

Court File No.: CV-19-628258-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE MCEWEN

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THURSDAY, THE 1st
DAY OF JUNE, 2023

BETWEEN:

LAW SOCIETY OF ONTARIO

Applicant

- and -

**DEREK SORRENTI and
SORRENTI LAW PROFESSIONAL CORPORATION**

Respondents

**APPLICATION UNDER
SECTION 49.47 OF THE *LAW SOCIETY ACT*, R.S.O. 1990, c. L.8
AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43**

FOURTH OMNIBUS ORDER

THIS MOTION, made by FAAN Mortgage Administrators Inc. ("**FAAN Mortgage**"), in its capacity as Court-appointed trustee (in such capacity, the "**Trustee**") pursuant to an Order of this Court made on September 30, 2019 ("**Appointment Order**") of all of the assets, undertakings and properties in the possession, power or control of Derek Sorrenti or Sorrenti Law Professional Corporation (collectively, "**Sorrenti**") relating to Sorrenti's trusteeship and administration of syndicated mortgage loans in projects affiliated with Fortress Real Developments Inc. ("**FRDI**") and all of its direct or indirect affiliates and any entity under common control with FRDI ("**SML Administration Business**"), pursuant to section 49.47 of the *Law Society Act*, R.S.O. 1990, c. L.8, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, for an Order, *inter alia*, (i) approving an amendment to paragraph 3 of the First Omnibus Order (as defined in the Sixth Report (as defined below)), as amended by the Third Omnibus Order (as

defined in the Sixth Report) to replace all references to “65%” with “75%” upon the filing of the Trustee’s Certificate; (ii) approving the Sixth Report of the Trustee dated May 4, 2023 (“**Sixth Report**”) and the activities of the Trustee described therein, (iii) approving the Trustee’s fees and disbursements, including the fees and disbursements of its counsel, for the period from March 1, 2022 to February 28, 2023, and (iv) sealing certain confidential exhibits to the Fee Affidavits (as defined below), was heard this day by videoconference;

ON READING the Sixth Report, the affidavit of Naveed Manzoor sworn May 2, 2023 and attached as Appendix “19” to the Sixth Report (“**Manzoor Affidavit**”) and the affidavit of Michael De Lellis sworn April 26, 2023 and attached as Appendix “20” to the Sixth Report (“**De Lellis Affidavit**” and, collectively with the Manzoor Affidavit, the “**Fee Affidavits**”), and on hearing the submissions of counsel for the Trustee, Chaitons LLP, in its capacity as Representative Counsel, and such other counsel as were present, no one else appearing for any other person on the service list, as appears from the affidavit of service of Blair McRadu sworn May 8, 2023, filed;

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record, and the Sixth Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that all capitalized terms used in this Order but not defined herein shall have the meanings given to them in the Sixth Report.

ADMINISTRATIVE HOLDBACK

3. **THIS COURT ORDERS** that, upon satisfaction of the specified condition precedent, being the receipt of the Additional Realized Property by the Trustee, the Trustee is authorized to file the Trustee’s Certificate, substantially in the form attached as Exhibit “A” hereto.

4. **THIS COURT ORDERS** that, upon the filing of the Trustee's Certificate:
- (a) paragraph 3 of the First Omnibus Order (as amended by the Third Omnibus Order) shall be amended to replace all references to "65%" with "75%"; and
 - (b) notwithstanding any prior or concurrent order in this proceeding, the Trustee shall distribute 75% of the Realized Property obtained *pro rata* to the Investors entitled to such funds, whether received before or after the date of this Order, including a distribution to the Sutton Investors in an amount equal to 75% of the Sutton Realized Property, on a *pari passu* and *pro rata* basis in accordance with the *Pari Passu Approach*.

