Court File Nos. CV-25-00741044-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

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 MICHAEL STEIN

(Case Conference – August 15, 2025, at 12:30 p.m.)

1. As discussed below, Michael Stein is a beneficial owner and lender of two mortgages held by Olympia Trust in trust for him.

2. In one of those mortgages - referred to as *"**S-27 mortgage**"*- Sussman Mortgage Funding Inc. ("**SMFI**") never held any registered interest in the mortgage. <u>That mortgage was always and only held by Olympia Trust, as sole mortgagee, in trust for Mr. Stein's and Jay Teichman's registered accounts held at Olympia Trust</u>. The loan monies were advanced by Olympia Trust and funded by Stein and Teichman, in exchange for which, they received their registered mortgage as security for their loan.

3. In the other mortgage – referred to as the *"**S-26 mortgage**"* - <u>Olympia Trust has at all times held a 39.2% interest in the mortgage in trust for Mr. Stein's registered accounts</u>. Although SMFI originally held the remaining 60.8% interest in the mortgage, on October

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31, 2023, SMFI transferred its 60.8% interest to Olympia Trust (in trust for Jay. Teichman's and Bruce Roberts' registered accounts). There is no issue that SMFI validly and lawfully transferred its said partial interest in the mortgage to Olympia, and that SMFI received payment in full of the required amount ($303,000) for its said transfer of interest. Therefore, since October 31, 2023, Olympia has been the sole registered mortgagee, and SMFI ceased holding its partial registered interest in the mortgage after its partial interest was fully paid out.

4. Both mortgages are in default as the borrower (Mr. Subramaniam) stopped making any mortgage payments. Further, the S-26 mortgage matured on June 8, 2025, and the borrower has not paid out the mortgage.

5. However, the registered owner of both mortgages - Olympia Trust, and the said beneficial owners, are unable to enforce their mortgages. This is because the Receiver has declared that all mortgage payments should be made to it as SMFI had previously administered both mortgages (*i.e.,* acted as administrative agent to collect the interest payments from the borrower and remit them to Olympia Trust). However, SMFI ceased acting as the administrator of these mortgages in March 2025 when it went out of business and when its mortgage license with the regulatory agency (FSRA) expired. This was weeks *before* the Receiver was appointed in early May 2025.

6. In July 2025, Mr. Stein brought a motion essentially seeking an order removing these mortgages from the ambit of SMFI's receivership and permitting the sole mortgagee of both mortgages, Olympia Trust, and the said beneficial owners (Messrs. Stein, Teichman and/or Roberts), to enforce their mortgages, which should be their right. As to

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the S-26 mortgage, in which Mr. Stein has at all times held a 39.2% interest in the mortgage, Mr. Stein sought, in the alternative, an order recognizing his said interest in that mortgage and requiring the Receiver to forward 39.2% of any monies received by it from the borrower, to Mr. Stein.

7. Mr. Stein's motion record was served on the Service List on July 8, 2025. No one delivered any responding motion material. However, prior to the motion hearing, the Receiver had filed 3 separate reports (a First Report and 2 supplemental reports) detailing its findings and recommendations regarding both of these Olympia mortgages. In its reports, the Receiver confirmed that:

(a) the only investors who have an interest in the S-27 Mortgage are Stein and Teichman, and the mortgage funds were advanced directly by Olympia Trust to the borrower. Therefore, the Receiver recommended that Olympia Trust and Stein / Teichman be permitted to deal with, and enforce, their S-27 mortgage;

(b) As to the S-26 mortgage, Olympia Trust has at all times held a 39.2% interest in the mortgage in trust for Mr. Stein's registered accounts. While SMFI originally held the remaining 60.8% interest, on October 31, 2023, it transferred that partial interest to Olympia Trust (in trust for Teichman's and Roberts' registered accounts), for which SMFI was paid $303,000. Those monies were supposed to pay out the 4 non-registered investors for whom SMFI had formerly held its 60.8% interest in the mortgage. The Receiver determined that 2 of the 4 investors were paid out by SMFI, and that the other

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2 investors were supposed to have received a transfer of their investments in other SMFI mortgages, but the Receiver does not know if that happened or not;

(c) Since the Receiver did not know whether or not the said 2 SMFI investors received transfers of their investments in other SMFI mortgages, the Receiver opposed Mr. Stein's motion only as it concerned the S-26 mortgage.

