

**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

**THIRD 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 AUGUST 11, 2025**

**THIRD 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 AUGUST 11, 2025**

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FIRST REPORT OF B. RILEY FARBER INC.  
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1981361 ONTARIO INC.**

**DATED AUGUST 11, 2025**

**LIST OF APPENDICES**

<b>Appendix A</b>	Redacted copy of S-26 Investor Agreement
<b>Appendix B</b>	Redacted copy of S-26 Investor Agreement
<b>Appendix C</b>	S-26 Trust Summary
<b>Appendix D</b>	S-27 Trust Summary

**THIRD 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 AUGUST 11, 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. On June 25, 2025 the Receiver filed a motion (the “**Receiver’s Motion**”) for an order amending and restating the Receivership Order (the “**A&R Receivership Order**”). In

support of its motion the Receiver prepared and filed the Supplemental Report to the First Report (the “**Supplemental Report**”).

5. On July 8, 2025 Michael Stein (“**Stein**”) brought a motion (the “**Stein Motion**”) for an order, *inter alia*:
  - a. declaring that the S-26 Mortgage and the S-27 Mortgage (each as defined in the Stein Motion) do not form part of the Property;
  - b. requiring the Receiver to notify the mortgagors of the S-26 Mortgage and the S-27 Mortgage of same and directing the mortgagor to make all payments regarding the S-26 Mortgage and the S-27 Mortgage to Olympia Trust Company; and
  - c. requiring the Receiver to forthwith deliver (without deduction) all monies it has received, and may in the future receive, in respect of the S-26 Mortgage and the S-27 Mortgage, to Olympia.
6. On July 23, 2025, the Receiver prepared and filed the Second Supplemental Report to the First Report (the “**Second Supplemental Report**”) to provide the Court with additional information with respect to:
  - a. the Receiver’s estimate of costs for the course of action proposed in the Supplemental Report, and the rational for a proposed increase in the Receiver’s Charge; and
  - b. the Receiver’s position on the Stein Motion.
7. On July 23, 2025, Representative Counsel filed an Aide Memoire requesting an adjournment of the Stein Motion pending the determination of other issues.
8. On July 25, 2025, the Honourable Justice Dietrich approved certain amendments to the Receivership Order including an increase to the Receiver’s Charge (the “**Amended Receivership Order**”).

9. At the same hearing on July 25, 2025 (the “**July 25 Hearing**”), the Honourable Justice Dietrich adjourned the Stein Motion to be heard on August 15, 2025 (the “**August 15 Hearing**”).
10. The purpose of this third supplemental report to the First Report (the “**Third Supplemental Report**”) is to provide the Court with additional information with respect to the Stein Motion.

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

11. In preparing this Third 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 Third Supplemental 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 Third Supplemental Report.
  - b. the Receiver has filed this Third Supplemental Report solely for the purpose of providing information to this Court. Parties using the Third Supplemental Report other than for the purposes outlined herein are cautioned it may not be appropriate for their purposes.
12. Unless otherwise noted, all monetary amounts contained in this Third Supplemental Report are expressed in Canadian dollars.
13. Defined terms in this Third Supplemental Report have the meaning provided to them in the First Report, the Supplemental Report and the Second Supplemental Report unless otherwise defined herein.

14. Copies of all material related to these receivership proceedings are available at the Receiver's Case Website: <https://brileyfarber.com/engagements/sussman-mortgage-funding-inc/>.

### **SMFI'S ROLE AS MORTGAGE BROKER**

15. At the July 25 Hearing, questions were raised around SMFI's role in the S-26 and S-27 Mortgages. Based on information available to the Receiver, it is clear that SMFI brokered the S-26 and S-27 Mortgages. This is reflected in both the investor agreements signed with respect to each mortgage and in the payment of brokerage fees to SMFI as part of the mortgage advances.
16. Redacted copies of the investor agreements currently in the Receiver's possession, executed in relation to the S-26 and S-27 Mortgages, are attached hereto as **Appendices "A" and "B"**, respectively. These agreements identify SMFI as the counterparty to the Investors. Additionally, SMFI is the signatory on the mortgage brokerage declaration found in section 2 of the Investor agreements.
17. Notably, Stein's investor agreement for S-27 identifies SMFI as the mortgage brokerage.
18. Further, the Receiver's review of SMFI's records indicates that broker fees for S-26 and S-27 were transferred from the SMFI Trust Account to the SMFI General Account on June 22, 2023, and May 2, 2024, respectively. The amounts transferred were \$20,000 for S-26 and \$11,600 for S-27.
19. Payment of brokerage fees to SMFI for S-26 is further evidenced by the trust summary attached hereto as **Appendix "C"**, which shows payment to SMFI of a "Broker & Lender Fee" in the amount of \$20,000.
20. Payment of brokerage fees to SMFI for S-27 is further evidenced by the trust summary attached hereto as **Appendix "D"**, which shows payment to SMFI of prepaid interest in the amount of \$14,265 and a "Broker Fee" in the amount of \$11,600.

## REGISTERED INVESTORS IN OTHER MORTGAGES

21. At the July 25 Hearing, the Receiver was asked to investigate whether there were other mortgages than S-26 and S-27 in which Investors held an investment through a third party such as Olympia.
22. The Receiver has reviewed the information in its possession and has identified two Active Mortgages in addition to S-26 and S-27 in which Investors hold an investment through a third party: A-14 and B-95. In each case the investments are held through Olympia. Set out below is a schedule of positions held by Registered Investors in each of the mortgages.

