

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

B E T W E E N :

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)*

**MOTION RECORD
(Returnable June 25, 2021)**

June 23, 2021

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**ONTARIO
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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)*

I N D E X

Tab	Description
1.	Notice of Motion, returnable June 25, 2021
2.	Second Report of the Receiver
Exhibits	
A	Receivership Order dated May 25, 2021
B	Endorsement of J. Dunphy dated May 25, 2021
C	First Report of Interim Receiver June 7, 2021
D	Receivership Order dated June 9, 2021
E	Endorsement of J. Dunphy dated June 9, 2021
F	Fee Affidavit of Clark Lonergan dated June 23, 2021
G	Fee Affidavit of Shallon Garrafa dated June 23, 2021
3.	Draft Order

TAB 1

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

B E T W E E N :

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)*

**NOTICE OF MOTION
(Returnable June 25, 2021)**

The Moving Party, 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”), Altmort Capital Inc. (“ACI”), Independent Mortgage Advisors Inc. (“IMAI”) and Ian McSevney (“McSevney”), will make a motion to a Judge presiding over the Commercial List on June 25, 2021 at 10:00 a.m. or as soon after that time as the Motion can be heard at the Court house located at 330 University Avenue, 8th Floor, Toronto, Ontario M5G 1R7.

PROPOSED METHOD OF HEARING: The Motion is to be heard:

[X] By ZOOM video conference at the following location:

<https://millerthomson.zoom.us/j/95690428237?pwd=RHlzNUJSbmdnL1J5QjVwZk5JUVZVQT>

THE MOTION IS FOR:

1. An Order substantially in the form of the draft Order attached at Tab 3 to the Receiver's Motion Record, among other things:

- (a) abridging the time for and validating service of this motion and Motion Record, and declaring that the motion is properly returnable on June 25, 2021 and dispensing with service of this Motion Record on any other party other than those served;
- (b) approving the Second Report of the Receiver dated June 23, 2021 (the "**Second Report**") including the actions and activities of the Receiver and its legal counsel, Miller Thomson LLP, as set out therein;
- (c) Approving the professional fees of the Receiver and its legal counsel as detailed in the affidavits of Clark Lonergan and Shallon Garrafa each sworn June 23, 2021 and appended to the Second Report; and
- (d) Authorizing the Receiver to register a charge against the Valridge Property (as defined below) in the amount of its unpaid fees and disbursements and those of its counsel; and
- (e) Discharging the Receiver; and

2. Such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

3. The Applicants, Monica Matta and Mark Amello, are spouses living in the City of Mississauga in the Province of Ontario;
4. Altmore is a corporation incorporated pursuant to the Business Corporations Act, RSO 1990, c. B.16, as amended (the “**OBCA**”) and operates as a mortgage investment corporation;
5. ACI and IMAI are corporations incorporated under the *Canada Business Corporations Act*, RSC 1985, c. C-44, as amended;
6. McSevney is an officer, director and guiding mind of Altmore, ACI and IMA;
7. Between 2015 and 2018, the Applicants made substantial investments in Altmore by subscribing for its shares;
8. Altmore ceased paying monthly dividends to the Applicants in May 2019 without prior notice, and provided a succession of vague, implausible assurances to the Applicants that have ultimately proved false;
9. Despite numerous requests from the Applicants, Altmore failed to provide financial statements, information regarding any mortgages in which it invested and any other credible information with respect to Altmore’s financial condition or the status of the Applicants’ investments;
10. The actions and omissions of Altmore and McSevney have been oppressive and unfairly prejudicial to, and have unfairly disregarded, the Applicants’ interests as a security holder;

11. Altmore knowingly and/or negligently made misrepresentations to the Applicants in order to induce the Applicants to invest in Altmore, and to dissuade the Applicants from pursuing their legal remedies against it. The Applicants relied on such misrepresentations, to their detriment;

12. Altmore is insolvent and has committed multiple acts of bankruptcy, and is in breach of its obligations under multiple statutes including the OBCA and the *Securities Act*, RSO 1990, c. S.5, as amended;

13. The Receiver was appointed in respect of Altmore for an initial period of 30 days pursuant to the Order of the Honourable Mr. Justice Dunphy dated May 25, 2021 (the “**Interim Receivership Order**”);

14. Following its appointment, the Receiver reviewed statements in respect of Altmore’s bank account (the “**Altmore Account**”);

15. The Altmore Account statements indicate a number of related party transactions including transfers to, and payments made for the benefit of, McSevney, Christie Ward-McSevney, Elaine McSevney, ACI and IMA;

16. Mr. McSevney failed to provide any documentation or other verifiable information with respect to Altmore, its financial condition or any mortgage investments it made, and ceased communicating with the Receiver shortly after the issuance of the Interim Receivership Order;

17. Pursuant to the Order of the Honourable Mr. Justice Dunphy dated June 9, 2021 (the “**June 9th Order**”) the Receiver was appointed over McSevney, ACI and IMA (collectively with Altmore, the “**Debtors**”);

18. The Receiver received the transaction details from Bank of Montreal (“**BMO**”) for the accounts of ACI, IMAI and McSevney for the period May 1, 2014 to May 31, 2021, along with the additional information obtained from BMO in respect of Altmore transactions.
19. Based on the Receiver’s review of the relevant account statements, it appears that substantially all investor funds were misappropriated by McSevney;
20. In particular, the Receiver has been unable to locate any mortgage investments made or held by Altmore or the other Debtors;
21. There does not appear to be any funding available to continue the receivership proceeding or any further investigations;
22. The sole significant asset under administration is McSevney’s personal residence, located at 81 Valridge Drive, Ancaster, Ontario (the “**Valridge Property**”). Title to the Valridge Property is in the name of McSevney and his spouse, Christie Ward-McSevney;
23. Certain of the funds misappropriated by McSevney were directed to the benefit of his spouse;
24. Pursuant to the June 9th Order the Receiver was granted a charge against, *inter alia*, McSevney’s property including the Valridge Property;
25. Representatives of the Receiver and its legal counsel have sworn affidavits with respect to their fees and disbursements. Such affidavits are appended to the Second Report;
26. Such further and other grounds as are set out in the Second Report;
27. Section 248(3) of the *Business Corporations Act*, RSO 1990, c. B.16, as amended;

28. Section 101 of the *Courts of Justice Act*, RSO 1990, c. C.43, as amended;
29. Rules 1.04, 11, 26 and 37 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg.194, as amended; and
30. Such further and other grounds as the lawyers may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. The Second Report of the Receiver dated June 23, 2021; and
2. Such further evidence as the lawyers may advise and this Honourable Court may permit.

June 23, 2021

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SCHEDULE "A"

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

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

THE HONOURABLE) WEDNESDAY, THE 25TH
)
JUSTICE CONWAY) 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 Altmore Mortgage Investment Corporation (“**Altmore**”), Altmore Capital Inc., Independent Mortgage Advisors Inc. and Ian McSevney appointed pursuant to the Orders of the Honourable Mr. Dunphy of the Ontario Superior Court of Justice (Commercial List) dated May 25, 2021 and June 9, 2021 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 Second Report of the Receiver dated June 23, 2021 and the Appendices thereto (the “**Second 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 _____ sworn _____, 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.

ACTIVITIES & CONDUCT

2. THIS COURT ORDERS that the Second Report of the Receiver dated June 23, 2021 (the “**Second Report**”) including the actions and activities of the Receiver and its legal counsel, Miller Thomson LLP, as set out therein, be and it is hereby approved.

PROFESSIONAL FEES

3. THIS COURT ORDERS that the professional fees and disbursements of the Receiver and its legal counsel as detailed in the affidavits of Clark Lonergan and Shallon Garrafa, each sworn June 23, 2021 and appended to the Second Report (the “**Professional Fees**”), be and they are hereby approved.

REGISTRATION OF CHARGE

4. THIS COURT ORDERS that the Receiver be and it is hereby authorized to register a charge in the amount of the Professional Fees against title to the property (the “**Valridge Property**”) 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.

5. THIS COURT ORDERS that the Receiver be and it is hereby authorized (but for greater certainty, not obligated) to discharge the registration of any Orders made in this proceeding against title to the Valridge Property.

DISCHARGE

6. THIS COURT ORDERS that the Receiver be and it is hereby discharged as Receiver, provided that notwithstanding its discharge as Receiver, BDO Canada Limited (“**BDO**”) shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all authorizations, approvals, protections and stays of proceedings in favour of BDO in its capacity as receiver.

RELEASE

7. THIS COURT ORDERS AND DECLARES that BDO is hereby released and discharged from any and all liability that BDO now has or may have by reason of, or in any way arising out

of, the acts and omissions of BDO while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part.

