

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

LOGPIN INVESTMENTS LIMITED, THE GOLDFARB CORPORATION,
GARY GOLDFARB, JEFFREY GOLDFARB, SUZY S. GREENSPAN and
JULIANNA GREENSPAN

Plaintiffs

and

SANDFORD SUSSMAN, a.k.a. SANDY SUSSMAN, SUSSMAN MORTGAGE
FUNDING INC., 2486976 ONTARIO INC., 1981361 ONTARIO INC.,
2114568 ONTARIO INC., ALLIANCE HOMES LTD., ALEX TROOP,
BALLYMORE BUILDING (INNISFIL) CORP., WATERWAYS OF MUSKOKA LTD.,
MARY CHMIEL, LORI RAHAM and LIISA BIER

Defendants

**AIDE MEMOIRE OF THE PLAINTIFFS
(April 15, 2025 – Case Conference)**

1. The Plaintiffs are two groups of investors in a series of mortgage investments primarily on three real estate development projects with Sussman Mortgage Funding Inc. (“**SMFI**”). Logpin Investments Limited (“**Logpin**”), the Goldfarb Corporation, Gary Goldfarb and Jeffrey Goldfarb (the “**Goldfarb Group**”) have invested \$42 million (approx.) with SMFI. Julianna Greenspan and Suzy Greenspan (the “**Greenspans**”) have invested \$1.3 million (approx.) with SMFI. The Plaintiffs’ investment funds are in default and unaccounted for.
2. Mortgages syndicated by SMFI that the Plaintiffs have invested in are unaccounted for, and in some instances, are either in arrears, non-existent, or discharged.
3. According to the Financial Services Regulatory Authority (“**FSRA**”), there are 92 investors in 38 SMFI syndicated mortgages. In addition to the Plaintiffs, one other set of investors have already commenced litigation.¹

¹ Stephen Shefsky, Rita Shefsky, and Samantha Shefsky v. Sussman Mortgage Funding Inc. and Sandford Sussman (Court File No. CV-24-00734030-000). A copy of the Shefsky Statement of Claim is attached as **Schedule "A"**. The Plaintiffs propose that the Shefsky Action and all other SMFI and Sussman related actions or applications are dealt with or heard together by a single judge of the Commercial List.

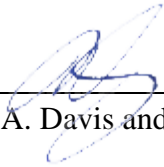

4. Sandford Sussman ("**Sussman**") is the sole officer and director of SMFI.
5. The Defendants 2486976 Ontario Inc. ("**248**") and 1981361 Ontario Inc. ("**198**") are Sussman-owned companies. 248 is a 50% joint venture holder in a real estate project known as Ballymore. 198 holds a 50% joint venture interest in a real estate project known as Uptergrove. 198 also holds a 50% co-tenancy interest in a real estate project known as Waterways.
6. Sussman, together with the Defendant, Mary Chmiel, were the brokers who arranged the syndicated mortgages at issue in this action. The Defendants, Lori Raham and Liisa Bier, are registered deposit agents with SMFI. Together, they processed the mortgage investments and were responsible for the interest payments and other payments made or to be made to the Plaintiffs and to others.
7. Logpin, whose outstanding investments with SMFI total in excess of \$30,000,000 alone,² holds security and debt instruments from each of Sussman, 248, and 198 as follows:
 - a. From 248:
 - i. A Promissory Note for \$15,619,990 and a Guarantee;
 - ii. A General Security Agreement;
 - iii. An Assignment of Co-Tenancy Interest and Cash Flow;
 - iv. An irrevocable Authorization and Direction to remit 248's share of cash flow pursuant to a joint venture agreement from the Ballymore project.
 - b. From 198:
 - i. A Promissory Note for \$27,130,054.17 and a Guarantee;
 - ii. A Promissory Note for \$2,420,000 and a Guarantee;
 - iii. A General Security Agreement;
 - iv. An Assignment of Co-Tenancy Interest and Cash Flow;
 - v. An irrevocable Authorization and Direction to remit 198's share of cash flow pursuant to a joint venture agreement from the Uptergrove project.
8. Sussman, on behalf of SMFI and 198Co, has made the following admissions in writing:
 - a. *Sussman and 198Co both agree that the Sussman [sic] improperly, fraudulently and illegally, and in breach of Sussman's fiduciary duty, appropriated payments paid under the Syndicated Loans in violation of the laws of the Province of Ontario governing mortgage brokers and syndicated loans; and*
 - b. *Both Sussman and 198Co were participants in and beneficiaries of the improper, illegal and fraudulent appropriation of funds by Sussman from Syndicated Loans.*
9. Sussman, on behalf of SMFI and 248Co, has made the following admissions in writing:

² A chart of the Plaintiffs' investments is set out in **Schedule "B"**.