8. At the motion hearing before Justice Dietrich on July 25, 2025, the Receiver's counsel, Ken Kraft, advised that it appears that the S-27 mortgage is a "one-off" in that the Receiver is not aware of any other mortgage in which SMFI has never held a registered interest in the mortgage, and SMFI's only connection to the mortgage was its former role as administrative agent of the lenders.

9. However, Mr. Kraft could not state with *absolute certainty* that the S-27 mortgage is, in fact, a "one-off", just that it appears to be so based on everything that the Receiver has seen and is aware of. Given the same, by Endorsement dated July 25, 2025, Justice Dietrich adjourned Mr. Stein's motion (to no fixed date), and scheduled the subject case conference to address a process for determining whether or not there are other similarly-situated investors, as Her Honour was concerned that granting Mr. Stein's motion might lead to a flurry of other-similarly situated investors bringing motions for similar relief.

10. Subsequently, the Receiver looked into whether the S-27 mortgage is truly "one-off" as compared to all the other mortgages. On August 11, 2025, the Receiver issued a third supplemental report detailing its findings. At paragraph 22 of its report, the Receiver

stated that it *"has identified two Active Mortgages in addition to S-26 and S-27 in which Investors hold an investment through a third party: A-14 and B-95".*

11. According to Mr. Teichman, who was a beneficial owner/lender of the "B-95" mortgage, the B-95 mortgaged property has been sold. The B-95 mortgage was always registered partly in favour of Olympia Trust in trust for Mr. Teichman's RRIF account, and partly in favour of SMFI (**Appendix 1**).

12. According to the Receiver's lawyer, the "A-14" mortgage was also registered partly in favour of SMFI and partly in favour of Olympia Trust (in trust for registered investments).

13. <u>Clearly, there is no other mortgage like the S-27 mortgage, which was always and only held by Olympia Trust (in trust for Stein's and Teichman's registered accounts), and in which SMFI never held any registered interest whatsoever</u>. Accordingly, the granting of Mr. Stein's motion as to the S-27 mortgage (which the Receiver does not oppose), cannot result in a flurry of motions by other similarly situated investors.

14. It is submitted that, due to an overly-expansive definition of "Property" in the appointment order - which also includes assets *"used in relation to"* SMFI's business, even though such assets were never owned by SMFI, these Olympia mortgages are being unfairly entangled in SMFI's receivership.

15. *Regardless of: (i) how "Property" is defined in the appointment order; or (ii) whether SMFI originally brokered both mortgage loans and was paid a broker fee at their outset; or (iii) whether SMFI previously acted as an administrative agent (when it held a mortgage license) and was paid an administration fee from the interest payments it collected, does*

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not alter the fact and reality that these Olympia mortgages are legally owned by Olympia Trust, and beneficially owned by Messrs. Stein, Teichman and/or Roberts. Pursuant to mortgage law and the *Land Titles Act*, these mortgages are the property of their owners, and they should be free to exercise their legal rights and remedies as owners of their mortgages.

16. Although Mr. Stein maintains that the SMFI Investor Agreements he signed never went into effect as SMFI was never qualified to hold a mortgage in a registered account (which is why the subject mortgages are held by Olympia Trust), SMFI confirmed in its Declaration at Section 2 of the Investor Agreements that: (**Appendix 2**)

(a) SMFI does not have a direct or indirect interest in the mortgaged properties (s. 2);

(b) SMFI does not expect to gain any interest or benefit from the transaction other than the fees disclosed at Part D (being its initial brokerage fee and an administration fee) (s. 11); and

(c) SMFI is a licensed mortgage broker under the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, and its regulations, and has complied with all requirements thereunder.

