

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**SUPPLEMENT TO THE FIRST REPORT OF  
IRA SMITH TRUSTEE & RECEIVER INC.**

**IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF  
STINSON HOSPITALITY INC.,  
DOMINION CLUB OF CANADA CORPORATION,  
THE SUITES AT 1 KING WEST INC. AND  
2076564 ONTARIO INC.**

**DATED OCTOBER 4, 2007**

**1.0 INTRODUCTION**

This report (the "**First Supplementary Report**") is filed by Ira Smith Trustee & Receiver Inc. ("**ISP**") in its capacity as court-appointed receiver and manager (the "**Receiver**"), pursuant to section 101 of the *Courts of Justice Act*, R.S.O 1990, c. C.43, as amended (the "**CJA**"), of all of the assets, undertakings and properties of Stinson Hospitality Inc. ("**SHI**"), Dominion Club of Canada Corporation ("**DCC**"), The Suites at 1 King West Inc. ("**Suites**") and 2076564 Ontario Inc. ("**Housekeeping**") (collectively referred to as the "**Debtors**"). This report is a supplement to the first report of the Receiver dated October 1, 2007 (the "**Receiver's First Report**"), previously filed with this Honourable Court.

**1.1 Purpose of this Report**

The purpose of this First Supplementary Report is to address certain issues raised in the Affidavit of Robert Verdun sworn October 3, 2007 (the "**Verdun Affidavit**"), in connection with a motion

by Mr. Verdun returnable October 5, 2007, seeking intervenor status in these receivership proceedings, and in the Affidavit of Harry Stinson sworn October 3, 2007 (the "**Stinson Affidavit**"), filed with this Honourable Court. While the Receiver does not believe it a productive exercise to address each point raised in the Verdun Affidavit and the Stinson Affidavit, there are certain points that the Receiver believes necessitate a response.

## 1.2 Issues Raised by the Verdun Affidavit

### (a) *Unsolicited Emails*

In paragraphs 27 to 30 of the Verdun Affidavit, Mr. Verdun refers to the emails attached at Tab 2B of the Second Supplemental Report of ISI in its former capacity as monitor (the "**Monitor**") of the Debtors (the "**Monitor's Supplemental Report**"). Mr. Verdun takes issue with the Monitor's communications with certain unit owners, the fact that the Monitor attached such communications to the Monitor's Supplemental Report and the Monitor's "absence of any relevant explanation" regarding those emails.

ISI wishes to advise this Honourable Court that all of the emails attached to the Monitor's Supplemental Report were unsolicited emails from unit owners. The Monitor's intention in including the emails was not to substantiate the contents of those emails or to speak to their accuracy. In fact, and for this reason, the Monitor expressly refrained from providing commentary on them in the Monitor's Supplemental Report. The Monitor's intention was to simply advise this Honourable Court that a group of unit owners appeared to have concerns and apprehensions about the implementation of the new rental management agreements being proposed by Mr. Stinson and T.S.C.C. Condominium Corporation 1703 (the "**Residential Condominium Board**"). The Monitor felt compelled to do so given the statement in Mr.

Stinson's Affidavit sworn August 14, 2007, that there was "predominant support for (and understanding of) the urgent need to change the existing rental management agreements" and the fact that this Honourable Court had not been previously advised that contrary views regarding the rental management agreements and other matters existed. As an independent party, it was the Monitor's obligation to ensure that the views of all stakeholders were before the Court.

*(b) Meeting of Unit Owners*

As stated in paragraph 36 of the Verdun Affidavit, a meeting of unit owners was called and held by the Residential Condominium Board on September 29, 2007. The Receiver wishes to advise this Court that on September 27, 2007, an independent unit owner invited the Receiver and Mr. O'Brien, the hotel's general manager, to attend the meeting to address questions raised by unit owners. The Receiver and Mr. O'Brien were also provided with a copy of the agenda for such meeting and accepted the invitation. By email on September 28, 2007, Mr. Verdun revoked the invitation and advised the Receiver that it was not welcome. In his email, Mr. Verdun indicated that the meeting was "for owners only" and that the individual unit owner in question did not have the authority to extend an invitation. Accordingly, the Receiver and Mr. O'Brien did not attend.

*(c) Zoning Status*

In paragraph 40 of the Verdun Affidavit, Mr. Verdun takes issue with the Receiver's concerns regarding the fact that municipal approvals required to have The Suites at 1 King West zoned as a hotel could take several months to accomplish and the negative impact of such delay on the sales process. In particular, it is the Receiver's view that any potential purchaser, not only a branded hotel, would want to ensure that the zoning issues are rectified and that a hotel can be

legally operated on the premises. Mr. Verdun states that the Receiver's concern "appears to be a delaying tactic to prolong the Receivership".

The Receiver did not arbitrarily determine the length of time it would take to rectify the zoning issues as the Receiver recognizes it is not an expert in land-use zoning. Accordingly, pursuant to its authority under the Receivership Order, the Receiver engaged an expert in this field, Lakeshore Group ("Lakeshore"), to specifically advise on zoning matters (the "Zoning Report"). Section 5 of the Zoning Report states as follows: "The process to obtain a Minor Variance approval from the Committee Adjustment typically requires 4-8 months. The Zoning Amendment process and approval from City Council requires more time, typically in the 12-18 month range". The Zoning Report is attached as **Exhibit "A"** to this report.

*(d) Receiver's Website*

The Receiver understands that attached as Exhibit B to the Verdun Affidavit, which was not provided to the Receiver, is a printout of pages from the Receiver's website. Mr. Verdun makes the statement in paragraph 42 of the Verdun Affidavit that the Receiver's "banner headline trumpeting the Receivership of One King West is unnecessary, undesirable, and inappropriate for an Officer of the Court" and that this is a case of "flagrant self-promotion" by the Receiver.

Mr. Verdun's comments regarding the Receiver's website are unfortunate. It is quite customary for receivers and monitors to dedicate a webpage to insolvency matters in which they are involved and to post relevant materials regarding insolvency proceedings to ensure access to materials by all stakeholders, recognizing that not all stakeholders can afford the time or the expense to either attend court hearings regarding the matter or retain counsel to represent their

interests. Attached as **Exhibit "B"** are copies of pages from websites of various accounting firms dedicated to various insolvency files, including receivership files.