- a. *Sussman and 248 were participants and beneficiaries in fraudulent syndicated loans;*
 - b. *Sussman and 248 were making monthly interest payments to Logpin until August 2024 notwithstanding that mortgage interest payments were not being made; and*
 - c. *The syndicated lands were not properly secured and the principal balance of the syndicated loans exceeded the principal balance payment to SMFI.*
10. At this scheduling attendance, the Plaintiffs propose to seek a timetable for the hearing of an urgent motion for a *Mareva* injunction, together with an accounting from SMFI and Sussman. That includes an accounting of all the investments and mortgages set out in **Schedule "B"**, as well as the proceeds of a recently placed \$800,000 mortgage on a Sussman-owned property.³
11. A form of draft Order that the Plaintiffs will be seeking on this motion is attached as **Schedule "C"**.
12. The Plaintiffs' Statement of Claim and Notice of Motion have been circulated to the Defendants. As yet, no one has gone on record for any of the Defendants in this action.
13. An issue which has changed the landscape in advance of this scheduling conference is the delivery of Notice of Application by FSRA, issued on April 14, 2025.⁴ In its Application, FSRA has given notice of an intention to seek the appointment of a Receiver over SMFI, 248Co, and 198Co.
14. The Plaintiffs do not oppose the proposed receivership of SMFI. There are terms of the Receivership Order that are not yet agreed to. The Plaintiffs are opposed to the proposed receivership of 248Co and 198Co (unregulated entities under the *Mortgage Brokerages, Lenders and Administrators Act, 2006*).
15. The Plaintiffs seek to ensure that any proposed receivership not impact on the Plaintiffs' action or on Logpin's security interests, above.
16. While the Plaintiffs are not opposed to the scheduling of the FSRA Application, it should be done concurrently with the motion for a *Mareva* injunction and the accounting relief.

³ On February 27, 2025, a Sussman company, Mortgage Funding Building Inc., the owner of 129 Dunlop Street, Barrie, granted the mortgage to WFE Investments Corp. and Jeffrey M. Citron Professional Corporation. Counsel for this mortgagee is Judy Hamilton (Friedmans LLP).

⁴ A copy of FSRA's unissued Application Record was provided to counsel for the Plaintiffs on Friday, April 11, 2025.

Milton A. Davis and Teodora Obradovic



Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN

STEPHEN SHEFSKY, RITA SHEFSKY and SAMANTHA SHEFSKY

Plaintiffs

- and -

SUSSMAN MORTGAGE FUNDING INC. and SANDFORD SUSSMAN

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, **WITHIN TWENTY DAYS** after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date _____

Issued by _____

Local Registrar

Address of

court office: Superior Court of Justice
330 University Avenue, 9th Floor
Toronto ON M5G 1R7

TO: SUSSMAN MORTGAGE FUNDING INC.

129 Dunlop Street East
Barrie, ON L4M 1A6

AND TO: SANDFORD SUSSMAN

15 Alexandra Wood
Toronto, ON M5N 2S2

CLAIM

1. The Plaintiffs claim:

- a. payment by the Defendants of the sum of \$1,216,003, being the principal owing under the Investment Agreements (as defined below);
- b. payment by the Defendants of the Plaintiffs' proportionate share of all interest, bonuses, penalties, fees, costs and any additional sums of money due under the Mortgages (as defined below);
- c. disgorgement of any profits earned by the Defendants in respect of the Investment Agreements;
- d. damages in an amount to be advised prior to trial for breach of contract, negligence, breach of trust, breach of fiduciary duty, unjust enrichment and knowing assistance in breach of trust;
- e. an accounting of all amounts received by the Defendants, directly or indirectly, as a result of any of their improper conduct described below;
- f. a tracing order and constructive trust over the property directly or indirectly acquired with the proceeds of the improper conduct described below;
- g. punitive damages in the amount of \$250,000;
- h. pre-judgment and post-judgment interest at the rates of the applicable Mortgages;

- i. in the alternative to (d) above, pre-judgment and post-judgment interest in accordance with the *Courts of Justice Act*, RSO 1990, c C.43;
- j. costs of this proceeding, plus all applicable taxes; and
- k. such further and other relief as this Honourable Court may deem just.