August 13, 2025

FRIEDMANS LLP
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5

Stephen C. Nadler (LSO #37946G)
sn@friedmans.ca
Tel: 416-649-4466

Lawyers for Michael Stein

Appendix 1

APPENDIX 1 "B-95 Mortgage"

LRO # 51 **Charge/Mortgage** **Receipted as SC2104320** on 2024 12 19 at 11:22

The applicant(s) hereby applies to the Land Registrar. yyyy mm dd Page 1 of 24

Properties

PIN	58519 - 0270 LT	*Interest/Estate*	Fee Simple
Description	PT LT 1 W/S COLDWATER RD PL 61 COLDWATER; PT SW1/2 LT 22 CON 12 MEDONTE PTS 1, 2, 9, 10 & 12, 51R25974; S/T CT1150 AS ASSIGNED BY SC787670; SEVERN		
Address	10 COLD WATER ROAD COLDWATER		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name	1066472 ONTARIO INCORPORATED
Address for Service	2 Mill Street Coldwater, Ontario L0K 1E0

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

This document is not authorized under Power of Attorney by this party.

Chargee(s)

	Chargee(s)	*Capacity*	*Share*
Name	OLYMPIA TRUST COMPANY		as to an undivided 60.79% interest
Address for Service	Olympia Trust Company in trust for RRIF # 314249 - Jay Teichman PO Box 2581, STN Central Calgary, AB T2P 1C8		
Name	SUSSMAN MORTGAGE FUNDING INC.		as to an undivided 39.21% interest
Address for Service	129 Dunlop St East, Barrie, Ontario L4M 1A6		

Statements

Schedule: See Schedules

The text added or imported if any, is legible and relates to the parties in this document.

Provisions

Principal	$695,000.00	*Currency*	CDN
Calculation Period	monthly, not in advance		
Balance Due Date	2025/06/25		
Interest Rate	9.50% per annum		
Payments	$5,502.08		
Interest Adjustment Date	2024 11 25		
Payment Date	25th day of each month		
First Payment Date	2024 12 25		
Last Payment Date	2025 06 25		
Standard Charge Terms	2000033		
Insurance Amount	Full insurable value		
Guarantor			

Additional Provisions

Payments: Interest only monthly on the principal balance outstanding from time to time.

Signed By

Ku Yim Ng	20 Holly St. Ste 300 Toronto M4S 3B1	acting for Chargor(s)	Signed	2024 12 13

Signed By

Tel 416-486-9800

Fax 416-486-3309

I have the authority to sign and register the document on behalf of the Chargor(s).

Submitted By

OWENS, WRIGHT LLP 20 Holly St. Ste 300
Toronto
M4S 3B1 2024 12 19

Tel 416-486-9800

Fax 416-486-3309

Fees/Taxes/Payment

Statutory Registration Fee	$70.90
Total Paid	$70.90

File Number

Chargee Client File Number :	12543031 GDG DR MN

LRO # 51 **Notice** **Receipted as SC2104308** on 2024 12 19 at 11:14
The applicant(s) hereby applies to the Land Registrar. yyyy mm dd Page 1 of 2

Properties

PIN 58519 - 0076 LT

Description PT LT 20 CON 9 MEDONTE AS IN RO1314266; ORO-MEDONTE

Address 5970 LINE 9 NORTH
WAUBAUSHENE

Consideration

Consideration $695,000.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name BIDMEAD, COLIN FRANKLIN
Address for Service 2 Mill Street, PO Box 367
Coldwater, Ontario
L0K 1E0

This document is not authorized under Power of Attorney by this party.

Party To(s) — *Capacity* — *Share*

Name SUSSMAN MORTGAGE FUNDING INC. — AS TO AN UNDIVIDED 39.21% INTEREST

Address for Service 129 Dunlop St East
Barrie, Ontario
L4M 1A6

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Name OLYMPIA TRUST COMPANY — AS TO AN UNDIVIDED 60.79% INTEREST

Address for Service Olympia Trust Company in trust for
RRIF# 314249 - Jay Teichman
PO Box 2581, STN Central
Calgary, AB
T2P 1C8

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, SC2066645 registered on 2024/07/02 to which this notice relates is deleted

Schedule: The principal amount of the Charge as of the date shall be capped at SIX HUNDRED NINETY-FIVE THOUSAND DOLLARS ($695,000.00) of lawful money of Canada. All other terms of the Charge remain unchanged.