*(e) Experience and Qualifications of Receiver*

In paragraph 43 of the Verdun Affidavit, Mr. Verdun makes disparaging comments regarding the Receiver's qualifications and specifically that the Receiver "has existed only since April 2005" and that, as such, it is not well known. Attached as **Exhibit "C"** to this report is the curriculum vitae of Mr. Ira Smith (the "**Smith CV**"). As the Smith CV indicates, Mr. Smith has practiced in the insolvency and restructuring field since 1979 and was a former partner of PricewaterhouseCoopers ("**PWC**") from 1988 until March 31, 2005. Mr. Smith left PWC to form his own insolvency advisory boutique, ISI, in April 2005.

*(f) Press Releases*

In paragraphs 43 and 44 of the Verdun Affidavit, Mr. Verdun takes issue with the press releases issued by the Receiver stating that they "flagrantly invite news coverage". The Receiver notes that the challenges confronting 1 King West were covered extensively by the media well in advance of the Receiver's appointment. As the Receiver indicated on page 9 of the Receiver's First Report, the Receiver held press conferences and issued press releases over the weekend of August 25<sup>th</sup> and 26<sup>th</sup>, just after its appointment. The Receiver felt that, in view of the ongoing press coverage, it could only stabilize operations if stakeholders, employees and the public had confidence that: (i) operations would continue under the Receiver's appointment; (ii) the Receiver represented the interests of all stakeholders; and (iii) the Receiver would be responsible only to the Court. This is particularly the case, given the public statements made by the Residential Condominium Board, including Mr. Verdun, in an affidavit sworn by him on April

19, 2007, expressly opposing a receivership. On page 9 of his April 19 affidavit, Mr. Verdun states as follows: "There are no grounds upon which to reasonably assume that a receiver appointed on behalf of the Mirvish Group could or would do a better job of running operations than the job that the Mirvish Group had done in the construction of the condominium complex". Publicizing the independence of the Receiver as an Officer of the Court was, therefore, prudent in the circumstances.

### 1.3 Issues Raised in the Stinson Affidavit

The Receiver wishes to address one issue raised in the Stinson Affidavit. At paragraph 29 of the Stinson Affidavit, Mr. Stinson accuses the Monitor of having disclosed confidential information to a potential purchaser regarding the terms of the settlement of April 20, 2007, between Mr. Stinson, certain of the Debtors and the Mirvish Group (the "**April Settlement**"). ISI takes such an accusation very seriously.

As stated at page 4 of the First Report of the Monitor dated June 6, 2007 (the "**Monitor's First Report**"), the Monitor confirmed that it had no involvement in the Debtors' efforts to refinance or seek a purchaser of the hotel operations. Shortly after the appointment of the Monitor, Monitor's counsel, Goodmans LLP, notified counsel for the Debtors that it had been contacted by Mr. McElcheran, counsel representing a party interested in purchasing the business of SHI and DCC. Mr. Latham of Goodmans LLP advised Mr. McElcheran that the Monitor's mandate did not include the sales and investment process and that all enquiries should be directed to Mr. Jacques on behalf of the Debtors. Mr. Latham was subsequently advised that a discussion between Mr. Jacques and Mr. McElcheran had taken place.

On May 16, 2007, Mr. Latham received a letter from Mr. McElcheran expressing concerns with the sales process being run by the Debtors and Mr. Stinson and, in particular, concerns with the form of confidentiality agreement proffered by the Debtors. Mr. Latham immediately provided a copy of the letter to Mr. Raytek, on behalf of the Debtors, expressing the Monitor's own concerns regarding a potential sales process and confirming the Monitor's lack of participation in the Debtor's financing/sales process to date. Correspondence from Mr. Latham to Mr. Raytek to this effect was attached as Exhibit "P" to the Monitor's First Report. At no time did the Monitor or its counsel disclose any confidential information to any prospective purchaser, including any information regarding payment deadlines under the April Settlement.

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All of which is respectfully submitted at Toronto, Ontario this 4th day of October, 2007.

**IRA SMITH TRUSTEE & RECEIVER INC.**

solely in its capacity as the Court-Appointed Receiver  
of Stinson Hospitality Inc., Dominion Club of Canada Corporation,  
The Suites at 1 King West Inc., and 2076564 Ontario Inc. and not in its  
personal Capacity

Per: \_\_\_\_\_

President

**Ira  
Smith**  
TRUSTEE & RECEIVER INC.

**EXHIBIT "A"**  
**ZONING REPORT**



September 18, 2007

VIA COURIER

Mr. Ira Smith  
Trustee and Receiver Inc.  
Receiver and Manager of Stinson Hospitality Inc.  
Suite 6-167 Applewood Cresc.  
Concord, ON  
L4K 4K7

Dear Mr. Smith:

**RE: 1 King West – Proposed Hotel Operations**

You have asked us to determine from a zoning perspective whether the property known as 1 King West can be operated as a branded hotel and, if so, what steps would have to be taken to achieve such permission. This correspondence provides our findings and opinions.

**1. BACKGROUND**

Based on our investigations, it appears that 1 King West was originally approved by the City of Toronto for the establishment of a residential condominium project along with minor amounts of non-residential space for service and retail uses and a theatre. Approval was obtained in 2000 and 2001 for the development to exceed the zoning by-law density limit for residential uses, but approval was not sought or obtained for the development to exceed the density limits for non-residential uses (which a hotel is considered as per the zoning by-law). In addition, approval was obtained in 2000 for the provision of parking spaces for the residential units at a rate lower than that required by the zoning by-law. No approval was sought or obtained to vary the parking and loading standard for hotel usage on site (the zoning by-law applies different parking and loading space provision rates to hotels and residential dwelling units).

We understand that at some time in the past, a program was instituted whereby individual condominium unit owners at 1 King West could place their unit(s) in a rental pool to be booked by the general public for short or long stays. We further understand through investigation and direct observation, that the rental pool program has operated in such a way that resulted in 1 King West functioning just like a typical hotel (i.e. reception desk upon entry at street level; establishment of



posted hotel rates; availability of advertising material focusing on the hotel functioning of the property; concierge/bell hop services, room service, etc.).

In a report addressing zoning matters previously prepared by this office dated February 17, 2003 (which we understand you have reviewed), it is noted that a hotel use is permitted at 1 King West, but that the establishment of such a use must meet a number of zoning development standards and requirements. These zoning standards and requirements for a hotel use establishment are more specifically addressed herein.

