

Court File No.: 32-2783327
Estate File Nos.: 32-2783327

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY OF
IAN ROSS MCSEVNEY, an individual residing in the
Town of Ancaster in the Province of Ontario

SUPPLEMENTARY MOTION RECORD
(RETURNABLE JUNE 2, 2023)

April 14, 2023

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B	Expansion Order dated June 9, 2021
C	Trustee's detailed calculation
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Court File No.: 32-2783327
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IN THE MATTER OF THE BANKRUPTCY OF
IAN ROSS MCSEVNEY, an individual residing in the
Town of Ancaster in the Province of Ontario

**SUPPLEMENT TO THE SECOND REPORT OF BDO CANADA LIMITED,
IN ITS CAPACITY AS TRUSTEE**

APRIL 14, 2023

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ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY OF
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Town of Ancaster in the Province of Ontario

**SUPPLEMENT TO THE SECOND REPORT OF BDO CANADA LIMITED,
IN ITS CAPACITY AS TRUSTEE**

I. INTRODUCTION

1. Pursuant to the Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 8, 2021 (the “**Receivership Order**”), BDO Canada Limited (“**BDO**”) was appointed as receiver (in such capacity, the “**Receiver**”) over Altmore Mortgage Investment Corporation (“**Altmore**”), Altmore Capital Inc. (“**ACI**”), Independent Mortgage Advisors Inc. (“**IMAI**”) and Ian Ross McSevney (“**McSevney**”) (collectively, the “**Receivership Debtors**”) pursuant to section 248(1) of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the “**OBCA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”).

2. Pursuant to the Receivership Order, the Receiver was authorized to make bankruptcy assignments in respect of any of the Receivership Debtors.

3. On November 18, 2021 (the “**Bankruptcy Date**”), the Receiver commenced the bankruptcy proceedings (the “**Bankruptcy Proceedings**”) by filing assignments in bankruptcy in respect of Altmore and McSevney (together, the “**Bankrupts**”) in accordance with the *Bankruptcy and Insolvency Act* (the “**BIA**”).

4. This Report (the “**Supplementary Report**”) is supplementary to, and should be read in conjunction with, the Second Report of the Trustee dated February 6, 2023 (the “**Second Report**”).

5. On February 10, 2023, the Trustee served its motion record returnable on March 6, 2023. The hearing was subsequently rescheduled to March 22, 2023.

6. On March 22, 2023, the Honourable Justice Kimmel issued her endorsement (the “**March 22nd Endorsement**”) which, *inter alia*:

- (a) adjourned the hearing to June 2, 2023; and
- (b) set out a timetable for pre-hearing steps and document submissions.

A copy of the March 22nd Endorsement is attached hereto as **Appendix “A”**.

7. On April 11, 2023, Elaine McSevney filed her responding motion record including her affidavit sworn April 11, 2023 (the “**Elaine Affidavit**”).

II. PURPOSE OF SUPPLEMENTARY REPORT

A. Purpose of Supplementary Report

8. This Supplementary Report is filed to provide this Honourable Court with:

- (a) Additional information in respect of the Trustee’s determination of the TUV Amount (as defined in the Second Report); and

- (b) Additional information in respect of the Trustee’s examination of Elaine McSevney on January 24, 2022 pursuant to section 163 of the *Bankruptcy & Insolvency Act* (the “**BIA**”).

III. TERMS OF REFERENCE

9. In preparing this Supplementary Report and making the comments herein the Trustee has, where applicable, relied upon information prepared or provided by third-party sources (collectively, the “**Information**”). Certain of the information contained in this Supplementary Report may refer to, or is based on, the Information. As the Information has been provided by third parties or has been obtained from documents filed with the Court in this matter, the Trustee has relied on the Information and, to the extent possible, has reviewed the Information for reasonableness. However, the Trustee has neither audited nor otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and accordingly, the Trustee expresses no opinion or other form of assurance in respect of the Information.

10. Capitalized terms are as defined in the Second Report unless otherwise defined herein.

IV. APPLICATION OF SECTION 96

11. The Second Report and this Supplementary Report are in support of the Trustee’s motion brought under section 96 of the BIA for a declaration that the transfer of the Unit 9 Property was a transfer at under value, as defined in the BIA.

12. Specifically, this motion is brought under section 96(1)(b)(i) which states as follows:

96 (1) *On application by the trustee, a court may declare that a transfer at undervalue is void as against, or, in Quebec, may not be set up against, the trustee — or order that a party to the transfer or any other person who is privy to the transfer, or all of those persons, pay to the estate the difference between the value of the consideration received by the debtor and the value of the consideration given by the debtor — if...*

(b) the party was not dealing at arm's length with the debtor and

(i) the transfer occurred during the period that begins on the day that is one year before the date of the initial bankruptcy event and ends on the date of the bankruptcy, or

(ii) the transfer occurred during the period that begins on the day that is five years before the date of the initial bankruptcy event and ends on the day before the day on which the period referred to in subparagraph (i) begins and

(A) the debtor was insolvent at the time of the transfer or was rendered insolvent by it, or

(B) the debtor intended to defraud, defeat or delay a creditor.

13. The initial bankruptcy event in this case is June 9, 2021, the date on which Justice Dunphy issued an order (the “**Expansion Order**”) expanding the scope of the initial court appointed receivership to include Ian Ross McSevney. A copy of the Expansion Order is attached hereto as **Appendix “B”**.

14. As previously stated, Elaine McSevney is the sister of McSevney and thus not considered to be dealing at arms-length with McSevney.

15. ElaineCo purchased the Unit 9 Property from McSevney on August 4, 2020. This date is within the one-year period preceding the initial bankruptcy event. The notion that this transfer occurred at a time when McSevney was insolvent or rendered McSevney insolvent is irrelevant.

V. VALUATION OF THE UNIT 9 PROPERTY

A. ElaineCo’s Purchase of the Unit 9 Property

16. The sale value of the Unit 9 Property on August 4, 2020 by McSevney to ElaineCo was reported in sale documents as \$530,000 (the “**LTT Price**”).

17. The Trustee has determined that based on the actual consideration given to McSevney, the effective sale price was \$398,468.10 (the “**ElaineCo Purchase Price**”). The LTT Price was selected by Elaine McSevney as the fair market value at the time on which land transfer tax would be based.

18. The Trustee has been provided comparative sale figures for properties similar to the Unit 9 Property for sales that occurred in and around August 2020 and does not take issue with the LTT Price of \$530,000 as an estimate of fair market value at that time (the “**August 2020 FMV**”).

B. ElaineCo’s Sale of the Unit 9 Property

19. As stated in the Second Report, ElaineCo sold the Unit 9 Property to an arms-length party on December 20, 2021 for \$700,000 (the “**December 2021 Sale Price**”).

C. Calculation of the TUV Amount

20. The Trustee has used the December 2021 Sale Price in arriving at the TUV Amount of \$301,531.90. Use of the August 2020 FMV would result in a TUV amount of \$131,531.90.

21. The Trustee chose to use the December 2021 Sale Price for the following reasons:

- (a) Elaine McSevney (and by extension, ElaineCo) and McSevney are not parties dealing at arms-length;
- (b) McSevney continued to live in the Unit 9 Property with his family after he sold it to ElaineCo;
- (c) Elaine McSevney had taken title to a previous residence owned by McSevney, known as 148 Blair Lane, Ancaster (“**148 Blair**”), when McSevney was at risk of

losing that home due to power of sale. In that case McSevney would eventually become owner of the home once again.

22. In the Elaine Affidavit, Elaine McSevney takes the position that \$131,531.90 is the appropriate value to be evaluated and goes on to explain that this consideration was effectively paid to McSevney through a combination of prior advances totalling \$100,000 and an advance of \$40,000 that took place at the time of closing the ElaineCo Purchase transaction.

23. The Trustee factored the \$40,000 advance into its calculation of the ElaineCo Purchase Price of \$398,468.10. The Trustee's detailed calculation of this amount is attached hereto as **Appendix "C"**.

VI. EXAMINATION OF ELAINE MCSEVNEY

24. On January 24, 2022, the Trustee examined Elaine McSevney under oath pursuant to section 163 of the BIA (the "**Examination**"). A copy of the transcript of the Examination (the "**Transcript**") is attached hereto as **Appendix "D"**.

25. Key excerpts from the Transcript:

- (a) When asked about her level of knowledge of Altmore's business, Elaine McSevney's response (See question 42) was "I don't know much about it other than it has to do with mortgages".
- (b) When asked if she had ever invested in Altmore (See question 45), her response was "No".
- (c) Questioning surrounding Elaine McSevney's involvement with 148 Blair begins at question 69. Elaine McSevney purchased 148 Blair on June 2, 2006. When asked

why she bought the home her response (See questions 74-75) was "...very similar situation. I bought it to help my brother so that...he could stay as a renter, so he didn't have to uproot and move the kids."

(d) At question 78 Elaine McSevney confirms that there was no lease with McSevney for the use of 148 Blair while she owned it. Similarly, at question 9 Elaine McSevney confirms that there was no lease agreement with McSevney for the occupancy of the Unit 9 Property.

(e) Questioning surrounding Elaine McSevney's involvement with the Unit 9 Property begins at question 131. At question 158 Elaine McSevney confirms that the reason why she bought the Unit 9 Property was, "So, the circumstances were, again, Ian was struggling and I thought...I had said to him, Hey, like, if you are going to sell the townhome, like, I want the opportunity to buy it if I can get it..."

26. At question 183, Elaine McSevney confirms that McSevney helped her obtain the private mortgages to acquire the Unit 9 Property.

27. Questioning about transactions between Elaine McSevney and Altmore commences at question 229. At question 230, when asked about transferring funds back and forth, Elaine McSevney stated, "So, sometimes if I was a little cash strapped, he would send me money, vice versa...", and at question 237 she states, "As a matter of fact he owes me about \$19,000." Elaine McSevney did not disclose the existence of an alleged \$100,000 and \$40,000 advances to McSevney or Altmore that she now references in the Elaine Affidavit.

