

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

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE AND PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE FUND, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, and CHRYSALIS YOGA INC.

Respondents

**APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT R.S.O. 1990,
c. S.5, AS AMENDED**

**SECOND REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS RECEIVER**

NOVEMBER 24, 2017



**Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4**

TABLE OF CONTENTS

INTRODUCTION	2
The Application and Appointment Order	2
The June 2017 Motions and Court Relief.....	4
PURPOSE OF THE SECOND REPORT	7
RESTRICTIONS AND TERMS OF REFERENCE.....	10
CORPORATE STRUCTURE	11
EXECUTIVE SUMMARY	14
MONETIZED CRYSTAL WEALTH FUNDS	18
MONETIZATION OF EXTERNAL MUTUAL FUNDS, EQUITIES, AND WARRANTS	20
External Mutual Funds	21
Equities	21
Warrants.....	22
THE RECEIVER’S PROPOSED INTERIM DISTRIBUTION	24
DISCUSSION OF INVESTMENTS AND RECEIVER’S FINDINGS	27
Factoring Contracts.....	27
Media Loans.....	67
Gold Loans.....	71
Commercial Loans	83
US Real Estate LP	102
Medical Factoring Contracts	107
NFL Participation Agreements	110
Residential Mortgages	112
Private Equities and Private Warrants	115
CREDITOR CLAIMS PROCEDURE	116

Results of the Creditor Claims Procedure.....	116
The Amended BDO Claim.....	117
The Proposed Class Action.....	120
SALES PROCESS	122
Results of the Sale Process.....	124
Shortlisted Parties	126
The Cash Purchase Offer	130
RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP	131
OTHER NOTABLE ITEMS	132
Investment Advisor Compensation	132
Interference in the Receiver’s Administration of the Crystal Wealth Group	133
OTHER ACTIVITIES OF THE RECEIVER SINCE THE APPOINTMENT ORDER.....	136
MOUNT NEMO PROPERTY	138
THE RECEIVER’S CONTINUED DEALINGS WITH SMITH.....	140
RECEIVER’S FEES AND DISBURSEMENTS.....	141
TELE-TOWN HALL FOR INVESTORS.....	142
CONCLUSION.....	142

APPENDICES

- Appendix 1** Temporary Order and Extension Order issued April 7, 2017 and October 2, 2017 respectively
- Appendix 2** Appointment Order and endorsement dated April 26, 2017
- Appendix 3** Receiver's First Report to Court dated June 22, 2017
- Appendix 4** Endorsement issued by Justice Morawetz dated May 24, 2017
- Appendix 5** Endorsement issued by Justice Hainey dated June 2, 2017
- Appendix 6** Receiver's Supplement to the First Report dated June 29 2017
- Appendix 7** Endorsement issued by Justice Hainey dated June 23, 2017
- Appendix 8** Endorsement and Order issued by Justice Hainey dated June 30, 2017
- Appendix 9** Creditor Claims Procedure Order dated June 30, 2017
- Appendix 10** Endorsement issued by Justice Hainey dated July 5, 2017
- Appendix 11** Receiver's Interim Statement of Receipts and Disbursements for the period from April 26, 2017 to October 31, 2017
- Appendix 12** Detailed Summary of the April 20th Package
- Appendix 13** Summary of Warrants as at October 31, 2017
- Appendix 14** Factoring Procurement Administration Agreement dated November 25, 2014
- Appendix 15** Outstanding Purchased Invoice Schedule as at October 26, 2017
- Appendix 16** Receiver's Letter to Frontline dated June 28, 2017
- Appendix 17** Example of letters sent by Frontline on July 12, 2017
- Appendix 18** MGE 2015 Invoice dated November 11, 2015
- Appendix 19** MGE 2015 Term Sheet dated November 7, 2015
- Appendix 20** The 2015 Performance Bond for the twelve months ending November 5, 2016
- Appendix 21** MGE 2016 Invoice dated November 5, 2016
- Appendix 22** MGE 2016 Term Sheet dated November 3, 2016
- Appendix 23** The 2016 Performance Bond for the twelve months ending November 7, 2017

Appendix 24	Dome Mountain Invoice Summary dated November 22, 2016
Appendix 25	Cancellation Letter issued by BRG dated November 28, 2016
Appendix 26	Receiver's Letter to MGE dated October 19, 2017
Appendix 27	A&B's Email to MGE dated October 23, 2017
Appendix 28	MGE's Response dated October 31, 2017
Appendix 29	Receiver's Email to Frontline dated October 31, 2017
Appendix 30	Froese's Response dated November 21, 2017, containing Email from Smith
Appendix 31	Receiver's Letter to Dome dated November 22, 2017
Appendix 32	647 BC and 156 Alberta Outstanding Purchased Invoices
Appendix 33	DenHollander's Email to Frontline dated November 7, 2017
Appendix 34	Receiver's Letters to 647 BC and 156 Alberta dated November 22, 2017
Appendix 35	DenHollander Guarantees, Mortgage, and Title Search of Mortgaged Property
Appendix 36	Demand Letters issued to Restoration Energy and its guarantors
Appendix 37	Receiver's Letter to Single Source dated November 22, 2017
Appendix 38	Invoice Summaries for Outstanding Purchased Receivables
Appendix 39	Froese's Email to the Receiver dated September 29, 2017
Appendix 40	Exhibit "A" – Due Diligence Guidelines Document
Appendix 41	Receiver's Email to Frontline dated October 31, 2017 and Froese's Response
Appendix 42	Payment Summaries dated August 11, 2017 and September 21, 2017
Appendix 43	Email correspondence regarding the Advanced Metal Payments
Appendix 44	Frontline Weekly Report to the Receiver dated November 17, 2017
Appendix 45	Letter from the Company to the BCSC dated April 24, 2017
Appendix 46	Onstar Default Letter dated October 26, 2017
Appendix 47	McKenzie's email to A&B dated November 11, 2017
Appendix 48	Pond Loan Amendment dated August 11, 2017
Appendix 49	Pond's Notice to Shareholders dated August 15, 2017

Appendix 50	Second Pond Loan Amendment dated November 16, 2017
Appendix 51	Magnitude Default & Demand Letter dated October 26, 2017
Appendix 52	Magnitude Demand Letter and Clydesdale Demand Letter, each dated November 13, 2017
Appendix 53	1472 Ontario Default Notice dated October 26, 2017
Appendix 54	1472 Ontario Demand Letter dated November 13, 2017
Appendix 55	MCSnox Default & Demand Letter dated October 26, 2017
Appendix 56	MCSnox Second Default Notice dated November 3, 2017
Appendix 57	MCSnox Demand Letter dated November 13, 2017
Appendix 58	MCSAB Default Notice dated October 26, 2017
Appendix 59	MCSAB Demand Letter dated November 13, 2017
Appendix 60	4873 Ontario Demand Letter dated November 13, 2017
Appendix 61	109 BC Demand Letter dated October 26, 2017
Appendix 62	<i>Re Rada</i> , [2011] IIROC No. 27
Appendix 63	A&B's Email Chain with Marcel Rada, beginning October 30, 2017
Appendix 64	A&B's Letter to Morton Law dated November 22, 2017, and Response
Appendix 65	US Properties Information provided by an investor
Appendix 66	Summary of NFL Participation Agreements as at October 31, 2017
Appendix 67	Medical Fund OM
Appendix 68	Medical Fund Strategy Overview
Appendix 69	Schedule of Filed Claims
Appendix 70	Amended BDO Claim received August 23, 2017
Appendix 71	Correspondence re: Treatment of Amended BDO Claim
Appendix 72	Solicitation Letter dated July 12, 2017
Appendix 73	Affidavit of Jonathan Krieger sworn November 17, 2017
Appendix 74	Affidavit of Mark van Zandvoort sworn November 22, 2017

CONFIDENTIAL APPENDICES

Confidential Appendix 1	Zomongo TV Letter of Intent dated October 12, 2017
Confidential Appendix 2	Quiver MOU Amendments dated September 28, 2017 and October 30, 2017
Confidential Appendix 3	Quiver Report dated November 22, 2017
Confidential Appendix 4	Confidential Information Memorandum dated August 10, 2017
Confidential Appendix 5	Receiver's Summary of Initial Offers
Confidential Appendix 6	August 16 th Questions and Complete Manager responses
Confidential Appendix 7	Receiver's Comparison of Complete Management Offers
Confidential Appendix 8	Listing Agreement with Sotheby's dated November 6, 2017

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IN ITS CAPACITY AS RECEIVER OF THE RESPONDENTS**

NOVEMBER 24, 2017

INTRODUCTION

THE APPLICATION AND APPOINTMENT ORDER

- 1 The Ontario Securities Commission (the “**OSC**”) issued a temporary order on April 7, 2017 (as extended by the OSC on April 13, 2017 and April 28, 2017 (the “**Temporary Order**”)) providing that the trading of units of all of the Crystal Wealth Funds (defined herein) cease, that trading in securities held by the Crystal Wealth Funds cease, and prohibiting the trading in or acquisition of securities by Clayton Smith (“**Smith**”) and Crystal Wealth Management System Limited (the “**Company**”), with limited exceptions that permitted Smith and the Company to liquidate exchange-traded securities in the Crystal Wealth Funds with such proceeds being deposited into the bank account of the relevant Fund. On October 2, 2017, the OSC further extended the Temporary Order to April 10, 2018 (the “**Extension Order**”), while modifying the Temporary Order issued April 7, 2017 to remove the portions of paragraphs 4 and 5 thereof referring to Smith in his capacity as advising representative, given that Smith’s registration was automatically suspended when he was terminated by the Receiver. The Temporary Order issued April 7, 2017 and the Extension Order are attached hereto as **Appendix “1”** to this Second Report of the Receiver (the “**Second Report**”).

- 2 On April 26, 2017, on application of the OSC to the Ontario Superior Court of Justice (Commercial List), the Honourable Mr. Justice Newbould issued an Order (the “**Appointment Order**”) appointing Grant Thornton Limited: (i) as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties (collectively, the “**Property**”) of each of the Respondents, except the Respondent, Chrysalis Yoga Inc. (“**Chrysalis Yoga**”) (each of the Respondents except for Chrysalis Yoga being individually and collectively, the “**Crystal Wealth Group**”); and (ii) as Receiver of the account of the Respondent, Chrysalis Yoga, No. 87296 00518 10 at Bank of Nova Scotia (the “**Chrysalis Account**”), and of all contents, including funds, contained in the Chrysalis Account. The proceedings were commenced by way of application made by the OSC (the “**OSC Application**”) under section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”). The said receivership proceedings shall be referred to herein as the “**Receivership Proceedings**”. A copy of the Appointment Order and the endorsement of the Honourable Mr. Justice Newbould are attached thereto as **Appendix “2”**.

- 3 As detailed in the OSC Application, the appointment of the Receiver was based on concerns the OSC had regarding, among other things, the Respondent, Crystal Wealth Media Strategy (the “**Media Fund**”). The OSC stated that it believed that Smith and the Company may have:
- a) participated in a course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud, contrary to s. 126.1(1)(b) of the Act;
 - b) failed to act fairly, honestly and in good faith with clients, contrary to s. 2.1 of Rule 31-505 - *Conditions of Registration*; and
 - c) failed to comply with the standard of care expected of investment fund managers under s. 116 of the Act.
- 4 A summary of the circumstances leading to the appointment of the Receiver is outlined in the Receiver’s First Report to Court dated June 22, 2017 (the “**First Report**”) which is attached hereto, without appendices, as **Appendix “3”**. The complete OSC Application can be found on the Receiver’s case website at www.GrantThornton.ca/CrystalWealth (the “**Case Website**”).
- 5 Also on April 26, 2017, the Honourable Mr. Justice Newbould issued a Vesting Order (the “**Vesting Order**”) authorizing the Receiver to complete, on behalf of the Respondent, CLJ Everest Ltd. (“**CLJ Everest**”) (a company wholly owned by Smith), the sale transaction of the property located at 5043 Mount Nemo Crescent in Burlington, Ontario (the “**Mount Nemo Property**”) to Martin McCready (the “**Purchaser**”) pursuant to and in accordance with an agreement of purchase and sale dated April 12, 2017 (the “**Mount Nemo Sale Agreement**”). The Purchaser did not respond to the Receiver’s communications following the issuance of the Vesting Order, and the Purchaser failed to complete the sale transaction. The Receiver has reserved its rights to claim damages from the Purchaser as a result of his failure to complete the sale transaction. As will be described herein, the Mount Nemo Property remains listed for sale by the Receiver.
- 6 On April 26, 2017, counsel for the Crystal Wealth Group requested that the Honourable Mr. Justice Newbould set a motion date on which the Crystal Wealth Group would move to vary certain terms of the Appointment Order, specifically to access funds for paying

counsel and for Smith's personal living expenses. Justice Newbould set a hearing date of May 24, 2017 for the Crystal Wealth Group's motion.

- 7 On May 24, 2017, Smith advised that the Crystal Wealth Group's counsel had resigned and that he was not in a position to proceed with a motion (the materials for which had yet to be served) that day. Smith also advised that he would be self-represented. Accordingly, the Honourable Mr. Justice Morawetz issued an endorsement (the "**May 24, 2017 Endorsement**") that directed Smith's motion materials be served and filed with the Court by the close of business on June 1, 2017 and requiring that the parties attend at a 9:30am appointment with the Court on June 2, 2017 to schedule a date for the motion, if necessary. A copy of the May 24, 2017 Endorsement is attached hereto as **Appendix "4"**.

THE JUNE 2017 MOTIONS AND COURT RELIEF

- 8 On June 1, 2017, Smith served counsel to the Receiver with a motion record in support of a motion requesting, among other things, that the Temporary Order, Appointment Order and Vesting Order be rescinded in their entirety.
- 9 A further development arose on June 1, 2017 when Crawley MacKewn Brush LLP ("**CMB**") provided a draft notice of motion to counsel to the Receiver indicating that CMB would be seeking an appointment as representative counsel for investors of the Crystal Wealth Funds.
- 10 On June 2, 2017, the Receiver, its counsel, Smith, and CMB, amongst others, attended a 9:30 a.m. appointment with the Court. During the appointment, the Honourable Mr. Justice Hainey advised Smith that his motion record, which failed to include any affidavit evidence, was insufficient to allow the Court to consider the relief sought, and accordingly, the Court declined to schedule Smith's proposed motion. The Honourable Justice Hainey thereafter issued an endorsement (the "**June 2, 2017 Endorsement**") scheduling a 9:30 a.m. appointment with the Court on June 23, 2017, and directed counsel to provide a progress report to the Court at that time. A copy of the June 2, 2017 Endorsement is attached hereto as **Appendix "5"**.
- 11 On June 9, 2017, CMB served the Receiver with a motion record in support of a motion to appoint CMB as representative counsel to the investors of the Crystal Wealth Funds.

- 12 On June 22, 2017, the Receiver provided the Court with its First Report and served a motion record in support of a motion to, among other things, approve: (i) a creditor claims procedure; and (ii) a proposed Sales Process (as defined and described in the First Report) to be conducted by the Receiver by which prospective purchasers and managers could submit bids to the Receiver to either purchase the assets of certain Crystal Wealth Funds, or to take over the management of certain Funds. On June 29, 2017, the Receiver provided the Court with its Supplement to the First Report dated June 29, 2017, a copy of which is attached hereto as **Appendix “6”**.
- 13 On June 23, 2017, the Honourable Justice Hainey issued an endorsement (the “**June 23, 2017 Endorsement**”) scheduling June 30, 2017 as the hearing date for the Receiver’s and CMB’s motions. A copy of the June 23, 2017 Endorsement is attached hereto as **Appendix “7”**.
- 14 On June 30, 2017, the Honourable Mr. Justice Hainey issued an Order and Endorsement (the “**June 30 2017 Order and Endorsement**”) that, among other things, approved:
- a) the Receiver’s First Report and the activities of the Receiver set out therein;
 - b) the Receiver’s reliance on the Unit Holder Listing (as defined in the First Report) to make interim distributions to investors of the proceeds generated from the divestiture of certain assets of the Crystal Wealth Funds; and
 - c) the Sales Process.
- A copy of the June 30th Order and Endorsement is attached hereto as **Appendix “8”**.
- 15 On June 30, 2017, the Honourable Mr. Justice Hainey also issued a Creditor Claims Procedure Order (the “**Creditor Claims Procedure Order**”) that, among other things, approved the procedure for determining and resolving claims to be filed by creditors against the Crystal Wealth Group. A copy of the Creditor Claims Procedure Order is attached hereto as **Appendix “9”**.
- 16 On June 30, 2017, the Court also heard the motion of CMB to be appointed as representative counsel. On July 5, 2017, the Honourable Mr. Justice Hainey issued an endorsement (the “**July 5, 2017 Endorsement**”) which dismissed CMB’s motion. In dismissing the motion, Justice Hainey found that “the investors’ interests are being

protected and advanced by the Receiver” and that “the appointment of representative counsel will add unnecessary expense to the receivership which will adversely affect investors”. A copy of the July 5, 2017 Endorsement is attached hereto as **Appendix “10”**.

PURPOSE OF THE SECOND REPORT

- 17 The purpose of this Second Report is to inform the Court of the Receiver's activities since the date of the First Report and to support the Receiver's request for an order, among other things:
- a) approving this Second Report, including the actions and activities of the Receiver as described in this Second Report;
 - b) approving the Receiver's methodology and proposal to make an interim distribution to the investors of certain Crystal Wealth Funds, and authorizing the Receiver to make such interim distribution without liability, including, without limitation, liability for any tax implications arising therefrom;
 - c) approving the Quiver MOU Amendments executed by the Receiver and Quiver (as such terms are hereafter defined);
 - d) directing the following entities and/or individuals to provide the Receiver and its counsel with certain requested but still outstanding information required by the Receiver for a proper account reconciliation and assessment of the Crystal Wealth Group:
 - i) Jerry Froese ("**Froese**") – President & CEO of Frontline Factoring Inc. ("**Frontline**");
 - ii) Alberto Storelli ("**Storelli**"), Brian Peoples ("**Peoples**"); and Joe Harker ("**Harker**") as it relates to their involvement in the US Real Estate LP (defined and described herein);
 - iii) Craig Clydesdale ("**Clydesdale**") – Principal of the OOM Energy Group (defined herein);
 - iv) Kari Gillespie ("**Gillespie**") – Operations Manager of Liberty Mortgage Services Ltd.;
 - v) Stephen Miller ("**Miller**") – a representative of MGE (defined herein);
 - vi) Chuck Pinnell – Principal of 611802 B.C. Ltd.; and

- vii) Stan Spletzer – Principal of Solid Holdings Inc.
- e) directing that The Investment Administration Solution Inc. (“**IAS**”), the third-party entity that performed accounting and record keeping for the Crystal Wealth Funds, provide the Receiver and its counsel with certain requested but still outstanding information required for a proper assessment of the Crystal Wealth Funds, namely, monthly reporting for each of the Crystal Wealth Funds, including all underlying transactions, for the period January 1, 2015 to May 1, 2017;
- f) authorizing the Receiver to examine the following individuals under oath at the offices of Victory Verbatim located at 222 Bay Street, Suite 900, in Toronto, Ontario, with each such individual bearing their own cost of the attendance:
- i) Al Housego (“**Housego**”), the former Lead Portfolio Strategist for the Resource Fund, Bullion Fund, Factoring Fund, and Hedge Fund (as such Crystal Wealth Funds are defined below);
 - ii) Smith;
 - iii) Joanne Bentley;
 - iv) Clydesdale;
 - v) Gillespie;
 - vi) Froese;
 - vii) Miller;
 - viii) Steven Bandola, a former employee of Frontline;
 - ix) David DenHollander, the President of 647497 B.C. Ltd.;
 - x) Jeffrey Maljaars, Principal of 1566496 Alberta Ltd.;
 - xi) Darcy Pahl, President of Dome Mountain Resources of Canada Inc.;
 - xii) Robert Maljaars, previous signing authority of Dome Mountain Resources of Canada Inc. and Principal of 1566496 Alberta Ltd.;

xiii) Chuck Pinnell – Principal of 611802 B.C. Ltd.; and

xiv) Alan Braun – Principal of Onstar Exploration Ltd.

- g) ordering Frontline pay to the Receiver the sum of \$536,775, representing payments received by Frontline from Zomongo TV, Advanced Metal, 156 Alberta, and Restoration Energy (as such entities are herein defined), which payments have yet to be remitted to the Receiver in trust for the Factoring Fund and Hedge Fund contrary to the FPAA (as defined below);
- h) approving the Receiver's Interim Statement of Receipts and Disbursements for the period from April 26, 2017 to October 31, 2017, attached hereto as **Appendix "11"**;
- i) approving the Receiver's recommendation regarding the treatment of an amended proof of claim filed by BDO Canada LLP ("**BDO**"), and the BDO Agreement (as defined below);
- j) approving the fees and disbursements of the Receiver and Aird & Berlis LLP ("**A&B**"), legal counsel to the Receiver, as described herein for the period of June 1, 2017 to September 30, 2017, and an allocation of such fees and disbursements from April 24, 2017 to September 30, 2017; and
- k) sealing the **Confidential Appendices** of this Second Report until further Order of the Court.

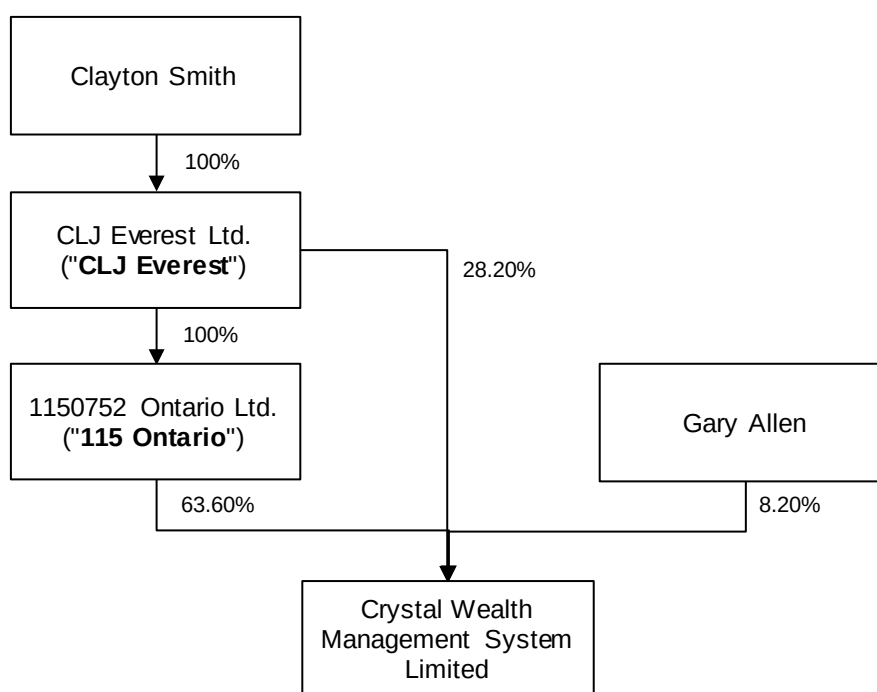
- 18 The Receiver's activities since the date of the First Report are detailed throughout this Second Report.

RESTRICTIONS AND TERMS OF REFERENCE

- 19 In preparing this Second Report, the Receiver has relied upon unaudited and certain audited financial information, the Crystal Wealth Group's books and records, certain financial information obtained by third parties, and discussions with various individuals (collectively, the "**Information**"). Except as described in this Second Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
- 20 This Second Report has been prepared for the use of this Court to provide general information and an update relating to the Receivership Proceedings for the purpose of assisting the Court in making a determination as to whether to approve the relief sought. This Second Report should not be relied on for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this Second Report contrary to the provisions of this paragraph.
- 21 Capitalized terms not defined in this Second Report are as defined in the First Report. All references to dollars are in Canadian currency unless otherwise noted.
- 22 Copies of materials filed in these Receivership Proceedings are available on the Receiver's Case Website.

CORPORATE STRUCTURE

- 23 At the time of the Appointment Order, the Company was a corporation registered with the OSC in the categories of: “Exempt Market Dealer”, “Investment Fund Manager”, “Portfolio Manager”, and “Commodity Trading Manager”.
- 24 At the time of the Appointment Order, Smith was the controlling mind of the Company, was listed as the sole director and officer, and held a controlling interest of 91.76% in the Company. The ownership structure of the Company is as follows:



- 25 At the time of the Appointment Order, Smith was registered in Ontario with the OSC as a dealing representative, an advising representative in the category of “Portfolio Manager”, and an advising representative in the category of “Commodity Trading Manager”. Smith was also registered as the Company’s chief executive officer, chief compliance officer and ultimate designated person.

26 The Company created and managed the following 15 proprietary investment funds (collectively referred to as the “**Crystal Wealth Funds**”):

- a) Crystal Wealth Mortgage Strategy (the “**Mortgage Fund**”);
- b) Crystal Enlightened Resource and Precious Metals Fund (the “**Resource Fund**”);
- c) Crystal Wealth Enlightened Factoring Strategy (the “**Factoring Fund**”);
- d) Crystal Wealth Medical Strategy (the “**Medical Fund**”);
- e) Crystal Enlightened Bullion Fund (the “**Bullion Fund**”);
- f) Crystal Wealth Media Strategy (the Media Fund);
- g) Crystal Wealth High Yield Mortgage Strategy (the “**High Yield Mortgage Fund**”);
- h) Crystal Wealth Infrastructure Strategy (the “**Infrastructure Fund**”);
- i) Crystal Wealth Enlightened Hedge Fund (the “**Hedge Fund**”);
- j) Crystal Wealth Conscious Capital Strategy (the “**Conscious Capital Fund**”);
- k) ACM Income Fund;
- l) ACM Growth Fund;
- m) Absolute Sustainable Dividend Fund (the “**Sustainable Dividend Fund**”);
- n) Absolute Sustainable Property Fund (the “**Sustainable Property Fund**”); and
- o) Crystal Wealth Retirement One Fund (the “**Retirement Fund**”);

(collectively, the “**Crystal Wealth Funds**”, and individually, a “**Fund**”).

A detailed description of the Crystal Wealth Funds is included in paragraphs 28 to 54 of the First Report. A summary of each of the Crystal Wealth Funds and the Recorded Values of each of the different investments is attached hereto as **Appendix “12”**.

- 27 The Crystal Wealth Funds are structured as open-ended mutual fund trusts. Units in each of the Crystal Wealth Funds were distributed to investors on an exempt basis, pursuant to offering memoranda (“**OMs**”). The Company managed the day-to-day business of the Crystal Wealth Funds and was required to make investment decisions consistent with each of the Crystal Wealth Funds’ investment objectives. As will be discussed later in this Second Report, certain Crystal Wealth Funds hold investments which were not in compliance with their respective OMs.

EXECUTIVE SUMMARY

- 28 **The Receiver strongly encourages that readers of this Second Report read it in its entirety as it provides important details of the work performed by the Receiver that led to its conclusions and concerns as set out in this Executive Summary.**
- 29 As the large majority of the investments contained within the Crystal Wealth Funds are unconventional, the Receiver has spent a significant amount of time, together with its advisors, to understand and assess the underlying investments, and the quality and realizable value of same, where possible. Furthermore, the significant deficiencies in the Company's books and records with respect to the documentation (or lack thereof) associated with such investments, and the refusal by certain individuals to provide required information to the Receiver to properly conduct its mandate, have created additional complexities for the Receiver and its counsel in understanding and supporting the investments and their respective values.
- 30 The Receiver is sympathetic to the needs of investors in the Crystal Wealth Funds, many of whom have conflicting interests. Certain investors may have a long term investment strategy. Some investors may have the need for short term stable income or dividends, while others are prepared to accept more risk. In executing its mandate, the Receiver has to balance the needs and interests of investors, and make recommendations in the best interest of all stakeholders.
- 31 The Receiver's investigation of the Company's affairs has identified serious concerns around the conduct of certain parties associated with the Crystal Wealth Funds and the underlying investments therein.
- 32 The Receiver draws the following conclusions:
- a) The lack of segregation of duties in performing the day to day operations and governance thereof (e.g. Smith was the controlling mind, sole director, and Chief Compliance Officer, among others) resulted in the Company not having an effective organizational structure to ensure proper oversight and governance of the Crystal Wealth Funds and possibly, compliance with Ontario securities laws, including, without limitation, the Act;

- b) The decisions of the Company, Smith, and Housego to cause certain of the Crystal Wealth Funds to advance monies to third parties, purportedly on account of investments, which investments had questionable return and recovery prospects, were inconsistent with the Funds' investment objectives as set out in the OMs, and/or lacked the security which was to be provided by third parties to the Crystal Wealth Funds in connection with such investments;
- c) The Receiver is concerned with the relationships between Smith, Housego, administrators of certain investments in Crystal Wealth Funds, and the principals of the companies in which certain Crystal Wealth Funds advanced monies purportedly on account of investments;
- d) Certain Crystal Wealth Funds' exposure was concentrated within a few companies who received substantial monies from the Funds;
- e) The Receiver is concerned as to the ultimate use of and lack of accountability for the investors' monies once such investments were made by the Company, Smith, and/or Housego on behalf of the Funds;
- f) The Company transferred significant money between Crystal Wealth Funds which may have been used to falsely create liquidity to meet investor distributions and/or redemptions;
- g) The Company made payment of distributions to investors in Crystal Wealth Funds, which Funds had no sources of income, or cash flow. Such payments appear to have been only supportable by Inter-fund Investments;
- h) The Company disclosed false or manipulated net asset values ("**NAVs**") of the Funds, causing the NAVs of certain Funds to be materially overstated; and
- i) Accordingly, the quality of and ultimate collectability of investments held by certain of the Crystal Wealth Funds: the Factoring Contracts; the Media Loans; certain Commercial Loans; the Gold Loans; and the US Real Estate LP, may be grossly impaired.

33 Given the Receiver's findings and concerns as detailed in this Second Report, the Receiver will be bringing the contents of the Second Report to the attention of the Ontario

Provincial Police and the Royal Canadian Mounted Police.

- 34 The Receiver has significant concerns over the quality and ultimate collectability of approximately \$88.72 million of Recorded Value, or approximately 46% of the April 20th Package NAV provided by Smith of \$193,198,912. In addition, the Receiver has concerns that there may be further potential impairment of approximately \$27.91 million (Recorded Value).
- 35 The Receiver has monetized approximately 98% of the marketable securities held within the Crystal Wealth Funds, in consultation with its corporate finance team and NBCN. Notwithstanding the challenges regarding specific investments contained in the Crystal Wealth Funds, there is currently cash on hand for certain of the Crystal Wealth Funds from the proceeds of the Receiver's monetization of marketable securities and its on-going management of the Crystal Wealth Funds which are available for interim distributions to investors in certain of the Crystal Wealth Funds in the sum of \$30,817,199. Accordingly, the Receiver is requesting the Court to approve the first interim distribution to investors, the methodology of which is specified in the section below.
- 36 As authorized by the Court on June 30, 2017, the Receiver conducted a Sales Process in respect of the Crystal Wealth Funds, seeking parties interested in buying assets of certain Funds, or assuming management of certain Funds. By the Offer Deadline, the Receiver obtained seven offers from different Prospective Purchasers and Prospective Managers.
- 37 The Receiver worked diligently to investigate and consider Prospective Managers' offers to assume the management of certain Funds, however, the Receiver ultimately rejected the management offers as the Receiver was of the view that it was not in the best interest of Crystal Wealth Fund investors to accept any of the management offers that were submitted. The management offers received via the Sales Process provided no certainty that the Crystal Wealth Funds would be managed back to fiscal health (especially in light of the concerns with many of the recorded investments). In addition, no offer was received that gave the Receiver any comfort that the investors would have a timely avenue through which to redeem their units and turn them into cash (let alone any certainty with respect to the price at which such redemption might happen). The proposed management transactions themselves would have taken several months to be completed, with no guarantees of completion as the offers submitted were highly conditional.

- 38 Given the nature of the Funds and the serious issues with certain of the investments held therein, the Receiver is of the view that any third party manager would face the same issues of “creating” liquidity from these impaired investments and, arguably, would have to outsource management of same as they would not typically possess the necessary skill and experience to deal with these types of investments and their distressed status, as compared with the experience of the Receiver. Furthermore, certain recourse is available to the Receiver under the Appointment Order which would not be available to a third party management firm.
- 39 In addition to its specific communications and correspondence with individual investors, the Receiver has issued 10 formal Notices to investors in respect of the status of the Crystal Wealth Funds, including a description of the Receiver’s actions to date. Such Notices have been posted on the Receiver’s Case Website.

MONETIZED CRYSTAL WEALTH FUNDS

40 As outlined in the First Report, certain of the Crystal Wealth Funds contained equity investments in companies, the securities of which were traded on active market exchanges and were readily saleable ("**Equities**"). In addition, certain Crystal Wealth Funds had unit holdings in mutual funds not managed by the Company and thus external to the Crystal Wealth Group, which were monetizable ("**External Mutual Funds**"). As authorized in subsection 6(k)(i) of the Appointment Order, and as set out in the First Report, the Receiver commenced the monetization of Equities and External Mutual Funds in June 2017.