TRUSTEE'S REPORTS, ACTIVITIES, FEES AND DISBURSEMENTS

5. **THIS COURT ORDERS** that the Sixth Report and all the actions, conduct and activities of the Trustee as set out in the Sixth Report be and are hereby approved; provided, however that only FAAN Mortgage, in its capacity as Trustee and in its personal capacity and only with respect to its own liability in such capacities, shall be entitled to rely upon or utilize in any way such approval.
6. **THIS COURT ORDERS** that the fees and disbursements of the Trustee and its counsel, as set out in the Sixth Report and the Fee Affidavits, be and are hereby approved, as follows:
- (a) the following fees and disbursements of the Trustee for the period from March 1, 2022 to February 28, 2023 are approved: fees of \$539,412.35 (plus applicable taxes of \$70,123.61 for an aggregate amount of \$609,535.96), and
 - (b) the following fees and disbursements of Osler, Hoskin & Harcourt LLP, counsel to the Trustee, for the period from March 1, 2022 to February 28, 2023 are approved: fees of \$1,191,012 and disbursements of \$3,870.24 (plus applicable taxes of \$155,267.14 for an aggregate amount of \$1,350,149.38).

SEALING

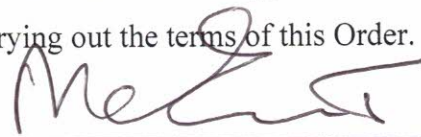
7. **THIS COURT ORDERS** that Exhibit “D” of the Manzoor Affidavit and Exhibit “D” of the De Lellis Affidavit shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

GENERAL

8. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories of Canada.

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

10. **THIS COURT ORDERS** that the Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.



**Appendix “A”
Trustee’s Funding Certificate**

Court File No.: CV-19-628258-00CL

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Applicant

- and -

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**APPLICATION UNDER
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AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43**

TRUSTEE’S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Justice Haaney of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 30, 2019, FAAN Mortgage Administrators Inc. was appointed as the trustee (in such capacity, the “**Trustee**”) of the assets, undertakings, and properties of Derek Sorrenti and Sorrenti Professional Law Corporation (collectively, “**Sorrenti**”) relating to Sorrenti’s trusteeship and administration of syndicated mortgage loans in projects affiliated with Fortress Real Developments Inc. (“**FRDI**”) and all of its direct or indirect affiliates and any entity under common control with FRDI.
- B. Pursuant to an Order of the Court made on June ___, 2023 (the “**Fourth Omnibus Order**”), the Court approved, among other things, the amendment of paragraph 3 of the First Omnibus Order (as amended) to replace all references to “65%” with “75%” upon satisfaction of the specified condition precedent, being the receipt of the Additional Realized Property by the Trustee.

- C. All capitalized terms used in this Trustee's Certificate but not defined herein shall have the meanings given to them in the Fourth Omnibus Order or the Sixth Report (as defined in the Fourth Omnibus Order).

REALIZED PROPERTY

1. Pursuant to paragraph 3 of the Fourth Omnibus Order, upon satisfaction of the specified condition precedent, being the receipt of the Additional Realized Property by the Trustee, the Trustee is authorized to file this Trustee's Certificate.
2. Pursuant to paragraph 4 of the Fourth Omnibus Order, upon the filing of this Trustee's Funding Certificate with the Court:
 - (a) paragraph 3 of the First Omnibus Order (as amended) is amended to replace all references to "65%" with "75%"; and
 - (b) The Trustee shall distribute 75% of the obtained Realized Property *pro rata* to the Investors entitled to such funds, whether obtained before or after the date of the Fourth Omnibus Order, including a distribution to the Sutton Investors in an amount equal to 75% of the Sutton Realized Property, on a *pari passu* and *pro rata* basis in accordance with the Pari Passu Approach.

THE TRUSTEE CERTIFIES the following:

1. The specified condition precedent, being the receipt of the Additional Realized Property by the Trustee, set out in paragraph 3 of the Fourth Omnibus Order has been satisfied.

This Certificate was delivered by the Trustee at _____ [TIME] on _____ [DATE].

**FAAN MORTGAGE ADMINISTRATORS
INC., solely in its capacity as Court-appointed
Trustee of Derek Sorrenti and Sorrenti Law
Professional Corporation in respect of the
syndicated mortgage loan administration
business, and not in its personal or any other
capacity**

Per: _____

Name:

Title:

**LAW SOCIETY OF
ONTARIO**

Applicant

**DEREK SORRENTI and SORRENTI LAW
PROFESSIONAL CORPORATION**

Respondents

Court File No. CV-19-628258-00CI

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

PROCEEDINGS COMMENCED AT TORONTO

FOURTH OMNIBUS ORDER

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in its capacity as Court-appointed Trustee of Derek
Sorrenti or Sorrenti Law Professional Corporation in
respect of the Syndicated Mortgage Loan
Administration Business