

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**ED MIRVISH ENTERPRISES LIMITED AND 1 KING WEST INC.**

Applicants

- and -

**STINSON HOSPITALITY INC., DOMINION CLUB OF CANADA CORPORATION  
AND HARRY STINSON**

Respondents

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**SUPPLEMENTARY MOTION RECORD  
OF THE RECEIVER**

**(Re: Rectification Application of Segura Investments Ltd.)**

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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.

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**SUPPLEMENTARY MOTION RECORD INDEX**

**DOCUMENT**

**TAB NO.**

Supplementary Fifth Report of the Receiver dated April 2, 2008	1
Appendix "A" Copy of the corporate search results received by the Receiver's counsel concerning a search for Stinson Realty Corp.	A
Appendix "B" Copy of SHI's sub-ledger as of December 31, 2007	B
Appendix "C" Copy of the sub-ledger for receivables and payables due between DCC Corporate and SHI as of March 31, 2008	C
Appendix "D" Copy of the sub-ledger for receivables and payables due as between DCC Operations and DCC Corporate as of March 31, 2008	D
Appendix "E" Copies of the Balance Sheets of SHI as of August 1, 2005, December 31, 2005 and December 31, 2006	E

**TAB 1**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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**ED MIRVISH ENTERPRISES LIMITED AND 1 KING WEST INC.**

Applicants

**- and -**

**STINSON HOSPITALITY INC., DOMINION CLUB OF CANADA CORPORATION  
AND HARRY STINSON**

Respondents

**SUPPLEMENTARY FIFTH 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.**

**(Re: Rectification Application of Segura Investments Ltd.)**

**1.0 INTRODUCTION**

This report is supplementary to the Fifth Report (the “**Supplementary Fifth Report**”) filed by Ira Smith Trustee & Receiver Inc. in its capacity as court-appointed receiver and manager (the “**Receiver**”) 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. (collectively referred to as the “**Debtors**”), appointed pursuant to an Order dated August 24, 2007 made by the Honourable Madam Justice Pepall in these proceedings.

The Fifth Report outlines, *inter alia*, the Receiver's position concerning the application of Segura Investments Ltd. ("**Segura**"), 1392964 Ontario Limited and Tim Kwan (collectively the "**Applicants**") in response to the material delivered by the Applicants following the Endorsement made by the Honourable Madam Justice Pepall dated February 5, 2008 (the "**Endorsement**").

All of the capitalized terms not otherwise defined herein have the same meanings given to them in the Fifth Report.

In response to the Fifth Report and as a result of the Endorsement, the Applicants have delivered a statutory declaration of Frederick Wesley Hacker sworn February 28, 2008 and an affidavit of Brian Kwan sworn March 4, 2008.

The Receiver, as an officer of the Court with obligations to all stakeholders (including Segura), did not formally take a position on the merits of the Application for rectification. It did have submissions on the issue of whether leave ought to be granted to the Applicants to pursue to the application. Pursuant to the Endorsement, the Receiver is to be joined as a party to the application. The Receiver understands its role as a party to be to attempt to ensure that a full evidentiary record is brought before the Court and to give voice to the interests of unsecured creditors of the Debtors whose interests might otherwise be unrepresented in this application.

## **2.0 Conflicting Evidence of Advances**

In paragraph 6 of his original Affidavit sworn January 6, 2008, Mr. Tim Kwan gave sworn testimony that the amount advanced under Segura's loan was \$1.4 million. At

paragraph 88 of his original Affidavit sworn February 27, 2007 in SHI's application for relief under the *Companies' Creditors Arrangement Act* (the "CCAA"). Mr. Stinson gave his evidence under oath that the amount of Segura's loan is \$1.35 million. In his Affidavit sworn January 30, 2008, Mr. Stinson agrees with Mr. Kwan's Affidavit and states that the loan was "fully advanced". Now, in response to the requirement for particulars of Segura's alleged advances as contained in the Endorsement, Brian Kwan swears, at paragraph 24 of his Affidavit, that the amount advanced was only \$1,135,000 (plus interest). Attached as exhibits to Brian Kwan's Affidavit are copies of the cheques and a bank draft purporting to evidence these alleged advances. None of the alleged advances was payable to SHI. Each advance is made out to a Stinson company – variously named. The drawer is not always clearly identified. No copies of the backs of any of the cheques or the bank draft have been produced in support of this claim.

Under the terms of the loan agreement dated August 18, 2005 (the "**Loan Agreement**"), only SHI and Harry Stinson are the named as borrowers. The other named Stinson entities, being Stinson Properties Inc., Harry Stinson Realty Corp., High Park Lofts Ltd. and 1392964 Ontario Limited, are named as parties that provided collateral securing the obligations to re-pay the loan of the borrowers SHI and Mr. Stinson. The Receiver has not seen any evidence of any funds actually flowing to either of the borrowers under the Loan Agreement. Segura may have advanced funds to other Stinson entities for any number of reasons. The Receiver does not understand the Applicants to have sought to prove that SHI is a guarantor for loans made to any other party. Rather, it has claimed against SHI solely as a borrower under the Loan Agreement and the documentation that makes up that transaction.

Despite the terms of the Loan Agreement, the alleged first advance described by Brian Kwan was made by bank draft dated August 19, 2005, that was made payable to Stinson Properties Inc. in the amount of \$992,510<sup>1</sup>. Stinson Properties Inc. is not a named borrower under the Loan Agreement. There is no indication on the face of the bank draft that it was drawn by Segura.

An alleged second advance is purportedly evidenced by a cheque dated September 30, 2005, drawn by 1392964 Ontario Ltd (not Segura) in the amount of \$100,000 that is payable to Stinson Realty Corp. Stinson Realty Corp. is neither a borrower under the Loan Agreement nor named in the Loan Agreement. There is no indication on the face of this cheque that it is related in any way to Segura or the Loan Agreement. Attached as **Appendix "A"** is a copy of the corporate search results received by the Receiver's counsel concerning a search for Stinson Realty Corp. It has changed its name to Re/Max Condos Plus Corporation. It is not Harry Stinson Realty Corp.

An alleged third advance is purportedly evidenced by a cheque dated March 25, 2006, made payable to "Harry Stinson Realty Inc.". The cheque bears the handwritten name of Segura. Once again, the cheque is not payable to a borrower under the Loan Agreement. In fact the Receiver is unaware of the existence of Harry Stinson Realty Inc.; although, as noted above, Harry Stinson Realty Corp. is a listed collateral provider in the Loan Agreement.

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<sup>1</sup> Brian Kwan's evidence is that this amount properly reflects the \$1,000,000 advance less applicable transaction legal fees. See paragraph 17 of the Brian Kwan Affidavit.

### **3.0 NO CASH RECEIVED BY THE DEBTORS**

#### **3.1 The Books and Records of SHI**

As the Receiver has previously advised, none of the books and records of SHI evidence an actual receipt of funds from Segura. Attached hereto as **Appendix "B"** is a copy of SHI's sub-ledger in respect of the Segura Loan. Nowhere in this sub-ledger is there a record of SHI having received any cash at all on account of the Segura Loan and, specifically, there are no receipts for \$992,510 in August of 2005; \$100,000 in September of 2005; or \$35,000 in March of 2006. SHI bank records do not evidence any such cash receipts either.

