



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

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

DATE: 26-JUN-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, Crown:

Name of Person Appearing (and how they wish to be addressed, e.g. pronouns and/or prefix; also, if they wish, the phonetic pronunciation of their name)	Name of Party	Phone Number¹	Email Address
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Robert Kennedy		416-367-6756	Robert.kennedy@dentons.com
Faisel Najib		N/A	faisel.najib@dentons.com
Richard Williams	B. Riley Farber Inc. (Receiver)	905-904-7400	rwilliams@brileyfin.com
Allan Nackan		N/A	anackan@brileyfin.com
Emily Klein		N/A	eklein@brileyfin.com
George Benchetrit	Chief Executive Officer of The Financial Services Regulatory Authority of Ontario	416-218-1141	george@chaitons.com

For Defendant, Respondent, Responding Party, Defence:

¹ Please provide a phone number where you can be reached during the virtual/hybrid hearing, if necessary.

Name of Person Appearing (and how they wish to be addressed, e.g. pronouns and/or prefix; also, if they wish, the phonetic pronunciation of their name)	Name of Party	Phone Number	Email Address
Paul J. Daffern	Sandford Sussman	705-725-9670 ext. 201	paul.daffern@daffernlaw.com

For Other:

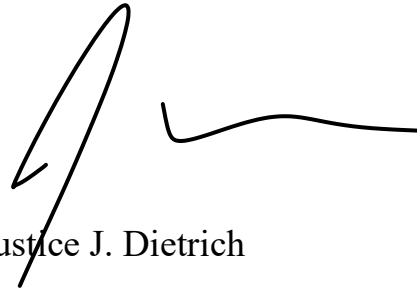
Name of Person Appearing (and how they wish to be addressed, e.g. pronouns and/or prefix; also, if they wish, the phonetic pronunciation of their name)	Name of Party / Organization	Phone Number	Email Address
DJ Miller	Logpin Investments Limited, The Goldfarb Corporation, Gary Goldfarb, and Jeffrey Goldfarb	416-304-0559	djmiller@tgf.ca
Derek Harland		416-304-1127	dharland@tgf.ca
Teodora Obradovic	Logpin Investments Limited, The Goldfarb Corporation, Gary Goldfarb, Jeffrey Goldfarb, Suzy S. Greenspan and Julianna Greenspan	416-365-3716	tobradovic@foglers.com
Steven L. Graff	Court-Appointed Representative Counsel to SMFI Mortgage Investors	416-865-7726	sgraff@airdberlis.com
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Samuel Mosonyi	Ballymore Building (Innisfil) Corp.	416-360-3356	smosonyi@robapp.com
Jay Teichman	Investor (Self)	N/A	jay@jayteichman.com
Robert Malen	2114568 Ontario Inc., Alliance Homes Ltd., Alex Troop, and Waterways of Muskoka Ltd.	416-597-3386	malen@gsnh.com
Stephen Nadler	Michael Stein	416-649-4466	sn@friedmans.ca

ENDORSEMENT OF JUSTICE J. DIETRICH:

- [1] On May 2, 2025, I made an order (the “**Receivership Order**”) appointing B. Riley Farber Inc. as receiver of the assts, undertakings and properties of Sussman Mortgage Funding Inc., 2486976 Ontario Inc. and 1981361 Ontario Inc. acquired for, forming part of, or used in relation to a business carried on by the respondents, any assets or property held by the respondents in trust for any third party, and all property, rights, interests and proceeds arising from all joint venture or co-tenancy agreements entered into by the respondents.
- [2] The Receivership Order contained a provision that the Receiver was to file an initial report with 30 days with a case conference to discuss next steps to follow thereafter. This endorsement follows that case conference.
- [3] In advance of today's case conference, the Receiver filed its first report dated June 2, 2025 (the “**First Report**”) and a supplemental report to the First Report dated June 25, 2025 (the “**Supplemental Report**”). Terms used but not otherwise defined herein have the meaning provided to them in the First Report and the Supplemental Report.
- [4] As well, aide memoirs were filed by three parties. Michael Stein filed an aide memoire taking the position that he is a beneficial owner and lender under two mortgages held by Olympia Trust for him (although brokered by SMFI) and as such he should be permitted to enforce on such mortgages outside of the receivership proceeding. Alliance Homes Ltd., Alex Troop, 2114568 Ontario Inc. and Waterways of Muskoka Ltd. filed an aide memoire providing information regarding the Waterways and Uptergrove projects. Finally, Representative Counsel for the Investors providing information regarding its activities since its appointment on May 20, 2025.
- [5] On June 25, 2025, the Receiver also served a motion record seeking amendments to the Receivership Order including to remove the cap on its fees (which were intended for the initial period) and increase its powers to permit the Receiver to pursue its proposed course of action as outlined in the First Report and Supplemental Report.
- [6] That proposed course of action includes: developing a realization plan; investigating other avenues of recovery including potential claims to the Premises, against SMFI's auditors, against insurance policies, and against Sussman and related parties who may have received preferential payments; continuing to investigate the amounts invested by each investor in Active Mortgages, the flow of funds for such investments, amounts received by investors and from each borrower since August 1, 2018; investigating potential reviewable transactions, including potentially assigning one or more of the respondents into bankruptcy; and conducting a claims process – if possible a negative claims process.
- [7] Certain parties have indicated that they are seeking instructions or wish to have discussions with the Receiver regarding the relief requested by the Receiver. This includes Ballymore

and Alliance who have concerns regarding the sale powers with respect to JV agreements and Representative Counsel to the Investors and counsel to certain other investors who have opted out of representation by Representative Counsel with regard to the scope of work to be undertaken by the Receiver, the anticipated costs of such work and the specific terms of the order requested.

- [8] As well, counsel for Mr. Stein seeks certain relief regarding mortgages referred to as S-26 and S-27 in the material. In essence, his client wishes to pursue enforcement rights under those mortgages, which he takes the position are not properly included in the receivership proceeding. No motion material has yet been delivered in this regard.
- [9] A hearing is scheduled for 2 hours on July 25, 2025 (virtually) at 11:00 am to hear both the Receiver's motion and a motion to be brought by Mr. Stein regarding the S-26 and S-27 mortgages. All material, including facta to be relied upon, are to be uploaded to case center no later than July 23, 2025.
- [10] As matters progress, if it is not anticipated that there will be any opposition to the relief to be addressed on July 25, 2025, counsel for the Receiver should contact the Commercial List Office so the reserved time can be adjusted accordingly.

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line.

June 25, 2025

Justice J. Dietrich