

Court File No. CV-25-00740475-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

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

Plaintiffs

- and -

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

Defendants

This is the Cross-Examination of SANDY
SUSSMAN, a Defendant herein, on his Affidavit sworn
May 9, 2025, taken by Zoom video conference, through the
offices of Network Reporting & Mediation, One First
Canadian Place, 100 King Street West, Suite 3600,
Toronto, Ontario, M5X 1E3, on the 20th day of May, 2025.

A P P E A R A N C E S:

Milton A. Davis
Teodora Obradovic -- for the Plaintiffs Logpin
Investments Limited, The Goldfarb
Corporation, Gary Goldfarb, Jeffrey Goldfarb,
Suzy S. Greenspan and Julianna Greenspan

Paul J. Daffern -- for the Defendant Sandy Sussman

Robert D. Malen -- for the Defendants 2114568 Ontario
Inc., Alliance Homes Ltd., Alex Troop,
Waterways of Muskoka Ltd.

Stephen Nadler -- for WFE Investment Corp. and
Jeffrey M. Citron PC

Michael Crampton -- for the Tepperman Group

Erin Merrick -- for B. Riley Farber Inc.

I N D E X O F P R O C E E D I N G S

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I N D E X O F U N D E R T A K I N G S

Undertakings are found on the following pages:

7(2), 8, 9, 10, 13(2), 15(3), 19, 20, 21(3), 22, 25(2),
27, 28, 30(2), 31, 32(2), 36, 37, 39, 40, 43(2), 44(2),
46, 48(2), 49(3), 50(3), 52, 56, 60, 61, 62, 63, 64,
65(2), 66, 67, 70

I N D E X O F U N D E R A D V I S E M E N T S

Under advisements are found on the following pages:

N/A

I N D E X O F R E F U S A L S

Refusals are found on the following pages:

N/A

The list of undertakings, under advisements and refusals
is provided as a service to counsel and does not purport
to be complete or binding upon the parties.

1 -- Upon commencing at 10:09 a.m.

2 SANDY SUSSMAN; Affirmed

3 CROSS-EXAMINATION BY M.A. DAVIS:

4 1 Q. Good morning, Mr. Sussman.

5 A. Good morning.

6 2 Q. First of all, where are you physically
7 located at the moment?

8 A. I am sitting in a boardroom at Paul
9 Daffern's office in Barrie, Ontario.

10 3 Q. Thank you. And is there anyone in the
11 room with you?

12 A. No one.

13 4 Q. Thank you. Now, you swore an Affidavit on
14 May 9th of this year. Did you read it over before
15 coming here today?

16 A. And I have it in front of me, yes.

17 5 Q. And are there any changes you wish to make
18 to the Affidavit?

19 A. Outside of a minor typo I saw, no.

20 6 Q. Okay. I want to start with a little bit
21 of personal background information. How old are you?

22 A. I'll be 71 in December.

23 7 Q. And what is the highest level of education
24 that you have achieved?

25 A. Graduate school.

1 8 Q. What graduate school and what degree?

2 A. ...(inaudible)...PA, MBA at NYU.

3 9 Q. Thank you. You're married to Deena
4 Weinberg?

5 A. Correct.

6 10 Q. And how many children do you have?

7 A. Two.

8 11 Q. And are they both employed?

9 A. One's employed, one's at school.

10 12 Q. Am I correct your son Adam's a lawyer?

11 A. Correct.

12 13 Q. And where does he practice law?

13 A. He practices law in New York.

14 14 Q. Thank you. And your other child? What's
15 your other child's name?

16 A. Yale.

17 15 Q. Where is Gail (sic) in school?

18 A. Yale has just finished second year at
19 Osgoode.

20 16 Q. And have you been funding Gail's tuition?

21 A. Yes.

22 17 Q. And from what funds have you been funding
23 that tuition?

24 A. My wife and I have been funding it from
25 just money that we have, my income, and she has money.

1 18 Q. Okay. Now, according to paragraph 2 of
2 your Affidavit, Deena retired in 2013.

3 A. Correct.

4 19 Q. When you say she has money, what money are
5 you referring to?

6 A. Her own personal money. She worked for
7 30 years.

8 20 Q. Well, she retired in 2013. She hasn't
9 worked since then, correct?

10 A. Correct.

11 21 Q. And so when you say she's worked for
12 30 years, did she amass some level of wealth that you
13 use?

14 A. Correct.

15 22 Q. And what level of wealth is that?

16 A. I don't understand the question. What
17 level --

18 23 Q. Are there investment accounts or other
19 accounts in Deena's name that you access?

20 A. That she accessed?

21 24 Q. No, that you access.

22 A. No, not that I access.

23 25 Q. Does Deena give you any money? Does she
24 fund any of your expenses?

25 A. Yes.

1 26 Q. Has she transferred any money to you in
2 the last 24 months?

3 A. No.

4 27 Q. So when you say she funds expenses, what
5 expenses does Deena fund?

6 A. The house expenses.

7 28 Q. When you say the house expenses what are
8 you referring to?

9 A. The help in the house; any repairs in the
10 house, perhaps.

11 29 Q. Anything else?

12 A. I'd have to think about it. Those come to
13 mind.

14 30 Q. Do you want to undertake to give me a list
15 of all the expenses that Deena funds and advise as to
16 what account those expenses come from, please?

17 P.J. DAFFERN: I'll just answer this, Sandy.
18 Yes, we will give that undertaking. All the expenses
19 that Deena pays...

20 U/T

21 M.A. DAVIS: And from what accounts they come
22 from.

23 P.J. DAFFERN: Okay, thank you.

24 U/T

25 M.A. DAVIS: Sorry, Paul, before we go

1 further, my colleague has reminded me that the Affidavit
2 that you delivered is styled in the Receivership
3 application, when it should have been styled in the
4 action that we commenced. Can I ask you just to give us
5 a revised Affidavit with front page change to the proper
6 title of proceeding?

7 P.J. DAFFERN: Yes.

8 U/T

9 M.A. DAVIS: Is that yes?

10 P.J. DAFFERN: Yes, it was, sorry.

11 M.A. DAVIS: Thank you.

12 BY M.A. DAVIS:

13 31 Q. Mr. Sussman, have you transferred any
14 assets or any money to Deena in the last two years?

15 A. I have not.

16 32 Q. Have you transferred any money or any
17 assets to either of your children in the last two years?

18 A. I have not.

19 33 Q. Have you transferred any money or assets
20 to your brother Peter in the last two years?

21 A. I have not.

22 34 Q. Have you transferred any money or assets
23 to anyone else in the last two years?

24 A. I have not.

25 35 Q. Okay. And do you have any arrangement

1 with Deena to continue funding household expenses for
2 the foreseeable future?

3 A. Other than a husband and wife arrangement,
4 no.

5 36 Q. Sorry, what do you mean by that?

6 A. There's no contract, if that's what you
7 mean.

8 37 Q. No, I didn't ask if there was a contract.
9 I asked if there was any arrangement.

10 A. No.

11 38 Q. Okay. And can you tell us how you're
12 funding your legal expenses at the moment?

13 A. The original funds came from my RRSP, and
14 moving forward I'm hoping that Deena is going to be
15 helping me in the payments of legal fees.

16 39 Q. Now, do you have any credit cards with you
17 at the moment?

18 A. No.

19 40 Q. Where are they?

20 A. At home.

21 41 Q. Okay. Do you want to undertake to produce
22 copies of all the credit cards to us, please?

23 P.J. DAFFERN: Will do.

24 U/T

25 M.A. DAVIS: Thank you.

1 BY M.A. DAVIS:

2 42 Q. Now, do you have any debit cards with you?

3 A. No.

4 43 Q. Do you have debit cards at home?

5 A. One.

6 44 Q. Do you want to undertake to produce a copy
7 of that as well?

8 P.J. DAFFERN: Yes.

9 U/T

10 BY M.A. DAVIS:

11 45 Q. Okay. I understand that Sussman Mortgage
12 Funding Inc. incorporated Sussman Capital Corporation.
13 Are you familiar with Sussman Capital Corporation?

14 A. I am.

15 46 Q. And what is the business of Sussman
16 Capital Corporation?

17 A. It is not in business.

18 47 Q. When did it cease being in business?

19 A. 1999.

20 48 Q. And were you a director or officer of that
21 company?

22 A. Yes.

23 49 Q. And what was the business of Sussman
24 Capital Corporation?

25 A. It held mortgages for investors.

1 50 Q. And is that company still in existence?

2 A. No.

3 51 Q. Was its charter cancelled?

4 A. I don't know the answer to that question.

5 52 Q. Okay. What happened to the assets that
6 Sussman Capital Corporation had?

