

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

**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

APPLICATION UNDER SUBSECTION 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

**MOTION RECORD**

June 25, 2025

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# Tab 1



**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

APPLICATION UNDER SUBSECTION 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

**NOTICE OF MOTION**

B. Riley Farber Inc. (“**Farber**”), in its capacity as the court-appointed receiver (the “**Receiver**”) without security, of the Property (as defined in the Receivership Order) of Sussman Mortgage Funding Inc. (“**SMFI**”), 2486976 Ontario Inc., and 1981361 Ontario Inc. (collectively, the “**Respondents**”), appointed pursuant to the Order of this Honourable Court, dated May 2, 2025 (the “**Receivership Order**”), will make a motion to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on a date to be scheduled by the Court at a case conference scheduled for June 26, 2025 at 10:00 a.m., or as soon after that time as the motion can be heard.

**THE PROPOSED METHOD OF HEARING:** The motion is to be heard

- ☐ In writing under subrule 37.12.1 (1) because it is *(insert one of on consent, unopposed or made without notice)*;
- ☐ In writing as an opposed motion under subrule 37.12.1 (4);
- ☐ In person;
- ☐ By telephone conference;

☒ By video conference.

at the following location

330 University Ave, Toronto, Ontario via Zoom (details to be provided by the Court at a later date).

**THE MOTION IS FOR:**

1. An Order, substantially in the form attached as **Tab 3** of the Receiver's Motion Record, providing the following relief:
  - (a) abridging the time for service of the Notice of Motion and Motion Record of the Receiver and validating service thereof, if necessary;
  - (b) amending and restating the Receivership Order (the "**Amended and Restated Receivership Order**"); and
  - (c) such further and other relief that the Receiver may request and this Honourable Court may consider just.

**THE GROUNDS FOR THIS MOTION ARE:**

2. Pursuant to the Receivership Order, the Court directed the Receiver to conduct a preliminary investigation into the transactions related to the syndicated mortgage portfolio, the status and realizable value of the underlying mortgages, and the status and realizable value of the Respondents interests in the joint venture agreements included in the Property.
3. The Receiver's investigation was hampered by significant deficiencies in the Respondents (namely SMFI) information systems. A combination of system design limitations, poor record keeping and questionable transactions presented serious challenges to reconciling amounts invested by investors and the disposition of proceeds arising from transactions in the mortgage portfolio.
4. In accordance with the Receivership Order, the Receiver delivered to the service list and filed with the Court the Receiver's First Report dated June 2, 2025 (the "**First Report**").

5. While the Receiver's investigation was preliminary in nature, the Receiver made certain conclusions and recommendations following this initial 30 day review. As noted in the First Report at paragraph 149, the Receiver outlined the following general conclusions following:
- (a) the information suffers from significant deficiencies that make it very difficult to fully reconcile the cash flows associated with the syndicated mortgage loans ("SMLs") and the associated claims of investors;
  - (b) the comingling of funds related to the various SMLs within the Respondents various accounts may prohibit any tracing required to establish trust claims in respect of the SMLs and the investments;
  - (c) a principal cause of SMFI's financial difficulties was liquidity imbalances (estimated to be in \$60M range) arising from the payment of interest to investors in respect of SMLs for which: (i) no interest was received from the borrower, or (b) the borrower had previously repaid all advances. While advances to the development projects may have created liquidity challenges in prior years, SMFI's net payments to the development projects in the period 2020-2025 were not material; and
  - (d) many investors have investments across multiple SMLs, such that it will likely be very difficult to identify a group of investors whose investments could be ring-fenced to particular recoveries.
6. The First Report Supplement (as defined herein), filed in support of the Amended and Restated Receivership Order, outlines the Receiver's proposed course of action going forward. As set out in the First Report Supplement, the Receiver intends on developing a realization plan, exploring other avenues of recovery, and continuing with its ongoing investigation. The Receiver estimates these additional steps to occur over the course of the next three months.
7. The Receiver believes that the proposed course of action is reasonable and appropriate in the circumstances and is in the best interest of investors. The Receiver intends to pursue

its mandate efficiently and with a focus on maximizing the return to investors in consultation with representative counsel and other stakeholders.

8. To allow the Receiver to pursue its proposed course of action, the Receiver is requesting that the Court grant the Amended and Restated Receivership Order.

**Other Grounds**

9. Section 101 of the *Courts of Justice Act* (Ontario);
10. Rules 1.04, 1.05, 2.01, 2.03, 16.04 and 37 of the *Rules of Civil Procedure* (Ontario); and
11. Such further and other grounds as counsel may advise this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:**

12. The First Report;
13. The supplement to the First Report dated June 25, 2025 (the “**First Report Supplement**”); and
14. Such further and other materials as counsel may advise and this Honourable Court may permit.

June 25, 2025

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*Lawyers for the Receiver*

**TO: SERVICE LIST**

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

- and - **SUSSMAN MORTGAGE FUNDING INC., et al.**

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION**

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# Tab 2

Court File Number: 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

**SUPPLEMENTAL REPORT TO THE  
FIRST REPORT OF B. RILEY FARBER INC.  
IN ITS CAPACITY AS RECEIVER OF  
SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC., and  
1981361 ONTARIO INC.**

**DATED JUNE 24, 2025**

Court File Number: CV-25-00741044-00CL

**SUPPLEMENTAL REPORT TO THE  
FIRST REPORT OF B. RILEY FARBER INC.  
IN ITS CAPACITY AS RECEIVER OF  
SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC., and  
1981361 ONTARIO INC.**

**DATED JUNE 24, 2025**

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Court File Number: CV-25-00741044-00CL

**SUPPLEMENTAL REPORT TO THE  
FIRST REPORT OF B. RILEY FARBER INC.  
IN ITS CAPACITY AS RECEIVER OF  
SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC., and  
1981361 ONTARIO INC.**

**DATED JUNE 24, 2025**

**LIST OF APPENDICES**

<b>Appendix A</b>	Ramachandran Email dated June 9, 2025
<b>Appendix B</b>	Dentons Email to Ramachandran dated June 18, 2025
<b>Appendix C</b>	Friedmans Letter to Receiver dated June 5, 2025
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<b>Appendix F</b>	Stein Investor Agreements

**SUPPLEMENTAL REPORT TO THE  
FIRST REPORT OF B. RILEY FARBER INC.  
IN ITS CAPACITY AS RECEIVER OF  
SUSSMAN MORTGAGE FUNDING INC., 2486976 ONTARIO INC., and  
1981361 ONTARIO INC.**

**DATED JUNE 24, 2025**

**INTRODUCTION AND PURPOSE OF THIS REPORT**

1. On April 11, 2025, the Financial Services Regulatory Authority of Ontario (“**FSRA**”) made an application (the “**Application**”) under subsection 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O. 2006,c.29 (the “**MBLAA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43 (the “**CJA**”) to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an order appointing B. Riley Farber Inc. (“**B. Riley**”) as receiver without security, of all of the assets, undertakings and properties of Sussman Mortgage Funding Inc. (“**SMFI**”), 2486976 Ontario Inc. (“**248**”) and 1981361 Ontario Inc. (“**198**” and, together with SMFI and 248, the “**Debtors**”).
2. Pursuant to an order (the “**Receivership Order**”) of the Honourable Justice Dietrich dated May 2, 2025 (the “**Date of Appointment**”), B. Riley was appointed as receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of the Debtors, including any assets held in trust by the Debtors for any third party and all property, rights interests and proceeds arising from all joint venture or co-tenancy agreements entered into by the Debtors (collectively, the “**Property**”).
3. As required by paragraph 3 of the Receivership Order, the Receiver prepared and filed with the Court the First Report of the Receiver dated June 2, 2025 (the “**First Report**”), for consideration at a case conference to be held on June 26, 2025.
4. The purpose of this supplemental report to the First Report (the “**Supplemental Report**”) is to provide the Court with additional information with respect to:

- a. the Receiver's proposed course of action;
- b. correspondence with Representative Counsel and other stakeholders;
- c. the disposition of certain Active Mortgages; and
- d. the Receiver's motion for amendments to the Receivership Order.

#### **TERMS OF REFERENCE AND DISCLAIMER**

5. In preparing this Supplemental Report, the Receiver has relied upon certain unaudited, draft, and/or internal financial information of the Debtors, the books and records of the Debtors and discussions with the Debtors' principals, and information from third-party sources (collectively the "**Information**"). Except as otherwise described in this First Report:
  - a. the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountant of Canada Handbook (the "**CPA Handbook**") and, as such, the Receiver expresses no opinion or other form of assurance with respect to the Information presented in this First Report.
  - b. the Receiver has filed this Supplemental Report solely for the purpose of providing information to this Court. Parties using the First Report other than for the purposes outlined herein are cautioned it may not be appropriate for their purposes.
6. Unless otherwise noted, all monetary amounts contained in this Supplemental Report are expressed in Canadian dollars.
7. Defined terms in this Supplemental Report have the meaning provided to them in the First Report unless otherwise defined herein.
8. This Supplemental Report should be read in conjunction with the Receiver's First Report, which sets out the preliminary findings on which the Supplemental Report is based. A copy

of the First Report, along with other material filed in these receivership proceedings, is available on the Receiver's Case Website at:  
<https://brileyfarber.com/engagements/sussman-mortgage-funding-inc/>

## **PROPOSED COURSE OF ACTION**

9. Following discussions with Representative Counsel and other stakeholders, the Receiver proposes the course of action described below.

### ***Realization Plan***

10. The Receiver is in the process of developing a realization plan for each Active Mortgage. This process involves a comprehensive analysis designed to produce the following:
  - a. an estimate of the realizable value of each Active Mortgage on an "as is" basis;
  - b. an assessment of the feasibility and viability of development plans for certain Active Mortgages;
  - c. a scenario analysis outlining various strategic options, including potential realization outcomes, associated timelines, and funding requirements; and
  - d. a recommendation regarding the course of action moving forward.
11. To facilitate the Receiver's efforts to realize on the Property for the benefit of stakeholders, the Receiver is proposing certain amendments to the Receivership Order to allow it to market the Property and vest title to the Property to purchasers, subject to the approval of the Court.

### ***Other Avenues of Potential Recovery***

12. The Receiver is also investigating other potential avenues of recovery, including but not limited to:
  - a. potential claims or beneficial interest of SMFI in the Premises;
  - b. potential claims against SMFI's current and previous auditor(s);

- c. potential claims against any insurance policies held by SMFI; and
- d. potential claims against Sussman and related parties who may have received preferential payments.

### ***The Investigation***

13. As discussed in the First Report, the Investigation is incomplete, given the limited timeframe for delivery of the First Report and other constraints detailed therein. Given the issues identified in the First Report with respect to the quality and reliability of the Information, the Receiver does not believe that the benefit of a full forensic review of the Information would justify the cost. Specifically, the lack of electronic accounting records prior to August 1, 2018 would require a review of physical financial records, which are expected to be incomplete, and would require the Receiver to painstakingly rebuild financial records for multiple years based on banking records.
14. The Receiver does believe, however, that there is value in a limited effort to advance the Investigation to the extent permitted by the Information. The Receiver proposes to undertake a review of the Information, and any additional information that may be provided by Investors, to attempt to determine:
  - a. Principal amounts invested by each Investor in the Active Mortgages;
  - b. The mortgages in which each Investor intended to invest;
  - c. The mortgages to which Investor funds were actually directed;
  - d. The amount, if any, received by each Investor as a repayment of principal since August 1, 2017;
  - e. The amount, if any, received by each Investor as interest since August 1, 2018;
  - f. The amount paid to each borrower since August 1, 2018; and
  - g. The amount received from each borrower since August 1, 2018.

15. The Receiver estimates that these additional steps to conclude the Investigation will take approximately three months.

### ***Reviewable Transactions***

16. The Receiver proposes to investigate the Reviewable Transactions set out in the First Report and any other transactions potentially requiring further review that may be identified in the Investigation.
17. In order to facilitate and assist in its review of the Reviewable Transactions and to allow the Receiver to pursue any preferences or transfers at undervalue that may be identified, the Receiver is seeking an amendment to the Receivership Order to grant it the power to assign the Respondents into bankruptcy in the event it becomes necessary.
18. The Receiver notes that a bankruptcy application against SMFI was brought by an Investor on May 9, 2025 (the “**Bankruptcy Application**”). A copy of the Bankruptcy Application was included in the motion record filed by Representative Counsel on May 15, 2025.
19. The Receiver believes that it would be more efficient and cost effective to proceed with a bankruptcy assignment of SMFI than wait for the Bankruptcy Application to be heard.
20. The Receiver also believes it may be advantageous to assign the Equity Corps. into bankruptcy as well, in order to preserve the reviewable transaction periods, as the Equity Corps. hold the interests in the development projects.
21. As the bankruptcy estates are unlikely to have unencumbered assets to address the fees of a bankruptcy trustee, the Receiver is seeking an amendment to the Receivership Order to extend the protection of the Receiver’s Charge to any trustee in bankruptcy appointed over any of the Debtors.

### ***Claims Process***

22. The Receiver proposes work with Representative Counsel and other stakeholders to design a claims process to allow Investors to make claims against the estate, at the appropriate time. Given the disparity among Investors in terms of financial sophistication and the

quality of records maintained by Investors, the Receiver will review whether it will be more effective to conduct a reverse claims process.

23. If the Receiver determines that a reverse claims process is appropriate, it will be necessary to conclude the limited Investigation prior to commencing a claims process.

## **ACTIVE MORTGAGES**

### ***The Bidmead Mortgage***

24. As discussed in the First Report, the Receiver has been in regular correspondence with Bidmead regarding the maturity of the Bidmead Mortgage on June 23, 2025.
25. The Receiver is working closely with its counsel and Olympia to finalize the repayment of the Bidmead Mortgage and the discharge of the related mortgage registrations. The Receiver expects to realize approximately \$820,000 from the repayment of the Bidmead Mortgage.

### ***The Subramaniam Mortgages***

26. The Receiver has also been in regular contact with Subramaniam's counsel regarding the Subramaniam Mortgages. Subsequent to the issuance of the First Report, Subramaniam remitted funds to the Receiver to address the mortgage arrears.
27. On June 9, 2025, Ramachandran Law ("**Ramachandran**"), Subramaniam's counsel advised the Receiver that Subramaniam was working to refinance the S-26 mortgage on the maturity date of June 23, 2025. A copy of Ramachandran's email is attached hereto as **Appendix "A"**.
28. On June 18, 2025, Dentons LLP ("**Dentons**"), counsel to the Receiver, wrote to Ramachandran requesting a copy of the executed mortgage commitment related to the refinancing of S-26. Dentons also made demand for the June payment in respect of S-27. A copy of Dentons' email is attached hereto as **Appendix "B"**.

29. As of the date of this Supplementary Report the Receiver has not received a response to Dentons' email. The Receiver intends to commence mortgage enforcement remedies in respect of S-26 and S-27 in order to preserve the interests of the Investors with registered and beneficial interests in the Subramaniam Mortgages.
30. As set out in the First Report, certain Registered Investors dispute that S-26 and S-27 are Property and have expressed an interest in exercising their remedies personally. On June 5, 2025, the Receiver received a letter from Friedmans LLP ("**Friedmans**"), counsel to a Registered Investor. A copy of Friedmans' letter is attached hereto as **Appendix "C"**.
31. In its letter, among other things, Friedmans notes an error in the First Report, which stated that the S-26 Property is currently encumbered by a charge in favour of SMFI and Olympia in trust for certain Registered Investors. Friedmans correctly notes that, following a transfer of charge in October 31, 2023 (the "**S-26 Transfer**"), the registration in favour of SMFI was transferred to Olympia in trust for the RRIF accounts of other Registered Investors.
32. The S-26 Transfer reflected an investment by certain Registered Investors that was used to repay other Investors who had originally invested in the mortgage. The table below sets out a summary of the transactions underlying the S-26 Transfer.

<b>Investor</b>	<b>Principal Out</b>	<b>Principal In</b>
TE03	40,000	-
LB01	30,000	-
BR02	100,000	-
WD01	133,000	-
TN02	-	153,000
RO01	-	150,000
	<b>303,000</b>	<b>303,000</b>

33. While Investors TE03 and LB01 received cash payments in respect of their principal, the repayment of Investors BR02 and WD01 was supposed to occur by transfer of their principal to other mortgages. In the case of Investor BR02 this supposed transfer occurred after the other mortgage had already been discharged. The Receiver has been unable to confirm that all the transfers of principal were made with the consent of the Investors.



Consequently, the Receiver is unable to confirm, at present, whether any of these Investors no longer have a beneficial interest in S-26.