As noted above, in February, 2007, Mr. Stinson swore that SHI owed \$1.35 million to Segura. The Monitor was unable to find any record of a debt due to Segura in the records of SHI and repeatedly questioned by Stinson about this up to and through May, 2007. As noted in the Monitor's First Report, in June and July of 2007, Mr. Stinson made the journal entries concerning Segura in the SHI sub-ledger. At that time, he told the Monitor that \$700,000 remained due to Segura from SHI and that the balance was due from others.

The SHI sub-ledger actually purports to record inter-company allocations in the aggregate amount of \$2.1 million to SHI with offsetting entries of \$1.4 million being credited as repaid. These are all recorded as inter-company amounts among Stinson entities rather than as a record of cash received by SHI from Segura or cash paid by SHI to Segura. At most, the \$700,000 amount appears to represent a netting of unsecured inter-company claims among one or more Stinson companies. It is not evidence of an



advance of cash to SHI under the Loan Agreement. The Receiver has seen no records to confirm that any of the alleged \$2.1 million was actually advanced in cash to SHI or that any repayment of \$1.4 million was made. It is perhaps a coincidence that both Messrs Tim Kwan and Stinson previously swore to the advance of \$1.4 million when the sub-ledger shows that amount as an offsetting repayment.

In any event, the total amount advanced as reflected by the cheques and bank draft currently submitted by Brian Kwan on behalf of Segura, is \$1,135,000 (not \$1.35 million, \$1.4 million or \$2.1 million). This does not reconcile with the SHI sub-ledger. The Receiver notes an entry recorded on the SHI sub-ledger in the amount of a \$1,150,000 dated December 31, 2005. In addition to this amount being in excess of the \$1,135,000 amount of the Segura advances claimed, the entry is made as at December 31, 2005, approximately three months before the last \$35,000 advance was allegedly made. Once again, this is an inter-company entry and not a record of cash actually being received.

In any event, the *post facto* allocations created by Mr. Stinson in the SHI sub-ledger do not evidence any actual cash ever flowing into SHI. Bank records do not demonstrate that SHI received any of this cash allegedly advanced by or on behalf of Segura in the cheques and bank draft that are now submitted by Mr. Kwan.

### **3.2 The Books and Records of DCC**

Mr. Stinson swears in his January 30, 2008 affidavit that the Segura funds were advanced in part at least to pay for aspects of the construction of the Dominion Club. The Receiver has therefore reviewed the books and records of DCC. While under Mr. Stinson's control, the ledgers of DCC were divided for internal purposes between its "Corporate"

and "Operations" divisions. The "Operations" sub-ledger was maintained by DCC's operations staff. The bookkeeping for DCC Corporate was controlled solely by Mr. Stinson.

Attached as **Appendix "C"** is a copy of the sub-ledger for receivables and payables due between DCC Corporate and SHI. There are no entries on this sub-ledger evidencing any funds flowing from SHI to DCC relating to the Segura Loan by description, notation, amount or date. In addition, there is no indication of cash moving from SHI to DCC in the amounts of the advances now alleged at or about the times of the alleged advances.

Attached as **Appendix "D"** is a copy of the sub-ledger for receivables and payables due as between DCC Operations and DCC Corporate. There is one entry on this sub-ledger relating to Segura. On February 9, 2007, there is a reference to an inter-company advance or allocation from Harry Stinson Realty Corp. in relation to Segura Investments in the amount of \$16,000. However, once again, this supports an unsecured inter-company claim by Harry Stinson Realty Corp. against DCC rather than any direct lending by Segura to DCC (or SHI for that matter). There is no other explanation or information provided regarding the inter-company transfer in respect of Segura and no corresponding entry recorded elsewhere. There is similarly no reference to a \$16,000 advance in the evidence submitted on behalf of Segura.

#### **4.0 Conclusion and Recommendation**

It is apparent that by mid-2005 Mr. Stinson and his companies were in financial crisis. Mr. Stinson was actively seeking cash for any number of pressing reasons that may or

may not have related to the corporate records. For example, the Monitor previously reported that the unsecured noteholders of SHI were granted their notes by SHI as compensation for Mr. Stinson having utilized funds that the noteholders had provided as down payments for the purchase of condominium units in a completely unrelated development project having nothing at all to do with 1 King Street West. Mr. Stinson seems to have used cash that was available to him as needed, and to have tried to use any assets at his disposition as security, and then tried to clean up the books. Despite the corporate transaction represented by the Loan Agreement and its supporting documentation, the Receiver has not been provided with any evidence of funds actually being advanced to SHI as a borrower under that agreement. Furthermore, as at August 2005, SHI had no ability to repay a loan of \$1 million or \$1.135 million were it to have borrowed such funds. It was already failing to meet its obligations to its creditors by that time. Attached as Appendix "E" are copies of the Balance Sheets of SHI as of August 1, 2005, December 31, 2005 and December 31, 2006. At each time and throughout, the liability of SHI exceeded its assets and its equity was therefore negative i.e. it was insolvent. Accordingly, there are reasons to be concerned that any loan or security purportedly granted by SHI as at August 2005 to Segura (especially security granted without a present, fresh advance) would have been an unjust preference and unfairly prejudicial to the corporation's existing creditors. Security granted in the absence of a fresh advance to a corporation that is on the eve of insolvency is likely void or voidable.

Based upon the documentation that has been made available to date, the Receiver cannot conclude that SHI received any money or value from Segura. If Segura gave money to Mr. Stinson or his other companies, then Segura still has its relief against Mr. Stinson and

those other companies. Segura also appears to have any additional relief available against its lawyers due to what appears to be the incorrect documentation of those dealings. The Receiver is of the view that it would be unfair and inequitable to the unsecured creditors of SHI for a secured claim to be allowed against the corporation in connection with security allegedly granted at a time when it was insolvent or on the eve of insolvency and in the absence of proven advances to it. It is not clear that the unsecured creditors have any other meaningful relief available to them to recover the losses that they will face by the recognition of a prior secured claim in favour of Segura. The harm to them is irreparable.

The Receiver therefore respectfully recommends that the Applicants' rectification application be dismissed.

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All of which is respectfully submitted at Toronto, Ontario this 2nd day of April, 2008.

**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

# **APPENDIX “A”**

**Corporation Particulars for: ●**

**RE/MAX CONDOS PLUS CORPORATION**

*Previous Name(s):* HARRY STINSON LTD.  
STINSON MARKETING INC.  
STINSON REALTY CORPORATION

*Corporate Number* 001248056  
*Date of Inc./Amalg.* 1997-07-24  
*Amalg. Indicator*  
*Status* ACTIVE  
*Establishment Type* ONTARIO BUSINESS CORP.  
*Share* SHARE  
*Jurisdiction* ONTARIO  
*Letter/ Amalg./ Inactive Date*  
*Amalg. Ont. Corp. #*

- Select "Proceed" to order reports/certificates from Companies and Personal Property Security Branch for the above name.
- Select "Security Searches" in order to exit this service and go to Cyberbahn's nationwide diligence search service.