28. Based on the foregoing, the Trustee is of the view that Elaine McSevney and McSevney were not dealing at “arms-length”.

VII. CONCLUSION

29. The Trustee has prepared this Supplementary Report in support of the relief sought in its Notice of Motion initially returnable March 6, 2023, including in particular, an Order:

- (a) Declaring that the sale of the Unit 9 Property on August 4, 2020 by McSevney to ElaineCo was a “transfer at undervalue” as contemplated in section 96 of the BIA;
- (b) Declaring that Elaine McSevney was a person privy to the transfer at undervalue;
- (c) Directing ElaineCo and Elaine McSevney to pay to the Trustee the TUV Amount;
and
- (d) Such further relief as this Court deems appropriate.

All of which is respectfully submitted at Toronto, Ontario this 14th day of April, 2023.

**BDO CANADA LIMITED,
in its capacity as Trustee of the estates of
Altmore Mortgage Investment Corporation and
Ian Ross McSevney, bankrupts,
and not in its personal capacity**



**Clark Lonergan, CPA, CA, CIRP, LIT
Senior Vice-President**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY & INSOLVENCY)**

Proceeding commenced at Toronto

**SUPPLEMENTARY REPORT OF THE
TRUSTEE
(APRIL 14, 2023)**

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Lawyers for the Trustee

APPENDIX A



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: BK-23-02783327-0032 DATE: 22 March 2023

NO. ON LIST: 2

TITLE OF PROCEEDING: IN THE MATTER OF THE BANKRUPTCY OF IAN
ROSS MCSEVNEY, an individual residing in the Town
of Ancaster in the Province of Ontario

BEFORE JUSTICE: KIMMEL

PARTICIPANT INFORMATION

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Gregory Azeff	BDO Canada Limited, Trustee	gazeff@millertomson.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
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For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE KIMMEL:

1. The Trustee seeks a declaration that the sale of certain property located at Unit 9 at 81 Valridge Drive (the "Unit 9 Property") by the Debtor, Ian Ross McSevney, to a company owned by his sister Elaine McSevney on August 4, 2020 was a transfer at undervalue within the meaning of s. 96 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA"), and an order for payment of the purchase price differential among other relief.
2. The respondent Elaine McSevney has now retained counsel. Counsel for the Trustee does not oppose the request for a further adjournment of this motion. Accordingly, on consent, this motion is adjourned to June 2, 2023 for 2.5 hours.
3. The parties shall adhere to the following consent timetable for the pre-hearing steps:
 - a. Responding Motion Record to be delivered: April 7, 2023
 - b. Supplemental Report of Trustee (and Reply Motion Record) to be delivered: April 14, 2023
 - c. Cross-examinations and written questions for Trustee to be completed, if any: April 21, 2023
 - d. Undertakings and written questions for the Trustee to be answered, if any: April 28, 2023
 - e. Responding Factum to be delivered: May 12, 2023
 - f. Reply Factum, if any: May 26, 2023
4. The value of the Unit 9 Property is expected to be the primary point of dispute on this motion. It is anticipated that the Trustee may include some additional evidence as to the value of the Unit 9 Property as at the date of its transfer to Ms. McSevney in the Trustee's Supplemental Report/Reply Motion Record.
5. All materials shall be served and filed in the normal course. All materials shall be uploaded by counsel onto CaseLines in the appropriate bundle for this motion (including any materials previously served and filed that will be relied upon at the return of this motion on June 2, 2023) by not later than May 29, 2023 or as soon thereafter as the June 2, 2023 motion bundle is available in CaseLines.
6. This endorsement and the orders and directions contained in it shall have the immediate effect of a court order without the necessity of a formal order being taken out.



KIMMEL J.

APPENDIX B

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

)

WEDNESDAY, THE 9TH

JUSTICE DUNPHY

)

DAY OF JUNE, 2021

)



MONICA MATTA and MARK AMELLO

Applicants

-and-

ALTMORE MORTGAGE INVESTMENT CORPORATION

Respondent

*APPLICATION UNDER SECTION 248(3) OF THE BUSINESS CORPORATIONS ACT
(ONTARIO) AND SECTION 101 OF THE COURTS OF JUSTICE ACT (ONTARIO)*

ORDER

THIS MOTION made by BDO Canada Limited, in its capacity as Court-appointed Receiver on an interim basis (in such capacity, the “**Receiver**”) of all of the assets, properties and undertakings (collectively, the “**Property**”) of Altmort Mortgage Investment Corporation (“**Altmort**”), appointed pursuant to the Order of the Honourable Mr. Dunphy of the Ontario Superior Court of Justice (Commercial List) dated May 25, 2021 (the “**Receivership Order**”) for an Order pursuant to section 248(1) of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the “**OBCA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated June 7, 2021 and the Appendices thereto (the “**First Report**”) and on hearing the submissions of counsel for the Receiver, no one appearing for Altmore or any other person on the Service List, although duly served as appears from the affidavit of service of Shallon Garaffa sworn June 7, 2021, filed,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

EXPANSION OF APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 248(3) of the OBCA and section 101 of the CJA, BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of Ian Ross McSevney, Altmore Capital Inc. and Independent Mortgage Advisors Inc. (collectively, the “**Related Parties**”), and the Receivership Order is hereby amended such that each of the Related Parties is deemed to be a “Debtor” thereunder (in addition to Altmore).

DIRECTION REGARDING DISCLOSURE

3. THIS COURT ORDERS that Ian Ross McSevney (“**McSevney**”) is hereby directed to provide the following to the Receiver forthwith, and in any event within three (3) days of the date of this Order:

- (a) An accounting of receipts and disbursements made by Altmore including, in particular, information related to transfers to Christie Briyer Ward-McSevney, Elaine McSevney and any other non-arm's length party;
- (b) A list of all mortgages or other investments in which any of the Debtors (as defined in the Receivership Order) holds or previously held an interest, and any related documents in McSevney's possession or control;
- (c) A list of all investors in Altmore as well as contact information and amounts invested; and
- (d) Any books and records of Altmore or any other Debtor in McSevney's possession or control.

BANKING INFORMATION & FREEZING OF ACCOUNTS

4. THIS COURT ORDERS AND DIRECTS that the following accounts (collectively, the "**Related Party Accounts**") at Bank of Montreal ("**BMO**") shall immediately be frozen:

- (a) Account Nos. 3319 1004-776 and 3319 8985-220 in the name of Independent Mortgage Advisors Inc.;
- (b) Account No. 3319 1996-816 in the name of Altmore Capital Inc.;
- (c) Account Nos. 3319 3992-667 and 3319 3989-839 in the name of Ian McSevney,

and BMO is hereby authorized and directed to provide to the Receiver copies of account statements and other records in respect of the Related Party Accounts.

5. THIS COURT ORDERS AND DIRECTS that the following accounts (together, the "**TFSA Accounts**") at Cannacord Genuity shall immediately be frozen:

- (a) Account No. TCN-41P-993V1 in the name of Ian McSevney; and
- (b) Account No. TCN-41R-021V1 in the name of Christie Ward-McSevny,

and Cannacord Genuity is hereby authorized and directed to provide to the Receiver copies of account statements and other records in respect of the TFSA Accounts.

REGISTRATION OF ORDERS ON VALRIDGE PRPERTY

6. THIS COURT ORDERS that the Receiver be and it is hereby authorized, but not obliged, to register the Receivership Order, this Order and any other Order made in this proceeding against title to the property known municipally as Unit 7, Level 1, 81 Valridge Drive, Ancaster, Ontario and described as:

UNIT 7, LEVEL 1, WENTWORTH CONDOMINIUM PLAN NO. 323 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK 87 PL 62M881; ANCASTER, PARTS 32, 33, 34, 35, 36, 37, 40, 41, 42, 43, 44, 45, 46, 52, 53, 54, 55, 56, 57, 58, 59, 63 AND 64 ON 62R15871; S/T AN EASEMENT OVER PART 1 ON 62R13618 AS IN LT420910; S/T AN EASEMENT OVER PART 1 ON 62R13618 AS IN LT420921; S/T AND T/W THE VARIOUS EASEMENTS AS IN WE44885; HAMILTON.

BANKRUPTCY ASSIGNMENTS

7. THIS COURT ORDERS that the Receiver be and it is hereby authorized, but not obliged to make bankruptcy assignments in respect to Altmore or any of the other Debtors.

GENERAL

8. 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 Receiver 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

9. THIS COURT ORDERS that the Receiver 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, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

10. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

A handwritten signature in black ink, appearing to read "S.F. Dunphy", written over a horizontal line.

S.F.Dunphy

**MONICA MATTA and MARK
AMELLO**

and

**ALTMORE MORTGAGE
INVESTMENT CORP**

Applicants

Respondent

Court File No: CV-21-00662471-00CL

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

Proceedings commenced at Toronto

ORDER

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Lawyers for the Receiver, BDO Canada Limited

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

RE: MONICA MATTA and MARK AMELLO, Applicants,

AND:

ALTMORE MORTGAGE INVESTMENT CORPORATION, Respondent

APPLICATION UNDER SECTION 248(3) OF THE *Business Corporations Act* (ONTARIO) AND SECTION 101 OF THE *COURTS OF JUSTICE ACT* (ONTARIO)

BEFORE: S.F. Dunphy J.

COUNSEL: *Greg Azeff*, for the Applicants

Ian McSevney, on behalf of Respondent

HEARD at Toronto: May 25, 2021

ENDORSEMENT

[1] Mr. McSevney indicated that he was looking to retain counsel to respond to this motion and possibly apply for Legal Aid. Among the issues he felt needed responding to was a disagreement as to the amount of debt owing to the applicants. He sought an adjournment of 60-90 days. Mr. McSevney confirmed that the respondent's business is not active. It has a portfolio of mortgages from which revenue is received and he has been trying for almost two years to find a way to wind up the company and pay investors out. Mr. McSevney has no concrete plans to retain counsel beyond applying for Legal Aid. I have no reason to believe that a short adjournment would accomplish anything and I am satisfied on the evidence before me that further delay in securing the books and records and what revenue there is would be detrimental to the interest of the applicants and other investors.