7 A. It had no assets.

8 53 Q. I thought you said it had mortgages.

9 A. It held mortgages in trust for investors.

10 54 Q. Okay. And were those investors paid out?

11 A. Yes.

12 55 Q. And were the mortgages discharged?

13 A. Yes.

14 56 Q. Okay. The house that you live in at
15 15 Alexandra Wood is in Deena's name, correct?

16 A. Correct.

17 57 Q. And there is a mortgage on title to CIBC
18 securing the amount of \$950,000. Right?

19 A. Correct.

20 58 Q. And you're a guarantor of that mortgage.

21 A. Correct.

22 59 Q. I'm going to ask my colleague to put a
23 copy of that mortgage up on the screen. Do you see
24 that, sir, at the top?

25 A. Yes.

1 60 Q. Can you scroll down, because you just went
2 past the number. Or go back? Do you see the number
3 right at the top? It's not there. Keep going to the
4 top. Do you see the number at the top, "Registered as"?

5 A. Yes.

6 61 Q. We can agree that's the mortgage?

7 A. Yes.

8 62 Q. Thank you. You can take that off the
9 screen. And that mortgage secures a CIBC line of
10 credit. Correct?

11 A. Correct.

12 63 Q. And I'm going to show you the April 2025
13 CIBC personal line of credit statement. We'll put that
14 up on the screen. And if I can just make that a little
15 smaller, please. Go further down. You'll see the new
16 balance is \$953,129.76 as of the statement date,
17 April 23, 2025. Do you see that, sir?

18 A. Yes.

19 64 Q. How do you plan to make the payments on
20 that line of credit?

21 A. Deena will make the payment.

22 65 Q. And has she been making payments since the
23 commencement of these legal proceedings?

24 A. I don't know the answer to that question.

25 66 Q. Okay. You'll see this statement shows a

1 credit of \$17,654.01. Where did that money come from?

2 A. I'd have to check with her.

3 67 Q. Would you undertake to do that, and let me
4 know what account that \$17,654.01 came from, please?

5 P.J. DAFFERN: Yes, we will.

6 U/T

7 M.A. DAVIS: Thank you.

8 BY M.A. DAVIS:

9 68 Q. And I've asked you or I've asked your
10 lawyer to produce a copy of the credit application for
11 that line of credit. And I understand it wasn't
12 available at the time our request was made. Would you
13 undertake to use your best efforts to get us the
14 underlying credit application for this line of credit,
15 please.

16 P.J. DAFFERN: Yes, we will.

17 U/T

18 M.A. DAVIS: Thank you.

19 BY M.A. DAVIS:

20 69 Q. Now, you have the CIBC Visa card. And I'm
21 going to ask my colleague to put the April 2025
22 statement on the screen. And you'll see the statement
23 shows a balance of \$51,685.96. Do you see that, sir?

24 A. Yes.

25 70 Q. And have any payments been made on this

1 line of credit since the statement date April 27, 2025?

2 A. Which -- I don't understand 'line of
3 credit'.

4 71 Q. Sorry, on this Visa card, my mistake.

5 A. Okay. Could you repeat the question then
6 please?

7 72 Q. Has any payments been made on this Visa
8 account since the statement date of April 27, 2025?

9 A. No.

10 73 Q. Okay. And I now want to show you a line
11 of credit TD statement from May of this year. And
12 you'll see there's a current balance of \$40,997.78. Do
13 you see that?

14 A. Yes.

15 74 Q. And have you made any payments on that
16 account in the last month?

17 A. I don't think so, no.

18 75 Q. Now, if I can ask my colleague to scroll
19 down to May 1 of 2025.

20 A. May 1 there, okay, correct.

21 76 Q. You'll see there are two credits. There's
22 a transfer for \$5,500 and a deposit at the branch of
23 \$1,940. Do you see that, sir?

24 A. I do.

25 77 Q. First of all, did you make that deposit?

1 A. I probably did, but I'd have to go check
2 that. I don't recall.

3 78 Q. Would you undertake to do that and let me
4 know whether you made that deposit?

5 A. Okay.

6 U/T

7 79 Q. And then would you also let me know where
8 those money -- where that money came from?

9 A. Yes.

10 U/T

11 80 Q. And as for the \$5,500, where were those
12 funds transferred from?

13 A. So I'll undertake to take that -- do that
14 as well.

15 U/T

16 81 Q. So you're going to undertake to let me
17 know what account that transfer came from. Correct?

18 A. Correct.

19 82 Q. Thank you. Now, I'm next going to ask you
20 to -- and I'm next going to show you an Amex statement
21 for the month of March to April 2025. And you'll see
22 that the balance as at April 27, 2025, is \$74,918.22.
23 Do you see that, sir?

24 A. Yes.

25 83 Q. It's the line right above "Minimum amount

1 due". Do you see that?

2 A. Yes.

3 84 Q. And have any payments been made on that
4 account since the date of the statement?

5 A. No.

6 85 Q. Okay. And then I want to show you a
7 CIBC Aeroplan Visa Business Card statement for the
8 period ending April 27, 2025. And you'll see that
9 there's a balance owing of \$51,685.96. Do you see that,
10 sir?

11 A. Yes.

12 86 Q. And have any payments been made on that
13 account since the date of the statement?

14 A. No.

15 87 Q. Now, you told me earlier today that you're
16 at Mr. Daffern's office in Barrie, right?

17 A. Yes.

18 88 Q. How did you get there?

19 A. Drove the car.

20 89 Q. What car did you drive?

21 A. My car, Tesla.

22 90 Q. And bear with me one second, please. I
23 want you to look at paragraph 3 of your Affidavit.

24 A. Yes.

25 91 Q. And you say, "The motor vehicle I've been

1 driving belongs to Tesla Canada Inc". And you go on to
2 say that you lease the car. Is that the car that you're
3 referring to that you drove to Barrie today?

4 A. Yes.

5 92 Q. And you say in paragraph 4 you've agreed
6 to return the car to the dealer, and that you expected
7 it will be done by May 14, 2025. Is there an agreement
8 between you and Tesla Canada to return the car to them?

9 A. Tesla has an arrangement. They have to
10 pick the car up. That is supposed to be happening this
11 Friday. You cannot return it.

12 93 Q. Do you have any --

13 A. They have to pick it up.

14 94 Q. Do you have anything in writing to that
15 effect?

16 A. I do not.

17 95 Q. So when you say they're picking it up on
18 Friday, how do you know that that's happening?

19 A. I was called and told by some -- someone
20 in California that they would make arrangements to have
21 the car picked up on Friday.

22 96 Q. And is there a -- you have a Tesla app on
23 your phone?

24 A. I do.

25 97 Q. And you have the chat function on your

1 Tesla app?

2 A. I do.

3 98 Q. And is there a chat message regarding the
4 pick up of the car?

5 A. I don't think so, because I did it on a
6 phone call, not on the chat app. I'm not terribly --

7 99 Q. I understand that that's what you did, but
8 that's what Tesla does. Tesla uses the chat to let you
9 know what's happening, correct?

10 A. Yeah, so let me -- one second.

11 100 Q. Are you accessing the chat right now?

12 A. That's what I'm trying to do here. I'm
13 trying to find it.

14 101 Q. It's on the top of the screen on the
15 right-hand side.

16 A. Top right-hand side. Refer. No. Nothing
17 here.

18 102 Q. Sorry, you're looking at the chat and
19 there's nothing there?

20 A. Messages, yeah. I'm looking at messages.

21 103 Q. And there's nothing there.

22 A. Nothing that I see.

23 104 Q. Okay. What's the licence plate number for
24 your Tesla?

25 A. Oh. Is it on here? I don't recall it.

1 105 Q. If you don't have it, you can undertake to
2 give it to me.
3 A. I'll undertake to give it to you, okay.
4 U/T
5 106 Q. And is your car a Model Y?
6 A. I'm sorry?
7 107 Q. Is your car a Model Y?
8 A. Yes.
9 108 Q. And what year is it?
10 A. '22.
11 109 Q. 2022?
12 A. Yes.
13 110 Q. Okay. And when's the last time you made a
14 lease payment on that car?
15 A. When's the last time, sorry?
16 111 Q. You made a lease payment on your Tesla.
17 A. It was either December or January.
18 112 Q. Okay. Do you have any default notices
19 from Tesla?
20 A. I can't hear you, I'm sorry.
21 113 Q. Did you receive any default notices from
22 Tesla?
23 A. Yes.
24 114 Q. Would you produce those to me, please.
25 A. Okay.