## 2. BRANDED HOTEL USE PERMITTED BUT CERTAIN ZONING REQUIREMENTS TO BE MET

The use of a portion of 1 King West for the establishment of a branded hotel is permitted in the Zoning By-law (to a maximum density of 8 times lot coverage). Such a use, however, has development standards (also known as performance standards) to be met as outlined in the zoning by-law which are different from those applying to residential condo units. The zoning performance standards that must be met in establishing a hotel use relate to matters such as provision of a minimum number of parking spaces; provision of a minimum number and type of loading spaces; and, adherence to a maximum density limit (i.e. maximum permitted amount of square footage on site that can be used for a non-residential purposes. A branded hotel would be classified as a non-residential use).

Past municipal approvals (minor variances) permitting the 1 King West condominium development were obtained on the basis that a residential building with some amount of service and retail uses would be developed. The past approvals given to 1 King West were not based on the establishment of a branded hotel with its associated performance standards which are different from those applying to residential uses. Density and parking variances to the performance standards granted for 1 King West were based on residential uses being established, not hotel uses.

## 3. ESTABLISHING A BRANDED HOTEL MAY REQUIRE OBTAINING MUNICIPAL APPROVALS

Zoning requirements regarding density, parking and loading space demands are based on the specific type of use under consideration. In the case of establishing a branded hotel, the density limits and required parking and loading spaces to be provided are based on the square footage of the hotel space and the size of the lot. Once the size of the lot is known and the proposed square footage of the hotel space is determined, calculations must then be undertaken to determine any areas of non-compliance with the zoning requirements. If any areas of non-compliance cannot be brought into compliance through redesign or reconfiguration of the building and/or space within it, then municipal approvals will have to be applied for and obtained to establish the branded hotel.



#### **4. TYPE OF APPROVALS REQUIRED TO PERMIT ESTABLISHMENT OF A BRANDED HOTEL**

At this time, and based on the information before us, we believe that obtaining approvals for a branded hotel use can reasonably be expected to be obtained if any needed development applications (either through Minor Variance or Zoning By-law Amendment) are filed and diligently pursued with the City. However, further investigations would have to be carried out by us in order to determine the likely approvable amount of gross floor area of branded hotel space and the amount, type and location of required parking and loading spaces (both on-site and off-site).

The municipal approvals process to navigate (Minor Variance or Zoning By-law Amendment routes) includes public meeting presentations and detailed discussion and negotiations with numerous staff departments. The approval processes have associated time and costs in terms of submitting application fees, preparing land use justification reports, generating parking demand and location analyses, attending meetings, undertaking presentations, preparing site plan amendments, etc. These are all, however, typical steps to undertake and submissions to make for any development proposal.

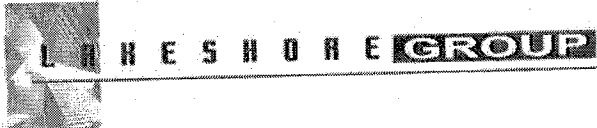
#### **5. DEVELOPMENT APPROVAL TIME LINES**

The process to obtain a Minor Variance approval from the Committee of Adjustment typically requires 4-8 months. The Zoning Amendment process and approval from City Council requires more time, typically in the 12-18 month range. Site Plan Approval, which will also be required, can take up to 12 months, but can run concurrently with either Variance or Zoning amendment applications. Once the details of any proposed branded hotel operation are known in terms of square footage and how parking demand is intended to be met, we can provide an assessment as to which approval process route (variance or zoning amendment) is likely to be required by the City. Once all required municipal approvals are obtained (variance or zoning amendment and site plan approval), building permits will have to be applied for. The building permit process, however, is typically handled by the project architect. It should be stressed that obtaining municipal approval of any particular proposal cannot be guaranteed. Zoning and variance applications are subject to approval, modification or refusal by the deciding body.

At a minimum, consultants including a land use planner, parking/traffic engineer, architect and legal counsel will be required to navigate the municipal approval process for this matter.

#### **6. EXTERIOR CORPORATE BRAND SIGNAGE**

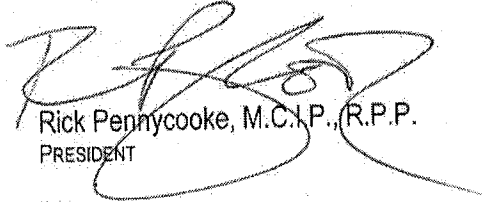
It is likely that any hotel operator brought in to manage and/or brand any proposed hotel at 1 King West will require exterior corporate signage. Exterior signage is obtained through a separate municipal approval process and is controlled by the City's sign by-law. Any required exterior signage package will have to be reviewed against the sign by-law to determine areas of non-compliance. Once any areas of non-compliance of the proposed signage are known, applications to amend the sign by-law will have to be filed, supported by a justification report. The process to obtain signage



approvals can range anywhere from 3 – 6 months. It must be stressed that approval of any proposal cannot be guaranteed. Signage applications are subject to approval, modification or refusal by the deciding body.

Should you have any questions, please feel free to call me at (416) 364-5926.

Sincerely,  
**THE LAKESHORE GROUP**



Rick Pennycooke, M.C.I.P., R.P.P.  
PRESIDENT

C.C.:  
KOSTA TOMAZOS, CK ATLANTIS

## The Lakeshore Group

We specialize in providing land use planning, development approvals and retail location research services to both private and public sector clients.

Lakeshore consults to and advises Canadian and international developers, retailers, law firms, REITs, banks, investors, institutions and municipal and Provincial governments.

You will benefit from our recognized experience in dealing with complex zoning issues, local approvals, appeals and untangling the red tape that costs money. Lakeshore offers comprehensive real estate development and market research advice, services and solutions that will avoid expensive delays and wrong turns.

## Key Municipal & Provincial Government Relationships

The Lakeshore Group operates in a vast number of Canadian and Asian municipalities and we have built the relationships with local, regional and Provincial Government agency officials that are vital. In fact, this is a great part of our success. When you need critical, detailed and accurate information about any market or any particular development, we have access to sources of information that others envy.