34. On June 16, 2025 Dentons wrote to Friedmans, counsel to Michael Stein (“**Stein**”), noting that the Receiver was unable to confirm that certain Investors had been repaid their principal in respect of the S-26 Transfer and, as such, maintained that S-26 remained Property. A copy of Dentons’ email is attached hereto as **Appendix “D”**.
35. On June 23, 2025 Friedmans filed an aide memoire (the “**Friedmans Aide Memoire**”) in these receivership proceedings, a copy of which is attached hereto as **Appendix “E”**. The Receiver notes the following with respect to the Friedmans Aide Memoire:
  - a. The Receiver has not “interfered” with Olympia’s ability to enforce the mortgages. It has taken reasonable steps to preserve the Property for the benefit of Investors pursuant to the Receivership Order.
  - b. Friedmans asserts that Stein is not an Investor in any mortgage. Attached as **Appendix “F”** are copies of the investor agreements executed by Stein in respect S-26 and S-27. The agreements state the SMFI may exercise enforcement remedies; require the investor to fund any additional costs of enforcement on a pro rata basis; and state that all proceeds of the mortgage shall be shared by investors on a pro rata basis.
  - c. The Receiver does not acknowledge that SMFI does not hold any legal or beneficial interest in S-27. As set out in paragraph 136 of the First Report, the Receiver acknowledges only that SMFI’s records suggest that Messrs. Teichman and Stein are the only Investors in S-27. While the Receiver would not oppose an order allowing Teichman and Stein to enforce their remedies in respect of S-27, other stakeholders may take a different view.
  - d. The Receiver maintains that S-26 is Property and remains subject to the Receiver’s Charge. Until a process for the allocation of costs is determined the Receiver believes it is premature to distribute any funds to Investors, including to the Registered Investors.

### **CORRESPONDENCE WITH REPRESENTATIVE COUNSEL**

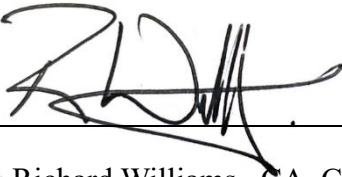
36. The Receiver has met with Representative Counsel and other stakeholders on several occasions to discuss the administration of the receivership proceedings.
37. The Receiver and Representative Counsel have also agreed on the composition of the Investor Committee, which is expected to include the Investors below, subject to the execution of confidentiality agreements.
  - a. Stephen Shefsky
  - b. Robert Green
  - c. Teresa Vincent
  - d. Gaylene Johnson
  - e. Jack Tepperman
  - f. Harley Zeretsky
  - g. Troy Vaine
38. The Receiver is satisfied that the members of the Investor Committee represent a broad range of Investors in terms of investment size and financial sophistication.

### **CONCLUSION**

39. The Receiver believes that the proposed course of action is reasonable and appropriate in the circumstances and is in the best interest of Investors. Given the increased scope of the Receiver's mandate, the Receiver proposes that the limitation on the Receiver's Charge be lifted. The Receiver intends to pursue its mandate efficiently and with a focus on maximizing the return to Investors in consultation with Representative Counsel and other stakeholders.
40. To allow the Receiver to pursue its proposed course of action, the Receiver requests that the Court issue an amended and restated receivership order in the form appended to the Receiver's motion.

All of which is respectfully submitted this 24<sup>th</sup> day of June, 2025.

**B. RILEY FARBER INC.,**  
solely in its capacity as Court-Appointed  
Receiver of the Debtors and without  
personal or corporate liability

Per:  \_\_\_\_\_

Name: Richard Williams , CA, CIRP, LIT  
Title: Senior Managing Director

Appendix “A”  
to the Supplemental Report to the First  
Report of the Receiver

**From:** [Thajeve Selvanathan](#)  
**To:** [Richard Williams](#); [Emily Klein](#)  
**Cc:** [VITHU RAMACHANDRAN](#); [Sara Corcoran](#)  
**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam  
**Date:** Monday, June 9, 2025 2:56:40 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image006.png](#)  
[image007.png](#)  
[image008.png](#)

---

**[EXTERNAL]**

Good afternoon Richard,

Our client has advised that he is currently in the process of refinancing the property with a target date of June 23, 2025.

He intends on paying out this mortgage then. Thank you.

Sincerely,

---

**Thajeve Selvanathan, B.A., J.D.** | LSO 88661V

Associate Lawyer | 908 – 305 Milner Avenue, Scarborough, ON, M1B 3V4

Tel: 437-869-3903 | Fax: 416-391-6056 | Email: [thajeve@Ramachandran.law](mailto:thajeve@Ramachandran.law)



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Appendix “B”  
to the Supplemental Report to the First  
Report of the Receiver

**Richard Williams**

---

**From:** Kennedy, Robert <robert.kennedy@dentons.com>  
**Sent:** Wednesday, June 18, 2025 12:16 PM  
**To:** Thajeve@ramachandran.law  
**Cc:** Richard Williams; Kraft, Kenneth  
**Subject:** FW: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

**[EXTERNAL]**

Thajeve:

As you are aware, we act on behalf of B. Riley Farber Inc., in its capacity as receiver of Sussman Mortgage Funding Inc., et al.

Your client is Maheswaran Subramaniam, mortgagor. Reference is made to the following mortgages:

- (a) a mortgage registered against the lands municipally described as 1345 Bardeau Street, Innisfil, ON (the "**Bardeau Mortgage**"); and
- (b) a mortgage registered against the lands municipally described as 1026 Green Street, Innisfil, ON (the "**Green Mortgage**"), that is in payment arrears for a missed payment due on June 3, 2025 (the "**June Payment**").

The Bardeau Mortgage matures on June 23, 2025. In anticipation of an organized and timely refinancing, the Receiver is requesting that you provide us with the executed mortgage commitment that will be used to support and complete the refinancing, on or before the close of business June 19, 2025.

With respect to the Green Mortgage, the Receiver requires that the June Payment be delivered on or before June 20, 2025, failing which, the Receiver may commence mortgage enforcement remedies.

We look forward to hearing from you shortly.

**Robert J. Kennedy**

Partner  
 National Practice Group Co-Leader, Restructuring, Insolvency and Bankruptcy

 +1 416 367 6756

Dentons Canada LLP | [Toronto](#)

This lawyer practices through a professional corporation.

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**From:** Thajeve Selvanathan <[Thajeve@ramachandran.law](mailto:Thajeve@ramachandran.law)>  
**Date:** June 9, 2025 at 12:56:13 PM MDT  
**To:** Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>, Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>  
**Cc:** VITHU RAMACHANDRAN <[Vithu@ramachandran.law](mailto:Vithu@ramachandran.law)>, Sara Corcoran <[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>

32

**Subject: RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam**

**[EXTERNAL]**

Good afternoon Richard,

Our client has advised that he is currently in the process of refinancing the property with a target date of June 23, 2025.

He intends on paying out this mortgage then. Thank you.

Sincerely,

---

**Thajeve Selvanathan, B.A., J.D. | LSO 88661V**

Associate Lawyer | 908 – 305 Milner Avenue, Scarborough, ON, M1B 3V4

Tel: 437-869-3903 | Fax: 416-391-6056 | Email: [thajeve@Ramachandran.law](mailto:thajeve@Ramachandran.law)



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---

**From:** Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>

**Sent:** June 9, 2025 8:49 AM

**To:** Thajeve Selvanathan <[Thajeve@RAMACHANDRAN.LAW](mailto:Thajeve@RAMACHANDRAN.LAW)>; Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>

**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>; Sara Corcoran <[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>

**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

Good morning Thajeve,

Can we have an update please.

Regards,

Richard Williams  
B. Riley Farber

[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)  
905-904-7400

---

**From:** Thajeve Selvanathan <[Thajeve@RAMACHANDRAN.LAW](mailto:Thajeve@RAMACHANDRAN.LAW)>

**Sent:** Friday, June 6, 2025 10:41 AM



33

**To:** Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>; Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>

**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>; Sara Corcoran <[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>

**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

**[EXTERNAL]**

Good morning Richard,

I have scheduled a call with my client at 2:00pm.

I will provide an update later today. Thank you.

Sincerely,

---

**Thajeve Selvanathan, B.A., J.D.** | LSO 88661V

Associate Lawyer | 908 – 305 Milner Avenue, Scarborough, ON, M1B 3V4

Tel: 437-869-3903 | Fax: 416-391-6056 | Email: [thajeve@Ramachandran.law](mailto:thajeve@Ramachandran.law)

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---

**From:** Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>

**Sent:** June 6, 2025 10:36 AM

**To:** Thajeve Selvanathan <[Thajeve@RAMACHANDRAN.LAW](mailto:Thajeve@RAMACHANDRAN.LAW)>; Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>

**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>; Sara Corcoran <[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>

**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

Good morning Thajeve,

On review of the mortgage documents, it appears the maturity date for S-26 (Bardeau) is actually June 8, 2025.

Please confirm that we will receive payment in the amount of \$484,681.01 on Monday, June 9, 2025.

Regards,

Richard Williams  
B. Riley Farber

[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)  
905-904-7400

---

**From:** Richard Williams

**Sent:** Wednesday, June 4, 2025 9:22 AM

**To:** Thajeve Selvanathan <[Thajeve@RAMACHANDRAN.LAW](mailto:Thajeve@RAMACHANDRAN.LAW)>; Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>

**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>; Sara Corcoran

<[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>

**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

Thank you Thajeve. I will come back to you if we can't confirm receipt.

Please note that June's payment is now due as well – when can we expect receipt?

Also, mortgage S-26 (Bardeau) matures on June 23. Please confirm that your client is making arrangements to repay the mortgage in full on or prior to the maturity date.

Richard Williams  
B. Riley Farber

[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)  
905-904-7400

---

**From:** Thajeve Selvanathan <[Thajeve@RAMACHANDRAN.LAW](mailto:Thajeve@RAMACHANDRAN.LAW)>

**Sent:** Tuesday, June 3, 2025 4:13 PM

**To:** Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>; Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>

**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>; Sara Corcoran  
<[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>

**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

**[EXTERNAL]**

Please see attached wire confirmation.

Sincerely,

---

**Thajeve Selvanathan, B.A., J.D.** | LSO 88661V

Associate Lawyer | 908 – 305 Milner Avenue, Scarborough, ON, M1B 3V4

Tel: 437-869-3903 | Fax: 416-391-6056 | Email: [thajeve@Ramachandran.law](mailto:thajeve@Ramachandran.law)

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---

**From:** Thajeve Selvanathan

**Sent:** June 2, 2025 9:56 AM

**To:** Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>; Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>

**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>; Sara Corcoran  
<[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>

**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

Hi Richard,

Our client's deposit is on hold, we're working to get it released.

We will wire you the funds as soon as possible. Thank you.

Sincerely,

---

**Thajeve Selvanathan, B.A., J.D.** | LSO 88661V

Associate Lawyer | 908 – 305 Milner Avenue, Scarborough, ON, M1B 3V4

Tel: 437-869-3903 | Fax: 416-391-6056 | Email: [thajeve@Ramachandran.law](mailto:thajeve@Ramachandran.law)

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---

**From:** Thajeve Selvanathan

**Sent:** May 30, 2025 2:59 PM

**To:** Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>; Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>

**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>; Sara Corcoran <[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>

**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

Hello,

Our client deposited funds today. We will be wiring to the attached trust account.

Sincerely,

---

**Thajeve Selvanathan, B.A., J.D.** | LSO 88661V

Associate Lawyer | 908 – 305 Milner Avenue, Scarborough, ON, M1B 3V4

Tel: 437-869-3903 | Fax: 416-391-6056 | Email: [thajeve@Ramachandran.law](mailto:thajeve@Ramachandran.law)

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---

**From:** Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>

**Sent:** May 30, 2025 9:25 AM

**To:** Thajeve Selvanathan <[Thajeve@RAMACHANDRAN.LAW](mailto:Thajeve@RAMACHANDRAN.LAW)>; Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>

**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>; Sara Corcoran <[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>

**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

You don't often get email from [rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com). [Learn why this is important](#)

Thank you, we confirm receipt of same. Please confirm payment of the balance was made yesterday.

Richard Williams  
B. Riley Farber

[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)  
905-904-7400

---

**From:** Thajeve Selvanathan <[Thajeve@RAMACHANDRAN.LAW](mailto:Thajeve@RAMACHANDRAN.LAW)>  
**Sent:** Friday, May 30, 2025 8:23 AM  
**To:** Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>; Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>  
**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>; Sara Corcoran <[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>  
**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

**[EXTERNAL]**

Hello,

Please see attached March payment for Green Street.

Sincerely,

---

**Thajeve Selvanathan, B.A., J.D.** | LSO 88661V  
 Associate Lawyer | 908 – 305 Milner Avenue, Scarborough, ON, M1B 3V4  
 Tel: 437-869-3903 | Fax: 416-391-6056 | Email: [thajeve@Ramachandran.law](mailto:thajeve@Ramachandran.law)

<image001.png>

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---

**From:** Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>  
**Sent:** May 28, 2025 11:56 AM  
**To:** Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>; Thajeve Selvanathan <[Thajeve@RAMACHANDRAN.LAW](mailto:Thajeve@RAMACHANDRAN.LAW)>  
**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>; Sara Corcoran <[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>  
**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

You don't often get email from [rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com). [Learn why this is important](#)

Mr. Selvanathan:

We have no record of receiving payments for the Green St. property in March, April or May as set out in my letter. If Mr. Subramaniam argues they were paid he should provide evidence of same.

I have copied Kenneth Kraft of Dentons LLP, counsel to the Receiver, on this email. Please include him in any further correspondence.

Attached are wire instructions for payment of the arrears, which we expect to receive by no later than May 29.

Regards,

Richard Williams  
B. Riley Farber

[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)  
905-904-7400

---

**From:** Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>  
**Sent:** Wednesday, May 28, 2025 11:48 AM  
**To:** Thajeve Selvanathan <[Thajeve@RAMACHANDRAN.LAW](mailto:Thajeve@RAMACHANDRAN.LAW)>  
**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>; Sara Corcoran <[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>; Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>  
**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

Hi Thajeve,

You had an extra l in Richard's email and that's why he was not receiving it.

I have CC'd his correct email now.

# B



---

**From:** Thajeve Selvanathan <[Thajeve@RAMACHANDRAN.LAW](mailto:Thajeve@RAMACHANDRAN.LAW)>  
**Sent:** Wednesday, May 28, 2025 11:39 AM  
**To:** Sara Corcoran <[scorcoran@brileyfin.com](mailto:scorcoran@brileyfin.com)>; Emily Klein <[eklein@brileyfin.com](mailto:eklein@brileyfin.com)>  
**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>  
**Subject:** FW: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

**[EXTERNAL]**

Hello,

My emails to Richard do not seem to be sending.

If you would be able to clarify the below. Thank you.

Sincerely,

---

**Thajeve Selvanathan, B.A., J.D.** | LSO 88661V  
 Associate Lawyer | 908 – 305 Milner Avenue, Scarborough, ON, M1B 3V4  
 Tel: 437-869-3903 | Fax: 416-391-6056 | Email: [thajeve@Ramachandran.law](mailto:thajeve@Ramachandran.law)

<image001.png>

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---

**From:** Thajeve Selvanathan  
**Sent:** May 28, 2025 11:37 AM  
**To:** [rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)  
**Cc:** VITHU RAMACHANDRAN <[Vithu@RAMACHANDRAN.LAW](mailto:Vithu@RAMACHANDRAN.LAW)>  
**Subject:** RE: Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

Hi Richard,

My client will deposit the outstanding amounts soon however he is seeking some clarification.

40

He has indicated that for Bardeau payments up to April have been processed.

For Green Street, payments up to March have been processed.

Therefore the Total outstanding must be:  $2 \times \$2,853 + \$4,918 = \$5,706 + \$4,918 =$   
**\$10,624.**

**Kindly indicate if some of my client's payments have not been processed. Thank you.**

Sincerely,

---

**Thajeve Selvanathan, B.A., J.D.** | LSO 88661V

Associate Lawyer | 908 – 305 Milner Avenue, Scarborough, ON, M1B 3V4

Tel: 437-869-3903 | Fax: 416-391-6056 | Email: [thajeve@Ramachandran.law](mailto:thajeve@Ramachandran.law)

<image001.png>

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---

**From:** Richard Williams <[rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com)>

**Sent:** Friday, May 23, 2025 2:17 PM

**To:** Info (Ramachandran Law) <[info@RAMACHANDRAN.LAW](mailto:info@RAMACHANDRAN.LAW)>

**Cc:** [warans@gmail.com](mailto:warans@gmail.com)

**Subject:** Sussman Mortgage Funding Inc. - Mortgages with Maheswaran Subramaniam

You don't often get email from [rwilliams@brileyfin.com](mailto:rwilliams@brileyfin.com). [Learn why this is important](#)

Mr. Ramachandran,

Please find attached our letter of today's date.