41 As the result of the monetization of certain Equities and External Mutual Funds (the results of which are described in detail below), the following Crystal Wealth Funds have been fully monetized¹ into cash, with the exception of the below noted Inter-fund Investments:

a) Sustainable Dividend Fund

- i) Cash – \$6,656,066 and US \$3,542; and
- ii) Inter-fund Investment held in the Sustainable Property Fund with a Recorded Value of \$75,693.

b) ACM Growth Fund

- i) Cash – \$5,926,304 and US \$153,275; and
- ii) Inter-fund Investments held with a total Recorded Value of \$4,739,753 in the following four Crystal Wealth Funds with the respective Recorded Values of:
 - 1. Factoring Fund – \$2,511,932;
 - 2. Mortgage Fund – \$1;
 - 3. Hedge Fund – \$1,655,059; and
 - 4. Media Fund – \$572,761.

¹ Cash balances are as at October 31, 2017 as per NBCN.

c) **ACM Income Fund**

- i) Cash – \$930,429 and US \$2,180;
- ii) Inter-fund Investments held with a total Recorded Value of \$9,898,493 in the following four Crystal Wealth Funds, distributed as follows:
 - 1. Media Fund – \$6,594,529;
 - 2. Factoring Fund – \$2,426,339;
 - 3. Medical Fund – \$560,297; and
 - 4. Hedge Fund – \$317,328.

42 As outlined above, Inter-fund Investments are investments made in Crystal Wealth Funds by other Crystal Wealth Funds through the purchase of units. As a result, similar to individual investor unit holdings, Inter-fund Investments cannot be valued until the investments in the underlying Crystal Wealth Funds of such Inter-fund Investments are realized/valued. The monetization of the Inter-fund Investments will occur through distributions made from one Crystal Wealth Fund to another Crystal Wealth Fund which holds units in the former Fund. Once such distributions are received by the latter Fund, if any, those monies will ultimately be made available for further distribution to investors of the latter Fund.

43 Unfortunately, a large majority of the above noted Inter-fund Investments are in the Media Fund, Factoring Fund, and Hedge Fund, all of which hold underlying investments that are illiquid, significantly impaired, and/or have been materially overstated by the Company. As a result, the Recorded Values of the Inter-fund Investments are significantly overstated whereby the Funds which have invested in the Media Fund, Factoring Fund, and Hedge Fund will receive far less from these Funds than was invested.

MONETIZATION OF EXTERNAL MUTUAL FUNDS, EQUITIES, AND WARRANTS

44 In the First Report and Supplement to the First Report, the Receiver outlined its efforts to monetize readily saleable marketable securities held by certain Crystal Wealth Funds. The rationale for this was the over-arching investment objective of minimizing the downside risk of uncontrollable domestic and global market factors in the short term and to permit an interim distribution to the investors. Through a distribution, investors will be free to reinvest the proceeds received on their own accord. The Receiver, in consultation with colleagues in Canada and the US with extensive investment and portfolio expertise, as well as with the assistance of NBCN, carefully monetized all marketable securities, including Equities, Warrants, and External Mutual Funds which are traded on the various public stock exchanges, to the extent that such monetization was possible.

45 The Receiver was also cognizant of the Crystal Wealth Funds' underlying OMs when monetizing the marketable securities to ensure the monetization of certain investments did not create concentration risk in other particular investments. For example, the OM of the Resource Fund states that:

"The [Resource] Fund will limit its exposure to any one issuer to no more than 30% of the Fund's net assets..."

When performing the monetization of the below noted assets, the Receiver ensured the timing of such monetization reduced the risk of concentration of a particular investment whereby a negative movement in the value of same could have a detrimental impact on the underlying Crystal Wealth Fund(s).

46 The tables presented in this section with respect to the monetization of the Equities and External Mutual Funds contain the following information:

- a) the market value of the Equities and External Mutual Funds as at the closing of April 26, 2017, the date in which the Receiver was appointed over the Crystal Wealth Group, (the "**April 26th Market Value**"); and
- b) the gross proceeds received by the Receiver from the monetization of the Equities and/or External Mutual Funds (the "**Monetization Proceeds**").

EXTERNAL MUTUAL FUNDS

- 47 Upon completion of the monetization of the External Mutual Funds, the realized loss was minimal, amounting to approximately \$7,082 on Monetization Proceeds of \$5,045,681. The table below outlines the results of the monetization of the External Mutual Funds for each of the Crystal Wealth Funds that held same; no selling commissions were incurred on the disposition of External Mutual Funds.

Fund	April 26th Market Value	Monetization Proceeds
ACM Growth Fund	\$ 3,417,725	\$ 3,410,855
ACM Income Fund	565,089	564,876
Medical Fund	25,345	25,345
Media Fund	1,044,604	1,044,604
	\$ 5,052,763	\$ 5,045,681

EQUITIES

- 48 As at the date of this Second Report, the Receiver has monetized approximately 98% of the Equities contained within the Crystal Wealth Funds. The Resource Fund and ACM Growth Fund currently have approximately \$50,000 each of low volume trading Equities remaining to which the Receiver is working with NBCN to monetize. Overall, the monetization of Equities generated a realized loss of \$554,382 and a realized gain of approximately US \$128,304, excluding commissions of \$57,263 and US \$11,469.
- 49 The table below outlines the results of the monetization of the Equities for the below noted Crystal Wealth Funds.

Fund	April 26th Market Value		Monetization Proceeds	
	CAD	USD	CAD	USD
Sustainable Dividend Fund	\$ 1,438,364	\$ 3,688,297	\$ 1,478,092	\$ 3,829,828
Resource Fund	1,190,079	-	1,081,758	-
ACM Growth Fund	4,947,908	402,478	4,514,672	389,251
Factoring Fund	191,419	-	138,866	-
	\$ 7,767,770	\$ 4,090,776	\$ 7,213,388	\$ 4,219,079

- 50 The majority of the CAD realized loss is attributable to three holdings in the ACM Growth Fund: (i) UEX Corporation; (ii) Pacific Booker Minerals Inc.; and (iii) Emblem Corporation. Had the Receiver not monetized all three Funds when it did, the loss would have been greater given that the market value as at October 31, 2017 was approximately \$63,000 less than the Receiver realized.

WARRANTS

- 51 The Crystal Wealth Funds contained a number of warrant options for the purchase of shares in equities traded on active markets at a stated price ("**Warrants**"). Based on a preliminary review of supporting documentation, some of the Warrants contain restrictions on their assignability and ultimately, their salability. However, the Receiver is able to exercise such Warrants (i.e. purchase the company shares attached to the Warrants for a stated price) subject to the conditions of exercisability being satisfied. Although the underlying documentation for a majority of the Warrants was not contained in the Crystal Wealth Group's books and records, the Receiver was able to obtain such documentation from NBCN. The Receiver has prepared a listing of the Warrants currently held by the Crystal Wealth Funds, which is attached hereto as **Appendix "13"**.
- 52 The Receiver continues to evaluate each of the Warrants with its advisors by monitoring the market values of the underlying shares of the companies to which the Warrants apply. In cases where the price to purchase shares under a particular Warrant is favourable (i.e. when the exercise price is less than that of the market value price of the shares), the Receiver has exercised the Warrant and acquired the underlying shares.

- 53 As at the date of this Second Report, the Receiver has exercised the following Warrants whereby it has purchased the shares in the underlying companies:
- a) GREATBANKS RES LTD 20JUL17 – 363,637 shares at a strike price of \$0.03/share;
 - b) NOVO RES CORP 24JUL17 – 96,160 shares at a strike price of \$0.80/share;
 - c) KLONDIKE GOLD CORP 5AUG17 – 100,000 shares at \$0.20/share;
 - d) MONTAN MINING CORP 14AUG17 – 363,640 shares at a strike price of \$0.02/share;
and
 - e) GOLDEN RIDGE RES LTD 20OCT17 – 250,000 shares at a strike price of \$0.12/share
- (collectively, the “**Exercised Warrants**”).
- 54 As at the date of this Second Report, of the above Exercised Warrants, the Receiver has monetized the resulting shares obtained from one (1) of the Exercised Warrants: Novo Resources Corp. The Receiver monetized the 96,160 shares acquired in Novo Resources Corp. from exercising the Warrant of same for proceeds of \$726,864. This resulted in net cash proceeds to the Resource Fund of \$649,936, as the shares were acquired for \$76,928. The Receiver continues to work with NBCN to monetize shares acquired through the exercising of Warrants.

THE RECEIVER'S PROPOSED INTERIM DISTRIBUTION

- 55 Through the completion of the monetization of the Equities, External Mutual Funds, certain shares acquired through exercising Warrants, and the maturation and payout of certain Off-Book Assets, the Receiver currently has net proceeds available for distribution to investors of certain Crystal Wealth Funds of \$30,817,199, after the allocation of professional fees and appropriate holdback for claims filed pursuant to the Creditor Claims Procedure Order.
- 56 Cash balances are those being held in the respective Fund accounts at NBCN. Any proceeds (e.g. mortgage payments) or realizations from the monetization of marketable securities of a particular Fund were deposited to that Fund's bank account at NBCN. In other words, each Fund is being managed and accounted for on its own with no co-mingling amongst the Funds.
- 57 The creditor claims filed are currently being analyzed by the Receiver. However, for purposes of the Receiver's request for a timely interim distribution to investors, the Receiver has included a holdback for the full value of the creditor claims filed (as outlined in the table below) while they remain under evaluation. As detailed in the Creditor Claims Procedure section to this Second Report, a claim which named a particular Fund was allocated to that Fund. For those claims which named the Crystal Wealth Funds in general, such claims were allocated among the Crystal Wealth Funds based on the weighted average of the recorded NAV as at April 20, 2017 of each Crystal Wealth Fund.
- 58 The sole exception to the holdbacks provided for on account of the creditor claims filed through the Creditor Claims Procedure concerns the contingent claim filed by BDO Canada LLP ("**BDO**"), which is addressed in paragraphs 410 to 418 below and has been resolved by the Receiver in a manner which permits the Receiver's proposed interim distributions to investors to proceed.
- 59 The following table demonstrates the calculated proposed per unit interim distribution to investors of certain of the Crystal Wealth Funds using the foregoing allocation methodology, and with respect to the allocation of Receiver and legal fees through to September 30, 2017 (including HST). The database of investors are that as contained in the records of IFDS pursuant to the June 30, 2017 Order. Cash balances for each of the

Crystal Wealth Funds are as at November 15, 2017. The total cash balance of \$38,780,756 consists of \$36,227,236 and US \$1,999,154, converted at a rate of 1.2773 (\$2,553,520).

Fund	Cash Balance	Claims/Account Holdbacks	Receiver & Legal Fees	Available Proceeds	Per Unit
Mortgage Fund	\$ 5,208,001	\$ (1,126,299)	\$ (205,000)	\$ 3,876,702	\$ 1.45
Resource Fund	1,910,766	(104,745)	(34,503)	1,771,517	\$ 2.93
Factoring Fund	637,647	(1,050,607)	(147,086)	(560,045)	\$ -
Medical Fund	2,368,693	(354,966)	(61,541)	1,952,186	\$ 2.86
Bullion Fund	271,308	(87,360)	(17,441)	166,507	\$ 2.02
Media Fund	8,954,229	(2,255,355)	(315,145)	6,383,729	\$ 1.18
High Yield Mortgage Fund	1,854,851	(205,975)	(63,658)	1,585,219	\$ 2.92
Infrastructure Fund	2,088,371	(372,335)	(32,803)	1,683,234	\$ 2.19
Hedge Fund	630,890	(387,839)	(86,693)	156,358	\$ 0.12
Conscious Capital Fund	27,912	(120,971)	(2,039)	(95,098)	\$ -
ACM Income Fund	933,137	(243,122)	(32,480)	657,534	\$ 0.62
ACM Growth Fund	6,121,572	(255,922)	(31,366)	5,834,284	\$ 4.88
Sustainable Dividend Fund	6,660,591	(122,762)	(37,021)	6,500,807	\$ 10.76
Sustainable Property Fund	1,112,788	(168,153)	(40,370)	904,265	\$ 1.99
	\$38,780,756	\$ (6,856,412)	\$ (1,107,146)	\$ 30,817,199	

60 As the foregoing table suggests, the Receiver is recommending a per unit distribution for all Crystal Wealth Funds except for the Factoring Fund and the Conscious Capital Fund, where no funds are available for distribution. With respect to the Factoring Fund, the lack of funds available for distribution to investors arises directly from the significant impairment of the purported investments made by the Factoring Fund prior to the Receiver's appointment, as is detailed throughout this Second Report and immediately below.

- 61 Holdbacks for actual and future estimated Receiver and legal fees are similarly tracked in the table above either by specific Crystal Wealth Fund, or if they represent time allocable to all Crystal Wealth Funds, then such fees were allocated on the basis of effort and number of investors in each Fund. Cumulative Receiver and legal fees of approximately \$127,671 (including HST) were allocated outside of the Crystal Wealth Funds to Crystal Wealth Group entities and individuals including, CLJ Everest, Smith, and 115 Ontario.

DISCUSSION OF INVESTMENTS AND RECEIVER'S FINDINGS

FACTORING CONTRACTS

BACKGROUND

62 As outlined in the First Report, all of the Factoring Contracts (agreements to purchase invoices or portions thereof, which after purchase are referred to as “**Purchased Invoices**”, from operating businesses referred to as “Merchants”, for a discount and a service fee) are sourced and administered by Frontline Factoring Inc. Frontline was tasked by the Company with finding these opportunities and then collecting the invoice value from the underlying debtor(s) of the invoice(s) (the “**Debtors**”). The procurement and administration of Factoring Contracts is governed by a Factoring Procurement and Administration Agreement (“**FPAA**”) entered into with Frontline by the Factoring Fund and the Hedge Fund.² A copy of the FPAA entered into with Frontline by the Factoring Fund is attached hereto as **Appendix “14”**.

63 As at the date of this Second Report, the Factoring Fund and the Hedge Fund have outstanding Purchased Invoices acquired through Factoring Contracts entered into with the following Merchants:

- a) Dome Mountain Resources of Canada Inc. (“**Dome Mountain**”);
- b) Zomongo TV Corp (“**Zomongo TV**”);
- c) Advanced Metal Concept and Fabrication Ltd. (“**Advanced Metal**”);
- d) 1566496 Alberta Ltd. (“**156 Alberta**”);
- e) 647497 B.C. Ltd. (“**647 BC**”);
- f) Restoration Energy Inc. (“**Restoration Energy**”); and
- g) Single Source Services Ltd. (“**Single Source**”)

² Frontline has advised the Receiver that it does “not ever remember” a FPAA executed by the Hedge Fund, and that Frontline cannot locate such an agreement. Frontline was accordingly to conduct the administration of the Hedge Fund Factoring Contracts as per the FPAA entered into by the Factoring Fund with Frontline.

(collectively, the “**Merchants**”).

64 As at October 26, 2017, the Factoring Fund and Hedge Fund had total principal owing from the Merchants of \$23,013,773 and \$3,011,397, respectively, totaling \$26,025,170 (the “**Factoring Principal Balance**”). The Factoring Fund and Hedge Fund also had interest owing under the Factoring Contracts of \$3,744,678 and \$909,586, respectively, totaling \$4,654,265 (the “**Factoring Interest Balance**”). The sum of the Factoring Principal Balance and the Factoring Interest Balance, totaling \$30,679,435, is referred to herein as the “**Factoring Balance**”.

65 The following table outlines the principal and interest owing from each of the Merchants as at October 26, 2017.

Merchant	Principal			Interest		
	Factoring Fund	Hedge Fund	Total	Factoring Fund	Hedge Fund	Total
Dome Mountain	\$12,793,175	\$1,015,660	\$13,808,835	\$2,280,593	\$181,058	\$2,461,651
Zomongo TV	6,204,373	1,494,737	7,699,110	845,396	660,307	1,505,702
Advanced Metal	1,256,311	-	1,256,311	248,029	-	248,029
156 Alberta	824,039	-	824,039	140,318	-	140,318
Restoration Energy	1,402,193	501,000	1,903,193	100,876	68,222	169,098
647 BC	439,698	-	439,698	109,260	-	109,260
Single Source	93,985	-	93,985	20,206	-	20,206
	\$23,013,773	\$3,011,397	\$26,025,170	\$3,744,678	\$909,586	\$4,654,265

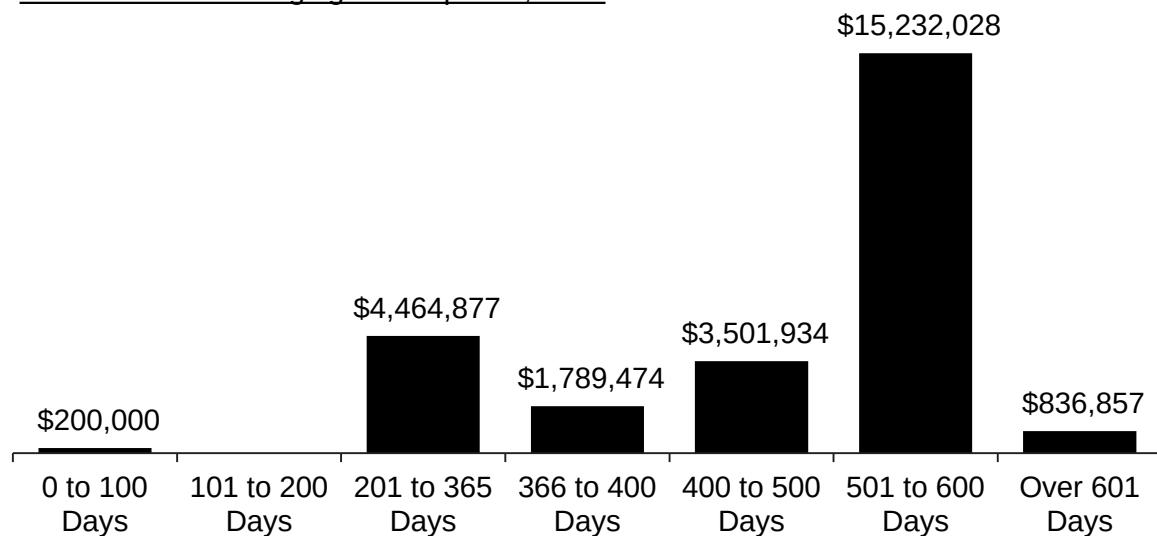
A more detailed account of each of the balances owing from the Merchants, the underlying Purchased Invoices of such balances, and the Debtors of same, is included in a summary prepared by the Receiver attached hereto as **Appendix “15”** (the “**Outstanding Invoice Schedule**”). A detailed discussion of the status of the individual Merchants and the Receiver’s activities with respect to same is outlined below.

RECEIVER'S KEY FINDINGS

Non-Performance of the Factoring Contracts

- 66 Since its appointment, the Receiver has monitored the Factoring Contracts mainly through its review of the weekly reporting provided to the Factoring Fund and Hedge Fund by Frontline which outlines the outstanding Purchased Invoices and the activity of same (the **"Weekly Frontline Reporting"**).
- 67 As demonstrated in the Outstanding Invoice Schedule, the Factoring Fund and Hedge Fund have only collected \$2,310,507 and \$10,963, from four (4) Merchants, on the outstanding Purchased Invoices. A total of \$2,786,052 (which includes the above noted amounts) was collected by the Hedge Fund and Factoring Fund during the 12 months prior to the Appointment Order. The Receiver has concerns as to how redemptions and distributions to investors in the Factoring Fund and Hedge Fund were made prior to the Receiver's appointment given the minimal collections during the 12 months preceding the Receiver's appointment on the Factoring Contracts, and with respect to the US Real Estate LP and Gold Contracts. The Receiver has concerns that the Inter-fund Investments made by other Crystal Wealth Funds and/or investors who purchased units in the Factoring/Hedge Fund did so at an overstated NAV and funded the redemptions and distributions to other investors.
- 68 As at the Receiver's appointment on April 26, 2017, the average number of days outstanding for the Purchased Invoices (i.e. the difference between the invoice date and April 26, 2017) (the **"Invoice Days Outstanding"**) was approximately 405 days. The oldest invoice outstanding is dated August 4, 2015 while the most recent invoice outstanding is February 12, 2017. The following table demonstrates the aging of the principal balances owing under the Purchased Invoices.

Purchased Invoice Aging as at April 26, 2017



As shown above, as at April 26, 2017, approximately 82% (\$21,360,293) of the Factoring Principal Balance was over one (1) year past the invoice date.

- 69 In the Receiver's initial discussions with Frontline, Frontline advised that it was in constant communication with the Merchants noted above and that it was being advised by the Merchants that payments would be made on the Purchased Invoices in the near future. Notwithstanding these representations, as at the end of July 2017, the Receiver notes that no payments had been received from any of the Merchants or the Debtors since the Appointment Order.

Frontline and the Receiver's Efforts in Pursuing Non-Paying Debtors

- 70 In the absence of payments being received from the Debtors and/or the Merchants, despite Frontline's initial assurances, the Receiver engaged in the following with respect to all Debtors and Merchants.
- 71 On June 28, 2017, A&B, on behalf of the Receiver, sent Frontline a letter (the "**June 28 2017 Receiver Letter**") that, among other things:
- a) advised that at times, Frontline had failed to provide the Weekly Frontline Reporting and that such reporting should be provided to the Receiver forthwith;

- b) requested that Frontline provide reports to the Receiver with respect to any Non-Performing Factoring Arrangements as required by s. 5.1 of the FPAA (the “**Non-Performing Reports**”); and
- c) requested that Frontline, under s. 4.1(e) of the FPAA, send correspondence to all Debtors advising that the Receiver’s appointment is of no consequence to the amount owing under the Purchased Invoices and that the amount of same must be remitted in full.

A copy of the June 28 2017 Receiver Letter is attached hereto as **Appendix “16”**.

- 72 On June 30, 2017, Frontline delivered to the Receiver a Non-Performing Report dated June 30, 2017 (the “**June 30 2017 Non-Performing Report**”) which provided a status update on all of the Merchants. Based on the Receiver’s review of the Company’s books and records, the Receiver was unable to locate any Non-Performing Reports prepared by Frontline and sent to the Factoring Fund and/or Hedge Fund prior to receiving the June 30 2017 Non-Performing Report.
- 73 On July 12, 2017, letters were sent by Frontline to all of the underlying Debtors advising them of the Purchased Invoices outstanding and their obligation to remit payment (the “**Frontline July 12 2017 Letters**”). An example of the Frontline July 12 2017 Letters, excluding Debtor information, is attached hereto as **Appendix “17”**.
- 74 On August 15, 2017, after no correspondence and only one payment of \$25,000 being received, the Receiver sent letters to each of the Debtors (the “**August 15 2017 Debtor Letters**”). The August 15 2017 Debtor Letters, which referenced the Frontline July 12 2017 Letters and the Purchased Invoices outstanding, demanded that the Debtors remit all outstanding amounts owing under the Purchased Invoice — including accrued interest — directly to Frontline, in trust for the Receiver, by no later than 5:00 p.m. EST on August 23, 2017. Despite the August 15 2017 Debtor Letters, only one further payment has been remitted on account of a Purchased Invoice in the sum of \$113,044.51.³

³ The Debtor pursuant to this Purchased Invoice is Lotus Environmental Ltd, pursuant to the Factoring Fund’s Factoring Agreement with the Merchant, Advanced Metal. Frontline has yet to remit any of this payment to the Receiver, contrary to the Receiver’s directions to Frontline pursuant to the FPAA.

Compliance with Factoring Fund and Hedge Fund OMs

75 As outlined in the First Report, the Factoring Fund's investment objective is to:

"...to provide consistently positive total returns...by investing primarily in commercial factoring contracts. The Fund is also authorized to invest in other securities including equities, fixed income securities, investment funds and exchange-traded derivatives."

(the "**Factoring Fund Investment Objective**").

76 The Receiver is of the opinion that the issuance of the Bridge Facility to Dome Mountain (as defined and described in detail below) resulted in the Factoring Fund breaching the Factoring Fund Investment Objective. The non-disclosure of such an investment is a gross misrepresentation to investors investing into a fund with the expectation to be invested in Factoring Contracts whereby traditional receivables are being purchased.

77 It is unclear if the Factoring Contracts would be considered appropriate investments in the Hedge Fund given the broad wording contained in the Hedge Fund's OM.

Receiver's Conclusion on the Non-Performance of the Factoring Contracts

78 Based on the foregoing, it is unlikely that the outstanding Purchased Invoices will be paid by the Debtors – several of whom are resident outside of Ontario, Canada, or North America – as it appears that no payments have been received by the Debtors directly for any of the outstanding Purchased Invoices. Neither the Factoring/Hedge Fund nor the Merchants have any security against the Debtors for the Purchased Invoices; both are unsecured creditors of the Debtors. The pursuit of the Debtors for the payment of the Purchased Invoices would be an expensive process which would likely result in unfavorable results, if any. Frontline has indicated that collections from the underlying Debtors is unlikely, and that the Merchants are likely the sole recourse for recovery.

79 Under the Factoring Contracts, there are certain provisions available to the Factoring Fund and Hedge Fund (i.e. the Receiver) against the Merchants to pursue the outstanding balances under the Purchased Invoices, including in some cases, security over the assets of the Merchants. As a result, pursuing the Merchants for the balances owing to the Factoring Fund and Hedge Fund is the most economical and best source of any recovery.

80 The following section describes: (i) what the Receiver has learned about each of the Merchants and the facts that led to the acquisition of the impaired Purchased Invoices by the Factoring Fund and Hedge Fund; and (iii) the Receiver's activities thus far in pursuing the Merchants for the repayment of same.

RECEIVER'S DETAILED REVIEW OF FACTORING CONTRACTS

Dome Mountain

81 As noted above, as at October 26, 2017, Dome Mountain has an outstanding balance owing to the Factoring Fund and Hedge Fund of \$15,073,768 and \$1,196,718, respectively, totaling \$16,270,486 (the "**Dome Mountain Balance**"). The Dome Mountain Balance includes principal owing to the Factoring Fund and Hedge Fund of \$12,793,175 and \$1,015,660, respectively, in addition to interest owing to the Factoring Fund and Hedge Fund of \$2,280,593 and \$181,058, respectively.

82 Based on numerous discussions with Frontline and a detailed review of the documentation located with respect to the Dome Mountain Balance, the Dome Mountain Balance is in fact a bridge loan (defined below as the "**Bridge Facility**") to Dome Mountain; it is not a Purchased Invoice. A questionable "invoice" was issued by Dome Mountain to MGE Corporation Limited, apparently to falsely portray the Bridge Facility to Dome Mountain as a Purchased Invoice pursuant to a Factoring Contract. The Receiver's review of these arrangements is detailed below.

Dome Financing – 2015

83 The Company (in trust) and Dome Mountain entered into a "factoring agreement" (i.e. a bridge loan agreement) dated November 4, 2015 for a term of 12 months (the "**Dome 2015 Loan Agreement**"). Under the Dome 2015 Loan Agreement, the Company purchased one (1) invoice issued to MGE Corporation Limited ("**MGE**") dated November 11, 2015 totaling \$80,000,000 (the "**MGE 2015 Invoice**"). A copy of the MGE 2015 Invoice is attached hereto as **Appendix "18"**.

84 Under the Dome 2015 Loan Agreement total advances of \$12,507,676 were made by certain Funds at various times during November 2015 to December 2015 as follows:

a) Factoring Fund – \$10,127,676; and

b) ACM Growth Fund – \$2,380,000.⁴

Frontline provided the Receiver with a Mandate Letter and Term Sheet between Overseas European Holdings limited (“OEHL”), an affiliate of MGE, and Dome Mountain dated November 7, 2015 (the “**MGE 2015 Term Sheet**”) that expired on November 6, 2016. A copy of the MGE 2015 Term Sheet is attached hereto as **Appendix “19”**. The MGE 2015 Term Sheet referenced a proposed acquisition of shares (the “**Acquisition**”) in Gavin Mines Inc. (“**Gavin Mines**”) by Dome Mountain, and noted that OEHL and MGE agreed to, among other things:

- a) assist in securing a bridge financing facility to finance drilling operations of Gavin Mines (the “**Bridge Facility**”);
- b) issue a performance guarantee bond to assist in securing the Bridge Facility (as described below); and
- c) issue a 10 year, US \$80 million loan to Dome Mountain to fund the Acquisition, capital expenditures, and to refinance the Bridge Facility (the “**Acquisition Loan Facility**”).

85 Frontline also provided the Receiver with a copy of a performance guarantee bond in the amount of \$12 million issued by Active Capital Reinsurance Ltd. for the period of November 6, 2015 to November 5, 2016 (the “**2015 Performance Bond**”). The 2015 Performance Bond, which is attached hereto as **Appendix “20”**, had named MGE as the insured and the Company (Crystal Wealth Management System Limited (in Trust)) as the beneficiary.

86 Based on the above, it is apparent that the Dome 2015 Loan Agreement and the purchase of the MGE 2015 Invoice were entered into together to disguise the transaction as a “factoring arrangement” although in substance, the advances to Dome Mountain were essentially a bridge loan, i.e. the Bridge Facility as outlined in the MGE 2015 Term Sheet. MGE, through the Acquisition Loan Facility, was to refinance the Bridge Facility provided by the Factoring Fund and ACM Growth Fund. Frontline has confirmed the Receiver’s

⁴ The amount advanced by the ACM Growth Fund was later assigned to the Factoring Fund through the execution of an Assignment Agreement dated November 11, 2016, between the ACM Growth Fund and the Factoring Fund (each by their manager and trustee, the Company).

understanding that the monies advanced by the Funds were in fact a Bridge Facility as described above.

- 87 The Receiver inquired with Frontline as to the underlying rationale with respect to this arrangement, to which Frontline advised that it had not procured this arrangement but rather Housego had sourced and negotiated the deal with Dome Mountain and MGE. Frontline advised that this arrangement was funded by the Factoring Fund and that Housego instructed Frontline to include it in the portfolio and administer same. The Receiver has obtained evidence that Frontline was actively involved in the origination of the Dome 2015 Loan Agreement.

Dome Financing – 2016

- 88 Upon expiry of the Dome 2015 Loan Agreement, the MGE 2015 Term Sheet, and the 2015 Performance Bond, the following occurred:
- a) the Company (in trust) entered into another 12 month “factoring agreement” with Dome Mountain dated November 4, 2016 (the “**Dome 2016 Loan Agreement**”);
 - b) the Company (in trust) and Dome Mountain entered into a security agreement (“**GSA**”) dated November 4, 2016 (the “**Dome Mountain GSA**”);
 - c) another Dome Mountain invoice (invoice no. 0206) dated November 5, 2016 to MGE (the “**MGE 2016 Invoice**”) was purchased by the Factoring Fund to replace the MGE 2015 Invoice;
 - d) an updated Mandate Letter and Term Sheet dated November 3, 2016 between MGE and Dome Mountain was executed (the “**MGE 2016 Term Sheet**”) with terms substantively the same as the MGE 2015 Term Sheet, aside from the Acquisition Loan Facility being reduced to US \$36 million; and
 - e) a performance guarantee in the amount of \$18 million (the “**Guarantee Limit**”) was issued by Best Meridian International Company SPC (“**BMIC**”), as reinsurer, for the period of November 4, 2016 to November 6, 2017 (MGE – 112017-000016) (the “**2016 Performance Bond**”) whereby MGE is named as the insured and the Company (Crystal Wealth Management System Limited (in trust)) as the beneficiary. The 2016

Performance Guarantee also carried a premium of \$630,000 (the “**Performance Premium**”) payable by the insured, MGE.

A copy of the MGE 2016 Invoice, the MGE 2016 Term Sheet, and the 2016 Performance Bond are attached hereto as **Appendix “21”**, **Appendix “22”**, and **Appendix “23”** respectively.

- 89 The Invoice Summary (as defined below) provided by Frontline dated November 22, 2016, which is attached to this Second Report as **Appendix “24”**, notes that the Dome 2016 Loan Agreement, the 2016 Performance Bond, and the MGE 2016 Invoice were entered into because:

“...MGE was unable to close on the funding of Gavin Mines as the numbers did not substantiate the purchase price, although we had an insurance policy covering the performance of MGE. As the deal has been restructured at a lower price, MGE will now be able to fund the share purchase and the insurance company is willing to reissue a new policy at an increased amount.”

- 90 MGE and Dome Mountain also executed a Deed of Guarantee dated November 4, 2016 (the “**Deed of Guarantee**”), wherein MGE expressly acknowledged that Dome Mountain was borrowing funds from the Company (in trust for the Factoring Fund and the Hedge Fund), in the form of an interest-bearing loan (the Bridge Facility) in the amount of CAD \$18,000,000. The Deed of Guarantee expressly provides that MGE had procured the 2016 Performance Guarantee “to ensure repayment of the [Bridge Facility]” to the Factoring and Hedge Funds, together with all interest due to the Company (in trust for the Factoring Fund and Hedge Fund).