This document relates to registration number(s)SC2066645 & SC2070845

Signed By

Ku Yim Ng — 20 Holly St. Ste 300, Toronto, M4S 3B1 — acting for Applicant(s) — Signed 2024 12 13

Tel 416-486-9800

Fax 416-486-3309

I have the authority to sign and register the document on behalf of the Applicant(s).

Submitted By

OWENS, WRIGHT LLP — 20 Holly St. Ste 300, Toronto — 2024 12 19

Submitted By

M4S 3B1

Tel 416-486-9800

Fax 416-486-3309

Fees/Taxes/Payment

Statutory Registration Fee	$70.90
Total Paid	$70.90

File Number

Party To Client File Number :	12543031 GDG DR MN

Appendix 2

APPENDIX 2

Mortgage Brokerages, Lenders and Administrators Act, 2006 | Transaction No.: S-27

SECTION 2 – DECLARATION BY THE MORTGAGE BROKERAGE

1. The *Mortgage Brokerages, Lenders and Administrators Act, 2006* requires disclosure of the nature of the relationship between the mortgage brokerage and other persons and entities involved in the mortgage transaction. For the purposes Disclosure Statement and Addendum, two persons are "related" if they share any relationship other than an arm's length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to the mortgage broker and to any broker or agent authorized to deal or trade in mortgages on behalf of the mortgage brokerage (referred to below as "its" [the brokerage's] brokers and agents).

   This declaration is made by: **Sussman Mortgage Funding Inc., 129 Dunlop St. E. Barrie, ON L4M 1A6 – 10666**
   Name, address and licence number of mortgage brokerage

2. Does the mortgage brokerage or any of its brokers or agents have or expect to have a direct or indirect interest in this property identified in section 3, Part A? ☒ No ☐ Yes If Yes, explain:

3. Does any person related to the mortgage brokerage or any of its brokers or agents have or expect to have a direct or indirect interest in this property? ☒ No ☐ Yes If Yes, explain:

4. Is the borrower related to the mortgage brokerage or to any of the officers, directors, partners, employees or shareholders of the brokerage or any of its brokers or agents?
   ☒ No ☐ Yes If Yes, explain:

5. Is the individual or company that appraised the property related to the mortgage brokerage or to any of its brokers or agents?
   ☒ No ☐ Yes If Yes, explain:

6. Describe any conflicts or potential conflicts of interest in connection with this mortgage investment, other than those described above. N/A

7. Describe what steps the mortgage brokerage has taken to reduce the risk resulting from any conflicts or potential conflicts of interest.
   N/A

8. The mortgage brokerage is acting for:
   ☐ The investor/lender and not the borrower
   ☐ The borrower and not the investor/lender
   ☒ Both the borrower and the investor/lender

9. If this investment is a purchase of an existing mortgage or portion of an existing mortgage, is the mortgage now in default? ☒ No ☐ Yes
   Has it been in default in the last twelve months?
   ☒ No ☐ Yes If Yes to either explain:

10. Will the mortgage proceeds be used to refinance, pay out, redeem or reduce an existing mortgage on **this** property?
    ☒ No ☐ Yes If Yes, explain:

11. Does the mortgage brokerage or any of its brokers or agents expect to gain any interest or benefit from this transaction other than the fees disclosed in Part D of this Disclosure Statement?
    ☒ No ☐ Yes If Yes, explain:

12. The mortgage brokerage is required to disclose in writing the material risks of this investment.
    Describe the material risks of this investment. **This is a residential second mortgage arrangement.**

The mortgage brokerage has fully complied with all requirements of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations.

I have fully completed the above Declaration by the Mortgage Brokerage in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and regulations and declare it to be accurate in every aspect to the best of my knowledge.