<input type="button" value="Proceed"/>	<input type="button" value="Security Searches"/>	<input type="button" value="Back To ECI List"/>
<input type="button" value="Previous Page"/>		

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## CORPORATION DOCUMENT LIST

### Ontario Corporation Number

1248056

### Corporation Name

RE/MAX CONDOS PLUS CORPORATION

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	ANNUAL RETURN 2007 PAF: JOHNSTON, JAMIE L.	1C	2008/03/18
CIA	ANNUAL RETURN 2006 PAF: JOHNSTON, JAMIE	1C	2007/02/16
CIA	CHANGE NOTICE PAF: JOHNSTON, JAMES	1	2007/01/02
CIA	ANNUAL RETURN 2005	1C	2006/03/16
CIA	ANNUAL RETURN	1C	2004/12/22
CIA	ANNUAL RETURN	1C	2004/03/06
CIA	ANNUAL RETURN PAF: JOHNSTON, JAMES L.	1C	2002/11/15
CIA	ANNUAL RETURN	1C	2001/12/02
CIA	ANNUAL RETURN PAF: JOHNSTON, JAMES L	1C	2001/11/15
BCA	ARTICLES OF AMENDMENT	3	1999/11/15
CIA	CHANGE NOTICE PAF: STANISLAUS, URSULA T.	1	1999/01/07
BCA	ARTICLES OF AMENDMENT	3	1997/10/29
BCA	ARTICLES OF AMENDMENT	3	1997/10/28
CIA	INITIAL RETURN PAF: STINSON, HARRY	1	1997/10/07
BCA	ARTICLES OF INCORPORATION	1	1997/07/24

Request ID: 010184857  
Transaction ID: 35063114  
Category ID: UN/E

Province of Ontario  
Ministry of Consumer and Business Services  
Companies and Personal Property Security Branch

Date Report Produced: 2008/04/01  
Time Report Produced: 15:39:31  
Page: 2

## CORPORATION DOCUMENT LIST

### Ontario Corporation Number

1248056

### Corporation Name

RE/MAX CONDOS PLUS CORPORATION

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
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THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON THE COMPANIES AND PERSONAL PROPERTY SECURITY BRANCH MICROFICHE.

ALL "PAF" (PERSON AUTHORIZING FILING) INFORMATION IS DISPLAYED EXACTLY AS RECORDED IN ONBIS. WHERE PAF IS NOT SHOWN AGAINST A DOCUMENT, THE INFORMATION HAS NOT BEEN RECORDED IN THE ONBIS DATABASE.

The issuance of this report in electronic form is authorized by the Director of Companies and Personal Property Security Branch.



## **APPENDIX “B”**

Stinson Hospitality Inc.  
Transactions by Account  
As of December 31, 2007

Type	Date	Num	Adj	Name	Memo	Cir	Split	Debit	Credit	Balance
<b>2500 - Loans Payable - Segura</b>										
General Journal	31/10/2005	2005Y...			To reallocate ...		1804 · Due to/f...	200,000.00		-200,000.00
General Journal	31/10/2005	2005Y...			To reallocate ...		1804 · Due to/f...		50,000.00	-150,000.00
General Journal	31/10/2005	Reclass			To reallocate ...		1804 · Due to/f...	200,000.00		-350,000.00
General Journal	31/12/2005	2005Y...			from SPI		1803 · Due to/f...		1,150,000.00	800,000.00
General Journal	31/12/2005	2005Y...			To reallocate l...		1806 · Due to/f...		700,000.00	1,500,000.00
General Journal	31/12/2005	2005Y...			To reallocate ...		2520 · Loan Pa...	200,000.00		1,300,000.00
General Journal	31/12/2005	1231_...			To reallocate ...		1806 · Due to/f...	600,000.00		700,000.00
General Journal	13/01/2006	Loan...			To reallocate l...		1803 · Due to/f...	150,000.00	200,000.00	900,000.00
General Journal	31/08/2006	08-31...			To reallocate l...		2520 · Loan Pa...	50,000.00		750,000.00
General Journal	31/12/2006	1231_...			To reallocate f...		1806 · Due to/f...			700,000.00
Total 2500 - Loans Payable - Segura								1,400,000.00	2,100,000.00	700,000.00
<b>TOTAL</b>								<b>1,400,000.00</b>	<b>2,100,000.00</b>	<b>700,000.00</b>