Regards,





# B





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Appendix “C”  
to the Supplemental Report to the First  
Report of the Receiver

# FRIEDMANS

## LAW FIRM

**William Friedman\***  
B.A., B.C.L., LL.B.  
**Barry M. Polisuk\***  
B.A., LL.B., LL.L.  
**Michael W. Ruso\***  
B.A. (Hons), J.D., TEP.  
**Khaled Gheddai**  
B.A. (Hons), M.A., J.D.  
**Sara Haider**  
B.A. (Hons), J.D.

**Judy Hamilton**  
B.A., B.Ed., LL.B.  
**Stephen C. Nadler**  
B.A., J.D.  
**Shida Azari\***  
B.A., LL.B.  
**Shabnam Riazi**  
B.A., J.D.

**Bryan C. Friedman\***  
B.F.A., J.D.  
**Mark A. Russell**  
B.A., J.D.  
**Olohirere Musa**  
B.A., J.D.  
**Alexander Hamilton**  
B.A., J.D.

\* provides legal services through a professional corporation

June 5, 2025

**BY EMAIL (Kenneth.kraft@dentons.com)**

Ken Kraft  
Dentons Canada LLP  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, ON M5K 0A1

Dear Mr. Kraft:

**Re: Receivership of Sussman Mortgage Funding Inc. ("SMFI")  
S26 and S27 Mortgages**

---

We act for Michael Stein, who is a beneficial owner of the two mortgages discussed below. I understand that you act for the Receiver of SMFI.

Mr. Stein received your letter to Jay Teichman dated June 2, 2025 regarding the said mortgages. This letter is in response to your letter.

### ***S26 Mortgage – Instrument No. SC1988664 – 1345 Bardeau Street, Innisfil, ON***

Originally, the mortgagees of this S26 mortgage, registered on June 23, 2023, were:

- SMFI as to 60.8% interest
- Olympia Trust Company ("**Olympia**") as to 39.26% interest, in trust for Mr. Stein's RRSP and TFSA

On October 31, 2023, a Transfer of Charge was registered on title to the subject property as Instrument No. SC2018550. Pursuant to that Transfer of Charge, SMFI transferred its 60.8% interest in the S26 mortgage to Olympia, in trust for Jay Teichman's and Bruce Roberts' respective RRIF accounts.

Accordingly, since October 31, 2023, SMFI has not held any legal or beneficial ownership interest in the S26 mortgage. Instead, since that time, the sole mortgagee of the S26 mortgage has been (and is) Olympia, which holds the mortgage in trust for Messrs. Stein, Teichman and Roberts as to their respective aforesaid interests.

For the said reason, the following statement at paragraph 107 of the Receiver's First Report, is obviously not correct: *"The S-26 Property is currently encumbered by a charge in favour of SMFI and Olympia in trust for certain Registered Investors"*.

Strangely, neither the Receiver's First Report, nor your said letter, made any mention whatsoever of the said registered Transfer of Charge.

Given the same, would you please arrange for the Receiver to amend its First Report as soon as possible in this connection.

Regardless, Olympia has been holding an undivided 39.2% interest in the S26 mortgage in trust for Mr. Stein, since the mortgage's inception. Prior to the registration of the Transfer of Charge in October 2023, SMFI held only a 60.8% interest in the S26 mortgage. Yet, neither your said letter nor the Receiver's First Report acknowledges Mr. Stein's ownership interest as to 39.2% of the S26 mortgage, or recognizes his legal rights in that regard.

Given all the foregoing, your allegation that the S26 mortgage forms part of SMFI's "Property" has no basis in truth, whether in fact or at law.

### ***S27 Mortgage – Instrument No. SC2056785 – 1026 Green Street, Innisfil, ON***

As you and the Receiver acknowledge, the S27 mortgage has *at all times* been held by Olympia, in trust for Mr. Stein's RRSP (as to 55.17%) and Mr. Teichman's TFSA and RRIF (as to 44.83%). SMFI has never held any legal or beneficial ownership interest whatsoever in the S27 mortgage.

Therefore, there is clearly no issue whatsoever that the S27 mortgage does not form part of the Property of SMFI. Yet, despite the same, you advise in your letter that the Receiver will recommend to the Court that Messrs. Stein and Teichman be allowed to deal with this mortgage directly. However, that is currently their right. We do not need the court's approval for the legal and beneficial owners of this mortgage to enforce their mortgage.

### ***The Receiver's Improper Interference with these Mortgages***

Incredibly, despite all the foregoing, the Receiver has notified the borrower of these two mortgages (Mr. Subramaniam) that the mortgage debts are owed to SMFI only, and he must therefore remit all payments to the Receiver and not to the mortgagee, Olympia, or to the beneficial owners/lenders of the mortgages.

We also understand that, since the Receiver sent its said notice, the borrower has ceased making any further payments under both mortgages. To make matters worse, the S26 mortgage is set to mature in a few days from now – on June 8, 2025. At that time, our client is entitled to be paid out.

The Receiver's actions are interfering with the ability of the legal and beneficial owners of these mortgages to enforce their mortgages, both of which have been in default for several months now.

This situation cannot continue.

We ask that the Receiver immediately reconsider its aforesaid positions concerning these mortgages.

If the Receiver will not do so, we will need to bring a motion for directions from the court (and seek our costs of the same). In such event, please confirm that the matter concerning both of these mortgages will be tabled for discussion before the presiding judge at the next court attendance on June 26, 2025.

Finally, please advise (with particulars) if the Receiver has received any monies or payments from the borrower in respect of these mortgages. If so, any such monies must be sent immediately to Olympia.

We look forward to hearing from you as soon as possible in connection with the foregoing.

Yours truly,

**FRIEDMANS LLP**

Per:

A handwritten signature in blue ink, appearing to read "Stephen C. Nadler", is written over the printed name.

Stephen C. Nadler

cc. Client

cc. Jay Teichman

Appendix “D”  
to the Supplemental Report to the First  
Report of the Receiver



**Richard Williams**

---

**From:** Kennedy, Robert <robert.kennedy@dentons.com>  
**Sent:** Monday, June 16, 2025 10:25 AM  
**To:** SN@friedmans.ca  
**Cc:** Richard Williams; Kraft, Kenneth  
**Subject:** SMFI | S-26 and S-27  
**Attachments:** LT Ken Kraft re S26 & S27 mtgs - Jun 5 2025.pdf

**[EXTERNAL]**

Stephen:

Reference is made to your correspondence dated June 5, 2025 (attached). We reply as follows:

With respect to S-26, in or around November 2023, SMFI received approximately 303K from Roberts and Stein. Based on the Receiver's review of the limited records associated with S-26, it appears that the 303K was to repay the amounts owing to four non-registered investors in S-26 (the "**Non-Registered Investors**"). At this time, the Receiver is unable to confirm that the Non-registered Investors received that payment. Until the Receiver confirms the foregoing, S-26 will continue to form "Property" pursuant to the Receivership Order.

With respect to S-27, as outlined in the Receiver's First Report dated June 2, 2025 at paragraph 137, the Receiver is prepared to allow your client to take enforcement steps with respect S-27 (subject to Court approval).

Note that the Receiver has collected payments for S-26 in the amount of \$4,918 and S-27 in the amount of \$5,706.

If you have any further questions or concerns, please do not hesitate to contact us.

**Robert J. Kennedy**

Partner  
 National Practice Group Co-Leader, Restructuring, Insolvency and Bankruptcy



+1 416 367 6756

[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com) | [Bio](#) | [Website](#)

Dentons Canada LLP | 77 King Street West, Suite 400, Toronto-Dominion Centre, Toronto, ON, M5K 0A1, Canada

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Appendix “E”  
to the Supplemental Report to the First  
Report of the Receiver

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 – June 26, 2025, at 10:00 a.m.)

1. As discussed below, Michael Stein (“**Mr. Stein**”) is a beneficial owner and lender of two mortgages held by Olympia Trust in trust for him. Mr. Stein is not an investor in any Sussman Mortgage Funding Inc. (“**SMFI**”) mortgage. His mortgages do not form part of the Respondents’ Property and are therefore not subject to this receivership. Despite the same, the Receiver has interfered with his and Olympia Trust’s ability to enforce the mortgages, which are both in default. Regarding mortgage one discussed below, the Receiver acknowledges its overreach and recommends that the court declare that the mortgage is not subject to this receivership. As to mortgage two discussed below, the Receiver maintains that it might have a claim as to a 60.8% interest in the mortgage even though SMFI does not have any registered interest in the mortgage. Given its position, the Receiver has hijacked all enforcement powers of the mortgage from the mortgagee (Olympia Trust) and the beneficial owners. The Receiver acknowledges that Mr. Stein’s

39.2% beneficial interest in that mortgage does not form part of the Respondents' Property. Accordingly, at the very minimum, the Receiver must remit 39.2% of any payments received by it in respect of that mortgage, to Olympia Trust for Mr. Stein.

**(1) S-27 Mortgage – Instrument No. SC2056785 – 1026 Green Street, Innisfil, ON**

2. A copy of this registered Charge/Mortgage (without its Schedule of additional terms) is at **Attachment 1** hereto. As indicated therein, the sole mortgagee of this mortgage is Olympia Trust Company, which holds the mortgage in trust for Mr. Stein's RRSP (as to 55.17%) and Jay Teichman's TFSA and RRIF (as to 44.83%).

3. The Receiver acknowledges that SMFI does not hold any legal or beneficial interest in this mortgage. Despite the same, the Receiver has notified the borrower of this mortgage (Mr. Subramaniam) that he is to remit all payments regarding this mortgage to the Receiver, and not to the mortgagee (Olympia Trust) or to the beneficial owners/lenders (Messrs. Stein and Teichman). To make matters worse, after the Receiver sent its notice, the borrower ceased making further payments under the mortgage. Due to the Receiver's improper interference, the legal and beneficial owners of this mortgage are unable to enforce their mortgage.

4. The Receiver now acknowledges that SMFI does not have an interest in this mortgage and, therefore, the mortgage does not form part of the "Property" of SMFI. In paragraph 137 of its First Report, the Receiver recommends that the said beneficial and legal owners of this mortgage be allowed to enforce their mortgage. Yet, that is already their legal right. Although completely unnecessary, the Receiver requires that an order be obtained (which the Receiver would not oppose) permitting the said owners to enforce

their mortgage. The Receiver refuses to simply send a letter to the borrower indicating the same and rescinding the Receiver's prior notice to the borrower otherwise.

5. The Receiver advises that it has collected \$5,706 from the borrower regarding this mortgage. The Receiver is holding those funds in trust for the said owners, and must forward those funds to Olympia Trust.

6. Accordingly, Mr. Stein respectfully requests an endorsement or order: (a) declaring that this mortgage does not form part of the Property of the Respondents and is, therefore, not subject to this receivership; (b) requiring the Receiver to notify the borrower of the same; and (c) requiring the Receiver to promptly transfer all monies it has received, and may in the future receive, in respect of this mortgage to Olympia Trust.

**(2) S-26 Mortgage – Instrument No. SC1988664 – 1345 Bardeau Street, Innisfil, ON**

7. A copy of this registered Charge/Mortgage (without its Schedule of additional terms) is at **Attachment 2**. The mortgagees of this mortgage, registered on June 23, 2023, were originally:

- SMFI as to an undivided 60.8% interest; and
- Olympia Trust as to 39.2% interest, in trust for Mr. Stein's RRSP and TFSA

8. On October 31, 2023, a Transfer of Charge was registered as Instrument No. SC2018550 (**Attachment 3**), pursuant to which, SMFI transferred its 60.8% interest in the mortgage to Olympia Trust, in trust for Jay Teichman's and Bruce Roberts' respective RRIF accounts.

9. Accordingly, since October 31, 2023, SMFI has not held any legal or beneficial interest in this mortgage. Instead, since that time, the sole mortgagee of the mortgage has been (and is) Olympia Trust, which holds the mortgage in trust for Messrs. Stein, Teichman and Roberts as to their respective aforesaid interests.

10. Strangely, the Receiver's First Report (at paragraph 107) makes no mention whatsoever of the said registered Transfer of Charge, and instead states that the property *"is currently encumbered by a charge in favour of SMFI and Olympia in trust for certain Registered Investors"*, which is obviously untrue.

11. Despite the foregoing, the Receiver has notified the borrower (Mr. Subramaniam) that all payments under this mortgage are to be made to it, and not to Olympia Trust or the beneficial owners of the mortgage. The borrower stopped making any further mortgage payments. Further, the mortgage matured on June 8, 2025, and the borrower has not paid out the mortgage.

12. The Receiver refuses to permit Olympia Trust and the said beneficial owners/lenders to enforce their mortgage. According to the Receiver's counsel, this is due to the fact that SMFI formerly held a 60.8% interest in this mortgage. However, since October 2023, SMFI ceased having any registered interest in the mortgage. Accordingly, the Receiver, standing in the shoes of SMFI, has no right to enforce the mortgage. That right belongs to the owners of the mortgage.

13. Regardless of the same, there is no dispute that, ever since the mortgage's inception, Olympia Trust holds an undivided 39.2% interest in the mortgage in trust for Mr. Stein.

14. The Receiver acknowledges that it has no claim to Mr. Stein's 39.2% beneficial interest in this mortgage. The Receiver has reportedly received payments totaling \$4,918 from the borrower regarding this mortgage. According to the Receiver's counsel, the Receiver requires an order permitting it to forward 39.2% of those funds to Olympia Trust in trust for Mr. Stein.

15. The Receiver cannot deprive or impair Mr. Stein's legal rights as to his undisputed 39.2% ownership interest in this mortgage. The Receiver must transfer 39.2% of any monies it has received, and may receive, regarding this mortgage to Olympia Trust in respect of Mr. Stein's undisputed 39.2% interest therein.

16. Mr. Stein respectfully requests an endorsement or order accordingly.

June 23, 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

# **Attachment 1**



Properties				
PIN	58065 - 0847	LT	Interest/Estate	Fee Simple
Description	LOT 29, PLAN 51M1099; SUBJECT TO AN EASEMENT IN GROSS AS IN SC1361759; SUBJECT TO AN EASEMENT FOR ENTRY AS IN SC1474813; TOWN OF INNISFIL			
Address	1026 GREEN STREET LEFROY			

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	SUBRAMANIAM, MAHESWARAN
Address for Service	1610 19th Avenue Richmond Hill, Ontario L4E 3R9
I am at least 18 years of age.	
The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)		Capacity	Share
Name	OLYMPIA TRUST COMPANY		as to an undivided 55.17% interest
Address for Service	Olympia Trust Company in trust for RRSP# 330315 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 25.14% interest
Address for Service	Olympia Trust Company in trust for TFSA # 344117 - Jay Teichman 341Joicey Blvd., Toronto, Ontario M5M 2W2		
Name	OLYMPIA TRUST COMPANY		as to an undivided 19.69% interest
Address for Service	Olympia Trust Company in trust for RRIF # 314249 - Jay Teichman 341Joicey Blvd., Toronto, Ontario M5M 2W2		

Statements
Schedule: See Schedules
The text added or imported if any, is legible and relates to the parties in this document.

Provisions			
Principal	\$290,000.00	Currency	CDN
Calculation Period	semi-annually, not in advance		
Balance Due Date	2026/05/03		
Interest Rate	10.50% per annum		
Payments	\$2,853.00		
Interest Adjustment Date	2024 05 03		
Payment Date	3rd day of each month		
First Payment Date	2024 06 03		
Last Payment Date	2026 05 03		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor			

Signed By

Ku Yim Ng

20 Holly St. Ste 300  
Toronto  
M4S 3B1

acting for  
Chargor(s)

Signed

2024 05 21

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 05 21

Tel

416-486-9800

Fax

416-486-3309

Fees/Taxes/Payment

Statutory Registration Fee	\$69.95
Total Paid	\$69.95

File Number

Chargor Client File Number :

12543030 GDG DR MN

## **Attachment 2**

Properties				
PIN	58065 - 0609	LT	Interest/Estate	Fee Simple
Description	LOT 146, PLAN 51M1014; TOGETHER WITH AN EASEMENT OVER PTS 6 & 7 51R38128 AS IN SC996675; SUBJECT TO AN EASEMENT IN GROSS OVER LOT 146, PLAN 51M1014 AS IN SC1333490; TOWN OF INNISFIL			
Address	1345 BARDEAU STREET INNISFIL			

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	SUBRAMANIAM, MAHESWARAN
Address for Service	1345 Bardeau Street, Innisfil, Ontario L0L 1W0
I am at least 18 years of age.	
The property is not ordinarily occupied by me and my spouse, who is not separated from me, as our family residence.	
This document is not authorized under Power of Attorney by this party.	