- 91 Consistent with the Deed of Guarantee, on November 4, 2016, MGE effected a registration under the PPSA (Alberta), registering MGE as a secured party of Dome Mountain with the following collateral description:

100% of the share capital of [Dome Mountain], secured party has charge over the total share capital of the Debtor, Dome Mountain Resources of Canada Inc., as collateral for a loan of C\$18,000,000 starting on 4 November 2016, as per Deed of Guarantee of the same Date.

92 On November 11, 2016, days following the execution of the Deed of Guarantee and the issuance of the Performance Guarantee, the Hedge Fund advanced an additional \$996,625 to Dome Mountain, in addition to the \$12,600,607 advanced in 2015 by the Factoring Fund, in apparent reliance on the representation by MGE that the \$18 million 2016 Performance Bond was in place to ensure that these advances, and all accrued interest, would be repaid to the Factoring Fund and Hedge Fund.

Status of Dome Mountain

93 Frontline has advised the Receiver that Dome Mountain is not performing as MGE has not yet been able to secure funding as contemplated in the MGE 2016 Term Sheet. The Non-Performing Reports indicate that MGE continues to push back the timeline with respect to the Acquisition Loan Facility.

94 Upon review of the 2016 Performance Bond, the Guarantee Limit is payable by BMIC on or after November 6, 2017 should the Loan (as defined in the 2016 Performance Bond) not be repaid to the Factoring and Hedge Funds by November 6, 2017. As the Loan had not been repaid to the Factoring Fund the Hedge Fund, the Receiver took steps to ensure that a claim would be submitted by MGE pursuant to the Performance Guarantee, to ensure that the principal amount of the Bridge Facility, and all accrued interest, is repaid to the Factoring Fund and Hedge Fund as the beneficiaries of the 2016 Performance Bond.

95 However, Frontline advised the Receiver that after the 2016 Performance Bond was executed in November 2016, MGE, nor any other party, remitted the Performance Premium to the underwriter of the 2016 Performance Bond, Global BRG, LLC ("**BRG**").

96 On October 17, 2017, after being contacted by the Receiver, BRG advised that the Performance Premium was never remitted and as a result, the 2016 Performance Guarantee was cancelled on November 28, 2016. A copy of the cancellation letter provided by BRG is attached hereto as **Appendix "25"**.

97 On October 19, 2017, the Receiver sent a letter to MGE (the "**October 19 2017 Letter**") demanding that MGE provide, by no later than 5 p.m. EST on Friday, October 20, 2017, a written explanation to the Receiver advising of:

a) the circumstances which gave rise to MGE's failure to pay the Performance Premium;

- b) whether notice was given by MGE to the Crystal Wealth Group, Dome Mountain, and/or to Frontline that the Performance Premium had not been paid, and that the 2016 Performance Bond had been cancelled;
- c) the reason MGE registered its security interest against Dome Mountain as per the Deed of Guarantee, despite its failure to secure the 2016 Performance Bond as required and contrary to MGE's representations in the Deed of Guarantee; and
- d) whether a replacement policy of insurance, or performance guarantee, had been obtained by MGE or any other party to secure repayment of the Bridge Facility indebtedness owing to the Factoring and Hedge Funds.

98 After not receiving a response from MGE, A&B, on behalf of the Receiver, sent a follow-up email to MGE on October 23, 2017. A copy of the October 19 2017 Letter and the follow-up email sent by A&B are attached hereto as **Appendix "26"** and **Appendix "27"** respectively.

99 On October 24, 2017, A&B, the Receiver, and Stephen Miller, who had executed the 2016 Performance Guarantee and Deed of Guarantee on behalf of MGE, attended a call to discuss the contents contained in the October 19 2017 Letter. Miller advised that he was working with MGE's counsel to draft a response and to provide supporting documentation to support his response to the October 19 2017 Letter. Miller acknowledged such a response would be delivered by the end of the week (October 27, 2017). Miller also advised the Receiver of the following:

- a) it was the responsibility of Frontline, the Factoring Fund, and the Hedge Fund to pay the Performance Premium required by the 2016 Performance Bond;
- b) Froese (the President of Frontline) and Housego were aware that it was the responsibility of Frontline, the Factoring Fund, and the Hedge Fund to pay the Performance Premium, but they failed to cause the Performance Premium to be paid, thereby causing the 2016 Performance Bond to be cancelled; and
- c) MGE had at no time provided financing to Dome Mountain, given that Dome Mountain failed to obtain a valuation of Gavin Mines which was a precondition to MGE providing Dome Mountain with financing, or issuing a bond.

- 100 On October 30, 2017, after no response was received to the October 19, 2017 Letter, A&B sent a follow-up email to Miller requesting a response and that the previously-requested supporting documentation be delivered to the Receiver by the end of the day.
- 101 On October 31, 2017, MGE provided a response to the Receiver (the “**MGE October 31st Email**”) which confirmed the assertions made by Miller in his discussion with the Receiver and A&B on October 24, 2017. More specifically, Miller asserted that Froese and Housego were “very well aware” that it was the Hedge Fund, Factoring Fund, and Frontline’s responsibility to pay the Performance Premium of \$630,000. Miller further asserted that at no time had MGE provided financing to Dome Mountain. Notwithstanding the assertions made by Miller, A&B, on behalf of the Receiver, responded to Miller indicating that he had failed to provide any support for his assertion that it was the responsibility of Frontline, the Hedge Fund, and/or the Factoring Fund to pay the Performance Premium. As at the date of this Second Report, Miller has not provided any supporting documentation to support his assertions in the MGE October 31st Email, despite A&B having sent a further follow-up email to him on November 9, 2017 demanding a response. Copies of the MGE October 31st Email and A&B’s responses to Miller sent on October 31, 2017 and November 9, 2017 are attached hereto as **Appendix “28”**.
- 102 As the MGE October 31st Email contradicted Froese’s (Frontline’s) account of the events, the Receiver sent correspondence to Froese on October 31, 2017 (the “**Receiver’s October 31 2017 Email**”) that, among other things:
- a) made Froese aware of the Receiver’s correspondence with MGE and BRG;
 - b) made Froese aware of the assertions made by Miller in the MGE October 31st Email;
 - c) requested that Froese provide an update on the nature of the ongoing dealings between MGE and Dome Mountain;
 - d) requested that Froese explain and elaborate upon the meaning of his October 27, 2017 email to the Receiver, wherein Froese indicated that “*MGE has had some good progress [on obtaining financing] although nothing [was] definitive*”;
 - e) requested that Froese provide an explanation as to why the \$630,000 Performance Premium was never paid, which left the Hedge Fund and Factoring Fund without recourse to an insurance policy;

- f) requested the reporting which was given to the Hedge Fund and Factoring Fund by Frontline leading up to the advances made by the Funds to Dome Mountain; and
- g) requested that Froese provide a copy of Frontline's due diligence summary report provided to the Factoring Fund and Hedge Fund and all correspondence and discussion notes which preceded the advances made to Dome Mountain.

A copy of the Receiver's October 31 2017 Email is attached hereto as **Appendix "29"**.

103 After repeatedly following up with Froese, on November 21, 2017, the Receiver received a response from Froese to the Receiver's October 31 2017 Email, which response is attached hereto as **Appendix "30"**. Froese's response failed to reasonably explain why the Performance Premium for the 2016 Performance Bond had not been paid, or why a claim had not been submitted pursuant to the 2015 Performance Bond. In his November 21st email to the Receiver, Froese indicates, among other things, that:

- a) On November 14, 2016, Froese *"Received instructions from Al Housego regarding wording of [Frontline] Invoice Summary and what needs to happen with internal structure"*.

As indicated above, the Invoice Summary subsequently provided by Frontline was dated November 22, 2016, which is attached to this Second Report as **Appendix "24"** (as noted above), and notes that the Dome 2016 Loan Agreement, the 2016 Performance Bond, and the MGE 2016 Invoice were entered into because:

"...MGE was unable to close on the funding of Gavin Mines as the numbers did not substantiate the purchase price, although we had an insurance policy covering the performance of MGE. As the deal has been restructured at a lower price, MGE will now be able to fund the share purchase and the insurance company is willing to reissue a new policy at an increased amount."

- b) On November 15, 2016, Froese *"Received email instructions from Clayton Smith requesting we structure this as a factoring agreement and the object being factored is the sale proceeds from MGE with insurance as backup"*. This email from Smith to Frontline was subsequently provided by Froese to the Receiver on November 21, 2017, and is included within **Appendix "30"** noted above; and

- c) During the first week of December 2016, Froese “received word that Crystal Wealth did not have any funds to pay for the insurance policy although based on their conversations with Steve Miller from MGE, they were confident he would perform”.

Dome Mountain Assets and Receiver’s Recourse

- 104 The Receiver has requested that Frontline and Dome Mountain provide information to the Receiver concerning Dome Mountain and Gavin Mines. As at the date of this Second Report, neither Frontline nor Dome Mountain have provided such information, and by an email sent on November 8, 2017, Dome Mountain advised it “has not had any financial documents prepared”. There is accordingly no information or evidence as to how Dome Mountain utilized the \$13,808,835 which was advanced to it by the Factoring and Hedge Funds.
- 105 By letter dated November 22, 2017, the Receiver demanded immediate payment of the Dome Mountain Balance from Dome Mountain pursuant to the Dome 2016 Loan Agreement, as well as immediate payment of all amounts owing by Dome Mountain to the Factoring Fund pursuant to the Fund’s factoring arrangements with 156 Alberta and 647 BC, as detailed immediately below. A copy of the November 22, 2017 letter sent by the Receiver to Dome Mountain is attached to this Second Report as **Appendix “31”**.

156 Alberta and 647 BC

156 Alberta

- 106 The Factoring Fund entered into a Factoring Agreement with 156 Alberta dated January 8, 2015 (the “**156 Alberta Factoring Agreement**”). The Factoring Fund also entered into a security agreement with 156 Alberta dated January 8, 2015 granting the Factoring Fund a general continuing security interest over all present and future property and assets of 156 Alberta. Frontline has advised that, similar to 647 BC (described below), 156 Alberta performs project management and consulting for mining projects. The principals of 156 Alberta are Jeff Maljaars and Robert Maljaars (“**R. Maljaars**”). In addition to Darcy Pahl, who is the director of Dome Mountain, R. Maljaars executed Dome Mountain’s Factoring Contracts with the Company (in trust for the Factoring Fund and Hedge Fund) on behalf of Dome Mountain, with the stated title of “Director” of Dome Mountain. In MGE’s October 31 Email (**Appendix “28”**), Miller had indicated that the “majority” of MGE’s communications were with Darcy Pahl and R. Maljaars, and with Froese and Housego.

647 BC

- 107 On November 28, 2014, the Factoring Fund entered into a Factoring Agreement with 647 BC (the “**647 BC Factoring Agreement**”). The Factoring Fund also entered into a security agreement with 647 BC dated November 27, 2014 which granted the Factoring Fund a general continuing security interest over all present and future property and assets of 647 BC. Frontline has advised the Receiver that 647 BC performs project management services for large projects and had been a client of Frontline in the past. Froese advised that he is personally familiar with the owners of 647 BC, Marion DenHollander and David DenHollander (together, the “**DenHollanders**”). The Receiver has been advised by an investor that David DenHollander is also related to Dome Mountain. As will be detailed in the Zomongo TV section below, the DenHollanders are also involved with Zomongo Inc. and/or Zomongo TV, both of whom are Merchants pursuant to Factoring Contracts entered into with the Factoring Fund and/or the Hedge Fund.

Relationship of 647 BC and 156 Alberta to Dome Mountain

- 108 As outlined in the table below, all but one of the Purchased Invoices from 647 BC and 156 Alberta are owing from Dome Mountain as the Debtor. A copy of the outstanding Purchased Invoices for 647 BC and 156 Alberta are attached to this Second Report as **Appendix “32”**.

	Debtor	No.	Amount of Invoices	Days Outstanding as at April 26th	Balances as at October 26th		
					Principal	Interest	Total
156 Alberta	Dome Mountain	2	\$1,010,000	312 Days	\$ 624,039	\$117,118	\$ 741,157
647 BC	Dome Mountain	2	578,550	340 Days	439,698	109,260	548,958
156 Alberta	IC Commerce	1	238,095	73 Days	200,000	23,200	223,200
		5	\$1,826,645	275 Days	\$1,263,737	\$249,579	\$1,513,316

- 109 The fact that an additional \$1,290,116 is owing to the Factoring Fund from Dome Mountain (as the Debtor), results in Dome Mountain, directly and indirectly, owing the Factoring/Hedge Fund a total of \$17,560,601 (principal of \$14,872,572 and interest of \$2,688,029). It is unclear as to the types of services provided by 156 Alberta and 647 BC as the invoice description contains only the words “*Consulting*” (for 156 Alberta) or “*Project Management*” (for 647 BC), with no other pertinent details.

- 110 In addition, to the 156 Alberta Dome Invoices and the 647 BC Dome Invoices, the following table outlines previous invoices issued to Dome Mountain from 156 Alberta and 647 BC that the Factoring Fund purchased resulting in the Fund advancing funds to 156 Alberta and 647 BC. These invoices were subsequently repaid.

Merchant / Debtor	Invoice Summary Date	Invoice No.	Invoice Amount	Funds Advanced to Merchant
647497 BC Ltd.				
Dome Mountain	28-Nov-14	257	\$ 357,000	\$ 279,888
Dome Mountain	22-Dec-14	261	367,500	288,120
Dome Mountain	27-Jan-15	264	328,125	257,250
Dome Mountain	11-May-15	302	507,675	398,017
Dome Mountain	30-Sep-15	304	237,891	186,506
			1,798,191	1,409,781
1566496 Alberta Ltd.				
Dome Mountain	27-Feb-15	145	152,250	119,364
Dome Mountain	17-Mar-15	146	131,250	102,900
Dome Mountain	30-Mar-15	149	183,750	144,060
Dome Mountain	13-Apr-15	150	131,250	102,900
Dome Mountain	29-Apr-15	151	262,500	205,800
Dome Mountain	11-May-15	152	510,300	400,075
Dome Mountain	31-Aug-15	153	105,000	82,320
Dome Mountain	10-Sep-15	155	220,500	172,872
Dome Mountain	29-Oct-15	157	340,000	266,560
Dome Mountain	06-Nov-15	158	260,000	203,840
Dome Mountain	05-Jan-16	159	390,000	305,760
Dome Mountain	15-Apr-16	215	65,100	51,038
			2,751,900	2,157,490
Grant Total			\$ 4,550,091	\$ 3,567,271

- 111 Based on the table above, it appears that Dome Mountain paid:
- a) \$1,798,181 to 647 BC for “*Project Management*” invoices issued to Dome Mountain; and
 - b) \$2,751,900 to 156 Alberta for “*Consulting*” invoices issued to Dome Mountain in circumstances where 156 Alberta appears to be a related party.
- 112 The Receiver is in the process of obtaining more information to determine the timing of these transactions as well as the original funding to Dome Mountain by the Factoring Fund

and Hedge Fund totaling approximately \$13,808,835. The Receiver has concerns that a portion of the \$13,808,835 was used to pay the above noted invoices issued to Dome Mountain totaling \$4,550,091.

- 113 On November 7, 2017, DenHollander sent Frontline an email, advising as follows:

"I am out of the country and don't know when we will return. Perhaps sometime next year but at present not sure".

DenHollander further advised that 647 BC is three years behind on its financial statements. DenHollander indicated that

"[i]n regards to a repayment schedule [647 BC is] working on a plan which I hope will be finalized in the next 30-60 days which would allow us to start repaying funds".

A copy of DenHollander's email to Frontline is attached to this Second Report as **Appendix "33"**.

- 114 By letters dated November 22, 2017, the Receiver demanded immediate payment from 647 BC and 156 Alberta pursuant to the 647 BC Factoring Agreement and the 156 Alberta BC Factoring Agreement, respectively. Copies of the November 22, 2017 letters sent by the Receiver to 647 BC and 156 Alberta are attached to this Second Report as **Appendix "34"**.

Zomongo TV

- 115 The Factoring Fund and the Hedge Fund each entered into Factoring Agreements with Zomongo TV, an Alberta entity, dated August 7, 2015 (the "**Zomongo TV Factoring Agreement**").
- 116 The Factoring Fund also entered into a security agreement with Zomongo TV dated August 7, 2015 (the "**Zomongo TV Security Agreement**"). The Zomongo TV Security Agreement granted the Factoring Fund a general continuing security interest over all present and after acquired undertaking, property and assets of Zomongo TV, including all present and future right, title, and interest and benefit of Zomongo TV in all property, on a first-position secured basis.

- 117 In addition, pursuant to a Guarantee and Postponement of Claim dated January 25, 2017, Zomongo.TV Holdings Corp ("**Zomongo TV Holdings**") entered into a Guarantee and Postponement of Claim with the Hedge Fund dated January 25, 2017, pursuant to which Zomongo TV Holdings provided a continuing guarantee of all the obligations owing by Zomongo TV to the Hedge Fund. Zomongo TV Holdings also entered into a General Security Agreement dated January 25, 2017 with the Hedge Fund, granting the Hedge Fund a general continuing security interest over all present and future property and assets of Zomongo TV Holdings.
- 118 According to Frontline, in the latter half of 2016, as a result of Zomongo TV incurring net losses and generating negative cash flow in its operations, Zomongo TV required additional funding to continue as a going concern. Frontline advised the Receiver that the Factoring Fund did not have funds available to advance to Zomongo TV to assist it in continuing as a going concern.
- 119 As a result, on December 29, 2016, Zomongo TV and its associated entities entered into a credit agreement with TCA Global Credit Master Fund, LP ("**TCA**") effective December 30, 2016 (the "**TCA Loan Agreement**") for a revolving credit facility of up to US \$10,000,000 (the "**TCA Credit Facility**"). Funding available under the TCA Credit Facility is based on underlying working capital (e.g. accounts receivable, inventory, etc.) of Zomongo TV.
- 120 As a condition of the TCA Loan Agreement, the Factoring Fund entered into a Subordination of Loans Agreement with Zomongo TV (and its associated entities) and TCA dated December 28, 2016 (the "**Zomongo TV Subordination Agreement**"). The Zomongo TV Subordination Agreement resulted in the Factoring Fund being in a subordinated position to that of TCA (i.e. giving up its first position security to TCA). As at December 28, 2016, the Factoring Fund was owed a principal balance of \$11,960,213 from Purchased Invoices of Zomongo TV. For greater clarity, the Receiver is advised that the Factoring Fund subordinated its position as TCA would not provide additional funding unless it was given the position of first secured creditor.

Current Status

121 As at October 26, 2017, Zomongo TV has outstanding principal balances owing to the Factoring Fund and Hedge Fund of \$6,204,373 and \$1,494,737, respectively, totaling \$7,669,110 (the “**Zomongo TV Principal Balance**”) from the following Debtors:

- a) Accent Marketing – \$1,193,158 owing for three (3) invoices;
- b) Golden Shores Enterprises Inc. – \$947,368 owing for two (2) invoices;
- c) Eyeconic.tv – \$4,244,701 owing for seven (7) invoices;
- d) Vanus Consulting Inc. – \$842,105 owing for two (2) invoices; and
- e) Mobility Media & TV – \$723,000 owing for two (2) invoices

(collectively the “**Zomongo TV Debtors**”).

122 In addition to the Zomongo TV Principal Balance, the Factoring Fund and Hedge Fund are owed \$845,396 and \$660,307 in interest and fees, respectively, totaling \$1,505,702 (together with the Zomongo TV Principal Balance, the “**Zomongo TV Balance**”).

123 The table below outlines, for each Zomongo TV Debtor: the number of Purchased Invoices; the total amount of the Purchased Invoices; the average number of days outstanding as the date of the Receiver’s appointment (April 26, 2017); and the balance owing to the Factoring Fund and Hedge Fund as at October 26, 2017.

Debtor	No.	Amount of Invoices	Days Outstanding as at April 26th	Principal and Interest as at Oct. 26th		
				Factoring Fund	Hedge Fund	Total
Accent Marketing	3	\$ 1,500,000	553 Days	\$ 905,719	\$ 211,115	\$1,116,834
Golden Shores Enterprises Inc.	2	1,500,000	387 Days	-	1,380,003	1,380,003
Eyeconic.tv	7	7,650,000	390 Days	4,696,198	156,468	4,852,666
Vanus Consulting Inc.	2	1,500,000	387 Days	955,365	-	955,365
Mobility Media & TV	2	3,000,000	252 Days	492,487	407,457	899,944
	16	\$15,150,000	403 Days	\$7,049,769	\$2,155,044	\$9,204,812

- 124 As demonstrated in the table above, prior to the Appointment Order, the Purchased Invoices were, on average, outstanding for 403 days. This puts into question the collectability, and thus the underlying Recorded Value of the Zomongo TV Balance. In initial discussions with the Receiver, Frontline had failed to highlight or acknowledge an issue with the Zomongo TV Balance and the Zomongo TV Debtors' repayment of the Purchased Invoices when asked by the Receiver as to the status of same.
- 125 Not until the June 29 2017 Non-Performing Report did Frontline acknowledge that the Zomongo TV Balance and the underlying Purchased Invoices were "non-performing". In each subsequent Non-Performing Report, Frontline advised that communication with Zomongo TV had been limited and it became apparent that the collectability of the Zomongo TV Balance from the Zomongo TV Debtors is at risk.
- 126 Based on the above, and especially in light of the fact that neither the Factoring Fund nor the Hedge Fund have any security over the Zomongo TV Debtors, the Receiver has concluded that the Zomongo TV Balance will be challenging to recover.

Receiver's Strategy: Potential Zomongo TV Settlement Agreement

- 127 In the June 29 2017 Non-Performing Report, Frontline indicated that Zomongo TV had advised that it was in the process of obtaining additional financing to payout the balance owing to the Factoring Fund and the Hedge Fund. In each subsequent Non-Performing Report, Frontline had advised that Zomongo TV was continuing to work on obtaining new financing and had lenders involved in performing due diligence to issue same.
- 128 On October 3, 2017, the Receiver received an email from Frontline (the "**Initial Zomongo Email**") indicating that Zomongo TV was in financial difficulties as TCA had not advanced the total amount of the funds that were potentially available under the TCA Loan Agreement (i.e. US \$10 million). As a result, Frontline claimed that Zomongo TV did not have the cash to continue completing the current projects entered into with a chain of hotels (the "**Hotel Rollout**"); Frontline represented that the Hotel Rollout would create a significant amount of cash flow. Frontline indicated that without additional funding, Zomongo TV could not continue operating.
- 129 On October 4, 2017, the Receiver, A&B, Frontline, and a representative acting on behalf of Zomongo, BFF Ventures, through its representative, Tim Barnes, attended a conference call to discuss the Initial Zomongo Email. BFF Ventures indicated that TCA

would not advance additional funding to Zomongo TV unless the Factoring/Hedge Fund converted the Zomongo TV Balance into equity in Zomongo TV and requested the Receiver to consent to same. The Receiver advised BFF Ventures that it could not reasonably consider a conversion of the Zomongo TV Balance to equity until it was provided with additional information, including but not limited to: (i) historical financial statements; (ii) details of the Hotel Rollout; (iii) a term sheet from Zomongo TV; (iv) financial projections; and (v) a call with TCA to discuss its request for the Zomongo TV Balance to be converted. A link to a data room containing some of the requested information was sent to the Receiver.

- 130 On October 6, 2017, BFF Ventures delivered to the Receiver a non-binding letter of intent (the “**Initial LOI**”) which included, but was limited to: (i) a conversion of the Zomongo TV Balance to shares in Zomongo TV; and (ii) a subsequent exclusive right for Zomongo TV to repurchase the shares over a 12 month period. The Initial LOI was not executed by the Receiver.
- 131 On October 11, 2017, the Receiver, A&B, Frontline, BFF Ventures, and Zomongo TV attended a conference call to discuss, among other things, the Initial LOI and to permit the Receiver and A&B to ask questions to Zomongo TV directly, including as to why the Initial LOI proposal was being made when it could not be agreed upon without TCA approval. On this call, the Receiver stated that a conversion of the Zomongo TV Balance to equity in Zomongo TV would be unacceptable. The Receiver also reiterated its request for a call with TCA.
- 132 On October 12, 2017, BFF Ventures delivered to the Receiver a revised non-binding letter of intent (the “**October 12 2017 LOI**”) which replaced the Initial LOI. The October 12 2017 LOI removed the proposed equity conversion into Zomongo TV Shares, and instead proposed payment terms to restructure the indebtedness owing by Zomongo TV to the Factoring and Hedge Funds, along with a proposed payment schedule. The Receiver neither accepted nor rejected the terms contained in the October 12 2017 LOI, as any such arrangement would be subject of TCA approval. The Receiver and A&B reiterated their request that a call with TCA representatives, be convened. Attached to this Second Report as **Confidential Appendix “1”** is a copy of the October 12 2017 LOI.

- 133 On October 26, 2017, on a without prejudice basis, the Receiver and A&B attended a call with representatives from TCA, Frontline, and BFF Ventures to discuss, among other things, the October 12 2017 LOI and the potential to come to an agreement to allow for TCA to advance the additional funding under the TCA Loan Agreement to Zomongo TV for the Hotel Rollout, while allowing Zomongo TV to make repayments to the Factoring and Hedge Funds under a restructured arrangement. In summary, the following items were discussed:
- a) TCA was in the middle of its internal due diligence process to determine the additional funding, if any, to be provided to Zomongo TV;
 - b) TCA would only commit to funding if the Zomongo TV Balance was resolved through an agreement between Zomongo TV and the Receiver;
 - c) Due to poor record keeping on behalf of Zomongo TV, Frontline, and the Company, the participants on the call were unable to agree as to the quantum of interest and factoring fees owing to the Factoring and Hedge Funds beyond the Zomongo TV Principal Balance;
 - d) TCA, Frontline, Zomongo TV, and BFF were comfortable with the accuracy of the Zomongo TV Principal Balance; and
 - e) TCA was in the process of reviewing the October 12 2017 LOI and was not committing to the terms contained therein. However, on a without prejudice basis, it was supportive of eventually coming to some form of an agreement.
- 134 On November 17, 2017, BFF Ventures advised the Receiver that TCA has now agreed to provide \$5 million in additional funding to Zomongo TV and its affiliates under the TCA Loan Agreement. On November 19, 2017, the Receiver requested that BFF Ventures, on behalf of Zomongo TV, deliver to the Receiver Zomongo TV's proposed form of agreement(s), in order for the Receiver to continue to evaluate the possibility of an arrangement to be agreed upon by TCA, Zomongo TV, and the Receiver, which would result in: (i) TCA providing additional funding to Zomongo TV; and (ii) the repayment of a portion of the Zomongo TV Balance being made to the Factoring and Hedge Funds by Zomongo TV under a restructured arrangement, likely on a monthly installment basis.

- 135 As at the date of this Second Report, the Receiver has not yet received Zomongo TV's proposed form of agreement(s) to effect a restructuring of the indebtedness owing to the Factoring and Hedge Funds by Zomongo TV.

Zomongo Inc./Zomongo TV's Involvement with 647 BC Representatives

- 136 As noted above, Zomongo Inc. is a former Merchant of the Factoring Fund pursuant to a Factoring Agreement entered into by the Factoring Fund and Zomongo Inc. dated November 20, 2014. Jocelyne Hughes-Ostrowski is the sole director of Zomongo Inc. The sole directors of Zomongo TV are Jocelyne Hughes-Ostrowski and Jeremy Ostrowski. Zomongo Inc. holds 83.63% of the shares in Zomongo TV, according to records provided to the Receiver by Zomongo TV.
- 137 Frontline's records indicate that no indebtedness is owing by Zomongo Inc. to the Factoring Fund. Nevertheless, on July 7 and 14, 2017, Frontline advised the Receiver that, as security for Zomongo Inc.'s indebtedness to the Factoring Fund, personal guarantees (the "**DenHollander Personal Guarantees**") had been provided by each of the DenHollanders to the Factoring Fund, which obligations were to be secured by a collateral mortgage (the "**DenHollander Mortgage**") over the DenHollanders' personal residence located in British Columbia (the "**DenHollander Property**"). Attached hereto as **Appendix "35"** are copies of the DenHollander Personal Guarantees and the mortgage documentation executed by the DenHollanders provided by Frontline to the Receiver, and a title search obtained by the Receiver for the DenHollander Property.
- 138 As mentioned, the DenHollanders are the owners of the Merchant, 647 BC, and are also related to another Merchant, Dome Mountain. It is unclear to the Receiver how the DenHollanders are also involved with Zomongo Inc. and Zomongo TV, or why they provided the DenHollander Personal Guarantees and the DenHollander Mortgage to secure the obligations owing by Zomongo Inc. to the Factoring Fund.
- 139 The Receiver has instructed Frontline that the DenHollander Mortgage – which was improperly registered by Frontline in Frontline's name as mortgagee - must remain registered on title to the DenHollander Property and must not be discharged.

Advanced Metal

- 140 The Factoring Fund entered into a Factoring Agreement with Advanced Metal dated September 21, 2015 for the purchase of a list of approved receivables from Advanced Metal up to a maximum of \$600,000 (the “**Advanced Metal Factoring Agreement**”).
- 141 The Factoring Fund also entered into a security agreement with Advance Metal dated September 15, 2015 which granted the Factoring Fund a general continuing security interest over all present and after acquired undertaking, property and assets of Advanced Metal, including all present and future right, title, and interest and benefit of Advanced Metal in all property; on a first secured basis.
- 142 On December 16, 2016, the Factoring Fund entered into a postponement and subordination of security interest agreement (the “**Advanced Metal Subordination Agreement**”). The Advanced Metal Subordination Agreement resulted in the Factoring Fund becoming a subordinated creditor to that of the Bank of Montreal (i.e. giving up its first position security to the Bank of Montreal). Similar to Zomongo TV, the Factoring Fund and Hedge Fund subordinated their position as the Bank of Montreal would not provide additional funding unless it was the first secured creditor.
- 143 In addition to Bank of Montreal, other registrations are made under the PPSA by creditors of Advanced Metal, including Roynat Inc. and National Leasing Group Inc. A writ of seizure and sale (Federal Writ) was filed on February 15, 2017 in favour of Her Majesty the Queen in Right of Canada in the amount of \$641,351.40.

Current Status

- 144 As at October 26, 2017, Advanced Metal had outstanding principal balances owing to the Factoring Fund of \$1,256,311 (the “**Advanced Metal Principal Balance**”) and interest owing of \$248,029 (together with the Advanced Metal Principal Balance, the “**Advanced Metal Balance**”) from the Debtors outlined in the following table (collectively the “**Advanced Metal Debtors**”), all of which have only one (1) invoice outstanding (the “**Advanced Metal Invoices**”).

Debtor	Invoice Amount	Days Outstanding as at April 26th	Balances as at October 26th		
			Principal	Interest	Total
Lotus Environmental Ltd.	\$ 879,824	631 Days	\$ 458,080	\$ 17,450	\$ 475,530
PROFAB Industrial Construction	89,378	474 Days	71,502	22,165	93,667
AIC International Group	252,000	498 Days	201,600	62,496	264,096
Lotus Energy Services Inc.	1,466,365	477 Days	200,441	62,136	262,578
Mi2 Energy Ltd.	213,868	426 Days	171,095	50,988	222,082
Downton's Transport Ltd.	191,991	267 Days	153,593	32,794	186,386
	\$ 3,093,426	462 Days	\$1,256,311	\$248,029	\$1,504,340

- 145 The Advanced Metal Balance includes the payments of \$25,000 and \$113,045 that Frontline received from Advanced Metal on August 11, 2017 and September 11, 2017, respectively, towards the Purchased Invoice issued to Lotus Environmental Ltd (i.e. the balance reflects the payments being made)
- 146 As demonstrated in the table above, prior to the Appointment Order, the Advanced Metal Invoice Invoices were, on average, outstanding for 462 days; putting into question the collectability of the Advanced Metal Balance, and thus the underlying Recorded Value of the Advanced Metal Balance.
- 147 Not until the June 29 2017 Non-Performing Report did Frontline acknowledge that the advances made to Advanced Metal on the Advanced Metal Invoices were “*old non-performing invoices*”. In the June 29 2017 Non-Performing Report, Frontline acknowledged that it was requesting new performing invoices to replace the Advanced Metal Invoices and that it had requested financial statements from Advanced Metal. In each subsequent Non-Performing Report, Frontline advised that it was able to establish a line of communication with Advanced Metal.
- 148 On July 28, 2017, Frontline advised that it had a meeting scheduled with the CEO of Advanced Metal to discuss payment alternatives and remedies.

