (a) shall in any way lessen or relieve the Assignor from its obligations to perform, fulfill and satisfy its covenants or obligations arising from the Co-Tenancy Interest or any part thereof;
- (b) imposes any obligation on the Lender to assume any obligation under, or to perform, fulfill or satisfy any covenant or obligation arising from the Co-Tenancy Interest or any part thereof; and
- (c) imposes any liability on the Lender for any act or omission on its part in connection with this Agreement, the assignment constituted hereby, the Co-Tenancy Interest or any part thereof.

3.03 **Positive Covenants of Assignor:** The Assignor covenants and agrees:

- (a) to perform, fulfill and satisfy all covenants and obligations arising from the Co-Tenancy Interest or any part thereof;
- (b) to deliver to the Lender a copy of all written notices, demands or requests given in connection with the Co-Tenancy Interest or any part thereof that are received by the Assignor, forthwith upon receipt of same and that are delivered by the Assignor, contemporaneously with the delivery of same;
- (c) to indemnify and save the Lender harmless from and against any losses, damages, costs and expenses (including legal fees and disbursements on a solicitor and his own client basis) suffered or incurred by the Lender in connection with, on account of or by reason of:
 - (i) the assignment to the Lender of the Co-Tenancy Interest and any obligation of the Lender resulting therefrom to perform, fulfill or satisfy any covenant or obligation arising from the Co-Tenancy Interest or any part thereof;

- (ii) any failure of the Assignor to observe, perform or satisfy its covenants, obligations and all other provisions set out in this Agreement or arising from the Co-Tenancy Interest or any part thereof; and
 - (iii) the enforcement by the Lender of the assignment constituted by this Agreement;
- (d) to notify the Lender in writing as soon as the Assignor becomes aware of any Dispute (as hereinafter defined), claim or litigation in respect of the Co-Tenancy Interest or any part thereof or of any breach or default by the Assignor or any other person, firm or corporation in the performance or satisfaction of any of the covenants or obligations arising from the Co-Tenancy Interest or any part thereof;
- (e) to obtain such consents from third parties as may be necessary or required in connection with the assignments constituted by this Agreement and, in addition, such other consents from third parties as the Lender may require or desire; and
- (f) that it will pay to the Lender upon demand all costs, fees and expenses including, without limitation, legal fees and disbursements on a solicitor and his own client basis, incurred by or on behalf of the Lender in connection with or arising out of or from this Agreement including, without limitation, any one or more of the following:
- (i) any act done or taken by or on behalf of the Lender, or any proceeding instituted by or on behalf of the Lender, the Assignor or any other person, firm or corporation, in connection with or in any way relating to any one or more of this Agreement or any part thereof, the preservation, protection, enforcement or realization of the Co-Tenancy Interest or any part thereof, the recovery of the Indebtedness or any part thereof and responding to enquiries regarding the scope of the security interest perfected by the registration of a financing statement under the Personal Property Security Act of Ontario (the "Act"); and
 - (ii) all amounts incurred or paid by the Lender pursuant to Section 4.01 hereof;

together with interest thereon from the date of the incurring of such expenses at the highest rate provided for in any of the loan documents given by the Borrower to the Lender. Whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Lender under this subsection shall be added to the Indebtedness; and

- (g) furnish to the Lender in writing all information requested by the Lender relating to the Co-Tenancy Interest or any part thereof.

3.04 **Negative Covenants of Assignor:** The Assignor covenants and agrees that it shall not without the consent of the Lender in writing:

- (a) sell, assign, transfer or dispose of the Co-Tenancy Interest, the Property, or any part thereof nor do, nor permit to be done, any act or thing whereby the Lender may be prevented or hindered from so doing;
- (b) pledge, charge, mortgage, hypothecate, create a security interest in or otherwise encumber the Co-Tenancy Interest, the Property, or any part thereof;
- (c) give any consent or approval contemplated by, or required or permitted to be given pursuant to the Co-Tenancy Interest; or
- (d) settle or resolve any Dispute.