## Our Areas of Expertise

1. Municipal Land Development Approvals & Site Design
2. Zoning Due Diligence
3. Market Intelligence, location research & G.I.S. Services
4. Litigation Support

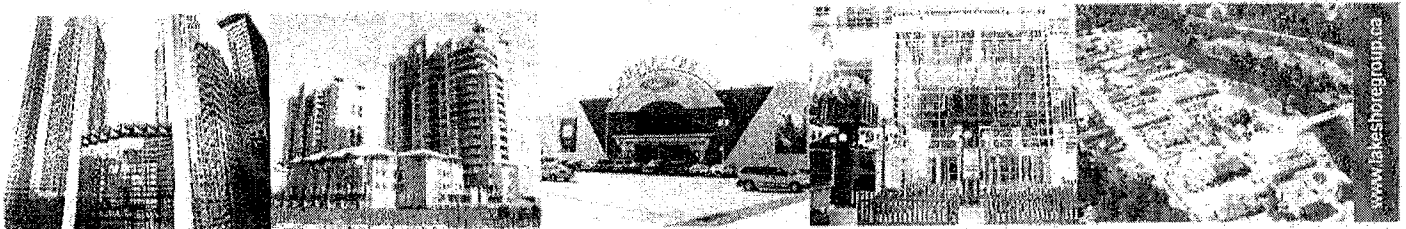
## Advising Lawyers is a Specialty

A long-standing pillar of Lakeshore's services is based on providing the legal community with assistance and support in real estate and municipal law matters.

We act for law firms and sole practitioners providing our expert advice and support in the following areas:

- Zoning Due Diligence & Opinions
- Leasing reviews for zoning compliance
- Drafting administrative tribunal appeals
- Representation before Planning Committees and Councils
- Administrative Tribunal Hearing Preparation and Assistance
- Research & Document Collection
- Educational seminars for Real Estate Lawyers
- Expert Testimony

Our professionals work extensively with lawyers and our attention to detail is unparalleled.



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## AREAS OF EXPERTISE

### *Land Use Planning & Development Approvals*

- . Official Plan Amendments
- . Zoning Amendments
- . Land Division
- . Plans of Subdivision
- . Site Plans
- . 3D Modeling
- . Signage
- . Highest & Best Use analysis
- . Urban Planning
- . Site aerial photography

### *Market Intelligence*

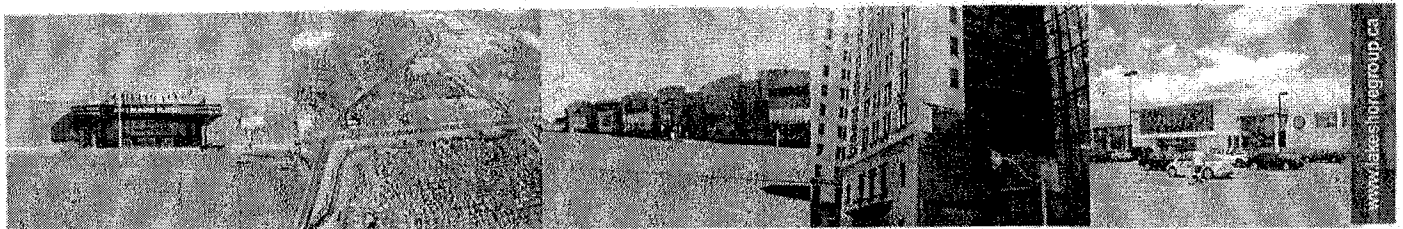
- . Demographic Profiles
- . Retail Competition Monitoring
- . Sales Forecasting
- . Sales Revenue Models
- . Geographic Information Systems Analysis
- . Mapping and Plotting
- . Analysis of Land & Infrastructure proposals
- . Traffic Count Analysis
- . Regional Aerial Photography
- . Location Research

### *Zoning Due Diligence*

- . Property, Zoning and Building Reviews & Opinions
- . Density, Parking & Use Conformity
- . By-law Infractions
- . Outstanding Work Orders
- . Reviews for Financing and Acquisitions
- . Reviews for Title Insurance
- . Listing/Designation as Historical Structure
- . Permit Clearance
- . Review of Leasing Agreements

### *Litigation Support*

- . Preparation & Submission of Appeals
- . Expert Testimony
- . Expropriation Assessments
- . Case Development
- . Witness Preparation
- . Document Control & Preparation
- . Research
- . Opinions for real estate litigation



**LAKESHORE GROUP**

# CLIENTS

## Retailers

- . A & P Properties Ltd.
- . Boston Pizza
- . Canadian Tire
- . Hudson's Bay Co.
- . H&M
- . Petro-Canada Ltd.
- . Shoppers Drug Mart
- . Sobeys Canada
- . TSC
- . Zellers

## Institutions &

### Municipal Government

- . Appraisal Institute of Canada
- . Archdiocese of Toronto
- . City of Scarborough
- . Metropolitan Separate School Board
- . Town of Pickering

## Law Firms

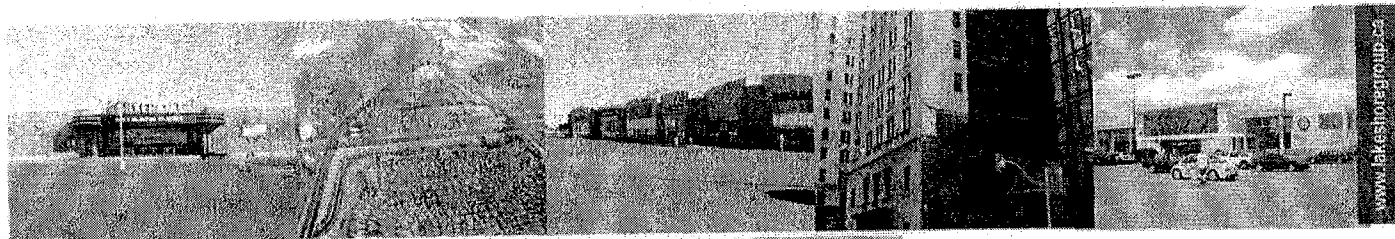
- . Bennett Jones
- . Blake Cassels & Graydon
- . Cassels Brock
- . Chaitons
- . Daoust Vukovich
- . Fogler, Rubinoff
- . Goodman & Carr
- . Goodmans
- . Heenan Blakie
- . Lang Michener
- . McCarthy Tetrault
- . Minden Gross
- . Miller Thomson
- . Osler, Hoskin & Harcourt
- . Torkin Manes Cohen & Arbus
- . Torys LLP

## Real Estate Holding Companies & Developers

- . Bentall
- . Cambridge Shopping Centres Ltd.
- . Canpro
- . Centrefund Corporation
- . Crombie Properties
- . First Capital Realty Inc.
- . KingStreet Capital Partners
- . Northland Properties Corporation
- . Northwest Property Corporation
- . Oxford Properties Group
- . Power Centres Inc.
- . RHK Capital Inc.
- . Ramgold Ltd.
- . RioCan REIT
- . Rock Developments
- . Strathallen Capital
- . Trinity Development Group
- . TriStone Properties
- . Westcliff