[2] The record indicates that Mr. McSevney has been fending off investor inquiries for almost two years and it has been almost that long since any payments were made on the outstanding investments. There is considerable uncertainty on the record as to the nature of the investments made: are they shares or debt? If shares, what class and when issued?

[3] What is clear to me is that (i) the business, such as it is, is a passive one at this stage consisting primarily of collecting funds on whatever mortgage portfolio exists; (ii) the operations of the respondent company are effectively wound down in that it has abandoned its shared-space office downtown and its records are either in storage or in Mr. McSevney's personal possession in Ancaster; (iii) there is considerable uncertainty as to the status of the investors including the applicants and whether any shares were ever properly issued remains unknown; and (iv) funds are coming in regularly but none have gone out to investors in some time.

[4] In the circumstances, I am satisfied that the prerequisites for my making an Interim receivership order are in place. The operations of this largely inactive company have been tightly controlled by Mr. McSevney and no reporting of material financial or corporate information has been made for two plus years. The registered head office of the corporation has not been kept up. No shares have been issued to the applicants. The situation cries out for the books and records to be secured and examined and for what funds and assets there are to be brought under court control until further order.

[5] I am making an interim receivership order largely in the form sought by the applicants. The form of order will be amended to include particulars of service but I am satisfied from my discussion with Mr. McSevney that service was made notwithstanding the abandonment of the registered head office. The order will be on an interim basis – until June 25, 2021 – when the matter shall come back for consideration as to whether it ought to be confirmed. In the interim, Mr. McSevney will co-operate with the receiver in securing the books and records and the bank accounts. He shall be entitled to receive copies of what records he needs whether it be to retain and instruct counsel in relation to this motion or to further his goal of making a comprehensive proposal to investors to pay them out.



S.F. Dunphy J.

Date: May 25, 2021

APPENDIX C

Sale of #9 - 81 Valridge by Ian McSevney to 12195585 Canada Inc.
 04-Aug-20
 EFFECTIVE PURCHASE PRICE

Stated Purchase Price \$ 530,000.00

Actual Funding:

Barbalat Mortgage

gross 370,000.00
 costs 14,924.75
net 355,075.25

for Purchaser's Account
 Rec'd by Kyle

Medvedovsky Mortgage

gross 53,950.00
 costs 3,417.10
net 50,532.90

for Purchaser's Account
 Rec'd by Kyle

Gross Receipts 405,608.15

Payments:

property tax arrears 14,889.12 Vendor (Ian)
 legal fees 2,288.25 Vendor (Ian)
 land transfer tax 7,140.05 - 7,140.05 Purchaser

Effective Purchase Price 398,468.10

Reconciliation of Use of Seller's Funds:

Direction of Funds

to pay first mortgage 340,051.65
 to pay property tax arrears 14,889.12
 to pay legal fees 2,288.25
357,229.02

to IMAI 40,714.17 40,714.17

Total Distributions 397,943.19

variance 524.91 immaterial

APPENDIX D

Court File Nos.: 32-2783327 and 32-2783328
Estate File Nos.: 32-2783327 and 32-2783328

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

CS/dn

IN THE MATTER OF THE BANKRUPTCY OF IAN ROSS MCSEVNEY, an
individual residing in the Town of Ancaster in the
Province of Ontario

AND IN THE MATTER OF THE BANKRUPTCY OF ALTMORE MORTGAGE
INVESTMENT CORPORATION, a corporation established under
the laws of the Province of Ontario and carrying on
business in the City of Toronto in the Province of Ontario

- - - - -

This is the Examination under section 163 of the BIA
of ELAINE McSEVNEY, produced and examined personally and
on behalf of 12195585 Canada Inc., taken via
videoconference, at the offices of VICTORY VERBATIM
REPORTING SERVICES INC., 222 Bay Street, Suite 900, Ernst
& Young Tower, Toronto-Dominion Centre, Toronto, Ontario,
on the 24th day of January, 2022.

- - - - -

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

GREG AZEFF	-- for BDO Canada Limited, in its capacity as Licenced Insolvency Trustee
------------	--

ALSO PRESENT:

Peter Crawley

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ELAINE McSEVNEY, affirmed	
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1 --- upon convening at 2:00 p.m.

2 --- upon commencing at 2:08 p.m.

3

4 ELAINE McSEVNEY, affirmed

5 EXAMINATION BY MR. AZEFF:

6 1. Q. Good afternoon, Ms. McSevney.

7 Could you please confirm your identity by stating
8 your full name?

9 A. Elaine Kara McSevney.

10 2. Q. Thank you. Could you confirm
11 your residence, please?

12 A. 51 Stanlow Crescent, Hamilton,
13 L9C 4T8.

14 3. Q. Thank you. Is it correct that
15 the ordinary e-mail address you use
16 ekmcsevney@gmail.com?

17 A. Yes, that is my usual.

18 4. Q. Okay, thank you. What is your
19 occupation?

20 A. I am a massage therapist and
21 business owner.

22 5. Q. Any professional designations?

23 A. Any what?

24 6. Q. Professional designations?

25 A. Registered massage therapist.

1 7. Q. Okay. Thank you. Are you
2 familiar with the individual named Ian Ross
3 McSevney?

4 A. Yes, he is my brother.

5 8. Q. Okay, thanks. Do you have a
6 general understanding of the purpose of today's
7 examination?

8 A. General.

9 9. Q. Okay. I take it you received our
10 letter and Notice of Examination on January 13th?

11 A. Yes.

12 10. Q. Okay. And did you receive a copy
13 of a document brief on January 18th?

14 A. Yes.

15 11. Q. Okay. Now, this examination was
16 originally scheduled for January 19th. I
17 understand you were unable to attend that day so
18 you confirmed you would be able to attend today.
19 We served a revised Notice of Examination on
20 Friday, January 21st. Did you receive that?

21 A. Yes.

22 12. Q. Okay. Thanks. And you have
23 received, I take it, with the letter copies of
24 the trustee's certificate of appointment and
25 receivership order?

1 A. Yes.

2 13. Q. Okay. You will notice on the e-
3 mail that we sent you an individual named Alex
4 Kyle was copied. Right? You are familiar with
5 this person?

6 A. Yes.

7 14. Q. Okay.

8 A. I am.

9 15. Q. How are you familiar with him?

10 A. I am familiar with him because he
11 did the real estate deal, and he also represents
12 me for my business transactions.

13 16. Q. Okay. Have you discussed the
14 Notice of Examination with Alex Kyle?

15 A. No.

16 17. MR. AZEFF: Okay. Now, in the Notice
17 of Examination, if I could take you
18 to...Madam Court Reporter, if we could
19 mark the Notice of Examination, dated
20 January 21st, as an exhibit, please?

21
22 --- EXHIBIT NO. 1: Notice of Examination of Elaine
23 McSevney, January 21, 2022

24
25 THE DEPONENT: Hang on one second.

1 Sorry, go on.

2
3 BY MR. AZEFF:

4 18. Q. Thanks. If I could take you to
5 page two of the Notice of Examination, there is a
6 list of documents at the end of the Notice of
7 Examination.

8 A. Okay, hang on. I got to find it.
9 Wait a second. Who did the...when did you say
10 the document was sent again? The 18th?

11 19. Q. It was resent on Friday, January
12 21st.

13 A. Did you say the 21st?

14 20. Q. Correct.

15 A. By who?

16 21. Q. Would have gone from Shallon
17 Garrafa. Let me just take a look.

18 A. Okay. I am looking...I thought
19 it came from Monica.

20 22. Q. Yes, 10:49 from Shallon Garrafa.

21 A. Yes. Yes, I got it.

22 23. Q. Okay. So, do you mind just
23 skipping down to page two then, please?

24 A. Page two. Okay. Yes.

25 24. Q. There is a list of documents that

1 the trustee has requested. Do you see that list?

2 A. Yes, I do.

3 25. Q. Okay. Have you brought those
4 documents with you to the examination today?

5 A. No, sorry. I might have the
6 purchase and...sale of what company? You mean
7 sale of the house?

8 26. Q. Correct.

9 A. Okay.

10 27. Q. So, there are a number of
11 documents listed there. I understand if you
12 haven't brought them today, I am just going to
13 ask for an undertaking to deliver them at the end
14 of the examination. I will just adjourn the exam
15 to the extent there are questions coming out of
16 those documents. We will have to reconvene.

17 A. Okay. I probably have the real
18 estate from Alex because he usually e-mails.
19 Well, that is going back a long time ago. So,
20 let's see.

21 28. Q. Okay. We can deal with
22 those...if you don't have them here today, we can
23 deal with those outside of the examination.

24 A. Yes, yes, yes. Go on.

25 29. Q. Okay.

1 A. Also, there is no lease agreement
2 between...there is no lease agreement or rental
3 agreement between the Company and Ian McSevney.
4 Obviously, I was just going on trust with him
5 since he is my brother.

6 30. Q. Fair enough.

7 A. Okay.

8 31. Q. And, obviously, if the document
9 doesn't exist, you can't turn it over. So, you
10 know, just looking for the stuff that you
11 actually have.

12 A. Yes, yes. I want to just...yes.
13 So, I am making that clear. It doesn't exist.

14 32. Q. Okay. Thank you. You are
15 familiar with the company called 12195585 Canada
16 Inc.?

17 A. Yes.

18 33. Q. How did you come to be familiar
19 with that company?

20 A. Because I started it so that I
21 didn't...I don't know. I just didn't want it to
22 be in my name, the house, when I bought it.

23 34. Q. No, fair enough. But it is your
24 company, in other words?

25 A. Yes, yes.

1 35. Q. Yes, that is all I am trying to
2 establish. Are you the sole director and officer
3 of the company?