**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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**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

**NOTICE OF MOTION
(returnable June 25, 2021)**

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Lawyers for the Receiver, BDO Canada
Limited

TAB 2

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF SECTION 248 (3) OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO), R.S.O., 1990
c.B-16, AS AMENDED;**

**IN THE MATTER OF SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.
1990 c.C-43, AS AMENDED**

BETWEEN:

MONICA MATTA AND MARK AMELLO

Applicant

- and -

ALTMORE MORTGAGE INVESTMENT CORPORATION

Respondent

**SECOND REPORT OF BDO CANADA LIMITED
IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
ALTMORE MORTGAGE INVESTMENT CORPORATION, ALTMORE CAPITAL INC., INDEPENDENT
MORTGAGE ADVISORS INC. AND IAN ROSS MCSEVNEY**

JUNE 23, 2021

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APPENDICES

APPENDIX "A" – Receivership Order dated May 25, 2021

APPENDIX "B" – Endorsement of J. Dunphy dated May 25, 2021

APPENDIX "C" – First Report of Interim Receiver June 7, 2021

APPENDIX "D" – Receivership Order dated June 9, 2021

APPENDIX "E" – Endorsement of J. Dunphy dated June 9, 2021

APPENDIX "F" – Fee Affidavit of Clark Lonergan dated June 23, 2021

APPENDIX "G" - Fee Affidavit of Shallon Garrafa dated June 23, 2021

I. INTRODUCTION

1. Pursuant to an order (the “**Receivership Order**”) of the Honourable Mr. Justice Dunphy of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 25, 2021 (the “**Date of Appointment**”), BDO Canada Limited (“**BDO**”) was appointed as Receiver on an interim basis (the “**Receiver**”) of all of the assets, properties and undertakings (collectively, the “**Property**”) of Altmore Mortgage Investment Corporation (“**Altmore**” or the “**Company**”) for a period of 30 days (the “**Initial Appointment Period**”) pursuant to section 248 (3) of the *Business Corporations Act*, RSO 1990, c. B-16, as amended (the “**OBCA**”) and section 101 of the *Courts of Justice Act*, RSO 1990, c. C.43 as amended (the “**CJA**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**. A copy of the Endorsement of Justice Dunphy dated May 25, 2021 is attached hereto as **Appendix “B”**.
2. The Receiver submitted its first report to the Court on June 7, 2021 (the “**First Report**”) to provide the Court with an update on the Receiver’s investigation thus far including a summary of banking transactions involving Altmore’s sole bank account and the conduct of Altmore’s guiding mind, Ian Ross McSevney (“**McSevney**”). A copy of the First Report, without appendices, is attached hereto as **Appendix “C”**.
3. On June 9, 2021, Justice Dunphy issued his endorsement and a further Order (the “**June 9th Order**”) expanding the role of the Receiver to include the assets, properties and undertakings of Altmore Capital Inc. (“**ACI**”), Independent Mortgage Advisors Inc. (“**IMAI**”) and McSevney. Copies of the June 9th Order and accompanying endorsement are attached hereto as **Appendices “D”** and “**E**”, respectively.

II. PURPOSE OF REPORT

4. This second report of the Receiver (the “**Second Report**”) is filed in support of the Receiver’s motion to the Court returnable June 25, 2021. The purpose of this Second Report is to:
 - a) Provide this Court with certain information pertaining to the receivership, including:
 - (i) The Receiver’s activities since the issuance of the First Report;
 - (ii) Summary of findings.
 - b) Recommend that this Court make an Order:
 - (i) Approving this Second Report including the actions and activities of the Receiver and its legal counsel, Miller Thomson LLP (“**Miller**”), as set out herein;
 - (ii) Approving the professional fees and disbursements of the Receiver and its legal counsel;
 - (iii) Authorizing the Receiver to register a charge against the Valridge Property (as defined below) in the amount of its unpaid fees and disbursements;
 - (iv) Discharging the Receiver; and

- (v) Such further relief as the Court deems appropriate.

III. QUALIFICATIONS

5. In preparing this Second Report, the Receiver has relied upon financial information provided to it by the Bank of Montreal (“**BMO**”) and certain other parties (the “**Information**”). The Receiver has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided, and in consideration of the nature of the evidence provided to this Court, in relation to the relief sought therein. The Receiver has not, however, audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the Canadian Institute of Chartered Accountants Handbook and, as such, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
6. Unless otherwise noted, all monetary amounts contained in this Second Report are expressed in Canadian dollars (“**CAD**”).

IV. ACTIVITIES OF THE RECEIVER

Correspondence with Bank of Montreal

7. On June 9, 2021, immediately upon the issuance of the June 9th Order, the Receiver emailed a letter to the BMO branch in Ancaster, Ontario to notify BMO of the expanded receivership and request, *inter alia*, all historical bank statements for each of ACI (1 account), IMAI (2 accounts) and McSevney (2 accounts) and that the corresponding accounts be frozen.
8. BMO has promptly complied with the Receiver’s request and provided seven years (May 2014 – May 2021) of banking transactions in Excel for each of the accounts.
9. The Receiver identified substantial amounts being transferred from McSevney’s personal bank account to another BMO account which BMO advised was McSevney’s BMO InvestorLine account (the “**InvestorLine Account**”). The Receiver requested and was provided with account statements for the InvestorLine Account as well.
10. The Receiver has conducted an initial review of the transactions in each of the ACI, IMAI and McSevney accounts and a summary of its findings is outlined below.
11. BMO has also provided further details to the Receiver in respect of Altmore transactions that did not have sufficient details in the Excel file or pdf bank statements which the Receiver has reviewed.

Correspondence with CanAccord Genuity

12. As reported in the First Report, the Receiver identified two payments that were made in March of 2018 for \$50,000 each from Altmore’s bank account to the TFSA accounts of McSevney and his wife at CanAccord Genuity. In

accordance with the June 9th Order the Receiver wrote to CanAccord Genuity to freeze the TFSA accounts and provide statement accounts to the Receiver.

13. CanAccord Genuity promptly complied with the Receiver's requests. A review of the account statements indicates that each account now has a \$Nil balance and the all available funds had been withdrawn to personal bank accounts by January 31, 2019. The peak market value of these TFSA accounts were \$135,668.99 at December 31, 2018 for McSevney and \$108,876.95 at January 21, 2019 for his spouse, Christie Ward-McSevney.

Correspondence with Capital Growth Financial Corporation ("CGFC")

14. The Receiver had identified two payments totaling \$57,089.90 that were made from Altmore's bank account to CGFC in 2015. The Receiver wrote to CGFC on June 4, 2021 to request details of these transactions. CGFC advised in an email that it provided commission advances to mortgage brokers of IMAI and believed that it was at all times only dealing with IMAI.
15. Subsequent to the issuance of the June 9th Order, the Receiver identified four (4) additional payments to CGFC totaling \$49,291.35 which were made from IMAI's bank account at BMO. The Receiver has since written to CGFC to request the details of all transactions with IMAI including amounts and names of beneficiaries of the payments from CGFC that Altmore and IMAI were repaying.
16. CGFC has verbally advised the Receiver that payments to CGFC were repayments for advances on commissions. While CGFC has confirmed that it will forward the requested documentation, the Receiver has not received same as of the date hereof.

Correspondence with Community Trust ("CT")

17. The Receiver had identified two payments totaling \$73,420.00 that were made from Altmore's bank account to CT in 2018. The Receiver wrote to CT on June 4, 2021 and again on June 16, 2021 to request details of these transactions. CT has not responded to this request at the time of writing this Second Report.

Communications with Kyle & Associates

18. As noted in the First Report, in the course of its review of the Altmore Account statements, the Receiver identified 10 transfers in an aggregate amount of \$343,801.56 made between August 23, 2016 and August 31, 2018 to Kyle & Associates, which the Receiver understands acted as legal counsel to Altmore and Mr. McSevney.
19. On June 3, 2021, Mr. Alex Kyle of Kyle & Associates advised that the records relevant to the payments described above have been placed into offsite long-term storage. The Receiver requested that Mr. Kyle retrieve and forward such records to the Receiver. Mr. Kyle agreed and advised that such retrieval would take approximately one week.
20. On June 16, 2021, the Receiver's counsel sent an email to Mr. Kyle reiterating the request. On June 21, 2021, the Receiver's counsel sent a second follow up email to Mr. Kyle.

21. As of the date hereof, Mr. Kyle has not responded to either of the emails and has not provided the requested documentation.

Communications with Mr. McSevney

22. In accordance with the June 9th Order, McSevney was ordered by the Court to cooperate with the Receiver and to provide information. McSevney was served a copy of the June 9th Order by the Court on June 9, 2021. McSevney has not provided any of the requisite information to the Receiver. The Receiver has not had any communications with Mr. McSevney since May 26, 2021, as reported in the First Report.

Communications from Investors

23. On June 13, 2021, the Receiver received an email from another party claiming to be an investor in Altmore who had made an investment in Altmore in 2018, had received two payments of income in June and August of 2018 and then experienced a series of frustrated communications with McSevney wherein McSevney gave excuses as to why income payments had ceased and their principal could not be returned. This individual is a member of the six (6) person investment group that were referred to in the First Report.

V. SUMMARY OF FINDINGS

24. The Receiver received the transaction details from BMO for the accounts of ACI, IMAI and McSevney for the period May 1, 2014 to May 31, 2021 (the "Period"), along with the additional information obtained from BMO in respect of Altmore transactions.

25. Key findings of the Receiver are:

a) ACI Bank Accounts:

- (i) Paid the amount of \$55,500 to McMillans on Nov 9, 2017. The Receiver has written to McMillans to obtain details and is seeking further details of these payments from BMO to allow McMillans to more easily identify the transactions;
- (ii) Paid the amount of \$19,170.55 to James Deep Professional Corp (lawyer) on Mar 28, 2018;
- (iii) Paid McSevney the amount of \$35,411; and
- (iv) Paid Oanda the amount of \$52,000. Oanda is an online foreign currency exchange. The Receiver has written to Oanda requesting details and awaits their reply at the time of writing this Second Report.

b) IMAI Bank Accounts:

- (i) Paid CGFC the amount of \$49,291.35. As mentioned above, CGFC had also received the amount of \$57,089.90 from Altmore. The Receiver awaits further details from CGFC; and
 - (ii) Paid McSevney the amount of \$150,362.61.
- c) McSevney Bank Accounts:
- (i) As previously reported, McSevney received the amount of approx. \$1.4 million from Altmore.
 - (ii) McSevney sent wires totaling the amount of \$390,500 to the following:
 - 1. two payments in the amount of \$12,500 were wired to an investor;
 - 2. the amount of \$49,500 to McMillans LLP in Vancouver from account 3992-667 on Sep 28, 2017;
 - 3. the amount of \$316,000 to Oanda in 8 wires over 2017/2018; generally, funds would be transferred into his account from Altmore prior to sending these wires to Oanda; and
 - (iii) McSevney received the net amount of \$72,900 from Oanda
- d) InvestorLine Account: Per the InvestorLine Account summary, McSevney invested a gross amount of \$1,434,511 in this account; withdrew \$801,731; and appears to have lost the difference of \$632,779 in market value. The withdrawals went primarily to McSevney's personal bank accounts and a Mastercard account. It appears from a cursory review of these statements that McSevney was day trading using a margin account to increase the size of his trades.

26. Additional information obtained from BMO in respect of Altmore transactions indicate that the majority of the previously unknown receipts and disbursements were between Altmore and its investors.