Date: 04/05/24

Mary Chmiel
Signature of Mortgage Broker

M08000612
Licence number of Mortgage Broker

Mary Chmiel
Print Name of Mortgage Broker

ACKNOWLEDGEMENT

I, **Michael Stein RRSP**,
Print Name of Investor/Lender

acknowledge receipt of this Declaration by the Mortgage Brokerage, signed by: **Mary Chmiel**
Print Name of Mortgage Broker

April 5th /24
Dated by Investor/Lender

Signature of Investor/Lender

Mortgage Brokerages, Lenders and Administrators Act, 2006

Transaction No.: S-27

PART B. – MORTGAGE PARTICULARS (CONTINUED)

4. Terms of Mortgage:

Amount of your Investment: $160,000.00
Face value of the Mortgage: $290,000.00
Interest rate is fixed at 10.50 % per annum OR
Interest rate is variable. Explain:

Compounding period: semi-ann
What is the borrower's cost of borrowing as disclosed to the borrower: $ 21,393.41
Payment frequency: monthly
Payments to be made by borrower: $ 2,853.00
Payments to you: $ --
(See Part D for fees charged to you)

Term: 2 Years
Amortization: 20 Years
Maturity date: April 26, 2026
Balance on maturity: $280,655.00
Borrower's first payment due: May 26, 2024
Borrower's rate of interest if different from the rate of interest to be paid to the investor:
Borrower's rate of interest: 10.50 %
Investor(s) rate of interest: 10.50 %
Terms and conditions of repayment:
Open Mortgage – prepaid 5 months

5. Rank of Mortgage (according to information from borrower):
The mortgage to be purchased/advanced is/will be a: ☐ First ☒ Second ☐ Third ☐ Other mortgage

Can the rank of the mortgage change? ☒ No ☐ Yes If yes explain how it might change and is it expected to change?

Prior encumbrances (existing or anticipated):
☐ None OR

a) Priority: 1st
Face Amount: $391,925.54
Amount Owing: $387,000.00
In default? ☒ No ☐ Yes ☐ Unknown
If yes, explain:

Name of Mortgagee: TD Canada Trust

b) Priority:
Face Amount:
Amount Owing
In default? ☐ No ☐ Yes ☐ Unknown
If yes, explain:

Name of Mortgagee:

Other encumbrances, including environmental, regulatory and/or liens:

6. Loan to value ratio (according to information from borrower):

a)	Total of prior encumbrances	$387,000.00
b)	Amount of this mortgage	$290,000.00
c)	Total amount of mortgages: (a + b)	$677,000.00
d)	Appraised "as is" value: (from Part A)	$950,000.00
e)	Loan to "as is" value: (c/d x 100)	71.26%
f)	Projected value: (where appropriate):	$
g)	Loan to "projected value" ratio: (c/f x 100)	%

7. Amount of Mortgage Advance
If the amount of the mortgage advance is less than the face value of the mortgage, provide explanation:
Investor is advancing $160,000.00 to participate in mortgage.

PART C. – THE BORROWER

Name and Address of Borrower: **Maheswaran Subramaniam of 1461 Lormel Gate Avenue, Innisfil, ON**

☒ The brokerage has identified the borrower(s) and evidence of identity is attached/will be provided on Date (yyyy-mm-dd) 05/25/2018
☐ The brokerage has not verified the identity of the borrower(s).
Explain what steps the brokerage will take to verify the identity before closing:

IMPORTANT: FINANCIAL INFORMATION ABOUT THE BORROWER'S ABILITY TO MEET THE MORTGAGE PAYMENTS MUST BE ATTACHED TO THIS DISCLOSURE STATEMENT

PART D. – FEES

1. Fees and charges payable by the investor/lender:

Mortgage brokerage fee/commission/other costs:	$ --
Approximate legal fees and disbursements:	$ --
Administration fees (where applicable)	$ .6%
Any other charges: Specify	$ --
	$ --
	$ --
	$ --
Total:	$ --