3.05 **Representations and Warranties of Assignor:** The Assignor represents and warrants to the Lender that:

- (a) the Assignor has good, valid and legal right to absolutely assign and transfer to the Lender the Co-Tenancy Interest, free and clear of all assignments, mortgages, charges, pledges, security interests and other encumbrances;
- (b) the Assignor has not received any notice of default or claim for set-off from any party to the Co-Tenancy Interest; and
- (c) the Co-Tenancy Interest is capable of assignment to the Lender in accordance with the provisions of this Agreement, and the consent of any third party required for the assignment set out in this Agreement or in connection with any further assignment by the Lender, is affixed hereto.

ARTICLE IV **DEFAULT AND REMEDIES**

4.01 **Enforcement upon Default:** Without limiting in any manner whatsoever the Lender's rights, remedies and recourses pursuant to this Agreement, by operation of law or otherwise, if any of the representations and warranties set out in this Agreement is untrue or if the Assignor has defaulted under or pursuant to, or otherwise failed to perform, fulfill or satisfy any covenant, obligation or condition set out in, or upon the occurrence of an event described as an "Event of Default" or a "Default" in this Agreement or the Note (hereinafter collectively called a "Default") the Lender may from time to time and at any time, at its sole discretion, in its own name or in the name of the Assignor and without notice to the Assignor, do any one or more of the following:

- (a) perform, fulfill or satisfy any covenant or obligation arising from the Co-Tenancy Interest which could have been performed, fulfilled or satisfied by the Assignor;
- (b) exercise any of the rights, powers, authority and discretion which, pursuant to the Co-Tenancy Interest, could have been exercised by the Assignor including, without limitation, participating in all settlement negotiations and arbitration proceedings resulting from a dispute (the "Dispute") arising out of, in connection with or pursuant to any matter arising out of or pursuant to the Co-Tenancy Interest; and
- (c) collect any proceeds, receipts or income arising from or out of the Co-Tenancy Interest including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Lender or both, for the collection of same;

and in the event that the Lender does any one or more of the foregoing, for such period of time that the Lender continues to do so, the rights, powers, authority and discretion of the Assignor with respect thereto shall thereupon be extinguished.

The Assignor acknowledges and agrees that all costs and expenses incurred by the Lender or any receiver or receiver and manager in connection with doing anything permitted in this Section 4.01 including, without limitation, legal fees and disbursements on a solicitor and his own client basis, shall be forthwith paid by the Assignor to the Lender.

4.02 Application of Funds: All amounts realized from the Co-Tenancy Interest upon the enforcement of this Agreement shall be applied by the Lender firstly, to the payment of expenses owing hereunder, secondly, to the payment of such part of the Indebtedness as constitutes interest, and thirdly, to the payment of the balance of the Indebtedness; and any deficiency shall be and remain payable by the Assignor to the Lender. If any surplus remains after the payments itemized herein, such surplus shall be applied in the manner provided for in the Act. Notwithstanding the foregoing, the Lender reserves the right to interplead or make any appropriate application pursuant to the Trustee Act (Ontario) or any successor legislation thereto.

4.03 Lender Not Liable: Subject to the Act (as hereinafter defined) the Lender shall not be bound to do any one or more of the following:

- (a) give any notice;
- (b) exercise any rights, powers, authority, discretion or remedies whatsoever; and
- (c) institute proceedings for the purpose of seizing, realizing upon, disposing of the Co-Tenancy Interest or any part thereof or for the purpose of collecting or obtaining payment of the Indebtedness or any part thereof or for the purpose

of preserving any rights of the Lender, the Assignor or any other person, firm or corporation in respect of same;

nor shall the Lender be liable or accountable for doing or failing to do any one or more of the foregoing. The Assignor shall be liable for all actions, causes of action, proceedings, debts, demands, claims, losses, damages and other liabilities incurred or suffered by the Assignor or the Lender by reason of or on account of any act or failure to act of the Lender.

ARTICLE V **ASSIGNMENT OF CASH FLOW**

5.01 **Assignment:** The Assignor assigns and transfers to the Lender the Cash Flow. All monies received by or on behalf of the Assignor and/or Sussman on account of any of the Cash Flow shall be received and held by the Assignor and/or Sussman in trust for the Lender and forthwith remitted by the Assignor and/or Sussman to the Lender.

