

**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

- and -

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

Respondents

**AIDE MEMOIRE OF THE APPLICANT
(Application Returnable May 2, 2025)**

May 1, 2025

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TO: SERVICE LIST

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1. This Aide Memoire is intended to provide the Court with an update on the receivership application by FSRA¹ returnable on May 2, 2025.
2. On April 15, 2025, a case conference was held before Justice Dietrich, during which a scheduling timetable was established, including:²
 - (a) responding materials to be delivered by April 17, 2025;
 - (b) factum in support of the receivership application to be delivered by April 25, 2025;

¹ Capitalized terms not defined herein have the meanings ascribed to them in the Factum filed by FSRA on April 25, 2025.

² FSRA's application record was initially served on April 11, 2025 on the Respondents and on counsel known as of that date. Since then, numerous additional investors have surfaced and counsel for certain investors have formally appeared on the record. All such parties have been provided with a copy of the original application record, the supplementary affidavit delivered by FSRA on April 24, 2025, and FSRA's factum filed April 25, 2025.

(c) factum responding to the receivership application to be delivered by April 29, 2025; and

(d) reply factum, if any, to be delivered by May 1, 2025 by noon.

3. FSRA's factum, which addresses the factual background and issues on this application, was served on April 25, 2025. No other facta have been served or filed by any party.

4. Prior to and following the April 15 case conference, counsel for FSRA (Chaitons LLP) has had discussions with various parties and/or their counsel regarding issues raised in connection with the draft order initially circulated. The latest form of draft order was circulated to all parties on the attached Service List on May 1, 2025 at 9:22 am, and is being uploaded to Case Center concurrently with the service and uploading of this Aide Memoire.

5. The Respondents have consented to the relief sought by FSRA, and no party has expressed opposition to the terms of the draft order, although certain parties have provided additional comments which may have to be addressed by the Court at the hearing on May 2.

6. To summarize, the draft receivership order provides for the appointment of B. Riley Farber Inc. as receiver of all of the assets, undertakings and properties of 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 Respondents³, and provides that the receiver will review and investigate the following matters and report to the Court and stakeholders within 30 days with a case conference to take place as soon as possible thereafter:⁴

(a) transactions related to the syndicated mortgage loans brokered by SMFI and the disposition of any proceeds;

(b) the status and realizable value of the underlying mortgages; and

³ Para. 2 of the proposed form of order.

⁴ Para. 3 of the proposed form of order.

- (c) the status and realizable value of the Respondents' interests in the Sussman-related joint venture agreements.

7. The proposed form of order also provides (among other things) for:

- (a) a "Preliminary Expense Amount" of \$300,000 in connection with the receiver's fees and disbursements;⁵
- (b) a reservation of certain rights with respect to fees and disbursements of the receiver other than the Preliminary Expense Amount;⁶ and
- (c) certain guidelines relating to the ultimate allocation of the fees and disbursements of the receiver.⁷

8. FSRA respectfully submits that the appointment of a receiver on the terms of the proposed form of order is urgently necessary in the public interest to ensure the orderly, fair and lawful administration of investor mortgages and funds.

May 1, 2025

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**Lawyers for the Chief Executive Officer
of the Financial Services Regulatory
Authority of Ontario**

⁵ Para. 17 of the proposed form of order.

⁶ Para. 17 of the proposed form of order.

⁷ Para. 21 of the proposed form of order.

**SERVICE LIST
(AS OF MAY 1, 2025)**

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