## Other Sectors

- . BC Lottery Corporation
- . Brink's Inc.
- . Cineplex Odeon
- . Effort Trust Company
- . Famous Players
- . GWL Realty Advisors
- . Galaxy Entertainment Inc.
- . Mirvish
- . Magna Entertainment
- . Reichold Industries
- . Sun Life Assurance
- . TD Capital
- . Magna Entertainment



**LAKESHORE GROUP**

## LAKESHORE'S SENIOR TEAM

**Rick Pennycooke, MCIP, RPP**  
Principal Consultant  
President

*Rick is the Principal of the Firm which he founded in 1994. He advises a broad range of national and international clients on development, due diligence, market impact, municipal approvals and site selection issues. Appearances before the Ontario Municipal Board, the Courts and city councils are a regular part of Rick's activities. His professional background covers private and public sector experience gained as an in-house consultant for major law firms and the Ontario Government. Rick is a graduate of the University of Waterloo's School of Urban & Regional Planning. He is also a Registered Professional Planner, a member of the Canadian Institute of Planners and a Commissioner for Taking Affidavits.*

**Stephen Gardiner, MCIP, RPP**  
Manager

*Stephen the managing consultant on all the Firm's land use planning, GIS (Geographic Information Systems), site design projects including 3D modeling and aerial photography. His duties extend to securing municipal approvals, zoning due diligence, client representation and market intelligence services including demographic and sales modeling. He brings experience from several large Ontario municipalities such as Kitchener, Mississauga and Richmond Hill. He is a graduate of the University of Waterloo's School of Urban & Regional Planning and is a Registered Professional Planner and a member of the Canadian Institute of Planners.*

**Paul Barrette, B.U.R. PL**  
Planner

*Paul is responsible for the delivery of a wide variety of consulting services to our clients. He has extensive experience in Official Plan, Zoning, development and land use research matters gained while employed in the municipal and private real estate sectors. Paul is a graduate of Ryerson University's urban and regional planning program and is a provisional member in the Ontario Professional Planners Institute and the Canadian Institute of Planners.*

**Legal Counsel**

*Lakeshore Group is proud to be the only planning firm in Canada with its own in-house legal counsel. As much of our work crosses planning and law, it was beneficial to our clients to be able to access this added level of service. Our legal counsel is licensed to practice in Ontario, New York and California.*

**Donna Dunzl**

*Donna is the firm's legal assistant and administrator. She brings to the company over 20 years of legal assistant experience gained at tier-one Bay Street law firms. Donna is responsible for all administrative aspects of client services including preparation of legal submissions.*



**LAKESHORE GROUP**

**EXHIBIT "B"**

**ACCOUNTING FIRM WEBPAGES**

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## Active Engagements

The following are active engagements in which the role of Ernst & Young Inc. has been publicly disclosed. Where Ernst & Young Inc. is acting pursuant to a Court order or other legislative insolvency or restructuring process, the engagement is described in square brackets as a Formal Engagement. If the engagement is not specifically described as a Formal Engagement, Ernst & Young is not acting pursuant to a Court order or other legislative insolvency or restructuring process.

- Action International Canada Inc. [Formal Appointment - CCAA Monitor]  
 (Updated April 2, 2007)
- Bricore Group [Formal Appointment - CCAA Monitor]  
 (Updated June 4, 2007)
- Brookdale International Systems Inc. [Formal Appointment - CCAA Monitor]  
 (Updated September 25, 2007)
- Calpine Canada [Formal Appointment - CCAA Monitor]  
 (Updated September 12, 2007)
- Canadian Commercial Paper [Engaged by Investor Committee chaired by Mr. Purdy Crawford]  
 (Updated September 28, 2007)
- Carling [Formal Appointment - Inspector under Business Corporations Act]  
 (Updated August 17, 2007)
- CinéGroupe [Formal Appointment - CCAA Monitor]  
 (Updated September 24, 2007)
- CML Resources Ltd [Formal Appointment - Court-Appointed Receiver-Manager]  
 (Updated October 2, 2007)
- Collins & Aikman [Formal Appointment - CCAA Monitor]  
 (Updated October 1, 2007)
- Compagnie du Chemin de fer de Québec Central [Formal Appointment - CCAA Monitor]  
 (Updated May 30, 2007)
- Hollinger Inc., 4322626 Canada Inc. and Sugra Limited [Formal Appointment - CCAA Monitor]  
 (Updated October 2, 2007)
- Integra Investment Services Limited [Formal Appointment - Interim Receiver and Court-Appointed Receiver and Manager]  
 (Updated September 26, 2007)
- Irwin Toy Limited, Irwin Toy USA, Inc., 43 Hanna Holdings Inc. and Irwin International (Barbados) SRL. [Formal Appointment - Court-Appointed Interim Receiver]  
 (Updated October 1, 2007)
- Ivaco Inc. [Formal Appointment - CCAA Monitor]  
 (Updated September 26, 2007)
- Klyties Developments Inc. [Formal Appointment - Court-Appointed Receiver]  
 (Updated October 2, 2007)
- Kremeko Inc. [Formal Appointment - Trustee in Bankruptcy]  
 (Updated November 23, 2006)
- Malette International Inc [Formal Appointment - Trustee in Bankruptcy]

Mystique Energy Inc [Formal Appointment - CCAA Monitor]

(Updated July 24, 2007)

• New Skeena Forest Products Inc [Formal Appointment - Interim Receiver, Court-Appointed Receiver and Trustee in Bankruptcy]

(Updated June 19, 2007)

• Norbourg [Formal Appointment - Liquidator]

(Updated September 13, 2007)

• Papiers Gaspesia Inc. [Formal Appointment - CCAA Monitor]

(Updated September 14, 2007)

• Pine Valley Mining Corporation [Formal Appointment - CCAA Monitor]

(Updated September 25, 2007)

• Queensway Financial Holdings Limited, Queensway Holdings, inc. [Formal Appointment - Interim Receiver and Court-Appointed Receiver]

(Updated September 18, 2007)

• Rundle Development Co-operative [Formal Appointment - Inspector under Cooperatives Act, Interim Receiver of Records]

(Updated September 25, 2007)

• Superior Seal Corporation [Formal Appointment - Interim Receiver and Court-Appointed Receiver and Manager]

(Updated September 4, 2007)

• Teleglobe [Formal Appointment - CCAA Monitor]

(Updated January 20, 2005)

• Vanquish Oil & Gas Corporation [Formal Appointment - Court-Appointed Receiver and Manager]

(Updated September 24, 2007)

• Vincent Lacroix [Formal Appointment - Trustee in Bankruptcy]

(Updated August 16, 2007)



## WHAT'S NEW

FIRM HISTORY

WE'RE DIFFERENT

ALUMNI ASSOCIATION

WHAT WE DO

INDUSTRY FOCUS

INTERNATIONAL AFFILIATIONS

NEWS &amp; NEWSLETTERS

PODCASTS

EVENTS &amp; ANNOUNCEMENTS

CAREERS

INSOLVENCY FILES

LIQUIDATION FILES



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AFM HOSPITALITY CORP.