Chargee(s)		Capacity	Share
Name	SUSSMAN MORTGAGE FUNDING INC.		as to an undivided 60.80% interest
Address for Service	129 Dunlop Street East, Barrie, Ontario L4M 1A6		
Name	OLYMPIA TRUST COMPANY		as to an undivided 20.60% interest
Address for Service	Olympia Trust Company in trust for RRSP # 330315 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 18.60% interest
Address for Service	Olympia Trust Company in trust for TFSA # 330559 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		

Statements
Schedule: See Schedules

Provisions			
Principal	\$500,000.00	Currency	CDN
Calculation Period	semi-annually, not in advance		
Balance Due Date	2025/06/23		
Interest Rate	10.50% per annum		
Payments	\$4,918.00		
Interest Adjustment Date	2023 06 23		
Payment Date	23rd day of each month		
First Payment Date	2023 07 23		
Last Payment Date	2025 06 23		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor			

Signed By				
Ku Yim Ng	20 Holly St. Ste 300 Toronto M4S 3B1	acting for Chargor(s)	Signed	2023 06 23

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

2023 06 23

Toronto

M4S 3B1

Tel

416-486-9800

Fax

416-486-3309

Fees/Taxes/Payment

Statutory Registration Fee

\$69.00

Total Paid

\$69.00

File Number

Chargor Client File Number : 12543023 GDG DR MN

## **Attachment 3**

Properties		
PIN	58065 - 0609    LT	
Description	LOT 146, PLAN 51M1014; TOGETHER WITH AN EASEMENT OVER PTS 6 & 7 51R38128 AS IN SC996675; SUBJECT TO AN EASEMENT IN GROSS OVER LOT 146, PLAN 51M1014 AS IN SC1333490; TOWN OF INNISFIL	
Address	1345 BARDEAU STREET INNISFIL	

Source Instruments		
Registration No.	Date	Type of Instrument
SC1988664	2023 06 23	Charge/Mortgage

Transferor(s)

This transfer of charge affects all lands that the charge is against which are outstanding.

Name

Address for Service

SUSSMAN MORTGAGE FUNDING INC.  
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

Address for Service

OLYMPIA TRUST COMPANY  
Olympia Trust Company in trust for  
RRSP # 330315 - Michael Stein  
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.

Name

Address for Service

OLYMPIA TRUST COMPANY  
Olympia Trust Company in trust for  
TFSA # 330559 - Michael Stein  
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.

Transferee(s)		Capacity	Share
Name	OLYMPIA TRUST COMPANY		as to an undivided 20.60% interest
Address for Service	Olympia Trust Company in trust for RRSP # 330315 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 18.60% interest
Address for Service	Olympia Trust Company in trust for TFSA # 330559 - Michael Stein PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 30.80% interest
Address for Service	Olympia Trust Company in trust for RRIF # 314249 - Jay Teichman PO Box 2581, STN Central Calgary AB T2P 1C8		
Name	OLYMPIA TRUST COMPANY		as to an undivided 30.00% interest
Address for Service	Olympia Trust Company in trust for RRIF # 271041 - Bruce Roberts		

Transferee(s)	Capacity	Share
PO Box 2581, STN Central Calgary AB T2P 1C8		

Statements

The chargee transfers the selected charge for 2.00 and other good and valuable consideration, without any warranties or representation and on a non-recourse basis.

This document relates to registration number(s)SC1988664 & SC1988665

Signed By

Ku Yim Ng

20 Holly St. Ste 300  
Toronto  
M4S 3B1

acting for  
Transferor(s)

Signed

2023 10 31

Tel        416-486-9800

Fax        416-486-3309

I have the authority to sign and register the document on behalf of all parties to the document.

Ku Yim Ng

20 Holly St. Ste 300  
Toronto  
M4S 3B1

acting for  
Transferee(s)

Signed

2023 10 31

Tel        416-486-9800

Fax        416-486-3309

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

OWENS, WRIGHT LLP

20 Holly St. Ste 300  
Toronto  
M4S 3B1

2023 10 31

Tel        416-486-9800

Fax        416-486-3309

Fees/Taxes/Payment

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

File Number

Transferee Client File Number :                    12543023 GDG DR MN



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***

**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 “F”  
to the Supplemental Report to the First  
Report of the Receiver

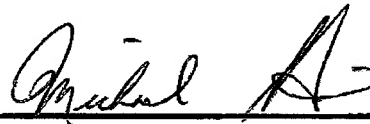
## INVESTOR AGREEMENT

This agreement is entered into between Sussman Mortgage Funding Inc. in Trust and Michael Stein TFSA:

1. This mortgage shall be registered in the name of Sussman Mortgage Funding Inc. in Trust.
2. Sussman Mortgage Funding Inc. in Trust hereby acknowledges that the mortgage which we hold as mortgagees is held for and solely on behalf of the investor who gives Sussman Mortgage Funding Inc. in Trust \$93,000.00 to participate in the S-26 Second Mortgage Investment bearing interest at 10.50% maturing in June 2025 repayable in monthly payments of Principal and Interest.
3. Sussman Mortgage Funding Inc. in Trust shall pay the investor their portion of the monthly mortgage payment including any bonuses and penalties that may be paid on this mortgage transaction.
4. In event of default under the mortgage, Sussman Mortgage Funding Inc. in Trust shall contact investors to inform them of the same.
5. The investor shall pay on a pro rate basis any additional sums of money which we require to be paid in the event of the mortgagors default, and all benefits arising out of the pay out of the mortgage shall be shared by the investors to the extent of their respective interest.
6. In event of Power of Sale Sussman Mortgage Funding Inc. in Trust shall retain counsel to exercise Power of Sale and shall retain a real-estate broker to list said property for sale. The Mortgagee shall maintain the property until the sale is complete.
7. Sussman Mortgage Funding Inc. in Trust shall inform the investor in writing in the event that the mortgage broker becomes aware of any subsequent encumbrance on title or any other significant change in circumstances affecting the mortgage.
8. Sussman Mortgage Funding Inc. in Trust shall receive remuneration in the amount of 6.00% of the interest received by the investor. This shall be deducted from the monthly mortgage payment.
9. Should an investor request an early payout prior to maturity, this will be completed provided that Sussman Mortgage Funding Inc. in Trust is able to find another investor to take their position.

Signed and Dated on this 22 day of May, 2023.





**ACKNOWLEDGEMENT**

**I/We hereby acknowledge of being in receipt of all documents listed as Part E on Investor/Lender Disclosure Statement.**

Signed and dated this 18 day of MAY, 2023



---

**FORM 1 – INVESTOR/LENDER DISCLOSURE STATEMENT  
FOR BROKERED TRANSACTIONS****IMPORTANT DISCLOSURE DUTIES**

In this Investor/Lender Disclosure Statement For Brokered Transactions ("Disclosure Statement"), mortgage brokerages are required to provide you with the completed Disclosure Statement that contains important information in connection with this transaction.

**A brokerage must:**

1. Advise you if the brokerage cannot verify the identity of another party to the transaction.
2. Disclose whether the brokerage is acting for the lender, the borrower, or both the borrower and lender.
3. Disclose to a lender the brokerage's relationship with each borrower, and disclose to an investor the brokerage's relationship with each party to the transaction.
4. Disclose whether the brokerage is receiving a fee or remuneration for referring you to a person or entity, and disclose the relationship with that person or entity.
5. Disclose material risks about the transaction that you should consider.
6. Disclose actual or potential conflicts of interest that may arise from this transaction.
7. Take reasonable steps to ensure that any mortgage investment the brokerage presents to you is suitable having regard to your needs and circumstances.
8. If applicable, complete the Addendum (Form 1.1) if Construction and Development Loans are involved, including syndicated or non-syndicated mortgages.

**If your investment is being administered, the Mortgage Administrator must:**

1. Disclose the relationship, if any, between the administrator and each borrower.
2. Disclose whether the administrator may receive, or may pay, any fees or other remuneration in connection with the administration of the mortgage, the basis for calculating them and the payor's identity.
3. Disclose whether it is receiving a fee or other remuneration for referring you to a person or entity, and disclose the administrator's relationship with that person entity.
4. Disclose actual or potential conflicts of interest that may arise from the transaction.

**You must receive these disclosures in writing and acknowledge receipt of them. You should keep a copy for your records.**

**Important:** This form is required by law and will provide the prospective investor/lender with important information to assist you in making a decision about whether to invest/lend.

This information must be disclosed at least two business days before you commit to lend/invest, ie: two business days before the earliest of the following events:

- When the brokerage receives or enters into an agreement to receive money from you.
- When you enter into a mortgage agreement or an agreement to trade in a mortgage.
- The money is advanced to the borrower under the mortgage
- The trade completion date.

You may agree to reduce the two business day waiting period to one business day by consenting in writing by completing the approved Waiver (Form 1.2)

**INVESTOR/LENDER DISCLOSURE STATEMENT  
FOR BROKERED TRANSACTIONS**

**SECTION 1 – CAUTION**

1. This Disclosure Statement has not been filed with the Financial Services Commission of Ontario (FSCO). Neither FSCO nor any other authority of the Government of Ontario has reviewed or approved the completed Disclosure Statement.
2. All Mortgage Investments carry a risk. There is a relationship between risk and return. In general, the higher the rate of return, the higher the risk of the investment. You should very carefully assess the risk of the mortgage transaction described in this Disclosure Statement, the Addendum (Form 1.2) if applicable and in the supporting documentation before making a commitment.
3. Syndicated Mortgages (defined as more than one investor/lender) may carry additional risks pertaining not only to the risk of default but also to the risks associate with participating in a syndication and financing of real estate transactions.
4. Inexperienced investors are **NOT** advised to enter into mortgage investments.
5. You should consider inspecting the property or project as identified in section 3 Part A of this Disclosure
6. This Mortgage Investment is **NOT** insured by the Government of Ontario or any other investor protection fund.
7. You are **STRONGLY** advised to obtain independent legal advice before committing to invest.
8. This mortgage investment cannot be guaranteed by the Mortgage Brokerage. If you are not prepared to risk a loss, you should not consider mortgage investments.
9. If this investment is for a mortgage to fund a development, construction or commercial project, the repayment of this investment may depend on the successful completion of the project, and its successful leasing or sale.
10. If you are one of several investors in a syndicated mortgage, you may not be able to enforce repayment of your investment on your own if the borrower defaults.
11. You should ensure you have sufficient documentation to support the property valuation quoted in this Disclosure Statement. The property value may decrease over time, including the period between the date of the most recent appraisal and the date you complete the transaction. A decline in property value may also affect the return and/or value on your investment in the event of a default in payments under this mortgage.
12. You should satisfy yourself as to the borrower's ability to meet the payments required under the terms of this mortgage investment.
13. The Mortgage Administrator, if applicable, cannot make payments to you except from payments of principal and interest made by the borrower under the mortgage. Therefore, the mortgage administrator cannot continue mortgage payments to you if the borrower defaults.
14. If you want to withdraw your money before the end of the term, a new investor/lender may be required and there is no assurance that there will be a market for the resale or transfer of the mortgage.
15. If the contract provides for an extension, you may not be able to opt out of any extension of a mortgage term. You need to review terms relating to the extension of mortgages carefully.
16. This Disclosure Statement, the Addendum (Form 1.2) if applicable and the attached documents are not intended to provide a comprehensive list of factors to consider in making a decision concerning this investment. There may be additional risks to the investment. You should satisfy yourself regarding all factors relevant to this investment before you commit to invest.

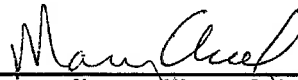
Date: 05/18/23

M08000612

Licence number of Mortgage Broker

10666

Licence number of Mortgage Brokerage



Signature of Mortgage Broker

Mary Chmiel

Print name of Mortgage Broker

Sussman Mortgage Funding Inc.

Name of Mortgage Brokerage

**ACKNOWLEDGEMENT**

I, Michael Stein TFSA of \_\_\_\_\_


Print name of Investor/Lender

Address

acknowledge receipt of this Caution, signed by the mortgage broker.

May 18/23

Dated by Investor/Lender



Signature of Investor/Lender

## 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.

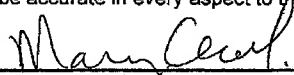
The mortgage brokerage has fully complied with all requirements of the Mortgage Brokerages, Lenders and Administrators Act, 2006 and its regulations.

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

M08000612

Licence number of Mortgage Broker



Signature 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

**SECTION 2 – DECLARATION BY THE MORTGAGE BROKERAGE****PART A. – PROPERTY/SECURITY TO BE MORTGAGED**

1. Legal and Municipal address of the property: Plan 51M1014, Lot 146, Town of Innisfil, County of Simcoe known as 1345 Bardeau Street, LeRoy, Ontario, L0L 1W0 – Residential Property.

2. Type of Property:

- ☒ Property with existing buildings
- ☒ Single Family Residential
- ☐ Owner Occupied
- ☐ Rental
- ☐ Condominium
- ☐ One-to-Four unit residential
- ☐ Five or more unit residential
- ☐ Commercial
- ☐ Industrial
- ☐ Agricultural
- ☐ Other, explain below: \_\_\_\_\_

- ☐ Vacant land, development or construction project/proposed use, including projected starting and completion dates: \_\_\_\_\_

- ☐ Other: \_\_\_\_\_

- 3 Purchase Price: (a) Purchase Price of Property: \$ \_\_\_\_\_ (b) Date of Purchase: \_\_\_\_\_

- 4 Property Taxes:

Annual Property taxes: \$5,300.00

Are taxes in arrears?

- ☒ No ☐ Yes ☒ Investor/Lender's Solicitor to verify prior to closing or ensure coverage under title insurance.

Amount of arrears: \$ \_\_\_\_\_

5. Condominium Fees (if applicable):

Monthly condominium fees: \$ \_\_\_\_\_

Are fees in arrears?

- ☐ No ☐ Yes Amount of arrears: \$ \_\_\_\_\_

6. Zoning:

Is the zoning on the property appropriate for the proposed use?

- ☐ No ☒ Yes ☐ Investor/Lender's Solicitor to verify prior to closing or ensure coverage under title insurance.

If No, details: \_\_\_\_\_

7. Appraisal:

- ☐ An appraisal has not been done on the property within the past 12 months OR

- ☒ An appraisal has been done on the property within the past 12 months

For all properties, appraised "as is" value: \$1,300,000.00

If the appraisal was addressed to someone other than the investor/lender of record, provide a transmittal letter.

Date of Appraisal: May 2, 2023

Name and Address of Appraiser: Kelly Jean, York Simcoe Appraisal Corp Inc. - PO.Box 93026, 1111 Davis Drive, Newmarket, ON L3Y 8K3

**PART B. – MORTGAGE PARTICULARS**

1. Type of Mortgage:

Your investment represents:

- ☐ the entire mortgage OR

- ☒ a portion of the mortgage. Your portion represents 18.6 % of the total.

Number of other parties that have an interest in this mortgage: \_\_\_\_\_

In what name(s) will the mortgage be registered? Sussman Mortgage Funding Inc. in Trust

If the mortgage is not registered in the investor's name, explain: Mortgage is syndicated and held in trust for investors.

2. Existing or New Mortgage:

- ☐ An existing registered mortgage or portion of an existing mortgage is being purchase

- ☒ Your investment will fund a new mortgage or portion of a new mortgage that has not yet been registered.