1 U/T

2 115 Q. Thank you. Now, I understand that in
3 December of this last year, 2024, you borrowed \$10,000
4 from Gordon Starkman and another \$10,000 from his
5 girlfriend, right?

6 A. Borrowed?

7 116 Q. Yes.

8 A. No.

9 117 Q. Well, did he give you that money?

10 A. Sorry?

11 118 Q. Did Mr. Starkman give you that money?

12 A. Yes.

13 119 Q. Was that a gift from Mr. Starkman and his
14 girlfriend?

15 A. No.

16 120 Q. What was it?

17 A. A mortgage investment.

18 121 Q. So you received two \$10,000 mortgage
19 investments from Mr. Starkman and his girlfriend in
20 December of this past year?

21 A. My memory's correct, I'd have to check it.
22 I think that's correct.

23 122 Q. Is it your practice to accept or was it
24 your practice to accept \$10,000 mortgage investments
25 from anybody?

1 A. Yes.

2 123 Q. What mortgages did you invest the \$20,000
3 from the Starkmans?

4 A. I will have to check. I can't recall.

5 124 Q. Would you undertake to do that and let me
6 know, please.

7 A. Yes.

8 U/T

9 125 Q. And what account were these funds
10 deposited to?

11 A. It would have been the 672650.

12 126 Q. What bank is that?

13 A. Toronto Dominion.

14 127 Q. Okay. Can you produce a copy of that bank
15 statement to me, please, that shows that deposit?

16 A. I have to get that from Riley Farber.

17 U/T

18 128 Q. Okay. And then what mortgage or mortgages
19 were that \$20,000 deposit -- invested in?

20 A. I have to undertake to that. I can't
21 recall.

22 129 Q. You'll undertake to do that and let me
23 know, please?

24 A. Yes.

25 U/T

1 130 Q. Thank you. Now, you have a brother Peter,
2 correct?

3 A. Correct.

4 131 Q. Do you owe Peter any money?

5 A. No.

6 132 Q. Have you paid Peter any money in the last
7 five years?

8 A. Peter had a mortgage payout, I think. I
9 can't recall. I'll check that.

10 133 Q. Sorry, are you telling me that Peter was
11 an investor with Sussman Mortgage Funding Inc.?

12 A. Yes.

13 134 Q. And he was paid out?

14 A. Yes.

15 135 Q. When was he paid out?

16 A. I have to undertake that.

17 136 Q. Would you undertake to do that, please,
18 and let me know when he was paid out and how much he was
19 paid out, please? Okay?

20 P.J. DAFFERN: Yes, we'll undertake.

21 U/T

22 M.A. DAVIS: Thank you.

23 BY M.A. DAVIS:

24 137 Q. And then outside of any investments with
25 Sussman Mortgage Funding Inc., have you at any time owed

1 Peter any money on a personal basis?

2 A. No.

3 138 Q. Okay. Now, 129 Dunlop Street in Barrie is
4 registered in the name of Mortgage Funding Building
5 Inc., correct?

6 A. Correct.

7 139 Q. And I understand at paragraph 24 of --
8 sorry, at paragraph 25 of your Affidavit you say Holdco,
9 which is 2802143 Ontario Inc., is a shareholder in
10 Mortgage Funding Building Inc., the company that is the
11 registered owner of the office building at 129 Dunlop
12 Street.

13 So first of all, the statement that Mortgage
14 Funding Building Inc. is the registered owner of the
15 building is a correct statement, right?

16 A. Yes.

17 140 Q. Now, you are the sole director of 2802143
18 Ontario Inc., correct?

19 A. Yes.

20 141 Q. And you're the sole shareholder of that
21 company as well. Correct?

22 A. Correct.

23 142 Q. And you then go on to say that Mortgage
24 Funding Building Inc. is owned by both the Sussman
25 Family Trust and by Holdco 2802143 Ontario Inc. You say

1 that at paragraph 26 of your Affidavit. Do you see
2 that?

3 A. Yes.

4 143 Q. And just so I understand what you're
5 testifying to, you're saying, first of all, Mortgage
6 Funding Building Inc. is the owner of the property. And
7 2802143 is the sole shareholder of Mortgage Funding
8 Building Inc., correct?

9 A. No.

10 144 Q. That's your evidence, right?

11 A. One second. Holdco owns shares.

12 145 Q. So you go on to say at paragraph 27 --

13 A. Right.

14 146 Q. -- that Holdco owns 248,271 Class A
15 special shares that have a fixed value. Do you see
16 that?

17 A. I do.

18 147 Q. And then you say the Sussman Family Trust
19 owns 100 common shares of Mortgage Funding Building Inc.
20 And so my question is, where would I find the share
21 register for Mortgage Funding Building Inc.? Do you
22 have a copy?

23 A. I assume we must have one somewhere.

24 148 Q. Would you undertake to get the shareholder
25 register and provide me with a copy, please.

1 A. Yes.

2 P.J. DAFFERN: Wait a second. Wait a second.
3 We'll make our best efforts. There's been some issue
4 about getting access to corporate records --

5 M.A. DAVIS: Okay.

6 P.J. DAFFERN: ...(inaudible)...asking the
7 Receiver, so we'll make best efforts.

8 U/T

9 M.A. DAVIS: That's why I said use your best
10 efforts.

11 P.J. DAFFERN: Yes, thank you.

12 M.A. DAVIS: And would you use your best
13 efforts to get me a copy of the rest of the minute book,
14 please.

15 P.J. DAFFERN: Yes, we will.

16 U/T

17 BY M.A. DAVIS:

18 149 Q. Okay. Now, you recently listed the
19 building at 129 Dunlop Street for sale with Stephanie
20 Maye, M-a-y-e, who I understand is a Re/Max broker and
21 operates under the name Maven Commercial Real Estate
22 Brokerage, correct?

23 A. Correct.

24 150 Q. And the listing price was \$2,448,000.
25 Correct?

1 A. Correct.

2 151 Q. Did you have the property appraised before
3 you listed it for sale?

4 A. We did not.

5 152 Q. How did you come up with that value?

6 A. I didn't come up with that value.

7 153 Q. Who did?

8 A. Stephanie Mayes.

9 154 Q. Okay. And there is a line of credit on
10 that building that you refer to in paragraph 20 of your
11 Affidavit. And you say Sussman Mortgage Funding Inc.
12 and Mortgage Funding Building Inc. had accounts that, as
13 of May 6, 2025, included a \$70,000 line of credit that
14 SMFI had with TD Bank. And what were those funds used
15 for, that \$70,000 line of credit?

16 A. That's used to operate Sussman Mortgage
17 Funding Inc.

18 155 Q. Right. Do you have copies of the most
19 recent statement for Sussman Mortgage Funding Inc.?

20 A. Do I have statements? No.

21 156 Q. A copy of the accounts, the line of credit
22 statement.

23 A. Farber has those.

24 157 Q. Okay. If you can get a copy, would you
25 provide it to me, please?

1 A. Yes.

2 U/T

3 158 Q. Okay, thank you. Now, what arrangements
4 have been made, if any, to pay down that line of credit?

5 A. No arrangements have been presently been
6 made.

7 159 Q. I'm sorry?

8 A. No arrangements have been presently made.

9 160 Q. Has any default notice been issued with
10 respect to that line of credit?

11 A. No.

12 161 Q. Has any default notice been issued with
13 respect to any of your lines of credit or any of the
14 corporate lines of credit or any of the credit cards?

15 A. Umm, explain the question clearly? I
16 don't understand exactly what you're asking.

17 162 Q. We've talked about a series of accounts.
18 We've talked about line of credit accounts. We've
19 talked about credit card accounts. I'm simply asking
20 you, has any of those entities issued a default notice
21 or made a demand for payment?

22 A. I don't think so, no.

23 163 Q. Okay. I want you to take a look at
24 paragraph 24 to 28 of your Affidavit. So first of all,
25 we talked about paragraphs 24 and 25, where we talked

1 about Holdco and that its interest in Dunlop. And then
2 at paragraph 26 you say:

3 My parents did an estate freeze
4 before they passed away and the
5 Mortgage Funding Building Inc. is
6 owned by both the Sussman Family
7 Trust and Holdco.

8 And do you have any document that shows that Mortgage
9 Funding Building Inc. is owned by both of those
10 entities?

11 A. I'd have to undertake that. I don't know.

12 164 Q. Would you undertake to do that and provide
13 me with whatever document evidences that ownership
14 interest? Okay?

15 P.J. DAFFERN: Yes.

16 U/T

17 M.A. DAVIS: Thank you.

18 BY M.A. DAVIS:

19 165 Q. Now, at paragraph 29 of your Affidavit you
20 say Mortgage Funding Building Inc. owns a mortgage
21 investment of 798,000 that was invested into a
22 syndicated mortgage, and you refer to B83. Now, "B"
23 stands for Ballymore, correct?