BETA BRANDS LTD.

THE BEVERLY GROUP LTD.

CONSUMERS DISTRIBUTING (FURNITURE DIVISION) LTD.

DISTINCTIVE DESIGNS FURNITURE INC.

HERITAGE HOMES BY INVIDIATA (PHASE 3) INC.

HY & ZEL'S INC.

NEXINNOVATIONS INC.

PARAGON HEALTH CARE INC. O/A CASA VERDE HEALTH/CENTRE AND 1508669 ONTARIO LTD. O/A WEST PARK HEALTH CENTRE

ROB MCINTOSH CHINA INC.

SONG CORPORATION ET AL

TELEPANEL SYSTEMS INC.

### New!

#### Anticipating parity 2 years ago might've softened manufacturing blow.

The Canadian Press - September 28, 2007 (Erwin Stuart interviewed)

**Appeared in:** CBC News, The Calgary Sun, 570 AM News Kitchener, The Halifax Chronicle Herald, Canoe.ca, The Thunder Bay Chronicle Journal and The Brockville Recorder & Times.

#### Click [here](#) to listen to a Mintz seminar on Financial Statement Analysis.

#### Owners trace tide of revenue by performing digital royalty leakage audits.

Steven Rayson, The Lawyers Weekly - September 28, 2007

#### Innovation is more than its own reward.

Alex Schiappa - September 2007

#### There's science in every sip.

Phil Iorio & Alex Schiappa - September 2007

#### UNIQUE FOCUS ON PEOPLE GIVES ACCOUNTING FIRM AN EDGE Employee pride very high, in Towers Perrin survey of Mintz & Partners

(TORONTO - September 24, 2007) An independent survey conducted by Towers Perrin has revealed that employees of the accounting and advisory firm Mintz & Partners feel more connected, satisfied, inspired and affirmed at work than employees of the average Canadian company - and as a result, they give more than what is expected at their job. Click [here](#) for the release.

#### Click [here](#) to see members of our firm with Bollywood Stars Aishwarya Rai-Bachchan and Abhishek Bachchan.

#### Mintz leader says caring a core firm value.

The Bottom Line - Mid-September 2007 (Bryan Tannenbaum quoted)

#### Online content royalty audits arriving in Canada, but are they early?

Canadian New Media - September 2007 (Steven Rayson quoted)

#### Uncommon fees for common area maintenance.

Peter Aziz, REM Magazine - September 2007

#### Rate change helps make case for capital investment.



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CAREERS

INSOLVENCY FILES

LIQUIDATION FILES



## Insolvency Files

### Beta Brands Limited

Contact Information: Hartley Bricks, MBA, CA • CIRP  
 Telephone: (416) 644 - 4431  
 Fax: (416) 644 - 4303  
 Email: [hartley\\_bricks@mintzca.com](mailto:hartley_bricks@mintzca.com)

#### Documents Publicly Available:

[Decision of Leitch R.S.J. re: Capital ink Fee and KERP payments](#)  
 August 1st, 2007

[Decision of Leitch R.S.J. re: Leave Application](#)  
 July 31st, 2007

[Amended Approval and Vesting Order 3651410 Canada Inc.](#)  
 April 16th, 2007

[Approval and Vesting Order Crescent Commercial Corp.](#)  
 April 12th, 2007

[Order of April 12th, 2007](#)  
 April 12th, 2007

[Receiver's Fifth Report to the Court](#)  
 April 15th, 2007

[Interim Distribution Order](#)  
 March 1st, 2007

[Receiver's Fourth Report to the Court](#)  
 February 26th, 2007

[Third Report to the Court](#)  
 February 22nd, 2007

[Sale Process Approval Order](#)  
 February 20th, 2007

[Second Report to the Court](#)  
 February 15th, 2007

[Notice and Statement of Receiver](#)  
 January 11th, 2007

[Approval and Vesting Order](#)  
 January 5th, 2007

[Confidentiality Order](#)  
 January 5th, 2007

[First Report to the Court](#)  
 January 5th, 2007

[Court Order Appointing Interim Receiver and Receiver](#)  
 January 3rd, 2007

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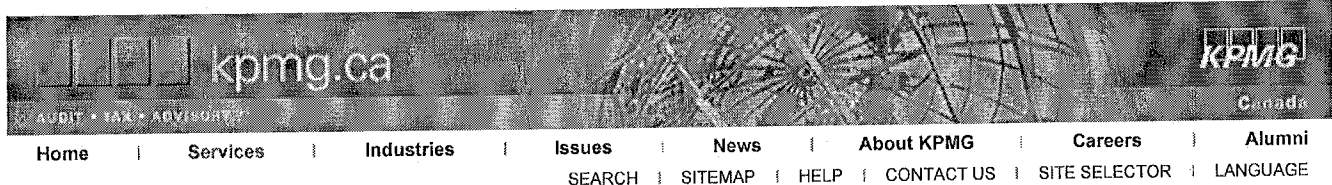
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## KPMG CreditorLink

If you have interests in companies for which KPMG is currently acting as Monitor, Receiver and Manager, Liquidator or Trustee in Bankruptcy, click on the links below for more information.

**0472011 B.C. Ltd. (f/k/a A&B Sound Ltd.)**  
The Seanix Transaction closed on March 2, 2005.

**360networks inc**  
On January 9, 2007, KPMG Inc. was appointed Trustee of the Estate of 360networks inc. ("360") pursuant to an assignment in bankruptcy, executed by KPMG Inc., in its capacity as Court Appointed Receiver of 360, as authorized by an Order of the Supreme Court of British Columbia dated December 11, 2006.

**Receivership of 984 Bay Street Inc. and Lashan Holdings Limited**  
On March 24, 2005, KPMG Inc. was appointed by the Ontario Superior Court of Justice as Receiver and Manager of 984 Bay Street Inc. and Lashan Holdings Limited.

**Accent Lines (1988) Ltd.**  
On July 23, 2004 KPMG Inc. was appointed Monitor under the CCAA proceedings of Accent Lines (1988) Ltd.