The Parties

2. The Plaintiffs (the “**Shefskys**”) are individuals resident in Toronto, Ontario. Stephen and Rita are spouses. Samantha is their daughter.

3. The Defendant Sussman is an individual resident in Toronto, Ontario and is a long-time friend of Stephen Shefsky.

4. Sussman is a licensed mortgage agent. He is a shareholder, director and officer of the Defendant Sussman Mortgage Funding Inc. (“**SMF**”), which carries on business as a mortgage broker and deposit brokerage based in Barrie, Ontario.

5. Sussman and SMF are subject to the *Mortgage Brokers, Lenders and Administrators Act, 2006* and are regulated by the Financial Services Regulatory Authority of Ontario (“**FSRA**”).

The Mortgages and the Investment Agreements

6. As part of its business, SMF arranges for syndicated mortgages. In a syndicated SMF mortgage, funds from multiple investors are pooled by SMF and advanced to the borrower. The funds are secured by a mortgage which is held in trust by SMF for the investors. SMF administers the mortgage, collecting interest payments from the borrower and remitting them to the lenders in accordance with their proportionate share of the loan.

7. The Shefskys invested in several syndicated mortgages with SMF (the “**Mortgages**”), their participation in which was as follows:

Mortgage	Lender	Remaining Principal	Term	Interest Rate	Maturity Date	Borrower
A-14	Stephen	\$304,400	2 years	7.5%	January 9/23	2114568 Ontario Inc., Alliance Homes Inc., and Alex Troop (“ Alliance ”)
L-16	Rita	\$211,603	2 years	9.0%	April 29/22	Ballymore Building Innisfil Corp. (“ Ballymore ”)
T-14	Rita	\$160,000	1 year	9.0%	July 14/23	Alliance
A-18	Rita	\$200,000	2 years	7.5%	March 3/23	Alliance
B-83	Samantha	\$200,000	2 years	8.5%	July 24/24	Ballymore
R-66	Samantha	\$140,000	2 years	10%	May 5/24	Alliance

8. SMF and Sussman represented to the Shefskys that the Mortgages were for the purpose of financing the construction of new homes by Alliance and Ballymore. Each of the Mortgages was supposed to be secured by a first-ranking charge on the borrowers’ properties, and to be paid down as homes were sold.

9. The Shefskys entered into an investment agreement with SMF in respect of their participation in each Mortgage (the “**Investment Agreement**”). The Investment Agreements provide that:

- a. the Mortgages would be registered in the name of SMF in trust;
- b. SMF would pay the investor/lender their portion of the monthly Mortgage payment, including any bonuses and penalties that may be paid on the Mortgage; and

- c. SMF would receive remuneration in the amount of 6% of the interest received by the investor/lender, which shall be deducted from the monthly Mortgage payment.

10. Each of the Investment Agreements stipulates a maturity date. There is no provision in the Investment Agreements permitting SMF to extend the maturity date without the Shefskys' consent.

The Defendants' Failure to Remit Payments/Pay Out the Mortgages

11. Since approximately 2021, SMF has been consistently late by 10-20 days in making monthly interest payments owing under the Investment Agreements and other loans in which the Shefskys had participated. In or around May 2024, SMF started paying monthly interest more than 20 days late.

12. When the Shefskys expressed their concern about the delayed monthly interest payments, Sussman advised that the delay was in part due to his staff only attending at the office twice a month to send payments as a result of COVID, and also claimed that the borrowers were late with their payments because of slower-than-expected progress with home sales. Sussman repeatedly assured the Shefskys that the payments would be forthcoming. SMF eventually did make the interest payments, but never paid the Shefskys penalties for the late payments as provided for under the Mortgages and the Investment Agreements.