4 A. Yes, yes.

5 36. Q. Okay. And are you the sole
6 shareholder?

7 A. Yes.

8 37. Q. Okay. So, the examination today
9 is sort of...there are two parts to it. There is
10 you in your personal capacity, and there is also
11 you in your role as director and officer of 121.
12 Unless you have any objection, I propose to just
13 do both exams at the same time because there is
14 going to be overlap between the two, rather than
15 repeat the questions.

16 A. Okay.

17 38. Q. Okay, thanks.

18 A. Yes.

19 39. Q. So, are you familiar with a
20 company called Altmore Mortgage Investment
21 Corporation?

22 A. Yes.

23 40. Q. And how did you come to be
24 familiar with that company?

25 A. Because it is my brother's

1 company.

2 41. Q. Okay. So, is it correct that he
3 would have told you about it at some point?

4 A. Yes.

5 42. Q. Okay. What, if anything, do you
6 know about Altmore's business?

7 A. I don't know much about it other
8 than it has to do with mortgages.

9 43. Q. You were never involved in the
10 operations or anything like that?

11 A. Zero.

12 44. Q. Okay. Never employed by them,
13 never invested in them?

14 A. No.

15 45. Q. Okay.

16 A. No.

17 46. Q. Are you aware that that company
18 is in bankruptcy at this point?

19 A. Yes.

20 47. Q. As is Mr. McSevney.

21 A. Yes.

22 48. Q. Are you aware of that?

23 A. Yes.

24 49. Q. Okay. How did you come to be
25 aware of the bankruptcy of Altmore and Mr.

1 McSevney?

2 A. Well, I knew he was struggling
3 and hence the reason for my selling that house.
4 Because he was still living in it, and, you know,
5 he already owed me money, so I can't...I just
6 couldn't...I couldn't maintain it any longer, and
7 I knew because he had discussed with me that he
8 was struggling, and so...yes. I am aware.

9 50. Q. Okay. You mentioned Mr. McSevney
10 owes you money. Order of magnitude, are we
11 talking, thousands, tens of thousands?

12 A. Thousands.

13 51. Q. Thousands? Okay.

14 A. Yes.

15 52. Q. Okay. Have you spoken with Mr.
16 McSevney about his bankruptcy?

17 A. No. I know nothing about it
18 except for this crap.

19 53. Q. I apologize for having to meet
20 you in these circumstances, but I hope you can
21 appreciate with have a job to do. You know, we
22 have to...

23 A. Yes.

24 54. Q. ...you know, we have to...

25 A. As do I, so...

1 55. Q. No, I understand. So, we will
2 try to make this as painless as possible. Do you
3 know what Mr. McSevney's current...where he is
4 currently residing?

5 A. Actually, I don't even know his
6 address, but I know he is in Ancaster, still.

7 56. Q. Okay, somewhere in Ancaster.

8 A. Somewhere, yes.

9 57. Q. Okay. Do you know his current
10 employment status?

11 A. No idea.

12 58. Q. Okay.

13 A. No. We haven't really been
14 talking lately.

15 59. Q. Okay. Was it Mr. McSevney who
16 introduced you to Mr. Kyle?

17 A. Yes, years ago.

18 60. Q. Okay.

19 A. I mean, Alex did a real estate
20 deal for me. He was the lawyer for, pretty sure,
21 my last...what do you call it? I am having a
22 brain fart. Refinance on this property, Stanlow,
23 and then Alex...Ian suggested Alex for my
24 business purchases.

25 61. Q. Got you. I turn back to 121,

1 your numbered company.

2 A. Yes.

3 62. Q. Are there any employees?

4 A. Yes.

5 63. Q. Yes?

6 A. No.

7 64. Q. No, okay.

8 A. No.

9 65. Q. Did Ian McSevney have any
10 involvement in that company?

11 A. Zero.

12 66. Q. Did you ever discuss
13 incorporation of that company with Ian?

14 A. No, I don't think so. I might
15 have asked him for advice, like...but it would
16 have been very...I don't even remember having a
17 conversation with him.

18 67. Q. Okay.

19 A. It is not the first time I have
20 incorporated.

21 68. Q. It is not the first time?

22 A. No, it is not the first time. I
23 have been through the process. I have other
24 businesses.

25 69. Q. Are you familiar with a property

1 known municipally as 148 Blair?

2 A. Yes, I am.

3 70. Q. Okay. How are you familiar with
4 that, and how did you come to be familiar with
5 that property?

6 A. My brother used to live there.

7 71. Q. Okay. So, it is a residential
8 property, I take it?

9 A. Yes.

10 72. Q. Yes.

11 A. Yes.

12 73. Q. So, is it correct that you
13 acquired that property on June 2, 2006?

14 A. Yes. I guess that would be the
15 date, yes.

16 74. Q. Okay. What, if anything, can you
17 tell me about the circumstances of that
18 acquisition? Did you buy it with him?

19 A. Very...no, very similar
20 situation. I bought it to help my brother so
21 that...

22 75. Q. Okay.

23 A. ...he could stay as a renter, so
24 he didn't have to uproot and move the kids.

25 76. Q. Got you. So, he stayed in the

1 property after you...

2 A. Basically, yes.

3 77. Q. He stayed in the property after
4 you purchased it?

5 A. M'hm.

6 78. Q. Okay. Any lease agreements or
7 anything like that?

8 A. No. Again, same...

9 79. Q. Okay.

10 A. ...thing, went on trust, had no
11 issues that time, but then...

12 80. Q. Okay.

13 A. ...he was in a position, then
14 sold it.

15 81. Q. Okay. Did he retain any interest
16 in the property following the purchase?

17 A. In Blair Lane?

18 82. Q. Yes.

19 A. No, I don't think so.

20 83. Q. Okay.

21 A. I didn't make anything out of it.

22 84. Q. Okay. Are you familiar with an
23 individual named John Urquhart?

24 A. John bought the house.

25 85. Q. Right. Okay. Did you have a

1 prior relationship with Mr. Urquhart, or was he
2 a...

3 A. No. I have met him, but no, no
4 relationship.

5 86. Q. Okay. If I could take you
6 to...if you go to the document brief, this may be
7 the fastest way to do this. If I could take you
8 to tab T of the document brief?

9 A. T. Am I on the right thing
10 still? Is it the thing I already opened?

11 A. No, no it is not. It is the
12 document brief that was sent on January 18th from
13 Monica Fahem. Okay. She sent it the 18th, you
14 said, right?

15 87. Q. Right, yes. It was the evening
16 of the 18th. It was the...I think your
17 first...prompted your first e-mail response to
18 Ms. Fahem.

19 A. Why am I not seeing it in the
20 attachments? Okay. Brief of Documents?

21 88. Q. That is right, yes.

22 A. Okay, yes. Yes. So, you want to
23 look at what?

24 89. Q. If you scroll down to tab T, like
25 "Thomas"?

1 A. I don't have tabs.

2 90. Q. They are, sort of, yellow sheets
3 between the document exhibits.

4 A. Okay, okay, okay. Tab T.

5 MR. CRAWLEY: It will be page 52 of
6 the...

7 91. MR. AZEFF: Oh, thanks, Pete.

8 THE DEPONENT: That is the...that is
9 easier.

10 92. MR. AZEFF: While we are here, Madam
11 Court Reporter, if you could mark the
12 document brief as an exhibit, please?

13

14 --- EXHIBIT NO. 2: Document Brief

15

16 BY MR. AZEFF:

17 93. Q. So, what I am showing you at tab
18 T, here, is a parcel register in respect to 148
19 Blair. So, this just shows all the transfers and
20 mortgages and other instruments registered on
21 title to that property. Do you see that?

22 A. Hang on, hang on. My eyes aren't
23 the best even with my glasses on.

24 94. Q. No problem.

25 A. Tab T. So, tab T, and then it is

1 the page right after tab T?

2 95. Q. Correct, yes.

3 A. And you are drawing my attention
4 to what, sorry?

5 96. Q. Well, I just want to find the
6 document first and then I will take you through.
7 There are a couple of transactions here I want to
8 ask you about to see if you know anything about
9 them.

10 A. Okay.

11 97. Q. Basically, the sort of long and
12 short of it is there was a series of transfers
13 from Mr. McSevney originally acquiring it. Then
14 it was sold to a company called 958. At some
15 point, it was transferred to Mr. Urquhart and
16 then, at some point, it went back to Mr.
17 McSevney. But I just want you to answer what the
18 thinking was behind these transfers. So, the
19 first place I will take you to is on page three
20 of that document, the third page.

21 A. Three. Okay.

22 98. Q. So, you can see at the top of
23 that page where it says, "Parties from", you can
24 see Ian Ross McSevney? [inaudible]

25 A. Yes.

1 99. Q. And then...

2 A. Yes.

3 100. Q. ...that basically looks like it's
4 your purchase of 148 Blair. That looks right?

5 A. Okay, okay.

6 101. Q. Okay. Then later on...

7 A. Yes.

8 102. Q. ...down that page, we have a
9 transfer on January 7, 2011 to Mr. Urquhart. Do
10 you see that?

11 A. Right.

12 103. Q. Can you tell me...

13 A. Yes.

14 104. Q. ...anything about the
15 circumstances of that transfer?

16 A. I sold it to John because I
17 didn't want the responsibility anymore, because
18 Ian was still living in that house and it was
19 stressing me out.

20 105. Q. Okay. And then a little bit
21 further down the page, we see...

22 A. Yes.

23 106. Q. ...August 31, 2016, Mr. Urquhart,
24 it appears, sold it back to Mr. McSevney.

25 A. Okay. So, I am not...I wasn't

1 even aware of that.

2 107. Q. Okay. Okay. So, you don't have
3 any knowledge of the circumstances of that
4 repurchase by Mr. McSevney?

5 A. Gosh no, no. I do not...I am not
6 privy to Ian's dealings.

7 108. Q. Fair enough, fair enough. And
8 then...