VI. PROFESSIONAL FEES OF THE RECEIVER AND ITS LEGAL COUNSEL

27. As set out in the affidavit of Clark Lonergan of BDO sworn June 23, 2021 and attached hereto as **Appendix "F"**, professional fees of the Receiver incurred from May 25, 2021 to June 22, 2021 amount to 76.40 total hours, fees of \$27,277.00 (at an average hourly rate of \$357.03) and disbursements of \$3,120.00 (before H.S.T.)
28. As set out in the affidavit of Gregory Azeff of Miller sworn June 23, 2021 and attached hereto as **Appendix "G"**, professional fees of the Receiver's counsel incurred from May 25, 2021 to June 22, 2021 amount to 29.2 total hours, fees of \$18,446.50 (at an average hourly rate of \$631.73) and disbursements of \$137.47 (before H.S.T.).

VII. VALRIDGE PROPERTY

29. It does not appear that there is any liquidity in the estate to fund further investigation or administration of the receivership proceeding. The sole significant asset under administration is McSevney's personal residence, located at 81 Valridge Drive, Ancaster, Ontario (the "**Valridge Property**"), as more particularly described in the First Report.

30. Pursuant to the June 9th Order, the Receiver was granted a charge against the Valridge Property as security for its fees and disbursements and those of its counsel. The Receiver was also authorized to register the Interim Receivership Order (and/or any other Orders made in this proceeding) against the Valridge Property.
31. The Receiver seeks authority to register a charge against the Valridge Property in order to secure its fees and disbursements and those of its legal counsel.

VIII. CONCLUSION AND RECOMMENDATIONS

32. Based on the analysis performed by the Receiver to-date on the bank accounts of Altmore, AIC, IMAI and McSevney, it does not appear that investor funds were being invested in mortgages. The Receiver has not seen any direct investments being made, nor has it seen any proof of an income stream coming from a portfolio of mortgages.
33. The integration of investor monies into McSevney's personal day-to-day banking is of concern.
34. McSevney's lack of cooperation is also of concern.
35. Based on the foregoing, the Receiver respectfully recommends and requests that the Court issue an order(s) providing the following relief:
 - a) Approving this Second Report including the actions and activities of the Receiver and Miller as set out herein;
 - b) Approving the professional fees of the Receiver and its legal counsel as detailed in the affidavits of Clark Lonergan and Gregory Azeff;
 - c) Authorizing the Receiver to register a charge against the Valridge Property in the amount of its unpaid fees and disbursements;
 - d) Discharging the Receiver; and
 - e) Such further relief as the Court deems appropriate.

All of which is respectfully submitted on the 23rd day of June, 2021.

BDO Canada Limited
in its capacity as Court-Appointed Receiver of
Altmore Mortgage Investment Corporation
and not in its personal or corporate capacity



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

TAB A

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

THE HONOURABLE) TUESDAY, THE 25TH
JUSTICE DUNPHY) DAY OF MAY, 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)*

**INTERIM ORDER
(appointing Receiver)**

THIS MOTION made by the Applicants 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”) appointing BDO Canada Limited as receiver (in such capacity, the “Receiver”) without security, of all of the assets, undertakings and properties of Altmort Mortgage Investment Corporation (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Monica Matta sworn May 14, 2021 and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, and Mr. Ian McSevney for the Respondent, and on reading the consent of BDO Canada Limited to act as the Receiver,

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.

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 the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, including property held by the Debtor in trust for any third party (collectively, the “Property”), for a period of 30 days from the date hereof (the “Initial Appointment Period”) unless further extended by the Court, for the purpose of investigating the Debtor’s business and affairs in accordance with the terms of this Order, and for greater certainty, shall not manage the business of the Debtor. The Receiver shall within the Initial Appointment Period file with the Court a written report on such investigation and findings as well as its recommendations.

3. THIS COURT ORDERS that the Receiver shall not take possession of or exercise control over, and shall not be deemed to have taken possession of or to have exercised control over the

business or assets of the Debtor, including without limitation, the Property, without further Order of the Court.

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to enter into the Debtor's business premises during regular business hours and examine and make copies of any document or record, in paper and electronic format;
- (b) to have access to all electronic storage and record databases, including but not limited to, icloud, email inboxes, dropbox, and to examine and make copies of any document or record contained therein;
- (c) to review and investigate the books, records, and financial affairs in electronic form or otherwise, including without limitation, banking and investment records, of the Debtor;
- (d) to review and investigate all monies flowing in and out of the Debtor, including but not limited to, all receipts and disbursements, all accounts payable and receivable of the Debtor;

- (e) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (f) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (g) to deliver notices of examination to and examine any person (including, without limitation, Ian McSevney and any other officer or director of the Debtor) under oath regarding the business and affairs of the Debtor; and
- (h) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person, provided that nothing contained herein shall prevent the Respondent from retaining copies of the Records (as defined below) or proposing a resolution to the Respondent's stakeholders.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “Persons” and each being a “Person”) shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request,

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “Records”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a “Proceeding”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO INTERFERENCE WITH THE RECEIVER

9. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

10. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

11. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for

herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

LIMITATION ON ENVIRONMENTAL LIABILITIES

12. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “Possession”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “Environmental Legislation”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

13. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order

shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

14. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

15. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

16. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

SERVICE AND NOTICE

17. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<<https://www.bdo.ca/en-ca/extranets/altmoremortgage/>>’.

18. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

19. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

20. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

21. 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.

22. 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.

23. THIS COURT ORDERS that the Applicants shall have their costs of this motion, up to and including entry and service of this Order, on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate *pro rata* with amounts secured by the Receiver's Charge.

24. 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.

25. THIS COURT ORDERS that the parties shall attend before the Court ^{via Zoom} on Friday June 25, 2021 at 10 am EST for the purpose of, among other things, determining any next steps in this proceeding.

A handwritten signature in black ink, appearing to read "A. D. [unclear]", is written over a horizontal line. The signature is stylized and includes a long, sweeping underline that extends to the right.

**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

INTERIM ORDER

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Lawyers for the Applicants

TAB B

**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

TAB C

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF SECTION 248 (3) OF THE BUSINESS CORPORATIONS ACT (ONTARIO), R.S.O., 1990
c.B-16, AS AMENDED;

IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.
1990 c.C-43, AS AMENDED

B E T W E E N:

MONICA MATTA AND MARK AMELLO

Applicant

- and -

ALTMORE MORTGAGE INVESTMENT CORPORATION

Respondent

FIRST REPORT OF BDO CANADA LIMITED
IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
ALTMORE MORTGAGE INVESTMENT CORPORATION

JUNE 7, 2021

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APPENDICES

APPENDIX "A" – Receivership Order dated May 25, 2021

APPENDIX "B" – Endorsement of J. Dunphy dated May 25, 2021

APPENDIX "C" – Affidavit of M Matta sworn May 14, 2021

APPENDIX "D" – Altmore MIC Advertisement on Equity Net

APPENDIX "E" – Receiver's E-Mail dated May 25, 2021 including initial information request

APPENDIX "F" – Ian McSevney's E-mail dated May 26, 2021

APPENDIX "G" – Receiver's Counsel Letter to Mr. McSevney dated May 28, 2021

APPENDIX "H" – Receiver's Counsel Letter to Mr. Kyle dated June 2, 2021

APPENDIX "I" – Parcel Register for Blair Property

APPENDIX "J" – Corporate Profile Report of 9584285 Canada Inc.

APPENDIX "K" – Parcel Register for Valridge Property

APPENDIX "L" – Preliminary Summary of Transactions in Altmore Account

APPENDIX "M" – TFSA Purchases

APPENDIX "N" – Vehicle Purchase Payments

APPENDIX "O" – RBC Loan Payment

APPENDIX "P" – Payments to Margaret McSevney

APPENDIX "Q" – Payments to Linda McSevney

I. INTRODUCTION

1. Pursuant to an order (the "Receivership Order") of the Honourable Mr. Sean F. Dunphy J. of the Ontario Superior Court of Justice Commercial List (the "Court") dated May 25, 2021 (the "Date of Appointment"), BDO Canada Limited ("BDO") was appointed as Receiver on an interim basis (the "Receiver") of all of the assets, properties and undertakings (collectively, the "Property") of Altmore Mortgage Investment Corporation ("Altmore" or the "Company") for a period of 30 days (the "Initial Appointment Period") pursuant to section 248 (3) of the Business Corporations Act (Ontario), R.S.C. 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"). A copy of the Receivership Order is attached hereto as Appendix "A". A copy of the Endorsement of Justice Dunphy dated May 25, 2021 is attached hereto as Appendix "B".

II. PURPOSE OF REPORT

2. This first report of the Receiver (the "First Report") is filed in support of the Receiver's first motion to the Court returnable June 9, 2021. The purpose of this First Report is to:
 - a) Provide this Court with certain information pertaining to the receivership, including:
 - (i) Altmore's background, current operations and certain facts leading up to the appointment of the Receiver;
 - (ii) Receiver's activities to date;
 - a. Correspondence with Mr. Ian McSevney ("Mr. McSevney");
 - b. Correspondence with Bank of Montreal;
 - c. Correspondence with Kyle & Associates;
 - d. Other activities; and
 - (iii) Summary of findings.
 - b) Recommend that this Court make an Order:
 - (i) Approving this First Report including the actions and activities of the Receiver set out herein;
 - (ii) Directing Mr. McSevney to provide the Receiver a full detailed accounting of receipts and disbursements made in relation to the Property, a comprehensive listing of Altmore's mortgage investments, a comprehensive list of Altmore's investees, as well as any of Altmore's books and records in his possession; and
 - (iii) Directing Bank of Montreal to freeze and provide bank statements for the past seven (7) years for the following bank accounts known to have received funds from Altmore:
 1. 3319 1004-776 (Independent Mortgage Advisors Inc.)

2. 3319 8985-220 (Independent Mortgage Advisors Inc.)
3. 3319 1996-816 (Altmore Capital Inc.)
4. 3319 3992-667 (Ian McSevney)
5. 3319 3989-839 (Ian McSevney)
6. 3319 399-922 (Christie Briyer Ward-McSevney); and
7. 2922 3994-881 (Elaine McSevney).