ARTICLE VI **GENERAL CONTRACT PROVISIONS**

6.01 **Further Assurances:** The Assignor agrees to execute all such further assignments and other documents and to do all such further acts and things including obtaining any consents which are required by the Lender, from time to time, to more effectively assign and transfer the Co-Tenancy Interest to the Lender and the Lender is irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes.

6.02 **No Novation:** The assignment and transfer to the Lender of the Co-Tenancy Interest is continuing security granted to the Lender, without novation or impairment of any existing or future security held by the Lender in order to secure, among other things, payment to the Lender of the Indebtedness.

6.03 **Rights, Powers and Remedies:** Each right, power and remedy of the Lender provided for in this Agreement or available at law or in equity may be exercised separately from or in combination with, and is in addition to and not in substitution for, any other right, power and remedy of the Lender however created. Without limiting the generality of the foregoing, the taking of a judgment or judgments by the Lender shall not operate as a merger or affect the right of the Lender to interest as provided herein.

6.04 **Re-assignment:** Upon the Indebtedness being paid in full, the Lender shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Co-Tenancy Interest to the Assignor.

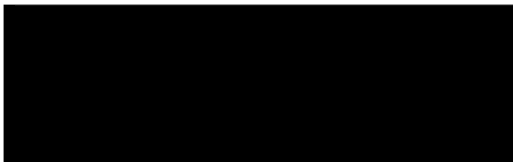
6.05 **Waiver:** No consent or waiver, express or implied, by the Lender to or of any breach or default by the Assignor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by the Assignor of its obligations hereunder. Failure on the part of the Lender to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder.

6.06 **Dealings with Persons:** The Lender may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Co-Tenancy Interest to third parties and otherwise deal with the Co-Tenancy Interest, the Assignor, debtors of the Assignor, sureties and others, as the Lender may see fit, without prejudice to the Lender's rights, powers and remedies whatsoever.

6.07 **Notices:** Any notice or demand which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally or by facsimile or electronic mail upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail addressed to the Assignor at:

Sandy Sussman
129 Dunlop St East
Barrie, ON L4M 1A6
email: mortgagefunding@rogers.com

and to the Lender at:



The date of receipt of such notice or demand, if served personally or by facsimile or by electronic mail, shall be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. The Lender or the Assignor may, from time to time, change its address or stipulate another address from the address described in this Agreement by giving notice in the manner provided in this section.

6.08 **Entire Agreement:** This Agreement constitutes the entire agreement between the Lender and the Assignor pertaining to the assignment of the Co-Tenancy Interest and may not be amended in any manner except by written instrument signed by them. This Agreement shall enure to the benefit of the successors and assigns of the Lender and shall be binding upon the successors and permitted assigns of the Assignor.

6.09 **Survival:** All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances made by the Lender to the Assignor, and shall continue in full force and effect until the Indebtedness is paid in full. The representations and warranties made by the Assignor shall be deemed to have been relied upon by the Lender.

6.10 **Applicable Law:** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

6.11 **Number and Gender:** All nouns and personal pronouns relating hereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.

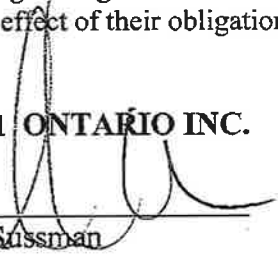
6.12 **Recitals Correct:** The Assignor confirms the validity and truth of the above noted recitals, which have the same force and effect as if repeated herein at length.

6.13 **Receipt of Copy:** The Assignor acknowledges receipt of a copy of this Agreement.

6.14 **Counterparts and Electronic Execution:** It is specifically acknowledged and agreed that this document may be transmitted by fax or electronic mail and shall be effective upon the undersigned as if executed and delivered in the original. This document may be signed by electronic signature.

6.15 **Independent Legal Representation:** The undersigned acknowledge and agree that the law firm of Owens Wright, LLP ("OW") has acted solely on behalf of and represent only the Holder, in respect of the Loan and this Assignment Agreement. The undersigned acknowledge, warrant and represent that they have been independently represented, prior to executing this Assignment Agreement and thereby becoming bound by its terms and subject to its obligations and have not been advised by OW with respect to any aspects of the loan evidenced by this Assignment Agreement. The undersigned hereby waive and agree not to assert or cause to be asserted on their behalf and acknowledge that they may be estopped from asserting or causing to be asserted on their behalf, any defences, claims or rights respecting the legal effect of the Assignment Agreement or the legality, validity or binding effect of their obligations hereunder or the enforceability of the Assignment Agreement.