24 A. Correct.

25 166 Q. And when was that investment made?

1 A. I'd have to check, but I want to say
2 September, October of '24, approximately?

3 167 Q. And where does the \$798,000 come from to
4 fund that investment?

5 A. A mortgage was placed on 129 Dunlop Street
6 East.

7 168 Q. And is that the second mortgage to WFE and
8 Jeffrey Citron?

9 A. No.

10 169 Q. Okay. So just bear with me one minute,
11 please. There was a mortgage placed on the building on
12 September 9, 2024 for \$1 million to TD Bank. Is that
13 the mortgage that you're referring to?

14 A. Correct.

15 170 Q. Sorry?

16 A. Correct.

17 171 Q. Okay. And so if I understand it
18 correctly, what you did was, you borrowed a million
19 dollars from TD and you invested the money in B83. Do I
20 have that right?

21 A. Correct.

22 172 Q. Thank you. And just so I'm clear, what
23 happened to the balance of the million dollars over the
24 798,000 that you say was invested in B83?

25 A. I can't recall, so I'd have to check.

1 173 Q. Would you undertake to check and let me
2 know, please?

3 A. Yes.

4 U/T

5 174 Q. Thank you for the undertaking. Now, do
6 you have a copy of the investor documents for the
7 Mortgage Funding Building Inc. investment in B83?

8 A. I do not.

9 175 Q. Where would they be?

10 A. We don't -- I don't do investor documents
11 within our own company.

12 176 Q. Do you have any evidence whatsoever that
13 Mortgage Funding Building Inc. has an investment in B83?

14 A. Yes.

15 177 Q. What do you have?

16 A. The money going into the trust account.

17 178 Q. Do you have a record of the money going
18 into the trust account?

19 A. I don't, but Farber does.

20 179 Q. Okay. Do you want to use your best
21 efforts to obtain a copy of that statement showing the
22 money going into the investment account?

23 A. Yes.

24 U/T

25 180 Q. So help me with this: You knew by

1 September of 2024 that Sussman Mortgage Funding Inc. was
2 vastly over-leveraged, that claims were being made
3 against you. What prompted you to put \$798,000 into B83
4 at that point in time?

5 A. I'm trying to keep everybody aboveboard.
6 And I'm under a lot of pressure and a lot of stress.
7 And the first thing I could think of is how can I
8 quickly get some money. And that's exactly what I did.

9 181 Q. Let me see if I understand this. When you
10 say you were under a lot of pressure and keep everybody
11 aboveboard, did you take that money that you mortgaged
12 the building for to make interest payments to investors?

13 A. And to make principal payments to some
14 investors.

15 182 Q. Okay. Which investors did you make
16 principal payments to from that mortgage financing that
17 we're talking about in September of 2024?

18 A. I would have to check the records. I
19 can't recall.

20 183 Q. Would you undertake to check those records
21 and let me know which investors were paid money from
22 that million-dollar mortgage financing, please.

23 A. As long as Farber allows me access, yes.

24 U/T

25 184 Q. Okay, thank you. And just to complete the

1 circle, if you can recall off the top of your head which
2 investors were paid and how much they were paid, would
3 you undertake to let me know to the best of your
4 recollection.

5 A. Yes.

6 U/T

7 185 Q. Thank you. And when did you make those
8 payments?

9 A. Again, I'd have to undertake. I would
10 assume immediately after the closing.

11 186 Q. All right. So I don't want you to guess.
12 I want you to tell me to the best of your recollection,
13 or if you have records, produce those records. Okay?

14 A. Okay.

15 U/T

16 187 Q. Thank you. Now, I want to show you an
17 Echelon Wealth Partner statement for May 2024 that's
18 addressed to Mortgage Building Funding Inc. And we'll
19 put it up on the screen. And you'll see that this
20 statement is entitled "Consolidated Portfolio Summary",
21 and it shows a value at May 31, 2024, as \$785,770.64.
22 And if we scroll down, you will see that there are a
23 series of accounts. And you'll see there is a
24 non-registered Canadian margin account with \$92,188, a
25 US margin account of \$4,963, an RSP account of 751,880

1 -- sorry, \$751,188.37, and a family RSP that has no
2 money in it. And what happened to that RSP account?

3 A. That was liquidated.

4 188 Q. I'm sorry? You liquidated it?

5 A. I'm sorry?

6 189 Q. You liquidated it, you said.

7 A. Liquidated, yes.

8 190 Q. When did you liquidate it?

9 A. I'd have to check. You have the
10 statements though, I think.

11 191 Q. I don't know that I have the statements.
12 Sorry, you're right.

13 A. I sent them to you. I know they were
14 sent.

15 192 Q. So if you go to -- there's a statement --
16 sorry, let me back up, because I want to highlight the
17 fact that this statement is sent to Mortgage Funding
18 Building Inc., okay? Go back to the top of the page. I
19 just want you to confirm that.

20 A. Yes.

21 193 Q. You'll see that.

22 A. Yep.

23 194 Q. And then if we go to another statement
24 from Highgate Group, you'll see it refers to a
25 consolidated portfolio summary. And that statement is

1 dated July -- sorry, August 31, 2024. We can put that
2 on the screen. And you'll see this statement is
3 addressed to you personally at your house.

4 A. Correct.

5 195 Q. Now, can you tell me, is this a different
6 account than the one referred to in the prior statement?

7 A. No.

8 196 Q. So are you telling me this is one of the
9 accounts referred to in the consolidated -- the other
10 consolidated portfolio statement?

11 A. They're the same accounts.

12 197 Q. So can you tell me why one is sent to
13 Mortgage Funding Building Inc., and the other one's sent
14 to you personally at home?

15 A. We used to get two statements, one to
16 Mortgage Funding Building Inc. and one to Sanford
17 Sussman. Because Mortgage Funding Building Inc. used to
18 have an account there. It was liquidated years ago, but
19 they still send two statements.

20 198 Q. Now, I want to show you a third statement
21 addressed to you, and this one's dated March 31, 2025.
22 And this statement is also a consolidated portfolio
23 summary, and it shows the portfolio value as at
24 March 31, 2025, as \$15,470.07. Do you see that?

25 A. Correct.

1 199 Q. And there's handwriting on it saying,
2 "Sold this morning". Is that your handwriting?

3 A. Yes.

4 200 Q. So if I understand correctly, on March 31
5 of this year, you sold the portfolio --

6 A. Interrupting for one second. The
7 portfolio is dated March 31. I wouldn't --

8 201 Q. Yes.

9 A. -- get the March 31 statement on March 30
10 -- till after March 31.

11 202 Q. Sorry, good point. So when you wrote
12 "Sold this morning", when did you write that?

13 A. Obviously sometime in April. I'd have to
14 go check the records. I don't know offhand. But it
15 definitely would not have occurred on March 31st.

16 203 Q. Good point. So then you liquidated the
17 RSP of approximately \$720,000, right?

18 A. Correct.

19 204 Q. What happened to that money?

20 A. 35 percent of it went to Revenue Canada;
21 the balance came to me.

22 205 Q. And what did you do with that money?

23 A. I paid some bills. I paid mortgage --
24 Sussman Mortgage Funding bills, and I invested
25 \$188,702.91 in a mortgage.

1 206 Q. When you say you paid some bills, what
2 bills did you pay?

3 A. I'd have to undertake to do that.

4 207 Q. Will you undertake to do that? Let me
5 know, and then provide me with copies of the documents
6 evidencing the payment of those bills? Okay?

7 A. And, again, this is with Farber, so I have
8 to get these documents.

9 U/T

10 208 Q. All right. Now, when you say you invested
11 the money, when did you do that?

12 A. I'd have to undertake to get that.

13 209 Q. Well, it would have been sometime between
14 April and today, right?

15 A. Correct.

16 210 Q. Well, it's not that long ago.

17 A. I can't remember the date.

18 211 Q. Okay. And you say at paragraph 30 of your
19 Affidavit that you invested the \$188,702 in mortgage
20 A14. "A" stands for Alliance, correct?

21 A. Correct.

22 212 Q. So which project is that? A14?

23 A. Lakepoint Village.

24 213 Q. Okay. And what prompted you to invest
25 \$188,702 in A14 in April or May of this year?

1 A. The same reason that I invested the
2 \$798,000 previously into the portfolio.

3 214 Q. And did you use that \$188,702 to make
4 payments to other investors in A14?

5 A. Or other investors in the portfolio.

6 215 Q. Okay. Which other investors?