13. Despite the late payments, Sussman assured the Shefskys in or around November 2022 that the borrowers had sufficient house sales in the works to pay out the Mortgages, and

that the Mortgages that were due in early 2023 would be paid out when they matured and that the Shefskys' investments would be returned.

14. In breach of the Investment Agreements and contrary to Sussman's representation, SMF renewed the Mortgages in 2023 without the Shefskys' authorization. SMF and/or Sussman were paid a fee by the borrowers for the renewal of the Mortgages, which they did not share with the Shefskys.

15. In late 2023 and early 2024, the Shefskys repeatedly demanded that SMF return their investments in accordance with the Investment Agreements, but SMF failed to do so.

16. In advance of the maturity date of two further Mortgages (B-86 and R-66), in July 2024 the Shefskys reminded Sussman and SMF that they were not to renew or extend any Mortgages, and demanded that they expected to be paid out in full on maturity.

17. Sussman advised that Mortgages B-86 and R-66 were in good standing and were set to be paid out on maturity later that month. Sussman further assured the Shefskys that all of the Mortgages would be paid out or the Shefskys' position in them would be taken out by new investors in August 2024 or "imminently".

18. Throughout August to November 2024, Sussman repeatedly assured the Shefskys that their investments would be repaid, that new investors were coming in to buy out the Mortgages, that new investors were coming into the project to take out the Shefskys' investments, and that appraisals were underway to support these activities.

19. Sussman's representations proved to be false. Despite numerous further demands, SMF has failed to repay the Mortgages.

Breach of Contract and Negligence

20. SMF has breached the Investment Agreements by, *inter alia*:

- a. failing to repay the Shefskys' investments on the applicable maturity dates;
- b. failing to make monthly interest payments when due;
- c. failing to remit to the Shefskys their proportionate share of other funds received by SMF and/or Sussman pursuant to the Mortgages; and
- d. renewing the Mortgages without authorization from the Shefskys.

21. In addition, SMF and Sussman, as mortgage broker and mortgage agent respectively, owed the Shefskys a duty of care with respect to the Investment Agreements and the Mortgages.

22. The Defendants breached their duty of care by:

- a. failing to conduct appropriate due diligence and monitoring in respect of the loans secured by the Mortgages to ensure the Shefskys' investments were adequately secured by the Mortgages;
- b. failing to appropriately administer the Mortgages, including failing to take appropriate steps to ensure payments were made when due and to enforce the security in the case of defaults; and
- c. failing to pay interest to Shefskys on time; and

- d. failing to pay to the Shefskys amounts they were owed pursuant to the Investment Agreements.

Breach of Trust/Breach of Fiduciary Duty/Unjust Enrichment

23. SMF was the custodian of the funds the Shefskys invested, and holds the Shefskys' interests in the Mortgages in trust for them.

24. As trustee and fiduciary for the Shefskys, SMF owed the Shefskys a duty to:

- a. act honestly and in good faith;
- b. exercise the care, skill, diligence and judgment that a reasonably prudent investor would exercise in investing the Shefskys' funds, without regard for its own interests;
- c. provide the Shefskys with accurate and truthful information about the Mortgages; and
- d. administer the Mortgages with a high degree of care.

25. SMF breached its duties by, *inter alia*:

- a. failing to act in the best interests of the Shefskys and instead putting its own interests above the Shefskys' interests, including for the purpose of realizing fees for itself in respect of the renewal of the Mortgages;
- b. failing to remit funds it received in respect of the Mortgages to the Shefskys, and instead diverting those funds to Sussman or others within the knowledge of the Defendants;

- c. renewing the Shefskys' investments in the Mortgages without authorization and contrary to the Shefskys' express instructions;
- d. failing to be honest with the Shefskys in respect of the status of the Mortgages and their payouts; and
- e. failing to take steps to enforce the security of the Mortgages in order to protect the Shefskys' interests.

26. SMF and Sussman have been enriched by their failure to remit funds received on the Mortgages to the Shefskys and by their collection of fees on the unauthorized Mortgage renewals. The Shefskys have suffered a corresponding deprivation, and there is no juristic reason for the enrichment/deprivation.

Knowing Assistance in Breach of Trust/Piercing the Corporate Veil

27. Sussman is the directing mind and alter ego of SMF: he completely dominates and controls its conduct. He was the individual who effected SMF's breach of trust and dishonest conduct, from which he stood to and did make a profit. As such, Sussman is personally liable for SMF's breach of trust and breach of fiduciary duty.