1981361 ONTARIO INC.

Per: 
Sandy Sussman
President

I have authority to bind the Corporation

ACKNOWLEDGMENT

Waterways of Muskoka Ltd. (the "Trustee"), Alliance Compro Inc. and Alliance Homed Ltd. (collectively called "Alliance") hereby acknowledge receipt of the above Assignment, and in consideration of the sum of Ten (\$10.00) Dollars and other good and valuable consideration now paid to it by the Lender (the receipt of which is hereby acknowledged), agrees as follows:

1. The Joint Venture Agreement (as defined in the above Assignment) is in full force and effect and has not been amended so as to affect the interest of the Assignor in the property and assets held by the Trustee, and pursuant thereto, the Assignor now owns an undivided 50% interest in the property and assets now held by the Trustee.
2. The Joint Venture Agreement shall not be amended so as to effect a transfer, reduction, variance or waiver of the interest of the Assignor, as that interest appears in the Joint Venture Agreement, without the prior written consent of the Lender.
3. The Trustee and Alliance hereby consent to the Assignor entering into this Assignment Agreement.
4. The Trustee and Alliance agree to pay to the Lender all moneys, dividends, cash flow, waterfall payments and other amounts which may at any time be owing or payable to the Assignor, pursuant to the aforesaid Joint Venture Agreement.

WATERWAYS OF MUSKOKA LTD

Per: _____
 Alex Troop
 President
 I have authority to bind the Corporation

ALLIANCE COMPRO INC.

Per: _____
 Alex Troop
 President
 I have authority to bind the Corporation

ALLIANCE HOMES LTD.

Per: _____
 Alex Troop
 President
 I have authority to bind the Corporation

This is Exhibit "C" referred to in the
Affidavit of Service sworn by Dannalyn Salita at the City of
Toronto, in the Province of Ontario, before me this 23rd
day of April, 2025 in accordance with *O. Reg. 431/20*,
Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

DEREK HARLAND

April 22, 2025

BY EMAIL

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto ON M2N 7E9

Attention: George Benchetrit

Dear Mr. Benchetrit:

Re: Chief Executive Officer of the Financial Services Regulatory Authority of Toronto (“FSRA”) v. Sussman Mortgage Funding Inc. (“SMFI”) et al, Court File No.: CV-25-00741044-00CL

As you are aware, we represent Logpin Investments Limited, The Goldfarb Corporation and members of the Goldfarb family as investors with respect to the above-noted receivership application brought by FSRA (the “**Application**”). Our client has advanced approximately \$42 million to SMFI and is therefore the largest investor.

We refer to our prior letter dated April 16, 2025 requesting certain information in respect of the Leung Affidavit filed by FSRA (the “**Information Request**”). Today we received a letter in response (the “**Response Letter**”), which we are reviewing. Your letter seeks to impose certain restrictions and conditions prior to the delivery of information and documents we have requested, by stating that it can “only be used for the purpose of responding to the receivership application”. FSRA cannot impose conditions for the delivery of relevant information, and there are existing rules that address the situation. The implied undertaking rule does not apply to evidence or information obtained through cross-examination on affidavits (please advise if you would prefer to have your client attend and provide it in that format), and in any event no longer applies once it is filed within a proceeding.

As a regulator, we would assume that FSRA would be most concerned with the public interest of disclosing information that is relevant to the interests of investors that FSRA is created to protect. You may consider the information and documents that we have requested as all being filed with the Court within this receivership proceeding. If there are specific documents or information that FSRA considers as having any particular designation that ought not to be treated as such, or that should be redacted for certain information, please advise us or deliver it with applicable redactions.

Pursuant to the schedule established at the case conference with Justice Dietrich on April 15, 2025, responding materials in the Application proceeding are to be filed on April 23, 2025. Please have your client available for cross-examination on her affidavit on **Thursday, April 24, 2025 at 1:30**

pm, should we choose to proceed with same, or if you would prefer to have your client respond to our information requests in that setting. We will advise you of the location of the examination.