7 A. I have to undertake that.

8 216 Q. You don't remember today? No? It's not
9 46 or 7 weeks ago.

10 A. It could have been 40 investors.

11 217 Q. Okay. Can I have a breakdown of all the
12 investors that you paid money to from that particular
13 funding? Okay?

14 A. Okay.

15 U/T

16 218 Q. And I'd like to know how much each one got
17 as well. Okay? Now, at paragraph 7 of your Affidavit
18 you say you have a number of personal debts. What
19 personal debts are you referring to?

20 A. The line of credit at the Toronto Dominion
21 Bank.

22 219 Q. Yes.

23 A. The credit cards.

24 220 Q. Yes.

25 A. I think that's the ones I was discussing

1 the most.

2 221 Q. Can you give me a best estimate how much
3 you believe the personal debt to be?

4 A. If I add up the credit cards, it's -- I'll
5 give you an accurate number. Approximately \$199,000.

6 222 Q. How do you expect to pay that money?

7 A. I do not know.

8 223 Q. Okay. Have you made any charitable
9 donations in the last two years?

10 A. I'd have to undertake to check that.

11 224 Q. Would you do that, please, and let me
12 know?

13 A. Yep.

14 U/t

15 225 Q. Thank you. And we know that before the
16 receivership proceedings were commenced, you had
17 retained B. Riley Farber directly, correct?

18 A. Correct.

19 226 Q. And did you pay them a retainer?

20 A. Yes.

21 227 Q. How much was the retainer?

22 A. 25,000.

23 228 Q. And where did you get that money from?

24 A. My wife.

25 229 Q. So your wife gave you \$25,000 to fund

1 payment to Riley Farber?

2 A. Correct.

3 230 Q. Okay. And did she transfer funds into a
4 bank account? Give you a cheque? Or how did she
5 arrange that payment?

6 A. I'd have to undertake, I can't recall.

7 231 Q. Would you undertake to do that and let me
8 know, please. Okay?

9 A. Yes.

10 U/T

11 232 Q. Now, at paragraph 22 of your Affidavit you
12 say:

13 I was granted shares that I believe
14 represented 50 percent of the
15 shares in Lakepoint Village
16 Development Alliance Home. I
17 received these shares in trust for
18 the investors in the project.

19 What investors are you referring to at paragraph 22 of
20 your Affidavit?

21 A. The investors in the mortgage, who
22 participate in the mortgage.

23 233 Q. Sorry, help me with that? What are you
24 saying?

25 A. The investors who participate in the

1 mortgage.

2 234 Q. Okay. And is there any form of trust
3 agreement that evidences that the 50 percent
4 shareholding interest that you're referring to in
5 paragraph 22 is being held in trust for the investors?

6 A. I'd have to undertake that.

7 235 Q. I'm sorry?

8 A. I need access to the documents that Farber
9 has.

10 236 Q. So right now you're telling me you don't
11 know if there's a trust agreement?

12 A. I'm pretty sure there is a trust
13 agreement, but I think Farber would have it.

14 237 Q. Okay. And if Farber doesn't have an
15 agreement, is it fair to say there is no such agreement?

16 A. I don't know the answer to that question.

17 238 Q. Either there is or there isn't. Do you
18 remember there being a trust agreement?

19 A. I do.

20 239 Q. Okay. Do you want to undertake to ask
21 Farber for it?

22 A. I will.

23 U/T

24 240 Q. Thank you. Now, you're a director of
25 2114568 Ontario Limited, correct?

1 A. Correct.

2 241 Q. And you're also the sole shareholder,
3 right?

4 A. Correct.

5 242 Q. And 2014568, together with Alliance, owns
6 87 serviced lots that are leased. Correct?

7 A. Correct.

8 243 Q. And there's 24 serviced lots that are
9 available for lease, and 189 partially serviced lots
10 that are subject to the venture between you and
11 Alliance. Right?

12 A. Correct.

13 244 Q. Thank you. I want to go to the financial
14 statement for 2014568 Ontario Inc., the August 31, 2024
15 financial statement. I'm going to ask my colleague to
16 put that up on the screen. If we go to the balance
17 sheet, you'll see there's reference to revenue producing
18 property 87 serviced lots leased, and it reflects a
19 value of \$170,487 or an aggregate number of \$14,832,388.
20 Do you see that, sir?

21 A. Yes.

22 245 Q. Where did you get those numbers from?

23 A. Alliance Homes.

24 246 Q. That's Mr. Troop, correct? Alex Troop?

25 A. Correct.

1 247 Q. And do you know if there's any appraisal
2 or valuation evidence that supports those numbers?

3 A. I know an appraisal was done.

4 248 Q. Do you have a copy of it?

5 A. Farber probably does.

6 249 Q. Okay. Let's scroll down to the statement
7 of operations, please. That's not it. Sorry, I'm
8 looking at the wrong document. Can we pull up the
9 Sussman Mortgage Funding Inc. financial statement for
10 the year ended July 31, 2022. And if we go to the
11 Statement of Operations. In this document you'll see
12 there's management salaries reflected in the statement
13 for 2021, \$1,490,900, for 2022, \$878,100. Do you see
14 that, sir?

15 A. Yes.

16 250 Q. And were those management salaries paid to
17 you?

18 A. Yes.

19 251 Q. And you've got similar management salaries
20 in 2023 and 2024?

21 A. Yes, management salary, correct.

22 252 Q. And where did you deposit those salaries?

23 A. Probably into that TD line of credit.

24 253 Q. Well, when you say 'probably', are you
25 guessing?

1 A. I can't recall. I'd have to check the
2 records.

3 254 Q. Would you undertake to review your records
4 and let me know where the management salaries was
5 deposited?

6 A. Yes.

7 U/T

8 255 Q. And what did you do with the salaries?
9 What did you do with the money?

10 A. Again, I'd have to check the records.

11 256 Q. Okay. And would you do that and let me
12 know where these monies were spent or advanced?

13 A. Yes.

14 U/T

15 257 Q. Okay. Did you use any of those management
16 salary funds to make principal or interest payments to
17 any of the Sussman Mortgage Funding Inc. investors?

18 A. I don't recall.

19 258 Q. I'm sorry?

20 A. I don't recall.

21 259 Q. Are there any records you could review
22 that would inform you as to whether or not you did do
23 that?

24 A. I can look into that, yes.

25 260 Q. Would you look into that and let me know,

1 please?

2 A. Yes.

3 U/T

4 261 Q. And if the money was used to fund payments
5 to investors, would you let me know how much money was
6 funded and to which investor, please. Okay?

7 A. Okay.

8 U/T

9 262 Q. Thank you. And then if we go to note 3 in
10 this financial statement, which should be further down,
11 you'll see there's reference to a mortgage receivable,
12 and it says "2014568 Ontario Inc., 7.5 percent interest
13 only, due April 2023". And then it goes on to say that
14 the mortgage receivable investment is secured by a
15 300 residential home real estate development project
16 called Lakepoint Village, located in Uptergrove,
17 Ontario. Now, Uptergrove is another, if I can use the
18 vernacular, Sussman/Troop joint venture, correct?

19 A. Correct.

20 263 Q. And this mortgage receivable shows a
21 balance owing in 2022 of \$767,486. Is there any money
22 owing on that mortgage today?

23 A. Yes.

24 264 Q. I'm sorry?

25 A. Yes, there is.

1 265 Q. And is that mortgage in default?

2 A. Yes.

3 266 Q. Have steps been taken to recover that
4 mortgage on the Uptergrove property? Have any default
5 proceedings been taken?

6 A. No.

7 267 Q. Okay. Is there a current mortgage
8 statement for that mortgage?

9 A. One could be prepared.

10 268 Q. Would you prepare one and provide it to
11 us, please?

12 A. If I can get access from Farber.

13 269 Q. Does Farber have all the records for
14 2014568 Ontario Inc.?

15 A. Yes.

16 270 Q. Okay. And am I right that Mortgage
17 Funding Building Inc. also owes \$387,320 to 2014568? Am
18 I right about that?

19 A. I don't see that on the -- where's that on
20 the statement?

21 271 Q. Go down to note number 5?

22 A. I can't see number 5.

23 272 Q. You will in a minute. See it now?

24 A. Got it. Correct.

25 273 Q. And that debt is still outstanding?

1 A. I can't recall.

2 274 Q. Would you undertake to review your records
3 and let me know, please?

4 A. Yes.

5 U/T

6 275 Q. Okay. And you'll see there's a loan
7 payable here for \$40,000, in note number 6, that's
8 payable for a CEBA loan. Was that a CEBA loan paid to
9 -- or advanced to Sussman Mortgage Funding Inc.?