## **APPENDIX “C”**

7:58 AM

01/04/08

Accrual Basis

## Dominion Club of Canada Transactions by Account

As of March 31, 2008

Type	Date	Num	Name	Memo	Clr	Split	Debit	Credit	Balance
<b>1800 - Intercompany Receivable/Payable</b>									0.00
<b>1805 - Due to/from Stinson Hospitality</b>									0.00
Cheq...	06/01/2005	62	Stinson Hos...	I/C Loan	1000	CIBC CA No. 0490...	20,000.00		20,000.00
Cheq...	15/01/2005	74	Stinson Hos...	I/C loan	1000	CIBC CA No. 0490...	20,000.00		40,000.00
Cheq...	24/01/2005	75	Stinson Hos...	I/C Loan	1000	CIBC CA No. 0490...	20,000.00		60,000.00
Cheq...	09/02/2005	96	Stinson Hos...	I/C loan-2/9	1000	CIBC CA No. 0490...	30,000.00		90,000.00
Cheq...	22/02/2005	110	Stinson Hos...	I/C loan - SH 2/22	1000	CIBC CA No. 0490...	20,000.00		110,000.00
Cheq...	02/03/2005	116	Stinson Hos...	I/C Loan 3/2	1000	CIBC CA No. 0490...	9,000.00		119,000.00
Cheq...	07/03/2005	120	Stinson Hos...	I/C Loan 3/7	1000	CIBC CA No. 0490...	15,000.00		134,000.00
Cheq...	10/03/2005	127	Stinson Hos...	I/C Loan 3/10	1000	CIBC CA No. 0490...	15,000.00		149,000.00
Cheq...	14/03/2005	130	Stinson Hos...	I/C Loan 3/14	1000	CIBC CA No. 0490...	15,000.00		164,000.00
Cheq...	24/03/2005	132	Stinson Hos...	I/C Loan 3/24	1000	CIBC CA No. 0490...	12,000.00		176,000.00
Cheq...	30/03/2005	138	Wilcox Sign ...	Inv 8157/8168/8357	1000	CIBC CA No. 0490...	207.00		176,207.00
Gene...	31/03/2005	I/C recl 3		Wilcox sign company 8357		-SPLIT-	0.00		176,207.00
Gene...	31/03/2005	I/C recl 3		Steward communication	1805	Due to/from Stinso...		2,358.00	173,849.00
Cheq...	08/04/2005	146	Stinson Hos...	I/C loan 4/8	1000	CIBC CA No. 0490...	15,000.00		188,849.00
Cheq...	12/04/2005	151	Stinson Hos...	I/C loan 4/12	1000	CIBC CA No. 0490...	20,000.00		208,849.00
Gene...	31/05/2005	I/C recl 5		Stewart communication inv#2530	2200	GST Payable		2,140.00	206,709.00
Gene...	30/06/2005	I/C recl 7		KMB inv#0239	6260	Printing and Repro...		864.00	205,845.00
Gene...	03/07/2005	I/C recl 7		Stewart Comm#2258	6260	Printing and Repro...		1,950.00	203,895.00
Gene...	26/09/2005	Bank Trnsfr		Fund transfer to SHI	1000	CIBC CA No. 0490...	41,488.85		245,383.85
Gene...	01/11/2005	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		16,000.00	229,383.85
Gene...	04/11/2005	Bank Trnsfr		to cover 15% interest	1000	CIBC CA No. 0490...		22,389.00	206,994.79
Gene...	04/11/2005	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		2,360.03	204,634.76
Gene...	08/11/2005	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		7,069.94	197,564.82
Gene...	11/11/2005	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		2,988.36	194,576.46
Gene...	21/11/2005	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		1,955.87	192,620.59
Gene...	22/11/2005	Bank Trnsfr		for Sysco Food Services	1000	CIBC CA No. 0490...		16,982.15	175,638.44
Gene...	28/11/2005	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		10,866.10	164,772.34
Gene...	02/12/2005	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		31,611.92	133,160.42
Gene...	31/12/2005	Adjmnt		Purchase database & license a...	1650	Computer Software		8,631.75	124,528.67
Gene...	31/12/2005	2005YE ...		To reallocate intercompany acc...	1803	Due to/from Stinso...	113,002.31		237,530.98
Gene...	31/12/2005	2005YE ...		To reallocate intercompany acc...	1803	Due to/from Stinso...		226,004.62	11,526.36
Gene...	31/12/2005	2005YE ...		To reallocate intercompany acc...	1804	Due to/from Sapph...	157,157.68		168,684.04
Gene...	31/12/2005	2005YE ...		To reallocate intercompany acc...	1802	Due to/from Harry ...	25,542.65		194,226.69
Gene...	31/12/2005	2005YE ...		Productions	1575	Deposit - Mirvish P...		750,000.00	-555,773.31
Gene...	31/12/2005	2005YE ...		To reallocate interest payments...	6220	Loan Interest	40,473.92		-515,299.39
Gene...	31/12/2005	2005YE ...		from SHI	1590	General Building U...		106,527.00	-621,826.39
Gene...	31/12/2005	2005YE ...		To reallocate intercompany acc...	1804	Due to/from Sapph...	621,826.39		0.00
Gene...	31/12/2005	1231_06...		To reallocate advertising, consu...	6246	Advertising	262,125.88		262,125.88
Gene...	31/12/2005	1231_05...		To reallocate loan payable from...	2260	Loan Payable - Oth...	2,750,000.00		3,012,125.88
Gene...	31/12/2005	1231_05...		To reallocate intercompany acc...	1802	Due to/from Harry ...		3,012,125.88	0.00
Gene...	31/12/2005	1231_05...		To reallocate intercompany acc...	1802	Due to/from Harry ...	1,805,399.49		1,805,399.49
Gene...	31/12/2005	1231_06...		To reallocate intercompany acc...	1802	Due to/from Harry ...		2,400,000.00	2,400,000.51
Gene...	06/01/2006	Fund Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		45,000.00	-639,600.51