Having considered the Application and the draft Order sought by FSRA, we wish to raise the following concerns as it relates to the scope of the intended receivership Order and the proposed manner of having the costs of the receivership secured by a priority charge over not only the property and assets of the mortgage broker entity that FSRA is a regulator of (SMFI), but also the trust property of the investors that SMFI has no legal rights in respect of. FSRA is seeking to have a Receiver appointed with rights that are greater than SMFI itself has, in respect of property that SMFI is legally obligated to hold in trust, and acquires no rights in.

The basis upon which the appointment of a Receiver may be sought by FSRA under section 37 of the *Mortgage Brokers, Lenders and Administrators Act* (the “**Act**”) relates to property “that is in the possession or under the control of a licensee or person or entity who [FSRA] believes, on reasonable grounds, is or was required to have a licence”. FSRA regulates SMFI as licensee, but the Application contains no evidence filed by FSRA as to the basis upon which it is seeking the appointment of a Receiver over the other two respondent entities, or seeking a priority charge over those entities for any costs of the receivership. **Please advise as to the basis upon which FSRA seeks the appointment of a Receiver over entities that it does not regulate, which will by definition have the effect of expanding the scope of the receivership and therefore the costs to be incurred.**

FSRA’s receivership Application impacts joint ventures with developers of three real estate projects, each of whom is said to be at arm’s length to Sussman and SMFI, which may ultimately provide a source of recovery for our client and other investors. As raised at the case conference, financing for one of the construction projects involving 13 homes in the Alliance project known as Uptergrove (referenced at paras. 21 and 22 of the Leung Affidavit) has now been put on hold. **Please advise as to what information FSRA has obtained as to the impact of its Application on the three primary developments that are subject to the SMFI mortgages.**

Pursuant to section 28(1) of the Act, the CEO of FSRA shall maintain one or more registers containing such information about licensees, registered persons and entities as may be prescribed, and such information is to be made available for inspection by the public without charge. **Please make available to us, all information maintained by FSRA in respect of SMFI not already provided.**

Pursuant to sections 30(1)(2)(3)(4) of the Act, the CEO of FSRA can, among other things: (i) make inquiries and conduct examinations of the business and activities of a licensee or person or entity as the CEO determines, to ensure that the licensee is complying with the requirements established under the Act; and (ii) enter and inspect any premises, examine all documents and records of the licensee, require employees to answer questions, use any data storage or retrieval system to obtain information, require the production of documents, and remove for examination any information or document. **Please advise if, prior to delivery of the Application Record, FSRA took any steps**

as outlined in section 30 of the Act, including following receipt of the Goldfarb Complaint (as defined below).

We have recently become aware that FSRA (previously FSCO) had knowledge of improper activities engaged in by SMFI and Sussman dating back to 2002, as reflected in the reported decision of the Financial Services Tribunal in *Sussman Mortgage Funding Inc v Ontario (Superintendent of Financial Services)*, 2002 ONFST 15 found [here](#) (the “**Tribunal Decision**”) and the 2004 decision of the Divisional Court found [here](#). Indeed, the Tribunal Decision references the following arguments made by FSRA before the Tribunal: (emphasis added)

The Superintendent argued that the evidence established that SMFI would not conduct business in accordance with law and with honesty and integrity based on the conduct of its principals Murray Sussman and his son Sanford Sussman (the “Sussmans”) from 1996 to 2000. Superintendent’s counsel argued that throughout that period the Sussmans demonstrated a pattern of conduct that clearly indicated the Sussmans’ unwillingness to comply with important consumer protection provisions of the Act that consequently put at risk third-party mortgage investments.

What information has been made available to the public by FSRA (or FSCO prior to 2019) in respect of SMFI or Sussman since 2002? What steps have been taken by FSRA to review or monitor the actions of SMFI as licensee, to ensure that the concerns leading to FSCO’s prior efforts to revoke SMFI’s license in 2002 have not continued?

The Leung Affidavit in support of the Application Record of FSRA includes as Exhibits “F” and “G” Complaints received by FSRA dated April 3, 2025, as if these concerns involving SMFI just came to FSRA’s attention. In fact, FSRA was put on notice of serious concerns by my client at least as early as October 29, 2024, including as to whether the mortgage license was even legitimate, and referring to bi-weekly calls that had been made by my client for a two-year period with documentation provided to FSRA. A copy of the Complaint filed by my client with FSRA was included in the Response Letter received today, but not referenced in the Application Record.