10 A. Yes.

11 276 Q. And that hasn't been repaid, right?

12 A. That has been repaid.

13 277 Q. It has been repaid? Thank you.

14 A. Yes.

15 278 Q. So I want to show you the co-tenancy
16 agreement between 2114568 Alliance and 1981361, and
17 we'll put that up on the screen next. And you're
18 familiar with this agreement, correct?

19 A. I haven't seen it in awhile, but yes.

20 279 Q. Okay. And the two numbered companies,
21 2114568 and 1981361 are both your companies, correct?

22 A. 198 is, and 211 is 50 percent, right.

23 280 Q. Sorry, give me that again?

24 A. 198 is.

25 281 Q. Yes. 198 is your company. And 2114568 is

1 also your company.

2 A. Right.

3 282 Q. Thank you. And just so we're clear,
4 you're both the sole director and shareholder of both
5 companies, right?

6 A. Yes.

7 283 Q. Okay. And then 2486976 is another one of
8 your companies that has a 49.98 percent joint -- sorry,
9 49.98 joint venture interest in the Ballymore project,
10 correct?

11 A. Yes.

12 284 Q. Sorry, is that a yes?

13 A. Yes.

14 285 Q. Thank you. Now, insofar as the Ballymore
15 project, the Waterways project, or the Uptergrove
16 project, which I understand 198 has a 50 percent joint
17 venture or co-tenancy interest as well, am I right that
18 there are no agreements between any of your companies,
19 either 198 or 248, in any of those three projects
20 reflecting that the shareholding interests are in trust
21 for any investors? There's no agreements that you have,
22 right?

23 A. I'd have to check that.

24 286 Q. Would you check and let me know, please?

25 A. Yes.

1 U/T

2 287 Q. And if you have such agreements, you'll
3 produce them to me, right?

4 A. Yes.

5 U/T

6 288 Q. Now, we know that certain of the Sussman
7 Mortgage Funding mortgages were advanced -- or, sorry,
8 were paid, and I'm thinking that there were two such
9 mortgages on the Ballymore project that were paid in
10 full, correct?

11 A. There were two mortgages paid in full.

12 289 Q. Two Sussman Mortgage Funding mortgages on
13 Ballymore were paid in full. Am I right about that?

14 A. Yes.

15 290 Q. And what happened to the mortgage proceeds
16 that were paid?

17 A. Went to pay out the old B -- B80 -- one
18 second, get that right. Went to pay out the old C64
19 mortgage.

20 291 Q. And what property was the C64 mortgage on?

21 A. The same property.

22 292 Q. Okay. So who was the mortgagee for C64?

23 A. Sussman Mortgage Funding Inc.

24 293 Q. So if I understand correctly, the two
25 Sussman Mortgage Funding Inc. mortgages on the Ballymore

1 property that got paid off, you're telling me they went
2 to pay off another Sussman Mortgage Funding mortgage on
3 the same property?

4 A. Correct.

5 294 Q. What did the "C" stand for?

6 A. Cassandra.

7 295 Q. And what does "Cassandra" stand for?

8 A. That's the name of the company that was in
9 the project prior to Ballymore.

10 296 Q. And who's the principal behind Cassandra?

11 A. I'll have to undertake to get his name. I
12 can't recall. It's been awhile.

13 U/T

14 297 Q. Thank you. And can you produce a copy of
15 the C64 mortgage that got paid off?

16 A. I will undertake to do that.

17 U/T

18 298 Q. Thank you. And can you also give me the
19 name of the -- the proper name of the Cassandra company
20 that you're referring to?

21 A. I will undertake to do that.

22 U/T

23 299 Q. Bear with me one second. I understand
24 that your mother passed away in 2019. Right?

25 A. Correct.

1 300 Q. And am I right that your mother's will
2 contemplated that if you repaid your debt to your
3 brother Peter, he was to convey an interest in
4 133 Dunlop Street to you? Do you remember that?

5 A. Correct.

6 301 Q. And what debt was owing at that time?

7 A. That was his participation in the
8 Cassandra mortgage.

9 302 Q. And how much was his participation in the
10 Cassandra mortgage?

11 A. I'll have to undertake that.

12 303 Q. Would you undertake to do that and let me
13 know, please.

14 A. Yes.

15 U/T

16 304 Q. Thank you. And was Peter repaid his
17 interest in the Cassandra mortgage?

18 A. I'd have to undertake that as well.

19 305 Q. And you'll let me know, please?

20 A. Yes.

21 U/T

22 306 Q. And if he was repaid, would you let me
23 know the source of the funding for that.

24 A. Yes.

25 U/T

1 307 Q. And if he was repaid, would that entitle
2 you, according to your understanding, of an interest in
3 133 Dunlop?

4 A. I think so.

5 308 Q. Thank you. And then just so we're clear,
6 133 Dunlop is next door to 129 Dunlop, right?

7 A. Correct.

8 309 Q. Thank you. I want to talk about the
9 second mortgage on 129 Dunlop. And let's put that on
10 the screen. And you'll see that Mortgage Funding
11 Building Inc. gave this mortgage to WFE Investment Corp.
12 and Jeffrey Citron, and it secures the sum of \$800,000.
13 See that?

14 A. Correct.

15 310 Q. And was any money advanced under this
16 mortgage?

17 A. No.

18 311 Q. And what was the reason for giving this
19 mortgage?

20 A. Security for mortgages in Sussman Mortgage
21 Funding Inc. that they participated in.

22 312 Q. And who is the principal behind
23 WFE Investment Corp.?

24 A. Michael Stein is his name.

25 313 Q. And Mr. Stein and Mr. Citron, if I

1 understand you correctly, are both investors in -- were
2 investors in Sussman Mortgage Funding Investments?

3 A. Yes.

4 314 Q. And what mortgages or what interests were
5 they invested in?

6 A. I have to undertake to get that
7 information.

8 315 Q. Would you undertake to do that and let me
9 know, please?

10 A. As long as Farber allows me.

11 U/T

12 316 Q. So I want to show you a e-mail from
13 Michael Stein to you, dated March 7, 2025, entitled
14 "Mortgage Update". You'll see it says:

15 Hi Sandy:

16 We require a copy of the new signed
17 mortgage commitment for 129 Dunlop
18 Street East, Barrie...

19 And it goes on to say:

20 ...you have arranged reflecting

21 dollar amount of second mortgage...

22 and so on. And was this part of the correspondence that
23 led to your giving Mr. Stein's company and Mr. Citron's
24 company the \$800,000 mortgage?

25 A. No. This is for a new mortgage that we

1 were doing that was --

2 317 Q. Yes.

3 A. -- going to pay them money on their
4 mortgages.

5 318 Q. Why were you paying them? Weren't they
6 investments similarly situated to the other investors in
7 Sussman Mortgage Funding Inc.?

8 A. I was running around with the pressure and
9 the stress I was under, and I was just trying to make
10 ends meet.

11 319 Q. So if I understand you correctly,
12 Mr. Stein and Mr. Citron were pressuring you because you
13 had defaulted in payment of their interest in certain
14 Sussman Funding Mortgages Inc. So to use the
15 vernacular, to hold them back from taking any action,
16 you gave them this mortgage on the 129 Dunlop building,
17 right?

18 A. Correct.

19 320 Q. Thank you. You say in your Affidavit, at
20 paragraph 14, "I invested most of my personal savings in
21 mortgages". Do you see that?

22 A. What's that number, 14? Yes.

23 321 Q. Paragraph 14.

24 A. Yep.

25 322 Q. How much money in your personal savings

1 did you invest in mortgages?

2 A. Over the years?

3 323 Q. Yes, over the years.

4 A. Maybe half a million dollars.

5 324 Q. And where did you get the money from?

6 A. Work.

7 325 Q. What do you mean work?

8 A. My salary.

9 326 Q. Okay. And from what account did these
10 personal investments come from?

11 A. Some of them could be 25, 30 years old. I
12 don't know.

13 327 Q. Okay. I want to talk about the property
14 at 1665 Georgian Heights Boulevard, Port Severn. And I
15 understand Sussman Mortgage Funding Inc. obtained a
16 foreclosure order on that property in July of 2021. Do
17 you remember that?

18 A. Correct.

19 328 Q. And what happened to that property?

20 A. The builder who was on the property walked
21 away from it, basically.

22 329 Q. And what happened to the property after
23 you foreclosed?

24 A. We are in the process of trying to develop
25 it.

1 330 Q. So bear with me one second. When you say
2 'we', who is the 'we'?

3 A. Sussman Mortgage Funding Inc.

4 331 Q. And is the receiver aware that this
5 property is now owned by Sussman Mortgage Funding Inc.?