9 A. Thank you.

10 109. Q. ...just to close the loop, you
11 can see on the next line, it appears that same
12 day Mr. McSevney transferred it to a corporation
13 called 9584285?

14 A. This is the house?

15 110. Q. Correct. This is 148 Blair.

16 A. Yes, I...yes, I don't know
17 anything about that.

18 111. Q. Got no knowledge of it? Okay.

19 A. Yes.

20 112. Q. Okay.

21 A. No.

22 113. Q. Okay. So, do you have any
23 knowledge of Mr. McSevney having retained any
24 kind of interest in the house, whether trust or
25 anything like that?

1 A. No.

2 114. Q. No, okay. So, do you have any
3 knowledge of 9584285? Is that company familiar
4 to you?

5 A. Zero.

6 115. Q. Okay.

7 A. Zero. No idea.

8 116. Q. Okay. Are you familiar with an
9 individual named Sandro? The last name is
10 spelled C-I-O-C-I.

11 A. No.

12 117. Q. Are you familiar with an
13 individual named Filippo Mizzi, M-I-Z-Z-I?

14 A. No.

15 118. Q. Okay. Are you familiar with a
16 company called N. Mastroluisi Professional
17 Corporation?

18 A. No.

19 119. Q. Okay. Are you familiar with an
20 individual named Indra Lukovskis?

21 A. No.

22 120. Q. It appears that Indra Lukovskis
23 was a co-purchaser with Mr. Urquhart. Does that
24 ring any bells?

25 A. Oh, Indra.

1 121. Q. Yes.

2 A. Indra, I didn't even know what
3 her last name was. That is his girlfriend.

4 122. Q. Okay.

5 A. I met her once, literally, yes.

6 123. Q. Okay. And that is what it looked
7 like...

8 A. That was so long ago. I...yes,
9 yes.

10 124. Q. Yes, fair enough.

11 A. I totally forgot about her.

12 125. Q. It looks like on July 12, 2019,
13 this number company, 958, granted a charge over
14 the 148 Blair property to Mr. Urquhart and Indra.
15 Any familiarity with that?

16 A. No, zero.

17 126. Q. Okay. I am going to take you now
18 to one tab back. This is...

19 A. Car? No. That's...

20 127. Q. I will tell you. We are going to
21 go to tab R, yes.

22 A. Oh, R, okay.

23 128. Q. Hold on a second. My computer is
24 acting up. Okay, here we go.

25 A. Isn't this...

1 129. Q. Okay...

2 A. Isn't tab R...no, that is not.

3 Okay.

4 130. Q. So, tab R is...

5 A. Okay, tab R.

6 131. Q. Yes, that is a property. You
7 won't be able to tell this from the parcel
8 register itself, but this is a parcel register,
9 similar document to the one we saw at tab T, but
10 this one is in respect of 81 Valridge, unit 9.
11 So, are you...

12 A. 81 Valridge, unit 9?

13 132. Q. Yes. Yes, are you familiar
14 with...

15 A. Okay.

16 133. Q. ...that property?

17 A. I am familiar with it, yes.

18 134. Q. Okay. How did you come to be
19 familiar with it?

20 A. Because Ian owns it.

21 135. Q. Did Ian ever live there?

22 A. No, not that I am aware of.

23 136. Q. Okay. But to the best of your
24 knowledge, according to the parcel register, he
25 acquired it on November 1, 2016? Any reason to

1 disagree with that? Does that sound right?

2 A. No, and what did you say the
3 address was?

4 137. Q. 81 Valridge.

5 A. Unit 15? Yes, unit 15.

6 138. Q. No, that is what the property
7 description is. This is actually in respect of
8 unit 9. It is just a quirk of the land titles
9 system.

10 A. Unit 9, okay. Okay.

11 139. Q. Yes, I am not...

12 A. I am just turning...

13 140. Q. ...sure why it says...

14 A. ...right there.

15 141. Q. Yes, for some reason they don't
16 print municipal addresses on these, which makes
17 it a lot trickier to deal with. So, it looks
18 like Ian acquired this property on November 1,
19 2016.

20 A. Right, okay.

21 142. Q. Any idea what the purchase price
22 was for that?

23 A. When he bought it?

24 143. Q. Yes.

25 A. No.

1 144. Q. Any knowledge at all of the
2 circumstances around that acquisition?

3 A. No, I have no idea.

4 145. Q. Okay.

5 A. I think he was looking for, you
6 know, rental properties, basically. Like, he
7 wanted to build up little bit of a...but,
8 obviously, that didn't work out.

9 146. Q. Fair enough. Do you know if the
10 property was tenanted when he bought it? Was
11 anybody living there?

12 A. Like, before he bought it or
13 after he bought it?

14 147. Q. When he bought it and then after.
15 I mean, just trying to track through.

16 A. When he bought it, someone lived
17 in it. And then he bought it and they lived in
18 it.

19 148. Q. Sorry, you are saying Ian did
20 live in unit 9?

21 A. Unit 9?

22 149. Q. Right.

23 A. Yes.

24 150. Q. Okay. Do you know when he moved
25 out of unit 9?

1 A. Not off the top of my head, no.

2 151. Q. Okay. Do you have any knowledge
3 of a company called Paradigm Quest?

4 A. No.

5 152. Q. No, okay. So, is it correct that
6 your numbered company, one of which is called
7 121, purchased unit 9 on August 4, 2020?

8 A. Sorry, say that again?

9 153. Q. I just asked whether it is
10 correct that your company, 121, purchased unit 9?

11 A. Yes.

12 154. Q. On August 4, 2020?

13 A. Yes, yes, yes.

14 155. Q. Okay. And is it correct that the
15 purchase price was...sorry, I don't see the
16 purchase price on here. Do you recall what the
17 purchase price was?

18 A. Oh God, off the top of my head?
19 I would have to look for that. Hang on a second.
20 I think I have all the documents from Alex here
21 in my laptop. Hang on. I am just looking for
22 them. I know I have got them here. I don't do
23 anything with paper. Everything I...

24 156. Q. Okay. Look, just to speed things
25 up, I am going to ask for an undertaking,

1 pursuant to the notice of exam, just for you to
2 deliver the documents around that sale.

3 A. Yes, okay. That is fine.

U/T

4 157. Q. So, what can you tell me about
5 the circumstances in which you acquired unit 9,
6 or rather your number company acquired unit 9?
7 How did that come to...

8 A. Well...sorry. So, yes. So, I
9 can see here with my things with Alex that...it
10 was 530. I mean it was around five. I honestly
11 can't remember off the top of my head. So, it
12 was \$530,000.

13 158. Q. Okay.

14 A. So, the circumstances were,
15 again, Ian was struggling and I thought...I had
16 said to him, "Hey, like, if you are going to sell
17 the townhome, like, I want the opportunity to buy
18 it if I can get it, if there is any way that I
19 can get a mortgage so that I have it as an
20 investment property". So, then...so, I was
21 buying it and he asked if they could stay and
22 continue to live in it.

23 159. Q. Okay.

24 A. And pay me rent. So, I said,
25 "Okay". And then, again, I had my...I already

1 had my doubts because I was...I said, "Are you
2 sure you can afford to cover the rent?" "Yes,
3 Christie's working now". Christie, for a long
4 time, didn't have any kind of actual job outside
5 of home. So, Chris started working and...yes,
6 and it was...they were managing for a while and
7 then it was starting to get...again, it was
8 starting to get difficult and it was...the
9 decision by me was, it was easier for me to just
10 sell instead of just, like, flat out kick my
11 brother out and bring a new renter in, because I
12 couldn't maintain it without rent and, obviously,
13 financially, he was...they weren't coming through
14 on their end of the deal.

15 160. Q. Okay. Do you recall when he and
16 Christie moved out of unit 9?

17 A. When it closed. When the sale
18 closed in December.

19 161. Q. Okay. So, did Ian retain any
20 interest in unit 9 after 121 purchased it?

21 A. No, I have the money.

22 162. Q. Okay. Did Ian ever pay rent?

23 A. Yes, yes. I mean, he paid me
24 something every month. He just wasn't always
25 paying in full.

1 163. Q. Right.

2 A. The full mortgage. He was for a
3 while, but then it started to fall apart as
4 things got worse for him. So...

5 164. Q. How did he typically pay rent?

6 A. e-Transfer.

7 165. Q. e-Transfer, okay. Are you
8 familiar with the concept of undertakings? Maybe
9 I should just explain it for a moment.

10 A. Not really.

11 166. MR. AZEFF: Okay. Madam Reporter,
12 can we go off the record for a sec?

13

14 --- DISCUSSION OFF THE RECORD

15

16 BY MR. AZEFF:

17 167. Q. Okay. So, I would like an
18 undertaking on any documents related to payments
19 from Ian for rent or any other purposes, whether
20 it is mail showing me the actual transfer or
21 anything like that or copies of cheques or
22 anything that he may have sent you.

23 A. Okay.

U/T

24 168. Q. Thank you. You mentioned earlier
25 there is no written lease in respect to that

1 property? That is correct? Yes, understandable.

2 A. Yes.

3 169. Q. Okay. Now, I see from the parcel
4 register, the property was sold on...it is very
5 recent. December 20th, it looks like.

6 A. December, yes.

7 170. Q. Yes, to Nathan Andrews and Vera
8 Andrews. Any prior relationship with...

9 A. Yes. No, they are not even...I
10 have never even met them. They didn't even come
11 and see the house. Like, they bought it...

12 171. Q. Really?

13 A. They are moving here from...

14 172. Q. Okay. If they are, sort of, bona
15 fide third parties, not part of this, I don't
16 have to ask much more about them.

17 A. Yes, I have no idea who they are,
18 yes.

19 173. Q. Okay. And I see the sale price
20 was \$700,000. That is correct?

21 A. Yes.

22 174. Q. Thanks. Was any amount of the
23 sale proceeds paid or payable to Ian?

