



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00741044-00CL

DATE: August 15, 2025

NO. ON LIST: 3

TITLE OF PROCEEDING: Chief Executive Officer of the Financial Services Regulatory Authority of Ontario v. Sussman Mortgage Funding Inc. et al.

BEFORE: Madam Justice J. Dietrich

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Stephen Nadler	Michael Stein, moving party	sn@friedmans.ca

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Steven Graff	Representative Counsel for Investors	sgraff@airdberlis.com
Robert Kennedy	Receiver	robert.kennedy@dentons.com
Richard Williams	B. Riley Farber Inc.	rwilliams@glassrather.com
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ENDORSEMENT OF JUSTICE J. DIETRICH:

- [1] This case conference was scheduled by my endorsement dated July 25, 2025 in respect of a motion brought by Michael Stein for certain relief regarding mortgages referred to as S-26 and S-27 in (the "**Stein Motion**"). A noted in that endorsement, the intent of today's case conference was to address a process for determining whether or not there are other similarly situated investors and how Mr. Stein's motion should be scheduled for hearing.
- [2] The Receiver has now filed its Third Supplement to the First Report of the Receiver dated August 11, 2025. That report provides additional information on SMFI's role as mortgage broker, the Receiver's investigations into other mortgages (other than S-26 and S-27) in which investors held an investment through a third party (being A-14 and B-95) and correspondence between Representative Counsel and Investors.
- [3] In particular, Representative Counsel emailed Investors on August 7, 2025 asking Investors to confirm whether any investments were held in trust by an entity other than SMFI by no later than August 11, 2025.
- [4] Representative Counsel filed an aide memoire indicating that a number of investors have indicated that they are of the view they held an interest in mortgage S-26 (not in S-27). Additional investors have contacted Representative counsel regarding A-14 and a potential mortgage on another property.
- [5] The Receiver recommends that the Stein Motion in respect of S-27 only, should be scheduled based on the Court's next availability. The Receiver has reported, based on a review of the information and records it has in its possession, that Teichman and Stein are the only investors with an interest in the S-27 mortgage. The Receiver further notes that it would not oppose an Order allowing Teichman and Stein to enforce their remedies in respect of S-27, however, the Receiver is of the view that any funds collected to date are Property subject to the Receiver's Charge and should not be turned over. During the case conference, Representative Counsel indicated it was likely to not oppose that limited relief in respect of S-27 as well.
- [6] Accordingly, the portion of the Stein Motion which is unopposed by the Receiver is scheduled to be heard on September 10, 2025 (that time was already scheduled in my July 25, 2025 Endorsement for a hearing in the receivership proceeding). Counsel for Mr. Stein should serve an appropriate notice of return of motion.
- [7] The remainder of the relief sought in the Stein Motion, is opposed by the Receiver and is adjourned until a date to be scheduled following the completion of a claims process in the Receivership Proceeding.



August 15, 2025

Justice J. Dietrich