6 A. Yes.

7 332 Q. I'm sorry?

8 A. Yes.

9 333 Q. Thank you. Now --

10 S. NADLER: I'm sorry, Milt, just to interrupt
11 for a second, just one quick question: That property is
12 in Georgetown? I didn't hear.

13 M.A. DAVIS: In Port Severn.

14 S. NADLER: In Port Severn. And then secondly
15 is, I'm wondering if at some point we can take a
16 bathroom break whenever it's convenient, thank you.

17 M.A. DAVIS: We can take one right now if you
18 want. I wouldn't want to cramp your style.

19 -- Upon recessing at 11:20 a.m.

20 -- Brief recess

21 -- Upon resuming at 11:29 a.m.

22 SANDY SUSSMAN; Resumed

23 CONTINUED CROSS-EXAMINATION BY M.A. DAVIS:

24 334 Q. Mr. Sussman, we had an off-the-record
25 discussion a minute ago, and I just want to clarify

1 this. The 2014568 company, are you not the sole
2 shareholder of that company?

3 A. I am not.

4 335 Q. Who are the shareholders?

5 A. Alex Troop and myself.

6 336 Q. Got it. Okay. And you're 50/50
7 shareholders in that company?

8 A. Correct.

9 337 Q. Okay. Is there a shareholder agreement?

10 A. I have to undertake there. I don't know.

11 338 Q. Bear with me a second. If there is a
12 shareholder agreement, would you undertake to produce it
13 to me, please? Okay?

14 A. Yes.

15 U/T

16 339 Q. Thank you. Now, we know that you, on
17 behalf of Sussman Mortgage Funding Inc., were having
18 investor agreements entered into right through 2023, and
19 if I recall correctly, into 2024. Correct?

20 A. Correct.

21 340 Q. And a number of those investor agreements
22 were with companies owned by Robert Reid, correct?

23 A. Correct.

24 341 Q. And is it fair to say that money that was
25 advanced from the Green investments, or from other

1 investments in 2023 or 2024, were used to fund principal
2 or interest payments to other investors?

3 A. They might have, yes.

4 342 Q. And do you recall any substantial payments
5 that were made to any particular investor for whatever
6 reason? And I'm just thinking along the lines of the
7 pressure that was put on you by Mr. Citron and his
8 partner, anybody else receive significant amounts of
9 other investor money?

10 A. I would have to double-check the records
11 that Farber has.

12 343 Q. Okay. But do you recall any off the top
13 of your head?

14 A. Off the top of my head, I do not.

15 344 Q. Okay. Now, I want to take a look at a
16 statement of trust reconciliation. We're going to put
17 that up on the screen for the 2023 year. Or the
18 2022/2023 year. And you'll see --

19 A. Can you blow it up a little bigger? I can
20 hardly see it.

21 345 Q. Sure. Is that better?

22 A. Yes.

23 346 Q. And you'll see that in every month, from
24 August '22 to June 2023, there is a shortage in the
25 trust account. Do you see that?

1 A. I don't know. Oh, yeah, okay, I see,
2 yeah.

3 347 Q. And then in July 2023 the shortage
4 disappears, and there's \$5,815. You have to make it a
5 little bit smaller to see that number. Teo, can you
6 make that smaller just a little bit? So you'll see June
7 2023 there's no short -- July 2023 there's no shortage
8 in the trust account. See that?

9 A. Right.

10 348 Q. So my question is, what caused the
11 shortages in your trust account?

12 A. I think the main reason is that the way
13 the system works that we print cheques with, once the
14 cheques are printed, they're deemed paid. And of course
15 they're not always. You can't go back on this Providic
16 (ph.) system.

17 349 Q. And these cheques that are listed in the
18 second column for outstanding cheques --

19 A. Right.

20 350 Q. -- those were payments to investors,
21 correct?

22 A. Correct.

23 351 Q. And so you had money in trust.

24 A. Right.

25 352 Q. And the money in trust was investor

1 payments into the trust account. And you were then
2 paying out -- am I right about that? Money in trust for
3 this trust account, or these trust accounts, were
4 investor funds. Right?

5 A. Correct.

6 353 Q. And then the cheques out were investor
7 payments.

8 A. Correct.

9 354 Q. And so you were paying out more money to
10 investors than you had in trust.

11 A. But the cheques -- this is posting cheques
12 that are printed but not necessarily sent out.

13 355 Q. Yeah, but you're not going to -- I assume
14 -- well, were any of these cheques ever returned NSF?

15 A. Back in '22, '23, no.

16 356 Q. And in 2024 were investor payments
17 returned NSF?

18 A. I don't think NSF happened till '25.

19 357 Q. Okay. And what you were doing, if I
20 understand correctly, through 2023, 2024, is, you were
21 using new investor money to fund the payments to the
22 investors who were getting these cheques, right?

23 A. On some of the mortgages, yes, are waiting
24 for sales.

25 358 Q. Yes. And do you recall in which mortgages

1 the payments to investors were being made with new
2 investor money?

3 A. I have to -- I need the records for that,
4 that Farber has.

5 359 Q. Right. If you're able to obtain those
6 records, would you undertake to provide us with those
7 details, please?

8 A. Yes.

9 U/T

10 360 Q. Thank you. And then we know that or were
11 advised that the Shefsky family was paid \$2,173,700 from
12 A18 and \$3,498,296, from B83. And they got 563,000 --
13 865,400 from A14. Were those payments made with other
14 investor money?

15 A. I have to -- I have to undertake to look
16 into that. I don't know.

17 361 Q. You don't know, or you don't recall?

18 A. I don't recall.

19 362 Q. Okay. Do you know where the money came
20 from to make that approximately \$5 million of payments
21 to the Shefskys?

22 A. I do not recall. Without the records, I
23 couldn't tell you.

24 363 Q. Okay. Do you want to use your best
25 efforts to get those records and let me know, please?

1 A. Yes.

2 U/T

3 364 Q. Okay. You gave my client Logpin a
4 personal guarantee for \$14,919,990 on December 30, 2024.
5 Do you remember that?

6 A. Yes.

7 365 Q. Okay. How did you plan to honour that
8 guarantee?

9 A. I had no plan. I was signing -- in such
10 pressure, I was signing anything to keep everyone
11 afloat. That's all. I was under great stress and
12 pressure.

13 366 Q. You offered that guarantee to
14 Mr. Goldfarb, right?

15 A. I don't know if that's the correct
16 terminology. He sent me documentations that I had to
17 sign, and I signed them.

18 367 Q. Sorry, and similarly you gave a second
19 personal guarantee to Logpin and Jeff Goldfarb for
20 \$2,420,000 on February 5, 2025.

21 A. Correct, yes.

22 368 Q. How did you plan to honour that guarantee?

23 A. At the time, the pressure and the stress,
24 I was going to sign whatever they requested.

25 M.A. DAVIS: Okay. Let's go off the record

1 for one moment, please.

2 -- Off-the-record discussion

3 CROSS-EXAMINATION BY T. OBRADOVIC:

4 369 Q. Mr. Sussman, I'm going to put up the
5 April 2025 CIBC line of credit back up on the screen for
6 you.

7 A. Yep.

8 370 Q. Do you see it here?

9 A. I do.

10 371 Q. Okay. Starting with the first deposit
11 that's shown on the screen for 5,133, where did that
12 money come from? Do you remember?

13 A. I'd have to speak with my wife, I don't
14 know.

15 372 Q. Sure. Can you undertake to speak to her
16 and let us know where that deposit comes from?

17 A. Yes.

18 U/T

19 373 Q. And then the Avenue Road and Woburn
20 Banking Centre, is that your home branch?

21 A. No.

22 374 Q. Which accounts do you have at that branch?

23 A. I don't have any accounts at that branch.

24 375 Q. So did you make this deposit on April 4th
25 at that branch, or did your wife?

1 A. I did not.

2 376 Q. Your wife did?

3 A. I'm assuming she did.

4 377 Q. Okay. Can you check with her and let us
5 know if she was the one that physically made that
6 deposit at that branch on that day?

7 A. Yes.

8 U/T

9 378 Q. Okay. And then on April 14th there's a
10 deposit for 12,420 from Fidelity Clearing. Do you see
11 that on the screen?

12 A. Yes.

13 379 Q. What's Fidelity Clearing?

14 A. Fidelity Clearing is Highgate, my RRSP.

15 380 Q. Okay. So that's the only account that you
16 have with Fidelity Clearing, the RSP that you produced?

17 A. Right.

18 381 Q. Okay. And I'm just going to show you your
19 March 20, 2025 statement from the line of credit as
20 well. It's just coming up on the screen now. Do you
21 see the March 24, 2025 statement on the screen?