- (iv) Directing Canaccord Genuity to freeze and provide statements for the TFSA accounts of Ian McSevney (TCN-41P-993V1) and Christie Ward-McSevney (TCN-41R-021V1);
- (v) Expanding the scope of the receivership proceeding to include Ian Ross McSevney, Altmore Capital Inc. and Independent Mortgage Advisors Inc. as additional “Debtors” under the Receivership Order;
- (vi) Authorizing the Receiver to register the Receivership Order (and any other Orders made in this proceeding) against title to the condominium unit owned by Ian McSevney and Christie Ward-McSevney at the property municipally known as 81 Valridge Drive, Ancaster, Ontario (the “Valridge Property”); and
- (vii) Authorizing, but not obligating, the Receiver to assign any of Altmore, Altmore Capital Inc. and Independent Mortgage Advisors Inc. into bankruptcy.

III. QUALIFICATIONS

3. In preparing this First Report, the Receiver has relied upon financial information provided to it by the Bank of Montreal (“BMO”) and certain other parties (the “Information”). The Receiver has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided, and in consideration of the nature of the evidence provided to this Court, in relation to the relief sought therein. The Receiver has not, however, audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards (“GAAS”) pursuant to the Canadian Institute of Chartered Accountants Handbook and, as such, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
4. Unless otherwise noted, all monetary amounts contained in this First Report are expressed in Canadian dollars (“CAD”).

IV. BACKGROUND AND EVENTS LEADING TO THE APPOINTMENT OF THE RECEIVER

5. The application for the appointment of a receiver was brought by Ms. Monica Matta and Mr. Mark Amello, who are investors in Altmore. Ms. Matta swore an affidavit dated May 14, 2021 (the “Matta Affidavit”) in support of that

application which sets out events that led to the need for the Receiver. A copy of the Matta Affidavit (without exhibits) is attached hereto as Appendix "C".

6. For a more detailed explanation of the Company's background and events leading to the appointment of the Receiver, readers are directed to the full motion record, including the entire Matta Affidavit with exhibits, which can be found at [http://www. https://www.bdo.ca/en-ca/extranets/altmore-mortgage-investment-corporation](http://www.https://www.bdo.ca/en-ca/extranets/altmore-mortgage-investment-corporation) (the "Receiver's Website").
7. This First Report and all other court materials and orders issued and filed in these receivership proceedings are available on the Receiver's Website and will remain available for a period of six (6) months following the Receiver's discharge.

Company Overview & Corporate Structure

8. It is the Receiver's understanding that Altmore is a privately-owned Ontario corporation which had its offices in a shared office environment operated by I.Q. Offices at 200-250 University Avenue, Toronto, Ontario.
9. It is the Receiver's understanding that Altmore sought investment capital from investors that would in-turn be invested in a portfolio of mortgages. Investors expected to earn rate of return in excess of 10% either through monthly dividend payments from Altmore or through a dividend re-investment program. Attached as Appendix "D" is an advertisement found at <https://www.equitynet.com/c/altmore-mortgage-investment-corporation> which sets out Altmore's mandate, targeted towards U.S. investors in this case.
10. The Receiver is aware that Altmore Capital Inc. and Independent Mortgage Advisors Inc. are corporate entities that have or had an affiliation with Altmore, as more particularly described in the Matta Affidavit.

Events Leading to Appointment of a Receiver

11. The Receiver understands that Ms. Matta and other family members had invested substantial sums of money in Altmore between 2015 and 2018 and had been receiving their monthly dividend payments until May of 2019. Thereafter, Ms. Matta's numerous requests to Mr. McSevney for explanations regarding the discontinuance of dividends and reports on the status of her investments largely went unanswered.
12. An additional investor in Altmore, Ms. Luz Elena Jiminez of Mississauga, Ontario, filed a supplementary motion record containing her sworn affidavit dated May 20, 2021 wherein she outlines a similar experience to that of Ms. Matta concerning her communications with Altmore and Mr. McSevney in respect of her investment in Altmore.
13. As a result of the above, Ms. Matta and Mr. Amello applied to the Court for an Order appointing a receiver over Altmore on an interim basis.

V. ACTIVITIES OF THE RECEIVER

Communications with Mr. McSevney

14. Immediately upon the conclusion of the Court hearing wherein the Receiver was appointed, it was agreed between the Receiver and Mr. McSevney that a conference call would be held at 8:30 AM on Wednesday, May 26, 2021 (the "Initial Call") to review the Receiver's mandate and initial information request with Mr. McSevney.
15. The Receiver followed up that discussion with an email to Mr. McSevney to confirm the call for May 26th and attached thereto a list of initial information requirements (subsequently updated, the "Initial Request") for Mr. McSevney to assemble. A copy of the Initial Request is attached hereto as Appendix "E".
16. At 8:22 AM on May 26, 2021, Mr. McSevney sent the Receiver an email, attached hereto as Appendix "F", wherein he indicated that the Initial Call would have to be deferred until likely Friday as he needed more time to assemble the requested information in the Initial Request and that he was going to enlist the assistance of an accountant and counsel. He did however confirm the banking information for Altmore's bank account at BMO. This is the last communication the Receiver has had from Mr. McSevney, despite the Receiver sending two follow-up emails and attempting to reach Mr. McSevney by telephone.
17. The Receiver notified Mr. McSevney by email that the Initial Call could be rescheduled to 9:00 AM on Friday, May 28, 2021 and sent Mr. McSevney a revised calendar appointment. Mr. McSevney did not accept the calendar appointment or attend the rescheduled call.
18. Thus, on May 28, 2021, the Receiver's counsel sent Mr. McSevney a letter (the "Legal Letter") by email to compel cooperation and a response to the Initial Request. A copy of the Legal Letter is attached hereto as Appendix "G". As at the date of this First Report, Mr. McSevney has not responded to the Legal Letter.

Correspondence with Bank of Montreal

19. On May 25, 2021, the Receiver emailed a letter to the BMO branch in Ancaster, Ontario at which Altmore held its bank account, namely 3319-1998643 (the "Altmore Account") to notify BMO of the receivership and request, inter alia, all historical bank statements and that the account be frozen.
20. BMO has complied with the Receiver's request and provided seven years (May 2014 – May 2021) of bank statements for the Altmore Account.
21. BMO confirmed that the Altmore Account is the sole account held by Altmore at BMO.
22. The Receiver has conducted an initial review of the transactions in the Altmore Account and a summary of its findings is outlined below.

Correspondence with Kyle & Associates

23. In the course of its review of the Altmore Account statements, the Receiver identified transfers to 5 different law firms totaling \$528,000. Such transfers include 10 transfers in an aggregate amount of \$343,801.56 made between August 23, 2016 and August 31, 2018 to Kyle & Associates, which the Receiver understands acted as legal counsel to Altmore and Mr. McSevney.
24. On June 2, 2021, the Receiver sent a letter to Mr. Alex Kyle of Kyle & Associates advising of the receivership and requesting certain information and documents. A copy of the letter dated June 2, 2021 to Mr. Kyle is attached hereto as Appendix "H".
25. On June 3, 2021, Mr. Kyle contacted the Receiver's counsel by telephone. In the course of the call, Mr. Kyle advised that, of the amounts referenced in the letter dated June 2, 2021:
- a) An amount of \$125,000 was paid to Mr. McSevney;
 - b) One or two of the transfers may have been used for mortgage investments; and
 - c) The balance of the transferred amounts were used to either settle pending litigation or satisfy outstanding judgments against Altmore and/or Mr. McSevney.
26. Mr. Kyle advised that the records relevant to the payments described above have been placed into offsite long-term storage. The Receiver has requested that Mr. Kyle retrieve and forward such records to the Receiver. Mr. Kyle has advised that such retrieval will take approximately one week.

Blair Property

27. As more particularly described in the Matta Affidavit, the Corporate Profile Reports for Altmore and its affiliates refer to Mr. McSevney's home address as 148 Blair Lane in Ancaster, Ontario (the "Blair Property"). A copy of the Parcel Register dated May 19, 2021 in respect of the Blair Property is attached hereto as Appendix "I".
28. The Blair Parcel Register indicates an unusual transaction history in respect of the Blair Property:
- a) The Blair Property was acquired by Mr. McSevney and Christie Ward-McSevney on April 24, 2003;
 - b) On June 2, 2006, Mr. McSevney and Christie Ward-McSevney transferred the Blair Property to Elaine Karen McSevney;
 - c) On January 7, 2011, Elaine Karen McSevney transferred the Blair Property to John Urquhart;
 - d) On August 31, 2016, John Urquhart transferred the Blair Property to Mr. McSevney;

- e) On August 31, 2016, Mr. McSevney transferred the Blair Property to 9584285 Canada Inc. ("958"), a corporation that was controlled by Mr. McSevney; and¹
- f) On December 16, 2019, 958 transferred the Blair Property to Sandro Cioci, with whom the Receiver is not familiar.

29. In light of the numerous related-party transactions described above as well as the timing thereof, the Receiver intends to seek additional information in respect of same.

Valridge Property

30. The Receiver understands that Mr. McSevney currently resides at the Valridge Property. A copy of the Parcel Register dated May 19, 2021 in respect of the Valridge Property is attached hereto as Appendix "K". The Parcel Register indicates that Mr. McSevney and Christie Ward-McSevney purchased the Valridge Property on March 29, 2018.

31. In light of the numerous payments made by Altmore to (or for the personal benefit of) Mr. McSevney and/or Christie Ward-McSevney, the Receiver requests and recommends that it be authorized to register the Receivership Order (or any other Orders made in this proceeding) against the Valridge Property, in order to temporarily preserve any value for the benefit of Altmore's investors and other creditors.

Communications from Investors

32. On June 5, 2021, the Applicant in this proceeding, Ms. Monica Matta, received a communication from another investor in Altmore, and provided a copy of same to the Receiver's counsel. In such communication, the investor advised that he, as well as 6 to 7 others, have funds invested in Altmore and have also not received any payments on their investments in 2 years.

33. The Receiver intends to contact to this particular investor, as well as obtain the contact details for the 6-7 other investors referenced in his communication, in order to keep the investors apprised of the developments in this receivership proceeding.

