

Update November 22, 2012

The finalisation of next steps in the litigation process is still pending; the Crown and CRA continue to be difficult, such that simple scheduling exercises become cumbersome and lengthy. However, it is expected that dates in January of 2013 will be confirmed for discoveries.

As noted previously, the general partner ("GP") has engaged Heenan Blaikie LLP as counsel for the further conduct of the tax litigation. Heenan Blaikie was initially not able to act in the matter due to their own conflict of interest rules – a then-current client meant they were unable to act for Sentinel Hill in this matter. They subsequently completed that matter and thus became available. It is also important to note that they have been successful in similar disputes, which makes them not just well versed in the issues of concern to this dispute, but gives them a positive track record.

The GP does not think there will be a notable loss of momentum involved due to the change in counsel. Having said that, in the short term there is a small delay, as new counsel simply needs time to adequately prepare for the discoveries, which are a crucial stage in these proceedings. Both counsel and the GP are actively preparing for the discoveries.

There will be no further contributions sought from investors who have paid their full per unit amount. There remain, however, several investors who have not done so, and those will be pursued. The contributions from the limited partners have been transferred to Heenan Blaikie's trust account, on the same terms as those on which they were collected. There will be no interim refunds issued to limited partners at the present time.

Please continue to check this website for further information.