

IQT Solutions shut down after bank cut funding, CEO says

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The sudden closing of IQT Solutions last Friday was a “surprise” and “shock” to co-founder David Mortman.

In an interview from New York, Mortman spoke about IQT’s promising start in October 2008 and its decline into financial ruin on July 15 when about 1,200 call centre workers in Ontario and Quebec were laid off without notice or pay.

“It’s as much of a surprise to me, as much of a shock to me as it is to anyone else,” said Mortman. “We are hurt in this situation as much or more than any employee, economically.”

Mortman said a bank that was helping finance the company cut off funds last Friday.

Although Mortman and his son, Alex, co-founded IQT with John Fellows, he said they became co-CEOs only after May 30 when Fellows was ousted from the role due to financial issues.

“Given what John had created, we simply did not have enough time to (save IQT),” said Mortman. He said the company lost a “significant” sum of money, but declined to specify.

Mortman and his son each held 15 per cent of shares in IQT Solutions while Fellows had the majority with 58 per cent, he said.

“(John was) the one who brought the deal to the table. We invested several millions of dollars into this, all of which is lost,” said Mortman. “Unfortunately, we relied on him totally and the reliance was misplaced and nothing hurts greater.”

Fellows worked at numerous companies before IQT Solutions including PepsiCo, PageNet Inc. and Telequest.

Between 1998 and 2004, he was CEO of RMH Teleservices Inc., a call centre company that employed more than 15,000 employees with revenues of up to \$300 million annually.

Mortman said he has not spoken to Fellows since the split. The *Star* was unable to reach Fellows for comment.

An official bankruptcy has yet to be filed, but Mortman insisted he didn't have "any control over that."

"I'm not sure who's dealing with it because I just don't know. The company is represented in Canada and I'm sure those representatives are doing what they have to do under Canadian law."

Asked to identify the Canadian representatives, Mortman said: "I think they're going to make themselves known to the media at what they consider is the appropriate time."

On Thursday, the province announced it will open an "action centre" July 29 at 272 King St. E. in Oshawa to assist laid-off IQT workers there.