- 149 On August 30, 2017, Frontline advised that after meetings and discussions, it was working with Advanced Metal to develop an alternative payment plan to retire the Advanced Metal Balance, including:
- a) replacing Advanced Metal Invoices with performing new invoices as they become available;
 - b) engaging a leasing company to enter into sale-leaseback transactions to obtain funding; and
 - c) selling the company.
- 150 On October 27, 2017, Frontline advised the Receiver that Advanced Metal is expecting to receive an offer for the company. However, such an offer has not yet been received. Advanced Metal communicated that another payment will be made on the Advanced Metal Balance in mid-November.

Receiver's Recourse and Strategy

- 151 As the Factoring Fund is in a subordinated second secured position, the Receiver is continuing to investigate options by which the Advanced Metal Balance, or a portion thereof, may be economically recovered.

Restoration Energy

Restoration Energy Factoring Arrangements

- 152 The Factoring Fund entered into a Factoring Agreement with Restoration Energy dated March 18, 2015 for the purchase of a list of approved receivables from Restoration Energy up to a maximum of \$2,000,000 (the "**Restoration Energy Factoring Fund Factoring Agreement**").
- 153 The Factoring Fund also entered into a security agreement with Restoration Energy dated March 18, 2015 which granted the Factoring Fund a general continuing security interest over all present and after acquired undertaking, property and assets of Restoration Energy, including all present and future right, title, and interest and benefit of Restoration Energy in all property; on a first secured basis.

- 154 On March 16, 2016, the Hedge Fund entered into a Factoring Agreement with Restoration Energy for the purchase of a list of approved receivables from Restoration Energy (together with the Restoration Energy Factoring Fund Factoring Agreement, the **"Restoration Energy Factoring Agreements"**).

The 1312163 Alberta Ltd. Guarantee and Collateral Mortgage

- 155 On March 20, 2015, the Factoring Fund and the Company entered into a Corporate Guarantee and Indemnity Agreement with 1312163 Alberta Ltd. (**"131 Alberta"**), an apparent arm's length third party that is not evidently related to Restoration Energy or its principals, whereby 131 Alberta guaranteed any and all amounts advanced to Restoration Energy via the purchase of Restoration Energy's accounts receivable, limited to a maximum principal amount of \$2,000,000 (the **"131 Alberta Guarantee"**). The 131 Alberta Guarantee provided for a collateral mortgage in favour of the Company (the **"Collateral Mortgage"**) against the legal title to approximately 90.88 acres of land owned by 131 Alberta located in Pine Lake, Alberta, comprising three parcels (the northernmost parcel, the **"North Parcel"**; the two southernmost parcels, the **"South Parcels"**; collectively, the **"131 Alberta Property"**). The Company subsequently registered the Collateral Mortgage against the 131 Alberta Property in the original principal amount of \$850,000, which was later amended by an amending agreement dated September 24, 2015 (registered on title on August 10, 2015), increasing the principal amount of the Collateral Mortgage to \$2,000,000.
- 156 The Collateral Mortgage is registered on title to the North Parcel behind two mortgages with an aggregate original principal amount totaling \$1,094,000. The Collateral Mortgage is registered on title to the South Parcels behind three mortgages (one of which is also registered against title to the North Parcel) with an aggregate original principal amount of \$1,210,000. Taken together, the Collateral Mortgage appears to be behind at least \$1,804,000 in principal of prior mortgages, plus an amount of accrued interest that is unknown but is likely to be considerable, for reasons detailed below.
- 157 Based on an appraisal dated September 25, 2011 (the **"Appraisal"**), the 131 Alberta Property was valued at an estimated \$3,180,800 (approximately \$35,000 per acre). In addition to its age, the Appraisal has weaknesses, including that it relies on certain assumptions which may not continue to be valid (i.e. given that the 131 Alberta Property

is zoned agricultural, and has not been approved for development despite a decade of efforts in this regard, and given the receipt of indications from the relevant municipality that only the North Parcel may potentially receive such an approval, and only then at a lower density than initially proposed). The Appraisal was also conducted in a very different market climate for Alberta real estate than that which exists at present.

- 158 Even if the Appraisal can be assumed to be accurate, which is likely not a safe assumption, the amount of equity available to satisfy the Collateral Mortgage appears to be extremely limited.
- 159 A&B and Darren Smits ("**Smits**") attended a call on November 2nd, 2017 which provided background into the origins of this guarantee and the current valuation issues. Smits played several roles in the Restoration Energy and 131 Alberta arrangements. He is an investor into developments on the 131 Alberta Property (having, amongst other things, provided personal guarantees to support the obligations of 131 Alberta under its senior mortgages in respect of the Pine Lake Lands). Together with Frontline, he participated in the origination of the 131 Alberta guarantee arrangements with Restoration Energy. Finally, Smits, a lawyer at the firm of Miller Thomson LLP, is also counsel to Frontline and, at the relevant time, served as counsel to Crystal Wealth in respect of the Restoration Energy Factoring Agreements.
- 160 On the November 2nd call, Smits expressed skepticism about the assumptions in the Appraisal, particularly in light of the difficulties in obtaining zoning approval for the property. Smits that he had "no idea what the land is worth." Smits suggested that the aggregate amount of accrued interest on two of the senior mortgages exceeded \$500,000, with further accrued interest on another, the quantum of which is unknown. Furthermore, Smits suggested that of the three parcels comprising the 131 Alberta Property, only the North Parcel would be of material value on a go-forward basis, as it is the only parcel which has experienced some traction in applying for municipal development approval (an area structure plan has been approved), and such value would only become apparent once such development begins. Materials subsequently provided by Smits show that, although preliminary engineering and cost studies have taken place, development of these lands has not begun.

The Debt Exchange Agreement

161 On June 28, 2017, Frontline provided the Receiver with an unsigned debt security exchange agreement between 131 Alberta, the Company (including the Factoring Fund, and Hedge Fund), Restoration Energy, and Aspen Shore Estates Ltd. ("**Aspen Shore**") that was dated March 2017 (the "**Debt Exchange Agreement**"). Frontline advised that Housego and Smith had verbally agreed to the terms of the Debt Exchange Agreement one week prior to the Appointment Order.

162 The Debt Exchange Agreement appears to confirm that the Restoration Energy Invoices are uncollectible. Per the Debt Exchange Agreement:

"Restoration Energy executed a number of factoring agreements with Crystal Wealth, the total accumulated amount outstanding as of September 22, 2016 is \$2,283,663.52 (the "Factoring Debt"), the funds of which were used by Restoration Energy to complete orders for customers, but due to technical issues with the technology the orders were not able to be completed.

Restoration Energy has retained the University of Calgary and has also brought a number of additional solid oxide fuel experts into the company in order to redesign the solid oxide fuel cell technology and products that are to be sold to third party consumers. Restoration Energy will be raising additional funds to complete these objectives."

163 The Debt Exchange Agreement proposed that the Company (including the Factoring Fund and the Hedge Fund) would exchange its Factoring Debt (\$2,283,664) for convertible debt in Restoration Energy on the terms summarized below:

- a) Principal – \$2,200,000;
- b) Interest Rate – 8% per annum;
- c) Term – 5 years;
- d) Conversion Option - At the option of the Company, convertible into common voting shares of Restoration Energy. Every \$1,000 of debenture shall be convertible to 650 common shares.

(the “**Convertible Restoration Debenture**”).

- 164 The Receiver advised Frontline that it could not accept and/or enter into the Debt Exchange Agreement until sufficient due diligence was performed on same. Frontline was unable to provide any relevant documentation to the Receiver to assist in such due diligence.
- 165 Accordingly, on August 8, 2017, A&B contacted Smits via e-mail to request a call to obtain certain due diligence materials required by the Receiver to evaluate the Debt Exchange Agreement, including with respect to the statements made in the Debt Exchange Agreement that the lenders that had first place mortgages against the 131 Alberta Property had commenced foreclosure actions in the Court of Queen’s Bench of Alberta in to order to realize on their mortgages. Smits advised A&B during a conference call on August 8, 2017 that the foreclosure actions were not advancing at that time due to the refinancing of the senior mortgages.
- 166 When A&B did not receive any of the requested documentation from Smits subsequent to the August 8, 2017 conference call, A&B engaged in a further conference call with Smits on November 2, 2017, as detailed above. During that discussion, Smits advised A&B that the foreclosure actions remained dormant as 131 Alberta had agreed to sell the 131 Alberta Property to a newly-formed company, Aspen Shore, a company controlled by Perali Properties Inc. (“**Perali**”), for an assumption of the first mortgages and non-voting shares of Aspen Shore. Smits confirmed that the proposed sale of the 131 Alberta Property is also on hold, pending efforts to take out the Company’s Collateral Mortgage from title.
- 167 Subsequent to the November 2, 2017 conference call with Smits, A&B reiterated its request via email to Smits for the provision of certain documentation that would help evaluate: (i) the 131 Alberta Property and the status of the two foreclosure actions commenced against 131 Alberta, and guarantors, including Smits; and (ii) the proposed Debt Exchange Agreement and the Convertible Restoration Debenture.
- 168 Smits provided certain of this requested material to A&B by electronic file transfer on November 17, 2017. From the Receiver’s preliminary review of this material, it appears to confirm that each of the foreclosure actions has been assigned to Perali in connection with its refinancing and assumption of senior mortgage debt in respect of the Pine Lake Lands.

The Receiver continues to investigate potential recovery on the 131 Alberta Guarantee, and the extent to which the Convertible Restoration Debenture would be a viable alternative to enforcement proceedings on the Collateral Mortgage, to the extent that the latter is economically practical given the Company's subordinated position and the uncertain valuation of the 131 Alberta Property.

The Receiver's Discovery of Additional Guarantees

- 169 By electronic transmission on November 13, 2017, Smits provided additional transactional documents with respect to the Restoration Energy Factoring Fund Factoring Agreement. This package of documentation included materials which were not previously contained in the Company's books and records. Most notably, it revealed three additional guarantees of Restoration's obligations under the Restoration Energy Factoring Fund Factoring Agreement: i) a corporate guarantee granted by DDI Distribution Corp on March 18, 2015; ii) a corporate guarantee granted by Dionne Design Inc. on March 18, 2015; and iii) a personal guarantee granted by the principal of Restoration, Yvonne Martin-Morrison, on March 18, 2015 (collectively, the "**Additional Restoration Guarantees**"). Each of the Additional Restoration Guarantees is limited to the principal amount of \$2,000,000.
- 170 A&B conducted further diligence regarding these corporate guarantors. Dionne Design Inc. and DDI Distribution Corp. are each Alberta corporations, each of which is inactive and has been struck from the Alberta corporate records (for failure to file corporate returns). Further, a PPSA search against Dionne Design Inc. disclosed two reports of property seizures and a writ of execution, each of which would have been visible at the time the Company and/or Frontline, as applicable, would have considered whether this company was an appropriate candidate to issue a corporate guarantee of the Restoration Energy obligations to the Factoring Fund.
- 171 The above-noted concerns with these corporate guarantors calls into question whether appropriate due diligence was conducted in respect of these lending arrangements at the time they were entered into; additionally, the fact that the Additional Restoration Guarantees were not maintained on file with the Company, and needed to be procured from Smits, is representative of the general lack of oversight on these investments. This exemplifies the general failings that the Receiver has noted in respect of the management of these investments by Frontline and/or Housego, as applicable, as described in further

detail in the section that follows entitled “Receiver’s Concerns with the Administration of the Factoring Contracts”.

Current Status

- 172 As at October 26, 2017, Restoration Energy had outstanding principal balances owing to the Factoring Fund and Hedge Fund of \$1,402,193 and \$501,000, respectively, totaling \$1,903,193 (the “**Restoration Energy Principal Balance**”), and interest owing of \$169,098 (the “**Restoration Energy Interest Owing**”, collectively with the Restoration Energy Principal Balance, the “**Restoration Energy Balance**”) from Purchased Invoices issued to and owing from the Debtors outlined in the following table (collectively the “**Restoration Energy Debtors**”) (the “**Restoration Energy Invoices**”):

Debtor	No.	Amount of Invoices	Days Outstanding as at April 26th	Principal & Interest as at Oct. 26th		
				Factoring Fund	Hedge Fund	Total
CPPS Mission Projects	2	\$1,300,000	463 Days	\$ 559,269	\$569,222	\$1,128,491
University of Calgary	1	500,000	586 Days	429,000	-	429,000
TLP Outreach Association Inc.	1	600,000	512 Days	514,800	-	514,800
	4	\$2,400,000	520 Days	\$1,503,069	\$569,222	\$2,072,291

- 173 As demonstrated in the table above, prior to the Appointment Order, the Restoration Energy Invoice Invoices were, on average, outstanding for 520 days. This fact, combined with the concerns raised in the Debt Exchange Agreement concerning the collectability of these invoices, puts potential recovery into question, and, as a result, raises concerns with respect to the Company’s represented Recorded Value of the Restoration Energy Balance.
- 174 To the extent that the Restoration Energy Balance is not collectible from Restoration Energy, the collectability of such balance pursuant to the 131 Alberta Guarantee is also questionable, given: (i) the extent to which the Company’s position is subordinated to multiple senior lenders (an estimated \$2.3 million in known principal and accrued interest, plus an unknown amount of additional accrued interest, as compared to the estimated \$3,180,000.00 value of the Appraisal, which, as stated, may be unrealistic given the present undeveloped state of the 131 Alberta Property, the lack of zoning approval, and

the lack of any progress on zoning approval on two of the three parcels); and (ii) the weak market for Alberta real estate.

Demand Letters to Restoration Energy and the Guarantors

- 175 Based on the information obtained from Frontline, no formal demands for payment were ever made against the Debtors or Merchants of the Factoring and Hedge Funds prior to the Receiver's appointment.
- 176 On behalf of the Receiver, A&B issued a demand letter to Restoration Energy on November 7, 2017, and a subsequent demand letter to 131 Alberta on November 13, 2017, each of which enclosed a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (a "**BIA Notice**"). A&B also issued demand letters (the "**Additional Restoration Guarantor Demands**") to each of the guarantors pursuant to the Additional Restoration Guarantees on November 14, 2017. Copies of the foregoing demand letters, and their enclosures, are attached as **Appendix "36"** to this Second Report.
- 177 Notably, the Additional Restoration Guarantor Demands sent to DDI Distribution Corp. and Dionne Design Inc. were sent by e-mail and registered mail in accordance with the underlying guarantees, but were electronically returned as undeliverable. As at the date of this Second Report, the registered mail copy has not been signed for by the respective recipients.
- 178 The Additional Restoration Guarantor Demand sent to Yvonne Martin-Morrison appears to have been successfully delivered via e-mail, but has not been responded to by Ms. Martin-Morrison as at the date of this Second Report.
- 179 As at the date of this Second Report, the Receiver has not received a response to any of the above-noted demands.

Single Source

- 180 The Factoring Fund entered into a Factoring Agreement with Single Source dated August 9, 2016 (the "**Single Source Factoring Agreement**"). The Factoring Fund also entered into a security agreement with Single Source dated August 9, 2016 granting the Factoring Fund a general continuing security interest over all present and future property and assets

of Single Source. In addition, Tanya McCrary-Singh (“**McCrary-Singh**”), the Chief Financial Officer of Single Source, provided a personal guarantee (the “**McCrary-Singh Guarantee**”) in favour of the Factoring Fund dated August 9, 2016, guaranteeing the obligations of Single Source to the Factoring Fund.

- 181 As at October 26, 2017, principal is outstanding under a single invoice factored by the Factoring Fund from Single Source in the sum of \$93,985, with accrued interest owing to the Factoring Fund of \$20,206.
- 182 By letter dated November 22, 2017, the Receiver demanded immediate payment from Single Source pursuant to the Single Source Factoring Agreement. A copy of the November 22, 2017 letter sent by the Receiver to Single Source is attached to this Second Report as **Appendix “37”**.
- 183 If payment is not remitted by Single Source to the Receiver shortly, the Receiver anticipates that it will take steps to enforce pursuant to the Single Source Factoring Agreement and McCrary-Singh Guarantee, with the goal of collecting on this receivable in a cost-effective manner given the amount owing.

RECEIVER’S CONCERNS REGARDING THE ADMINISTRATION OF THE FACTORING CONTRACTS

- 184 During its review, the Receiver has noted that the procurement and administration of the Factoring Contracts by Frontline and Housego, the latter of whom was the Lead Portfolio Strategist of the Hedge Fund and Factoring Fund until being terminated by the Receiver, was highly unsophisticated and lacked the necessary controls to ensure that advances made to Merchants would ultimately be repaid. The deficiencies noted by the Receiver, as discussed in this section, have ultimately led to the impaired status of the investments held by the Factoring and Hedge Funds as detailed above.

High Level of Concentration Risk

- 185 As outlined above, the Factoring Contracts have an exceptionally high level of concentration risk given that as at October 26, 2017, two (2) Merchants, Dome Mountain⁵ and Zomongo TV, directly and indirectly account for 87.97% (57.97% and 30.00%,

⁵ Including the 156 Alberta Balance and the 647 BC Balance.

respectively) of the Factoring Balance; while three (3) Merchants account for the remaining 12.30%.

186 This concentration risk is further compounded in that the Dome Mountain Balance is a bridge loan (i.e. not a factoring arrangement) and the Zomongo TV Balance is purportedly owing from five (5) Debtors with only 16 outstanding invoices.

Due Diligence on Merchants and Debtors

187 Under the FPAA, Frontline was required to perform a certain level of due diligence prior to putting forth a proposed Factoring Contract to the Factoring Fund and/or Hedge Fund. The FPAA's stated that:

- a) *"Each such proposed factoring arrangement must comply with all of the requirements of this Agreement and the Approved Investment Criteria."*
- b) *"Prior to its presentation to the [Factoring/Hedge Fund], Frontline shall have evaluated each potential factoring arrangement in accordance with the Due Diligence Guidelines and shall include, but will not be limited to, a review of the operations and credit worthiness of any Merchant, the Debtors involved, the accounts receivable aging and any other applicable Contract Documents..."*
- c) *"With respect to each specific proposed arrangement, Frontline shall also provide a written report as to whether the specific proposed arrangement complies with the Due Diligence Guidelines."*

(collectively referred to as the "**Required Due Diligence**").

188 The FPAA make reference to Exhibit "A" and Exhibit "C" which outline the Due Diligence Guidelines and the Approved Investment Criteria, respectively.

189 On September 11, 2017, the Receiver requested that Frontline provide documentation to confirm that the Required Due Diligence was performed. In response to the Receiver's request, on September 28, 2017, Frontline provided the Receiver with documents which were titled "invoice summaries" ("**Invoice Summaries**") in connection with each of the Merchant's outstanding invoices to Debtors, pursuant to which indebtedness is owing to the Factoring and Hedge Funds. The Invoice Summaries provided by Frontline are attached hereto as **Appendix "38"**.

190 On September 21, 2017, the Receiver requested that Frontline provide a copy of Exhibit “A” and Exhibit “C” referenced in the FPAA. Frontline indicated that a formal Exhibit “A” or Exhibit “C” were never executed. In an emailed response dated September 29, 2017, with respect to Exhibit “C”, Froese indicated that:

“Exhibit “C” was never completed in the Factoring Procurement and Administration Agreement. There were many discussions with Clayton Smith although I don’t believe we ever came to an agreement. We started with conversations on each deal as well as [the Invoice Summaries] and if Crystal Wealth requested any addition information we would give it to them. Because of that, there were no written reports as there was nothing to reference.”

A copy of Froese’s email referencing the above is attached hereto as **Appendix “39”**.

191 On October 31, 2017, after locating a document titled “Exhibit A – Due Diligence Guidelines” in the Company’s books and records (a copy of which is attached hereto as **Appendix “40”**), the Receiver sent an email to Froese that requested certain documentation and written reports to support performance of the Due Diligence Guidelines by Frontline. In response, Froese indicated that:

“...there was no formal Schedule “A” and the schedule you have may have been a draft copy for discussion purposes, although was never part of the agreement. As per information, I believe we have sent you everything that we have.”

A copy of the Receiver’s email and Froese’s response is attached hereto as **Appendix “41”**.

192 The Invoice Summaries do not satisfy the Required Due Diligence as they fail to include, among other things:

- a) any relevant information on the underlying Debtor of the invoice;
- b) any detailed analysis of the business and risks of the Merchant’s business;
- c) a statement that the specific proposed arrangement complies with the Due Diligence Guidelines; and

d) an evaluation as to whether the proposed factoring arrangements comply with the Approved Investment Criteria.

193 Based on the Company's books and records, there appears to be little to no evidence of any additional information provided to the Company that would confirm that Frontline performed the Required Due Diligence.

194 Notwithstanding the absence of Frontline performing the Required Due Diligence, Housego and/or Smith nevertheless caused the Factoring and Hedge Funds to enter into each of the Factoring Contracts based on little to no due diligence. The Company's books and records contain no evidence that Housego and/or Smith performed any additional due diligence themselves to supplement or compensate for the minimal due diligence performed by Frontline.

Allocation of Payments Received by Frontline Contrary to the FPAA

195 As noted above, payments of \$25,000.00 and \$113,044.41 were received by Frontline from Advanced Metal on August 11, 2017 and September 11, 2017, respectively (collectively the "**Advanced Metal Payments**"), towards the Purchased Receivable (invoice 35507) issued to Lotus Environmental Ltd. (the "**Lotus Invoice**"). When none of these funds were remitted by Frontline to the Receiver, the Receiver requested a conference call with Frontline to inquire as to why the entirety of the Advanced Metal Payments had not been remitted to the Receiver in accordance with the FPAA.

196 On October 3, 2017, the Receiver, A&B, and Frontline convened the conference call, as requested by the Receiver. Froese advised that Frontline had a verbal arrangement with Smith, whereby Frontline was permitted to retain certain sums of the payments received from Merchants or Debtors on account of interest in priority to repayment being first made to the Factoring Fund and/or Hedge Fund. Based upon this purported verbal arrangement, Froese indicated that the Factoring Fund would only receive \$53,094.02 of the Advanced Metal Payments (totaling \$138,044.41), and that Frontline would be permitted to retain the remaining \$84,950.39. According to Frontline, the allocation of the Advanced Metal Payments received was accordingly to be as follows based upon the verbal arrangement between Frontline and Smith:

a) \$25,000 payment on August 11, 2017 – \$9,615.38 to the Factoring Fund and \$15,384.62 to Frontline; and

- b) \$113,044.51 payment on September 11, 2017 – \$43,478.64 to the Factoring Fund and \$69,565.87 to Frontline.

A copy of the “Payment Summaries” provided to the Receiver by Frontline in this regard are attached hereto as **Appendix “42”**.

- 197 The arrangement described by Froese is contrary to s. 4.6 of FPAA, which provides that the Factoring and Hedge Funds are to be repaid in priority to Frontline receiving any compensation:

“...all monies received from a Merchant or its Debtors, either in the normal course of business or in the event of a collection action or resolution shall be paid, firstly to the Fund until the amount advanced by the Fund has been repaid in full and, secondly, on a pro rata basis to Frontline and the Fund for the amounts of the fees due to each of them...” [emphasis added]

- 198 Frontline has been unable to provide any documentation to the Receiver to support its alleged verbal arrangement with Smith, which would supersede the priority payment scheme set out in s. 4.6 of the FPAA.

- 199 Frontline’s allocation of the Advanced Metal Payments is in contravention of s. 4.6 of the FPAA as the Factoring Fund and Hedge Fund are entitled to all monies received until the amount advanced by the Funds is recovered; the amount advanced on the Lotus Invoice that remains outstanding totals \$458,080. The Factoring Fund is therefore entitled to the entire amount of the Advanced Metal Payments and any future amounts received by Frontline in trust for the Factoring Fund until the \$458,080 advance on the Lotus Invoice is paid off in full.

- 200 On October 10, 2017, pursuant to section 4.6 of the FPAA, the Receiver directed Frontline to remit the entire amount of the Advance Metal Payments to the Receiver. In response, Froese advised that:

“Frontline has been caught off guard with the request to send all the funds from the invoices to the receiver. As precedent had been set and agreed to by Crystal Wealth with the way we were handling all payments and per instructions from receiver to continue operations as we always have, would it be possible to start

with the new calculations (per original agreement) going forward. We will send the original amount from the invoice summaries right away.”

- 201 The Receiver has not – and does not – approve of an alternative priority arrangement for payment which is different than as prescribed by the FPAA. Accordingly, on October 13, 2017, the Receiver reiterated to Frontline that the Factoring Fund was entitled to the entire amount of the Advanced Metal Payments and demanded that payment of same be remitted by Frontline to the Factoring Fund immediately.
- 202 On October 16, 2017, Froese advised the Receiver that Frontline did not have sufficient funds to send the Advanced Metal Payments to the Receiver.
- 203 In response, the Receiver sent an email to Frontline again reiterating that the entirety of the Advanced Metal Payments, and all future payments received by Frontline, must be immediately remitted to the Receiver in trust for the Factoring and Hedge Funds, as applicable.
- 204 The email correspondence with respect to the Advanced Metal Payments between the Receiver and Froese, as summarized above, is attached hereto as **Appendix “43”**.
- 205 Notwithstanding numerous follow-up correspondence sent by the Receiver to Frontline, as at the date of this Second Report, the Receiver has not received any of the Advanced Metal Payments owing to the Factoring Fund.
- 206 As mentioned above, Frontline stated that it had a verbal arrangement with Smith to receive a portion of payments from Merchants/Debtors prior to the initial advance made by the Factoring/Hedge Fund being paid in full. As a result, on previous payments, Frontline has applied an allocation where it has been receiving a portion of the payments previously made by Merchants and/or Debtors before the initial advance made by the Factoring/Hedge Fund is repaid. The following table outlines: (i) the payments made by the Merchants and/or Debtors on the outstanding Purchased Invoices (Payments); (ii) the portion of the payment allocated to the Factoring/Hedge Fund’s initial advance (Initial Advance); (iii) the portion of the payment allocated to the Factoring/Hedge Fund for interest outstanding, and (iv) the portion kept by Frontline for its fees and interest. A copy of Frontline’s most recent Weekly Report to the Receiver concerning the status of the Factoring Contracts as at November 17, 2017 is attached hereto as **Appendix “44”**.

Merchant	Allocation of Payment			
	Payments	Initial Advance	Fund Interest	Frontline Interest & Fees
Zomongo TV	\$ 1,282,392	\$ 251,222	\$ 928,315	\$ 102,854
Advanced Metal ¹	544,390	68,236	165,463	310,691
156 Alberta	289,828	224,361	56,658	8,809
Restoration Energy	204,860	-	90,439	114,421
	\$ 2,321,470	\$ 543,820	\$ 1,240,876	\$ 536,775

Note 1 - Advanced Metal figures include the allocation of the Advanced Metal Payments between Frontline and the Factoring Fund.

- 207 As shown in the table above, based on its alleged agreement with Smith and in contravention to the FPAA, Frontline has withheld \$536,775 of the payments received from Merchants and/or Debtors for the outstanding Purchased Invoices that should have been allocated to the initial advances made by the Factoring/Hedge Fund. The Receiver disagrees with Frontlines position and requests an Order that Frontline pay the \$536,775 outstanding to the Receiver in trust for the Factoring and Hedge Funds, as applicable.
- 208 Froese indicated to the Receiver during the October 3, 2017 conference call that the Frontline employee who developed the system for the Frontline Weekly Report summaries to the Factoring and Hedge Funds, Steven Bandola, left Frontline in April 2017, at the approximate time of the Receiver's appointment.

Other Notable Items

- 209 During the Receiver's due diligence, the Receiver noted that Froese currently holds 300,000 share purchase warrants in Zomongo TV. Froese had never made this disclosure to the Receiver. Such an investment presents a conflict of interest for Frontline as the Factoring and Hedge Fund are creditors and Froese is personally an equity holder of this Merchant of the Factoring/Hedge Funds.

MEDIA LOANS

BACKGROUND

- 210 The Media Fund's primary investment was that of term loans purchased from Media

House Capital (Canada) Corp. ("**MHC**") reflecting loans ("**Media Loans**") made to various production companies for the production of films. The Media Loans consist of two general types: (i) Gap Loans; and (ii) Tax Credit Loans, both of which are described and defined below.

Gap Loans

- 211 The Media Fund loaned funds to single purpose production companies (i.e. entities incorporated for the sole purposes of producing a particular film). Each film would have its own separate legal entity in order for films to be financed and produced whereby the security of the loan is the unsold rights to the production (the "**Gap Loans**").
- 212 In most scenarios, a producer would build a financing plan for the production budget, putting together the components of financing, including, but not limited to, one or more of tax credits, government subsidies, pre-sales, and private equity. If additional funding was required to produce the film over and above the available sources, a Gap Loan would be obtained. The Gap Loan is the riskiest type of financing for a lender as the Gap Loan is issued based solely on estimated sales which, often times, is far less than can be generated by the production.

Tax Credit Loans

- 213 Many jurisdictions offer tax credits as an incentive to producers to make their films in that jurisdiction. The tax credits are usually 25% - 30% of the overall production budget depending on where the film is shot and the nationalities of those involved. The Media Fund advanced loans to certain production companies secured by the rights to tax credits (the "**Tax Credit Loans**"), which security was occasionally subordinated to a senior secured lender.

Recorded Value of the Media Loans by the Company

- 214 According to the April 20th Package, the Company had attributed a Recorded Value in excess of \$53 million, inclusive of principal and interest. Based on the Receiver's early conversations and correspondence with MHC, it was apparent that a significant number of the films underlying the Media Loans appear to be experiencing significant issues and/or delays.
- 215 As discussed in the First Report, and the Supplement to the First Report, the Receiver

engaged Quiver as an expert advisor to assist the Receiver in its investigation and management of the Media Fund.

216 On June 27, 2017, the Receiver and Quiver entered into a Memorandum of Understanding (“**MOU**”) which outlined the roles and responsibilities of Quiver and its compensation in so acting. In summary, Quiver’s mandate under the MOU was to, among other things:

- a) engage with all third party sales agents and domestic distributors to review the status of each film, including but not limited to interest and results from international distributors, timing of such interest, exposure and interest at film markets and festivals, and identification of unpaid, current and long-term accounts receivable;
- b) identify the unsold rights by film, by media (e.g. video on demand, television, etc.), and determine the best course of action to extract value from said rights and provide recommendations on the best course of action moving forward; and
- c) utilize relationships with the distributors and customers (e.g. Netflix, Amazon, Walmart, etc.) to generate collections.

217 Since the First Report, the Receiver and Quiver have executed two amendments to the MOU (the “**MOU Amendments**”), in order to extend Quiver’s engagement first through to October 31, 2017, and subsequently, through to November 30, 2017. Copies of the MOU Amendments are attached hereto as **Confidential Appendix “2”**.

ESTIMATED VALUE OF THE MEDIA LOANS

218 On November 22, 2017, Quiver provided to the Receiver a report (the “**Quiver Report**”) that, among other things: (i) outlined the nature of the Media Loans issued to the various production companies; (ii) set out collections obtained by the Receiver for Media Loans as at the date of the Quiver Report; and (iii) provided an estimated value of the Gap Loans and Tax Credit Loans. A copy of the Quiver Report which, among other things, details the underlying methodology in determining the projected amounts which are reasonably likely to be recovered by the Media Fund with respect to the Media Loans (the “**Projected Media Loan Values**”), is attached hereto as **Confidential Appendix “3”**. The Quiver Report, including its appendices, is in excess of 1,200 pages (it contains periodic financial accounting for the Media Loans). Due to this length, only the Quiver Report and its

Appendix D – Library Analysis have been included in this Confidential Appendix to the Second Report in hard-copy form; the full Quiver Report containing all appendices has been provided on a USB key within the Confidential Appendix.

- 219 Since its, appointment, the Receiver, has collected a total of \$6,859,188 and US \$153,591 with respect to the Media Loans.

INTER-FUND INVESTMENT IMPACT

- 220 As discussed in the First Report, the Media Fund was the largest recipient of Inter-fund Investments from a number of Crystal Wealth Funds totaling a Recorded Value of \$11,349,768 per the April 20th Package. The following table outlines the unit holdings and Recorded Values (per the April 20th Package) that certain of the Crystal Wealth Funds held in the Media Fund.

	A		B	B / A
Fund	Fund April 20th NAV	Units in Media Fund	Recorded Value of Units	Percentage of NAV
ACM Income Fund	\$ 10,815,417	655,974	\$ 6,641,115	61.40%
Mortgage Fund	27,082,935	204,475	2,072,643	7.65%
Medical Fund	9,270,090	151,855	1,537,291	16.58%
ACM Growth Fund	11,609,064	56,974	576,764	4.97%
High Yield Mortgage Fund	5,442,165	51,409	521,098	9.58%
Factoring Fund	38,124,168	85	857	0.00%
	\$ 102,343,839	1,120,772	\$ 11,349,768	

- 221 Based on the Projected Media Loan Values, the above noted Inter-fund Investments were grossly overstated resulting in the value of each of the above noted Crystal Wealth Funds being overstated. The above noted Crystal Wealth Funds will accordingly receive far less from the Media Fund than their Inter-fund Investments in the Media Fund. In other words, significant monies deployed by the ACM Income Fund, ACM Growth Fund, Mortgage Fund, Medical Fund, and High Yield Mortgage Fund to invest in the Media Fund, will result in significant monetary losses to each of these Funds.