3. Mortgage:

**Important: A Mortgage Administrator must be licenced under Mortgage Brokerages, Lenders and Administrators Act, 2006**

Will the mortgage be administered for you? ☐ No ☒ Yes If "Yes", name, address and Licence No. of administrator:

Sussman Mortgage Funding Inc. in Trust, 129 Dunlop St. E., Barrie, ON L4M 1A6 – Licence No. 11552

Investor/Lender Initials: hds

Date: May 18/23



**PART B. - MORTGAGE PARTICULARS (CONTINUED)**

## 4. Terms of Mortgage:

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

Interest rate is variable. Explain: \_\_\_\_\_

Compounding period: semi-annWhat is the borrower's cost of borrowing as disclosed to the borrower: \$121,172.54Payment frequency: monthlyPayments to be made by borrower: \$4,918.00Payments to you: \$ -

(See Part D for fees charged to you)

Term: 2 YearsAmortization: 20 YearsMaturity date: June 2025Balance 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:

1<sup>st</sup>Face Amount: \$510,000.00Amount Owning: \$431,485.64In default? ☒ No ☐ Yes ☐ Unknown

If yes, explain: \_\_\_\_\_

b) Priority: \_\_\_\_\_

Face Amount: \_\_\_\_\_

Amount Owning: \_\_\_\_\_

In default? ☐ No ☐ Yes ☐ Unknown

If yes, explain: \_\_\_\_\_

Name of Mortgagee: Scotiabank

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 onDate (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

\$ 2,000.00Mortgage FundingBrokerage\$18,000.00Mortgage FundingLender Fee\$\$\$\$\$\$20,000.00Are any of the above fees/charges refundable? ☒ No ☐ Yes Explain \_\_\_\_\_Investor/Lender Initials: MSDate: MAY 18 / 23

**PART E. – ATTACHED DOCUMENTS**

**IMPORTANT: YOU SHOULD REVIEW THE FOLLOWING DOCUMENTS CAREFULLY AND ASSESS THE RISKS OF THIS INVESTMENT BEFORE COMMITTING TO INVEST. YOU SHOULD CHECK THAT ALL DOCUMENTS ARE CONSISTENT WITH THIS DISCLOSURE SUMMARY. THE FOLLOWING DOCUMENTS SHOULD BE ATTACHED. IF NOT AVAILABLE OR APPLICABLE, PROVIDE COMMENTS IN THE BOX BELOW.**

- |   | Attached                 |
|---|--------------------------|
| 1. If the statement concerns an existing mortgage, provide a copy of the mortgage   | <input type="checkbox"/> |
| 2a. If an appraisal of the property has been done in the preceding twelve months and is available to the mortgage brokerage, a copy of the appraisal  | <input type="checkbox"/> |
| 2b. If a copy of an appraisal of the property is not delivered to you, documentary evidence of the property value, other than an agreement of purchase and sale.  | <input type="checkbox"/> |
| 3. If an agreement of purchase and sale in respect of the property has been entered into in the preceding twelve months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale and all related schedules, amendments and waivers. | <input type="checkbox"/> |
| 4a. Documentary evidence respecting the borrower's ability to meet the mortgage payments.   | <input type="checkbox"/> |
| 4b. If you request, a copy of the borrower's application for a mortgage including documents submitted in support of application.  | <input type="checkbox"/> |
| 5. If the mortgage is for the purchase of a property, documentary evidence of any down payment made by the borrower for the purchase of the property.   | <input type="checkbox"/> |
| 6. A copy of any agreement that you may be asked to enter into with the mortgage brokerage and/or mortgage administrator.   | <input type="checkbox"/> |
| 7. Completed Addendum for Construction and Development Loans (Form 1.1)   | <input type="checkbox"/> |
| 8. List other documents being provided here. _____  |                          |
| 9. If other relevant documents are not being provided or the documents are not attached. Explain _____  |                          |

**IMPORTANT: THE MORTGAGE BROKERAGE IS ALSO REQUIRED TO PROVIDE YOU WITH ALL OTHER INFORMATION A LENDER OR AN INVESTOR OF ORDINARY PRUDENCE WOULD CONSIDER TO BE MATERIAL TO A DECISION WHETHER TO LEND MONEY ON THE SECURITY OF THE PROPERTY OR INVEST IN THE MORTGAGE, SO THAT YOU CAN MAKE AN INFORMED DECISION BEFORE YOU COMMIT TO LEND/INVEST. THIS INFORMATION MIGHT INCLUDE THE FOLLOWING:**

1. If the property is a rental property, details of leasing arrangements, assignment of rent provisions and vacancy status.
2. Environmental considerations affecting the value of the property.
3. If applicable, attach any power of attorney authorizations.
4. If the mortgage is for a construction or development project:
  - i. A detailed description of the project
  - ii. A schedule of the funds that have been advanced to the borrower, and
  - iii. The identity of any person who will monitor the disbursements of funds to the borrower and the use of those funds by the borrower.

**PART F. – CERTIFICATION**

This Information Disclosure Summary has been completed by:

**Sussman Mortgage Funding Inc. – 10666 – 129 Dunlop Street East, Barrie, Ontario L4M 1A6**

Name, Licence Number and Address of Mortgage Brokerage

I have fully completed the above Information Disclosure Summary in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations and declare it to be accurate in every respect to the best of my knowledge.

Date: 05/18/23

**M08000612**

Licence Number of Mortgage Broker

Signature

**Mary Chmiel**

Print Name of Mortgage Broker

**ACKNOWLEDGEMENT**

I, **Michael Stein TFSA**

Print Name(s) of Investor/Lender

, of

Address

acknowledge receipt of this Information Disclosure Summary, signed by the Mortgage Broker

Dated by Investor/Lender

Signature of Investor/Lender

**One copy of this form must be provided to the prospective investor/lender, and one copy must be retained by the mortgage brokerage.**

**IMPORTANT: The information in this Disclosure Statement must be provided to you at the earliest opportunity and, in any case, no later than two business days before the earliest of the following events:**

- When the brokerage receives or enters an agreement to receive money from you.
- When you enter into a mortgage agreement or an agreement to trade in a mortgage.
- The money is advanced to the borrower under the mortgage.
- The trade completion date.

You may agree to reduce the two business day waiting period to one business day by consenting in writing by completing the approved Waiver (Form 1.2).

## INVESTOR AGREEMENT

This agreement is entered into between Sussman Mortgage Funding Inc. in Trust and Michael Stein RRSP:

1. This mortgage shall be registered in the name of Sussman Mortgage Funding Inc. in Trust.
2. Sussman Mortgage Funding Inc. in Trust hereby acknowledges that the mortgage which we hold as mortgagees is held for and solely on behalf of the investor who gives Sussman Mortgage Funding Inc. in Trust \$160,000.00 to participate in the S-27 Second Mortgage Investment bearing interest at 10.50% maturing in April 2026 repayable in monthly payments of Principal and Interest.
3. Sussman Mortgage Funding Inc. in Trust shall pay the investor their portion of the monthly mortgage payment including any bonuses and penalties that may be paid on this mortgage transaction.
4. In event of default under the mortgage, Sussman Mortgage Funding Inc. in Trust shall contact investors to inform them of the same.
5. The investor shall pay on a pro rate basis any additional sums of money which we require to be paid in the event of the mortgagors default, and all benefits arising out of the pay out of the mortgage shall be shared by the investors to the extent of their respective interest.
6. In event of Power of Sale Sussman Mortgage Funding Inc. in Trust shall retain counsel to exercise Power of Sale and shall retain a real-estate broker to list said property for sale. The Mortgagee shall maintain the property until the sale is complete.
7. Sussman Mortgage Funding Inc. in Trust shall inform the investor in writing in the event that the mortgage broker becomes aware of any subsequent encumbrance on title or any other significant change in circumstances affecting the mortgage.
8. Sussman Mortgage Funding Inc. in Trust shall receive remuneration in the amount of 6.00% of the interest received by the investor. This shall be deducted from the monthly mortgage payment.
9. Should an investor request an early payout prior to maturity, this will be completed provided that Sussman Mortgage Funding Inc. in Trust is able to find another investor to take their position.

Signed and Dated on this 9<sup>th</sup> day of APRIL, 2024.

Manu Chmiele

MA

**ACKNOWLEDGEMENT**

**I/We hereby acknowledge of being in receipt of all documents listed as Part E on Investor/Lender Disclosure Statement.**

Signed and dated this 5<sup>th</sup> day of APRIL, 2024

A handwritten signature in black ink, appearing to be 'G.A.', is written above a horizontal line.

---

**FORM 1 – INVESTOR/LENDER DISCLOSURE STATEMENT  
FOR BROKERED TRANSACTIONS**

**IMPORTANT DISCLOSURE DUTIES**

In this Investor/Lender Disclosure Statement For Brokered Transactions ("Disclosure Statement"), mortgage brokerages are required to provide you with the completed Disclosure Statement that contains important information in connection with this transaction.

**A brokerage must:**

1. Advise you if the brokerage cannot verify the identity of another party to the transaction.
2. Disclose whether the brokerage is acting for the lender, the borrower, or both the borrower and lender.
3. Disclose to a lender the brokerage's relationship with each borrower, and disclose to an investor the brokerage's relationship with each party to the transaction.
4. Disclose whether the brokerage is receiving a fee or remuneration for referring you to a person or entity, and disclose the relationship with that person or entity.
5. Disclose material risks about the transaction that you should consider.
6. Disclose actual or potential conflicts of interest that may arise from this transaction.
7. Take reasonable steps to ensure that any mortgage investment the brokerage presents to you is suitable having regard to your needs and circumstances.
8. If applicable, complete the Addendum (Form 1.1) if Construction and Development Loans are involved, including syndicated or non-syndicated mortgages.

**If your investment is being administered, the Mortgage Administrator must:**

1. Disclose the relationship, if any, between the administrator and each borrower.
2. Disclose whether the administrator may receive, or may pay, any fees or other remuneration in connection with the administration of the mortgage, the basis for calculating them and the payor's identity.
3. Disclose whether it is receiving a fee or other remuneration for referring you to a person or entity, and disclose the administrator's relationship with that person or entity.
4. Disclose actual or potential conflicts of interest that may arise from the transaction.

**You must receive these disclosures in writing and acknowledge receipt of them. You should keep a copy for your records.**

**Important:** This form is required by law and will provide the prospective investor/lender with important information to assist you in making a decision about whether to invest/lend.

This information must be disclosed at least two business days before you commit to lend/invest, ie: two business days before the earliest of the following events:

- When the brokerage receives or enters into an agreement to receive money from you.
- When you enter into a mortgage agreement or an agreement to trade in a mortgage.
- The money is advanced to the borrower under the mortgage
- The trade completion date.

You may agree to reduce the two business day waiting period to one business day by consenting in writing by completing the approved Waiver (Form 1.2)

**INVESTOR/LENDER DISCLOSURE STATEMENT  
FOR BROKERED TRANSACTIONS**

**SECTION 1 – CAUTION**

1. This Disclosure Statement has not been filed with the Financial Services Commission of Ontario (FSCO). Neither FSCO nor any other authority of the Government of Ontario has reviewed or approved the completed Disclosure Statement.
2. All Mortgage Investments carry a risk. There is a relationship between risk and return. In general, the higher the rate of return, the higher the risk of the investment. You should very carefully assess the risk of the mortgage transaction described in this Disclosure Statement, the Addendum (Form 1.2) if applicable and in the supporting documentation before making a commitment.
3. Syndicated Mortgages (defined as more than one investor/lender) may carry additional risks pertaining not only to the risk of default but also to the risks associate with participating in a syndication and financing of real estate transactions.
4. Inexperienced investors are **NOT** advised to enter into mortgage investments.
5. You should consider inspecting the property or project as identified in section 3 Part A of this Disclosure
6. This Mortgage Investment is **NOT** insured by the Government of Ontario or any other investor protection fund.
7. You are **STRONGLY** advised to obtain independent legal advice before committing to invest.
8. This mortgage investment cannot be guaranteed by the Mortgage Brokerage. If you are not prepared to risk a loss, you should not consider mortgage investments.
9. If this investment is for a mortgage to fund a development, construction or commercial project, the repayment of this investment may depend on the successful completion of the project, and its successful leasing or sale.
10. If you are one of several investors in a syndicated mortgage, you may not be able to enforce repayment of your investment on your own if the borrower defaults.
11. You should ensure you have sufficient documentation to support the property valuation quoted in this Disclosure Statement. The property value may decrease over time, including the period between the date of the most recent appraisal and the date you complete the transaction. A decline in property value may also affect the return and/or value on your investment in the event of a default in payments under this mortgage.
12. You should satisfy yourself as to the borrower's ability to meet the payments required under the terms of this mortgage investment.
13. The Mortgage Administrator, if applicable, cannot make payments to you except from payments of principal and interest made by the borrower under the mortgage. Therefore, the mortgage administrator cannot continue mortgage payments to you if the borrower defaults.
14. If you want to withdraw your money before the end of the term, a new investor/lender may be required and there is no assurance that there will be a market for the resale or transfer of the mortgage.
15. If the contract provides for an extension, you may not be able to opt out of any extension of a mortgage term. You need to review terms relating to the extension of mortgages carefully.
16. This Disclosure Statement, the Addendum (Form 1.2) if applicable and the attached documents are not intended to provide a comprehensive list of factors to consider in making a decision concerning this investment. There may be additional risks to the investment. You should satisfy yourself regarding all factors relevant to this investment before you commit to invest.

Date: 04/05/24

*Mary Chmiel*

Signature of Mortgage Broker

M08000612

Licence number of Mortgage Broker

Mary Chmiel

Print name of Mortgage Broker

10666

Licence number of Mortgage Brokerage

Sussman Mortgage Funding Inc.

Name of Mortgage Brokerage

**ACKNOWLEDGEMENT**

I, Michael Stein RRSP of \_\_\_\_\_  
Print name of Investor/Lender

Address

acknowledge receipt of this Caution, signed by the mortgage broker.

APRIL 5/24

Dated by Investor/Lender

*[Signature]*

Signature of Investor/Lender

## 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

M08000612

Licence number of Mortgage Broker

  
 Signature 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 5<sup>th</sup> / 24  
 Dated by Investor/Lender

  
 Signature of Investor/Lender

**SECTION 2 – DECLARATION BY THE MORTGAGE BROKERAGE****PART A. – PROPERTY/SECURITY TO BE MORTGAGED**

1. Legal and Municipal address of the property: Plan 51M1099, Lot 18, Town of Innisfil. Known as 1026 Green Street, Innisfil, ON L0L 1W0 – Residential Property

2. Type of Property:

- ☒ Property with existing buildings
- ☒ Single Family Residential ☐ Five or more unit residential
- ☐ Owner Occupied ☐ Commercial
- ☒ Rental ☐ Industrial
- ☐ Condominium ☐ Agricultural
- ☐ One-to-Four unit residential ☐ Other, explain below:

- ☐ Vacant land, development or construction project/proposed use, including projected starting and completion dates:

- ☐ Other:

3. Purchase Price: (a) Purchase Price of Property: \$ (b) Date of Purchase:

4. Property Taxes:

Annual Property taxes: \$4,500.00 approx.

Are taxes in arrears?

- ☒ No ☐ Yes ☒ Investor/Lender's Solicitor to verify prior to closing or ensure coverage under title insurance.

Amount of arrears: \$

5. Condominium Fees (if applicable):

Monthly condominium fees: \$

Are fees in arrears? ☐ No ☐ Yes Amount of arrears: \$

6. Zoning:

Is the zoning on the property appropriate for the proposed use?

- ☐ No ☒ Yes ☐ Investor/Lender's Solicitor to verify prior to closing or ensure coverage under title insurance.

If No, details:

7. Appraisal:

- ☐ An appraisal has not been done on the property within the past 12 months OR

- ☒ An appraisal has been done on the property within the past 12 months

For all properties, appraised "as is" value: \$950,000.00

If the appraisal was addressed to someone other than the investor/lender of record, provide a transmittal letter.

Date of Appraisal: 10/25/2023

Name and Address of Appraiser: Kelly Jean, York Simcoe Appraisal Corp. Inc. – PO Box 93026, 1111 Davis Drive, Newmarket, ON L3Y 8K3

**PART B. – MORTGAGE PARTICULARS**

1. Type of Mortgage:

Your investment represents:

- ☐ the entire mortgage OR ☒ a portion of the mortgage. Your portion represents 55.17 % of the total.

Number of other parties that have an interest in this mortgage:

In what name(s) will the mortgage be registered? Sussman Mortgage Funding Inc. in Trust

If the mortgage is not registered in the investor's name, explain: Mortgage is syndicated and held in trust for investors.

2. Existing or New Mortgage:

- ☐ An existing registered mortgage or portion of an existing mortgage is being purchase
- ☒ Your investment will fund a new mortgage or portion of a new mortgage that has not yet been registered.