<b>Mortgage</b>	<b>Investor Code</b>	<b>Approximate Principal Balance</b>
S-26	SN03	90,550
S-26	RO01	146,250
S-26	SN02	100,286
S-26	TN02	149,740
<b>Total</b>		<b>486,827</b>
S-27	TN03	71,935
S-27	SN02	157,882
S-27	TN02	56,344
<b>Total</b>		<b>286,161</b>
A-14	PY02	406,457
A-14	YM01	706,335
<b>Total</b>		<b>1,112,792</b>
B-95	TN02	422,500
<b>Total</b>		<b>422,500</b>

23. No other Active Mortgage contains registered investments.

## INVESTOR CORRESPONDENCE

24. The Receiver has been advised by Representative Counsel that Representative Counsel emailed Investors on August 7, 2025 asking Investors to confirm whether any investments were held in trust by an entity other than SMFI by no later than August 11, 2025.



All of which is respectfully submitted this 11<sup>th</sup> day of August, 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, CPA, CIRP, LIT  
Title: Managing Director

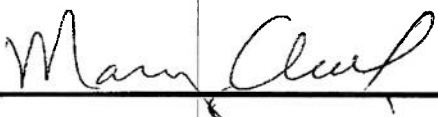
Appendix “A”  
to the Third Supplemental Report to  
the First Report of the Receiver

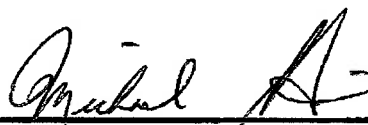
## **INVESTOR AGREEMENT**

**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



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**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.

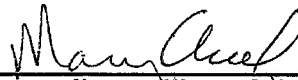
Date: 05/18/23

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.

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.

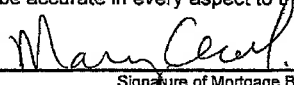
The mortgage brokerage has fully complied with all requirements of the *Mortgage Brokerages, Lenders and Administrators Act, 2006* and its regulations.

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

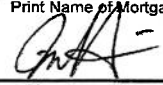
acknowledge receipt of this Declaration by the Mortgage Brokerage, signed by:

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: LS

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 on Date (yyyy-mm-dd) 05/25/2018☐ The brokerage has not verified the identity of the borrower(s).

Explain what steps the brokerage will take to verify the identity before closing: \_\_\_\_\_

**IMPORTANT: FINANCIAL INFORMATION ABOUT THE BORROWER'S ABILITY TO MEET THE MORTGAGE PAYMENTS MUST BE ATTACHED TO THIS DISCLOSURE STATEMENT****PART D. - FEES**

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

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

Total:

\$ -

## 2. Fees and costs payable by the borrower:

Estimate

Paid To

Purpose

\$ 2,000.00Mortgage FundingBrokerage\$18,000.00Mortgage FundingLender Fee\$\$\$\$\$\$20,000.00Are any of the above fees/charges refundable? ☒ No ☐ Yes Explain \_\_\_\_\_Investor/Lender Initials: [Signature]Date: 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).

Appendix “B”  
to the Third 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 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



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**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

Mary Chmiel  
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]  
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> 2014

**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**

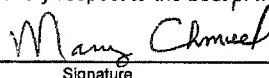
This Information Disclosure Summary has been completed by:

**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).

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

File No. [REDACTED]

TRUST SUMMARY

Received mortgage advance from Lenders

Gross Advance from Olympia Trust Company:196,056.38 \$196,056.38

Receieved mortgage advane from Lenders

Mortgage Funding Inc.

Gross Advance from Sussman Mortgage

Funding Inc. : 304,000.00

Less: Broker &amp; Lender Fee -20,000.00

Less: Discharge of existing S-20 Mortgage -

1026 Green Street -75,258.27 208,741.73

Paid to FCT Insurance Company Ltd - Title

Insurance Premium [REDACTED]

Paid legal fees and disbursements - Owens

Wright LLP [REDACTED]

Holdback for unbilled disbursements [REDACTED]

Paid to Bhagaban Panigrahi Barrister &amp;

Solicitor, In Trust - net mortgage proceeds 400,131.23

\$404,798.11

\$404,798.11

E. &amp; O. E.

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

File No. [REDACTED]

TRUST SUMMARY

Received mortgage advance from Olympia Trust Company			\$290,000.00
Paid to Town of Innisfil			
Total outstanding taxes	15,074.79		
Add: Interest	171.99	\$15,246.78	
Paid to Sussman Mortgage Funding Inc.			
5 months prepayment	14,265.00		
Broker fee	11,600.00	25,865.00	
Paid to FCT Insurance Company Ltd. - Title Insurance Premium		[REDACTED]	
Paid legal fees and disbursements - Owens Wright LLP		[REDACTED]	
Holdback for unbilled disbursements		[REDACTED]	
Paid to Ramachandran Law Professional Corporation, in trust - net mortgage procees		245,462.99	
		\$290,000.00	\$290,000.00

E. &amp; O. E.

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

PROCEEDING COMMENCED AT TORONTO

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

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

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B. Riley Farber Inc.