

**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.**

Respondents

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

**AIDE MEMOIRE OF THE GOLDFARB GROUP
(Case Conference - October 3, 2025)**

October 3, 2025

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Corporation, Jeffrey Goldfarb and Gary Goldfarb
(The Goldfarb Group)

OVERVIEW

1. On September 17, 2025, the Receiver requested that Rep Counsel and the Goldfarb Group (each as defined below) consent to an increase in the Receiver's fees from \$850,000 to \$1,000,000. The stated time period for which these increased fees would apply was September 1 to 30, 2025. In effect, the Receiver was requesting retroactive approval for fees it had already incurred above the \$850,000 threshold, and that it intended to incur over the next 13 days.
2. To properly consider this request, the Goldfarb Group, through its counsel Thornton Grout Finnigan LLP ("**TGF**"), asked the Receiver for: (i) an interim statement of receipts and disbursements; and (ii) a work plan setting out what the Receiver had accomplished to date and what it believes should be undertaken by the Receiver over the next three months, together with expected timing, costs and possible recoveries (together, the "**Requested Information**").
3. In response, the Receiver's counsel advised that because the Receiver had incurred fees above the \$850,000 threshold set out in the A&R Receivership Order (unknownst to the Goldfarb Group or Rep Counsel), the Receiver would not do anything further, including providing the Requested Information. The Goldfarb Group has not received any of the Requested Information to date.
4. The Goldfarb Group needs to receive the Requested Information to consider the appropriateness of the Receiver's request. It is not appropriate for the Goldfarb Group (or any other investors represented by Rep Counsel) to be deprived of basic and critical information necessary to evaluate the Receiver's request, simply because the Receiver already spent the authorized amount.

BACKGROUND

5. The Receiver was appointed over the property of the Respondents to protect and advance the interests of the investors. The initial appointment order made on May 2, 2025 (the “**Receivership Order**”) granted a limited charge in the amount of \$300,000 in favour of the Receiver to prepare a preliminary report.

6. After the Receiver delivered its preliminary report, the Receiver sought to remove the cap on the Receiver’s Charge (as defined in the Receivership Order) and then requested it be increased to \$1.2 million instead. Following consultations with Logpin Investments Ltd., The Goldfarb Corporation, Gary Goldfarb and Jeffrey Goldfarb (collectively, the “**Goldfarb Group**”), who collectively represent approximately 43% of total investor funds, and Aird & Berlis LLP as court-appointed representative counsel for the remaining investors (“**Rep Counsel**”), an amended and restated order (the “**A&R Receivership Order**”) was granted.

7. As a result of concerns raised by the Goldfarb Group and Rep Counsel regarding the Receiver’s fees and the suggestion of no cap or a \$1.2 million cap on its fees, the A&R Receivership Order was negotiated to include a Receiver’s Charge in the amount of \$850,000. The A&R Receivership Order also provided that, prior to incurring any incremental amount above \$850,000, the Receiver must first obtain the consent of both Rep Counsel and the Goldfarb Group.

8. The intent of these provisions in the A&R Receivership Order was to ensure that the Receiver remained accountable to, and provided value for, investors and that there would be transparent, timely and proactive disclosure of the Receiver’s fees and details as to the work undertaken that caused those fees to be incurred.

REQUEST FOR INCREASE OF FEES

9. Since the A&R Receivership Order was granted, the Receiver has provided two status updates to the Goldfarb Group and Rep Counsel: on August 21, 2025 (the “**August Update**”) and September 17, 2025 (the “**September Update**”). The status updates provided general updates on the Receiver’s exploration of realization opportunities for the benefit of investors. Limited details were provided in respect of these potential realization opportunities.

10. The August Update advised that the Receiver and its counsel had incurred fees and disbursements of \$667,402.82 (plus expenses and HST, which are in addition to the limits set out in the A&R Receivership Order). The time periods for which the fees were incurred was not specified by the Receiver.

11. The September Update provided some additional information on the various work streams the Receiver commented on in the August Update, however, many of the activities had not been updated since the August Update.

12. The September Update advised that the Receiver and its counsel had incurred fees and disbursements of \$820,608.18 (plus expenses and HST) through August 31, 2025 and requested the consent of the Goldfarb Group and Rep Counsel to incur obligations in excess of the \$850,000 threshold and indicated that it anticipated incurring additional costs of approximately \$150,000 through September 30, 2025.

13. TGF asked the Receiver to clarify what period the \$150,000 covers. The Receiver advised that it was for the period from September 1-30, despite the September Update and request for consent being delivered on September 17, 2025.

14. On September 26, 2025, TGF asked the Receiver to provide the Requested Information to allow for a meaningful review by the Goldfarb Group of the Receiver's request. TGF also asked the Receiver certain follow-up questions in response to the September Update.

15. The same day, the Receiver's counsel advised TGF and Rep Counsel that, without the consent of the Goldfarb Group and Rep Counsel, the Receiver is "unable to carry on any further activities without breaching the A&R Receivership Order". Accordingly, the Receiver booked a case conference on October 3, 2025 to schedule a motion.

16. The Goldfarb Group does not agree that a case conference is needed. Instead, the Goldfarb Group requests that the Receiver provide the Requested Information to Rep Counsel and the Goldfarb Group to allow for an informed decision to be made on increasing the allotted funding. It is an ordinary and reasonable request to obtain a statement of receipts and disbursements and a detailed budget and timeline when requests for additional funding are made in receiverships.

17. The Receiver waited until it exceeded the threshold to request consent for further funding. The Receiver cannot now use the threshold to refuse to provide the Requested Information. Indeed, the Receiver continues to exceed the threshold by incurring fees in respect of this case conference and the motion they intend to bring later this month.

18. This information is necessary in order for investors to consider if a continuation of the receivership is the most cost effective and efficient means of protecting their interests and obtaining recoveries on amounts advanced, or if potential other methods (including a Trustee in bankruptcy, with specific actions undertaken through section 38 BIA processes, or otherwise, as groups of investors may choose to support) might better serve the interests of investors.

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Proceedings commenced at Toronto, Ontario

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