24 A. No. No. I have it in my, what I
25 have transferred out of that account has led to

1 my e-trading account.

2 175. Q. Okay, thanks. Did Ian suggest
3 the property be sold? Did he have any
4 involvement in the decision to sell it?

5 A. Well, I mean, he couldn't live
6 there anymore and pay rent, and I didn't want to
7 have to deal with kicking my brother out,
8 bringing a stranger in as a renter. It was just
9 easier for the sale to be done.

10 176. Q. Yes, fair enough. Fair enough.
11 How was the property sold? Was it listed?

12 A. Yes.

13 177. Q. Okay. And to the best of your
14 knowledge, are any amounts being held in trust
15 for Ian or being held by a third party for him
16 with respect to that sale?

17 A. No, no. I am...no, Alex had just
18 told me to make sure that I keep some money in
19 case. I don't know. He's worried about, I
20 think, he said receiver general, just in case,
21 but shouldn't be an issue. But other than that,
22 money's...most of the money is still there. I
23 have transferred 50-something into my e-trading
24 account.

25 178. Q. Okay. Are you familiar with a

1 company called Barbalat Medicine Professional
2 Corporation?

3 A. No.

4 179. Q. Does it help if I tell you that
5 they registered a charge on that property for
6 three...

7 A. They...because they were...what
8 was I going to say? What is the wording I am
9 looking for? One of the private lenders?

10 180. Q. Okay. So, one thing that...

11 A. ...know who they were.

12 181. Q. They helped with financing
13 acquisition?

14 A. Yes.

15 182. Q. Okay.

16 A. Yes. It was a private mortgage,
17 right?

18 183. Q. How did they come to your
19 attention? Like, how did you learn about
20 Barbalat?

21 A. Well, when I told you that I was
22 going to buy the house in the first place, I said
23 to Ian, "So, I can get a mortgage, and,
24 obviously, you know he is in the mortgage
25 business", so...

1 184. Q. Right.

2 A. ...this is who he suggested.

3 185. Q. Okay. So, he introduced you to
4 Barbalat?

5 A. Pardon?

6 186. Q. So, Ian introduced you to
7 Barbalat Professional?

8 A. I didn't actually meet Barbalat.
9 It was through, like, a private mortgage broker.
10 I...

11 187. Q. I understand, okay.

12 A. I didn't meet them. They are
13 just the...yes, yes. Yes, so...

14 188. Q. Okay.

15 A. ...I didn't know them.

16 189. Q. I also see a charge here in
17 favour of Vitaly Medvedovsky.

18 A. Yes.

19 190. Q. That is a charge for \$53,950. Is
20 that correct?

21 A. I don't know what that...pardon?

22 191. Q. It looks like that was to the
23 same day as...

24 A. I didn't hear the last part you
25 just said.

1 192. Q. I said it looks like that was the
2 same day as the Barbalat mortgage?

3 A. Yes. It is one of the lenders.

4 193. Q. Okay.

5 A. Or investors, whatever they call
6 them, right? Yes.

7 194. Q. Right. So, again, did you have
8 any prior knowledge or familiarity with Vitaly
9 Medvedovsky before? Okay.

10 A. No, no. I have no idea who they
11 are.

12 195. Q. Okay, thanks. Turning to another
13 unit at the Valridge property, that is unit 17.
14 If I could take to you tab S.

15 A. 17.

16 196. Q. Yes. You will find that at tab
17 S, which is the next tab.

18 A. Yes, I think I just lost the
19 document. I think I closed it by accident. Hang
20 on a second. Sorry, my laptop is being very
21 slow. I closed it, so I had to go back into my
22 e-mail. Almost there, hang on.

23 197. Q. No problem.

24 A. And, sorry, what tab did you say?

25 198. Q. It is tab S.

1 A. S. S as in Sam?

2 199. Q. Correct.

3 A. S, okay.

4 200. Q. It looks like this is a unit that
5 you owned. Is that correct?

6 A. No, I don't own that one, no.
7 Never did.

8 MR. CRAWLEY: Greg, can we chat
9 offline?

10 201. MR. AZEFF: Yes. Let's go off the
11 record for a second.

12

13 --- DISCUSSION OFF THE RECORD

14

15 BY MR. AZEFF:

16 202. Q. Okay. So, while we were off the
17 record, I just want to confirm that Mr. Crawley
18 sent you a copy of the personal register for the
19 property identified as...this is very small type.
20 18323-0007LT. Do you have that open in front of
21 you?

22 A. Yes.

23 203. MR. AZEFF: Okay. Madam Court
24 Reporter, can we mark that as an
25 exhibit, please?

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--- EXHIBIT NO. 3: 18323-0007LT Parcel Register

BY MR. AZEFF:

204. Q. So, taking you down to...this is the one, two, three, fourth page of that document. Sorry, bottom of third page, top of fourth. Do you see on that...

A. So, on my document it says there are two pages.

205. Q. Two pages?

A. Yes.

206. Q. Is that correct with...

MR. CRAWLEY: Just give me a sec here. This is the September 14th search that you guys brought in and it is a two-page document. Yes, it is only a two-page document. This is the one where Ian and Christie bought it from Barbara Smibert on March 29, 2018.

207. MR. AZEFF: Yes, that is what I am looking at.

MR. CRAWLEY: And they hold it to this day?

208. MR. AZEFF: Yes, and yours is only

1 two pages? Because mine is four. That
2 doesn't make any sense.

3 MR. CRAWLEY: [inaudible] There is
4 the last charge on August 24. The...

5 209. MR. AZEFF: Okay. You know what? I
6 am just going to forward my copy around
7 to everybody so that we are working off
8 the same document. I don't know what
9 that is. Go off the record for a sec,
10 please?

11
12 --- DISCUSSION OFF THE RECORD

13
14 210. MR. AZEFF: Okay. So, again, just to
15 make clear what the exhibit should be.
16 I am looking at the four-page version of
17 the parcel register for 18323-0007. So,
18 that is the exhibit, Madam Court
19 Reporter.

20 THE DEPONENT: Yes.

21
22 BY MR. AZEFF:

23 211. Q. Okay. Now, this parcel register,
24 again, it doesn't have the municipal address on
25 it, but this is in respect of unit 17 at 81

1 Valridge. So, going down to the...

2 A. Okay.

3 212. Q. Going down to the bottom of the
4 third page, you can see...bottom third and top of
5 fourth. It appears that Ian McSevney and
6 Christie Ward-McSevney acquired the property on
7 March 29, 2018. Do you see that?

8 A. Yes, yes.

9 213. Q. Okay. You mentioned Christie
10 Ward-McSevney is Mr. McSevney's spouse, correct?

11 A. Yes.

12 214. Q. Okay. Can you tell me anything
13 about the circumstances in which they acquired
14 that property?

15 A. Sorry, you are cutting...cracking
16 up a lot. What did you say?

17 215. Q. I asked whether you know anything
18 about the circumstances in which they acquired
19 the property?

20 A. Well, they acquired it second.
21 As I said, when Ian bought the first one, it was
22 in hopes that he could build up, you know, a few
23 rental properties as investments. He ended up
24 moving into the one he moved into because they
25 were hoping to maybe do and build and live there

1 temporarily, but, obviously, that didn't work
2 out. They had bought the second one shortly
3 after and they have a renter in it.

4 216. Q. Right.

5 A. That is all I know about that.

6 217. Q. So, they have a renter in unit
7 17?

8 A. Yes.

9 218. Q. Okay. Do you know if there was a
10 tenant in the property when they acquired it?

11 A. No.

12 219. Q. No, you don't know? Or no, there
13 was no tenant?

14 A. No, no, I have no idea.

15 220. Q. Okay.

16 A. Yes, I don't know.

17 221. Q. Okay. Do you know whether Ian
18 and/or Christie ever lived at unit 17?

19 A. No. No, I don't...

20 222. Q. You don't...

21 A. I don't think so.

22 223. Q. Okay.

23 A. I really don't.

24 224. Q. Okay, fair enough. Are you
25 familiar with a company called Independent

1 Mortgage Advisors Inc.?

2 A. Yes, one of Ian's, except I am
3 not really sure which is what. I know one is
4 supposed to be, like, his investment, mortgage
5 investment corporation, I guess. And one is
6 supposed to be his actual broker, mortgage broker
7 business. I think based on the name that would
8 make sense. So, yes, I am familiar with it, but,
9 again, don't know much about it otherwise.

10 225. Q. So, is it correct that you never
11 had any involvement with Independent Mortgage
12 Advisors?

13 A. No involvement, no.

14 226. Q. No problem. And no investments
15 in it?

16 A. I...no, I don't have anything to
17 do with mortgages.

18 227. Q. Are you familiar with a company
19 called Altmore Capital Inc., just...if at all?

20 A. Same familiarity. Like I said,
21 one of...something to do with mortgages. Again,
22 whether it is mortgage investment corporation,
23 whether it is broker, I am not really sure. I
24 just...I am familiar with them as in I know they
25 have something to do with Ian.

1 228. MR. AZEFF: Okay. Okay, I am going
2 to move off the real estate for a few
3 minutes and I want to turn to a number
4 of transfers that took place
5 between...looks like you and Altmore or
6 your and Ian, directly. Probably
7 easiest way to do this is...let's just
8 go...can we just go off the record for a
9 sec, please?

10
11 --- DISCUSSION OFF THE RECORD

12
13 BY MR. AZEFF:

14 229. Q. Is it correct that you and
15 Altmore Mortgage Investment Corporation engaged
16 in electronic funds transfers?

17 A. I didn't ever...I don't think I
18 ever e-mailed them. I would just e-mail to Ian's
19 e-mail address that he gave me, specifically, and
20 I don't know where he deposits them. And, yes, I
21 think there were times that he e-mailed me and
22 they might have come from there, but I am not
23 even sure, to be honest. But I didn't really pay
24 attention.

25 230. Q. What were the general reasons for

1 the transfers? What was...