- 222 As the Media Fund was earning little to no income on the Media Loans, the Receiver has concerns as to how redemptions and distributions to Media Fund investors were satisfied prior to the Receiver's appointment (i.e. whether Inter-fund Investments in the Media Fund

by other Funds, or funds from investor purchases of units in the Media Fund, were used to fund Media Fund redemptions and distributions).

GOLD LOANS

BACKGROUND

223 The Factoring Fund and Hedge Fund entered into four (4) Gold Certificate Subscription Agreements with Onstar Exploration Ltd. ("**Onstar**") as follows:

- a) three (3) Gold Certificate Subscription Agreements between the Factoring Fund and Onstar dated August 12, 2016, November 27, 2016, and September 25, 2016 for a total of 3,800 ounces of Gold; and
- b) one (1) Gold Certificate Subscription Agreement between the Hedge Fund and Onstar dated September 25, 2016 for a total of 200 ounces of Gold.

(collectively, the "**Onstar Subscription Agreements**").

224 Under the Onstar Subscription Agreements, the Factoring Fund and the Hedge Fund purchased gold certificates for certain multiples of 1,000 ounces of Gold per certificate (the "**Gold Certificates**") which cumulatively totaled 4,000 ounces of Gold.

225 In addition to the Onstar Subscription Agreements, the Factoring Fund, the Hedge Fund and the Bullion Fund collectively entered into seven (7) Gold Sale / Purchase Agreements (some of which have or will be expiring shortly) with the following entities:

- a) 611802 B.C. Ltd. ("**611 BC**") – four (4) Gold Sale / Purchase Agreements with a combined Recorded Value of approximately \$1,255,819 (the "**611 BC Loan**");
- b) Inca One Gold Corp. ("**Inca**") – two (2) Gold Sale / Purchase Agreements with a combined Recorded Value of approximately \$958,797 (the "**Inca Loans**"); and
- c) Solid Holdings Ltd. ("**Solid Holdings**") – one (1) Gold Sale / Purchase Agreement with a Recorded Value of \$333,332 (the "**Solid Holdings Loan**").

The 611 BC Loan, Inca Loans, and Solid Loans (collectively, the "**Settlement Loans**") are similar in nature in that upon expiry, the agreement is completed either through: (i) the

delivery of the Gold; or (ii) a cash settlement. A description of the commercial arrangement under the Settlement Loans is outlined in paragraph 63 of the First Report.

RECEIVER'S KEY FINDINGS AND ACTIONS

226 The Onstar Subscription Agreements and the Settlement Loans are, in substance, term loans to Onstar, 611 BC, Inca, and Solid Holdings (collectively, the “**Gold Sellers**”) and are therefore referred to as the “**Gold Loans**”. The Gold Loans are to be repaid upon maturity in either Gold or cash. For greater clarity, the Factoring/Hedge/Bullion Funds did not purchase Gold in its physical form under any of the Gold Loans.

227 The table below provides a summary of the Gold Loans held in the Bullion Fund, Hedge Fund, and Factoring Fund:

Fund	Ounces	Outstanding Gold Loans	CAD Amount Advanced	USD Amount Advanced	Market Value (CAD) Oct 31/17
Factoring Fund	4,341	5	\$911,441	US \$3,260,000	\$7,094,001
Bullion Fund	481	2	\$803,100	US \$0	\$760,556
Hedge Fund	761	4	\$845,704	US \$190,000	\$1,219,702
Total	5,583	11	\$2,560,245	US \$3,450,000	\$9,074,259

228 Although the market value of the ounces of Gold to be delivered upon maturity of the Gold Loans is approximately \$9,074,259 as at October 31, 2017,⁶ each of the Gold Sellers are in, or appear to be in poor financial health and as a result, do not have the ability to repay the Gold Loans, whether in cash or in Gold.

229 Under the Gold Loans, the Crystal Wealth Funds are unsecured creditors, with no security over any of the Gold Sellers’ assets. The Receiver has concerns over the ultimate collectability of the Gold Loans. As at the date of this Second Report, the Crystal Wealth Funds have not received any repayment (in Gold or cash) for any of the Gold Loans.

230 The Company’s books and records contain little to no information on the Gold Sellers. In addition, the Receiver has been unable to locate documentation or evidence

⁶ The price of Gold as at October 31, 2017 was \$1,637 per ounce (US \$1,270 per ounce converted at an exchange rate of 1.2894)

demonstrating that any due diligence had been performed on the Gold Sellers by the Company, the Funds, or by Housego - the former Lead Portfolio Strategist of the subject Funds - or that the Gold Loans fit the investment criteria outlined in each of the Factoring, Hedge, and Bullion Fund's OMs.

- 231 The Gold Loans do not appear to fit into the investment strategy of the Factoring Fund or the Bullion Fund based on the wording contained in their respective OMs. It is unclear if the Gold Loans would be considered appropriate investments in the Hedge Fund given the broad wording contained in the Hedge Fund's OM.

RECEIVER'S DETAILED REVIEW OF GOLD CONTRACTS

Onstar Subscription Agreements

- 232 As outlined in the First Report, the Receiver was able to locate unsigned Gold Certificates in the Company's books and records which stated the following:

*Gold deliveries to the Owner [the Hedge/Factoring Fund] shall commence **on April 30, 2017 F.O.B. Juneau, Alaska** and shall occur monthly, until the entire 1,000 ounces of gold due under this Certificate has been delivered to the Owner. It is expected that all gold payments will be completed no later than April 30, 2019.*

The Receiver has obtained executed copies of the Onstar Subscription Agreements which are executed by Alan Braun ("**Mr. Braun**") on behalf of Onstar. The Receiver has confirmed with Onstar that no Gold has been delivered to either the Factoring Fund or the Hedge Fund as at the date of this Second Report.

Housego's Involvement

- 233 Through the Receiver's review, the Company's books and records contain minimal information with respect to Onstar's operations and contain no evidence of due diligence being performed by Housego or any other Company representative. The Receiver expected that such due diligence would include, but would not be limited to, an evaluation of the potential risks and benefits of the Factoring Fund and Hedge Fund advancing US \$3,000,000 and \$748,900 to Onstar and whether the Onstar Subscription Agreements would be considered applicable investments under the Factoring Fund and Hedge Fund OMs. The absence of any due diligence being performed prior to the advancement of funds is alarming.

234 In a letter dated April 24, 2017, signed by Smith, to the British Columbia Securities Commission (the “BCSC”) (in response to an assumed inquiry made by the BCSC as referenced in the letter) (the “**April 24 2017 BCSC Letter**”), Smith, among other things, states that:

“Mr. Housego was introduced to Alan Braun through Taz Faryad. Mr. Faryad was trying to connect gold sellers and gold buyers. The [Company] manages a number of mutual fund trusts for which Mr. Housego acts as lead portfolio manager and in which Mr. Housego was looking to invest in gold. Presumably, Alan Braun was involved in a company or companies that produces gold so Mr. Faryad connected us to see if there was a fit. Mr. Housego first met Alan Braun at a meeting in Vancouver in early August 2016. Taz Faryad, Jerry Braun and Rene Gladu were also present.” [Emphasis added]

In an email dated August 11, 2016 from Housego to Mr. Braun, Jerry Braun, Rene Gladu, and Taz Faryad, Housego confirmed that the first meeting mentioned in the April 24 2017 BCSC Letter occurred on August 8, 2016 and that this meeting was the first meeting of the parties. A copy of the April 24 2017 BCSC Letter is attached hereto as **Appendix “45”**.

235 Based on the above, Housego first met Mr. Braun on August 8, 2016; and four days later (on August 12, 2016), the Factoring Fund made the first advance to Onstar of US \$2,000,000. The April 24 2017 BCSC Letter provides further evidence that little to no due diligence was performed by Housego or the Company prior to entering into the Onstar Subscription Agreements and advancing the previously mentioned funds.

236 As noted in the First Report, Onstar claimed that Housego had verbally agreed to provide a total of US \$10 million of funding to Onstar for the development of a mine in Juneau, Alaska. However, to date, only the funding noted above has been provided. As a result, Onstar has had to seek external financing to complete the development of the Juneau, Alaska mine. The Receiver does not know at this time if Onstar was successful in seeking such funding.

Gold Certificates

237 The Onstar Subscription Agreements all reference executed Gold Certificates contained in Schedule A to same. The Onstar Subscription Agreements provided by Smith and

contained in the Company's books and records did not include copies of the executed Gold Certificates nor did the Onstar Subscription Agreements provided by Mr. Braun. Onstar, upon the Receiver's request, advised that it was unable to locate the executed Gold Certificates. However, Onstar did provide unsigned copies of the Gold Certificates to the Receiver which stated the same terms as outlined in paragraph 232 above.

- 238 The Onstar Subscription Agreements, under the "Registration and Delivery Instructions" section, state that the Gold Certificates were to be delivered to NBCN at the following address:

*NBCN
250 Yonge Street, 19th Floor
Toronto, Ontario
M5B 2L7
Attention: Cheryl Rochemont*

The Receiver has made numerous requests of NBCN to locate the Gold Certificates. As at the date of this Second Report, NBCN has been unable to locate the executed Gold Certificates, which suggests that the executed Gold Certificates were never delivered by Onstar to NBCN.

- 239 Upon review of email correspondence between Onstar and Housego, it appears the Gold Certificates were delivered to Housego. On October 30, 2017, the Receiver requested that Housego provide the copies of the Gold Certificates to the Receiver. Housego stated that he did not know where the Gold Certificates were as outlined in his response below:

"I don't recall ever getting the certificates. I have looked but I do not have them. All certificates would have gone to HO and would have been part of the security needed to issue funds. I have no idea where they are or could be."

- 240 On October 31, 2017, the Receiver requested that Smith provide copies of the executed Gold Certificates to the Receiver. Smith advised that he had never received the Gold Certificates and that NBCN would likely be in possession of same. Smith's response to the Receiver's request was as follows:

"I don't have any documents from Crystal Wealth in my possession. Joanne Bentley handled most of the admin stuff, and I think the certificates may have been filed with NBCN."

241 As the April 24 2017 BCSC Letter stated that Gold Certificates were attached, the Receiver sent a letter to the BCSC on November 22, 2017 requesting that a copy of the Gold Certificates be provided. As at the date of this Second Report, the Receiver has not received a response.

Receiver's Demand

242 As delivery of Gold per the Gold Certificates had not yet occurred, A&B, on behalf of the Receiver, issued a default letter to Onstar dated October 26, 2017 (the "**Onstar Default Letter**") which, among other things, demanded immediate delivery of Gold in accordance with the terms of the Gold Certificates. A copy of the Onstar Default Letter is attached hereto as **Appendix "46"**.

243 On November 2, 2017, in response to the Onstar Default Letter, Onstar advised the Receiver that it would honour the Onstar Subscription Agreements and Gold Certificates. Onstar advised that it was completing separate funding to fulfill the requirements of the Gold Certificates and that such funding would be in place in the month of November to early December 2017. Once funding is received, Onstar advised that a large scale operation would begin. Onstar stated that it currently has a small amount of Gold from the site available.

244 On November 7, 2017, the Receiver inquired of Mr. Braun as to whether cash payments could be made by Onstar instead of physical delivery of Gold at the same intervals in which deliveries of Gold would otherwise occur. The payments requested by the Receiver would be made by Onstar at the stated spot price of the expected Gold delivery (i.e. the spot price multiplied by the ounces to be delivered). As at the time of this Second Report, Onstar has not advised the Receiver as to whether such payments, in lieu of Gold deliveries, will be possible.

245 If necessary, the Receiver will arrange a location for the delivery of the Gold to be provided by Onstar, which arrangements are currently being put into place by the Receiver.

611 BC Loans

246 611 BC entered into the following Settlement Loans with the following Crystal Wealth Funds:

- a) One (1) Settlement Loan with the Bullion Fund – expiring November 28, 2017 whereby \$124,657 was advanced to 611 (the “**611/Bullion Loan**”);
- b) Two (2) Settlement Loans with the Hedge Fund – one (1) expiring November 28, 2017 and one (1) expiring January 16, 2018 with \$409,995 advanced to 611 (collectively the “**611/Hedge Loans**”); and
- c) One (1) Settlement Loan with the Factoring Fund – expiring February 2, 2018 whereby \$500,405 was advanced to 611 (the “**611/Factoring Loan**”).

Each of the 611 BC Loans were entered into by Pinnell on behalf of 611 BC.

- 247 As outlined in the First Report, the Receiver inquired as to 611 BC's ability to execute an early exit from the 611 BC Loans; 611 BC stated that due to current cash constraints it will not be able to do so.
- 248 In subsequent discussions with the Receiver, 611 BC indicated that it did not engage in any mining activity directly nor did it hold any assets other than investments and receivables owing from other companies (as described below). 611 BC provided the Receiver with internally generated statements for the 12 months ending December 31, 2017 which indicated that 611 BC has no mining assets (i.e. land or equipment). The Receiver has requested more recent financial information.
- 249 Pinnell advised that the proceeds obtained from the 611 BC Loans was advanced to third party entities for certain projects as follows:
 - a) proceeds obtained from the 611/Bullion Loan and one of the 611/Hedge Loans totaling approximately \$325,325 were advanced to a third party, Blacksand Gold Inc. (“**Blacksand**”), who entered into agreements with two other parties, Place One Mines Inc. (“**Placer One**”) and New North Construction Ltd (“**New North**”), for the development of a Gold mine in British Columbia (the “**BC Mine**”);
 - b) proceeds obtained from the second 611/Hedge Loan totaling approximately \$209,327 were advanced to a third party, Petra Capital Corporation (“**Petra**”), for the delivery of Gold from a Gold mine in Columbia (the “**Columbia Mine**”); and

- c) proceeds obtained from the 611/Factoring Loan of \$500,405 were also advanced to Petra for a portion of Petra's revenue interest in certain oil wells located in Louisiana, USA (the "**Oil Wells**").

As outlined in paragraph 251 below, the Receiver has requested a number of documents to support the claims made by Pinnell and the projects described above. Such information remains outstanding as at the date of this Second Report.

250 On October 24, 2017, one month prior to the expiry of the 611/Bullion Loan and one of the two 611/Hedge Loans, the Receiver requested that 611 BC provide an update as to the status of the BC Mine and the expected payment date of the 611/Bullion Loan and 611/Hedge Loan expiring on November 28, 2017. 611 BC advised the Receiver that production at the BC Mine was halted as it requires additional funding to continue operating and that Placer One, Blacksand, and New North have commenced legal action against each other as a result. 611 BC advised the Receiver that it has not yet received any Gold from Placer One nor Blacksand.

251 On November 11, 2014, after numerous follow-up correspondence from the Receiver, Pinnell indicated that the requested information outlined below would be provided within the coming weeks. The Receiver will continue to follow up with Pinnell. As at the date of this Second Report, the following items requested by the Receiver remain outstanding:

- a) the most recent financial statements for 611 BC;
- b) details of the legal proceedings between Placer One, Blacksand, and New North;
- c) any status reporting provided on the mine(s), including, but not limited to, SGS Reports; and
- d) copies of any due diligence performed by 611 BC prior to the advancement of funds to Blacksand, BC Mine, Placer One or any other entity;
- e) the full name and address of the BC Mine;
- f) the full name and address of the Columbia Mine;
- g) the full name and address of the Oil Wells;

- h) the agreement(s) between Blacksand Gold Inc. and 611 BC;
- i) the agreement(s) between Blacksand Gold Inc. and Placer One;
- j) the agreement(s) between Placer One and New North; and
- k) the agreement(s) between Petra Capital and 611 BC.

611 BC's Apparent Connection to Onstar

- 252 Through its examination of various email correspondence, the Receiver notes that Pinnell was actively involved in sourcing and closing the Onstar Subscription Agreements and the funding secured by Onstar under same. Pinnell is included on almost all correspondence between Onstar and Housego that the Receiver has obtained. In addition, the Receiver obtained email correspondence between Mr. Braun and Housego that makes reference to Blacksand's involvement in Onstar's operations.
- 253 In his numerous discussions with the Receiver, Pinnell has made no reference to Onstar nor any of the parties noted above. The relationship between Mr. Braun and Pinnell supports the Receiver's plan to perform an examination under oath of each of them in Toronto.

Inca Loans

- 254 Inca entered into the following Settlement Loans with the following Crystal Wealth Funds:
- a) one (1) Settlement Loan dated December 28, 2015 with the Bullion Fund consisting of three tranches of funding – expiring January 1, 2017, April 1, 2017, and June 1, 2017 (the “**Inca 1 Loan**”); and
 - b) one (1) Settlement Loan with the Hedge Fund dated December 5, 2016 – expiring on December 1, 2017 (the “**Inca 2 Loan**”, and together, the “**Inca Loans**”).
- 255 Inca is a Canadian-based mineral resource company and mineral processing company with a Gold milling facility in Peru. The Company is publically traded on the TSX Venture Exchange, the Frankfurt Stock Exchange, and the Santiago Stock Exchange Venture.
- 256 On June 7, 2017, Inca provided a proposal to the Receiver which proposed that Inca settle the Inca Loans for a cumulative value of \$1,000,000 over the course of 52 weeks

beginning June 26, 2017. The proposal also included an alternative for Inca to repay the original face value (i.e. the acquisition cost) of the Inca Loans plus a 2.5% annual interest rate, for total proceeds of approximately \$725,000 within 60 days. Due to the commencement of the Sales Process, the Receiver declined this proposal.

Financial Position of Inca

257 Throughout the Receivership Proceedings, the Receiver has continued to monitor the financial results of Inca. Upon review of Inca's most recent audited financial results for the 12 months ending April 30, 2017, Inca incurred a net loss of \$2,997,722 and had **negative** cash flows from operations of \$3,474,200. As a result, the audited financial statements contained the following disclosure stating that Inca's financial performance:

"...indicate[s] a material uncertainty that may cast significant doubt on [Inca's] ability to continue as a going concern. Management intends to finance operating costs over the year with the proceeds from debt financing, equity financing, its current working capital, proceeds from option and warrant exercises, and net profits from processing operations at the Company's gold milling facility in Peru. On August 26, 2016, the Company restructured and settled approximately \$13.5 million of the Company's long and short term debt and related unpaid interest.

The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and... its ability to raise equity capital or borrowings sufficient to meet current and future obligations."

(the "Going Concern Note"):

258 The Receiver notes that after Inca had to restructure \$13.5 million of its debt, Housego, on behalf of the Hedge Fund, entered into the Inca 2 Loan whereby the Hedge Fund advanced approximately \$320,000 to Inca; putting more money into an already distressed company.

259 Inca's most recent interim consolidated financial results, approved by the board of directors on September 28, 2017, demonstrate that for the three months ending July 31, 2017, Inca incurred a net loss of \$575,883 and had **negative** cash flow from operations of \$154,315. As at July 31, 2017, Inca had total liabilities of approximately \$7,081,088 (\$2.74 million of which are secured debentures), and a reported cash balance of \$719,974.

Although the financial results were somewhat improved, the interim financial statements still contained the Going Concern Note; putting into question Inca's ability to continue operations.

- 260 Based on the above, it is clear that Inca's distressed financial position and its ability to continue as a going concern puts into question Inca's ability to repay the Inca Loans and thus the Bullion/Hedge Fund's ultimate value and recoverability of same.

Potential Recovery

- 261 After determining that no management takeover offers would be accepted through the Sales Process, the Receiver inquired as to Inca's financial position and ability to repay the Inca Loans. Inca advised that it did not have the financial resources to repay the Inca Loans in full, however, stated that it would put forth a payment proposal in short order.
- 262 On November 9, 2017, the Receiver sent follow-up email correspondence to Inca advising that a proposal had not been received. The Receiver will continue to follow up until a proposal is received from Inca.
- 263 Under the Inca Loans, the Hedge Fund and Bullion Fund are both unsecured creditors. Accordingly, if Inca does not deliver payment in accordance with the Inca Loans, or if a satisfactory alternative arrangement cannot be agreed upon, the Receiver's enforcement options as against Inca are limited.

Solid Holdings Loan

- 264 Solid Holdings entered into one (1) Settlement Loan with the Factoring Fund dated February 13, 2017 – expiring February 13, 2018. Under the Solid Holdings Loan, the Factoring Fund advanced \$300,306 to Solid Holdings.
- 265 In the Receiver's initial discussions with Solid Holdings, the Receiver was advised that Solid Holdings was undergoing significant financial and operational challenges.
- 266 On October 25, 2017, the Receiver requested that Solid Holdings provide an update as to the status of its operations. Solid Holdings advised the Receiver that production at its operations had experienced issues during the summer months as a result of the wildfires in British Columbia, however, mining had recently commenced. Furthermore, Solid Holdings advised that its senior secured lender had recently called its loans resulting in

Solid Holdings' pursuit of replacement financing. Solid Holdings advised that it was owed monies from a number of third parties who have failed to remit payment and that the payment of these balances were critical to Solid Holdings being able to settle the Solid Holdings Loan.

267 On October 30, 2017, the Receiver requested that Solid Holdings provide the following information to evaluate the claims made by Solid Holdings:

- a) the most recent financial statements for Solid Holdings;
- b) the name(s) and location(s) of the mine(s) which is/are currently being developed by Solid Holdings and the entities and/or parties involved in the development of said mine(s);
- c) status reporting on said mine(s), including but not limited to SGS Reports;
- d) information relating to the proceedings commenced by the secured lender and details regarding sources of potential new funding to replace same; and
- e) the listing of accounts receivable owed to Solid Holdings.

268 After numerous follow up correspondence to Solid Holdings, on November 2, 2017 Solid Holdings stated the following:

"As I am presently in a stressful week working with the [senior secured lender] lawyer in Toronto, and considering all my options, I will respond in some fashion to receiver next week."

269 The Receiver sent follow-up email correspondence on November 14, 2017, however, as at the date of this Second Report, the information requested by the Receiver has not yet been provided.

CONCLUSION

270 Each of the Gold Loans appear to be greatly impaired given that the Factoring Fund, Hedge Fund, and Bullion Fund are unsecured creditors under the respective agreements, and given that the Gold Sellers are, or appear to be experiencing financial challenges, putting into question their ability to repay the Gold Loans, whether in cash or in Gold.

- 271 Given the lack of due diligence performed by Housego and/or the Company prior to entering into the Gold Loan agreements, it is not surprising that the Factoring, Hedge and Bullion Funds are now in high risk position with respect to receiving any realizations from the Gold Loans. Had proper due diligence been conducted by Housego and/or the Company, it would have highlighted the above noted issues with the Gold Sellers, such that funds ought not to have ever been advanced by the Factoring, Hedge, and Bullion Funds on account of the Gold Loans.
- 272 With Housego being the main point of contact to the Gold Sellers, and the individual who entered into all of the Gold Loans, the Receiver is requesting that Housego be examined under oath in Toronto. The significant impairments with the Factoring Contracts held by the Factoring and Hedge Funds, for which Housego was also directly involved as the Lead Portfolio Strategist, further support the Receiver's request to examine Housego under oath in Toronto.
- 273 The Gold Loans do not appear to fit into the Factoring and Bullion Funds' investment objectives and/or strategy based on the wording contained in the Funds' respective OMs. It is unclear if the Gold Loans would be considered appropriate investments in the Hedge Fund given the broad wording contained in the Hedge Fund's OM.

COMMERCIAL LOANS

BACKGROUND

- 274 As outlined in the First Report, the Company entered into Commercial Loans which included:
- a) a loan agreement with Pond dated December 15, 2015 (as amended, the "**Pond Loan Agreement**") with a principal value of \$4,500,000, at an interest rate of 12% payable quarterly in arrears, maturing on February 2, 2018 (the "**Pond Loan**");
 - b) loan agreements with the following entities (all of which are under the control of a common individual, Clydesdale, and are collectively referred to as the "**OOM Energy Group**"):
 - i) Magnitude CS Energy Inc. (formerly, 2445958 Ontario Inc.) ("**Magnitude**");

ii) 2441472 Ontario Inc. ("**1472 Ontario**"), as guaranteed by 2404783 Ontario Corp. ("**4783 Ontario**");

iii) MCSnoxrecovery Inc. ("**MCSnox**"); and

iv) MCSAB10 Inc. ("**MCSAB**"), as guaranteed by 4873 Ontario;

Based on the Company's books and records and the information obtained by the Receiver thus far, it appears that the Commercial Loans between the Company and the OOM Energy Group have a cumulative principal balance of approximately \$12,535,270 plus outstanding interest as at October 31, 2017 of approximately \$1,285,687 totaling \$13,820,956 (the "**OOM Energy Balance**");

c) a promissory note between 1092545 B.C. Ltd. ("**109 BC**"), as borrower, and the Company, as lender, dated November 4, 2016 for a principal balance of US \$125,000, which has matured (the "**109 BC Promissory Note**");

d) a promissory note issued by Cinnos Mission Critical Incorporated ("**Cinnos**") dated September 30, 2016 and purchased by the Infrastructure Fund for a principal balance of \$300,000 that matures on September 28, 2018 (the "**Cinnos Promissory Note**"); and

e) a participation interest in a mortgage issued to Kanwal Investments Inc. ("**Kanwal**") by Liberty Mortgage Services Inc. (the "**Kanwal Mortgage**").

275 For each of the above Commercial Loans, with the exception of the Cinnos Promissory Note and the Kanwal Mortgage, assignment agreements were entered into between the Company and certain of the Crystal Wealth Funds whereby the Commercial Loans were assigned from the Company to the applicable Crystal Wealth Fund.

276 The table below outlines the combined principal and interest owed to the various Crystal Wealth Funds as at October 31, 2017 under the Commercial Loans:

Entity	Outstanding Principal and Interest					Total
	Mortgage Fund	Factoring Fund	High Yield Mortgage Fund	Infra-structure Fund	Sustainable Property Fund	
Pond	\$ 3,588,000	\$ -	\$ 571,511	\$ -	\$ -	\$ 4,159,511
Magnitude	1,251,973	-	-	5,692,102	-	6,944,075
1472 Ontario	1,872,658	-	-	-	-	1,872,658
MCSnox	2,772,004	-	-	-	-	2,772,004
MCSAB	-	-	-	-	2,232,219	2,232,219
109 BC	-	169,685	-	-	-	169,685
Cinnos	-	-	-	342,340	-	342,340
Kanwal	226,667	-	-	-	-	226,667
Total	\$ 9,711,302	\$ 169,685	\$ 571,511	\$ 6,034,442	\$ 2,232,219	\$18,719,159

RECEIVER'S KEY FINDINGS AND ACTIONS

- 277 Although the OMs for the Infrastructure Fund and Sustainable Property Fund appear to contemplate investments like the applicable Commercial Loans, the “Investment Objective” and/or “Investment Strategy” sections of the OMs for the Mortgage Fund, Factoring Fund, and the High Yield Mortgage Fund, do not suggest that this type of investment would ever be made by the applicable Fund. Accordingly, the OMs are highly misleading to investors. The Receiver’s communications with investors support this. Numerous investors have communicated to the Receiver that they were unaware of the large investments in Commercial Loans, and expected their invested capital to be deployed with a different strategy and purpose.
- 278 This section (paragraphs 279 to 286 below) summarizes the actions taken and the significant issues identified by the Receiver with respect to the Pond Loan and the Commercial Loans made to the OOM Energy Group. The remainder of this section of the Second Report (paragraphs 287 to 344) provides a more detailed account of the events that have transpired since the First Report regarding the Commercial Loans.

Pond – Pond Loan Amendment

- 279 Shortly after the Appointment Order, Pond advised the Receiver that it was unable to repay the interest and/or principal owing under the Pond Loan, as it had limited liquidity, and Pond was seeking external financing. Due to Pond's limited assets, immediate enforcement of the Pond Loan by the Receiver would have likely resulted in a shortfall in recovery for the Mortgage and High Yield Mortgage Funds and investors thereof.
- 280 The Receiver and Pond entered into the Pond Amendment which, among other things, extended the maturity of the Pond Loan and restructured the timing of the required principal and interest payments. In addition, the Receiver exercised an option granted under the Pond Loan Agreement to require Pond to enter into the Pond Intellectual Property Security Agreement (the "**Pond IPSA**"). The Company's first position security over the assets of Pond otherwise remains unchanged.

The OOM Energy Group – Default and Demands

- 281 On October 26, 2017, for the Commercial Loans issued to the OOM Energy Group, A&B, on behalf of the Receiver, issued default notices (the "**OOM Default Notices**") to the OOM Energy Group, Clydesdale, and Clydesdale's counsel:
- a) advising certain OOM Energy Group entities that their failure to make the required interest payments when due under the terms of the applicable loan agreement(s) triggered an Event of Default under the applicable loan agreement(s);
 - b) advising all OOM Energy Group entities that their failure to provide the information requested by the Receiver on May 18, 2017 and June 6, 2017 in connection with the various loan agreements is an Event of Default under same;
 - c) requesting the most recent review engagement report for each of Magnitude, 1472 Ontario, MCSnox, and MCSAB, as provided for in their respective loan agreements;
 - d) making formal demand for payment of interest or principal owing under certain of the loans issued to OOM Energy Group, to the extent that such amounts were payable on demand without a default notice.

- 282 The cure period provided under the applicable loan agreements in respect of the payment defaults identified in the OOM Default Notices expired without a response from the OOM Energy Group, Clydesdale, or counsel thereto, Bill McKenzie (“**McKenzie**”).
- 283 On November 11, 2017, McKenzie sent an e-mail to the Receiver and A&B, which email did not respond to the substantive issues mentioned in the OOM Default Notices, and instead asked for copies of the documents referred to therein (the “**McKenzie Email**”). In the McKenzie Email, McKenzie also provided that his client “wants to meet with the Receiver and arrange a final resolution.” A copy of the McKenzie Email is attached hereto as **Appendix “47”**.
- 284 In addition, the Receiver is requesting that this Court issue an Order compelling Clydesdale to produce the documents that have been requested by the Receiver on numerous occasions to better evaluate the Commercial Loans to the OOM Energy Group and the financial health of the underlying OOM Energy Group entities.
- 285 On November 13, 2017, A&B, on behalf of the Receiver, issued demand letters and BIA Notices to the OOM Energy Group (as further described and detailed below), together with Clydesdale (in his personal capacity, as a guarantor of certain arrangements with Magnitude) (the “**OOM Demand Letters**”). On the same date, courtesy copies of the OOM Demand Letters were sent to each of Clydesdale and McKenzie by e-mail, attaching copies of the indicative loan agreements and transactional documents that were referred to in the OOM Demand Letters.

Compliance with OMs

- 286 As outlined above, the Commercial Loans are held primarily by the Mortgage Fund, Infrastructure Fund, and Sustainable Property Fund. The Receiver has the following comments on whether Commercial Loans are consistent with the investment objectives of these Funds:
- a) **Infrastructure Fund** – The Commercial Loans assigned to the Infrastructure Fund appear to be of a nature that in compliance with the investment objectives of the Infrastructure Fund, although there is a high level of concentration risk, as 94.3% of the Commercial Loans assigned to this Fund are made with Magnitude;

- b) **Sustainable Property Fund** – the MCSAB Loan is structured according to Islamic finance concepts, and thus appears to be in compliance with the OM of the Sustainable Property Fund and its investment objective;
- c) **Mortgage Fund** – the investment objective of the Mortgage Fund is to “...generate a consistently high level of interest income...by investing primarily in residential mortgages in Canada”; Accordingly, the Commercial Loans held by the Mortgage Fund are not in compliance with this investment objective.

RECEIVER’S DETAILED REVIEW OF THE COMMERCIAL LOANS

Pond Technologies Inc.

287 Pond was incorporated on May 27, 2008 under the laws of Canada, with the purpose of pursuing microalgal biomass production using raw stack gas emissions from industrial emitters. Pond remains in the development stage of its business, has not yet reached profitability, and has relied on non-conventional sources of financing to fund operations.

288 Subsequent to the execution of the Pond Loan Agreement, the Company executed various participation agreements assigning the rights to a stated portion of the Pond Loan to the Mortgage Fund, High Yield Mortgage Fund, and an individual, Suzanne West, resulting in the following participation amounts of the Pond Loan:

Fund	Principal Balance	Principal Balance Allocation		
		Mortgage Fund	High Yield Mortgage Fund	Suzanne West
Pond Loan	\$ 4,500,000	\$ 2,950,000	\$ 550,000	\$ 1,000,000

289 Pursuant to a subordination and postponement agreement between St. Mary’s Cement Inc., the Company, and Pond dated February 19, 2016, the Company is the first secured creditor of all of the assets of Pond. In addition, pursuant to the Pond IPSA, the Receiver is the first secured creditor of Pond’s patents, copyrights and trademarks.