Other Activities

34. Other activities performed by the Receiver upon its appointment include:

- a) Contacting I.Q. offices to enquire on Altmore's current status with the office sharing service. The Receiver was awaiting a response from I.Q. at the time of writing this First Report;
- b) Contacting Chaitons LLP regarding fund transfers made from Altmore;

¹ A copy of a corporate profile report dated June 6, 2021 in respect of 958 is attached hereto as Appendix "J". The report indicates that 958 was dissolved for non-compliance on November 17, 2018.

- c) On-going communication with Receiver's counsel in connection with various aspects of the Receivership proceedings;
- d) Performing searches of publicly available information in respect of Mr. McSevney, Altmore and other parties related to them;
- e) Engaged Miller Thomson LLP as its counsel;² and
- f) Preparing this First Report.

VI. SUMMARY OF FINDINGS

35. The Receiver received the transaction details from BMO for the Altmore Account in both pdf statement and Excel form for the period May 1, 2014 to May 31, 2021 (the "Period"). Analyzing the Excel format, the Receiver has prepared a preliminary summary of transactions, attached hereto as Appendix "L".

36. Key findings of the Receiver are:

- a) A total of approximately \$7.2 million has been transacted through the Altmore Account over the Period;
- b) Gross investments from investors appears to be \$4.53 million. However, this amount could be as high as \$6.26 million, depending on the actual source of unidentified deposits;
- c) Payments of \$3.3 million have been made to investors. The true amount may be higher, depending on the nature of the unknown payments that total \$587,000. The Receiver is not able to discern between interest payments and return of capital at this time;
- d) Mr. McSevney has thus far failed to cooperate with the Receiver. In particular, Mr. McSevney has failed to provide any documentation or other verifiable information with respect to any mortgage investments made by Altmore;
- e) Net funds totaling \$240,000 were transferred to Independent Mortgage Advisors Inc. and Altmore Capital Inc., related entities;
- f) The Receiver has not been able to identify specific payments made to acquire mortgage investments. However, as noted above, payments to five (5) different law firms totaling \$528,000 were identified and the Receiver is investigating these payments;
- g) Mr. McSevney transferred a net sum of \$1.4 million to bank accounts held in his personal name;

² Miller Thomson LLP had previously acted as counsel to the Applicants in seeking the appointment of a receiver. In order to minimize costs, upon the appointment of the Receiver, Miller Thomson LLP resigned as counsel to the Applicants and has since acted solely for the Receiver.

- h) Expenses of a personal nature in the aggregate amount of \$164,000 were funded through the Altmore Account, including:
- (i) Two payments of \$50,000 each to TFSA accounts of Ian and Christie McSevney. Copies of the relevant bank drafts are attached hereto as Appendix "M";
 - (ii) Payments to auto dealers in the aggregate amount of \$40,133. Copies of the relevant bank drafts are attached hereto as Appendix "N";
 - (iii) Payment in the amount of \$2,856.42 to Royal Bank of Canada in respect of a loan in the name of Ian McSevney. A copy of the bank draft for this loan payment is attached hereto as Appendix "O"; and
 - (iv) Miscellaneous purchases of a personal nature such as fast-food restaurants, movies, personal grooming and shopping totaling \$21,093.
- i) Payments were made from the Altmore Account to Margaret McSevney totaling \$4,621.14. These payments were made in three money orders, for \$1,621.14, \$2,500 and \$500, and each money order referenced "I.McSevney" as the purchaser. Copies of these money orders are attached hereto as Appendix "P".
- j) A payment of \$631 was made to Linda McSevney by money order on September 23, 2015. A copy of the money order is attached hereto as Appendix "Q". The Receiver does not yet know the relationship between Mr. McSevney and each of Linda and Margaret McSevney.

XIV. RECOMMENDATIONS

37. Based on the foregoing, the Receiver respectfully recommends and requests that the Court issue an order(s) providing the following relief:
- a) Approving this First Report including the actions and activities of the Receiver set out herein;
 - b) Directing Mr. McSevney to immediately provide the Receiver a full detailed accounting of receipts and disbursements made in relation to the Property, a comprehensive listing of Altmore's mortgage investments, a comprehensive list of Altmore's investees, as well as any of Altmore's books and records in his possession;
 - c) Directing Bank of Montreal to freeze and provide bank statements for the previous seven (7) years for the following bank accounts known to have received funds from Altmore:
 - 1. 3319 1004-776 (Independent Mortgage Advisors Inc.)
 - 2. 3319 8985-220 (Independent Mortgage Advisors Inc.)
 - 3. 3319 1996-816 (Altmore Capital Inc.)

4. 3319 3992-667 (Ian McSevney)
 5. 3319 3989-839 (Ian McSevney)
 6. 3319 399-922 (Christie Briyer Ward-McSevney); and
 7. 2922 3994-881 (Elaine McSevney).
- d) Directing Canaccord Genuity to freeze the TFSA accounts of Ian McSevney (TCN-41P-993V1) and Christie Ward-McSevney (TCN-41R-021V1);
 - e) Expanding the scope of the receivership proceeding to include Ian Ross McSevney, Altmore Capital Inc. and Independent Mortgage Advisors Inc. as additional "Debtors" under the Receivership Order;
 - f) Authorizing, but not obligating, the Receiver to register the Receivership Order (and/or any other Order made in this proceeding) against title to the Valridge Property; and
 - g) Authorizing, but not obligating, the Receiver to assign any of Altmore, Altmore Capital Inc. and Independent Mortgage Advisors Inc. into bankruptcy.

All of which is respectfully submitted on the 7th day of June, 2021.

BDO Canada Limited
in its capacity as Court-Appointed Receiver of
Altmore Mortgage Investment Corporation
and not in its personal or corporate capacity



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

TAB D

**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 Altmore Mortgage Investment Corporation (“**Altmore**”), 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

MILLER THOMSON LLP

Scotia Plaza
40 King Street West
Suite 5800
Toronto Ontario
M5H 3S1, Canada

Gregory Azeff LSO#: 45324C

Email: gazeff@millerthomson.com
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Stephanie De Caria LSO#: 68055L

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Lawyers for the Receiver, BDO Canada Limited

TAB E

Garrafa, Shallon

From: Ng, Daisy (JUD) <Daisy.Ng@ontario.ca>
Sent: Wednesday, June 9, 2021 11:52 AM
To: Azeff, Gregory; pcrawley@bdo.ca; De Caria, Stephanie; clonergan@bdo.ca; mark_amello@hotmail.com; lonergan@bdo.ca; mdhaliwal@pallettvalo.com; monica_matta@hotmail.com; ian@mcsevney.com; ian@altmoremic.com
Subject: **[**EXT**]** MATTA v. ALTMORE MORTGAGE INVESTMENT CORPORATION, Court File No. CV-21-00662471-00CL
Attachments: Matta v Altmore - Signed order - 2021-06-09.pdf

Below is the endorsement of Justice Dunphy. As well, a signed order is attached.

Style of Cause:

Court File No. CV-21-00662471-00CL ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)
BETWEEN: 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)

Counsel:

MILLER THOMSON LLP Scotia Plaza 40 King Street West, Suite 5800 P.O. Box 1011 Toronto, ON Canada M5H 3S1 Greg Azeff LSO#: 45324C gazeff@millerthomson.com Tel: 416.595.2660/Fax: 416.595.8695
Stephanie De Caria LSO#: 68055L sdecaria@millerthomson.com Tel: 416.595.2652/Fax: 416.595.8695
BDO CANADA LIMITED 25 Main Street West, Suite 805 Hamilton, Ontario L8P1H1 Peter Crawley pcrawley@bdo.ca Tel: 289.678.0243 / Fax: 905.570.0249 Clark Lonergan clonergan@bdo.ca Tel: 647 730 0934 / Fax: 416 865 0904 Interim Receiver

MONICA MATTA and MARK AMELLO 2550 Thomas Street, Unit 80 Mississauga, ON LSM 5N8 Email: monica_matta@hotmail.com Email: mark_amello@hotmail.com Applicants

PALLET VALO LLP Lawyers & Trade-Mark Agents 77 City Centre Drive, west Tower Suite 300 Mississauga, Ontario L5B 1M5 Monty Dhaliwal LSO#: 65124N mdhaliwal@pallettvalo.com Tel: 905 273-3300
gazeff@millerthomson.com; sdecaria@millerthomson.com; pcrawley@bdo.ca; lonergan@bdo.ca; mdhaliwal@pallettvalo.com; monica_matta@hotmail.com; mark_amello@hotmail.com; ian@mcsevney.com; ian@altmoremic.com

Endorsement: This endorsement and the order I am making today relate to the receivership order I made on May 25, 2021. Mr. McSeveney was present at that hearing and promised to co-operate with the receivership that I put in place at the end of that hearing. Unfortunately, chose to withhold his cooperation almost immediately thereafter. The Receiver has had limited success in finding the investors' funds that have gone missing but the Receiver has located very significant transfers of funds that have taken place – including material transfers to Mr. McSeveney and his wife from the corporate accounts. In all of the circumstances, I agree with the Receiver that the assets and accounts identified have been shown to be recipients of significant funds withdrawn in thus-far unexplained circumstances but which – given all that has been uncovered thus far as outlined in the Receiver's First Report plus my initial endorsement – raise a reasonable suspicion that investor funds may have been transferred to those accounts. An order expanding the receivership to the relevant corporate entities and freezing the identified accounts appears justified to me.

Ms. McSeveney has not yet been served. The only asset of hers being frozen at this time is a TFSA account which received an unexplained \$50,000 transfer (along with Mr. McSeveney). She needs to be served with the motion record, the order I am making today plus this endorsement without delay.

Order signed by me with minor alterations made by me during the course of the hearing. The copy of the May 25 order attached is to be attached to today's order as an appendix thereto.

S.F. Dunphy J

Justice Sean F. Dunphy
Superior Court of Justice
361 University Avenue
Toronto, ON
M5G 1T3

Please confirm receipt of the endorsement plus order.

Blind copies are provided to relevant Commercial Court Staff for their record purposes.

Daisy Ng
Judicial Assistant to Justices Low, Stinson, Horkins, Dunphy & Davies
Superior Court of Justice
Courthouse
361 University Avenue
Toronto, ON M5G 1T3

This communication is intended only for the party/parties to whom it is addressed, and may contain information which is privileged or confidential. Any other delivery, distribution, copying or disclosure is strictly prohibited and is not a waiver of privilege or confidentiality. If you have received this telecommunication in error, please notify the sender immediately by return electronic mail and destroy the message from your In folder and Delete folder.