2. Fees and costs payable by the borrower:

Estimate	Paid To	Purpose
$11,600.00	Mortgage Funding	Brokerage
$		
$		
$		
$		
$		
$		

Are any of the above fees/charges refundable? ☒ No ☐ Yes Explain

Investor/Lender Initials: [initials] Date: APRIL 5th 2024

Mortgage Brokerages, Lenders and Administrators Act, 2006 | Transaction No.: S-26

SECTION 2 – DECLARATION BY THE MORTGAGE BROKERAGE

1. The *Mortgage Brokerages, Lenders and Administrators Act, 2006* requires disclosure of the nature of the relationship between the mortgage brokerage and other persons and entities involved in the mortgage transaction. For the purposes Disclosure Statement and Addendum, two persons are "related" if they share any relationship other than an arm's length business relationship. For example, a shareholder, director, officer, partner or employee of a mortgage brokerage is related to the mortgage broker and to any broker or agent authorized to deal or trade in mortgages on behalf of the mortgage brokerage (referred to below as "its" [the brokerage's] brokers and agents).

   This declaration is made by: **Sussman Mortgage Funding Inc., 129 Dunlop St. E. Barrie, ON L4M 1A6 – 10666**
   Name, address and licence number of mortgage brokerage

2. Does the mortgage brokerage or any of its brokers or agents have or expect to have a direct or indirect interest in this property identified in section 3, Part A? ☒ No ☐ Yes If Yes, explain:

3. Does any person related to the mortgage brokerage or any of its brokers or agents have or expect to have a direct or indirect interest in this property? ☒ No ☐ Yes If Yes, explain:

4. Is the borrower related to the mortgage brokerage or to any of the officers, directors, partners, employees or shareholders of the brokerage or any of its brokers or agents?
   ☒ No ☐ Yes If Yes, explain:

5. Is the individual or company that appraised the property related to the mortgage brokerage or to any of its brokers or agents?
   ☒ No ☐ Yes If Yes, explain:

6. Describe any conflicts or potential conflicts of interest in connection with this mortgage investment, other than those described above. **N/A**

7. Describe what steps the mortgage brokerage has taken to reduce the risk resulting from any conflicts or potential conflicts of interest.
   N/A

8. The mortgage brokerage is acting for:
   ☐ The investor/lender and not the borrower
   ☐ The borrower and not the investor/lender
   ☒ Both the borrower and the investor/lender

9. If this investment is a purchase of an existing mortgage or portion of an existing mortgage, is the mortgage now in default? ☒ No ☐ Yes
   Has it been in default in the last twelve months?
   ☒ No ☐ Yes If Yes to either explain:

10. Will the mortgage proceeds be used to refinance, pay out, redeem or reduce an existing mortgage on this property?
    ☐ No ☒ Yes If Yes, explain: **Paying out S-20 mortgage - $74,000.00 approx.**

11. Does the mortgage brokerage or any of its brokers or agents expect to gain any interest or benefit from this transaction other than the fees disclosed in Part D of this Disclosure Statement?
    ☒ No ☐ Yes If Yes, explain:

12. The mortgage brokerage is required to disclose in writing the material risks of this investment.
    Describe the material risks of this investment. **This is a second mortgage arrangement.**

The mortgage brokerage has fully complied with all requirements of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations.

I have fully completed the above Declaration by the Mortgage Brokerage in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and regulations and declare it to be accurate in every aspect to the best of my knowledge.