FSRA’s dismissive response to these serious concerns on December 4, 2024 following its “review of the Complaint” was that it was a “contractual matter” between my client and SMFI, that my client would “need to take [its] own action” and that FSRA had “closed its file”. It is only after my clients did, in fact, take actions to protect themselves, including by the issuance of a Statement of Claim on April 4, 2025 seeking damages in excess of \$42 million, and, amongst other relief, a Mareva injunction and a complete accounting, that FSRA decided to step in and commence a proceeding seeking the appointment of a Receiver. The first notice of FSRA’s proposed receivership Application was provided on April 12, 2025, and information as to situation affecting other investors has also now come to light.

In an apparent effort to buttress its position notwithstanding having “closed its file” in early December, 2024 following receipt of the Goldfarb Complaint, FSRA reached out to my client on April 2, 2025 indicating that it “*would like to clarify some additional questions to allow us to assess the mortgage administration practices of [SMFI].*”

FSRA has been made aware of the issues of concern raised by various parties, including my clients. It chose to do nothing and provide no assistance whatsoever to investors until my client and other parties commenced actions for various relief. FSRA now wants to have a Receiver appointed by the Court but seeks to have all costs of the receivership borne by the very investors that FSRA as regulator is established to protect. It also seeks to curtail in a meaningful way the continuation of the Mareva proceeding and the accounting that was commenced by my client prior to FSRA's application for the appointment of a Receiver (following FSRA's suggestion that it should take its own actions), on the basis that a receivership is more appropriate.

Our client's position is as follows: FSRA has failed to protect investors in circumstances where it has been on notice of serious irregularities in the administration of mortgages by a licensee that is subject to its regulatory authority (SMFI). It took no steps to warn the public following its determination in 2002 that SMFI had committed breaches of the Act leading to a revocation of its license by the Financial Services Tribunal. Based on the Leung Affidavit, FSRA took no steps to undertake a review of SMFI's books and records and examine documents and make inquiries that would have revealed the extent of the discrepancies that exist, even after being put on notice of them. It cannot now simply throw its hands up and further prejudice the very investors that it is mandated to protect, by seeking to have the costs of a receivership borne by investors through a court-ordered priority charge over property that SMFI holds in trust and has no beneficial interest in. A Receiver appointed at FSRA's request should not enjoy greater rights than SMFI itself had, in relation to investor funds and property held in trust.

Investors, including my client, want to know where the money is that they provided to SMFI, and what money is currently unaccounted for. That is a starting point, and unless and until we have that information, no broader mandate for a Receiver should be put in place. The cost of that preliminary investigation by a Receiver should be borne by FSRA, or at least be limited to property in which SMFI (the entity that it regulates) has an actual legal and beneficial interest – not money and property in trust that belongs to investors. For example, SMFI's property includes its interest in the 6% fee that was payable to it under the Investor Agreements, copies of which are included in FSRA's Application Record. Following a review by the Receiver and a report to be provided to stakeholders and the Court within thirty (30) days of its appointment, and upon receipt by the stakeholders and the Court of a detailed Budget for any further steps proposed to be taken by the Receiver, all parties can make further submissions at that time as to whether, and if so, to what extent, any priority charge (and in what amount) would be appropriate and over what property it would cover.

We request that you provide responses to the inquiries in this letter, and those not yet responded to in our earlier letter. We are available to discuss the form of Order appointing a Receiver that takes into account the above concerns, limits the role of the Receiver for the first 30 days to what is set out above, and has the costs for such review borne by FSRA at first instance, pending a further Order of the Court.



Thornton Grout Finnigan LLP

5.

We look forward to hearing from you, and to discussing the form of receivership Order to address our respective clients' shared concerns.

Yours truly,

Thornton Grout Finnigan LLP

A handwritten signature in blue ink, appearing to read 'D.J. Miller'.

