

**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.

  
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S.F. Dunphy J.

**Date:** May 25, 2021