Special notes to counsel: On occasion, a judge may communicate via email directly with counsel to obtain an answer, to set up an appointment on a particular issue, or to expedite communication. Counsel shall only communicate with the judge directly on that particular issue or per that particular direction. The judge's email address should be kept confidential and should not be passed to your assistant or other personnel, in order to prevent them inadvertently communicating with the judge directly. Should you need to pass any communications to your client(s), you must make sure that the judge's email address is not disclosed to your client(s).

[EXTERNAL EMAIL / COURRIEL EXTERNE]

Please report any suspicious attachments, links, or requests for sensitive information.

Veillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspects.

TAB F

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

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

**IN THE MATTER OF THE RECEIVERSHIP OF ALTMORE MORTGAGE
INVESTMENT CORPORATION, ALTMORE CAPITAL INC., INDEPENDENT
MORTGAGE ADVISORS INC. AND IAN ROSS MCSEVNEY
OF THE TOWN OF ANCASTER
IN THE PROVINCE OF ONTARIO**

AFFIDAVIT OF CLARK LONERGAN
(sworn June 23, 2021)

I, **CLARK LONERGAN**, of the town of Richmond Hill, in the Province of Ontario, **MAKE OATH AND SAY** that:

1. I am a Senior Vice President of BDO Canada Limited ("**BDO**") and, as such, I have knowledge of the matters hereinafter disposed to except where stated to be on information and belief, and whereso stated, I verily believe it to be true.
2. By order of the Honourable Justice Dunphy of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated May 25, 2021 (the "**Date of Appointment**") and subsequently modified by the Order of J. Dunphy dated June 9, 2021 (collectively the "**Receivership Orders**"), BDO was appointed receiver (the "**Receiver**") of all of the property, assets and undertakings (the "**Property**") of Altmore Mortgage Investment Corporation, Altmore Capital Inc., Independent Mortgage Advisors Inc. and Ian Ross McSevney (collectively the "**Debtors**"), pursuant subsection 248(3) of the *Business Corporations Act* (Ontario), R.S.O.1990 c.B-16, as amended, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, as amended.
3. On June 23, 2021, the Receiver finalized its Second Report to the Court in which it outlined its activities with respect to the investigation into the affairs of the Debtors as well as provided information with respect to the Receiver's fees and disbursement and those of its legal counsel.
4. Pursuant to the Receivership Orders, the Receiver has provided services and incurred disbursements in the amount of \$27,277.00 and \$3,120.00 (all excluding HST) respectively, for the period May 25, 2021 to June 22, 2021 (the "**Period**"). Attached hereto, as **Exhibit "A"**, is a true copy of the account rendered for the Period by BDO in its capacity as Receiver.
5. In the course of performing its duties pursuant to the Receivership Order, the Receiver's staff has expended a total of 76.4 hours during the Period. Attached hereto as **Exhibit "B"** to this Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the Receiver's appointment and the hours and applicable rates

claimed by the Receiver for the Period. The average hourly rate billed by the Receiver during the Period, net of courtesy discount, is \$357.03.

- 6. Miller Thomson LLP (“Miller”), as independent legal counsel to the Receiver, has provided legal services to the Receiver, rendered services throughout these proceedings in a manner consistent with the instructions of the Receiver and has prepared an affidavit with respect to the services rendered in the Period. The Receiver has reviewed the invoices rendered by Miller during the Period.
- 7. To the best of my knowledge, the rates charged by the Receiver and Miller are comparable to rates charged for the provision of similar services by other accounting and law firms in downtown Toronto.
- 8. I verily believe that the fees and disbursements incurred by BDO, in its capacity as Receiver, and Miller as independent legal counsel, are fair and reasonable in the circumstances.
- 9. This affidavit is sworn in connection with a motion for an Order of this Court to, among other things; approve the fees and disbursements of the Receiver and those of its legal counsel and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 23rd day of June 2021

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)



DocuSigned by:
Elsir Tawfik
4689CB CD348C412...

Commissioner for Taking Affidavits, etc

))

Clark Lonergan, CPA, CA, CIRP, LIT

This is **Exhibit "A"** referred to in the affidavit of

Clark Lonergan

Sworn before me this 23rd day of June 2021

DocuSigned by:
Elsir Tawfik
4689CBCD348C412...

A COMMISSIONER FOR TAKING AFFIDAVITS
ELSIR TAWFIK



Tel: 416 865 0210
 Fax: 416 865 0904
 www.bdo.ca

BDO Canada Limited
 20 Wellington Street E, Suite 500
 Toronto ON M5E 1C5 Canada

Strictly Private & Confidential

BDO Canada Limited
 Court Appointed Receiver of Altmortgage Investment Corp.
 20 Wellington Street East, Suite 500
 Toronto, Ontario M5H 1C5

Date	Invoice
June 22, 2021	#CINV1231192

RE *ALTMORTGAGE INVESTEMENT CORP. ("ALTMORTGAGE")*

TO OUR FEE FOR PROFESSIONAL SERVICES rendered from 25 May 2021 to 22 June in connection with our Receivership Engagement of the above-noted, as described below:

Our Fee	\$ 34,777.00
Less: Courtesy Discount	<u>(7,500.00)</u>
	27,277.00
Disbursements	
Document Retrieval	3,120.00
	<u>3,120.00</u>
Subtotal	30,397.00
HST 13.0% (#R101518124)	3,951.61
	<u>3,951.61</u>
Total	<u><u>\$ 34,348.61</u></u>

Summary of Time Charges:

	Hours	Rate	Amount
C. Lonergan, Partner	11.85	595.00	7,050.75
P. Crawley, Senior Manager	33.20	525.00	17,430.00
M. Macdonald, Senior Manager	3.85	525.00	2,021.25
D. Zheng, Manager	8.60	450.00	3,870.00
V. Caldwell, Senior Consultant	4.70	375.00	1,762.50
K. He, Consultant	4.10	275.00	1,127.50
Z. Fennema, Sr. Administrator	9.60	150.00	1,440.00
Administrative Support	0.50	150.00	75.00
	<u>76.40</u>		<u>\$ 34,777.00</u>



Date	Professional	Description	Hours
25-May-21	Clark Lonergan	Review of Court Materials and discussion with BDO re: the same and next steps, etc.	0.35
25-May-21	Peter Crawley	Review motion materials; attend zoom Court hearing; prepare list of initial information requests; prepare letter to BMO; discussions with G. Azeff, C. Lonergan and Z. Fennema.	2.0
25-May-21	Zack Fennema	Have IT create extranet webpage and upload additional documents for website; internal meeting and file review with partner; discuss new file with P. Crawley.	1.7
26-May-21	Peter Crawley	Prepare for call with I. McSevney; respond to request for more time; arrange fax to BMO and follow-up call to branch manager; update C. Lonergan.	0.5
28-May-21	Clark Lonergan	Follow up with BDO team re: outstanding items; review of legal correspondence, etc.	0.35
28-May-21	Peter Crawley	Discuss order compliance issues with C. Lonergan; prepare email to counsel.	0.2
31-May-21	Clark Lonergan	Follow up with Counsel and Bank re: outstanding documents, etc.	0.25
31-May-21	Peter Crawley	Review bank statements to determine format of analysis to be prepared; correspond with Bank of Montreal re: format of data.	1.5
1-Jun-21	Clark Lonergan	Analysis with regards to bank statements; various correspondence with legal counsel and other stakeholders and discussion with BDO team re: the same, etc.	1.25
1-Jun-21	Peter Crawley	Correspond with Bank of Montreal on information needs; review banking transaction detail and give Z. Fennema instructions on how to prepare accounting; discuss same with C. Lonergan; update G. Azeff and request preparation of information request; discussion with IQ property manager; drafting report; prepare task tracking list.	3.5
1-Jun-21	Zack Fennema	Organize bank statement data into summary; internal meeting about status and next steps.	1.4
2-Jun-21	Clark Lonergan	Analysis re: court report, review of draft court report and discussion with BDO team re: the same, etc.	1.0



Date	Professional	Description	Hours
2-Jun-21	Kristy He	Background research on individuals and related entities.	2.4
2-Jun-21	Peter Crawley	Review of bank account analysis and instruct Z. Fennema on necessary changes; drafting report; discussions with Z. Fennema and C. Lonergan.	3.0
2-Jun-21	Vanessa Caldwell	Discussion with Senior Manager and Consultant; perform Teranet names searches for McSevney in Ontario.	1.2
2-Jun-21	Zack Fennema	Review and organize bank statement data; create formulas and columns to extract data.	2.6
3-Jun-21	Clark Lonergan	Analysis re: court report, review of draft court report and discussion with BDO team re: the same, etc.	1.0
3-Jun-21	Doris Zheng	Telephone calls with C. Lonergan re: bank transaction spreadsheet; review and revise bank transaction spreadsheet and correspondence re: same.	2.0
3-Jun-21	Kristy He	Continuation of background research on individuals and related entities.	1.0
3-Jun-21	Michael Macdonald	Correspondence with BDO partner; conducted legal searches; onsite court searcher correspondence.	0.75
3-Jun-21	Peter Crawley	Review accounting report; notify counsel of related party payments; discuss with C. Lonergan.	3.0
3-Jun-21	Zack Fennema	Update Altmore bank statement analysis; call with P. Crawley.	0.6
4-Jun-21	Clark Lonergan	Analysis re: court report, review of draft court report and discussion with BDO team and counsel re: the same, etc.	1.5
4-Jun-21	Doris Zheng	Review and revise bank transaction spreadsheet; populate investor summary chart; correspondence re: same.	1.2
4-Jun-21	Michael Macdonald	Conducted online and database searches; correspondence with legal court searchers.	0.75
4-Jun-21	Peter Crawley	Call with counsel to discuss next steps; finalize report and related schedules; review D. Zheng edits to accounting; discuss same with C. Lonergan; prepare and send letters to Community Trust and Capital Growth Financial.	2.0