28. Sussman has used SMF as a shield for his improper conduct, and the corporate veil should be pierced such that Sussman is personally responsible for SMF's conduct.

Remedies

29. The Shefskys are entitled to repayment of all principal amounts owing under the Investment Agreements (\$1,282,400) as well as their proportionate share of all payments SMF and/or Sussman have received under the Mortgages.

30. The Defendants' breach of contract and negligence has also caused the Shefskys further damages, particulars of which will be provided prior to trial.

31. SMF and Sussman are obligated to disgorge any profits they have earned as a result of their breach of trust/knowing assistance in breach of trust and unjust enrichment. The Shefskys are entitled to an accounting of these amounts and to a tracing order and constructive trust over these funds to the extent they are no longer in the Defendants' hands.

32. The Defendants' conduct has been highhanded, wilful, wanton and reckless. The Defendants' conduct is deserving of condemnation and punishment through an award of punitive damages.

33. The Shefskys propose that this action be tried in Toronto.

December 30, 2024

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Lawyers for the Plaintiff

SHEFSKY et al.

Plaintiffs

-and-

SUSSMAN MORTGAGE FUNDING INC. et al.

Defendants

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

STATEMENT OF CLAIM

BOOK ERSKINE LLP
360 Bay Street, Suite 500
Toronto, ON M5H 2V6

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Lawyer for the Plaintiffs

Mortgage, Borrower, and Property	Logpin	TGC	Jeffrey	Gary	Interest Rate	Maturity Date
A-14 Alliance Uptergrove Project	\$1,555,000				7.50%	June 2020
A-18 Alliance Uptergrove Project	\$3,450,000	\$2,000,000	\$150,000		7.50%	March 2017
B-73 Alliance Uptergrove Project	\$380,000					
B-83 BallymoreCo Ballymore Project	\$4,708,334	\$2,366,666	\$200,000	\$500,000	8.00%	
B-86 BallymoreCo Ballymore Project	\$2,516,667.33	\$1,433,332.67		\$450,000	9.00%	
B-90 Alliance Uptergrove Project	\$600,000					December 2023
C-64 BallymoreCo Ballymore Project	\$540,000					
H-20 Alliance Uptergrove Project	\$600,000					December 2023
H-26 Alliance	\$420,000					August 2024

Mortgage, Borrower, and Property	Logpin	TGC	Jeffrey	Gary	Interest Rate	Maturity Date
Uptergrove Project						
H-27 Alliance Uptergrove Project	\$1,150,000		\$200,000	\$120,000		
I-24 Alliance Uptergrove Project	\$717,114.17					2015
J-17 Alliance Uptergrove Project	\$283,333	\$566,667				
K-19 Alliance Uptergrove Project	\$800,000					
L-16 BallymoreCo Ballymore Project	\$2,488,333	\$416,667			9.00%	2016- 2019
M-27 WaterwaysCo Waterways Project	\$353,334	\$706,666				
M-35 Alliance Uptergrove Project	\$500,000					June 2021
M-37 WaterwaysCo Waterways Project	\$1,225,452.98		\$92,487.02		9.00%	2022- 2023
R-61 Alliance	\$350,000					

Mortgage, Borrower, and Property	Logpin	TGC	Jeffrey	Gary	Interest Rate	Maturity Date
Uptergrove Project						
R-66 Alliance Uptergrove Project	\$1,338,334	\$966,666.00	\$100,000	\$70,000	10.00%	2017- 2024
S-18 Alliance Uptergrove Project	\$985,000.00					March 2017
T-14 Alliance Uptergrove Project	\$1,945,000	\$1,000,000		\$250,000	9.00%	
T-18 Alliance Uptergrove Project	\$2,000,000					
W-21 Alliance Uptergrove Project	\$200,000					
W-27 Alliance Uptergrove Project		\$400,000				
W-29 Alliance Uptergrove Project	\$500,000					
W-30 WaterwaysCo Waterways Project	\$1,050,000		\$100,000			2021- 2022

