

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**EIGHTH REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.,
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
STINSON HOSPITALITY INC., DOMINION CLUB OF CANADA CORPORATION,
THE SUITES AT 1 KING WEST INC. AND 2076564 ONTARIO INC.**

DATED OCTOBER 28, 2008

(Re: Motion to Strike the Statement of Defence filed on behalf of Stinson Hospitality Inc.)

1. This Report is filed by Ira Smith Trustee & Receiver Inc. (the “Receiver”), in its capacity as receiver and manager of Stinson Hospitality Inc. (“SHI”), Dominion Club of Canada Corporation, The Suites at 1 King West Inc. and 2076564 Ontario Inc. (collectively, the “Companies”), appointed pursuant to an Order of Madam Justice Pepall made August 24, 2007 (the “Receivership Order”). Attached hereto as Appendix “A” is a copy of the Receivership Order.
2. Paragraph 4(j) of the Receivership Order provides that the Receiver is exclusively authorized, to the exclusion of all others, to defend proceedings brought against SHI.
3. On October 17, 2008, counsel for Harry Stinson purported to deliver a Statement of Defence in the Segura Application on behalf of SHI. Attached hereto as Appendix “B” is a copy of the Statement of Defence.

4. Neither consent of the Receiver nor leave of the Court was granted prior to the filing of the Statement of Defence. Consequently, the Statement of Defence on behalf of SHI should be struck out.

5. A similar issue has already been addressed in this matter. Harry Stinson, in his capacity as director of the Companies, previously purported to assign the Companies into bankruptcy. The assignments into bankruptcy were annulled by Madam Justice Pepall on the basis that, at a minimum, Mr. Stinson was obliged to obtain leave of the Court, which he did not do. Attached hereto as Appendix "C" is the Order of Madam Justice Pepall dated September 24, 2007.

6. The Order of Madam Justice Pepall was upheld by a unanimous panel of the Court of Appeal for Ontario. Attached hereto as Appendix "D" are the Reasons for Decision of the Court of Appeal for Ontario dated December 7, 2007.

7. An application for leave to appeal to the Supreme Court of Canada from the judgment of the Court of Appeal for Ontario was dismissed. Attached hereto as Appendix "E" is the decision on leave to appeal of the Supreme Court of Canada dated May 29, 2008.

8. For the reasons set out in this Report, the Receiver respectfully requests that this Honourable Court:

- a) Strike out the Statement of Defence purportedly filed on behalf of SHI; and
- b) provide such other advice and directions that this Honourable Court deems appropriate in the circumstances.

9. All of which is respectfully submitted at Toronto, Ontario this 28th day of October, 2008.

IRA SMITH TRUSTEE & RECEIVER INC.

solely in its capacity as the receiver and manager 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