Date	Professional	Description	Hours
4-Jun-21	Zack Fennema	Review analysis with P. Crawley; follow up with companies for direct contacts.	1.1
6-Jun-21	Peter Crawley	Review motion materials; draft order and update report.	0.5
7-Jun-21	Clark Lonergan	Review of final analysis and finalizing the Court Report; review of motion materials, discussion with BDO team and counsel re: the same, etc.; review of court searches, etc.	1.5
7-Jun-21	Kristy He	Discussion with Senior Manager and Senior Consultant; prepare directorship document; research on related individual.	0.7
7-Jun-21	Michael Macdonald	Meeting with BDO staff; review search results; provide all results to BDO Partners.	0.4
7-Jun-21	Peter Crawley	Review counsel edits to report; make final revisions and sign off.	1.5
7-Jun-21	Vanessa Caldwell	Discussion with Senior Manager and Consultant regarding search results; conduct further results; prepare summary email; zip files.	3.1
7-Jun-21	Zack Fennema	Upload documents to extranet site and have calls with IT about ticket.	0.9
8-Jun-21	Michael Macdonald	Telephone calls with Court searchers; ordered court records.	0.2
8-Jun-21	Peter Crawley	Respond to M. Matta query; prepare list of additional transactions for Bank of Montreal to provide details.	1.5
9-Jun-21	Clark Lonergan	Attendance at Court, follow up with Bank and other stakeholders, re: expanded powers and additional entities, etc.	1.15
9-Jun-21	Michael Macdonald	Conducted online and database research; correspondence with court searchers; meeting with BDO staff.	0.75
9-Jun-21	Peter Crawley	Attend court hearing; prepare and send correspondence to Bank of Montreal and Canaccord Genuity; follow up correspondence with C. Lonergan.	1.5
10-Jun-21	Clark Lonergan	Follow up with Canaccord re: TSFA and review of correspondence re: the same, discussion with BDO team re: the same, etc.	0.5



Date	Professional	Description	Hours
10-Jun-21	Peter Crawley	Attend to having website updated with latest Order/Endorsement; review sample of significant transactions in bank statements of I. McSevney and query Bank of Montreal on recipients of substantial transfers.	1.5
10-Jun-21	Zack Fennema	Request personal contacts for correspondence of related companies; follow up to ensure email delivery.	0.7
11-Jun-21	Clark Lonergan	Follow up analysis from Bank of Montreal; investment account review, etc.	0.75
11-Jun-21	Peter Crawley	Receipt and review of documents from Bank of Montreal; instruct Z. Fennema on locating Tangerine contact details and drafting letter; various admin issues.	1.0
14-Jun-21	Doris Zheng	Telephone call with P. Crawley and C. Lonergan to discuss related party bank transactions, review all bank transaction activity and summarize, correspondence re: same, prepare summary charts for all bank accounts per P. Crawley.	5.4
14-Jun-21	Michael Macdonald	Meeting with BDO staff; review findings to date; conducted online and database research.	0.25
14-Jun-21	Peter Crawley	Telephone call with C. Lonergan and D. Zheng to discuss latest banking details and analysis required; review related company banking details and prepare summary; review transaction documents sent by Bank of Montreal; email from Capital Growth; email from another investor.	2.0
14-Jun-21	Vanessa Caldwell	Perform additional searches for Evan Urquhart.	0.4
14-Jun-21	Zack Fennema	Draft letter to Tangerine and communicate with Tangerine bank representative regarding the mortgaged property of I. McSevney.	0.6
15-Jun-21	Clark Lonergan	Review of Bank of Montreal information and funds analysis; correspondence with lawyers; financial institutions re: the same, etc.	0.75
15-Jun-21	Michael Macdonald	Correspondence with court searchers; review case results.	0.5
15-Jun-21	Michael Macdonald	Conducted online and database research; legal review.	0.25
15-Jun-21	Peter Crawley	Review documents from Bank of Montreal; finalize and send letter to Tangerine Bank re: mortgage balance outstanding;	2.0



Date	Professional	Description	Hours
		instruct counsel on 2nd letters to Community Trust and Capital Growth Financial.	
16-Jun-21	Peter Crawley	Analysis and discussion with C. Lonergan; review and update 2nd letters to Community Trust and Capital Growth.	0.5
17-Jun-21	Clark Lonergan	Review of follow up summary analysis following work completed since the last court appearance; discussion with BDO team and counsel re: the same, etc.	1.5
17-Jun-21	Peter Crawley	Review wire transfer documents; review Bank of Montreal InvestorLine statements; update to GA; call with GA and C. Lonergan to discuss next steps.	1.5
18-Jun-21	Peter Crawley	Prepare and send letters to Oanda and McMillans.	1.0
21-Jun-21	Peter Crawley	Drafting and finalizing the Second Report and fee affidavit, etc.	2.0
22-Jun-21	Peter Crawley	Drafting and finalizing the Second Report and fee affidavit, etc.	1.0

This is **Exhibit "B"** referred to in the affidavit of

Clark Lonergan

Sworn before me this 23rd day of June 2021

DocuSigned by:

Elsir Tawfik

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A COMMISSIONER FOR TAKING AFFIDAVITS

ELSIR TAWFIK

BDO CANADA LIMITED
IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF ALTMORE MORTGAGE INVESTMENT CORP.
TIME SUMMARY
For the period ended June 22, 2020

Personnel	Role	Rate (\$)	Hours	Amount (\$)
C. Lonergan	Partner, Overall responsibility for the mandate	\$ 595.00	11.85	\$ 7,050.75
P. Crawley	Senior Manager, management responsibility for the mandate	\$ 525.00	33.20	\$ 17,430.00
M. Macdonald	Senior Manager, management responsibility for forensic background searches	\$ 525.00	3.85	\$ 2,021.25
D. Zheng	Manager, day-to-day analysis of the financial information	\$ 450.00	8.60	\$ 3,870.00
V. Caldwell	Senior Consultant, day-to-day analysis of the background search information	\$ 375.00	4.70	\$ 1,762.50
H. He	Consultant, day-to-day analysis of the background search information	\$ 275.00	4.10	\$ 1,127.50
Z. Fennema	Senior Administrator, day-to-day analysis of financial information	\$ 150.00	9.60	\$ 1,440.00
Various Admin. Staff	Banking/payment processing/cash management functions/mailings, etc.	\$ 150.00	0.50	\$ 75.00
Subtotal - Fees			76.4	\$ 34,777.00
Less: Courtesy Discount				\$ (7,500.00)
Total - Fees				\$ 27,277.00
Avg. fee per hour				\$ 357.03
Out-of-pocket disbursements				
BMO document retrieval charges				\$ 3,120.00
Subtotal - Disbursements				\$ 3,120.00
Total Fees and Disbursements				\$ 30,397.00

* amounts noted above exclude HST

TAB G

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

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

B E T W E E N :

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)*

**AFFIDAVIT OF SHALLON GARRAFA
(Sworn June 23, 2021)**

I, SHALLON GARRAFA, of the City of Niagara Falls, in the Regional Municipality of Niagara, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an assistant with the law firm Miller Thomson LLP ("**MT**"), lawyers for BDO Canada Limited ("**BDO**") in its capacity as Court-appointed Receiver (in such capacity, the "**Receiver**") of all of the assets, properties and undertakings of Altmortgage Investment Corporation ("**Altmort**"), and as such, have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as **Exhibit “A”** is a true copy of the detailed invoice (the **“Invoice”**) issued to BDO by MT for fees and disbursements incurred by MT in the course of the proceedings between May 25, 2021 and June 22, 2021 (the **“Appointment Period”**). The total fees charged by MT during the Appointment Period were \$18,446.50, plus Disbursements in the amount of \$137.77, plus Harmonized Sales Tax (HST) in the amount of \$2,407.47 for a total of \$20,991.74.
3. The Invoice is a fair and accurate description of the services provides and the amounts charged by MT.
4. Attached hereto as **Exhibit “B”** is a schedule summarizing the Invoice in Exhibit “A”, the total billable hours charged, the total fees charged and the average hourly rate. The average hourly rate during the Appointment Period was \$631.73.
5. Attached hereto and marked as **Exhibit “C”** is a schedule summarizing the billing rates, year of call, total hours and total fees charges for each lawyer and Law Clerk that has completed work on this file during the Appointment Period.
6. Barring unforeseen circumstances, I estimate that the costs to complete all the work relating to these proceedings will not exceed \$5,000.00 (including HST).
7. To the best of my knowledge, the rates charged by MT throughout the course of the Appointment Period is comparable to those charged by other law firms in Toronto for the provision of similar services.
8. The hourly billing rates outlined in Exhibit “C” to this affidavit are comparable to the hourly rates charged by MT for services rendered in similar proceedings.
9. I make the affidavit in support of a motion by the Applicants for, among other things, approval of the fees and disbursements of the Receiver’s counsel.

SWORN by Shallon Garrafa of the City of Niagara Falls, in the Regional Municipality of Niagara, before me at the Town of Milton, in the Province of Ontario, on June 23, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Asim Iqbal

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Commissioner for Taking Affidavits
(or as may be)

ASIM IQBAL

DocuSigned by:

Shallon Garrafa

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SHALLON GARRAFA

This is **Exhibit “A”** referred to in the Affidavit of SHALLON GARRAFA sworn June 23, 2021.