290 Pursuant to amending letter agreements dated October 5, 2016, October 20, 2016, October 26, 2016, and February 8, 2017, the Company agreed to defer, but not waive, the payment of interest by Pond pursuant to the Pond Loan Agreement. As at the date of the Receiver’s appointment, Pond owed the Company approximately \$270,283 in overdue interest.

The Receiver's Discussions with Pond

- 291 In initial discussions with the Receiver, Pond advised the Receiver that it was unable to repay the interest and/or principal owing under the Pond Loan as it had limited liquidity. Moreover, Pond stated that prior to the appointment of Receiver, Smith had verbally assured Pond that the Company would commit to converting the entire Pond Loan into equity in Pond (half of the Pond Loan converted into shares of Pond at a price of \$2.00 per share while the other half would be converted at a price of \$2.40 per share).
- 292 Pond advised that it had been planning to go public via a reverse take-over ("**RTO**") bid by Ironhorse Oil & Gas Ltd., a public company listed on the TSX Venture Exchange (TSX.V: IOG) ("**Ironhorse**") (i.e. Ironhorse would acquire the common shares of Pond) (the "**RTO Transaction**"). Pond further advised that the aforementioned assurances regarding the debt to equity conversion were provided by Smith, on behalf of the Company, in subsequent discussions with Ironhorse as well as with the brokers engaged by Pond to raise additional equity and complete the RTO Transaction
- 293 .On June 12, 2017, Pond provided the Receiver with a confidential draft-unsigned letter of intent from Ironhorse outlining proposed terms of the RTO Transaction. Pond advised that the RTO Transaction would not be achievable unless some alternative arrangements were made to the current structure of the Pond Loan Agreement.

The Pond Loan Amendment

- 294 A number of subsequent discussions and meetings took place between the Receiver and Pond eventually leading to the Receiver and Pond entering into the Pond Loan Amendment dated August 11, 2017 (the "**Pond Loan Amendment**"), attached hereto as **Appendix "48"**. The Pond Loan Amendment included, among other things, the following changes to the Pond Loan Agreement:
- a) Maturity – extended to June 30, 2019 (a 1.5 year extension);
 - b) Principal Payments – Pond shall repay the loan principal as follows:
 - i) \$1,000,000 by December 31, 2017;

- ii) 20% of the proceeds received by Pond from one or more financing transactions once the aggregate amount of such financing transactions is equal to or greater than \$10,000,000; and
 - iii) in full (including all principal, interest and other fees owing and outstanding) upon the Date of Termination (defined in the Pond Loan Amendment as the earlier of: (i) June 30, 2019; or (ii) the date upon which an Event of Default occurs);
- c) Interest Payments – Pond shall repay the loan interest as follows:
 - i) \$581,399 on November 30, 2017 (representing the accrued interest from October 1, 2016 to November 30, 2017);
 - ii) quarterly interest payments commencing on December 31, 2017 and thereafter on the last day of March, June, September, and December of each year at a rate of 8% per annum; and
 - iii) a delayed interest payment accruing on a daily basis of 4% (i.e. the differential from the 12% interest rate) due upon the Date of Termination (estimated to be \$293,934 if principal is paid upon maturity).

295 On August 15, 2017, Pond issued a notice to its shareholders that, among other things, advised of:

- a) a successful equity financing raise of \$1.6 million through a brokered private placement;
- b) the Pond Loan Amendment; and
- c) the execution of a letter of intent with Ironhorse to continue pursuing the RTO Transaction.

A copy of the notice to shareholders issued by Pond is attached to this Second Report as **Appendix “49”**.

296 The receiver entered into a further amending agreement in respect of the Pond Loan on November 16, 2017 (the “**Second Pond Loan Amendment**” and, together with the Pond

Loan Amendment, the “**Pond Loan Amendments**”). The Second Pond Loan Amendment changed the date of the first interest payment noted above from November 30, 2017 to December 21, 2017, in consideration of an extension fee of \$10,000 to be paid by Pond to the Receiver. A copy of the Second Pond Loan Amendment attached to this Second Report as **Appendix “50”**.

Conclusion

- 297 The Pond Loan Amendments restructured Pond’s indebtedness to increase the likelihood of recovery for the Mortgage and High Yield Mortgage Funds. Moreover, the two Funds maintained a first secured position in the assets of Pond. A conversion of the Pond Loan to equity, as Smith purportedly agreed to in principle prior to the Appointment Order, would have resulted in the investors having no security over the assets of Pond.

OOM Energy Group

- 298 The table below outlines the portion of the OOM Energy Balance owing to the Mortgage Fund, Infrastructure Fund, and the Sustainable Property Fund:

Entity	Outstanding Principal and Interest				Total
	Mortgage Fund	Infrastructure Fund	Sustainable Property Fund		
Magnitude	\$ 1,251,973	\$ 5,692,102	\$ -		\$ 6,944,075
1472 Ontario	1,872,658	-	-		1,872,658
MCSnox	2,772,004	-	-		2,772,004
MCSAB	-	-	2,232,219		2,232,219
Total	\$ 5,896,635	\$ 5,692,102	\$ 2,232,219		\$ 13,820,956

Magnitude CS Energy Inc.

- 299 The Company entered into a loan agreement dated July 6, 2016 with Magnitude (as borrower) and Clydesdale (in his individual capacity, as guarantor) (the “**Magnitude Working Capital Loan Agreement**”) which, among other things, included the following terms:

- a) Purpose – for general operating expenses and working capital;

b) Principal – \$3,000,000 due upon maturity;

c) Interest – 13% due quarterly; and

d) Maturity – July 6, 2021

(the “**Magnitude Working Capital Loan**”).

- 300 The Magnitude Working Capital Loan is primarily accounted for in the Infrastructure Fund, pursuant to assignment agreements in respect of certain promissory notes representing advances thereunder. Some additional indebtedness that appears to arise pursuant to the Magnitude Working Capital Loan is assigned to the Mortgage Fund.
- 301 The most recent interest payment received by either the Infrastructure Fund or the Mortgage Fund on account of the Magnitude Working Capital Loan was received by the former on January 3, 2017. Interest is required to be paid quarterly (i.e. the next payment was due on March 31, 2017). This March 31 quarterly payment, and subsequent quarterly payments, have not been made. This non-payment is an Event of Default (as defined in the Magnitude Working Capital Loan Agreement).
- 302 In addition to the arrangements under the Magnitude Working Capital Loan Agreement as referred to above, the Company also entered into a series of promissory notes made between the Company and Magnitude (collectively, the “**Magnitude Factoring Promissory Notes**”), the proceeds of which were apparently used to pay accrued interest and partial payment of principal for a factoring agreement made between the Factoring Fund and Magnitude on July 11, 2015 (the “**Magnitude Factoring Agreement**”), and which promissory notes were subsequently assigned to the Infrastructure Fund.
- 303 As at October 31, 2017, the Company’s books and records indicate that a total of approximately \$3,312,484 is owing under the Magnitude Factoring Promissory Notes (principal and interest of \$3,008,071 and \$304,413 respectively). Each of the Magnitude Factoring Promissory Notes provides that interest and principal are due on demand.
- 304 On October 26, 2017, A&B, on behalf of the Receiver, issued a default and demand letter (the “**Magnitude Default & Demand Letter**”) to Magnitude, with a courtesy copy to Clydesdale, that, among other things, advised Magnitude of:

- a) its failure to make the required interest payments when due under the terms of the Magnitude Working Capital Loan Agreement, constituting an Event of Default under the loan agreement;
- b) its failure to provide the information requested by the Receiver on May 18, 2017 and June 6, 2017 in connection with the Magnitude Working Capital Loan Agreement, constituting an Event of Default under the loan agreement;
- c) the Receiver's request for Magnitude's most recent review engagement report pursuant to Article 2 under the "Covenants" heading of the Magnitude Working Capital Loan Agreement;
- d) the Receiver's formal demand for payment of the indebtedness owing under the Magnitude Promissory Notes as at September 30, 2017 (\$3,176,017.85 plus professional fees and accruing interest); and
- e) an enclosed BIA Notice.

A copy of the Magnitude Default & Demand Letter is attached to this Second Report as **Appendix "51"**. As at the date of this Second Report, the specified defaults have not been cured.

- 305 On November 13, 2017, A&B, on behalf of the Receiver, issued a further demand letter to Magnitude (the "**Magnitude Demand Letter**"), making formal demand on the entire indebtedness outstanding under the Magnitude Working Capital Loan Agreement, and reiterating the Receiver's demand on the Magnitude Promissory Notes, and enclosing a BIA Notice. A demand letter was also issued to Craig Clydesdale, in his personal capacity as guarantor of the indebtedness under the Magnitude Working Capital Loan Agreement (the "**Clydesdale Demand Letter**"). Copies of the Magnitude Demand Letter and Clydesdale Demand Letter are attached to this Second Report as **Appendix "52"**.

2441472 Ontario Inc. (Mortgage Fund)

- 306 The Mortgage Fund entered into a loan agreement with 1472 Ontario (as borrower) and 4873 (as guarantor) dated November 7, 2014 (the "**1472 Ontario Loan Agreement**") which includes the following terms:

- a) Purpose – To finance up to 100% of the installed cost of a MCS COGEN MARK 6 CoEnergyPoD, to be deployed at the premises of St. Mary's Cement Inc. (Canada) located at 55 Industrial St., Toronto, Ontario;
- b) Principal – \$1,800,000 due upon maturity (a prepayment option is available to the Company on December 8, 2017);
- c) Interest – 13% due monthly; and
- d) Maturity – November 7, 2029

(the “**1472 Ontario Loan**”).

307 The 1472 Ontario Loan was assigned to the Mortgage Fund, pursuant to a participation agreement dated November 2, 2016.

308 According to the books and records of the Company, the most recent interest payment received by the Mortgage Fund with respect to the 1472 Ontario Loan was received in March 2017. As interest is required to be paid monthly, the non-payment of interest since March 2017 is an Event of Default under the 1472 Ontario Loan Agreement.

309 On October 26, 2017, A&B, on behalf of the Receiver, issued a default notice (the “**1472 Ontario Default Notice**”) to 1472 Ontario and Clydesdale that, among other things, advised of:

- a) 1472 Ontario's failure to make the required interest payments when due under the terms of the 1472 Ontario Loan Agreement – an Event of Default under the 1472 Ontario Loan Agreement;
- b) 1472 Ontario's failure to provide the information requested by the Receiver on May 18, 2017 and June 7, 2017 in connection with the 1472 Ontario Loan Agreement – an Event of Default under the 1472 Ontario Loan Agreement; and
- c) the Receiver's request that 1472 provide its most recent review engagement report to the Receiver, as required under the 1472 Ontario Loan Agreement.

A copy of the 1472 Ontario Default Notice is attached hereto as **Appendix “53”**. As at the date of this Second Report, the specified defaults had not been cured.

310 On November 13, 2017, A&B, on behalf of the Receiver, issued a demand letter (the “**1472 Ontario Demand Letter**”), making formal demand on 1472 Ontario for repayment of the entire indebtedness outstanding under the 1472 Ontario Loan Agreement, and enclosing a BIA Notice. A copy of the 1472 Ontario Demand Letter is attached hereto as **Appendix “54”**.

MCSnoxrecovery Inc.

311 The Company entered into a loan agreement with MCSnox dated March 8, 2015 (the “**MCSnox 2015 Loan Agreement**”) which includes the following terms:

- a) Purpose – to complete the first Pond algae bioreactor installation at St. Mary’s Cement, Leaside, ON and for working capital purposes;
- b) Principal – \$550,000 due upon maturity, or if borrower completes an equity financing greater than the principal amount, or on an event of default;
- c) Interest – \$300,000 due on June 6, 2015 then 11% commencing January 1, 2016 thereafter, due on demand;
- d) Maturity – March 8, 2026;

(the “**MCSnox 2015 Loan**”).

312 According to the books and records of the Company, the most recent interest payment received by the Mortgage Fund with respect to the MCSnox 2015 Loan was received in December 2016.

313 In addition to the MCSnox 2015 Loan Agreement, the Company entered into a separate agreement with MCSnox dated November 2, 2016 (the “**MCSnox 2016 Loan Agreement**”, and together with the MCSnox 2015 Loan Agreement, the “**MCSnox Loan Agreements**”) which includes the following terms:

- a) Purpose – to complete the first Pond algae bioreactor installation at St. Mary’s Cement, Leaside, ON and for working capital purposes;
- b) Principal – \$2,000,000 due upon maturity, or if borrower completes an equity financing greater than the principal amount, or on an event of default;

c) Interest – 11% due on demand;

d) Maturity – November 7, 2029;

(the “**MCSnox 2016 Loan**”, together with the MCSnox 2015 Loan, the “**MCSnox Loans**”).

314 The MCSnox Loans were assigned to the Mortgage Fund, pursuant to an assignment agreement dated November 2, 2016.

315 According to the books and records of the Company, the most recent interest payment received by the Mortgage Fund with respect to the MCSnox 2016 Loan was received in December 2016.

316 On October 26, 2017, A&B, on behalf of the Receiver, issued a default and demand letter (the “**MCSnox Default & Demand Letter**”) to MCSnox which, among other things, advised of:

a) the Receiver’s formal demand for payment of the interest owing under the MCSnox Loans, which as at September 30, 2017 totaled \$198,181;

b) MCSnox’s failure to provide the information requested by the Receiver on May 18, 2017 and June 7, 2017 in connection with the MCSnox Loan Agreements, constituting an Event of Default under each of the MCSnox Loan Agreements; and

c) the Receiver’s request that MCSnox provide its most recent review engagement report, as required under the MCSnox Loan Agreements.

A copy of the MCSnox Default & Demand Letter is attached hereto as **Appendix “55”**.

317 On November 3, 2017, A&B, on behalf of the Receiver, issued a subsequent default notice (the “**MCSnox Second Default Notice**”) to MCSnox and Clydesdale which advised MCSnox that it had failed to remit payment of the accrued interest under the MCSnox Loans as demanded in the MCSnox Default & Demand Letter and that such failure was an Event of Default under each of the MCSnox Loan Agreements. As at the date of this Second Report, the defaults specified in each of the above-noted letters have not been cured. A copy of the MCSnox Second Default Notice is attached hereto as **Appendix “56”**.

318 On November 13, 2017, A&B, on behalf of the Receiver, issued a demand letter (the “**MCSnox Demand Letter**”), making formal demand on MCSnox for repayment of the entire indebtedness outstanding under the MCSnox Loan Agreements, and enclosing a BIA Notice. A copy of the MCSnox Demand Letter is attached hereto as **Appendix “57”**.

MCSAB10 Inc.

319 The Company entered into a loan agreement among MCSAB (as borrower) and 4873 Ontario Corp (as guarantor), dated November 28, 2016 (the “**MCSAB Loan Agreement**”), which includes the following terms:

- a) Purpose – To finance up to 90% of the installed cost of a MCS COGEN MARK 6 CoEnergyPoD, to be deployed at the premises of Imaginea Energy Corp. located in Jenner, Alberta;
- b) Principal – \$2,600,000 due upon maturity (\$2,000,000 had been advanced);
- c) User Fees – 13% due monthly;
- d) Maturity – December 9, 2019;

(the “**MCSAB Loan**”).

320 The MCSAB Loan was assigned to the Sustainable Property Fund, pursuant to an assignment agreement with the Company dated December 9, 2016.

321 According to the books and records of the Company, no payments have been received by the Company or the Sustainable Property Fund with respect to the MCSAB Loan. As payments are required to be made paid monthly, non-payment is an Event of Default under the MCSAB Loan Agreement.

322 On October 26, 2017, A&B, on behalf of the Receiver, issued a default notice (the “**MCSAB Default Notice**”) to MCSAB, with a courtesy copy to 4873 Ontario, which, among other things, advised of:

- a) MCSAB’s failure to make the required payments when due under the terms of the MCSAB Loan Agreement, constituting an Event of Default thereunder;

- b) MCSAB's failure to provide the information requested by the Receiver on May 18, 2017 in connection with the MCSAB Loan Agreement, constituting an Event of Default;
- c) false representations and warranties made by MCSAB and 4873 Ontario with respect to the existence of certain competing security interests, constituting an Event of Default; and
- d) the Receiver's request that MCSAB provide its most recent review engagement report to the Receiver pursuant to Article 2 of the MCSAB Loan Agreement.

A copy of the MCSAB Default Notice is attached to this Second Report as **Appendix "58"**.

323 On November 13, 2017, A&B, on behalf of the Receiver, issued a demand letter (the "**MCSAB Demand Letter**"), making formal demand on MCSAB for repayment of the entire indebtedness outstanding under the MCSAB Loan Agreements, and enclosing a BIA Notice. A copy of the MCSAB Demand Letter is attached hereto as **Appendix "59"**.

4873 Ontario

324 As noted above, 4873 Ontario is a guarantor of the applicable debtor's obligations under each of the 1472 Loan Agreement and the MCSAB Loan Agreement.

325 On November 13, 2017, A&B, on behalf of the Receiver, issued a demand letter (the "**4873 Demand Letter**") making formal demand on 4873 Ontario for repayment of the entire indebtedness outstanding under each of the 1472 Loan Agreement and the MCSAB Loan Agreement. A copy of the 4873 Demand Letter is attached hereto as **Appendix "60"**.

Status of Demands

326 As at the date of this Second Report, none of the OOM Energy Group entities have responded to the OOM Demand Letters issued by the Receiver.

Examination of Clydesdale

327 As detailed in the First Report, on May 18, 2017, the Receiver conducted a call with Bill McKenzie ("**McKenzie**"), Clydesdale's counsel. During the call, McKenzie had little knowledge of the specifics surrounding the OOM Energy Group and the loans issued to same. Upon request for Clydesdale to provide documents related to the OOM Energy Loans, McKenzie advised that such documents would be provided after a written request

was issued, outlining the specific documents required by the Receiver. The Receiver issued a document request list concerning loans issued to the OOM Energy Group on June 7, 2017. As at the date of this Second Report, neither McKenzie nor Clydesdale have provided the documents requested.

- 328 As particularized above, Clydesdale has yet to respond to any of the Receiver's default notices, demands, or requests for information in respect of any of the OOM Energy Group entities, either personally or via his counsel, with the exception of the November 11, 2017 McKenzie Email which, as noted above, did not provide a substantive response or promise any corrective action. As the Receiver anticipates Clydesdale and his counsel will continue to be uncooperative, and as further background information is necessary to properly evaluate the Company's dealings with the OOM Energy Group and the scope of any possible recovery from same, the Receiver will be issuing a notice for Clydesdale to attend at an examination under oath in Toronto in due course.
- 329 In addition, the Receiver is requesting that this Court issue an Order compelling Clydesdale to produce the documents that have been requested by the Receiver on numerous occasions to better evaluate the Commercial Loans to the OOM Energy Group and the financial health of the underlying OOM Energy Group entities.
- 330 None of the foregoing is intended to waive or limit any remedies which may be exercised by the Receiver in connection with the enforcement of any of the Commercial Loans to the OOM Energy Group, or any rights of examination or production in connection therewith as already authorized by the Appointment Order.

1092545 B.C. Ltd. (Factoring Fund)

- 331 The 109 BC Promissory Note was assigned to the Factoring Fund pursuant to an assignment agreement with the Company dated November 9, 2016.
- 332 The 109 BC Promissory Note matured on the earlier of 90 days following the date it was made or the date that Century Energy Ltd. receives TSX.V approval to advance funds to 109 BC, at which point all principal and accrued interest became payable. The Company's books and records indicated that neither the principal nor interest had been paid.
- 333 The 109 BC Promissory Note provides that it is secured by a trust account deposit held by Morton Law LLC ("**Morton Law**"). The 109 BC Promissory Note states that: "*The*

current balance of the Morton Law trust account held for the Borrower is \$250,000 USD". Under the 109 BC Promissory Note, the Company is also entitled to 20% of US \$125,000 in shares of Century Energy Ltd. if and when that company acquires 109 BC (the "**Share Bonus**").

- 334 On October 26, 2017, A&B, on behalf of the Receiver, issued a demand letter (the "**109 BC Demand Letter**") to 109 BC, with a courtesy copy to Morton Law LLC, making formal demand for payment of US \$125,000 together with accrued interest and the Share Bonus, if applicable. A copy of the 109 BC Demand Letter is attached hereto as **Appendix "61"**.
- 335 Certain aspects of the background of the principal of 109 BC, Marcel Rada ("**Mr. Rada**"), provides some reason to be suspicious about the 109 BC Promissory Note. Particularly, Mr. Rada appears to have a history of engaging in similarly structured transactions in which investors are not repaid in full, as set out in the agreed facts of *Re Rada*, [2011] IIROC No. 27, a decision of the Investment Industry Regulatory Organization of Canada ("**IIROC**") discussed immediately below.
- 336 Mr. Rada was formerly a registered investment dealer. In response to enforcement efforts of IIROC, Mr. Rada entered into a settlement agreement, where he, amongst other things, admitted to engaging in off-book transactions, without the knowledge or consent of his employer, at least some of which (like the transaction between the Company and 109 BC) were structured as bridge financing, evidenced by promissory notes containing a share bonus. The indebtedness created by these transactions was never repaid in full, and Mr. Rada obtained a personal benefit from same. A copy of *Re Rada*, [2011] IIROC No. 27, is attached hereto as **Appendix "62"**.
- 337 On October 30, 2017, in a call with A&B, Mr. Rada acknowledged that the 109 BC Promissory Note was in fact overdue. Mr. Rada also stated that he is in the process of negotiating with the Guyanese government regarding certain mining permits, and that the success of these permits will affect how 109 BC repays the 109 BC Promissory Note.
- 338 A&B, on behalf of the Receiver, sent an email to Mr. Rada confirming that the call occurred and the facts noted in the previous paragraph. A&B requested that Mr. Rada provide documentary confirmation regarding the status of the required mining permits by November 3, 2017 and that a repayment proposal be delivered to the Receiver by November 15, 2017. On November 16, 2017, Mr. Rada telephoned A&B, advising that no

documentary evidence of any sort regarding mining permits was available, and that a repayment proposal would be delivered by November 21, 2017.

339 On November 22, 2017, Mr. Rada sent an email advising that 109 BC was insolvent, that it had a large amount of debt, and that there was no guarantee that the mining permits would be granted in a timely manner. Mr. Rada proposed to settle the 109 BC Promissory Note by way of one of the following payment options:

- a) US \$12,500 on or before January 30, 2018;
- b) US \$25,000 on or before April 30, 2018; or
- c) US \$37,500 on or before July 31, 2018.

In addition, Mr. Rada stated that:

"If one of [the above three options] options is not acceptable 1092545 BC Ltd will be forced into dissolution. It has no cash or assets. Only debt."

A copy of A&B's email correspondence with Mr. Rada is attached hereto as **Appendix "63"**.

340 Given Mr. Rada's confirmation that the balance of the 109 BC Promissory Note is likely not recoverable, A&B investigated the status of the trust deposit purportedly held by Morton Law as security. The response from Morton Law on November 22, 2017 was that *"we are not, and have not previously been, counsel to 1092545 BC. We do not hold any funds in trust for that entity."* A copy of A&B's letter to Morton Law of November 22, 2017, together with the response thereto, is attached as **Appendix "64"**.

Cinnos Mission Critical Corporation (Infrastructure Fund)

341 The Cinnos Promissory Note principal and interest is repayable on maturity, or convertible into preferred shares of Cinnos in the event of a qualified financing. The Receiver will continue to monitor the performance of this investment until its stated maturity date, being September 28, 2018.

Kanwal Developments Inc. (Mortgage Fund)

- 342 The Mortgage Fund entered into a Mortgage Participation & Service Agreement with Liberty Mortgage Services Ltd. ("**Liberty Mortgage**") dated June 17, 2008 (the "**Participation Agreement**"). Under the Participation Agreement, the Mortgage Fund participates in the sum of \$500,000 (the "**Kanwal Participation**") of a \$10,800,000 first mortgage to Kanwal (the "**Kanwal Mortgage**").
- 343 On October 27, 2017, the Receiver contacted Liberty Mortgage to obtain additional documentation to assess the underlying value of the principal and the potential impairment, if any, to the Kanwal Participation. The Receiver sent follow-up correspondence to Liberty Mortgage in this regard on October 31, 2017 and November 3, 2017.
- 344 As at the date of this Second Report, the Receiver has not received any documentation from Liberty Mortgage. The Receiver requests that this Court issue an Order compelling Liberty Mortgage to provide the documents requested by the Receiver on October 27, 2017.

US REAL ESTATE LP

- 345 As outlined in the First Report, the Hedge Fund and Factoring Fund cumulatively own 99.99% of 107 LP, an entity that has an indirect ownership interest in a number of rental properties located in the United States together with corporate and individual partners (collectively the structure is referred to as the "**US Real Estate LP**"). The Hedge Fund and Factoring Fund act as limited partners (the "**Limited Partners**") in the US Real Estate LP.
- 346 The remaining 0.01% ownership of 107 LP is held by 1076874 B.C. Ltd., an entity listed as the general partner which is owned by the following individuals:
- a) Alberto Storelli (Canadian) ("**Storelli**") – 51.0%;
 - b) Brian Peoples (USA) ("**Peoples**") – 24.5%; and
 - c) Joe Harker (USA) ("**Harker**") – 24.5%.

All or one of Storelli, Peoples, and Harker (collectively the “**General Partners**”) are listed as directors or officers in a majority of the entities included in the US Real Estate LP. The Receiver understands that Storelli is the directing mind of the US Real Estate LP and is a personal friend of Housego.

347 From June 6, 2016 to March 14, 2017, the Hedge Fund and Factoring Fund (as Limited Partners) invested US \$7,500,000 in the US Real Estate LP by way of unit purchases in 107 LP through subscription agreements (the “**Subscription Agreements**”).

348 The purpose of the US Real Estate LP is to acquire and develop real estate properties in the United States to subsequently earn rental income and proceeds from the possible and/or eventual sale of such properties. Through their investment in 107 LP, the Receiver understands that the Factoring Fund and Hedge Fund have an indirect minority ownership interest in the following properties held by the US Real Estate LP:

- a) 3961 Covington Highway, Decatur, Dekalb County, Georgia (“**The Parke on Covington**”);
- b) 3859 Austin Circle, Decatur, Dekalb County, Georgia (“**Wynhollow**”);
- c) 325 - 3rd Avenue SW, Birmingham, Alabama (“**Montevallo**”);
- d) 201 - 3rd Avenue SW, Birmingham, Alabama (“**King’s Manor**”);
- e) 922 Lawndale Drive, Tupelo, Mississippi (“**Tupelo**”); and
- f) 619 E. Groveland Parkway, Chicago, Illinois (“**Chicago #1**”).

(collectively referred to as the “**US Properties**”).

349 As outlined in its First Report, the Receiver had not been able to make direct contact with Storelli; however, it has had limited discussions with Storelli’s counsel, as detailed below.

INFORMATION REQUESTS AND UPDATES ON THE US PROPERTIES

350 On June 29, 2017, the Receiver conducted a call with Storelli’s counsel, to discuss, among other things: the status of the US Real Estate LP; the progress and status of the development of the US Properties; and additional documentation required by the

Receiver, including but not limited to the financial statements of the various entities in the US Real Estate LP.

351 On July 30, 2017, the Receiver obtained an update on the US Properties as at March 31, 2017:

- a) Chicago #1 – *“property was purchased on Nov 17, 2016; renovations only just started in Dec 2016.”*
- b) The Parke on Covington – *“property was purchased on Nov 10, 2016; renovations are 42% done (approx. \$433,000).”*
- c) Wynhollow – *“property was purchased on June 7, 2016; renovations are 62% done (approx. \$1,214,000).”*
- d) Montevallo – *“property was purchased on Aug 19, 2016 and subsequently refinanced on February 13, 2017 based on same value as the purchase price; renovations are 45% done (approx. \$1,714,500).”*
- e) Tupelo – *“property was purchased on March 17, 2017; renovation work just beginning.”*
- f) King’s Manor – *“property next door to Montevallo and was purchased on March 21, 2017; currently preparing for renovations.”*

352 In addition, the Receiver obtained the consolidated notice to reader financial statements for 107 LP for the year ended December 31, 2016; the information is outdated and irrelevant given the events that occurred after December 31, 2016.

353 As at the date of this Second Report, the Receiver has not received financial information for DaVinci Capital Property, Inc. (“**DVCP**”), a Nevada corporation which has an indirect ownership interest in each of the US Properties, nor any of the special purpose entities (“**SPEs**”) that purchased the US Properties. Storelli’s counsel has represented that such information will be provided to the Receiver after the SPE’s year end of December 31, 2017.

354 On August 31, 2017, the Receiver obtained additional information on the US Properties, excluding Chicago #1, from an anonymous investor in the Crystal Wealth Funds. A copy of the additional information provided is attached hereto as **Appendix “65”**.

355 On September 18, 2017, after the Receiver's request, Storelli's counsel provided an update on the US Properties⁷:

- a) Chicago #1 – *"1 out of the 6 units are currently occupied. There has not been a press to fill the units due to the pending renovations of the building. We had architects/plans in progress but they were put on hold due to a change of direction by Rothbury from a condo conversion to long term rentals."*
- b) The Parke on Covington – *"Renovations are approximately 90% complete. The property is currently 78% leased."*
- c) Wynhollow – *"Renovations are approximately 65% complete. 47% leased, 94% leased when excluding down units."*
- d) Montevallo – *"We are currently punching out the first two buildings (20 total units) and will have them ready for occupancy in the next two weeks pending final city approvals. Another 36 units will be delivered in blocks of six over the next 30 days for a total of 56 units, which will complete Phase I of III of the rehab. Phase II is currently underway and is approximately 50% complete. Phase III has not yet commenced."*
- e) Tupelo – *"Project on hold. In negotiations with City of Tupelo to purchase. Due to their desire to own the property, they are putting up road blocks on our renovations. We have engaged local counsel to help out here."*
- f) King's Manor – *"The property was 100% leased when we bought it to tenants paying just \$225 per month in rent. We immediately began de-leasing the property in order to commence renovations and bring the rents up to current market levels. We are down to eight tenants and have commenced renovations and expect to be fully complete within the next 90-days. Exterior renovations are underway while we vacate the property."*

ISSUES OBTAINING INFORMATION CONCERNING US REAL ESTATE LP DURING THE SALES PROCESS

356 As discussed in detail below, during the Sales Process, the Receiver coordinated calls with the potential managers and the various third party service providers involved in the

⁷ The update on the Chicago #1 property was provided to the Receiver on November 10, 2017 after numerous follow-up emails and correspondence.

administration of the Crystal Wealth Funds including but not limited to Xynergy, Spectrum, IFDS, and Frontline. The purpose of these calls was for the potential managers to perform the required due diligence on particular investments and to determine if they would continue operating under the various third party contracts entered into by the Crystal Wealth Group.

357 On September 18, 2017, the Receiver requested that Storelli and/or his counsel provide times that would be suitable to arrange a call with the potential managers, the Receiver, and any of the General Partners.

358 On September 22, 2017, Storelli's counsel advised that prior to a call being conducted, the potential managers would have to execute a non-disclosure agreement ("**NDA**") that Storelli's counsel prepared, despite the fact that the potential managers had already executed a confidentiality agreement with the Receiver as part of the Sales Process.

359 On September 26, 2017, A&B, on behalf of the Receiver, advised Storelli's counsel that the potential managers had already executed the confidentiality agreement provided for in the Sale Process, and were therefore already subject to an obligation to keep all information they receive confidential. A&B also advised Storelli's counsel that the Receiver cannot entertain the imposition of further levels of confidentiality on the process, as doing so is both unnecessary and would result in additional unnecessary costs and delay.

360 On September 26, 2017, Storelli's counsel responded stating that the Limited Partners:

"...are merely limited partners in [107 LP] that owns a minority interest stake in [US Real Estate LP] and are entitled to information pursuant to the partnership agreement and it is up to those funds as to what they do with that information. As to any third parties, the partnership is under no obligations to disclose and although my client wishes to cooperate, in the interests of safeguarding information as to the majority interest holders requires an NDA of third parties who wish to obtain information. We await the signed NDA."

361 A conference call between the potential managers and the General Partners accordingly did not proceed.

CONCLUSION

- 362 As noted in Storelli's counsel's email on September 26, 2017, the Limited Partners own a minority interest in the US Real Estate LP. In addition, as preferred shareholders, it appears that the Limited Partners have no security over the assets of 107 LP and/or the various US Real Estate LP entities. As a preferred shareholder, the Receiver, on behalf of the Limited Partners, has no recourse other than to continue to monitor the development of the US Properties and the US Real Estate LP's compliance with the Subscription Agreements and other relevant agreements governing the US Real Estate LP.
- 363 On September 22, 2017, Storelli's counsel indicated that the other owners of the US Properties are potentially interested in acquiring 107 LP's interests in same for cash and/or units of a different limited partnership which intends to become listed on the TSX Venture Exchange by June 30, 2018. The Receiver has not declined nor indicated an interest in pursuing this option as this time. The Receiver plans to update the Court and investors accordingly in subsequent reporting.
- 364 As outlined previously, given the broad nature of the Hedge Fund investment objective it is unclear if the investment in the US Real Estate LP would comply with the Hedge Fund's OM. It is the Receiver's view that the Factoring Fund's investment in the US Real Estate LP is outside of the scope of the Factoring Fund's investment objective as outlined in its OM. The non-disclosure of such an investment is a misrepresentation to investors investing into a fund by which the OM stated that they are to be invested primarily in factoring receivable agreements whereby traditional receivables are being purchased from Merchants.