22 A. A little bigger. There, okay, got it now,
23 yes.

24 382 Q. Okay. So same thing, there's another
25 deposit into this account for 13,533.78. Did you make

1 that deposit on March 14th?

2 A. I don't recall making it, no. I'd have to
3 ask my wife.

4 383 Q. Okay. Again, can you undertake to ask
5 your wife whether she is the one that made this deposit
6 and where those funds came from?

7 A. Yes.

8 U/T

9 384 Q. Okay. And just going to the February 2025
10 statement from your line of credit. Again, do you see
11 that on the screen?

12 A. Yes.

13 385 Q. Okay. So from January to February a
14 series of cheques bounces and are reversed. Do you see
15 those reversals and NSF charges on the screen?

16 A. Yes.

17 386 Q. Why did these payments bounce?

18 A. Insufficient funds.

19 387 Q. Okay. Who were these payments to?

20 A. I'd have to undertake to -- I can't
21 recall.

22 388 Q. Okay. Can you, for this statement, so
23 again, this is the statement dated February 20th, 2025,
24 can you go through the cheques that are listed on the
25 account and discuss with your wife to the extent that

1 you need to, but tell us who these cheques were to?

2 Yeah, who these cheques were to, who were these payments
3 supposed to be made to?

4 A. Okay, yes.

5 U/T

6 389 Q. Just bear with me as I locate another one
7 of the statements up on the screen. So on the screen,
8 Mr. Sussman, you're going to see your October 24th, 2024
9 PLC statement. Do you see it on the screen?

10 A. Yes.

11 390 Q. So this one you've got a
12 September 26th deposit at Bayfield and Cundles in
13 Barrie, that branch. Do you see that as the first item?

14 A. Yes.

15 391 Q. Did you physically make that deposit at
16 that Barrie branch?

17 A. I would think so.

18 392 Q. Okay. And where did that money come from,
19 that 15,000?

20 A. I'd have to check. I have no idea off the
21 top of my head.

22 393 Q. Can you undertake to check your records
23 and let us know where those funds came from?

24 A. Yes.

25 U/T

1 394 Q. Okay. A little later down, on
2 October 3rd, there's another deposit made at St. George
3 Square for 50,000. Do you see that listed there?

4 A. Yes.

5 395 Q. Same thing, would that have been you that
6 would have made that deposit physically?

7 A. I don't know where St. George Square is,
8 so I can't comment on that one.

9 396 Q. Okay. Well, can you undertake to look
10 into that \$50,000 credit and let us know where it came
11 from, where the source of the funds is?

12 A. Yes.

13 U/T

14 397 Q. I'm going to put your -- you have a copy
15 of your Affidavit, I believe you said.

16 A. Yes, I do.

17 398 Q. Correct? Okay. Can you go to paragraph 6
18 of that Affidavit, where you talk about your clothing,
19 footwear --

20 A. Yes.

21 399 Q. -- and outerwear. Do you see that
22 paragraph there?

23 A. I do.

24 400 Q. So through paragraphs 6 and 8 you speak
25 about your personal effects. You mention that you don't

1 have a watch, rings or other type of jewellery. Do you
2 see that there in paragraph 8?

3 A. I do.

4 401 Q. Have you, in the last 12 months, sold any
5 of your watches, rings or jewellery?

6 A. I've never owned a watch in my life.

7 402 Q. You've never had one as a gift?

8 A. Never.

9 403 Q. Okay. Have you ever bought your wife any
10 watches, rings or jewellery?

11 A. Bought my wife jewellery, yes. Watch, no.
12 Rings, no.

13 404 Q. Okay. That jewellery that you purchased
14 for her, was that in the last three years?

15 A. No. Ten, 12, 15 years ago.

16 405 Q. Okay. And then as for your personal
17 effects, the clothing, outerwear and footwear, are you
18 able to itemize for us any items over a thousand
19 dollars?

20 A. Sure.

21 U/T

22 406 Q. Okay. So we'll have an undertaking to
23 have a list prepared of any personal effects that exceed
24 \$1,000 per item.

25 A. Any clothing over a thousand dollars.

1 407 Q. Yes, clothing, outerwear and footwear over
2 a thousand dollars.

3 A. Just so I understand, is that as of the
4 purchase price or the value today?

5 408 Q. I think if it's something that's increased
6 in value, you should put the value as it is today.

7 A. I think the opposite. I mean, if I bought
8 a sweater two years ago for \$1,000, would it be worth --

9 409 Q. Why don't we do it this way: Why don't
10 you provide the purchase price, and then I think we'll
11 be able to tell from the items that you list --

12 A. No clothing I have has appreciated in
13 value, I know that.

14 410 Q. Okay. Sounds good. You mentioned we've
15 talked about throughout the examination some of your
16 personal debts and the liabilities outstanding. Have
17 any banks or credit card companies started proceedings
18 against you for the liabilities that you owe them?

19 A. No, not yet.

20 411 Q. Okay. And we've talked about default
21 notices from Tesla. Have you received any other default
22 notices from any of the other banks or companies to
23 which you owe liabilities?

24 A. No.

25 412 Q. Okay. I'm going to put your October 2024

1 Visa statement up on the screen, if you just give me a
2 moment. Okay. Can you see the Visa statement on the
3 screen now?

4 A. I see it.

5 413 Q. Okay. In October, on October 2nd, posted
6 on October 3rd, there's a transaction paid to Midhurst
7 Roofing in Midhurst for 585.34. Do you see that on the
8 screen?

9 A. I do.

10 414 Q. What was that for?

11 A. Obviously roof work at the building in
12 Barrie.

13 415 Q. The building that's owned by Sussman
14 Mortgage Funding?

15 A. By Mortgage Funding Building.

16 416 Q. Okay. And just jumping to another one of
17 your Visa statements. This is your Visa statement dated
18 January 27th, your CIBC Visa. Do you see that on the
19 screen?

20 A. I do.

21 417 Q. And this Visa was used on December 29th of
22 last year at Top Nail Spa in Toronto, Ontario. Who used
23 the Visa at that location on that date?

24 A. I'm going to assume my wife.

25 418 Q. So your wife had access to this Business

1 Visa at CIBC?

2 A. No, I could have picked her up and paid,
3 that kind of thing. She doesn't have a card.

4 419 Q. Okay. We've looked at the TD list of
5 transactions before. I'm just going to -- from your
6 line of credit. I'm just putting it up on the screen,
7 if you give me a moment.

8 A. Okay.

9 420 Q. We looked at this before. You'll recall
10 this is the TD line of credit statement --

11 A. Line of credit.

12 421 Q. Yep. From May 2024 to 2025. I'm going to
13 scroll to a transaction on March 10th, and I'll make it
14 a bit bigger for you. You'll see here on March 10th
15 there's a transaction to the CRA?

16 A. Right.

17 422 Q. Do you presently owe any money to the
18 Canada Revenue Agency?

19 A. I do after my filing for 2024.

20 423 Q. Okay. Can you undertake to produce a copy
21 of your last two tax returns and an updated statement of
22 account for any amounts owing to the CRA?

23 A. Yes.

24 U/T

25 424 Q. Okay. I'll stop here. I believe

1 Mr. Davis has one or two more questions, but that's it
2 for me, Mr. Sussman.

3 M.A. DAVIS: I was going to suggest, Paul, if
4 you don't mind giving us a minute, I'm going to suggest
5 that everybody who is not you or Mr. Sussman go into a
6 breakout room for about 6.2 minutes, and then we'll just
7 clean up the rest of the examination. Okay?

8 -- Upon recessing at 11:49 a.m.

9 -- Brief recess

10 -- Upon resuming at 11:56 a.m.

11 SANDY SUSSMAN; Resumed

12 CONTINUED CROSS-EXAMINATION BY M.A. DAVIS:

13 425 Q. Mr. Sussman, my colleague asked you about
14 a deposit at St. George Square. Is that the commercial
15 centre in Guelph, Ontario?

16 A. I have absolutely no idea.

17 M.A. DAVIS: Okay. Subject to the
18 undertakings and the answers that may flow as a result,
19 those are all my questions for you today. Thank you
20 very much. Okay.

21 P.J. DAFFERN: Thank you.

22 M.A. DAVIS: Let's go off the record.

23

24 -- Whereupon the Examination is concluded at 11:56 a.m.

25

1 I hereby certify that this is the
2 Cross-Examination of SANDY SUSSMAN,
3 taken before me to the best of my
4 skill and ability, on the 20th day
5 of May, 2025.

6
7 _____
8 MARY BRAIS, CSR
9 Court Reporter

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