3. Administered Mortgage:

Important: A Mortgage Administrator must be licenced under Mortgage Brokerages, Lenders and Administrators Act, 2006

Will the mortgage be administered for you? ☐ No ☒ Yes If "Yes", name, address and Licence No. of administrator:

Sussman Mortgage Funding Inc. in Trust, 129 Dunlop St. E., Barrie, ON L4M 1A6 – Licence No. 11552

Investor/Lender Initials: CHS

Date: April 5<sup>th</sup> 2024



**PART B. – MORTGAGE PARTICULARS (CONTINUED)**

## 4. Terms of Mortgage:

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

Interest rate is variable. Explain: \_\_\_\_\_

Compounding period: semi-annWhat is the borrower's cost of borrowing as disclosed to the borrower: \$ 21,393.41Payment frequency: monthlyPayments to be made by borrower: \$ 2,853.00Payments to you: \$ --

(See Part D for fees charged to you)

Term: 2 YearsAmortization: 20 YearsMaturity date: April 26, 2026Balance on maturity: \$280,655.00Borrower'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 ORa) Priority: 1<sup>st</sup>Face Amount: \$391,925.54Amount Owed: \$387,000.00In default? ☒ No ☐ Yes ☐ Unknown

If yes, explain: \_\_\_\_\_

b) Priority: \_\_\_\_\_

Face Amount: \_\_\_\_\_

Amount Owed \_\_\_\_\_

In default? ☐ No ☐ Yes ☐ Unknown

If yes, explain: \_\_\_\_\_

Name of Mortgagee: TD Canada Trust

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 \$387,000.00b) Amount of this mortgage \$290,000.00c) Total amount of mortgages: (a + b) \$677,000.00d) Appraised "as is" value: (from Part A) \$950,000.00e) 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
<u>\$11,600.00</u>	<u>Mortgage Funding</u>	<u>Brokerage</u>
<u>\$</u>		
<u>\$</u>		
<u>\$</u>		
<u>\$</u>		
<u>\$</u>		
<u>\$</u>		
<u>\$</u>		

Are any of the above fees/charges refundable? ☒ No ☐ Yes Explain \_\_\_\_\_Investor/Lender Initials: GADate: APRIL 5<sup>th</sup> 2024

**PART E. – ATTACHED DOCUMENTS**

**IMPORTANT: YOU SHOULD REVIEW THE FOLLOWING DOCUMENTS CAREFULLY AND ASSESS THE RISKS OF THIS INVESTMENT BEFORE COMMITTING TO INVEST. YOU SHOULD CHECK THAT ALL DOCUMENTS ARE CONSISTENT WITH THIS DISCLOSURE SUMMARY. THE FOLLOWING DOCUMENTS SHOULD BE ATTACHED. IF NOT AVAILABLE OR APPLICABLE, PROVIDE COMMENTS IN THE BOX BELOW.**

- |   | Attached                 |
|---|--------------------------|
| 1. If the statement concerns an existing mortgage, provide a copy of the mortgage   | <input type="checkbox"/> |
| 2a. If an appraisal of the property has been done in the preceding twelve months and is available to the mortgage brokerage, a copy of the appraisal  | <input type="checkbox"/> |
| 2b. If a copy of an appraisal of the property is not delivered to you, documentary evidence of the property value, other than an agreement of purchase and sale.  | <input type="checkbox"/> |
| 3. If an agreement of purchase and sale in respect of the property has been entered into in the preceding twelve months and is available to the mortgage brokerage, a copy of the agreement of purchase and sale and all related schedules, amendments and waivers. | <input type="checkbox"/> |
| 4a. Documentary evidence respecting the borrower's ability to meet the mortgage payments.   | <input type="checkbox"/> |
| 4b. If you request, a copy of the borrower's application for a mortgage including documents submitted in support of application.  | <input type="checkbox"/> |
| 5. If the mortgage is for the purchase of a property, documentary evidence of any down payment made by the borrower for the purchase of the property.   | <input type="checkbox"/> |
| 6. A copy of any agreement that you may be asked to enter into with the mortgage brokerage and/or mortgage administrator.   | <input type="checkbox"/> |
| 7. Completed Addendum for Construction and Development Loans (Form 1.1)   | <input type="checkbox"/> |
| 8. List other documents being provided here. _____  |                          |
| _____   |                          |
| 9. If other relevant documents are not being provided or the documents are not attached. Explain _____  |                          |
| _____   |                          |
| _____   |                          |

**IMPORTANT: THE MORTGAGE BROKERAGE IS ALSO REQUIRED TO PROVIDE YOU WITH ALL OTHER INFORMATION A LENDER OR AN INVESTOR OF ORDINARY PRUDENCE WOULD CONSIDER TO BE MATERIAL TO A DECISION WHETHER TO LEND MONEY ON THE SECURITY OF THE PROPERTY OR INVEST IN THE MORTGAGE, SO THAT YOU CAN MAKE AN INFORMED DECISION BEFORE YOU COMMIT TO LEND/INVEST. THIS INFORMATION MIGHT INCLUDE THE FOLLOWING:**

1. If the property is a rental property, details of leasing arrangements, assignment of rent provisions and vacancy status.
2. Environmental considerations affecting the value of the property.
3. If applicable, attach any power of attorney authorizations.
4. If the mortgage is for a construction or development project:
  - i. A detailed description of the project
  - ii. A schedule of the funds that have been advanced to the borrower, and
  - iii. The identity of any person who will monitor the disbursements of funds to the borrower and the use of those funds by the borrower.

**PART F. – CERTIFICATION**

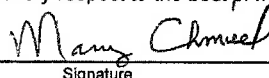
This Information Disclosure Summary has been completed by:

**Sussman Mortgage Funding Inc. – 10666 – 129 Dunlop Street East, Barrie, Ontario L4M 1A6**

Name, Licence Number and Address of Mortgage Brokerage

I have fully completed the above Information Disclosure Summary in accordance with the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations and declare it to be accurate in every respect to the best of my knowledge.

Date: 04/05/24



Signature

M08000612

Licence Number of Mortgage Broker

Mary Chmiel

Print Name of Mortgage Broker

**ACKNOWLEDGEMENT**

I, **Michael Stein RRSP**

Print Name(s) of Investor/Lender

, of

Address

acknowledge receipt of this Information Disclosure Summary, signed by the Mortgage Broker

APRIL 5th 2024  
Dated by Investor/Lender

  
Signature of Investor/Lender

One copy of this form must be provided to the prospective investor/lender, and one copy must be retained by the mortgage brokerage.

**IMPORTANT: The information in this Disclosure Statement must be provided to you at the earliest opportunity and, in any case, no later than two business days before the earliest of the following events:**

- When the brokerage receives or enters an agreement to receive money from you.
- When you enter into a mortgage agreement or an agreement to trade in a mortgage.
- The money is advanced to the borrower under the mortgage.
- The trade completion date.

You may agree to reduce the two business day waiting period to one business day by consenting in writing by completing the approved Waiver (Form 1.2).

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**SUPPLEMENTAL REPORT OF THE RECEIVER**  
**B. RILEY FARBER INC.**

**DENTONS CANADA LLP**  
77 King Street West, Suite 400  
Toronto, Ontario M5K 0A1

**Kenneth D. Kraft LSO #31919P**  
**Robert J. Kennedy LSO#: 474070**  
Tel: 416 863-4374/ 416-367-6756  
Email: [kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)/  
[robert.kennedy@dentons.com](mailto:robert.kennedy@dentons.com)

Lawyers for the Receiver,  
B. Riley Farber Inc.

# Tab 3

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE	)	THURSDAY, THE 26 <sup>th</sup>
	)	
JUSTICE DIETRICH	)	DAY OF JUNE, 2025

**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

**AMENDED AND RESTATED  
RECEIVERSHIP ORDER  
(appointing Receiver)**

**THIS APPLICATION** made initially by the Applicant on May \_\_, 2025 for an Order pursuant to section 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O. 2006, c. 29, as amended (the "**MBLAA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing B. Riley Farber Inc. as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondents 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 was heard on May 2, 2025 at 330 University Avenue, Toronto, Ontario (the "**Initial Application**"),

**ON READING** the receivership order granted by the Court on May 2, 2025 appointing the Receiver of the Property (as defined herein) (the “**Receivership Order**”) pursuant to the Initial Application,

**AND ON READING** the Preliminary Report (as defined in the Receivership) dated June 2, 2025, filed in accordance with paragraph 3 of the Receivership Order,

**AND ON READING** the Receiver’s supplement to the Preliminary Report dated June \_\_\_, 2025,

**AND ON HEARING** the submissions of counsel for the Receiver, the Applicant and such other parties in attendance at the hearing of this application, and on being advised that those investors represented today do not object to the form of Order presented to the Court today, subject to the terms of this Order,

## **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

## **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 37 of the MBLAA (in respect of SMFI) and pursuant to section 101 of the CJA (in respect of all of the Respondents), B. Riley Farber Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Respondents 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, including but not limited to those described in **Schedule "B"** attached hereto, including all proceeds thereof and including all property vested in any trustee in bankruptcy of the said Respondents (collectively, the "**Property**").

**RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage and operate the business of the Respondents, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the Respondents' business, and cease to carry on the Respondents' GIC business;
- (d) to enter the Respondents' business premises during regular business hours and examine and make copies of any document or record, in paper or electronic format;
- (e) to have access to all electronic storage and record databases, including, but not limited to, iCloud, email inboxes, Dropbox, and to examine and make copies of any document or record contained therein;
- (f) to review and investigate the books, records and financial affairs in electronic form or otherwise, including, without limitation, banking and investment records, of the Respondents;

- (g) to review and investigate:
  - (i) transactions related to the syndicated mortgage loans brokered by SMFI and the disposition of any proceeds;
  - (ii) the status and realizable value of the underlying mortgages; and
  - (iii) the status and realizable value of the Respondents' interests in the joint venture agreements included in the Property;
- (h) to deliver notices of examination to and examine any person (including, without limitation, any of the Respondents, and any other officer, director, or employee of the Respondents) under oath who has knowledge of the business and affairs of the Respondents;
- (i) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (j) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Respondents or any part or parts thereof;
- (k) to receive and collect all monies and accounts now owed or hereafter owing to the Respondents and to exercise all remedies of the Respondents in collecting such monies, including, without limitation, to enforce any security held by the Respondents;
- (l) to settle, extend or compromise any indebtedness owing to the Respondents;
- (m) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the



name and on behalf of the Respondents, for any purpose pursuant to this Order;

- (n) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Respondents, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (o) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (p) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$125,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act*, [or section 31 of the *Ontario Mortgages Act*, as the case may be,] shall not be required;

- (q) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (r) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (s) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (t) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondents;
- (u) to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondents, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondents;
- (v) to exercise any shareholder, partnership, joint venture or other rights which the Respondents may have; and
- (w) to exercise the functions of an administrator in accordance with the MBLAA and regulations;
- (x) to execute an assignment in bankruptcy, assigning the Respondents (or any one of them) into bankruptcy, or to consent to an application for the making of a bankruptcy order against the Respondents (or any of them); and
- (y) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Respondents, and without interference from any other Person.

**DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the Respondents, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Respondents, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate

access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Respondents or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondents or the Property are hereby stayed and suspended pending further Order of this Court, provided however that nothing in this Order shall affect the relief ordered by the Court on this day in the action bearing Court File No. CV-25-00740475-00CL.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension

does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and further provided that nothing in this paragraph shall (i) empower the Receiver or the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien, or (v) prevent any creditor from commencing a bankruptcy application against any of the Respondents.

#### **NO INTERFERENCE WITH THE RECEIVER**

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Respondents, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Respondents are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from

any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court. Notwithstanding anything else contained in this Order, nothing in this Order shall affect or be deemed to affect or alter in any manner the holding of any property in trust by the Respondents for investors, which shall continue and remain in effect at all times.

## **EMPLOYEES**

14. **THIS COURT ORDERS** that all employees of the Respondents shall remain the employees of the Respondents until such time as the Receiver, on the Respondents' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Respondents, and shall

return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to

the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.



22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the appointment of the Receiver over all Property and the Receiver's Charge and Receiver's Borrowing Charge granted over all Property, shall not be deemed in any way to reflect or predetermine the basis upon which borrowings and the costs and expenses of the Receiver, or any proceeds that may arise from or be realized from the Property, may ultimately be allocated or distributed as the case may be, pursuant to a further Order of the Court. For greater certainty, steps taken by the Receiver and the costs incurred by the Receiver pursuant to this or any further Order shall, to the extent possible, be allocated by the Receiver based on the separate properties, mortgages, projects and/or investments, for the purposes of any future allocation or distribution.

24. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

26. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further

orders that a Case Website shall be established in accordance with the Guide with the following URL '<https://brileyfarber.com/engagements/sussman-mortgage-funding-inc/>'.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** the Applicant's request for its costs of the Initial Application are to be determined by this Court on motion by the Applicant on not less than seven (7) days notice to the Service List.

33. **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.

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**SCHEDULE "A"**  
**RECEIVER'S CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. **THIS IS TO CERTIFY** that B. Riley Farber Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Sussman Mortgage Funding Inc., 2486976 Ontario Inc., and 1981361 Ontario Inc. (collectively, the "**Respondents**") acquired for, or used in relation to a business carried on by the Respondents, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "**Order**") made in an action having Court file number CV-25-00741044-00CL has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any

person other than the holder of this certificate without the prior written consent of the holder of this certificate.

The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**B. RILEY FARBER INC.**, solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

## SCHEDULE “B”

### PROPERTY, ASSETS, UNDERTAKINGS

1. A joint venture agreement dated as of January 19, 2016 and amended March 2016 between 2486976 Ontario Inc. and Ballymore Building (Innisfil) Corp. governing the construction of a residential housing development on the real property described as follows:
  - (a) PIN No. 58056-0089; Part Lt 22, Concession 3 Innisfil being Parts 1 & 2, Plan 51R-5794
  - (b) PIN No. 58056-0092; Part Lot 22, Concession 3 Innisfil as in RO1093769
  - (c) PIN No. 58056-0019; Part Lots 21&22, Concession 3 Innisfil being Part 2, Plan 51R36429, Part Lot 22, Concession 3 Innisfil Part 3, 51R36429, Innisfil
  - (d) PIN No. 58056-0124; Part Lot 22, Con 3 Innisfil being Part 1, 51R37693, Town of Innisfil
  - (e) PIN No. 58056-0127; Blocks A, B & C, Plan 973 and Part Lot 22 Concession 3 Innisfil being Part 1, 51R36429 except Part 3, 51R37693; Town of Innisfil
  - (f) PIN No. 58065-0457; Part Lot 21 Con 4 Innisfil being Part 1, Plan 51R38206; Innisfil
  - (g) PIN No. 58066-0222; Part of Lots 23 & 24, Concession 4 Innisfil being Part 1 on Plan 51R35702; Innisfil
  
2. A co-tenancy agreement dated as of April 5, 2019 between 1981361 Ontario Inc., Alliance Compro Inc., Alliance Homes Inc. and 2114568 Ontario Inc. governing the construction of a residential housing development on the real property described as follows:
  - (a) PIN No. 58707-0038, Part of Lot 51/2 of Lot 24 and Part Lot 25 Concession 10 Mara being PTs 1, 2 & 3 51R36608 Except PT 1 51R36628

3. A co-tenancy agreement dated January 30, 2020 between 1981361 Ontario Inc. and Waterways of Muskoka Ltd. governing the construction of a residential housing development on the real property described as follows:
- (a) PIN No. 481700493, PT LT3 PL 1 MONCK PT7 ON 35R23664
  - (b) PIN No. 481700494, PT LT3 PL 1 MONCK PT8 ON 35R23664
  - (c) PIN No. 481700495, PT LT3 PL 1 MONCK PT9 ON 35R23664
  - (d) PIN No. 481700496, PT LT3 PL 1 MONCK PT10 ON 35R23664
  - (e) PIN No. 481700497, PT LT4 & 5 PL 1 MONCK PT11 ON 35R23664
  - (f) PIN No. 481700498, PT LT4 & 5 PL 1 MONCK PT12 ON 35R23664
  - (g) PIN No. 481700499, PT LT4 & 5 PL 1 MONCK PT13 ON 35R23664
  - (h) PIN No. 481700500, PT LT4 & 5 PL 1 MONCK PT14 ON 35R23664
  - (i) PIN No. 481700501, PT LT4 & 5 PL 1 MONCK PT15 ON 35R23664
  - (j) PIN No. 481700502, PT LT4 & 5 PL 1 MONCK PT LANE 1 MONCK CLOSE BY MT91902 PT16 ON 35R23664
  - (k) PIN No. 481700503, PT LT 5 PL 1 MONCK PT 17 ON 35R23644
  - (l) PIN No. 481700504, PT LT 5 PL 1 MONCK PT 18 ON 35R23644
  - (m) PIN No. 481700505, PT LT 5 PL 1 MONCK PT 19 ON 35R23644
  - (n) PIN No. 481700506, PT LT 5 PL 1 MONCK PT 20 ON 35R23644
  - (o) PIN No. 481700507, PT LT 5 PL 1 MONCK PT 21 ON 35R23644
  - (p) PIN No. 481700508, PT LT 5 PL 1 MONCK PT 22 ON 35R23644
  - (q) PIN No. 481700509, PT LT 5 PL 1 MONCK PT 23 ON 35R23644

- (r) PIN No. 481700510, PT LT 5 PL 1 MONCK PT LANE PL 1 MONCK CLOSED  
BY MT91902 OT 24 ON 35R23664
- (s) PIN No. 481700553, PT LT 1 & 8 PL 1 MONCK PT 67 ON 35R23644
- (t) PIN No. 481700554, PT LT 1 & 8 PL 1 MONCK PT 68 ON 35R23644
- (u) PIN No. 481700555, PT LT 1 PL 1 MONCK PT 69 ON 35R23644
- (v) PIN No. 481700526, PT LT 1 PL 1 MONCK PT 40 ON 35R23644
- (w) PIN No. 481700527, PT LT 1 PL 1 MONCK PT 41 ON 35R23644
- (x) PIN No. 481700528, PT LT 1 PL 1 MONCK PT 42 ON 35R23644
- (y) PIN No. 481700529, PT LT 1 PL 1 MONCK PT 43 ON 35R23644
- (z) PIN No. 481700525, PT LT 1 PL 1 MONCK PT 39 ON 35R23644
- (aa) PIN No. 481700524, PT LT 1 PL 1 MONCK PT 38 ON 35R23644
- (bb) PIN No. 481700523, PT LT 1 PL 1 MONCK PT 37 ON 35R23644
- (cc) PIN No. 481700563, PT LT2 PL 1 MONCK PT 77 ON 35R23644
- (dd) PIN No. 481700564, PT LT2 PL 1 MONCK PT 78 ON 35R23644
- (ee) PIN No. 481700565, PT LT 1 & 2 PL 1 MONCK PT 79 ON 35R23644
- (ff) PIN No. 481700566, PT LT1 PL 1 MONCK PT 80 ON 35R23644
- (gg) PIN No. 481700567, PT LT1 PL 1 MONCK PT 81 ON 35R23644
- (hh) PIN No. 481700568, PT LT1 PL 1 MONCK PT 82 ON 35R23644



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

- and -

**SUSSMAN MORTGAGE FUNDING INC., et al.**

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**AMENDED AND RESTATED  
RECEIVERSHIP ORDER  
(appointing Receiver)**

**DENTONS CANADA LLP**  
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Toronto-Dominion Centre  
Toronto, ON M5K 0A1

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*Lawyers for the Receiver*

# Tab 4

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE )   JUSTICE DIETRICH )	) ) )	<del>FRIDAY</del> <u>THURSDAY</u> , THE <del>2<sup>nd</sup></del> <u>26<sup>th</sup></u> DAY OF <del>MAY</del> <u>JUNE</u> , 2025
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**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

**AMENDED AND RESTATED  
RECEIVERSHIP ORDER  
(appointing Receiver)**

| **THIS APPLICATION** made initially by the Applicant on May \_\_, 2025 for an Order  
 pursuant to section 37 of the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, S.O.  
 2006, c. 29, as amended (the "MBLAA") and section 101 of the *Courts of Justice Act*, R.S.O.  
 1990, c. C.43, as amended (the "CJA") appointing B. Riley Farber Inc. as receiver (in such  
 capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of  
 the Respondents 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 was heard ~~this day~~on May 2, 2025 at 330 University Avenue,  
 | Toronto, Ontario- (the "Initial Application").