MEDICAL FACTORING CONTRACTS

- 365 As outlined in the First Report, the Medical Fund invests in Medical Factoring Contracts which are administered by Xynergy Medical Capital LLC ("**Xynergy**"). Similar to the Factoring Contracts, Xynergy enters into contracts to purchase healthcare receivables (after purchase, invoices are referred to as "**Purchased Medical Receivables**") from operating businesses in the United States ("**Clients**") for a discount and service fees. The Purchased Medical Receivables are assigned to Xynergy who ultimately collects the invoice value. Unlike the Factoring Contracts, the Medical Factoring Contracts are not

entered into between the Clients and the Medical Fund but rather a participation in the agreements between Xynergy and the Client is purchased by the Medical Fund.

- 366 Xynergy and the Medical Fund entered into a Master Medical Receivables Purchase and Administration Agreement on March 31, 2016 (the “**MMRPAA**”) which essentially gives the Medical Fund the opportunity to purchase participations in Xynergy’s Medical Factoring Contracts with various Clients (defined therein). Under the MMRPAA, Xynergy administers the Medical Factoring Contracts.

SALE OF THE GEODATA BALANCE

- 367 As noted in the First Report, on June 20, 2017, Xynergy put forth a revised offer to acquire the Medical Fund’s participation in the balance of invoices related to a client, GeodataPR International, Inc. (“**Geodata**”) (the “**Geodata Participation**”), for US \$684,313 (100% of the balance of the Geodata accounts receivable).
- 368 On July 10, 2017, the Receiver and Xynergy executed a bill of sale where Xynergy re-acquired the Geodata Participation for US \$684,313. The Receiver received the funds on July 12, 2017.

CURRENT MEDICAL FACTORING CONTRACTS

- 369 After the sale of the Geodata Participation, the Medical Fund currently has balances owing under the following two (2) executed participation agreements:
- a) a participation agreement dated August 22, 2014 between the Medical Fund and Xynergy for a participation in Unlimited Prosthetics, Inc.’s (“**UPI**”) accounts receivable and 33.94% of the factoring fees (the “**UPI Participation**”); and
 - b) a participation agreement dated March 31, 2016 between the Medical Fund and Xynergy for a participation in Servicios de Salud Integrada, CSP’s (“**SSI**”) accounts receivable and 70% of the factoring fees (the “**SSI Participation**”).

Unlimited Prosthetics, Inc.

- 370 Xynergy has advised that UPI went into default in June 2015 and ceased paying the balance owed under the factoring agreement between Xynergy and UPI dated April 3, 2013. In email correspondence from Xynergy to Smith which has been obtained by the

Receiver, Xynergy had indicated that after June 2015, the account balance was US \$257,194, of which US \$197,271 were funds advanced to UPI by the Medical Fund (i.e. the principal balance) and US \$59,923 were accrued fees. Per the UPI Participation, accrued fees are split 66.06% (US \$39,585) and 33.94% (US \$20,338) to Xynergy and the Medical Fund, respectively.

- 371 On January 12, 2016, after litigation efforts against UPI were pursued, Xynergy entered into a settlement agreement with UPI and Erika Sanchez (as guarantor) for a settlement of the account balance for US \$215,000 (the “**UPI Settlement**”) (the “**UPI Settlement Agreement**”). Under the UPI Settlement Agreement, UPI was to repay the UPI Settlement as follows: (i) US \$500 immediately; (ii) US \$6,500 before January 27, 2016; and (iii) payments of US \$7,000 on the 27th of each month thereafter until the UPI Settlement is paid in full. Of the UPI Settlement, approximately \$181,909 is owing to the Medical Fund and \$33,091 is owing to Xynergy.
- 372 As at the date of this Second Report, there have been a total of 21 payments totaling US \$147,000. As a result, the account balance for UPI is US \$68,000, consisting of nine (9) payments to be received. Xynergy has concerns if the remaining payments will be received.

Servicios de Salud Integrada, CSP

- 373 SSI is located in Puerto Rico and is engaged in the business of supplying radiology technicians to hospitals and clinics in the San Juan Municipality. All invoices are issued to and paid by the San Juan Municipality (i.e. the underlying debtor).
- 374 On March 27, 2013, Xynergy entered into a medical receivables factoring agreement with SSI under which a US \$600,000 medical factoring facility was provided (“**SSI Factoring Agreement**”).
- 375 As noted in the First Report, Xynergy is obligated to purchase eligible Medical Receivables under the SSI Factoring Agreement. The Receiver has continued to allow Xynergy to purchase Medical Receivables from SSI using the designated SSI cash balance held in trust by Xynergy on behalf of the Medical Fund. Since the commencement of the Receivership to October 31, 2017, the average balance owing from SSI has been approximately US \$285,000, including fees owed to the Medical Fund.

- 376 The current state of Puerto Rico, as a result of Hurricane Irma and Hurricane Maria, has caused a significant delay in the payment of outstanding invoices by the San Juan Municipality. Xynergy has advised the Receiver that, after speaking with SSI and the San Juan Municipality, the situation in Puerto Rico will result in lengthy delays in receiving payments of outstanding invoices from San Juan Municipality, however, such payments are ultimately expected.
- 377 As at October 31, 2017 the balance outstanding from SSI is approximately US \$293,324 including factoring fees consisting of \$277,513 and \$15,811 owed to the Medical Fund and Xynergy, respectively. Xynergy continues to correspond with the Receiver and provide updates on the SSI balance as requested.

NFL PARTICIPATION AGREEMENTS

- 378 On August 29, 2013, the National Football League (the “**NFL**”) agreed to pay \$765 million to settle a lawsuit brought by more than 4,500 players and their families to provide medical help to more than 18,000 former players suffering from severe neurological conditions or who could potentially suffer from such conditions in the future. After subsequent hearings and appeals, the Settlement became effective on January 7, 2017 (the “**NFL Settlement Agreement**”).
- 379 KrunchCash LLC (an entity associated with Xynergy) (“**KrunchCash**”) entered into various funding agreements (the “**NFL Funding Agreements**”) with NFL players (the “**NFL Players**”) who had made claims (the “**NFL Player Claims**”) under the NFL Settlement Agreement. Under the NFL Funding Agreements, KrunchCash would advance funds to certain NFL Players for a portion of the value of the NFL Player Claims and would charge a stated factoring fee on such an advance.
- 380 In March 2016, under the MMRPAA, the Medical Fund began entering into participation agreements to purchase a stated percentage in the NFL Funding Agreements between certain NFL Players and KrunchCash (the “**NFL Participation Agreements**”), which participations were effected through the execution of assignment agreements. Under the NFL Participation Agreements, the Medical Fund would advance funds toward the participation and would earn a stated factoring fee. The factoring fee and initial advance under each NFL Participation Agreement is to be repaid to the Medical Fund as each NFL Player Claim is paid by the NFL.

- 381 As at the date of the Receiver's appointment, the Medical Fund entered into a total of 26 NFL Participation Agreements totaling US \$4,318,359 consisting of principal advances of US \$3,824,240 and accrued fees owed to the Medical Fund of US \$247,060.
- 382 In July 2017, four (4) of the NFL Participation Agreements totaling US \$662,500 in principal and US \$104,374 in accrued fees, half of which fees were owing to Xynergy, were paid out through refinancing obtained by the respective NFL Players. The total amount remitted to the Medical Fund was US \$714,687 (i.e. US \$662,500 in principal plus US \$52,187 in accrued fees)
- 383 As at October 31, 2017, there are currently 22 NFL Participation Agreements outstanding with a total value of US \$3,908,286 consisting of principal advances of US \$3,161,740 and accrued fees owed to the Medical Fund of US \$373,273. A summary of the NFL Participation Agreements outstanding as at October 31, 2017 is attached hereto as **Appendix "66"**.
- 384 On November 10, 2017, Xynergy advised that it was served with a subpoena from a New York court regarding complaints made by NFL Players for bad practices of financial institutions with respect to the purchase of all or a portion of NFL Player Claims (i.e. charging egregious fees to NFL Players). Xynergy advised that this is currently being handled by its legal counsel who has advised Xynergy that nothing significant should come of the subpoena as Xynergy's fees are fair. The Receiver has requested additional information regarding the issued subpoena.
- 385 With respect to the timing of payment, Xynergy advised that the timing of payments of the NFL Player Claims is expected to be in the first quarter of 2018, however, due to a recent court action and the backlog of NFL Player Claims required to be reviewed and audited by the claims manager, such payments could be delayed. The Receiver understands that the deadline by which NFL Player Claims were to be submitted to the NFL pursuant to the NFL Settlement Agreement was August 7, 2017.

DISCLOSURE OF THE NFL PARTICIPATION AGREEMENTS BY THE COMPANY

- 386 No reference is made in the Medical Fund OM, the Medical Fund Strategy Overview document contained on the Company's website, or in any other marketing material distributed to investors of the Medical Fund, concerning the Medical Fund's position and/or

investment process for investing in the NFL Funding Agreements through the NFL Participation Agreements. Copies of the Medical Fund OM and Medical Fund Overview document are attached hereto as **Appendix “67”** and **Appendix “68”**, respectively.

387 As outlined in the First Report, the Medical Fund’s investment objective is to

“...generate a high level of interest income with minimal volatility...by investing in U.S. medical receivables factoring facilities contracts (MRFFCs).”

388 Furthermore the Investment Strategy section of the Medical Fund’s OM states that:

“MRFFCs are financing structures designed to assist health care clinics, hospitals, doctors and other health-care practitioners (Medical Providers) in the United States and/or its territories to meet their immediate cash flow needs while awaiting collection of receivables for medical services that they have performed.”

389 The Medical Fund OM goes on to further discuss the process of the underwriting and purchasing of receivables from Medical Providers (defined in paragraph 365 above as Purchased Medical Receivables), but makes no mention of its investment in NFL Funding Agreements, which in the Receiver’s view would not be included in a reasonable investor’s definition of Purchased Medical Receivables.

390 The Receiver is of the view that the failure to disclose the NFL Participation Agreements, an investment that encompasses approximately 74.96% of the Medical Fund’s NAV (as at April 20th, 2017), is a gross misrepresentation to investors.

RESIDENTIAL MORTGAGES

BACKGROUND

391 As at the date of the Appointment Order, the Mortgage Fund, High Yield Mortgage Fund, and Sustainable Property Fund (collectively, the “**Mortgage Related Funds**”) held a total of 191 investments in first, second, or third ranking non-conventional residential mortgages administered by third parties (“**Residential Mortgages**”). 189 of the Residential Mortgages (\$18,813,884) are administered by a third-party, Spectrum Canada Mortgage Services Inc. (“**Spectrum**”) (the “**Spectrum Mortgages**”), while the remaining two (2) Residential Mortgages (\$196,000) were administered by Squire Management Inc.

("Squire") (the "Squire Mortgages").

392 On June 23, 2017, the Receiver accepted Squire's offer to acquire the Squire Mortgages for proceeds of \$197,526. The proceeds included the entire principal value of the Squire Mortgages in the sum of \$196,000, plus accrued interest of \$1,526 to June 23, 2017.

THE RECEIVER'S FINDINGS

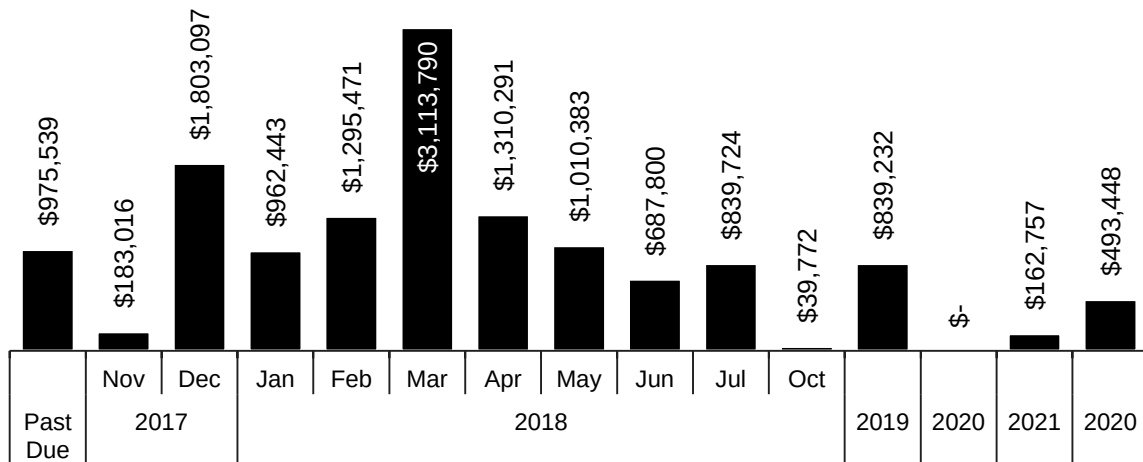
393 Most of the Residential Mortgages are performing as the underlying mortgagors continue to remit their required payments. As at October 31, 2017, a total of three (3) Residential Mortgages totaling approximately \$654,483 in balances owing were in a default position and are currently undergoing foreclosure proceedings. Based on the information currently available, Spectrum has advised that a portion of these balances is expected to not be collected.

394 As at October 31, 2017, the number of Spectrum Mortgages has reduced to 146 with a cumulative balance owing of \$13,577,540 held in the following Mortgage Related Funds:

Fund	Residential Mortgages	Balance Owing	Average Loan to Value
Mortgage Fund	109	\$ 10,692,960	60.59%
High Yield Mortgage Fund	33	1,490,165	77.98%
Sustainable Property Fund	4	1,394,415	69.55%
Total	146	\$ 13,577,540	64.58%

395 The Receiver has instructed Spectrum to encourage the pay-out of Spectrum Mortgages upon renewal to avoid the continued renewal of same. If pay-out is not possible, the Residential Mortgages are being renewed on a six month basis at a modestly higher interest rate with the goal of a payout being made at the end of such renewal(s). The following chart demonstrates the balances owing of Residential Mortgages as at October 31, 2017 based on their respective maturity dates:

Residential Mortgages: Maturity Distribution



396 The Receiver anticipates the wind-down of the Mortgage Related Funds will occur in an orderly manner based on the renewal/payout strategy discussed above.

397 As outlined in the chart above, there are Residential Mortgages totaling \$975,539 which are considered “past due”; this balance is made up of five (5) Residential Mortgages (the “**Non-Performing Mortgages**”). For each of the Non-Performing Mortgages, Spectrum has continued to keep the Receiver apprised of the actions taken by Spectrum or its agents in each case. The Non-Performing Mortgages consist of four (4) Residential Mortgages which are at various stages of foreclosure proceedings or litigation.

CONCLUSION AND RECEIVER’S NEXT STEPS CONCERNING THE RESIDENTIAL MORTGAGES

398 As at the date of this Second Report, the Receiver is confident that a continued orderly wind-down of the Residential Mortgage portfolio with the assistance of Spectrum will yield successful recovery for a majority of the Residential Mortgage investments. As the Residential Mortgages continue to expire, the Receiver expects that most mortgagors will be able to obtain refinancing to payout their balances owing to the Mortgage Related Funds; similar to what has been occurring since the Appointment Order. Notwithstanding the above, the Receiver expects that there will be a small number of mortgagors who cannot obtain refinancing and therefore may possibly require a short-term renewal from the Mortgage Related Funds until such refinancing can be obtained.

PRIVATE EQUITIES AND PRIVATE WARRANTS

- 399 As outlined in the First Report, certain of the Crystal Wealth Funds contained: (i) equity investments in companies whereby the securities were obtained through private placements or direct purchases and are not traded on active market exchanges and therefore are not readily saleable ("**Private Equities**"); and (ii) warrant options for the purchase of shares in such companies at a stated price ("**Private Warrants**").
- 400 Private Equities held in the Crystal Wealth Funds are obtained primarily through private placements or through direct purchases from persons who independently held the Private Equities. These investments are not actively traded in external markets and are not easily valued or realizable. The Receiver continues to review documentation and correspond and/or meet with the issuers with respect to these investments to develop a monetization strategy.
- 401 The Private Equities and Private Warrants are held by the Conscious Capital Fund and consist of:
- a) Private Equity – 336,571 common shares in Pond with a Recorded Cost of \$1.33 per share; and
 - b) Private Warrants – 212,040 "Units" issued by Pond whereby each Unit is convertible into:
 - i) one (1) Common Share in the capital of Pond (i.e. 212,040 shares in Pond); and
 - ii) one (1) warrant to purchase one common share of Pond at a strike price of \$2.50 per share exercisable at any time on or before November 1, 2018.
- 402 As such Private Equities and Private Warrants are the sole investments held by the Conscious Capital Fund, no monies are accordingly available for an interim distribution to investors of this Fund.

CREDITOR CLAIMS PROCEDURE

- 403 The Creditor Claims Procedure Order issued June 30, 2017 approved, among other things, the procedure (the “**Creditor Claims Procedure**”) for determining and resolving claims filed by creditors against the Crystal Wealth Group, with the exception of investor claims arising from or relating to their investments in the Crystal Wealth Group (including the Crystal Wealth Funds). Complete details of the Creditor Claims Procedure are set out in the Creditor Claims Procedure Order.
- 404 On June 30, 2017, a copy of the Creditor Claims Procedure Order (together with all schedules) was posted on the Case Website.
- 405 On July 5, 2017, the Receiver sent a Claims Package and an instruction letter to each of the 34 Known Creditors via regular mail (as such terms are defined in the Creditor Claims Procedure Order). In addition, the Receiver provided a Claims Package to parties that requested same prior to the Claims Bar Date of August 3, 2017.
- 406 On July 10, 2017, a notice of the Creditor Claims Procedure was published in the national edition of *The Globe and Mail*.

RESULTS OF THE CREDITOR CLAIMS PROCEDURE

- 407 As at the Claims Bar Date, 26 persons or entities filed claims totaling \$16,227,134 against the following Crystal Wealth Group entities:
- a) the Company and/or the Crystal Wealth Funds – \$2,251,071;
 - b) Media Fund – one (1) claim for \$21,913;
 - c) Mortgage Fund – one (1) claim for \$298,191;
 - d) CLJ Everest – three (3) claims totaling \$1,105,324; and
 - e) Smith – six (6) claims totaling \$12,550,635.
- (collectively, the “**Filed Claims**”).
- 408 The Filed Claims consisted of claims filed by, among others: (i) third party fund

administrators and service providers; (ii) trade vendors; (iii) former employees of the Company; and (iv) former investment advisors independently contracted by the Company. The Receiver is currently conducting a detailed review of the Filed Claims and has yet to make a determination of accepting or disallowing all or part of each claim, except with respect to the Amended BDO Claim (as defined and discussed in the section immediately below).

409 A listing of the Filed Claims is attached hereto as **Appendix “69”**. A further report to the Court to be issued by the Receiver on a subsequent motion will address the Receiver’s evaluation of the Filed Claims. As indicated above, the Receiver has set aside the appropriate reserve on account of the Filed Claims, in the event they were to be approved in full.

THE AMENDED BDO CLAIM

410 Included in the Filed Claims was an unsecured claim of \$511,101 (the “**Audit Fees**”) against the Company and each of the Crystal Wealth Funds which was filed on July 26, 2017 by BDO, the auditor of the Company and the Crystal Wealth Funds prior to the Receiver’s appointment (the “**Initial BDO Claim**”). The Initial BDO Claim was for work performed by BDO in preparing the audited financial statements for the year ended December 31, 2016 and for the preparation of certain tax filings.

411 On August 23, 2017, the Receiver received a letter (the “**August 23, 2017 Letter**”) from BDO’s legal counsel, Blake, Cassels & Graydon LLP (“**Blakes**”), which enclosed an amended proof of claim and which revised the claim of BDO to \$180,796,338 (the “**Amended BDO Claim**”). A copy of the Amended BDO Claim is attached hereto as **Appendix “70”**.

412 In addition to the Initial BDO Claim for Audit Fees, the Amended BDO Claim included additional claims for the following:

a) invoices rendered by BDO’s counsel, Blake, Cassels & Graydon LLP (“**Blakes**”), for its representation in connection with certain regulatory proceedings commenced by the OSC in respect of the Crystal Wealth Group, and certain anticipated legal fees to complete BDO’s representation in the proceedings commenced by the OSC – \$285,237 (the “**Blakes’ Fees Indemnity Claim**”);

- b) the amount claimed against BDO in a Statement of Claim issued on July 20, 2017 (the “**Proposed Class Action**”) by a Plaintiff, Anthony Whitehouse (“**Whitehouse**”), who is an investor in certain of the Crystal Wealth Funds. The Statement of Claim (bearing Court File No. CV-17-579357) is issued pursuant to the *Class Proceedings Act, 1992*, and is a proposed class action lawsuit against BDO by investors of certain Crystal Wealth Funds, seeking damages for negligence in the sum of \$150,000,000, and an additional \$25,000,000 in punitive damages. Whitehouse is accordingly the proposed representative plaintiff. To the Receiver’s knowledge, the Statement of Claim has yet to be served on BDO, and a certification motion has yet to take place – \$175,000,000 (the “**Class Action Indemnity Claim**”); and
- c) estimated legal fees for BDO’s defence of the Proposed Class Action– \$5,000,000 (the “**Estimated Defence Fees Indemnity Claim**”).

413 In support of the claims advanced by BDO in the Amended BDO Claim, BDO relies upon the appointment letter agreement between BDO and the Company dated December 21, 2016 (the “**Appointment Letter**”).⁸ The Appointment Letter stipulates that the Company agreed to:

- a) At s. 8.3: *“reimburse us for our time and expenses, including reasonable legal fees, incurred in responding to any investigation that is requested or authorized by you or investigations of you undertaken under government regulation or authority, court order, or other legal process”; and*
- b) At s. 12.1 *“...indemnify and hold harmless BDO from and against all losses, costs (including solicitors’ fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of a misrepresentation by a member of your management or board of directors...[and] the services performed by BDO pursuant to this Agreement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the gross negligence of BDO...”*.

414 BDO claims that pursuant to s. 8.3 and 12.1 of the Appointment Letters, BDO has a valid

⁸ In addition to the Appointment Letter, similar standard-form appointment letter agreements (collectively, the “**Appointment Letters**”) were entered into with each of the Crystal Wealth Funds. BDO provided the individual appointment letter agreements to the Receiver upon request, which BDO is also relying upon in support of the BDO Amended Claim.

claim for Blakes' Fees Indemnity Claim, the Class Action Indemnity Claim, and the Estimated Defence Fees Indemnity Claim.

- 415 Rather than embark on a costly and time consuming adversarial process vis-à-vis BDO with respect to Amended BDO Claim, which would have hindered the Receiver's efforts in seeking timely interim distributions to investors on this motion, the Receiver has secured BDO's agreement to abandon its Class Action Indemnity Claim in its entirety, in exchange for the Receiver's agreement to admit the BDO Invoice Claim and the Blakes' Fees Indemnity Claim. In eliminating the BDO Class Action Indemnity Claim, the Receiver has eliminated the risk that distributions to investors of the Crystal Wealth Funds which are the subject of the Proposed Class Action may not have been permitted to be made as a result of the Class Action Indemnity Claim and the significant potential liability arising therefrom to the subject Funds. The Receiver has further secured BDO's agreement that BDO shall not make any further claims, or amendments to claims, of any nature or kind, and in any proceeding or forum, as against any Crystal Wealth Group entity, including, without limitation, as against any of the Crystal Wealth Funds or against Crystal Wealth Management System Limited. The sole exception to the foregoing is that, in the event the Receiver were to commence an Ontario Superior Court of Justice action as against BDO, BDO shall be permitted to defend the action, and assert contributory negligence as against the Crystal Wealth Group entities, or any of them, should BDO elect to do so. Attached hereto as **Appendix "71"** is the email exchange between A&B and Blakes (the "**BDO Agreement**") setting out the terms of the agreement reached by the Receiver and BDO to resolve the BDO Amended Claim and any and all future claims of BDO as against the Crystal Wealth Group.
- 416 The Receiver's agreement to admit the BDO Invoice Claim and the Blakes' Fee Indemnity Claim arises from the terms of BDO's Appointment Letters (described in paragraph 413 above) which were executed by the Crystal Wealth Funds and the Company prior to the Receiver's appointment, and the Receiver's determination, following its review of the BDO invoices and the accounts of its counsel that are the subject of the BDO Invoice Claim and of the Blakes' Fees Indemnity Claim, that such fees are reasonable. The anticipated legal fees included in Blakes' Fees Indemnity Claim are less than the actual fees incurred, as noted by the Receiver during its review. No additional allowance above and beyond the quantum set out in the Blakes' Fees Indemnity Claim is being admitted by the Receiver for this claim.

- 417 Primarily, the Receiver's agreement to admit the BDO Invoice Claim and the Blakes' Indemnity Claim at this juncture was concluded in order to enable the Receiver to make timely interim distributions to investors, while eliminating the Class Action Indemnity Claim which, if allowed, could have otherwise been in excess of all assets and monies held by the Crystal Wealth Group and could therefore have had a devastating impact on investor recovery. The BDO Agreement further prevents any further or future claims being made by BDO as against the Crystal Wealth Group entities, except as specifically provided for in paragraph 415 above, and as outlined in the paragraph immediately below.
- 418 The Receiver has expressly reserved its position to BDO that, in allowing the BDO Invoice Claim, the Receiver is not acknowledging the quality of services provided by BDO to the Crystal Wealth Funds and the Company. The Receiver has agreed to reserve \$1,000,000 on account of BDO's Estimated Defence Fees Indemnity Claim, while reserving the Receiver's rights to deny and contest that indemnity claim at a later date.

THE PROPOSED CLASS ACTION

- 419 The Statement of Claim, enclosed with the Amended BDO Claim, outlines that Whitehouse is claiming for, among other relief:
- a) an order certifying the Class Action Proceeding (as defined in the Statement of Claim) and appointing Whitehouse as representative Plaintiff on his own behalf and on behalf of the Class (as defined in the Statement of Claim);
 - b) a declaration that BDO had a duty of care to the Class which it breached by negligently performing its professional services causing damages (as described in the Statement of Claim);
 - c) damages for negligence in the sum of \$150,000,000; and
 - d) punitive damages of \$25,000,000.
- 420 The Statement of Claim asserts that damages to the Class were a result of BDO's negligence in performing the audits to which the Class relied on when purchasing units in the following Crystal Wealth Funds:
- a) Mortgage Fund;

- b) Media Fund;
- c) Resource Fund;
- d) High Yield Mortgage Fund;
- e) Factoring Fund;
- f) ACM Income Fund;
- g) Medical Fund;
- h) ACM Growth Fund;
- i) Bullion Fund; and
- j) Retirement Fund;

(collectively, the “**Class Action Funds**”)

421 Based on the April 20th Package and the table included in **Appendix “12”**, the Class Action Funds had a total Recorded Value of approximately \$159,928,046 consisting of:

- a) Cash in the amount of \$2,355,368;
- b) On-Book Assets with a Recorded Value of \$44,403,183;
- c) Off-Book Assets with a Recorded Value of \$115,156,579; and
- d) Accruals with a Recorded Value of **negative** \$1,987,083.

422 As has been detailed throughout this report, the Recorded Value of the NAV of these Funds was materially overstated by the Company, such that the Amended BDO Claim vastly exceeds the assets of the Company and of the Crystal Wealth Funds.

SALES PROCESS

423 In the First Report, the Receiver recommended to the Court that the Receiver conduct a sales process (the “**Sales Process**”) for certain Crystal Wealth Funds in a manner in which:

- a) potential bidders may make an offer to purchase the investments from one or more of the Crystal Wealth Funds (the “**Potential Bidders**”) (an offer submitted by a Potential Bidder is referred to herein as a “**Purchase Offer**”); and/or
- b) potential managers may present an offer to assume the management of one or more of the Crystal Wealth Funds’ investment activities and assume the Company’s position and duties to investors (the “**Potential Managers**”) (an offer submitted by a Potential Manager is referred to herein as a “**Management Offer**”).

Additional details with respect to the Sales Process are outlined in the First Report.

424 Prior to the commencement of the Sales Process, the Receiver had compiled a list of 15 entities who had indicated that they had an interest in either submitting a Purchaser Offer and/or Management Offer (collectively, the “**Initial Interested Parties**”).

425 On July 12, 2017, the Receiver distributed a solicitation letter (the “**Solicitation Letter**”) to the Initial Interested Parties to: (i) confirm their interest, (ii) provide background on the Crystal Wealth Funds which were the subject of the Sales Process (the “**Listed Funds**”)⁹; and (iii) outline the conditions and terms of the Sales Process. A copy of the Solicitation Letter is attached hereto as **Appendix “72”**.

426 In addition to the Solicitation Letter, a confidentiality agreement (the “**Confidentiality Agreement**”) was provided to the Initial Interested Parties. The Confidentiality Agreement was required to be executed and returned to the Receiver in order for Initial Interested Parties to receive a confidential information memorandum prepared by the Receiver (the “**Confidential Information Memorandum**”) and to access the electronic data room

⁹ The Retirement Fund, Resource Fund, ACM Income Fund, ACM Growth Fund, and Sustainable Dividend Fund were not subject to the Sales Process, given that the assets of these Funds were comprised of only cash, marketable securities, and/or Inter-fund Investments.

established by the Receiver (the “**Data Room**”). A copy of the Confidential Information Memorandum, without appendices, is attached hereto as **Confidential Appendix “4”**.

- 427 On July 12, 2017, the Receiver created the Data Room and uploaded numerous documents with respect to the Listed Funds and the investments contained within them. The primary source for documents being contained in the Data Room was the Company’s Dropbox document storage system (which the Receiver understands housed all of the books and records of the Company, except for hard copy files pertaining to individual investors) supplemented by documents provided by Smith. As the Receiver continued to correspond with various service providers to the Company and the Crystal Wealth Funds, including but not limited to Xynergy, Frontline, Spectrum, and IFDS, the Receiver would, if deemed relevant, upload such documents obtained from these service providers to the Data Room. Each time a document was uploaded to the Data Room, all parties with access to the Data Room would receive a notification of same.
- 428 On July 14, 2017, the Receiver placed the Solicitation Letter on the Case Website.
- 429 Beginning on July 31, 2017, the Receiver placed two (2) targeted advertisements of the Sales Process in the Chartered Financial Analyst (CFA) Institute “Financial Newsbrief” which is delivered to CFA members on a daily basis. Since notification of the Receivership Proceedings had already been widely disseminated by the Receiver in the national editions of *The Globe and Mail* and *National Post* on May 4, 2017, and by virtue of the Creditor Claims Procedure being published by the Receiver in the national edition of *The Globe and Mail* on July 10, 2017, the CFA “Financial Newsbrief” forum was specifically chosen as the Receiver wished to target this sales opportunity to sophisticated investment professionals, being the global CFA network whose membership is in excess of 142,000 members in 159 countries.
- 430 The Receiver, with the assistance of its transactions team (Grant Thornton Corporate Finance Inc.), carefully identified an additional nine (9) asset management companies who managed similar *alternative* investment portfolios (“**Related Asset Managers**”) and who it believed may have an interest in the Sales Process (the Related Asset Managers and the Initial Interested Parties are collectively referred to as the “**Interested Parties**”). The Receiver emphasizes the word “alternative” as the general composition of the Crystal

Wealth Funds contains non-traditional investments. A copy of the Solicitation Letter and the Confidentiality Agreement was sent to the Related Asset Managers on July 25, 2017.

- 431 The Receiver received executed Confidentiality Agreements from 12 of the Interested Parties, who were then provided with a copy of the Confidential Information Memorandum and access to the Data Room. The Interested Parties who submitted executed Confidentiality Agreements are referred to as “**Prospective Purchasers**” and/or “**Prospective Managers**”.
- 432 Between July 12, 2017 and the deadline by which Prospective Purchasers and Prospective Managers were required to submit their offers to the Receiver by 5 p.m. EST on August 10, 2017 (the “**Offer Deadline**”), the Receiver responded to numerous inquiries from Prospective Purchasers/Prospective Managers, provided answers to specific questions concerning the Listed Funds and their investments, and uploaded additional documents to the Data Room. Such activity also included numerous correspondence, discussions, and meetings with Prospective Purchasers or Prospective Managers and arranging for Prospective Purchasers or Prospective Managers to conduct individual discussions with the Service Providers.