**Agro Pacific Industries Ltd.**  
On April 27, 2000, on application by Agro in the Supreme Court of British Columbia (the "Court") pursuant to the Companies' Creditors Arrangement Act, the Court granted an Order which, among other things, stayed all proceedings against Agro, directed Agro to prepare and present to its creditors a plan of arrangement, and appointed KPMG Inc. as the Monitor (the "Monitor") of Agro, and Mr. A. Colin Rogers as the Chief Restructuring Officer (the "CRO") of Agro.

**All-Metal**  
On November 24, 2004, KPMG Inc. was appointed Monitor and Interim Receiver of All-Metal Machine Specialties Limited and All-Metal Investments Limited.

**Bingo Press & Specialty Limited**  
As a result of current circumstances, Bingo Press & Specialty Limited doing business as Bazaar & Novelty ("Bingo Press") has sought protection from its creditors by obtaining an order of the Ontario Superior Court of Justice on March 16th, 2005 pursuant to the Companies' Creditors Arrangement Act ("CCAA") allowing it time to restructure its business and affairs.

**The Bombay Furniture Company of Canada Inc.**  
On September 20, 2007, KPMG Inc. was appointed Monitor under the CCAA proceedings of The Bombay Furniture Company of Canada Inc.

**Brahm Industries Inc.**  
On November 16, 2006, KPMG Inc. was appointed Monitor of Brahm Industries Inc. and 1318989 Ontario Ltd.

**Cervus Financial Group Inc.**  
On June 8, 2006, KPMG Inc. was appointed Monitor of Cervus Financial Group Inc. and certain of its subsidiaries (collectively the "Applicants").

**Community Pork Ventures Inc. and its subsidiaries**  
Effective June 18, 2005, KPMG Inc. was appointed as interim receiver of Community Pork Ventures Inc., Sask Valley Pork Producers Ltd., Hi-Point Stock Farm (1997) Ltd., Sask West Pork Producers (1997) Ltd., Pasquia Pork Producers (1997) Ltd., Whitewater Swine (1997) Ltd., Red Coat Stock Farm (1998) Ltd., Norfolk Stock Producers (1996) Ltd., Beechy Stock Farm (1996) Ltd., Kelsey Stock Farm (1997)

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KPMG's 2005 Annual Global M&A Survey

Alliances and Joint Ventures: Fit, Focus, and Follow-Through

Investment Banking Transactions

The New Art of the Deal: How Leading Organizations Realize Value from Transactions

Two-thirds of Canadian companies say regulatory change dominates business activity

### INFORMATION SITES

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KPMG CreditorLink

### PUBLICATIONS

Catalogue  
KPMG's Advisory publications.

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For more information contact a KPMG professional.

Ltd., Last Mountain Stock Farm (1997) Ltd., River Lake Stock Farm (1995) Ltd., St. Denis Stock Farm (1995) Ltd., Southwest Stock Farm (1997) Ltd., Eagle Creek Pork Producers Ltd., Yellowhead Pork Producers Ltd., and Great West Stock Farm (1996) Ltd., pursuant to an order of the Honourable Justice Kyle of the Queen's Bench Judicial Centre of Regina, dated June 17, 2005.

**Confederation Life Insurance Company (in Liquidation)**  
Winding-up orders and Plan of Arrangement for CSTL. The claims process for ordinary creditors and policyholders.

**Consumers Packaging Inc.**  
Information regarding the bankruptcy of Consumers Packaging Inc.

**CU-Connect**  
On November 20, 2006, KPMG Inc. was appointed Monitor of 3791351 Canada Inc. carrying on business as "CU-Connect" (the "Applicant").

**Daymonex Limited**  
On January 11, 2007 Daymonex Limited ("Daymonex" or the "Company") filed a Notice of Intention to file a proposal pursuant to subsection 50.4(1) of the Bankruptcy and Insolvency Act (the "Act"). KPMG Inc has consented to act as proposal Trustee in this matter.

**Doman Industries Limited**  
KPMG Inc. was appointed Monitor under the CCAA proceedings of Doman Industries Limited and subsidiary corporations and partnerships.  
The Plan of Arrangement and Compromise was approved by the creditors on Jun 7, 2004. Court approval was received on Jun 11, 04 and the plan implementation date was on July 27, 04. Doman's successfully emerged from CCAA proceedings on July 27th 2004.

**Genfast**  
On April 5, 2007, KPMG Inc. was appointed as Receiver and Trustee of the Estate of Genfast Manufacturing Company, pursuant to Orders of the Ontario Superior Court of Justice.

**Globel Direct Inc.**  
On June 12, 2007, KPMG Inc. was appointed Monitor of Globel Direct Inc. and its subsidiaries.

**Heartland Pork Group**  
On April 13, 2004, KPMG Inc. was appointed Monitor under the CCAA proceedings of Heartland Pork Group. View the court order and Monitor's contact information.

**Hunjan Group**  
On July 18, 2005, KPMG Inc. was appointed as interim receiver and receiver of Hunjan International Inc., Hunjan Moulded Products Ltd., and Hunjan Tools & Mould Ltd. (collectively the "Hunjan Group"), pursuant to an Order of the Ontario Superior Court of Justice.

**9172-0342 Québec Inc. – Le Martingal**  
Pursuant to an Order of the Superior Court of Quebec rendered on October 10, 2006, KPMG Inc. and Raymond Chabot Inc. were appointed joint interim receiver (hereafter the "Receivers") of the company 9172-0342 Québec Inc. It's principal asset is a partially completed real estate project situated in the city of Laval, Québec, known as the "Martingal".

**Mosaic Group Inc.**  
Information regarding the Notice of Claims Bar Date and Notice of Supplemental Claims Bar Date in Companies' Creditors Arrangement Act proceedings.

**New Home Warranty of British Columbia Provides Second Dividend: KPMG LLP**  
On August 5, 2004 KPMG Inc., Trustee in the Matter of the Proposal of New Home Warranty of British Columbia Inc. ("NHW") announced that a second interim dividend of 10% has been declared for distribution to creditors. A first interim dividend of 5% was declared on July 31, 2003.

Under the terms of the Proposal, the dividend is based upon a creditor's net loss and can only be paid after this information is provided to the Trustee. Creditors of NHW with accepted claims should contact Robert Rusko at 604-691-3082 to determine the status of their claim and dividend entitlement.

For more information, please go to the New Home Warranty of British Columbia website at [www.nhwp.ca](http://www.nhwp.ca).