2 A. Well, just sometimes...because
3 I...before I bought the two businesses I have
4 now, I was paid monthly. So, sometimes if I was
5 a little cash-strapped, he would send me money,
6 vice versa, you know? Whether it be groceries,
7 gas, this, that, pay a bill.

8 231. Q. Okay. So, for example, if we go
9 to the document brief, if I take you to...

10 A. Which document am I looking at?

11 232. Q. That is the one that has got the
12 yellow paper with the tabs.

13 A. The tabs, okay. And...

14 233. Q. So, tab A...

15 A. Where?

16 234. Q. At tab A.

17 A. Okay. Okay. Obviously, yellow
18 highlighted...

19 235. Q. Yes, we see two transfers.

20 A. Yes, yes. Yes, I lent him...that
21 was in 2019. I lent him that money for his
22 professional fees, like, licensing fees and
23 whatnot, and he still hasn't paid it back.

24 236. Q. Okay. You stole the next
25 question out of my mouth.

1 A. Yes.

2 237. Q. Okay. So, he has not paid you
3 back.

4 A. As a matter of fact, he owes me
5 about \$19,000.

6 238. Q. Okay. Okay, if I can take you to
7 the next tab, please, tab B, just trying to
8 understand what is going on here.

9 A. Okay.

10 239. Q. I see a transfer...

11 A. \$22.

12 240. Q. Yes...

13 A. Don't even know...I don't what
14 \$22...could have been, "Hey, I need gas money" or
15 "I need to pay a bill" or the odd time I would
16 let him use my credit card number to put
17 something on my credit card. I am not even sure.

18 241. Q. Okay.

19 A. And I don't even know was that me
20 to him or him to me.

21 242. Q. It looks like...

22 A. I received that.

23 243. Q. Yes, he received it.

24 A. So, yes, obviously, I don't even
25 know what it was. I don't even know what \$22

1 would be for.

2 244. Q. Fair enough.

3 A. When is that? I don't even know
4 when that is. Where is the date? It is over to
5 the right.

6 245. Q. Yes.

7 A. Yes, no idea, sorry.

8 246. Q. No problem. So, rather than
9 going through...if I take you through the account
10 statements...just trying to think what the best
11 way to do this is. You know, we see a bunch of
12 small funds transfers from you to Ian, you know,
13 generally from...so, I don't want to go through
14 the small ones, but I do want to take a look
15 at...

16 A. Yes.

17 247. Q. ...some of the more significant
18 ones. On February 28, 2018, Pete, do you know
19 the reference for the two transfers from Altmore
20 to Elaine? February 28th and May 17, 2019. See
21 if I can find these easily. If I take you to tab
22 C to begin with.

23 A. C. Okay. Isn't that where
24 the...no, that is B. Okay, I am on C.

25 248. Q. Yes, what I am looking at here is

1 a transfer, February 28, 2018, for \$2,000. Now,
2 you will see an account statement, next to that,
3 292239948813587.

4 A. Yes.

5 249. Q. Are you familiar with that
6 account?

7 A. No. What is the date? February
8 28th?

9 250. Q. February 28th.

10 A. 2018? Did you say 2018?

11 251. Q. That is correct.

12 A. No, I don't know what that is.

13 252. Q. Okay. Our understanding is that
14 is actually your account. I don't know if you
15 want to take a minute to...

16 A. No, you know what? If it was my
17 account then it was with Ian. That is no longer
18 my account. So, I don't have any access to...

19 253. Q. Okay.

20 A. Yes, 2018. That would have been
21 with BMO, if that. So...

22 254. Q. Any idea why or any recollection
23 as to why Ian was sending you, or why Altmore,
24 rather, was sending you \$2,000?

25 A. I can't remember off the top of

1 my head, but it would definitely, most
2 guaranteed, be he needed money and I sent it to
3 him and he was returning it to me or he was
4 lending it to me. It was one or the other, for
5 sure.

6 255. Q. Okay.

7 A. I just can't pinpoint exactly why
8 at the moment. Like I said, I was in a position
9 where I only got paid once a month. So,
10 sometimes it was very...or other times he had
11 something. He was waiting on a mortgage close
12 and needed money, and I would send it to him. He
13 would send it back to me.

14 256. Q. Right.

15 A. Yes, so I can't pinpoint exactly
16 why.

17 257. Q. Okay. So, then if I take you to
18 the next tab, tab D.

19 A. D, yes.

20 258. Q. On May 17th, we see a payment...

21 A. May 17th...

22 259. Q. ...for \$1,000.

23 MR. CRAWLEY: We have 2019.

24 260. MR. AZEFF: That is right, 2019, yes,
25 but it is tab D.

1 THE DEPONENT: 2019.
2 MR. CRAWLEY: Same bank account.
3 261. MR. AZEFF: Yes, exactly.
4 MR. CRAWLEY: 3994881.
5 THE DEPONENT: I must be blind. May
6 17th?
7 262. MR. AZEFF: Yes, it is at tab D. It
8 is literally the next tab.
9 MR. CRAWLEY: Page 13.
10 THE DEPONENT: Yes, I am on tab D.
11 263. MR. AZEFF: And if you look down...
12 THE DEPONENT: I am looking at May
13 17th.
14
15 BY MR. AZEFF:
16 264. Q. Okay, you are looking at the last
17 entry for May 17th.
18 A. \$1,000.
19 265. Q. Right, to that same account,
20 2922. Any recollection as to what that transfer
21 was for?
22 A. No. It would be much the same.
23 266. Q. Okay.
24 A. I can't recollect from three
25 years ago, almost, but it would be much the same.

1 267. Q. Okay. Okay, I am going to take
2 you down to tab E, we will start at, but really
3 it is a series of Interac transfers between you
4 and Independent Mortgage Advisors. We will
5 skip...

6 A. Okay.

7 268. Q. We will skip the small ones,
8 but...

9 A. Tab E, yes.

10 269. Q. Yes. We see at tab E...we see
11 one for...

12 A. Yes. These are all purchases.

13 270. Q. Well, there's some small
14 transfers here.

15 MR. CRAWLEY: Yes, Greg, I think that
16 one's looking for the March...

17 271. MR. AZEFF: March 20th.

18 MR. CRAWLEY: March 20...sorry.

19 THE DEPONENT: I don't know if I am
20 looking at something here...

21 272. MR. AZEFF: Yes...

22 THE DEPONENT: ...but I don't see any
23 transfer on the 20th.

24 MR. CRAWLEY: Sorry, the March 23rd.

25 273. MR. AZEFF: March 23. Sorry, you are

1 correct.

2 MR. CRAWLEY: Transaction date is
3 different. The posting date is March
4 23rd, \$60 in the credit column. This is
5 one of those really small transactions
6 where it looks like Elaine e-
7 Transferred...

8 THE DEPONENT: And how do you even
9 know...I don't see who this is from or
10 to.

11 MR. CRAWLEY: We got it from Bank of
12 Montreal.

13 THE DEPONENT: You got it from Bank
14 of Montreal, but where does it say who
15 sent the e-Transfer for money?

16 MR. CRAWLEY: Right. It won't say in
17 on the statement...

18 THE DEPONENT: But regardless, we are
19 talking about \$60 and...

20 274. MR. AZEFF: Yes, you know what? I am
21 going to skip over the...

22 THE DEPONENT: ...I have no idea.

23

24 BY MR. AZEFF:

25 275. Q. Okay. Just to put it simply,

1 there was an aggregate of about \$205 from you to
2 Independent Mortgage Advisors. Any recollection
3 as to any of those payments?

4 A. No. It would be much the same,
5 "Hey, Elaine, I need gas money and I don't have
6 any". "Here is \$60", or whatever.

7 276. Q. Okay. I don't want to...

8 A. Yes.

9 277. Q. ...dwell too much on those. What
10 I do want to do though...

11 A. No.

12 278. Q. There's some larger ones further
13 on down that I want to take a look at, starting
14 at tab I.

15 A. Okay. So, these are...so, what
16 year is this? Is it still 2018?

17 279. Q. This would have been October
18 2020.

19 A. This is October 2020? Okay, I
20 see the date there.

21 280. Q. Yes. And, again, you know I...

22 A. Okay. So...

23 281. Q. I know...

24 A. That is okay. 2020 is a lot
25 easier to remember than 2018.

1 282. Q. Fair enough.

2 A. So, where are we going?

3 283. Q. So, the first one we see here is
4 October 28th, we see...and, again, I know it
5 doesn't reflect the recipient here, but we got
6 that information separately from the bank, the
7 recipient. There was a transfer in the amount of
8 \$1,127 sent by Independent Mortgage Advisors to
9 you. Any recollection as to the purpose of that
10 payment?

11 A. To me, personally?

12 284. Q. Yes.

13 A. Or...to me, personally.

14 285. Q. Yes.

15 A. I don't even know. I'm gonna
16 look. I am going to say it is probably rent,
17 because I transferred his rent from my personal
18 account to the business to cover it several
19 times, particularly towards...closer towards
20 selling a house in December. So, I am going to
21 say that is mostly likely why he transferred me
22 that, because I had already taken it out of my
23 personal account, because, usually, he would e-
24 Transfer rent directly to the numbered business.

25 286. Q. Okay. If I could take you to...

1 A. Hang on a second. Hang on one
2 second. I have a spreadsheet too that I use
3 to...

4 287. Q. Okay.

5 A. ...track some of his...some of
6 the stuff. So, it might be on there. Yes, his
7 Bell bill. He paid his Bell bill on my credit
8 card and sent me the money.

9 288. Q. Okay.

10 A. So, that is in my...

11 289. Q. Fair enough. Hopefully, the
12 spreadsheet will help you out in the next couple
13 as well.

14 A. It might. It might, it might
15 not. I only put specific things in there,
16 usually, if it was something he put on credit
17 card.

18 290. Q. Okay. Well, let's take a look at
19 tab J for a sec, which is the next tab.

20 A. J, yes. Okay.

21 291. Q. So, what we see here is a
22 transfer in the amount of \$5,300, again, from...

