

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

I.F. PROPCO HOLDINGS (ONTARIO) 23 LTD.

Applicant

- and -

AFM HOSPITALITY CORPORATION

Respondent

**Supplement to the Fifth Report to the Court of Mintz & Partners Limited,
as Interim Receiver and Receiver and Manager
of AFM Hospitality Corporation**

A. Introduction

The purpose of this report is to summarize the activities of the Receiver and its Canadian legal counsel, Chaitons LLP (“**Chaitons**”), relating to the invoices mentioned in the Receiver’s Fifth Report to the Court dated May 15, 2010 (the “**Fifth Report**”).

All capitalized terms not defined in this report are used as defined in the Fifth Report.

B. Summary of Activities

Appendix “F” to the Fifth Report consists of a summary of the Receiver’s invoices for the period November 20, 2006 to March 11, 2010, and Exhibit “A” to the accompanying Affidavit of Daniel Weisz sworn May 12, 2010 consists of copies of those invoices. During that period, the Receiver (among other things):

- communicated on an ongoing basis with Arcturus Realty Corporation regarding the Company’s leased premises and adjustments to amounts paid;

- reviewed documentation relating to the proposed foreclosure by the secured creditor, and attendance upon various matters following the foreclosure;
- reviewed materials relating to U.S. bankruptcy proceedings of an individual;
- reviewed the Company's records and began preparation of the Company's financial statements for the years preceding the receivership for the purpose of filing income tax returns for those years, in order to attempt to recover GST paid;
- communicated with Rogers in order to finalize amounts owing by the Receiver to Rogers;
- prepared and finalized the Receiver's Fourth Report to Court;
- engaged in discussions with Canada Revenue Agency regarding payroll, allocation of payments and assessed amounts owing; and
- prepared Reports of the Receiver pursuant to Section 246(2) of the BIA and interim statements of receipts and disbursements for those reports.

Appendix "G" to the Fifth Report consists of a summary of the invoices of Chaitons for the period November 7, 2006 to March 26, 2010, and Exhibit "A" to the accompanying Affidavit of Mark Klar sworn May 14, 2010 consists of copies of those invoices. During that period, Chaitons (among other things):

- addressed the winding up of various franchisees;
- dealt with U.S. bankruptcy proceedings of certain subsidiaries and individuals;
- reviewed and revised motion materials prepared by secured creditor's counsel;
- assisted the Receiver with the preparation and finalization of the Fourth Report;
- prepared court material in support of the foreclosure hearing, and attended in Court with respect to that hearing;
- attended to the completion of the foreclosure action by the secured creditor;
- assisted with the preparation of a preliminary draft version of the Fifth Report.

All of which is respectfully submitted to this Honourable Court.

DATED at Toronto this 21st day of May, 2010.

Mintz & Partners Limited

MINTZ & PARTNERS LIMITED
Interim Receiver and Receiver and Manager of
AFM Hospitality Corporation

Daniel R. Weisz, CA•CIRP, CIRP

DRW/ms