



Electronically issued : 12-Apr-2022
Délivré par voie électronique
Toronto

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) TUESDAY, THE 12TH
)
JUSTICE KIMMEL) DAY OF APRIL, 2022
)

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**

THIRD 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 (the “**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 (the “**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 Fifth Report (as defined below)) to replace all references to “50%” with “65%”, (ii) authorizing the Trustee to effect a distribution to the applicable Investors in an amount equal to 65% of the Realized Property whether received before or after the date of this Order, including authorizing and directing the Trustee to effect a distribution: (a) to the Progress Investors in an amount equal to 65% of the Progress Realized Property, and (b) to the Unionvillas Investors in an amount equal to 65% of the Unionvillas Realized Property (each as defined in the Fifth Report), (iii) approving the Fourth Report of the Trustee dated January 14, 2022 (the “**Fourth Report**”) and the Fifth Report of the Trustee dated March 31, 2022 (the “**Fifth Report**”) and the activities of the Trustee described therein, (iv) approving the Trustee’s fees and disbursements, including the fees and disbursements of its counsel, for the period from March 1, 2021 to February 28, 2022, and (v) sealing certain confidential exhibits to the Fee Affidavits (as defined below), was heard this day by videoconference in accordance with the changes to the operations of the Commercial List in light of the COVID-19 pandemic;

ON READING the Fourth Report and Fifth Report, the affidavit of Naveed Manzoor sworn March 31, 2022 and attached as Appendix “15” to the Fifth Report (the “**Manzoor Affidavit**”) and the affidavit of Michael De Lellis sworn March 30, 2022 and attached as Appendix “16” to the Fifth Report (the “**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 Chloe Nanfara sworn March 31, 2022, filed;

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record, and the Fifth 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 Fifth Report.

REALIZED PROPERTY

3. **THIS COURT ORDERS** that paragraph 3 of the First Omnibus Order is amended to replace all references to “50%” with “65%”.

4. **THIS COURT ORDERS** that the Trustee shall distribute 65% 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) a distribution to Progress Investors in an amount equal to 65% of the Progress Realized Property; and
- (b) a distribution to Unionvillas Investors in an amount equal to 65% of the Unionvillas Realized Property.

TRUSTEE’S REPORTS, ACTIVITIES, FEES AND DISBURSEMENTS

5. **THIS COURT ORDERS** that the Fourth Report and the Fifth Report and all the actions, conduct and activities of the Trustee as set out in the Fourth Report and the Fifth 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 Fifth 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, 2021 to February 28, 2022 are approved: fees of \$849,225.30 (plus applicable taxes of \$110,399.29 for an aggregate amount of \$959,624.59), and
- (b) the following fees and disbursements of Osler, Hoskin & Harcourt LLP, counsel to the Trustee, for the period from March 1, 2021 to February 28, 2022 are approved:

fees of \$948,570.00 and disbursements of \$6,475.02 (plus applicable taxes of \$124,000.45 for an aggregate amount of \$1,079,045.47).

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.



Digitally signed by Jessica
Kimmel
Date: 2022.04.12 15:10:07 -04'00'

LAW SOCIETY OF ONTARIO

- and -

**DEREK SORRENTI and SORRENTI LAW
PROFESSIONAL CORPORATION**

Applicant

Respondents

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

THIRD 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