Date: 05/18/23

Mary Chmiel
Signature of Mortgage Broker

M08000612
Licence number of Mortgage Broker

Mary Chmiel
Print Name of Mortgage Broker

Mrs. A. McKean & Mr. J. McKean

I, **Michael Stein TFSA**,
Print Name of Investor/Lender

acknowledge receipt of this Declaration by the Mortgage Brokerage, signed by: **Mary Chmiel**
Print Name of Mortgage Broker

MAY 18/23
Dated by Investor/Lender

Signature of Investor/Lender

Transaction No.: S-26

PART B. – MORTGAGE PARTICULARS (CONTINUED)

4. Terms of Mortgage:

Amount of your Investment: **$ 93,000.00**
Face value of the Mortgage: **$500,000.00**
Interest rate is fixed at **10.50%** per annum OR
Interest rate is variable. Explain:

Compounding period: **semi-ann**
What is the borrower's cost of borrowing as disclosed to the borrower: **$121,172.54**
Payment frequency: **monthly**
Payments to be made by borrower: **$4,918.00**
Payments to you: **$ --**
(See Part D for fees charged to you)

Term: **2 Years**
Amortization: **20 Years**
Maturity date: **June 2025**
Balance on maturity: **$483,140.00 approx.**
Borrower's first payment due: **July 2023**
Borrower's rate of interest if different from the rate of interest to be paid to the investor:
Borrower's rate of interest: **10.50%**
Investor(s) rate of interest: **10.50%**
Terms and conditions of repayment:
Open Mortgage

5. Rank of Mortgage (according to information from borrower):
The mortgage to be purchased/advanced is/will be a: ☐ First ☒ Second ☐ Third ☐ Other mortgage

Can the rank of the mortgage change? ☒ No ☐ Yes If yes explain how it might change and is it expected to change?

Prior encumbrances (existing or anticipated):
☐ None OR

a) Priority: **1st**
Face Amount: **$510,000.00**
Amount Owing: **$431,485.64**
In default? ☒ No ☐ Yes ☐ Unknown
If yes, explain:
Name of Mortgagee: **Scotiabank**

b) Priority:
Face Amount:
Amount Owing
In default? ☐ No ☐ Yes ☐ Unknown
If yes, explain:
Name of Mortgagee:

Other encumbrances, including environmental, regulatory and/or liens:

6. Loan to value ratio (according to information from borrower):

a)	Total of prior encumbrances	**$ 431,485.64**
b)	Amount of this mortgage	**$ 500,000.00**
c)	Total amount of mortgages: (a + b)	**$ 931,485.64**
d)	Appraised "as is" value: (from Part A)	**$1,300,000.00**
e)	Loan to "as is" value: (c/d x 100)	**71.65%**
f)	Projected value: (where appropriate):	$
g)	Loan to "projected value" ratio: (c/f x 100)	%

7. Amount of Mortgage Advance
If the amount of the mortgage advance is less than the face value of the mortgage, provide explanation:
Investor is advancing $93,000.00 to participate in mortgage.

PART C. – THE BORROWER

Name and Address of Borrower: **Maheswaran Subramaniam of 1461 Lormel Gate Avenue, Innisfil, ON**

☒ The brokerage has identified the borrower(s) and evidence of identity is attached/will be provided on Date (yyyy-mm-dd) **05/25/2018**
☐ The brokerage has not verified the identity of the borrower(s).
Explain what steps the brokerage will take to verify the identity before closing:

IMPORTANT: FINANCIAL INFORMATION ABOUT THE BORROWER'S ABILITY TO MEET THE MORTGAGE PAYMENTS MUST BE ATTACHED TO THIS DISCLOSURE STATEMENT

PART D. – FEES

1. Fees and charges payable by the investor/lender:

Mortgage brokerage fee/commission/other costs:	$ --
Approximate legal fees and disbursements:	$ --
Administration fees (where applicable)	$ .6%
Any other charges: Specify	$ --
	$ --
	$ --
	$ --
Total:	$ --

2. Fees and costs payable by the borrower:

Estimate	Paid To	Purpose
$ 2,000.00	**Mortgage Funding**	**Brokerage**
$18,000.00	**Mortgage Funding**	**Lender Fee**
$		
$		
$		
$		
$20,000.00		

Are any of the above fees/charges refundable? ☒ No ☐ Yes Explain

Investor/Lender Initials: [handwritten initials] Date: MAY 18/23

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

and

SUSSMAN MORTGAGE FUNDING INC., et al.
Respondents

Court File No. CV-25-00741044-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

AIDE MEMOIRE OF MICHAEL STEIN

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