Mortgage	Lender	Principal	Interest Rate	Maturity Date	Borrower
A-18 Alliance Uptergrove Project	Suzy	\$200,000	7.50%	May 2019	211Co, Alliance, Troop, and Bob Carey (now Alliance)
A-18 Alliance Uptergrove Project	Suzy	\$300,000	8.50%	March 2025	211Co, Alliance, Troop (now Alliance)
A-18 Alliance Uptergrove Project	Julianna	\$200,000	7.50%	May 2019	211Co, Alliance, Alex Troop, and Bob Carey (now Alliance)
B-83 BallymoreCo Ballymore Project	Suzy	\$450,000	8.00%	June 2020	248Co (now BallymoreCo)
B-83 BallymoreCo Ballymore Project	Julianna	\$50,000	8.00%	June 2020	248Co (now BallymoreCo)
B-86 BallymoreCo Ballymore Project	Suzy	\$100,000	9.00%	March 2018	BallymoreCo
L-16 BallymoreCo Ballymore Project	Julianna	\$50,000	9.00%	October 2017	248Co (now BallymoreCo)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

LOGPIN INVESTMENTS LIMITED, THE GOLDFARB CORPORATION,
GARY GOLDFARB, JEFFREY GOLDFARB, SUZY S. GREENSPAN and
JULIANNA GREENSPAN

Plaintiffs

and

SANDFORD SUSSMAN, a.k.a. SANDY SUSSMAN, SUSSMAN MORTGAGE
FUNDING INC., 2486976 ONTARIO INC., 1981361 ONTARIO INC.,
2114568 ONTARIO INC., ALLIANCE HOMES LTD., ALEX TROOP,
BALLYMORE BUILDING (INNISFIL) CORP., WATERWAYS OF MUSKOKA LTD.,
MARY CHMIEL, LORI RAHAM and LIISA BIER

Defendants

NOTICE

If the Defendants to whom this Order applies or any of them, disobey this Order, they or any of them may be held to be in contempt of court and may be imprisoned, fined or have their assets seized. Any Defendant affected by this Order is entitled to apply on at least twenty-four (24) hours notice to the Plaintiffs, for an Order granting sufficient funds for ordinary living expenses and legal advice and representation.

Any other person who knows of this Order and does anything which helps or permits a Defendant to breach the terms of this Order may also be held to be in contempt of court and may be imprisoned, fined or have their assets seized.

ORDER

THIS MOTION, made by the Plaintiffs for an interim Order for a *Mareva* injunction, restraining the Defendants, Sandford Sussman a.k.a. Sandy Sussman (“**Sussman**”) and Sussman Mortgage Funding Inc. (“**SMFI**”), from directly or indirectly, in any manner, disposing of, selling, removing, dissipating, alienating, transferring, assigning, encumbering or similarly dealing with any of their assets, together with an Order requiring the Defendants or any of them to forthwith provide to the Plaintiffs, or as they may direct, a full and complete accounting of all mortgages, investments, properties (including but not limited to the properties described in the Notice of Motion as the Ballymore Project, the Waterways Project, or the Uptergrove Project), or assets of any kind into which the Plaintiffs’ funds were, may have been, or were supposed to have been invested into, was heard this day in Toronto.

ON READING the affidavits of [XX] and on hearing the submissions of counsel for the Plaintiffs, and such other parties in attendance at the hearing of this motion,

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Statement of Claim is hereby abridged and validated, and service on the Defendants in the manner served is hereby validated, so that this motion is properly returnable today, and hereby dispenses with further service thereof.

Mareva Injunction

2. **THIS COURT ORDERS** that the Defendants, Sussman and SMFI (the “**Sussman Defendants**”), and their servants, employees, agents, assigns, officers, directors and anyone else acting on their behalf or in conjunction with any of them, and any and all persons with notice of this injunction, are restrained from directly or indirectly, by any means whatsoever:
 - a. selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets of the Sussman Defendants, wherever situate;

- b. instructing, requesting, counselling, demanding, or encouraging any other person to do so; and
- c. facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so.

3. **THIS COURT ORDERS** that paragraph 2 applies to all the Sussman Defendants' assets whether or not they are in the name of either of the Sussman Defendants and whether they are solely or jointly owned. For the purpose of this Order, the Sussman Defendants' assets include any asset which they or either of them has the power, directly or indirectly, to dispose of or deal with as if it were their own. The Sussman Defendants are to be regarded as having such power if a third party holds or controls the assets in accordance with his direct or indirect instructions.