D.J. Miller
DM/gk

This is Exhibit "D" referred to in the
Affidavit of Service sworn by Dannalyn Salita at the City of
Toronto, in the Province of Ontario, before me this 23rd
day of April, 2025 in accordance with *O. Reg. 431/20*,
Administering Oath or Declaration Remotely.



A Commissioner for taking affidavits

DEREK HARLAND

April 23, 2025

VIA EMAIL

Thornton Grout Finnigan LLP

Toronto-Dominion Centre
100 Wellington Street West
Toronto, ON M5K 1K7

Attention: D.J. Miller

**Re: Chief Executive Officer of the Financial Services Regulatory Authority of Ontario ("FSRA")
v. Sussman Mortgage Funding Inc. et al. - CV-25-00741044-00CL**

Dear Ms. Miller,

We are responding to your letter dated April 22, 2025.

While we see no point in responding to every point raised in your letter, as many of them are irrelevant to the pending court application, we do note as follows:

- The basis upon which FSRA seeks the appointment of a receiver is section 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and section 101 of the *Courts of Justice Act*, both of which provide the jurisdiction for the Court to appoint a receiver over SMFI and the related numbered companies. The circumstances of this case justify the appointment of a receiver by the Court over these entities in the public interest.
- In our view, a Court-appointed receivership should not impact the ongoing construction projects.
- Without conceding the relevance of the materials requested in your letter dated April 16, 2025 in the context of a receivership application, a link to a folder containing those materials is included here ([SMFI](#)). In the interest of transparency for all investors, we intend to also file these materials with the Court in connection with the receivership application.
- Contrary to the suggestion in your letter, FSRA's role does not include compensating your clients. Your clients are sophisticated investors, who were free to make decisions based on their business judgment and due diligence before transacting with SMFI.
- We also note that Gary Goldfarb appears to have acted as SMFI's lawyer in various respects, including receiving and distributing investor funds. This gives rise to a number of issues, which would further support the need for the appointment of a receiver for the benefit of all stakeholders.
- The declaratory relief sought in your clients' Statement of Claim in relation to the transactions entered into in December 2024 and February 2025 raises serious concerns for all affected investors.

As indicated yesterday, Ms. Leung will be available (if necessary) for cross-examination on Thursday afternoon, and we ask that any deponents of affidavits that you submit be made available during the same time frame. Also as indicated yesterday, we have asked B. Riley Farber Inc. to provide a 30-day budget in furtherance of a constructive dialogue regarding a receivership order, and we look forward to discussing these issues with you this afternoon.



Yours truly,
CHAITONS LLP

A blue ink handwritten signature, appearing to read "George Benchetrit", with a long horizontal line extending to the right.

George Benchetrit
PARTNER*
*Denotes Professional Corporation
GB/di.

**CHIEF EXECUTIVE OFFICER OF THE FINANCIAL
SERVICES REGULATORY AUTHORITY OF ONTARIO**

**SUSSMAN MORTGAGE FUNDING INC., 2486976
ONTARIO INC. and 1981361 ONTARIO INC.**

Applicant

Respondent

APPLICATION UNDER SECTION 37 OF THE *MORTGAGE BROKERAGES, LENDERS AND ADMINISTRATORS ACT*, 2006, S.O. 2006, c. 29, AS AMENDED, and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**AFFIDAVIT OF DANNALYN SALITA
(SWORN APRIL 23, 2025)**

THORNTON GROUT FINNIGAN LLP
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100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

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Email: djmiller@tgf.ca
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Derek Harland (LSO# 79504N)
Email: dkharland@tgf.ca
Tel.: (416) 304-1127

Lawyers for Logpin Investments Limited, The Goldfarb
Corporation, Jeffrey Goldfarb and Gary Goldfarb

**CHIEF EXECUTIVE OFFICER OF THE FINANCIAL
SERVICES REGULATORY AUTHORITY OF ONTARIO**

**SUSSMAN MORTGAGE FUNDING INC., 2486976
ONTARIO INC. and 1981361 ONTARIO INC.**

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

RESPONDING APPLICATION RECORD

THORNTON GROUT FINNIGAN LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

D.J. Miller (LSO# 34393P)
Email: djmiller@tgf.ca
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Lawyers for Logpin Investments Limited, The Goldfarb
Corporation, Jeffrey Goldfarb and Gary Goldfarb