

## SENTINEL HILL 1998 MASTER LIMITED PARTNERSHIP

### Litigation Update

April 23, 2013

The Order dated November 6, 2012 required that “undertakings given at the examinations for discovery shall be satisfied by April 1, 2013”. By agreement, the only investor being discovered on behalf of all the investors who are part of the Tax Appeal was Robert Strother. His responses to undertakings were provided to the Respondent (Crown) on or about March 28, 2013.

Crown’s responses to undertakings which arose from Mr. Duff’s examination for discovery were provided a day after the April 1<sup>st</sup> deadline.

Several undertakings by Mr. Strother required inquiries being made of others, including Davis LLP (the firm who had acted as counsel to Sentinel Hill for the subject transactions). Those queries were still outstanding on April 1<sup>st</sup>. Accordingly, the Crown was advised that once the inquiries of Davis had been answered, they would be informed. No further information was located from or through Davis LLP; however, supplementary responses (such as they were) were provided to Crown on or about April 12, 2013. There are no outstanding responses from Mr. Strother – all the answers have been provided to Crown, on behalf of all the Appellants.

April 15, 2013 was the deadline by which the parties were to communicate with the Hearings Coordinator to advise the Court whether the case will settle, or to file a joint application to fix at a time and place for the hearing.

In a letter to the Tax Court’s Registrar dated April 15, 2013, Crown counsel, Mr. Carvalho, requested a delay until the end of July, 2013, noting “there are still outstanding answers and there will be extensive follow-up to the undertakings”. At the present time, no further information is available.