ON READING the receivership order granted by the Court on May 2, 2025 appointing the Receiver of the Property (as defined herein) (the “**Receivership Order**”) pursuant to the Initial Application,

AND ON READING the Preliminary Report (as defined in the Receivership) dated June 2, 2025, filed in accordance with paragraph 3 of the Receivership Order,

AND ON READING the Receiver’s supplement to the Preliminary Report dated June \_\_\_, 2025,

AND ON ~~READING~~ the Affidavit of Antoinette Leung sworn April 11, 2025 and the Exhibits thereto (the “**Leung Affidavit**”), the Affidavit of Dannallyn Salita sworn April 23, 2025 and the Exhibits thereto and the Affidavit of Amy Casella sworn April 25, 2025 and the Exhibits thereto, ~~and on hearing~~ HEARING the submissions of counsel for the Receiver, the Applicant and such other parties in attendance at the hearing of this application, ~~and on reading the consent of B. Riley Farber Inc. to act as the Receiver,~~ and on being advised that those investors represented today do not object to the form of Order presented to the Court today, ~~including the Receiver’s Charge for the Preliminary Expense Amount only,~~ subject to the terms of this Order,

## SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Application and the Application~~ Motion is hereby abridged and validated so that this ~~application~~ motion is properly returnable today and hereby dispenses with further service thereof.

## APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 37 of the MBLAA (in respect of SMFI) and pursuant to section 101 of the CJA (in respect of all of the Respondents), B. Riley Farber Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Respondents 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, including but not limited to those

described in Schedule "AB" attached hereto, including all proceeds thereof and including all property vested in any trustee in bankruptcy of the said Respondents (collectively, the "Property").

~~3. THIS COURT ORDERS that the Receiver shall file a report with the Court within 30 days of the date of this Order containing its findings and recommendations with respect to the matters described in paragraph 4 (the "Preliminary Report"), with a case conference to take place on June 26, 2025 at 10:00 a.m.~~

### RECEIVER'S POWERS

43. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage and operate the business of the Respondents, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the Respondents' business, and cease to carry on the Respondents' GIC business;

- (d) to enter the Respondents' business premises during regular business hours and examine and make copies of any document or record, in paper or electronic format;
- (e) to have access to all electronic storage and record databases, including, but not limited to, iCloud, email inboxes, Dropbox, and to examine and make copies of any document or record contained therein;
- (f) to review and investigate the books, records and financial affairs in electronic form or otherwise, including, without limitation, banking and investment records, of the Respondents;
- (g) to review and investigate:
  - (i) transactions related to the syndicated mortgage loans brokered by SMFI and the disposition of any proceeds;
  - (ii) the status and realizable value of the underlying mortgages; and
  - (iii) the status and realizable value of the Respondents' interests in the joint venture agreements included in the Property;
- (h) to deliver notices of examination to and examine any person (including, without limitation, any of the Respondents, and any other officer, director, or employee of the Respondents) under oath who has knowledge of the business and affairs of the Respondents;
- (i) to engage consultants, appraisers, agents, [experts, auditors, accountants, managers,](#) counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (j) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Respondents or any part or parts thereof;
- (k) to receive and collect all monies and accounts now owed or hereafter owing to the Respondents and to exercise all remedies of the Respondents in collecting such monies, including, without limitation, to enforce any security held by the Respondents;
- (l) to settle, extend or compromise any indebtedness owing to the Respondents;
- (m) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Respondents, for any purpose pursuant to this Order;

- (n) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Respondents, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (o) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (p) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

  - (i) without the approval of this Court in respect of any transaction not exceeding \$125,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario Personal Property Security Act, [or section 31 of the Ontario Mortgages Act, as the case may be,] shall not be required;
- (q) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (r) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the



Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (ms) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (nt) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Respondents;
- (eu) to enter into agreements with any trustee in bankruptcy appointed in respect of the Respondents, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Respondents;
- (pv) to exercise any shareholder, partnership, joint venture or other rights which the Respondents may have; and
- (qw) to exercise the functions of an administrator in accordance with the MBLAA and regulations; ~~and~~
- (x) to execute an assignment in bankruptcy, assigning the Respondents (or any one of them) into bankruptcy, or to consent to an application for the making of a bankruptcy order against the Respondents (or any of them); and
- (fy) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Respondents, and without interference from any other Person.

**DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

**54.** **THIS COURT ORDERS** that (i) the Respondents, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

**65.** **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Respondents, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph **65** or in paragraph **76** of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

**76.** **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this

paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE RESPONDENTS OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Respondents or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Respondents or the Property are hereby stayed and suspended pending further Order of this Court, provided however that nothing in this Order shall affect the relief ordered by the Court on this day in the action bearing Court File No. CV-25-00740475-00CL.

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), and further provided that nothing in this paragraph shall (i) empower the Receiver or the Respondents to carry on any business which the Respondents are not lawfully entitled to carry on, (ii) exempt the Receiver or the Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien, or (v) prevent any creditor from commencing a bankruptcy application against any of the Respondents.

**NO INTERFERENCE WITH THE RECEIVER**

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Respondents, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Respondents are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment

practices of the Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court. Notwithstanding anything else contained in this Order, nothing in this Order shall affect or be deemed to affect or alter in any manner the holding of any property in trust by the Respondents for investors, which shall continue and remain in effect at all times.

### EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Respondents shall remain the employees of the Respondents until such time as the Receiver, on the Respondents' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom

such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

~~15~~16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

~~16~~17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in

this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

## RECEIVER'S ACCOUNTS

~~17~~18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, ~~up to the maximum principal amount of \$300,000, which amount includes third party expenses incurred in carrying out the provisions of paragraph 4 herein, until completion of the Preliminary Report and a return to Court (the "Preliminary Expense Amount"), or such further amounts as may subsequently be approved by this Court,~~ and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for ~~the Preliminary Expense Amount~~ such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA. ~~Notwithstanding anything else contained in this Order, including the granting of the Receiver's Charge to secure the Preliminary Expense Amount pending any further Order of the Court, the determination of whether assets or property held by the Respondents in trust for any third party ought to be subject to the Receiver's Charge for any amounts other than the Preliminary Expense Amount is expressly without prejudice to the rights of any party to advance such legal arguments following delivery of the Preliminary Report, which rights are expressly reserved. For greater certainty, the reservation of rights does not apply to the Receiver's Charge for the Preliminary Expense Amount, which is granted on an unopposed basis by those in attendance, without any determination on legal arguments that may be raised thereafter.~~

~~18~~19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

~~19~~20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against

its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

~~2022.~~ **THIS COURT ORDERS** that neither the Receiver's ~~Charge~~**Borrowings Charge** nor any other security granted by the Receiver in connection with its borrowings under this Order shall ~~not~~ be enforced without leave of this Court.

~~21~~23. **THIS COURT ORDERS** that the appointment of the Receiver over all Property and the Receiver's Charge and Receiver's Borrowing Charge granted over all Property ~~to secure the Preliminary Expense Amount (or any other amount as may be ordered by the Court in future, subject to paragraph 17 herein)~~, shall not be deemed in any way to reflect or predetermine the basis upon which borrowings and the costs and expenses of the Receiver, or any proceeds that may arise from or be realized from the Property, may ultimately be allocated or distributed as the case may be, pursuant to a further Order of the Court. For greater certainty, steps taken by the Receiver and the costs incurred by the Receiver pursuant to this or any further Order shall, to the extent possible, be allocated by the Receiver based on the separate properties, mortgages,



projects and/or investments, ~~including, but not limited to, those identified in Exhibit "J" to the Leung Affidavit,~~ for the purposes of any future allocation or distribution.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

## SERVICE AND NOTICE

2226. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL 'https://brileyfarber.com/engagements/sussman-mortgage-funding-inc/'.

2327. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the Respondents and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next

business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## GENERAL

**2428.** **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

**2529.** **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Respondents.

**2630.** **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

**2731.** **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

**2832.** **THIS COURT ORDERS** the Applicant's request for its costs of the ~~application~~Initial Application are to be determined by this Court on motion by the Applicant on not less than seven (7) days notice to the Service List.

**2933.** **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.

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## SCHEDULE "A"

### RECEIVER'S CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that B. Riley Farber Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Sussman Mortgage Funding Inc., 2486976 Ontario Inc., and 1981361 Ontario Inc. (collectively, the "**Respondents**") acquired for, or used in relation to a business carried on by the Respondents, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "**Order**") made in an action having Court file number CV-25-00741044-00CL has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any

person other than the holder of this certificate without the prior written consent of the holder of this certificate.

The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**B. RILEY FARBER INC.,** solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

**SCHEDULE "B"**

**PROPERTY, ASSETS, UNDERTAKINGS**

1. A joint venture agreement dated as of January 19, 2016 and amended March 2016 between 2486976 Ontario Inc. and Ballymore Building (Innisfil) Corp. governing the construction of a residential housing development on the real property described as follows:
  - (a) PIN No. 58056-0089; Part Lt 22, Concession 3 Innisfil being Parts 1 & 2, Plan 51R-5794
  - (b) PIN No. 58056-0092; Part Lot 22, Concession 3 Innisfil as in RO1093769
  - (c) PIN No. 58056-0019; Part Lots 21&22, Concession 3 Innisfil being Part 2, Plan 51R36429, Part Lot 22, Concession 3 Innisfil Part 3, 51R36429, Innisfil
  - (d) PIN No. 58056-0124; Part Lot 22, Con 3 Innisfil being Part 1, 51R37693, Town of Innisfil
  - (e) PIN No. 58056-0127; Blocks A, B & C, Plan 973 and Part Lot 22 Concession 3 Innisfil being Part 1, 51R36429 except Part 3, 51R37693; Town of Innisfil
  - (f) PIN No. 58065-0457; Part Lot 21 Con 4 Innisfil being Part 1, Plan 51R38206; Innisfil
  - (g) PIN No. 58066-0222; Part of Lots 23 & 24, Concession 4 Innisfil being Part 1 on Plan 51R35702; Innisfil
2. A co-tenancy agreement dated as of April 5, 2019 between 1981361 Ontario Inc., Alliance Compro Inc., Alliance Homes Inc. and 2114568 Ontario Inc. governing the construction of a residential housing development on the real property described as follows:

- (a) PIN No. 58707-0038, Part of Lot 51/2 of Lot 24 and Part Lot 25 Concession 10 Mara being PTs 1, 2 & 3 51R36608 Except PT 1 51R36628
3. A co-tenancy agreement dated January 30, 2020 between 1981361 Ontario Inc. and Waterways of Muskoka Ltd. governing the construction of a residential housing development on the real property described as follows:
- (a) PIN No. 481700493, PT LT3 PL 1 MONCK PT7 ON 35R23664
- (b) PIN No. 481700494, PT LT3 PL 1 MONCK PT8 ON 35R23664
- (c) PIN No. 481700495, PT LT3 PL 1 MONCK PT9 ON 35R23664
- (d) PIN No. 481700496, PT LT3 PL 1 MONCK PT10 ON 35R23664
- (e) PIN No. 481700497, PT LT4 & 5 PL 1 MONCK PT11 ON 35R23664
- (f) PIN No. 481700498, PT LT4 & 5 PL 1 MONCK PT12 ON 35R23664
- (g) PIN No. 481700499, PT LT4 & 5 PL 1 MONCK PT13 ON 35R23664
- (h) PIN No. 481700500, PT LT4 & 5 PL 1 MONCK PT14 ON 35R23664
- (i) PIN No. 481700501, PT LT4 & 5 PL 1 MONCK PT15 ON 35R23664
- (j) PIN No. 481700502, PT LT4 & 5 PL 1 MONCK PT LANE 1 MONCK CLOSE BY MT91902 PT16 ON 35R23664
- (k) PIN No. 481700503, PT LT 5 PL 1 MONCK PT 17 ON 35R23644
- (l) PIN No. 481700504, PT LT 5 PL 1 MONCK PT 18 ON 35R23644
- (m) PIN No. 481700505, PT LT 5 PL 1 MONCK PT 19 ON 35R23644
- (n) PIN No. 481700506, PT LT 5 PL 1 MONCK PT 20 ON 35R23644
- (o) PIN No. 481700507, PT LT 5 PL 1 MONCK PT 21 ON 35R23644

- (p) PIN No. 481700508, PT LT 5 PL 1 MONCK PT 22 ON 35R23644
- (q) PIN No. 481700509, PT LT 5 PL 1 MONCK PT 23 ON 35R23644
- (r) PIN No. 481700510, PT LT 5 PL 1 MONCK PT LANE PL 1 MONCK CLOSED  
BY MT91902 OT 24 ON 35R23664
- (s) PIN No. 481700553, PT LT 1 & 8 PL 1 MONCK PT 67 ON 35R23644
- (t) PIN No. 481700554, PT LT 1 & 8 PL 1 MONCK PT 68 ON 35R23644
- (u) PIN No. 481700555, PT LT 1 PL 1 MONCK PT 69 ON 35R23644
- (v) PIN No. 481700526, PT LT 1 PL 1 MONCK PT 40 ON 35R23644
- (w) PIN No. 481700527, PT LT 1 PL 1 MONCK PT 41 ON 35R23644
- (x) PIN No. 481700528, PT LT 1 PL 1 MONCK PT 42 ON 35R23644
- (y) PIN No. 481700529, PT LT 1 PL 1 MONCK PT 43 ON 35R23644
- (z) PIN No. 481700525, PT LT 1 PL 1 MONCK PT 39 ON 35R23644
- (aa) PIN No. 481700524, PT LT 1 PL 1 MONCK PT 38 ON 35R23644
- (bb) PIN No. 481700523, PT LT 1 PL 1 MONCK PT 37 ON 35R23644
- (cc) PIN No. 481700563, PT LT2 PL 1 MONCK PT 77 ON 35R23644
- (dd) PIN No. 481700564, PT LT2 PL 1 MONCK PT 78 ON 35R23644
- (ee) PIN No. 481700565, PT LT 1 & 2 PL 1 MONCK PT 79 ON 35R23644
- (ff) PIN No. 481700566, PT LT1 PL 1 MONCK PT 80 ON 35R23644
- (gg) PIN No. 481700567, PT LT1 PL 1 MONCK PT 81 ON 35R23644
- (hh) PIN No. 481700568, PT LT1 PL 1 MONCK PT 82 ON 35R23644



CHIEF EXECUTIVE OFFICER OF THE FINANCIAL  
SERVICES REGULATORY AUTHORITY OF ONTARIO

- and -

SUSSMAN MORTGAGE FUNDING INC., et al.