Gene...	09/01/2006	Fund Trnsfr		Fund transfer to SHI	1000	CIBC CA No. 0490...	38,652.20		-600,948.31
Gene...	24/01/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		78,372.00	-679,320.31
Gene...	26/01/2006	Bank Trnsfr		Fund transfer to SHI	1010	CIBC SA No. 0490...	4,283.46		-675,036.85
Gene...	26/01/2006	Bank Trnsfr		Fund transfer from SHI		-SPLIT-	50,000.00		-625,036.85
Gene...	26/01/2006	Bank Trnsfr		Fund transfer from SHI	1805	Due to/from Stinso...		50,000.00	-675,036.85
Gene...	26/01/2006	Bank Trnsfr		5% Investor's Bonus	1010	CIBC SA No. 0490...		4,606.53	-679,643.38
Gene...	01/02/2006	Bank Trnsfr		Fund transfer to SHI	1000	CIBC CA No. 0490...	17,602.00		-662,041.38
Gene...	02/02/2006	Bank Trnsfr		Fund transfer to SHI	1010	CIBC SA No. 0490...	9,012.04		-653,029.34
Gene...	06/02/2006	Bank Trnsfr		Fund transfer to SHI	1000	CIBC CA No. 0490...	13,386.91		-639,642.43
Gene...	07/02/2006	Bank Trnsfr		Fund transfer to SHI	1000	CIBC CA No. 0490...	1,284.00		-638,358.43
Gene...	22/02/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		41,346.55	-679,704.98
Gene...	14/03/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		4,953.80	-684,658.78
Gene...	15/03/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		20,000.00	-704,658.78
Gene...	15/03/2006	Bank Trnsfr		Fund transfer fro SHI	1000	CIBC CA No. 0490...		10,000.00	-714,658.78
Gene...	17/03/2006	Bank Trnsfr		Fund transfer to SHI	1000	CIBC CA No. 0490...	2,022.44		-712,636.34
Gene...	11/04/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		31,007.11	-743,643.45
Gene...	20/04/2006	Deposit		Fund transfer from SHI	1000	CIBC CA No. 0490...		2,175.61	-745,819.06
Gene...	25/04/2006	Fund Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		7,728.69	-753,545.75
Gene...	27/04/2006	Bank Trnsfr		Fund transfer to SHI	1000	CIBC CA No. 0490...	937.69		-752,608.06
Gene...	05/05/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		13,000.00	-765,608.06
Gene...	05/05/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		22,293.36	-787,901.42
Gene...	10/05/2006	Bank Trnsfr		Fund transfer to SHI	1000	CIBC CA No. 0490...	2,922.52		-784,978.90
Gene...	11/05/2006	Bank Trnsfr		Fund transfer from SHI [Fifty-Si...	1000	CIBC CA No. 0490...		30,755.77	-815,734.67
Gene...	16/05/2006	Bank Trnsfr		Fund transfer to SHI		-SPLIT-	13,205.49		-802,529.18
Gene...	16/05/2006	Bank Trnsfr		Fund transfer to SHI	1805	Due to/from Stinso...		13,205.49	-815,734.67
Gene...	17/05/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		129,165.16	-944,899.83
Gene...	19/05/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		50,000.00	-994,899.83
Gene...	19/05/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		20,190.00	-1,015,089.83
Gene...	19/05/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		22,100.00	-1,037,189.83
Gene...	26/05/2006	Bank TR...		Fund transfer to SHI		-SPLIT-	5,000.00		-1,032,189.83
Gene...	26/05/2006	Bank TR...		Fund transfer from SHI	1000	CIBC CA No. 0490...		47,879.92	-1,080,069.75
Gene...	26/05/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		2,390.18	-1,082,459.93
Gene...	30/05/2006	Bank TR...		Fund transfer from SHI	1000	CIBC CA No. 0490...		18,807.08	-1,101,267.01
Gene...	01/06/2006	Bank Trnsfr		Fund transfer to DC 'rent/lease ...	1000	CIBC CA No. 0490...		6,200.00	-1,107,467.01
Gene...	01/06/2006	Bank Trnsfr		Fund transfer to SHI	1000	CIBC CA No. 0490...	10,488.92		-1,096,978.09
Gene...	01/06/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		25,047.10	-1,122,025.19
Gene...	01/06/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		50,000.00	-1,172,025.19
Gene...	07/06/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		2,843.89	-1,174,869.08
Gene...	13/06/2006	Bank Trnsfr		Fund transfer to SHI	1802	Due to/from Harry ...	1,849.93		-1,173,019.15
Gene...	14/06/2006	Bank Trnsfr		Fund transfer to Stinson Hospi...	1802	Due to/from Harry ...	45,126.37		-1,127,892.78
Gene...	15/06/2006	Bank Trnsfr		Fund transfer to SHI	1802	Due to/from Harry ...	1,765.25		-1,126,127.53
Gene...	16/06/2006	Bank Trnsfr		Fund transfer to SHI		-SPLIT-	57.71		-1,126,069.82
Gene...	27/06/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		41,005.44	-1,167,075.26
Gene...	30/06/2006	063006 Adj		To reallocate interest payments...	6200	Interest Expense	174,651.40		-992,423.86
Gene...	06/07/2006	Sales Le...		JFI Financial/Sales Lease Back...	6170	Equipment Rental		5,136.00	-997,559.86
Gene...	07/07/2006	Bank Trnsfr		Fund transfer to SHI	1000	CIBC CA No. 0490...	3,970.26		-993,589.60
Gene...	14/07/2006	Bank Trnsfr		Mechanical Inc. cheque	1000	CIBC CA No. 0490...		16,551.77	-1,010,141.37