**Phytogen Life Sciences Inc. - In Bankruptcy**  
Effective July 12, 2005, KPMG Inc. was appointed Trustee of the Estate of Phytogen Life Sciences Inc. pursuant to a voluntary assignment in bankruptcy.

**Portus Alternative Asset Management Inc.**  
On March 4, 2005, KPMG Inc. (KPMG) was appointed Receiver of all the 'assets' of Portus Alternative Asset Management Inc., Portus Asset Management Inc., and BancNote Corp. (the Portus Group). As Receiver, KPMG will take control immediately of the assets and records of the Portus Group. KPMG will also begin an assessment of Portus and its associated companies and report back to the Ontario Superior Court of Justice within 15 days.

**Reliance Insurance Company, Canada Branch**  
Information regarding the liquidation of Reliance Insurance Company, Canada branch.

**Roman Corporation Limited**  
On January 31, 2006, KPMG Inc. was appointed Monitor of Roman Corporation Limited, Strathcona Paper Marketing Inc. and Strathcona Paper Holdings Inc.

**TCT Logistics Inc. and its related Companies**  
On June 15, 2007, the Ontario Superior Court of Justice established a claims procedure for trust claims whereby persons who provided freight carriage services which began or terminated in Ontario to TCT and its related companies on or before January 24, 2002 may submit their trust claims to the Interim Receiver of TCT, KPMG Inc.

**Telesystem International Wireless Inc.**  
Telesystem International Wireless Inc. ("TIW" or the "Company") has filed an arrangement under s. 192 of the Canada Business Corporations Act (R.C.S. 1985 c. C-44), (the "Arrangement"). This Arrangement was approved by the requisite number of TIW's shareholders on May 19, 2005, and approved by an Order of the Superior Court (Commercial Division) of the Province of Québec, District of Montreal (the "Court") on May 20, 2005.

**The Packaging Group**  
On May 3, 2005, KPMG Inc. was appointed Monitor of The Packaging Group, Barrier Packaging Inc., Belcorr Packaging Ltd., Condor Co-Extrusions Inc., J&J Bag (2002) Limited and J&J Bag Enterprises Inc.

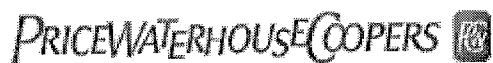
**Twin Rinks Limited Partnership**  
On March 7, 2007, KPMG Inc. was appointed as interim receiver and receiver and manager of Twin Rinks Limited Partnership ("Twin Rinks"), pursuant to an Order of the Ontario Superior Court of Justice. Twin Rinks operates a twin rink ice complex in Oakville, Ontario.

**Tobber Holdings Corp.**  
On September 14, 2007, KPMG Inc. was appointed Monitor of Tobber Holdings Corp.

**West Bay SonShip Yachts Ltd.**  
On December 16, 2005, KPMG Inc. was appointed Monitor of West Bay SonShip Yachts Ltd.

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- [PricewaterhouseCoopers Inc. brings new approach to sale of distressed commercial property](#)

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## Quick Link to Investment Properties International, Limited

### Investment Properties International, Limited

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Shareholders of Investment Properties International, Limited (an Ontario, Canada corporation) who have not yet submitted their bearer share warrants or registered share certificates are entitled to outstanding distributions of US\$16.495 per share.

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**EXHIBIT "C"**

**CURRICULUM VITAE OF IRA SMITH**



Suite 6 – 167 Applewood Crescent, Concord, Ontario Canada L4K 4K7

**Ira Smith**

Tel.(90 5) 738-4167

Fax (905) 738-9848

Email: [ira@irasmithinc.com](mailto:ira@irasmithinc.com)

Website: [www.irasmithinc.com](http://www.irasmithinc.com)

**IRA SMITH, MBA CA•CIRP  
PRESIDENT  
IRA SMITH TRUSTEE & RECEIVER INC.**



Ira graduated with his Masters of Business Administration in 1977 from York University Faculty of Administrative Studies (now the Schulich School of Business). Upon graduation, Ira joined the firm of Thorne, Riddell & Co. (now KPMG) to begin his career to obtain his designation as a Chartered Accountant (“CA”). Ira obtained his CA designation in 1979, and began his insolvency career immediately thereafter with the firm Price Waterhouse Limited (now PricewaterhouseCoopers Inc.).

Ira obtained his Chartered Insolvency and Restructuring Professional designation in 1984 and his trustee in bankruptcy licence issued by the Government of Canada in 1985. Ira is recognized by the Canadian Institute of Chartered Accountants as a specialist in the area of insolvency and restructuring.

Since 1979, Ira has been involved in a wide range of insolvency and restructuring matters, in a wide array of industries, acting on behalf of both debtors and creditors. Ira’s special focus and interest is in the entrepreneurial market, with experience in a variety of

industries, including, retail, manufacturing, real estate, hospitality and mining industry insolvencies, both in restructuring and liquidating. Ira was admitted into the PW (now PwC) partnership in 1988 and he remained as an active insolvency partner until March 31, 2005.

On April 1, 2005, Ira formed his own insolvency advisory boutique, Ira Smith Trustee & Receiver Inc. Ira's reputation and experience in the insolvency community has led to the successful growth of his firm.

Ira's experience and his focussed approach, produces the highest quality of independent professional advice and service which his name has always been synonymous with, but now with the extra agility, flexibility and freedom that his new business model of an entrepreneurial specialty firm allows. His team shares his passion for excellence, his vision of providing you with the most practical valued advice, and his drive to spoil you with the highest quality of professional service.

Ira is no stranger to the financial, legal and statutory environments in which insolvency advisors must operate. Ira also regularly lectures to bankers, credit managers, lawyers and special interest business groups on insolvency matters.

Ira's services include:

- Business viability reviews
- Rehabilitation of troubled companies including Turnaround Management
- Chief Restructuring Officer
- Restructuring under either the Companies' Creditors Arrangement Act or the Bankruptcy and Insolvency Act
- Liquidator, Interim Receiver, Receiver and Manager or Trustee in Bankruptcy

Ira's professional volunteer activities include being a long term member of the Board of Directors, including Past President, of the Ontario Association of Insolvency and Restructuring Professionals. He continues to serve on various committees of CAIRP. Most notably, Ira was Chair of CAIRP's Professional Conduct Committee, and if required, sits on CAIRP's National Disciplinary Committee.

Ira's community involvement includes volunteering in various capacities, including Past President, of Delisle Youth Services, a Toronto United Way supported agency dealing with troubled youth in Toronto. Ira has also served on the financial budget committee of Adath Israel Synagogue in Toronto.