Applicant

Respondents

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

AMENDED AND RESTATED  
RECEIVERSHIP ORDER  
(appointing Receiver)

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<b>Summary report:</b> <b>Litera Compare for Word 11.4.0.111 Document comparison done on</b> <b>6/25/2025 11:19:10 AM</b>	
<b>Style name:</b> Underline Strikethrough	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://worksite.ca.dentons.com/NATDOCS/87622361/1	
<b>Modified DMS:</b> iw://worksite.ca.dentons.com/NATDOCS/87611576/2	
<b>Changes:</b>	
Add	97
Delete	56
Move From	1
Move To	1
Table Insert	2
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	157

# Tab 5

Revised: January 21, 2014  
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File No. \_\_\_\_\_

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

**ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 (COMMERCIAL LIST)**

THE HONOURABLE ) ~~WEEKDAY~~THURSDAY, THE #26<sup>th</sup>  
 )  
 JUSTICE DIETRICH ) DAY OF ~~MONTH~~JUNE, ~~20YR~~2025

**~~PLAINTIFF~~<sup>1</sup>**

CHIEF EXECUTIVE OFFICER OF THE FINANCIAL SERVICES  
 REGULATORY AUTHORITY OF ONTARIO

~~Plaintiff~~Applicant

- and -

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

**~~DEFENDANT~~**Respondents

~~Defendant~~

**AMENDED AND RESTATED  
 RECEIVERSHIP ORDER  
 (appointing Receiver)**

THIS ~~MOTION~~APPLICATION made initially by the ~~Plaintiff~~<sup>2</sup>Applicant on May \_\_\_\_,  
2025 for an Order pursuant to section ~~243(1) of the Bankruptcy and Insolvency Act~~<sup>37</sup> of the

<sup>1</sup>-The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

<sup>2</sup>-Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

Mortgage Brokerages, Lenders and Administrators Act, R.S.O. 1990, c. B-329, as amended (the "BIA" "MBLAA") and section 101 of the Courts of Justice Act, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~ B. Riley Farber Inc. as receiver ~~[and manager]~~ (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME] (the "Debtor")~~ the Respondents acquired for, forming part of, or used in relation to a business carried on by the ~~Debtor, was heard this day~~ 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 was heard on May 2, 2025 at 330 University Avenue, Toronto, Ontario. (the "Initial Application"),

~~ON READING the affidavit of [NAME] sworn [DATE] and the Exhibits thereto and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [RECEIVER'S NAME] to act as the Receiver,~~

ON READING the receivership order granted by the Court on May 2, 2025 appointing the Receiver of the Property (as defined herein) (the "Receivership Order") pursuant to the Initial Application,

AND ON READING the Preliminary Report (as defined in the Receivership) dated June 2, 2025, filed in accordance with paragraph 3 of the Receivership Order,

AND ON READING the Receiver's supplement to the Preliminary Report dated June \_\_, 2025,

AND ON HEARING the submissions of counsel for the Receiver, the Applicant and such other parties in attendance at the hearing of this application, and on being advised that those investors represented today do not object to the form of Order presented to the Court today, subject to the terms of this Order,

## SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion ~~and the Motion~~ is hereby abridged and validated<sup>3</sup> so that this motion is properly returnable today and hereby dispenses with further service thereof.

## APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section ~~243(1) of the BIA and~~ 37 of the MBLAA (in respect of SMFI) and pursuant to section 101 of the CJA, ~~[RECEIVER'S NAME]~~ (in respect of all of the Respondents), B. Riley Farber Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the ~~Debtor~~ Respondents acquired for, forming part of, or used in relation to a business carried on by the ~~Debtor~~ 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, including but not limited to those described in Schedule "B" attached hereto, including all proceeds thereof ~~(the "and including all property vested in any trustee in bankruptcy of the said Respondents (collectively, the "Property")").~~

## RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the

<sup>3</sup> ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, and operate, ~~and carry on~~ the business of the ~~Debtor~~Respondents, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the Respondents' business, ~~or~~and cease to ~~perform any contracts of the Debtor~~carry on the Respondents' GIC business;
- (d) to enter the Respondents' business premises during regular business hours and examine and make copies of any document or record, in paper or electronic format;
- (e) to have access to all electronic storage and record databases, including, but not limited to, iCloud, email inboxes, Dropbox, and to examine and make copies of any document or record contained therein;
- (f) to review and investigate the books, records and financial affairs in electronic form or otherwise, including, without limitation, banking and investment records, of the Respondents;
- (g) to review and investigate:
  - (i) transactions related to the syndicated mortgage loans brokered by SMFI and the disposition of any proceeds;
  - (ii) the status and realizable value of the underlying mortgages; and
  - (iii) the status and realizable value of the Respondents' interests in the joint venture agreements included in the Property;
- (h) to deliver notices of examination to and examine any person (including, without limitation, any of the Respondents, and any other officer, director,

or employee of the Respondents) under oath who has knowledge of the business and affairs of the Respondents;

- (~~d~~i) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (~~e~~j) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the ~~Debtor~~Respondents or any part or parts thereof;
- (~~f~~k) to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Respondents and to exercise all remedies of the ~~Debtor~~Respondents in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Respondents;
- (~~g~~l) to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Respondents;
- (~~h~~m) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the ~~Receiver's~~Receiver's name or in the name and on behalf of the ~~Debtor~~Respondents, for any purpose pursuant to this Order;



(in) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the ~~Debtor~~Respondents, the Property or the Receiver, and to settle or compromise any such proceedings.<sup>4</sup> The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(to) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(kp) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$~~\_\_\_\_\_~~125,000, provided that the aggregate consideration for all such transactions does not exceed \$~~\_\_\_\_\_~~250,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

~~<sup>4</sup> This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the *Ontario Mortgages Act*, as the case may be,]<sup>5</sup> shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~

- (~~lg~~) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (~~mr~~) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (~~ns~~) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (~~ot~~) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the ~~Debtor~~Respondents;
- (~~pu~~) to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Respondents, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the ~~Debtor~~Respondents;
- (~~qv~~) to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Respondents may have; and

<sup>5</sup> ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- (w) to exercise the functions of an administrator in accordance with the MBLAA and regulations;
- (x) to execute an assignment in bankruptcy, assigning the Respondents (or any one of them) into bankruptcy, or to consent to an application for the making of a bankruptcy order against the Respondents (or any of them);  
and
- (~~ry~~) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations~~;~~

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons ~~(as defined below)~~, including the ~~Debtor~~Respondents, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the ~~Debtor~~Respondents, (ii) all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on ~~its~~their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the ~~Debtor~~Respondents, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto,

provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a “Proceeding”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE ~~DEBTOR~~RESPONDENTS OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the ~~Debtor~~Respondents or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the ~~Debtor~~Respondents or the Property are hereby stayed and suspended pending further Order of this Court, provided however that nothing in this Order shall affect the relief ordered by the Court on this day in the action bearing Court File No. CV-25-00740475-00CL.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the ~~Debtor~~Respondents, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the “BIA”), and further provided that nothing in this paragraph shall (i) empower the Receiver or the ~~Debtor~~Respondents to carry on any business which the ~~Debtor is~~Respondents are not lawfully entitled to carry on, (ii) exempt the Receiver or the ~~Debtor~~Respondents from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, ~~or~~ (iv) prevent the registration of a claim for lien, or (v) prevent any creditor from commencing a bankruptcy application against any of the Respondents.

#### **NO INTERFERENCE WITH THE RECEIVER**

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Debtor~~Respondents, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the ~~Debtor~~Respondents or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the ~~Debtor~~Respondents are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the ~~Debtor's~~Respondents' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the ~~Debtor~~Respondents or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

**RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court. Notwithstanding anything else contained in this Order, nothing in this Order shall affect or be deemed to affect or alter in any manner the holding of any property in trust by the Respondents for investors, which shall continue and remain in effect at all times.

**EMPLOYEES**

14. **THIS COURT ORDERS** that all employees of the ~~Debtor~~Respondents shall remain the employees of the ~~Debtor~~Respondents until such time as the Receiver, on the

~~Debtor's~~Respondents' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA**

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the ~~Debtor~~Respondents, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations

thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.<sup>6</sup>

~~<sup>6</sup> Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~



19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **FUNDING OF THE RECEIVERSHIP**

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ 250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the appointment of the Receiver over all Property and the Receiver's Charge and Receiver's Borrowing Charge granted over all Property, shall not be deemed in any way to reflect or predetermine the basis upon which borrowings and the costs and expenses of the Receiver, or any proceeds that may arise from or be realized from the Property,

may ultimately be allocated or distributed as the case may be, pursuant to a further Order of the Court. For greater certainty, steps taken by the Receiver and the costs incurred by the Receiver pursuant to this or any further Order shall, to the extent possible, be allocated by the Receiver based on the separate properties, mortgages, projects and/or investments, for the purposes of any future allocation or distribution.

**2324. THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule “A”** hereto (the **“Receiver’s Certificates”**) for any amount borrowed by it pursuant to this Order.

**2425. THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

**2526. THIS COURT ORDERS** that the E-Service ~~Protocol~~Guide of the Commercial List (the **“~~Protocol~~Guide”**) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the ~~Protocol~~Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol-regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the ~~Protocol~~Guide, service of documents in accordance with the ~~Protocol~~Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the ~~Protocol~~Guide with the following URL ~~“@”~~<https://brileyfarber.com/engagements/sussman-mortgage-funding-inc/>’.

**2627. THIS COURT ORDERS** that if the service or distribution of documents in accordance with the ~~Protocol~~Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence,

by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Debtor's~~Respondents' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Debtor~~Respondents and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## GENERAL

~~27~~28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

~~28~~29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the ~~Debtor~~Respondents.

~~29~~30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

~~30~~31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

~~31~~32. **THIS COURT ORDERS** ~~that the Plaintiff shall have~~Applicant's request for its costs of ~~this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such~~

~~time as this Court may determine.~~ the Initial Application are to be determined by this Court on motion by the Applicant on not less than seven (7) days notice to the Service List.

~~32~~33. **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<sup>21</sup> 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.

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~~SCHEDULE "A"~~ SCHEDULE "A"~~RECEIVER CERTIFICATE~~ RECEIVER'S CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. **THIS IS TO CERTIFY** that ~~[RECEIVER'S NAME]~~ B. Riley Farber Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~ of Sussman Mortgage Funding Inc., 2486976 Ontario Inc., and 1981361 Ontario Inc. (collectively, the "**Respondents**") acquired for, or used in relation to a business carried on by the ~~Debtor~~ Respondents, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "**Order**") made in an action having Court file number ~~\_\_\_CL\_\_\_~~ CV-25-00741044-00CL has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

~~2.~~ The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

~~3.~~ Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

~~4.~~ All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

~~5.~~ Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

~~6.~~ The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

~~7.~~ The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

~~[RECEIVER'S NAME]~~ **B. RILEY FARBER**  
**INC.**, solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

**SCHEDULE "B"**

**PROPERTY, ASSETS, UNDERTAKINGS**

1.     A joint venture agreement dated as of January 19, 2016 and amended March 2016 between 2486976 Ontario Inc. and Ballymore Building (Innisfil) Corp. governing the construction of a residential housing development on the real property described as follows:

  - (a)     PIN No. 58056-0089; Part Lt 22, Concession 3 Innisfil being Parts 1 & 2, Plan 51R-5794
  - (b)     PIN No. 58056-0092; Part Lot 22, Concession 3 Innisfil as in RO1093769
  - (c)     PIN No. 58056-0019; Part Lots 21&22, Concession 3 Innisfil being Part 2, Plan 51R36429, Part Lot 22, Concession 3 Innisfil Part 3, 51R36429, Innisfil
  - (d)     PIN No. 58056-0124; Part Lot 22, Con 3 Innisfil being Part 1, 51R37693, Town of Innisfil
  - (e)     PIN No. 58056-0127; Blocks A, B & C, Plan 973 and Part Lot 22 Concession 3 Innisfil being Part 1, 51R36429 except Part 3, 51R37693; Town of Innisfil
  - (f)     PIN No. 58065-0457; Part Lot 21 Con 4 Innisfil being Part 1, Plan 51R38206; Innisfil
  - (g)     PIN No. 58066-0222; Part of Lots 23 & 24, Concession 4 Innisfil being Part 1 on Plan 51R35702; Innisfil
2.     A co-tenancy agreement dated as of April 5, 2019 between 1981361 Ontario Inc., Alliance Compro Inc., Alliance Homes Inc. and 2114568 Ontario Inc. governing the construction of a residential housing development on the real property described as follows:

(a) PIN No. 58707-0038, Part of Lot 51/2 of Lot 24 and Part Lot 25 Concession 10 Mara being PTs 1, 2 & 3 51R36608 Except PT 1 51R36628

3. A co-tenancy agreement dated January 30, 2020 between 1981361 Ontario Inc. and Waterways of Muskoka Ltd. governing the construction of a residential housing development on the real property described as follows:

(a) PIN No. 481700493, PT LT3 PL 1 MONCK PT7 ON 35R23664

(b) PIN No. 481700494, PT LT3 PL 1 MONCK PT8 ON 35R23664

(c) PIN No. 481700495, PT LT3 PL 1 MONCK PT9 ON 35R23664

(d) PIN No. 481700496, PT LT3 PL 1 MONCK PT10 ON 35R23664

(e) PIN No. 481700497, PT LT4 & 5 PL 1 MONCK PT11 ON 35R23664

(f) PIN No. 481700498, PT LT4 & 5 PL 1 MONCK PT12 ON 35R23664

(g) PIN No. 481700499, PT LT4 & 5 PL 1 MONCK PT13 ON 35R23664

(h) PIN No. 481700500, PT LT4 & 5 PL 1 MONCK PT14 ON 35R23664

(i) PIN No. 481700501, PT LT4 & 5 PL 1 MONCK PT15 ON 35R23664

(j) PIN No. 481700502, PT LT4 & 5 PL 1 MONCK PT LANE 1 MONCK CLOSE BY MT91902 PT16 ON 35R23664

(k) PIN No. 481700503, PT LT 5 PL 1 MONCK PT 17 ON 35R23644

(l) PIN No. 481700504, PT LT 5 PL 1 MONCK PT 18 ON 35R23644

(m) PIN No. 481700505, PT LT 5 PL 1 MONCK PT 19 ON 35R23644

(n) PIN No. 481700506, PT LT 5 PL 1 MONCK PT 20 ON 35R23644

(o) PIN No. 481700507, PT LT 5 PL 1 MONCK PT 21 ON 35R23644



- (p) [PIN No. 481700508, PT LT 5 PL 1 MONCK PT 22 ON 35R23644](#)
- (q) [PIN No. 481700509, PT LT 5 PL 1 MONCK PT 23 ON 35R23644](#)
- (r) [PIN No. 481700510, PT LT 5 PL 1 MONCK PT LANE PL 1 MONCK CLOSED  
BY MT91902 OT 24 ON 35R23664](#)
- (s) [PIN No. 481700553, PT LT 1 & 8 PL 1 MONCK PT 67 ON 35R23644](#)
- (t) [PIN No. 481700554, PT LT 1 & 8 PL 1 MONCK PT 68 ON 35R23644](#)
- (u) [PIN No. 481700555, PT LT 1 PL 1 MONCK PT 69 ON 35R23644](#)
- (v) [PIN No. 481700526, PT LT 1 PL 1 MONCK PT 40 ON 35R23644](#)
- (w) [PIN No. 481700527, PT LT 1 PL 1 MONCK PT 41 ON 35R23644](#)
- (x) [PIN No. 481700528, PT LT 1 PL 1 MONCK PT 42 ON 35R23644](#)
- (y) [PIN No. 481700529, PT LT 1 PL 1 MONCK PT 43 ON 35R23644](#)
- (z) [PIN No. 481700525, PT LT 1 PL 1 MONCK PT 39 ON 35R23644](#)
- (aa) [PIN No. 481700524, PT LT 1 PL 1 MONCK PT 38 ON 35R23644](#)
- (bb) [PIN No. 481700523, PT LT 1 PL 1 MONCK PT 37 ON 35R23644](#)
- (cc) [PIN No. 481700563, PT LT2 PL 1 MONCK PT 77 ON 35R23644](#)
- (dd) [PIN No. 481700564, PT LT2 PL 1 MONCK PT 78 ON 35R23644](#)
- (ee) [PIN No. 481700565, PT LT 1 & 2 PL 1 MONCK PT 79 ON 35R23644](#)
- (ff) [PIN No. 481700566, PT LT1 PL 1 MONCK PT 80 ON 35R23644](#)
- (gg) [PIN No. 481700567, PT LT1 PL 1 MONCK PT 81 ON 35R23644](#)
- (hh) [PIN No. 481700568, PT LT1 PL 1 MONCK PT 82 ON 35R23644](#)

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

**Applicant**

**- and -**

**SUSSMAN MORTGAGE FUNDING INC., et al.**

**Respondents**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

**PROCEEDING COMMENCED AT TORONTO**

**AMENDED AND RESTATED**  
**RECEIVERSHIP ORDER**  
**(appointing Receiver)**

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- and -

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Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD**

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