

CITATION: Condoman Developments v. Cannect International Mortgage, 2024 ONSC 2206
COURT FILE NO.: CV-24-00723170-0000
DATE: 20250409

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: CONDOMAN DEVELOPMENTS INC., 1808176 ONTARIO INC. and HOWARD YOUHANAN, Plaintiffs

– and –

CANNECT INTERNATIONAL MORTGAGE CORPORATION, CANNECT MORTGAGE INVESTMENT CORPORATION, LOOKOUT CONDOMAN DEVELOPMENTS INC., THEODOPOLIS DEVELOPMENT CORP., 2638169 ONTARIO INC., 2638170 ONTARIO INC. and MARCUS TZAFERIS, Defendants

BEFORE: Justice E.M. Morgan

COUNSEL: *Wojtek Jaskiewicz and Denna Jalili*, for the Plaintiffs

Matthew Gottlieb, Philip Underwood, and Dantae Gagnier, for the Defendants, Cannect International Mortgage Corporation, Cannect Mortgage Investment Corporation and Marcus Tzaferis

HEARD: April 9, 2025

ENDORSEMENT

[1] On March 14, 2025, I issued my decision dismissing the request by Howard Youhanan and his companies, Condoman Developments Inc. and 1808176 Ontario Inc. (“Condoman”), for an injunction in respect of a power of sale sought to be exercised by their mortgagees/lenders, Marcus Tzaferis and his companies, Cannect International Mortgage Corporation and Cannect Mortgage Investment Corporation (“Cannect”). As indicated in that decision, Mr. Youhanan and/or Condoman have been in default of those loans since early 2023: *Condoman Developments v. Cannect International Mortgage*, 2024 ONSC 1641, at para. 1.

[2] Given Mr. Youhanan’s defaults to Mr. Tzaferis and/or Cannect, the Landlord-Tenant Board (the “Board”) has apparently ordered that the tenants of certain of Mr. Youhanan’s properties not pay their rent directly to Mr. Youhanan, but rather pay their rent into trust. I

understand that in recent weeks, Mr. Youhanan has initiated a review of those properties by the Board.

[3] In requesting today's case conference, Mr. Gottlieb, on behalf of Mr. Tzaferis and Cannect, advised that in the Request for Review that Mr. Youhanan submitted to the Board, Mr. Youhanan made a number of inaccurate statements. First, Mr. Youhanan stated, incorrectly, that my interim injunction that had required a standstill on Cannect's exercise of certain of its mortgage remedies pending the outcome of Mr. Youhanan's full injunction motion, is still in force. Mr. Youhanan further asserted, again incorrectly, that the Board's order requiring rents to be paid into trust is "putting me at risk of breaching the court's order, which could have severe financial and legal consequences", and that "continuing to collect rent will enable me to comply with the Superior Court's order".

[4] This information is known to Mr. Gottlieb because he received a copy of the Request for Review from the lawyer representing Mr. Youhanan before the Board. Mr. Gottlieb also advises, and it is important to note, that Mr. Youhanan has different counsel representing him before the Board than in the proceedings before me. Mr. Gottlieb is not being critical of Mr. Jaskewicz or Mr. Jalili in voicing Cannect's complaint about Mr. Youhanan's submission to the Board.

[5] The information that Mr. Youhanan has relayed to the Board is false.

[6] My interim injunction is no longer in force. Mr. Youhanan's full injunction motion was decided by me on March 14, 2025, at which time I dismissed the injunction. Cannect is at liberty to exercise its remedies as mortgagee. It is not impeded by any injunction.

[7] Furthermore, this Court has not issued any order requiring Mr. Youhanan to maintain his properties in good standing. In fact, I understand that he is not doing so. The evidence before me at the injunction motion showed that Cannect has been, and is, paying the costs for the properties, including mortgage payments, property taxes, and condominium fees.

[8] I gather that as a result of Mr. Youhanan's communication, the Board stayed its previous eviction order, depriving Cannect of the right to collect rent arrears and to evict the tenant from the Broadview condominium property. Such a stay, based on wrong information, obviously interferes with Cannect's ability to exercise its power of sale and perhaps to pursue other remedies under the mortgage.

[9] It is a serious matter for Mr. Youhanan to interfere with Cannect's rights by conveying false information about the state of these court proceedings to the Board. He must cease doing so at once. If he continues to wrongly impede Cannect's rights in this way, Cannect's next step may be to seek to hold Mr. Youhanan in contempt of court.

[10] Mr. Youhanan was present online at today's case conference to hear this discussion. He indicated that he understands that he is to cease and desist from this conduct. Mr. Jaskewicz, his counsel in the court proceedings, also indicated that he had already explained this to Mr. Youhanan, and that Mr. Youhanan gave his assurance that he understands that he is to stop communicating inaccurate information about these proceedings to the Board or others.

[11] Mr. Youhanan is hereby directed to advise the Board immediately that his March 27, 2025 submission was inaccurate, and to correct that submission. He is also directed to provide a copy to the Board of my March 14, 2025 decision dismissing his request for an injunction, along with a copy of the present endorsement.

Date: April 9, 2025

Morgan J.