23 A. To me, personally?

24 292. Q. Yes. Any recollection as to the
25 purpose...

1 A. And this is when? 2020...

2 293. Q. Yes, February 24, 2021.

3 A. 2021.

4 294. Q. Correct.

5 A. Let's see. Yes. It is not on my
6 spreadsheet.

7 295. Q. If it helps, it looks like there
8 was a transfer into Independent Mortgage Advisors
9 and then out on that same day to you.

10 A. In from me and then back from me?

11 296. Q. I don't know if it came in from
12 you, but in came in that day and then went out to
13 you on the 24th.

14 A. Okay. I may have sent him money
15 to cover something and he sent it back to me. I
16 honestly don't remember.

17 297. Q. Okay.

18 A. That is a big one too and I don't
19 have that in my spreadsheet.

20 298. Q. Yes.

21 A. I don't remember why.

22 299. Q. Okay. Would Ian have made any
23 requests in writing for those funds or anything
24 like that?

25 A. No, no, like, it would all be

1 text messages, which I don't...

2 300. Q. Okay. Turning to the next tab,
3 which is tab K.

4 A. Is what, sorry?

5 301. Q. Tab K.

6 A. K?

7 302. Q. Yes, like "king".

8 A. Yes.

9 303. Q. On March 1st, we see a transfer,
10 which again, you know, it doesn't reflect who it
11 went to, but we know from the bank it was sent to
12 you. We see a transfer for \$3,000 on March 1st.
13 Do you see that?

14 A. 2021?

15 304. Q. Correct.

16 A. Yes, that was rent. Again, I had
17 sent it over, and he sent me the money.

18 305. Q. Okay. What was his monthly rent?

19 A. \$3,000 and change. I, basically,
20 was charging the mortgage price plus utilities.

21 306. Q. Okay.

22 A. Okay. Give me a second.

23 307. Q. Okay.

24 A. I can't remember off the top of
25 my head, that one.

1 308. Q. But to the best of your
2 knowledge, that \$3,000 would have been rent
3 payment?

4 A. Yes, yes. Yes, for sure.

5 309. Q. Okay. Then, turn to the next
6 tab, which is tab L.

7 A. L.

8 310. Q. Yes, again, it is an account
9 statement.

10 A. Yes.

11 311. Q. On March 12th, we see a transfer
12 in the amount of \$1,813.20. Do you see that? It
13 is the second line on the page?

14 A. Yes.

15 312. Q. Okay.

16 A. Yes.

17 313. Q. Again, our understanding is that
18 was a transfer from Independent Mortgage Advisors
19 to you, personally. Do you have any knowledge
20 of...

21 A. Okay.

22 314. Q. ...the purpose of that payment?

23 A. No, that would definitely be rent
24 as well.

25 315. Q. Okay.

1 A. Because anything big like that,
2 since I had the house, would have all been rent
3 money because sometimes he would have part. He
4 would e-Transfer it to the business. I cover the
5 rest and then he e-mailed the balance to my
6 personal account, because that is where
7 I...obviously, I already took it from there.

8 316. Q. Right. Okay. Then we will look
9 at one more of those payments, turning to the
10 next tab, which is tab M.

11 A. M, yes.

12 317. Q. We see a transfer. Again, it is
13 from Independent Mortgage Advisors to you for
14 \$2,000 on April 1, 2021. You see that? That is
15 the first one.

16 A. Yes. That would...yes, that
17 would have been a rent payment as well.

18 318. Q. Okay. Okay.

19 A. Yes, because...yes, these aren't
20 on my spreadsheet. So, that would just be rent.
21 My spreadsheet is just stuff he still owes me.

22 319. Q. Okay. The next thing I see...ask
23 you about...let's just go off the record for one
24 sec, please.

1 --- DISCUSSION OFF THE RECORD

2
3 BY MR. AZEFF:

4 320. Q. I am going to take you to tab N
5 right now, like "Nicholas".

6 A. Yes, so I am there.

7 321. Q. Okay. So, I have got two
8 transfers here that I want to ask you about.
9 These are from Ian McSevney to you, personally,
10 again. April 16, 2018, we see a transfer for
11 \$140.

12 A. \$140?

13 322. Q. Yes.

14 A. Okay, yes I see it. Yes.

15 323. Q. Any knowledge of what that
16 payment would have been for?

17 A. No. I am going to say that might
18 be something he used my credit card for, but I
19 don't see that on here.

20 324. Q. Right. Okay. And one last
21 transfer that I want to ask you about. It is the
22 next tab, tab O.

23 A. Tab O. Yes.

24 325. Q. And we see a transfer from Ian to
25 you on January 23, 2019 for \$2,000. Do you see

1 that? That is the fourth entry.

2 A. That would definitely be rent.

3 326. Q. For rent? Okay.

4 A. Yes.

5 327. Q. Okay. Are you currently holding
6 any property for Ian, Altmore or any of the
7 affiliated companies?

8 A. No.

9 328. Q. Okay. Are you aware of any other
10 person or party holding property for Ian, Altmore
11 or its affiliates?

12 A. No.

13 329. Q. Are you aware as to whether Ian
14 owns any vehicles?

15 A. I don't know. I know that him
16 and Christie have cars. I just don't know if
17 they are in her name or his name. I am not sure.
18 So, I don't really know his ins and outs of
19 his...

20 330. Q. Okay. Do you know whether Ian
21 has property offshore?

22 A. No, definitely not. I do know
23 that.

24 331. Q. Are you aware of...

25 A. Sorry, though.

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--- upon recessing at 3:20 p.m.
--- A BRIEF RECESS
--- upon resuming at 3:24 p.m.

ELAINE McSEVNEY, resumed

CONTINUED EXAMINATION BY MR. AZEFF:

339. Q. I just have a couple of quick follow-up questions to get this done and then we can adjourn. Are you familiar with an individual named Paul Watson?

A. I have met Paul, but I don't know him very well.

340. Q. Okay. What circumstances did you meet him?

A. Just in passing, socially. He was a friend of Ian's.

341. Q. Okay. Do you know what Mr. Watson does for a living?

A. I have no idea.

342. Q. Okay. Approximately when would you say you met him?

A. A few years ago.

343. Q. Okay. Multiple occasions or one occasion?

1 A. I think twice I have met Paul.

2 344. Q. Okay. And in both cases you met
3 him, you said socially, like with Ian? Is that
4 correct?

5 A. Yes, yes. Like, literally in
6 passing. I don't socialize with my brother and
7 his wife, generally. Literally, only just family
8 things.

9 345. Q. I am just going to ask a general
10 question about your acquisition of 148 Blair and
11 the Valridge unit. In terms of completing those
12 purchases, did Ian provide any funding for those
13 purchases?

14 A. No.

15 346. Q. Okay. Do you know what kind of
16 cars Ian and Christie drive?

17 A. Not off the top of my head.
18 Christie has a Mini, I think. It is a little
19 Mini, and I don't even know what Ian has. He is
20 usually in the Mini, but I know they have another
21 car. I think he just usually...

22 347. Q. Could it be a Tesla?

23 A. ...drives it to work though.

24 348. Q. Could it be a Tesla?

25 A. But yes, maybe. Yes, it could

1 be.

2 349. Q. Okay.

3 A. I think Christie usually takes it
4 to work. I usually see him in the Mini.

5 350. Q. Okay. Pete, unless there is
6 anything we are missing, I think we should just
7 adjourn at this point.

8 MR. CRAWLEY: Yes, I have nothing
9 else at this point.

10

11 BY MR. AZEFF:

12 351. Q. Okay. So, Ms. McSevney, I know I
13 took you to the Notice of Examination earlier,
14 that list of documents that we are looking for.
15 You know, we got your undertaking to deliver
16 those to the extent they exist or are in your
17 possession.

18 A. Right.

19 352. Q. So, if you could please forward
20 those to me at your, you know, earliest
21 opportunity, just so we can review them. I don't
22 know if I will have more questions coming out of
23 them, but...

24 A. Okay.

25 353. Q. ...in order to preserve our right

1 to the extent we have questions, I am just going
2 to adjourn this examination. We may or may not
3 call it back on. We will see what is in the
4 documents.

5 A. So, that document again was
6 sent...

7 354. Q. It was...

8 A. ...these documents.

9 355. Q. Friday the 21st.

10 A. What is the document number
11 again?

12 356. Q. It is not actually in the brief.
13 This is the Notice of Examination that was sent,
14 the revised one for today's...

15 A. The Notice of Examination, okay.

16 357. Q. Right.

17 A. So, let me see. I just figured
18 it would be there because I had already opened
19 it, but it is not in my...and you said...I'm
20 sorry, you said sent the 18th by Monica?

21 358. Q. It was sent on the 21st.

22 A. 21st, by...

23 359. Q. Shallon.

24 A. What is his...right.

25 360. Q. Shallon Garrafa.

1 A. Yes, okay. So, it does have a
2 document number. It is 59690236. It is okay.
3 It is okay. I found it.

4 361. Q. Okay. So, there is a list of
5 documents there. If you could just forward those
6 to me, we will go through them, and if there is
7 anything else we need to follow up with, we will,
8 and if not, then...

9 A. Right. So, as we know, there is
10 no lease or rental agreement. The sale to Nathan
11 and Vera, the purchase by and all loan
12 agreements, mortgages and security agreements
13 related to the property. Okay.

14 362. Q. Sorry, whatever you have. If you
15 don't have it, you can't send it.

16 A. Yes, yes, yes.

17 363. Q. Okay.

18 A. No problem. Okay, thanks.

19 364. Q. Okay. So, then we will adjourn
20 this examination.

21 THE DEPONENT: Okay.

22

23 --- upon adjourning at 3:26 p.m.

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IN THE MATTER OF THE BANKRUPTCY OF
IAN ROSS MCSEVNEY

Court File No.: 32-2783327
Estate File Nos.: 32-2783327

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

SUPPLEMENTARY MOTION RECORD

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