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Accrual Basis

## Dominion Club of Canada Transactions by Account

As of March 31, 2008

Type	Date	Num	Name	Memo	Clr	Split	Debit	Credit	Balance
Gene...	17/07/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		41,403.77	-1,051,545.14
Gene...	28/07/2006	Bank Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		32,293.80	-1,083,838.94
Gene...	31/07/2006	073106 Adj		To reallocate interest payments t...	6200	Interest Expense	39,484.84		-1,044,354.10
Gene...	03/08/2006	Fund Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		5,065.00	-1,049,419.10
Gene...	17/08/2006	Fund Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		3,080.00	-1,052,499.10
Gene...	18/08/2006	081806 Adj		To reallocate interest payments ...	6200	Interest Expense	46,299.72		-1,006,199.38
Gene...	18/08/2006	081806 Adj		To reallocate intercompany acc...	1803	Due to/from Stinso...	80,363.27		-925,836.11
Gene...	18/08/2006	Reclass		from SHI	1590	General Building U...		766,042.72	-1,691,878.83
Gene...	18/08/2006	Reclass		To reallocate intercompany acc...	1804	Due to/from Sapph...		15,855.89	-1,707,744.72
Gene...	22/08/2006	Fund Trnsfr		Landen pre-authorized payments	1000	CIBC CA No. 0490...		923.25	-1,708,667.97
Gene...	31/08/2006	08-31-06 ...		cancelled cheque of Pat Ran...	6200	Interest Expense		312.50	-1,708,980.47
Gene...	31/08/2006	083106 Adj		To reallocate intercompany acc...	-SPLIT-			871,197.14	-2,580,177.61
Gene...	31/08/2006	83106 Adj		DC Cheque 620 Payment to LC...	1806	Due to/from DC Op...	26,665.94		-2,553,511.67
Gene...	31/08/2006	83106 Adj		To adjust Hotsets Film payment...	-SPLIT-		61,526.74		-2,491,984.93
Gene...	31/08/2006	83106 Adj		To reallocate intercompany acc...	6240	Miscellaneous	5,136.00		-2,486,848.93
Gene...	31/08/2006	083106 Adj		To take up payment made by H...	6170	Equipment Rental		4,410.54	-2,491,259.47
Gene...	31/08/2006	083106 Adj		paid by SHI	6850	Property		24,341.40	-2,515,600.87
Gene...	31/08/2006	0831_06...		To reallocate loan payable from...	2260	Loan Payable - Oth...	50,000.00		-2,465,600.87
Gene...	25/09/2006	Fund Trnsfr		Fund transfer to SHI	1804	Due to/from Sapph...	293.93		-2,465,306.94
Gene...	25/09/2006	Adj			1806	Due to/from DC Op...		7,391.13	-2,472,698.07
Gene...	29/09/2006	Fund Trnsfr		Fund transfer to SHI	-SPLIT-		5,025.83		-2,467,672.24
Gene...	02/10/2006	Bank Trnsfr		Fund transfer to SHI	1000	CIBC CA No. 0490...	11,100.00		-2,456,572.24
Gene...	11/10/2006	Bank Trnsfr		Fund transfer to SHI	1805	Due to/from Stinso...	4,804.68		-2,451,767.56
Gene...	13/10/2006	DSM_CRA		Payment for penalties - payroll l...	6800	Interest and Penalty		12,686.48	-2,464,454.04
Gene...	31/10/2006	Adjustment		To reallocate building upgrades...	1590	General Building U...		22,665.00	-2,487,119.04
Gene...	31/10/2006	DSM Lea...		To take up payment made by D...	-SPLIT-			25,415.84	-2,512,534.88
Gene...	29/11/2006	MediaFuel		To take payment to Media Fuel ...	1806	Due to/from DC Op...	600.00		-2,511,934.88
Gene...	21/12/2006	Partial Pay	European H...	and Restaurant Imports Ltd. Inv...	2000	Accounts Payable		5,128.75	-2,464,454.04
Gene...	21/12/2006	MediaFuel		To take up payment to Media F...	1806	Due to/from DC Op...	25.00		-2,517,033.63
Gene...	21/12/2006	MediaFuel		To take up payment to Media F...	1806	Due to/from DC Op...	1,660.00		-2,517,038.63
Gene...	21/12/2006	MediaFuel		To take up payment to Media F...	1806	Due to/from DC Op...	620.20		-2,515,378.63
Gene...	21/12/2006	MediaFuel		To take up Media Fuel Invoice n...	1808	Due to/from DC Op...			-2,514,758.43
Gene...	31/12/2006	1231_06...		To reallocate commission arisi...	-SPLIT-		95,028.04		-2,419,730.39
Gene...	31/12/2006	1231_06...		To reallocate to SHI Early Morni...	-SPLIT-		90,400.00		-2,329,330.39
Gene...	31/12/2006	1231_06...		To reallocate intercompany acc...	1806	Due to/from DC Op...		770,529.59	-3,099,859.98
Gene...	31/12/2006	1231_06...		To reallocate intercompany acc...	1802	Due to/from Harry ...	871,277.07		-2,228,582.91
Gene...	31/12/2006	1231_06...		To reallocate intercompany acc...	1802	Due to/from Harry ...		4,020.27	-2,232,603.18
Gene...	31/12/2006	1231_06...		To reallocate intercompany acc...	1803	Due to/from Stinso...		2,616.82	-2,235,220.00
Gene...	01/01/2007	01/01_07...	Dodds Interi...	no. 20701006 08/17/2006 mad...	2000	Accounts Payable		25,000.00	-2,260,220.00
Gene...	01/01/2007	01/01_07...	Hotsets Film	09/07/2006 made by DC Operat...	2000	Accounts Payable		14,089.74	-2,274,309.74
Gene...	01/01/2007	01/01_8VC		To take up payments on the for...	1590	General Building U...		137,245.50	-2,411,555.24
Gene...	01/01/2007	0101_07...		To take up rental for 3rd & 4th fl...	4008	Rental Income	135,000.00		-2,276,555.24
Gene...	03/01/2007	Fund Trnsfr		To take up incoming money tra...	-SPLIT-		38,327.36		-2,238,227.88
Gene...	19/01/2007	0119_07...		To reallocate intercompany acc...	1801	Due to/from High P...	477.00		-2,237,750.88
Gene...	31/01/2007	0131_07...		To reallocate intercompany acc...	1803	Due to/from Stinso...	82,820.42		-2,154,930.46
Gene...	08/02/2007	0208_07...		To reallocate intercompany acc...	1802	Due to/from Harry ...		3,267.76	-2,158,198.22
Gene...	28/02/2007	0228_07...		To reallocate intercompany acc...	1804	Due to/from Sapph...		358.63	-2,158,556.85
Gene...	28/02/2007	I/C		To reallocate rental income	-SPLIT-		31,800.00		-2,126,756.85
Gene...	28/02/2007	I/C		To reallocate intercompany acc...	1807	Due to/from The O...	16,601.89		-2,110,154.96
Gene...	28/02/2007	I/C		To reallocate intercompany acc...	-SPLIT-		16,600.00		-2,093,554.96
Gene...	28/02/2007	I/C		-MULTIPLE-	1805	Due to/from Stinso...		37,156.00	-2,130,710.96
Gene...	14/03/2007	I/C		To take up money deposited in ...	1806	Due to/from DC Op...	307.80		-2,130,403.16
Gene...	26/03/2007	I/C		To take money deposited to SH...	1806	Due to/from DC Op...	307.80		-2,130,095.36
Gene...	28/03/2007	Fund Trnsfr		Fund transfer from SHI	1000	CIBC CA No. 0490...		20.00	-2,130,115.36
Gene...	30/03/2007	Reallocate		To reallocate intercompany acc...	1804	Due to/from Sapph...		7,045.00	-2,137,160.36
Gene...	31/03/2007	I/C		To take up TSSC 1703 Inv no. 0...	4010	Membership Fees	3,000.00		-2,134,160.36
Gene...	31/03/2007	Reallocate		To reallocate intercompany acc...	1806	Due to/from DC Op...		106,204.64	-2,240,365.00
Gene...	31/03/2007	Reallocate		To reallocate intercompany acc...	1807	Due to/from The O...		42,154.25	-2,282,519.25
Gene...	18/04/2007	Reallocate		To reallocate intercompany acc...	1802	Due to/from Harry ...		356.25	-2,282,875.50
Gene...	19/04/2007	Fund transf		Fund transfer from SHI	1000	CIBC CA No. 0490...		255.46	-2,283,130.96
Gene...	24/04/2007	Fund transf		To take money deposited to SH...	1806	Due to/from DC Op...	307.80		-2,282,823.16
Gene...	30/04/2007	Fund transf		fees.	-SPLIT-		15,900.00		-2,266,923.16
Gene...	30/04/2007	Fund transf		To record fund transfer from SH...	1806	Due to/from DC Op...		19,012.37	-2,285,935.53
Gene...	09/05/2007	Fund transf		to DC funds	1000	CIBC CA No. 0490...		20.00	-2,285,955.53
Gene...	09/05/2007	Fund transf			1010	CIBC SA No. 0490...		20.00	-2,285,975.53
Total 1805 - Due to/from Stinson Hospitality							8,156,204.09	10,442,179.62	-2,285,975.53
Total 1800 - Intercompany Receivable/Payable							8,156,204.09	10,442,179.62	-2,285,975.53
<b>TOTAL</b>							<b>8,156,204.09</b>	<b>10,442,179.62</b>	<b>-2,285,975.53</b>

