

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE  
JUSTICE MCEWEN

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THURSDAY, THE 1<sup>st</sup>  
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**

**SUTTON DISTRIBUTION 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) authorizing the Trustee to make a distribution of the Sutton Realized

Property to the Sutton Investors (each as defined herein); and (ii) granting related relief, was heard this day by videoconference;

**ON READING** the Sixth Report of the Trustee dated May 4, 2023 (“**Sixth Report**”), 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 or the Sutton Settlement Agreement attached as Appendix “6” to the Sixth Report.

### **Realized Property**

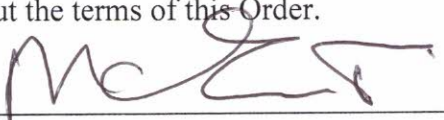
3. **THIS COURT ORDERS** that all funds received by the Trustee in respect of the Settlement Payment, other than funds allocated by the Sutton Settlement Agreement for payment to parties thereto, are and shall be Realized Property, whether received before or after the date of this Order (“**Sutton Realized Property**”).
4. **THIS COURT ORDERS** that the Trustee shall distribute 65% of the Sutton Realized Property to the Sutton Investors on a *pari passu* and *pro rata* basis using the Pari Passu Approach, in accordance with paragraph 3 of the First Omnibus Order, as amended by the Third Omnibus Order and the Fourth Omnibus Order, each made in these proceedings.

### **General**

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

6. **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.

7. **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.



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**DEREK SORRENTI and SORRENTI LAW  
PROFESSIONAL CORPORATION**

Respondents

- and -

**LAW SOCIETY OF  
ONTARIO**

Applicant

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

PROCEEDINGS COMMENCED AT TORONTO

**SUTTON DISTRIBUTION 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