Ordinary Living Expenses

4. **THIS COURT ORDERS** that the Sussman Defendants may apply for an Order, on at least twenty-four (24) hours notice to the Plaintiffs, specifying the amount of funds which the Sussman Defendants are entitled to spend on ordinary living expenses and legal advice and representation.

Disclosure of Information

5. **THIS COURT ORDERS** that Sussman, personally and on behalf of SMFI, prepare and provide to the Plaintiffs within 5 days of the date of service of this Order, a sworn statement describing the nature, value, and location of their assets worldwide whether in the Sussman Defendants' own name or not and whether solely or jointly owned or whether owned directly or indirectly.

6. **THIS COURT ORDERS** that Sussman submit to examinations under oath within 10 days of the delivery of the aforementioned sworn statement.

7. **THIS COURT ORDERS** that if the provision of any of this information is likely to incriminate Sussman, he may be entitled to refuse to provide it but is recommended to take legal advice before refusing to provide the information. Wrongful refusal to provide the information referred to in paragraph 5 herein is contempt of court and may render Sussman liable to be imprisoned, fined, or have his assets seized.

Third Parties

8. **THIS COURT ORDERS** that any chartered bank or financial institution (the “**Banks**”) or any person having knowledge of this Order to forthwith freeze and prevent any removal or transfer of monies or assets of the Sussman Defendants or either of them held in any account or on credit on behalf of the Sussman Defendants or either of them, until further Order of this Court.

9. **THIS COURT ORDERS** that the Banks forthwith disclose and deliver up to the Plaintiffs any and all records held by the Banks concerning the Sussman Defendants’ assets and accounts, including the existence, nature, value and location of any monies or assets or credit, wherever held on behalf of the Sussman Defendants by the Banks.

Alternative Payment of Security into Court

10. **THIS COURT ORDERS** that this Order will cease to have effect if the Sussman Defendants provide security by paying the sum of \$45,000,000 into Court, and the Accountant of the Superior Court of Justice is hereby directed to accept such payment.

Variation, Discharge or Extension of Order

11. **THIS COURT ORDERS** that anyone served with or notified of this Order may apply to the Court at any time to vary or discharge this Order, on 10 days notice to the Plaintiffs.

Accounting

12. **THIS COURT ORDERS** that within 7 days from the date hereof, the Sussman Defendants shall deliver to the Plaintiffs or as they may direct, a full accounting of all funds received, invested, and disbursed by the Sussman Defendants or any of them in respect of mortgages into which the Plaintiffs’ funds were invested or were said to have been invested, together with particulars in respect of the properties to which the Plaintiffs’ funds were invested or said to be invested together with full particulars of any property or other sales or transfers, and without limiting the generality of the foregoing, any payments made on account of the mortgages, including the source of payments, any redemptions, sales or transfers of the said mortgages or the underlying properties or lots on those properties, and a full accounting of all funds which have been paid out to date to anyone whether as profits, as payments to other investors on account of interests held or said to be

held in the subject mortgages or payment or for any other reason whatsoever under any agreement or otherwise, including but not limited to any and all funds or assets received from the Plaintiffs or any funds misappropriated or otherwise diverted from the Plaintiffs, including any funds paid to any other Sussman-related investor or into or through any assets held directly or indirectly by the Sussman Defendants, their employees, agents, assigns, officers, directors or anyone else acting on their behalf or in conjunction with them, together with all documents, records, communications and data relating to the Plaintiffs' investments or the mortgages into which the Plaintiffs invested or are said to have been invested with and through SMFI, and in mortgages including, without limitation, the documents, records, and communications identified in the Goldfarb Plaintiffs' demand letter dated March 10, 2025.

13. **THIS COURT ORDERS** that within 14 days from the date hereof, the Defendants, Alliance Homes Ltd. (“**Alliance**”), Alex Troop (“**Troop**”), Ballymore Building (Innisfil) Corp. (“**BallymoreCo**”), and Waterways of Muskoka Ltd. (“**WaterwaysCo**”), shall forthwith account for any and all payments made towards any of the mortgages identified in Schedule “A” to this Order.