## **APPENDIX “D”**

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Accrual Basis

## Dominion Club of Canada Transactions by Account

As of March 31, 2008

Type	Date	Num	Adj	Name	Memo	Split	Debit	Credit	Balance
<b>1800 - Intercompany Receivable/Payable</b>									0.00
<b>1806 - Due to/from DC Operations</b>									0.00
Gen...	31/01/2006	GST Filing			GST Refund filing for January 1-31, 2006	2200 - GST...	38,042.75		38,042.75
Gen...	28/02/2006	GST Filing			GST Refund filing for February 1-28, 2006	2200 - GST...	14,526.64		52,569.39
Gen...	31/03/2006	GST Filing			GST Refund filing for March 1-31, 2006	2200 - GST...	9,938.64		62,508.03
Gen...	30/04/2006	GST Filing			GST Refund filing for April 1-30, 2006	2200 - GST...	1,858.90		64,366.93
Gen...	31/05/2006	GST Filing			GST Refund filing for May 1-31, 2006	2200 - GST...	2,319.05		66,685.98
Che...	08/06/2006	620		LCBO	Payment of Invoice No. 250479 per DC Cheque R...	1000 - CIB...	23,757.24		90,443.22
Che...	08/06/2006	621		LCBO	Payment of order per DC Cheque Requisition date...	1000 - CIB...	2,908.70		93,351.92
Gen...	30/06/2006	GST Filing			GST Refund filing for June 1-30, 2006	2200 - GST...	18,602.64		111,954.56
Gen...	31/07/2006	GST Filing			GST Filing for the period July 1-31, 2006	2200 - GST...	11,748.44		123,703.00
Gen...	31/08/2006	83106 Adj			-MULTIPLE-	1806 - Due ...		26,665.94	97,037.06
Gen...	31/08/2006	83106 Adj			from January - July 2006 net of credit	1200 - Acc...		66,572.86	30,464.20
Gen...	31/08/2006	GST Filing			Due from DC Operations	2200 - GST...	8,366.59		38,830.79
Gen...	25/09/2006	Adj				1805 - Due ...	7,391.13		46,221.92
Dep...	27/09/2006	10946303		Royal a...	In payment of 6582	1000 - CIB...		7,391.13	38,830.79
Gen...	01/11/2006	GST Filing			GST Return filing for the month of	-SPLIT-	620.98		39,451.77
Gen...	21/11/2006	Comm_MgtF...			fee as of November 21, 2006	4020 - Man...	28,974.34		68,426.11
Gen...	29/11/2006	Payroll			consulting services to C. Caruso made	6650 - Acc...		5,000.00	63,426.11
Gen...	29/11/2006	DC Mem Ref			Chantiam	2520 - Me...		5,350.00	58,076.11
Gen...	29/11/2006	DC Mem Ref			Home Builders made by DC Operations for	1802 - Due ...		1,357.69	56,718.42
Gen...	29/11/2006	MediaFuel			No. 900 paid by DC Operations for SHI	1805 - Due ...		600.00	56,118.42
Gen...	30/11/2006	GST Filing			September 1-30, 2006 paid by DC	2200 - GST...		8,088.72	48,029.70
Gen...	30/11/2006	GST Filing			GST Filing for the period November 1-30	2200 - GST...	31.41		48,061.11
Gen...	30/11/2006	RL MgtFee			-MULTIPLE-	1806 - Due ...	23,621.41		71,682.52
Gen...	01/12/2006	DSM/Gould			-MULTIPLE-	1806 - Due ...		25,349.61	46,332.91
Gen...	07/12/2006	RFCanada			paid by DC Coporation per Chk# 919	2010-9 - Le...		32,863.34	13,469.57
Gen...	08/12/2006	MortInteres			Operations to Sapphire Tower to pay	1804 - Due ...		70,000.00	-56,530.43
Gen...	12/12/2006	Mirvish			paid by DC Operations	6200 - Inter...		59,000.00	-115,530.43
Gen...	21/12/2006	MediaFuel			No. 858 advance by DC Operations	1805 - Due ...		25.00	-115,555.43
Gen...	21/12/2006	MediaFuel			No. 854 advance by DC Operations	1805 - Due ...		1,660.00	-117,215.43
Gen...	21/12/2006	MediaFuel			paid by DC Operations	1805 - Due ...		620.20	-117,835.63
Gen...	31/12/2006	RLP MgtFee			-MULTIPLE-	1806 - Due ...	20,536.88		-97,298.75
Gen...	31/12/2006	1231_06 Adj			To reallocate intercompany accounts	1805 - Due ...	770,529.59		673,230.84
Gen...	31/12/2006	GST Dec06			To take up adjustment from DC Operations	2200 - GST...	10,883.44		684,114.28
Gen...	31/12/2006	GST06 Final			To take up final GST between Dec06	2200 - GST...		701.92	684,816.20
Gen...	31/12/2006	European			and Restaurant Import Limited Invoice No.	2000 - Acc...		881.67	685,697.87
Gen...	31/12/2006	European			Restaurants Imports Limite Invoice No.	2000 - Acc...		4,510.78	690,208.65
Gen...	03/01/2007	DSM/Gould			-MULTIPLE-	1806 - Due ...		23,351.25	666,857.40
Gen...	05/01/2007	Globe&Mail			Mail by DC Operations for SPI	1803 - Due ...		1,800.00	668,657.40
Gen...	05/01/2007	MemFeeRfund			Marlene Oiglisser paid by DC Operations	4005 - Me...		4,716.98	673,374.38
Gen...	05/01/2007	IC			by DC Operations	1803 - Due ...		600.00	673,974.38
Gen...	08/01/2007	CC Consult			DC Operations	6285 - Con...		5,000.00	678,974.38
Gen...	15/01/2007	GraphicArts			by DC Operations for Sapphire Tower	1804 - Due ...		78,750.00	757,724.38
Gen...	17/01/2007	DeLage			Contract no. 72311	2010-6 - Le...		3,050.70	760,775.08
Gen...	19/01/2007	CC Consult			DC Operations	6285 - Con...		5,000.00	765,775.08
Gen...	19/01/2007	MediaFuel			paid by DC Operations	1801 - Due ...		477.00	766,252.08
Gen...	19/01/2007	MediaFuel			Sapphire Tower paid by DC Operations	1804 - Due ...		2,173.00	768,425.08
Gen...	19/01/2007	MediaFuel			SPI paid by DC Operations	1803 - Due ...		995.10	769,420.18
Gen...	30/01/2007	Jan31_07GST			To take up December 2006 GST Filing Refund	2200 - GST...	10,390.47		779,810.65
Gen...	01/02/2007	DSM/Gould			-MULTIPLE-	1806 - Due ...		24,644.36	804,455.01
Gen...	01/02/2007	IC			Management fee billing from DC Operations	4020 - Man...	14,101.00		818,556.01
Gen...	05/02/2007	IC			DC Operations	6240 - Misc...		5,000.00	823,556.01
Gen...	08/02/2007	IC			Trust by DC Operations	1520 - Prep...		20,000.00	843,556.01
Gen...	09/02/2007	IC			to Segura Investments Lt.	1802 - Due ...		16,000.00	859,556.01
Gen...	19/02/2007	IC			Payment made to C. Caruso by DC	6285 - Con...		6,360.00	865,916.01
Gen...	22/02/2007	IC			in Trust by DC Operations	1520 - Prep...		20,000.00	885,916.01
Gen...	22/02/2007	IC			paid by DC Operations	2200 - GST...		7,627.36	893,543.37
Gen...	23/02/2007	IC			Leasing management fees	1806 - Due ...	9,335.51		902,878.88
Gen...	24/02/2007	IC			DC Operations	6297 - Co...		3,050.00	905,928.88
Gen...	24/02/2007	IC			refund of Francis Chantiam membership	4005 - Me...	5,350.00		911,278.88
Gen...	02/03/2007	DSM/Gould			-MULTIPLE-	1806 - Due ...		24,640.08	935,918.96
Gen...	02/03/2007	De Lage			To take up payment made to De Lage	2010-6 - Le...		3,136.20	939,055.16
Gen...	07/03/2007	IC			Righton LLP in Trust by DC Operations	1520 - Prep...		30,000.00	969,055.16
Gen...	07/03/2007	IC			To take up commission from DC Operations	6297 - Co...		2,525.00	971,580.16
Gen...	08/03/2007	Bailiffs			assessed against Dominion Club of Canada	6850 - Prop...		14,000.00	985,580.16
Gen...	13/03/2007	IC			To take up management fee per DC	4020 - Man...	9,997.75		995,577.91
Gen...	14/03/2007	IC			DC Operations	1805 - Due ...		307.80	995,885.71
Gen...	16/03/2007	IC			Imports Ltd. Invoice No. IN000076897	2000 - Acc...		46,744.53	1,042,630.24
Gen...	26/03/2007	IC			DC Operations	1805 - Due ...		307.80	1,042,938.04
Gen...	26/03/2007	IC			to Shilbey Righton LLP in Trust	1520 - Prep...		10,000.00	1,052,938.04
Gen...	30/03/2007	IC			To take up GST Return filing for February	-SPLIT-	923.21		1,053,861.25
Gen...	31/03/2007	Reallocate			To reallocate intercompany accounts	1805 - Due ...	106,204.64		1,160,065.89
Gen...	10/04/2007	DSM/Gould			-MULTIPLE-	1806 - Due ...		24,635.70	1,184,701.59
Gen...	10/04/2007	De Lage			To take up payment made to De Lage	-SPLIT-		3,214.07	1,187,915.66
Gen...	24/04/2007	Fund transf			To take money deposited to SHI from DC operations	1805 - Due ...		307.80	1,188,223.46
Gen...	26/04/2007	Fund transf			Payment of lease from DC operations,	-SPLIT-		3,442.07	1,191,665.53
Gen...	30/04/2007	Fund transf			To record prepaid legal fees.	1520 - Prep...		65,000.00	1,256,665.53
Gen...	30/04/2007	Fund transf			To record payment for Ed Dominico.	6240 - Misc...		2,000.00	1,258,665.53
Gen...	30/04/2007	Fund transf			to Davidson Furniture.	2000 - Acc...		500.00	1,259,165.53
Gen...	30/04/2007	Fund transf			To record GST payable (refund) made by	2200 - GST...	2,844.11		1,262,009.64
Gen...	30/04/2007	Fund transf			To record Longterm leasing management	1805 - Due ...	19,012.37		1,281,022.01
Gen...	30/04/2007	Fund transf			To record partial payment made by DC operations	2010-9 - Le...		10,000.00	1,291,022.01
Gen...	02/05/2007	Fund transf			-MULTIPLE-	1806 - Due ...		24,631.30	1,315,653.31
Gen...	16/05/2007	Fund transf			To record payment made by DC operations	-SPLIT-		2,965.20	1,318,618.51
<b>Total 1806 - Due to/from DC Operations</b>							<b>1,172,817.83</b>	<b>813,592.16</b>	<b>359,225.67</b>
<b>Total 1800 - Intercompany Receivable/Payable</b>							<b>1,172,817.83</b>	<b>813,592.16</b>	<b>359,225.67</b>
<b>TOTAL</b>							<b>1,172,817.83</b>	<b>813,592.16</b>	<b>359,225.67</b>