DocuSigned by:

Asim Iqbal

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Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

Account Summary and Remittance Form

June 23, 2021

Invoice Number 3633967

BDO Canada Limited
25 Main Street West, Suite 805
Hamilton, ON L8P 1H1

Attention: Peter Crawley

**Re: Receivership of Altmore Mortgage Investment Corp
Our File No. 0261703.0001**

Fees:	\$18,446.50
Disbursements:	\$137.77
Ontario HST 13% (R119440766)	\$2,407.47
Total Amount Due	\$20,991.74



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
SCOTIA PLAZA
40 KING STREET WEST, SUITE 5800
P.O. BOX 1011
TORONTO, ON M5H 3S1
CANADA

T 416.595.8500
F 416.595.8695

MILLERTHOMSON.COM

June 23, 2021

Invoice Number 3633967

BDO Canada Limited
25 Main Street West, Suite 805
Hamilton, ON L8P 1H1

Attention: Peter Crawley

To Professional Services Rendered in connection with the following matter(s) including:

**Re: Receivership of Altmore Mortgage Investment Corp
Our File No. 0261703.0001**

Date	Initials	Description	Hours
05/26/2021	GRA	Review, consider and respond to correspondence; Telephone call with S. De Caria regarding next steps;	0.20
05/28/2021	GRA	Review, consider and respond to correspondence; Draft letter to debtor;	0.40
06/01/2021	GRA	Telephone call with P. Crawley regarding bank statements; Review and consider BMO statements; Telephone call with S. De Caria regarding statements and next steps;	0.80
06/01/2021	SDC	Conference call with G Azeff to discuss status of investigation and bank statements; consider and discuss next steps;	0.40
06/02/2021	SDC	Review letter to counsel re: Transfers; review draft Ordrs and endorsements; revisions to draft letter and emails with G Azeff re same; emails re instructions; review emails from client re: Transfer and next steps; conference call with G Azeff re: same and next steps;	1.50
06/02/2021	GRA	Review and consider bank statements: Draft letter; Telephone call with S. De Caria regarding various issues:	1.20
06/03/2021	SDC	Review emails from Receiver re: status of transfers;	0.50



Date	Initials	Description	Hours
		review analysis and investigation information from receiver; email exchanges with G Azeff and Receiver re: conference call;	
06/03/2021	GRA	Multiple telephone calls with C. Lonergan; Review and consider bank statements; Multiple telephone calls with S. De Caria regarding next steps; Telephone call with A. Kyle regarding transfers; Research regarding various issues;	1.10
06/03/2021	DS	Receipt of instructions; conducting subsearch of 1291 Underwood Drive, Mississauga;	0.40
06/04/2021	SDC	Review emails from clients and prepare for conference call; review first report of receiver; conference call with clients and G AZeff; conference call with G Azeff re status and next steps; emails re motions and scheduling	1.30
06/04/2021	GRA	Review, consider and respond to correspondence; Review analysis from P. Crawley; Review and consider draft Report; Prepare for and attend conference call with BDO; Telephone call with S. De Caria regarding tasks for weekend; Consider relief to be sought at next attendance: Drafting Motion materials;	3.40
06/06/2021	GRA	Drafting Motion materials; Review and revise First Report;	2.70
06/07/2021	SDC	Review emails and correspondence; review draft materials; emails to M Matta; emails to Receiver; discussions with G Azeff re motion; attend to all matters re: motion including review reports, drafting, motion record and revisions;	3.50
06/07/2021	GRA	Review, consider and respond to correspondence; Review and revise final drafts of court materials;	1.40
06/08/2021	SDC	Review emails re: motion and discuss same with G Azeff;	0.30
06/08/2021	GRA	Review, consider and respond to correspondence; Review record and prepare for motion;	0.40
06/09/2021	SDC	Attendance on Receiver's first motion to court re: expansion of receivership; review Order; review emails	0.70

Please return the Account Summary and Remittance Form with your payment.

Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.



Date	Initials	Description	Hours
		re same;	
06/09/2021	GRA	Prepare for and attend motion before Dunphy J.; Telephone call with S. De Caria regarding next steps; Telephone call with C. Lonergan and P. Crawley regarding next steps; Review endorsement and order; Instructions regarding service to C. Ward McSevney; Review, consider and respond to correspondence;	1.30
06/10/2021	SDC	Review email from P Crawley re: service of record and order; email exchange with P Crawley and G Azeff re same; review reporting re: TFSA	0.30
06/10/2021	GRA	Review, consider and respond to correspondence; Review and consider information from M. Matta; Telephone call with S. De Caria regarding various issues; Review investigation report;	0.50
06/11/2021	RA	Drafting Application to Register Court Order; reviewing and responding to email; attending to registration of Application	0.50
06/11/2021	SJC	Receipt and review of application to register court order; sign same for completeness in Teraview;	0.30
06/11/2021	GRA	Review, consider and respond to correspondence; Arrange for registration of Order; Telephone call with P. Crawley; Multiple telephone calls with S. De Caria regarding various issues;	0.50
06/11/2021	SC	Review email from S. Garrafa regarding registration of court order; correspondence with G. Azeff regarding registration of court order; review legal description of lands in court order; check title regarding PIN for lands described in court order; correspondence with G. Azeff regarding legal description in order versus title; correspondence with S. J. Chaimberg regarding application to register court order and form.	0.50
06/14/2021	GRA	Instructions to S. Garrafa regarding motion; Review endorsement; Consider relief to be sought;	0.40
06/16/2021	GRA	Draft letter to Community Trust; Draft letter to CHFG; Draft email to Alex Kyle; Telephone call with M. Matta regarding endorsement; Review, consider and respond to correspondence;	0.90

Please return the Account Summary and Remittance Form with your payment.

Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.



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Page 4

Invoice 3633967

Date	Initials	Description	Hours
06/17/2021	GRA	Review, consider and respond to correspondence; Conference call with clients; Consider various issues;	0.70
06/18/2021	GRA	Telephone call with R. Suchet;	0.40
06/21/2021	GRA	Review, consider and respond to correspondence; Telephone call with P. Crawley; Consider notice of motion and relief sought;	1.20
06/22/2021	GRA	Review, consider and respond to correspondence; Review and revise draft Report; Review and revise draft Notice and Order;	1.50
Total Hours			29.20

Our Fee: 18,446.50

TK ID	Initials	Name	Title	Rate	Hours	Amount
02043	DS	D. Sparrow	Paraprofession al	\$250.00	0.40	\$100.00
00991	GRA	G. Azeff	Partner	\$760.00	19.00	\$14,440.00
05721	RA	R. Armstrong	Paraprofession al	\$150.00	0.50	\$75.00
02488	SC	S. Crisp	Assistant Director, Professional Resources – Parap	\$465.00	0.50	\$232.50
00994	SDC	S. De Caria	Associate	\$410.00	8.50	\$3,485.00
08837	SJC	S. Chaimberg	Associate	\$380.00	0.30	\$114.00

Taxable Disbursements

Land Registry Office Searches	37.05	
Teraview Service Fee	10.90	
Couriers	21.52	
Online Searches - Teranet	3.00	
Total Taxable Disbursements	72.47	\$72.47



MILLER THOMSON
AVOCATS | LAWYERS

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Invoice 3633967

Non-Taxable Disbursements

Registration Fee 65.30

Total Non-Taxable Disbursements 65.30 \$65.30

Total Fees and Disbursements **\$18,584.27**

Ontario HST 13% (R119440766)

On Fees \$2,398.05

On Disbursements \$9.42

Total Amount Due \$20,991.74

E.&O.E.

This is **Exhibit “B”** referred to in the Affidavit of SHALLON GARRAFA sworn June 23, 2021.

DocuSigned by:

Asim Iqbal

6F056F5F3BC8405...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

EXHIBIT “B”

SUMMARY OF FEES

Calculation of Average Hourly Billing Rates of Miller Thomson LLP for the Appointment Period

Invoice No.	Fees	Disbursements	HST	Hours	Average Hourly Rate	Total
3633967	\$18,446.50	\$137.77	\$2,407.27	29.20	\$631.73	\$20,991.74

This is **Exhibit “C”** referred to in the Affidavit of SHALLON GARRAFA sworn June 23, 2021.

DocuSigned by:

Asim Iqbal

6F056F5F3BC8405...

Commissioner for Taking Affidavits (or as may be)

ASIM IQBAL

EXHIBIT “C”**Billing Rates of Miller Thomson LLP for the Appointment Period**

<u>TIMEKEEPER</u>	<u>RATE</u>	<u>YEAR OF CALL</u>
G. Azeff	\$760.00	2002
S. De Caria	\$410.00	2015
S. Chaimberg	\$380.00	1982
D. Sparrow	\$250.00	n/a
R. Armstrong	\$150.00	n/a
S. Crisp	\$465.00	n/a

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

FEE AFFIDAVIT

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Lawyers the Court-appointed Receiver

TAB 3

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

THE HONOURABLE) WEDNESDAY, THE 25TH
)
JUSTICE CONWAY) 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 Altmore Mortgage Investment Corporation (“**Altmore**”), Altmore Capital Inc., Independent Mortgage Advisors Inc. and Ian McSevney appointed pursuant to the Orders of the Honourable Mr. Dunphy of the Ontario Superior Court of Justice (Commercial List) dated May 25, 2021 and June 9, 2021 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 Second Report of the Receiver dated June 23, 2021 and the Appendices thereto (the “**Second 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 _____ sworn _____, 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.

ACTIVITIES & CONDUCT

2. THIS COURT ORDERS that the Second Report of the Receiver dated June 23, 2021 (the “**Second Report**”) including the actions and activities of the Receiver and its legal counsel, Miller Thomson LLP, as set out therein, be and it is hereby approved.

PROFESSIONAL FEES

3. THIS COURT ORDERS that the professional fees and disbursements of the Receiver and its legal counsel as detailed in the affidavits of Clark Lonergan and Shallon Garrafa, each sworn June 23, 2021 and appended to the Second Report (the “**Professional Fees**”), be and they are hereby approved.

REGISTRATION OF CHARGE

4. THIS COURT ORDERS that the Receiver be and it is hereby authorized to register a charge in the amount of the Professional Fees against title to the property (the “**Valridge Property**”) 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.

5. THIS COURT ORDERS that the Receiver be and it is hereby authorized (but for greater certainty, not obligated) to discharge the registration of any Orders made in this proceeding against title to the Valridge Property.

DISCHARGE

6. THIS COURT ORDERS that the Receiver be and it is hereby discharged as Receiver, provided that notwithstanding its discharge as Receiver, BDO Canada Limited (“**BDO**”) shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all authorizations, approvals, protections and stays of proceedings in favour of BDO in its capacity as receiver.

RELEASE

7. THIS COURT ORDERS AND DECLARES that BDO is hereby released and discharged from any and all liability that BDO now has or may have by reason of, or in any way arising out

of, the acts and omissions of BDO while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part.

**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

**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

**MOTION RECORD
(returnable June 9, 2021)**

MILLER THOMSON LLP

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Lawyers the Court-appointed Interim
Receiver