14. **THIS COURT ORDERS** that within 7 days from the date hereof, the Sussman Defendants or any person having knowledge of this Order, shall forthwith account for a Charge in the principal amount of \$800,000 given by Mortgage Funding Building Inc., to WFE Investment Corp. and Jeffrey Citron Professional Corporation (Instrument No. SC2116273), and without limiting the generality of the foregoing, an accounting of the distribution of the proceeds of the said Charge.

15. **THIS COURT ORDERS** that Sussman forthwith surrender his passport to Fogler, Rubinoff LLP, in trust.

16. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"

Mortgage, Borrower, and Property	Logpin	TGC	Jeffrey	Gary	Interest Rate	Maturity Date
A-14 Alliance Uptergrove Project	\$1,555,000				7.50%	June 2020
A-18 Alliance Uptergrove Project	\$3,450,000	\$2,000,000	\$150,000		7.50%	March 2017
B-73 Alliance Uptergrove Project	\$380,000					
B-83 BallymoreCo Ballymore Project	\$4,708,334	\$2,366,666	\$200,000	\$500,000	8.00%	
B-86 BallymoreCo Ballymore Project	\$2,516,667.33	\$1,433,332.67		\$450,000	9.00%	
B-90 Alliance Uptergrove Project	\$600,000					December 2023
C-64 BallymoreCo Ballymore Project	\$540,000					
H-20 Alliance Uptergrove Project	\$600,000					December 2023
H-26 Alliance	\$420,000					August 2024

Mortgage, Borrower, and Property	Logpin	TGC	Jeffrey	Gary	Interest Rate	Maturity Date
Uptergrove Project						
H-27 Alliance Uptergrove Project	\$1,150,000		\$200,000	\$120,000		
I-24 Alliance Uptergrove Project	\$717,114.17					2015
J-17 Alliance Uptergrove Project	\$283,333	\$566,667				
K-19 Alliance Uptergrove Project	\$800,000					
L-16 BallymoreCo Ballymore Project	\$2,488,333	\$416,667			9.00%	2016- 2019
M-27 WaterwaysCo Waterways Project	\$353,334	\$706,666				
M-35 Alliance Uptergrove Project	\$500,000					June 2021
M-37 WaterwaysCo Waterways Project	\$1,225,452.98		\$92,487.02		9.00%	2022- 2023
R-61 Alliance	\$350,000					

Mortgage, Borrower, and Property	Logpin	TGC	Jeffrey	Gary	Interest Rate	Maturity Date
Uptergrove Project						
R-66 Alliance Uptergrove Project	\$1,338,334	\$966,666.00	\$100,000	\$70,000	10.00%	2017- 2024
S-18 Alliance Uptergrove Project	\$985,000.00					March 2017
T-14 Alliance Uptergrove Project	\$1,945,000	\$1,000,000		\$250,000	9.00%	
T-18 Alliance Uptergrove Project	\$2,000,000					
W-21 Alliance Uptergrove Project	\$200,000					
W-27 Alliance Uptergrove Project		\$400,000				
W-29 Alliance Uptergrove Project	\$500,000					
W-30 WaterwaysCo Waterways Project	\$1,050,000		\$100,000			2021- 2022

Mortgage	Lender	Principal	Interest Rate	Maturity Date	Borrower
A-18 Alliance Uptergrove Project	Suzy	\$200,000	7.50%	May 2019	211Co, Alliance, Troop, and Bob Carey (now Alliance)
A-18 Alliance Uptergrove Project	Suzy	\$300,000	8.50%	March 2025	211Co, Alliance, Troop (now Alliance)
A-18 Alliance Uptergrove Project	Julianna	\$200,000	7.50%	May 2019	211Co, Alliance, Alex Troop, and Bob Carey (now Alliance)
B-83 BallymoreCo Ballymore Project	Suzy	\$450,000	8.00%	June 2020	248Co (now BallymoreCo)
B-83 BallymoreCo Ballymore Project	Julianna	\$50,000	8.00%	June 2020	248Co (now BallymoreCo)
B-86 BallymoreCo Ballymore Project	Suzy	\$100,000	9.00%	March 2018	BallymoreCo
L-16 BallymoreCo Ballymore Project	Julianna	\$50,000	9.00%	October 2017	248Co (now BallymoreCo)