## **APPENDIX “E”**



10:20 AM  
 02/04/08  
 Accrual Basis

Stinson Hospitality Inc.  
**Balance Sheet**  
 As of August 1, 2005

	<u>Aug 1, 05</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Chequing/Savings	
1000 · CIBC SA No. 04902/13-10917	-8,048.00
<b>Total Chequing/Savings</b>	<u>-8,048.00</u>
<b>Accounts Receivable</b>	
1200 · Accounts Receivable	
1210 · Accounts Receivable - Others	4,846.25
1200 · Accounts Receivable - Other	21,822.76
<b>Total 1200 · Accounts Receivable</b>	<u>26,669.01</u>
<b>Total Accounts Receivable</b>	26,669.01
<b>Other Current Assets</b>	
1015 · Prepaid Expense	3,000.00
1520 · Due from Shareholder	100.00
<b>Total Other Current Assets</b>	<u>3,100.00</u>
<b>Total Current Assets</b>	21,721.01
<b>Fixed Assets</b>	
1450 · Furniture and Equipment	148,050.13
1451 · Acc Dep - Furniture & Equipment	-9,149.00
1452 · Computer Equipment	126,158.63
1454 · Computer Software	226,918.11
<b>Total Fixed Assets</b>	<u>491,977.87</u>
<b>Other Assets</b>	
1800 · Intercompany Receivable/Payable	
1801 · Due to/from High Park Lofts Inc	30,000.00
1802 · Due to/from Dominion Club	-199,274.34
1803 · Due to/from Stinson Properties	-118,784.24
1804 · Due to/from Sapphire Tower	-667,079.24
1806 · Due to/from Harry Stinson Realt	-46,469.37
1808 · Due to/from 2076564 Ontario Inc	2,000.00
<b>Total 1800 · Intercompany Receivable/Payable</b>	<u>-999,607.19</u>
1900 · I/C Funding from Affiliates	
1901 · I/C funding - HSRC	-195,144.33
<b>Total 1900 · I/C Funding from Affiliates</b>	<u>-195,144.33</u>
<b>Total Other Assets</b>	<u>-1,194,751.52</u>
<b>TOTAL ASSETS</b>	<u><u><b>-681,052.64</b></u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
2300 · Accounts Payable	122,932.50
<b>Total Accounts Payable</b>	<u>122,932.50</u>
<b>Other Current Liabilities</b>	
2100 · Payroll Liabilities	57,383.20
2200 · GST Payable	-11,770.01
<b>Total Other Current Liabilities</b>	<u>45,613.19</u>
<b>Total Current Liabilities</b>	<u>168,545.69</u>
<b>Total Liabilities</b>	168,545.69

10:20 AM  
02/04/08  
Accrual Basis

**Stinson Hospitality Inc.**  
**Balance Sheet**  
As of August 1, 2005

	<u>Aug 1, 05</u>
Equity	
3900 · Retained Earnings	-174,964.44
3901 · Capital Stock	100.00
Net Income	-674,733.89
<b>Total Equity</b>	<u>-849,598.33</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>-681,052.64</u></u>

**STINSON HOSPITALITY INC.**  
**Non-Consolidated Balance Sheet**  
**December 31, 2005**  
*(Prepared by Management)*

**ASSETS**

	2005	2004
Cash in bank	\$ 51,422	\$ -
Accounts receivables	64,837	17,647
Investment in subsidiary	100	-
Due from shareholder	-	100
Due from related parties	875,606	-
Capital assets <i>(Net of accumulated amortization)</i>	703,628	161,550
	<b>\$ 1,695,592</b>	<b>\$ 179,297</b>

**LIABILITIES AND SHAREHOLDER'S EQUITY**

**LIABILITIES**

Bank indebtedness	\$ -	\$ 138
Accounts payable and accrued liabilities	436,217	7,499
Due to related parties	3,099,975	346,524
Loans Payable - 15% Investors	1,437,618	-
	<b>4,973,810</b>	<b>354,161</b>

**SHAREHOLDER'S EQUITY**

Share Capital	100	100
Deficit - End of Year	(3,278,318)	(174,964)
	<b>(3,278,218)</b>	<b>(174,864)</b>
	<b>\$ 1,695,592</b>	<b>\$ 179,297</b>

**STINSON HOSPITALITY INC.**  
**Non-Consolidated Balance Sheet**  
**December 31, 2006**  
*(Prepared by Management for Internal Purposes only)*

**ASSETS**

	2006	2005
Cash in bank	\$ -	\$ 51,423
Accounts receivables	87,826	64,103
Investment in subsidiaries	300	100
Due from Dominion Club of Canada Corp.	2,235,220	746,726
Capital assets <i>(Net of accumulated amortization)</i>	749,280	703,628
	<b>\$ 3,072,626</b>	<b>\$ 1,565,979</b>

**LIABILITIES AND SHAREHOLDER'S EQUITY**

**LIABILITIES**

Bank indebtedness	\$ 36,254	\$ -
Accounts payable and accrued liabilities	961,932	435,483
Due to Harry Stinson Realty Corp.	877,723	3,099,975
Due to 2076564 Ontario Inc.	298,653	(128,879)
Loans Payable - 15% Investors	5,000,000	1,437,618
	7,172,562	4,844,197

**SHAREHOLDER'S EQUITY**

Share Capital	100	100
Deficit	(4,100,036)	(3,278,318)
	(4,099,936)	(3,278,218)
	<b>\$ 3,072,626</b>	<b>\$ 1,565,979</b>

**Note:**

Pursuant to the purchase and sale agreement as between Dominion Club of Canada Corporation and Stinson Hospitality Inc. and 1 King West Inc. dated March 8, 2006, the purchase price was allocated in the following manner in the December 31, 2006 financial statements of the Dominion Club of Canada Corporation for the : Club Lands, Condo Units and Improvements \$1,800,000, SHI Debt - \$10,000,000. For accounting purposes the liability has been recorded on the financial statements of Dominion Club of Canada Corporation. 1 King West Inc. has registered a GSA against this debt in the amount of \$11,800,000.

**"D R A F T"**

**ED MIRVISH ENTERPRISES  
LIMITED AND 1 KING WEST INC.**

and

**STINSON HOSPITALITY INC.,  
DOMINION CLUB OF CANADA  
CORPORATION AND HARRY  
STINSON**

Court File No: 07-CL-6913

Applicants

Respondents

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
Commercial List**

Proceeding commenced at Toronto

**SUPPLEMENTARY MOTION RECORD  
OF THE RECEIVER  
(Re: Rectification Application of Segura  
Investments Ltd.)**

**GOODMANS LLP**

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Fax: 416-979-1234

Counsel to 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.

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