RESULTS OF THE SALE PROCESS

- 433 By the Offer Deadline, the Receiver obtained the following offers from seven (7) different Prospective Purchasers and Prospective Managers:
- a) two (2) Management Offers for the assumption of the management of all of the Listed Funds’ investment activities and the Company’s duties to investors of such Funds (the “**Complete Management Offers**”) (the Prospective Managers who submitted the Complete Management Offers are referred to as the “**Complete Managers**”);
 - b) one (1) Management Offer for two of the Listed Funds (the “**Limited Management Offer**”) received from a “**Limited Manager**”;
 - c) three (3) cash Purchase Offers for certain assets in the Listed Funds (the “**Cash Purchase Offers**”) (collectively, the “**Cash Purchasers**”); and

- d) one (1) Purchase Offer for certain assets in the Listed Funds in exchange for preferred shares to investors (the “**Preferred Share Offer**”) received from a “**Preferred Share Purchaser**”;

(collectively the “**Initial Offers**”).

434 All of the Initial Offers contained an irrevocable date of August 17, 2017, as stipulated in the Confidential Information Memorandum.

435 Shortly after the Offer Deadline, the Receiver commenced a review of the Initial Offers. A summary of the Initial Offers is attached hereto as **Confidential Appendix “5”**.

436 On August 16, 2017, after review of the Complete Management Offers, the Receiver sent a list of additional questions to the Complete Managers (the “**August 16, 2017 Questions**”) in order to more fully understand their offers, particularly from an investor perspective. In addition, the Receiver requested that the Complete Managers extend the irrevocable date of the Complete Management Offers to September 1, 2017 to which both Complete Managers consented. The questions put forth by the Receiver in the August 16, 2017 Questions related to each of the Complete Managers’ plan with regards to:

- a) the anticipated timeline for investors to redeem their units in the Listed Funds and the quantum of liquidity, if any (e.g. cash injection, short term loan, investment, etc.), that would be provided by the Complete Managers to assist in satisfying redemption requests;
- b) their intentions in allowing for new investors to invest in the Listed Funds or if the Funds would be closed to new investors;
- c) the anticipated process to determine the underlying NAV of the Listed Funds;
- d) the current and/or proposed internal processes and controls to be put in place to provide on-going reporting on the NAV of the Listed Funds to investors;
- e) the proposed fees to be charged by the Complete Managers;
- f) their intention to assume current agreements with Service Providers in which the Company and/or any of the Listed Funds were counterparties;

- g) their intended process to obtain required regulatory approvals and/or registrations with the OSC and/or other securities regulator(s), if any; and
- h) their specific plans with respect to the management of some of the more alternative investments (e.g. Factoring Contracts, Media Loans, US Real Estate LP, Commercial Loans).

A copy of the August 16, 2017 Questions and summary of answers from the Complete Managers is attached hereto as **Confidential Appendix “6”**.

- 437 In addition to the Complete Managers, the Receiver requested and obtained the consent from the Limited Manager, Cash Purchasers, and Preferred Share Purchaser to extend the irrevocable date of their respective Initial Offers to September 1, 2017 in order to allow the Receiver to conduct additional due diligence and to engage in further discussions with the Prospective Purchasers and Prospective Managers.

SHORTLISTED PARTIES

- 438 On September 1, 2017, the Receiver issued letters to the Limited Manager and two (2) of the Cash Purchasers advising that their offers would not be accepted.
- 439 The Limited Management Offer was declined due to the negligible purchase price offered for the management of two (2) Listed Funds, and due to the Receiver’s view that the Limited Manager lacked the expertise to manage the named Listed Funds.
- 440 The two (2) Cash Purchase Offers were rejected due to the extremely low value assigned to the assets contained within the Listed Funds outlined for purchase.
- 441 The Complete Management Offers, the Preferred Share Offer, and the remaining Cash Purchase Offer are collectively referred to as the “**Shortlisted Offers**” and the parties who submitted same are referred to as the “**Shortlisted Parties**”.
- 442 On September 1, 2017, the Receiver provided the Shortlisted Parties the opportunity to conduct additional due diligence up to 5 p.m. EST on September 28, 2017 (the “**Additional Due Diligence Period**”), subject to the Shortlisted Offers’ irrevocable dates being extended to October 6, 2017. The Receiver also requested that each Shortlisted Party prepare a proposed form of purchase/assumption agreement, along with a specific

timeline containing key pre and post-closing items, to be submitted to the Receiver for its consideration by September 28, 2017.

443 During the Additional Due Diligence Period, the Receiver conducted the following key activities:

- a) attended numerous conference calls with Shortlisted Parties;
- b) coordinated and scheduled discussions and meetings with various Service Providers, including but not limited to, Spectrum, Xynergy, Frontline, NBCN and IFDS;
- c) obtained and uploaded additional information to the Data Room when received;
- d) responded to various inquiries from the Shortlisted Parties;
- e) attended calls with the OSC to gain an understanding of the regulatory requirements required to be satisfied, if any, by each of the Shortlisted Parties; and
- f) performed background and due diligence checks on each of Shortlisted Parties.

444 Throughout the Receivership Proceedings, and more particularly during the Sales Process, the Receiver also received a broad range of feedback from investors concerning their preferences with respect to the outcome of the Sales Process.

445 By September 28, 2017, the Receiver obtained a proposed purchase/assumption agreement from each of the Shortlisted Parties and reviewed each proposed agreement in order to carefully evaluate all of the terms and conditions being proposed. Where required, the Receiver contacted a Shortlisted Party in order to clarify specific terms and conditions of the proposed agreement.

446 After the Receiver carefully considered all of the information and submissions provided by the Shortlisted Parties and the general opinions expressed by the investor population, the Receiver determined that it would not be pursuing any of the Shortlisted Offers received from Complete Managers and the Preferred Share Purchaser. In arriving at this decision, the Receiver considered the proposed structure, terms, and timelines involved to give effect to the transactions proposed, as well as the broader implications on the stakeholders and investors of the Crystal Wealth Group if the transactions underlying the offers were to be effected.

447 More specifically, the following points influenced the Receiver's decision:

- a) both Complete Management Offers and the proposed management agreements submitted by the Complete Managers were highly conditional and would have required a significant amount of time, cost, and effort to effect a transaction with no guarantees that a transaction would ultimately be completed;
- b) the Complete Management Offers were conditional upon certain relief being granted by the OSC, which is beyond the Receiver's control. For example, one of the Complete Management Offers required that exemptive relief be granted by the OSC in respect of the Listed Funds, to relieve the Complete Manager from past outstanding audit requirements;
- c) as outlined previously in this Second Report, a large majority of the assets contained within the Listed Funds, including but not limited to the Factoring Contracts, Media Loans, and Gold Contracts, are grossly impaired. The Complete Management Offers failed to adequately address or propose a definitive solution as to how the Complete Managers would, as a minimum, recover the principal of the investments, let alone with profit, or otherwise take steps to effect recovery which are preferable to the steps being taken by the Receiver and its counsel. The Receiver is of the view that the Complete Management Offers failed to offer definitive alternatives to the steps already being taken by the Receiver which would better enable investors to recover their original investments in Listed Funds which hold the impaired investments;
- d) both Complete Management Offers did not satisfy the Receiver that investors would be allowed to redeem their investment in the Crystal Wealth Funds in a timely fashion, and contained no guarantees or assurances as to the minimum value at which such redemptions would occur, once available;
- e) both Complete Management Offers accordingly did not provide any assurance that the eventually established NAV by such Complete Managers would any better, then or in the future, than exists at present. In fact, one of the Complete Management Offers was conditional upon the Complete Manager establishing the NAV of the Listed Funds prior to the transaction being effected, and being satisfied with the NAV. Given what the Receiver has learned about the impaired nature of the investments held in many of the Listed Funds, as is detailed throughout this Second Report, a reasonable

possibility existed that this Complete Manager, upon its ultimate establishment of the NAV, may have not wished to proceed with the underlying transaction, which would have only served to result in further delay and expense during which time the Receiver's efforts are better directed at undertaking enforcement and recovery steps in order to maximize investor returns;

- f) the Amended BDO Claim which arose in the midst of the Sales Process, after the Initial Offers had been received by the Receiver, created an additional complication, namely, that the Amended BDO Claim (and in particular, the Class Action Indemnity Claim) would either need to be definitively disallowed prior to any such Complete Management Offer transaction being effected, or would likely have been incorporated into the underlying transaction as an assumed contingent obligation which would have restricted a Complete Manager in the future use of the investments in the Class Action Funds, including the issuance of redemptions to investors.

The fact that the Receiver has now resolved and eliminated BDO's Class Action Indemnity Claim does not alter the Receiver's view that it is not in the best interest of investors to further pursue either of the Complete Management Offers.

- g) during the period in which a Complete Management Offer would be negotiated and finalized, the Receiver's ability to enforce and realize on impaired assets would be delayed which may result in further losses to certain Listed Funds;
- h) both Complete Management Offers contained only a nominal purchase price for the assumption of management of the Listed Funds, which when considered in the context of the additional concerns pertaining to the Complete Management Offers as set out above, did not favour proceeding with the acceptance of either Complete Management Offer; and
- i) with respect to the Preferred Share Offer, the offer did not provide immediate liquidity for investors to redeem their units and also would have resulted in the investors being in a subordinate position in regards to the specific investments in the Listed Fund which was the subject of the Preferred Share Offer; in other words, the transaction would have placed the investors in a worse position vis-à-vis the security being held as collateral for their investments.

448 A comparison of the two Complete Management Offers is attached to this Second Report as **Confidential Appendix “7”**.

449 In view of the foregoing, on October 4, 2017, the Receiver notified the Complete Managers and the Preferred Share Purchaser that it would not be pursuing any of the Complete Management Offers or Preferred Share Offer received throughout the Sales Process. However, no notification was given to the one (1) Cash Purchase Offer, as will be addressed below.

THE CASH PURCHASE OFFER

450 The Receiver is in the process of advancing negotiations with respect to the remaining Cash Purchase Offer. It is anticipated that a supplement to this Second Report will be issued by the Receiver in advance of the motion seeking approval of this Second Report, which supplement will report to the Court with respect to whether an agreement concerning the remaining Cash Purchase Offer has been reached, for which approval will be sought from the Court on this motion.

RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP

- 451 Attached hereto as **Appendix “11”** is the Receiver's Interim Statement of Receipts and Disbursements for the period April 26, 2017 to October 31, 2017 which outlines the cash balances of the Company and the Crystal Wealth Funds. From April 26, 2017 to October 31, 2017, cash receipts totaled \$30,836,285 and US \$2,242,157 while disbursements were \$1,132,420 and US \$509. The ending cash balances as at October 31, 2017 were \$37,705,633.
- 452 Cash receipts to the Crystal Wealth Funds were generated from the following significant receipts, among others:
- a) the monetization of Equities – \$7,779,181 and US \$4,207,609 respectively, net of commissions;
 - b) collection of Media Loan principal and interest payments – \$6,859,188 and US \$153,591;
 - c) the collection of Residential Mortgage principal and interest payments – \$5,652,373;
 - d) the monetization of External Mutual Funds – \$5,051,937;
 - e) the collection of payments from NFL Participation Agreements – US \$714,867; and
 - f) the sale of the Geodata Balance – US \$684,313.
- 453 Disbursements from the Crystal Wealth Funds primarily relate to Court approved Receiver and legal fees, insurance, the purchase of Equities upon exercising Warrants, outside consulting fees paid to contractors including Quiver, bank charges and commissions, and HST related to taxable expenses.

OTHER NOTABLE ITEMS

INVESTMENT ADVISOR COMPENSATION

- 454 As has been described in detail throughout this Second Report, it is apparent that the historical reported values of certain Crystal Wealth Funds have been overstated by the Company and that provisions in such Funds should have been made to reflect the permanent impairment of certain investments.
- 455 The independent Investment Advisors were compensated, in part, based on the NAV of the Crystal Wealth Funds in which their investors were invested. Accordingly, as the monthly NAV of certain Crystal Wealth Funds were overstated, compensation to the Investment Advisors, based on such inflated NAVs, were overcompensated.
- 456 Although the Receiver is reviewing all of the Independent Advisor compensation agreements, a review of the accounting records of the Company indicates that over the 12 months preceding the Receiver's appointment, some of the Investment Advisors received significant payments. Below is a listing of certain of the Investment Advisors and the payments received by them for the 12 months ending April 26, 2017 totaling \$1,699,944:
- a) Housego – \$713,785;
 - b) Jeff Mushaluk – \$256,647;
 - c) Dale Wells – \$253,221;
 - d) Clayton Smith – \$200,642;
 - e) Scott Whale – \$175,582; and
 - f) Tim Johnston – \$100,067.
- 457 The Receiver will report the results of its review of the agreements between the above noted individuals in its next report to the Court.

INTERFERENCE IN THE RECEIVER'S ADMINISTRATION OF THE CRYSTAL WEALTH GROUP

458 Since the release of the Receiver's Notice to Investors dated October 6, 2017 advising of the Receiver's decision to not accept any of the Complete Management Offers (the "**October 6 2017 Notice**"), it has become evident to the Receiver that third parties, which may include former representatives (i.e. Investment Advisors) of the Company, have continued to communicate with investors, and are purporting to provide investors with information concerning the Receiver's administration of the Crystal Wealth Group, and with respect to the Crystal Wealth Funds. Such information being communicated to investors has been false and misleading. Such statements recently made by numerous investors to the Receiver, which reflect that third parties are providing the investors with false and misleading information, include that:

- a) all of the assets and investments contained within the Crystal Wealth Funds were healthy and performing prior to the appointment of the Receiver;
- b) the Receiver will be performing an expedited liquidation of all of the assets at minimal prices;
- c) the Amended BDO Claim is a consequence of mismanagement and misleading guidance by the Receiver;
- d) the Receiver denied investors the right to have representative counsel appointed;
- e) if representative counsel was appointed then the Proposed Class Action would not have been commenced by Whitehouse (despite Whitehouse having had his own counsel present at the June 30, 2017 motion before the Honourable Justice Mr. Hailey, in order to oppose CMB's appointment as representative counsel);
- f) the OSC placed the Crystal Wealth Group into receivership, even though the Crystal Wealth Group had in excess of \$100 Million in assets and no significant financial issues; and
- g) the Complete Managers would be able to manage the Crystal Wealth Funds back to profitability and recover all investments at full value. Furthermore, many investors who have recently written to the Receiver were aware that there were two (2) Complete

Managers, the number of which had not been publicized by the Receiver prior to the issuance of this Second Report.

- 459 Almost all of such communications from investors advising of inaccurate information provided by other sources has been from investors who are located in British Columbia and are primarily invested in the Factoring Fund, Bullion Fund, and Hedge Fund, in which Housego was the Lead Portfolio Strategist. Coincidentally: (i) these recent investor communications expressing investors' strong disagreement to the Receiver's decisions appear to be in the format of a "form letter" addressed to the same email addresses (some with the same incorrect spelling of certain email addresses); and (ii) the Factoring Fund, Bullion Fund, and Hedge Funds have the most significant issues regarding the quality of investments and non-compliance to the corresponding OMs. In subsequent discussions with a number of investors, the Receiver was advised that Housego was the author of this form letter being submitted by investors. Absent Housego's examination under oath, the Receiver can only surmise that Housego – who received payments of \$713,785 in the 12 months ending April 26, 2017 - is one of the primary sources of such misinformation in order to redirect blame regarding the poor quality of the investments held by the Factoring Fund, Bullion Fund, and Hedge Fund, and the use of investor monies by these Funds.
- 460 Since the commencement of the Receivership Proceedings, and more notably after the Receiver's communication to investors of its decision to not pursue any Management Offers, the Receiver has and continues to spend a considerable amount of time addressing such false information being distributed to investors in order to correct the record and to clarify the resulting confusion which has resulted within the investor base.

UNAUTHORIZED COMMUNICATION TO INVESTORS BY A COMPLETE MANAGER

- 461 Since the October 6 2017 Notice, certain investors have confirmed that they have been contacted by one of the Complete Managers, Brian Bosse ("**Bosse**") of BlueSpring Investments Inc.; such correspondence is a breach of the confidentiality agreement executed by Bosse as a condition of his participation in the Sales Process.
- 462 In a meeting held on October 11, 2017 between the Receiver and Bosse at the Receiver's office, Bosse indicated that he had spoken to an investor who had been concerned as to why his Complete Management Offer was not pursued by the Receiver.

463 On a call convened with the Receiver on October 31, 2017, Bosse indicated his displeasure with the Notice issued by the Receiver to investors dated October 30, 2017 (the “**October 30 2017 Notice**”) which, among other things, communicated to investors the reasons why the Receiver did not accept any of the Complete Management Offers. Bosse demanded that the Receiver take down the October 30 2017 Notice to which the Receiver declined. During the call, Bosse had also communicated to the Receiver that he had been in discussions with “numerous investors in the past few weeks” and that the October 30 2017 Notice damaged the credibility he had with the investors with whom he had been in contact. The Receiver advised Bosse that communication with investors regarding the Crystal Wealth Funds and the Sales Process was in contravention of the Confidentiality Agreement and that all future communications must cease. During the call, the Receiver asked Bosse to disclose the number of investors he had discussions with and the number of occurrences of such discussions however Bosse refused to disclose this information to the Receiver.

THE INVESTMENT ADMINISTRATION SOLUTION INC.’S FAILURE TO PROVIDE DOCUMENTS

- 464 Although the Company performed its financial accounting and record keeping internally, as it relates to the Crystal Wealth Funds, the financial accounting and recording keeping was outsourced to a third-party, Investment Administration Solution Inc. (“**IAS**”).
- 465 The Receiver has made numerous requests to IAS to obtain the monthly reporting for each of the Crystal Wealth Funds and the underlying transaction detail for same from January 1, 2016 to May 31, 2017. As at the date of this Second Report, IAS has ignored the Receiver’s requests and has failed to provide such documentation.
- 466 The Receiver requests that this Court issue an Order directing IAS to provide the Receiver and its counsel with certain requested but still outstanding information and documentation required for a proper account reconciliation and assessment the Crystal Wealth Funds.

OTHER ACTIVITIES OF THE RECEIVER SINCE THE APPOINTMENT ORDER

467 Upon its appointment, the Receiver took immediate steps to secure and preserve the Property of the Crystal Wealth Group, communicate with stakeholders, and deal with other operational and administrative tasks. The Receiver has conducted the following key activities in relation to its appointment:

- a) responded to numerous calls and emails from Crystal Wealth Group investors and other stakeholders;
- b) distributed **ten** (10) notices from the Receiver to all investors, which were also posted to the Receiver's Case Website, from May 1, 2017 to October 30, 2017 updating them on the receivership as events unfolded;
- c) created and maintained a listing of investors with holdings, accounts, and contact information including email addresses;
- d) held meetings and corresponded with NBCN on a number of investor matters, including the on-going management of the securities, records and monetization of assets within the Crystal Wealth Funds;
- e) corresponded with various third-parties involved in administering certain Crystal Wealth Funds, and, in some cases, their legal counsel and financial advisors;
- f) collected monthly payments and funds held by third-parties administering certain Crystal Wealth Funds and/or their assets;
- g) corresponded with borrowers of the Crystal Wealth Funds, and, in some cases, their legal counsel and financial advisors;
- h) executed the MOU Amendments dated September 28, 2017 and October 30, 2017 with Quiver;
- i) conducted meetings with certain third-parties and borrowers, as appropriate;
- j) corresponded and held numerous discussions with various stakeholders, providers and/or their legal counsels;

- k) corresponded and held various discussions with BDO and its counsel;
- l) corresponded and held various discussions and meetings with parties expressing interest in either purchasing or managing certain Crystal Wealth Funds; and
- m) maintained a public website for the Receivership Proceedings in accordance with the Commercial List E-Service Protocol.

MOUNT NEMO PROPERTY

- 468 As outlined in the First Report, on June 8, 2017, the Receiver entered into an MLS listing agreement with RE/MAX Aboutowne Realty Corp., Brokerage (the “**Broker**”) effective until October 31, 2017 (the “**Listing Agreement**”).
- 469 Prior to listing the Mount Nemo Property, the Receiver performed the following activities to prepare the Mount Nemo Property for sale:
- a) arranged for and retained a third-party to open and maintain the pool and waterfall located on the Mount Nemo Property;
 - b) engaged a third party landscaping company to provide grass cutting and general maintenance and landscaping services for the Mount Nemo Property; and
 - c) ensured adequate security was in place.
- 470 On July 12, 2017, the Mount Nemo Property was listed for \$3,399,000 on the Oakville/Milton, Hamilton/Burlington, and Toronto District Real Estate Board in addition to various other online real estate websites. The Receiver elected to begin listing the Mount Nemo Property at this price as it represented the approximate amount of the Purchaser’s offer as contained in the Mount Nemo Sale Agreement.
- 471 Beginning the week ending July 17, 2017, the Broker provided the Receiver with periodic updates outlining, among other things: (i) the number of showings; (ii) the internet traffic on various websites; (iii) general updates on the condition of the Mount Nemo Property; and (iv) the status of any past or future showings.
- 472 Due to the minimal interest in the Mount Nemo Property and the fact that minimal showings were arranged and no offers had been received, the Receiver executed an amendment to the Listing Agreement dated August 30, 2017 which reduced the listing price of the Mount Nemo Property to \$3,199,000 (a reduction of \$200,000) (the “**First Amendment**”).
- 473 On October 31, 2017, the Listing Agreement with the Broker expired. On November 2 and November 3, 2017, the Receiver notified the Broker that it would not be renewing the Listing Agreement. The Receiver’s decision resulted from the fact that no offers were

received despite the Property having been listed for six months, and given that only a minimal amount of showings were conducted.

- 474 The Receiver contacted another broker, Sotheby's International Realty Canada ("**Sotheby's**"), who had submitted a proposal as part of the Receiver's Request for Proposals process discussed in the First Report, to inquire if Sotheby's remained interested in listing the Mount Nemo Property.
- 475 In the RFP process, the Receiver had ranked Sotheby's proposal behind that of the Broker, however, the Sotheby's proposal highlighted: (i) its extensive experience selling similar real estate in the Burlington and surrounding area; (ii) a competitive commission structure; (iii) detailed and real time reporting tools and functionality; and (iv) a detailed marketing plan to prepare and execute the sale of the Mount Nemo Property.
- 476 On November 6, 2017, the Receiver entered into an MLS listing agreement with Sotheby's (the "**Sotheby's Listing Agreement**") which is attached to this Second Report as **Confidential Appendix "8"**.

THE RECEIVER'S CONTINUED DEALINGS WITH SMITH

- 477 As a result of the Appointment Order, all of Smith's known assets, including bank accounts, continue to be frozen, and all of the Property (as defined in the Appointment Order) was vested in the Receiver.
- 478 As discussed in the First Report, on May 18, 2017, the Receiver delivered a form of statutory declaration (the "**Statutory Declaration**") to Smith requesting that he provide information concerning, among other things, his assets, liabilities, income, and expenses.
- 479 On May 24, 2017, June 6, 2017, and July 4, 2017, A&B, on behalf of the Receiver, sent follow-up correspondence to Smith reiterating the Receiver's request that Smith complete the Statutory Declaration.
- 480 On July 20, 2017, Smith delivered to the Receiver an unsworn version of the form of statutory declaration, to which Smith had made significant changes (the "**Unsworn and Altered Statutory Declaration**").
- 481 On July 24, 2017, the Receiver provided notice to Smith that the Unsworn and Altered Statutory Declaration contained significant changes to the Statutory Declaration provided by the Receiver on May 18, 2017 and that same was not sworn. On July 28, 2017, Smith advised the Receiver he would provide a sworn Statutory Declaration.
- 482 Subsequent to the Receiver following-up on August 11, 2017, August 28, 2017, and September 1, 2017, Smith provided a sworn Statutory Declaration to the Receiver which was received on September 7, 2017. The delivered Statutory Declaration included hand written changes by Smith to the form of Statutory Declaration which the Receiver had required be completed by Smith.
- 483 The Receiver continues to reserve its rights to cross-examine Smith on his sworn Statutory Declaration, and to examine Smith as permitted by the Appointment Order.

RECEIVER'S FEES AND DISBURSEMENTS

484 Pursuant to paragraph 23 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment Order. Pursuant to paragraph 24 of the Appointment Order, the Receiver and its counsel shall pass their accounts.

485 The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court up to and including September 30, 2017, and seeks approval of the allocation methodology described in paragraphs 57 to 61 above. The Receiver and its counsel have maintained detailed records of their professional time and costs.

486 The total fees for the Receiver for the period June 1, 2017 to September 30, 2017, were \$385,280.07, plus disbursements of \$4,089.28, plus HST of \$50,618.02, for a total of \$439,987.37. The time spent by the Receiver is more particularly described in the Affidavit of Jonathan Krieger sworn November 17, 2017 (the "**Krieger Affidavit**"), which is attached hereto as **Appendix "73"** and contains copies of invoices that set out the services provided during this time period.

487 The total fees of A&B, as counsel to the Receiver, for the period of June 1, 2017 to September 29, 2017, were \$315,692.50, plus disbursements of \$7,125.88, plus HST of \$41,696.38, for a total of \$364,514.76. The time spent by A&B is more particularly described in the Affidavit of Mark van Zandvoort sworn November 22, 2017 (the "**van Zandvoort Affidavit**"), which is attached as **Appendix "74"** and contains, among other things, copies of invoices that set out the services provided during this period of time.

488 It is the Receiver's opinion that the fees and disbursements of the Receiver and A&B accurately reflect the work done by the Receiver and on behalf of the Receiver by A&B in connection with the receivership and the administration of the Property of the Crystal Wealth Group from June 1, 2017 to September 30, 2017.

489 It is the Receiver's opinion that the fees and disbursements of A&B are fair and reasonable and justified in the circumstances. The Receiver recommends approval of A&B's accounts by this Honourable Court.

TELE-TOWN HALL FOR INVESTORS

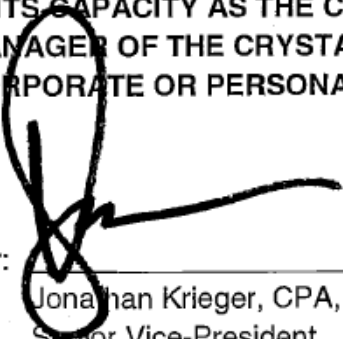
490 Due to the volume and complexity of the information contained within this Second Report, the Receiver will be conducting a "Town Hall" meeting with investors via tele-conference (the "**Tele-Town Hall**") whereby investors will be given the opportunity to ask the Receiver questions with respect to the receivership of the Crystal Wealth Group and its administration of same. The Tele-Town Hall will be conducted by the Receiver on December 7, 2017 from 11:00 am EST to 1:00 pm EST. The Receiver will provide more detailed information and instructions with respect to the Tele-Town Hall to investors in due course, which information will be available on the Receiver's Case Website.

CONCLUSION

491 For the reasons set out in this Second Report, the Receiver respectfully requests the relief and approval requested in the Receiver's Notice of Motion dated November 24th, 2017.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 24th day of November, 2017.

**GRANT THORNTON LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER AND
MANAGER OF THE CRYSTAL WEALTH GROUP, AND NOT IN ITS
CORPORATE OR PERSONAL CAPACITY**

Per: 
Jonathan Krieger, CPA, CA, CIRP, LIT
Senior Vice-President

30976692.9

APPENDIX 1



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

**IN THE MATTER OF
CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED**

**TEMPORARY ORDER
(Subsections 127(1) and 127(5))**

WHEREAS:

1. it appears to the Ontario Securities Commission (the "Commission") that:
 - a. Crystal Wealth Management System Limited ("Crystal Wealth") is a Burlington-based Ontario corporation, registered in the categories of Exempt Market Dealer ("EMD"), Investment Fund Manager ("IFM"), Portfolio Manager ("PM") and Commodity Trading Manager;
 - b. Crystal Wealth is the trustee, IFM, PM and promoter, and for some funds is also the commodity trading manager, for the following 15 investment funds, which are structured as open-ended mutual fund trusts:

Crystal Wealth Media Strategy

Crystal Wealth Mortgage Strategy

Crystal Enlightened Resource & Precious Metal Fund

Crystal Wealth Medical Strategy

Crystal Wealth Enlightened Factoring Strategy

ACM Growth Fund

ACM Income Fund

Crystal Wealth High Yield Mortgage Strategy

Crystal Enlightened Bullion Fund

- 2 -

Absolute Sustainable Dividend Fund
 Absolute Sustainable Property Fund
 Crystal Wealth Enlightened Hedge Fund
 Crystal Wealth Infrastructure Strategy
 Crystal Wealth Conscious Capital Strategy
 Crystal Wealth Retirement One Fund

(collectively with any other investment funds managed or advised by Crystal Wealth, the "Crystal Wealth Funds");

- c. Clayton Smith ("Smith") is an Ontario resident and is the sole officer and director of Crystal Wealth. Smith is registered in Ontario as a dealing representative, an advising representative in the category of PM, an advising representative in the category of Commodity Trading Manager, and as Crystal Wealth's Chief Compliance Officer ("CCO") and Ultimate Designated Person ("UDP");
- d. CLJ Everest Ltd, ("CLJ Everest") is an Ontario company, with a registered office in Burlington. Smith is the sole officer and director of CLJ Everest. CLJ Everest holds 28.26% of Crystal Wealth's shares and 100% of the shares of 1150752 Ontario Limited ("115 Limited");
- e. 115 Limited holds 63.5% of Crystal Wealth's outstanding shares;
- f. Smith and Crystal Wealth (collectively, the "Respondents") may have participated in a course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud contrary to subsection 126.1(1)(b) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"); failed to act fairly, honestly and in good faith with clients, contrary to section 2.1 of Rule 31-505 – *Conditions of Registration*; and failed to comply with the standard of care expected of an IFM under section 116 of the Act;
- g. Crystal Wealth may have failed to comply with the Funds' obligations to deliver the Funds' audited financial statements for the calendar year ending December 31,

- 3 -

2016, according to sections 2.1, 2.2 and 2.11 of National Instrument 81-106 – *Investment Fund Continuous Disclosure*;

- h. Crystal Wealth may have failed to comply with its obligations to file its audited financial statements in compliance with subsection 21.10(3) of the Act and sections 12.10(2), 12.12, 12.13 and 12.14 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Obligations*;
 - i. Crystal Wealth and Smith may have acted contrary to the public interest.
 - j. Smith may have authorized, permitted or acquiesced in Crystal Wealth's contraventions of the Act and if so, may be deemed to have failed to comply with Ontario securities law pursuant to section 129.2 of the Act;
 - k. Staff are conducting an investigation into the conduct described above;
- 2. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act;
 - 3. the Commission is of the opinion that it is in the public interest to make this Order;
 - 4. by Authorization Order made March 24, 2017, pursuant to subsection 3.5(3) of the Act, each of Maureen Jensen, Monica Kowal, D. Grant Vingoe, Philip Anisman, Robert P. Hutchison, Janet Leiper, Timothy Moseley, and Mark J. Sandler, acting alone, is authorized to make orders under section 127 of the Act.

IT IS ORDERED pursuant to section 127 of the Act that:

- 1. pursuant to paragraphs 2 and 2.1 of subsection 127(1), all trading, including redemptions and distributions, or acquisitions of the securities of Crystal Wealth Funds shall cease;
- 2. pursuant to paragraphs 2 and 2.1 of subsection 127(1) all trading in securities held by the Crystal Wealth Funds, or the acquisition of securities by Crystal Wealth on behalf of the Crystal Wealth Funds shall cease;

- 4 -

3. pursuant to paragraphs 2 and 2.1 of subsection 127(1), the trading in or the acquisition of any securities or derivatives by Smith, CLJ Everest and 115 Limited shall cease;
4. pursuant to subsection 127(2), as an exception to the prohibition on trading securities and derivatives in paragraphs 2 and 3 above, Crystal Wealth in its capacity as portfolio manager for the Funds may, and Clayton Smith in his capacity as advising representative may, if in compliance with Ontario securities law, place orders to sell securities and derivatives already held as of the date of this temporary order by the Crystal Wealth Funds, provided that the sales occur through the facilities of a recognized exchange and all proceeds of such sales remain in the account of the respective Crystal Wealth Fund for which the order was placed until further order of the Commission;
5. pursuant to subsection 127(2), as an exception to the prohibition on trading securities and derivatives in paragraphs 2 and 3 above, Smith in his capacity as advising representative may, if in compliance with Ontario securities law, place orders to sell securities and derivatives already held by clients in discretionary accounts for which Crystal Wealth is the portfolio manager (the "Managed Accounts"), provided that the sales occur through the facilities of a recognized exchange;
6. pursuant to subsection 127(2), the following terms and conditions apply to the registration of Crystal Wealth as an exempt market dealer:
 - a. Crystal Wealth and any dealing representatives shall not accept any new money for investment from any existing clients, and shall not accept any new clients or open any new client accounts of any kind;
7. pursuant to subsection 127(2), the following terms and conditions apply to the registration of Crystal Wealth as a portfolio manager and investment fund manager:
 - a. Crystal Wealth's activities as a portfolio manager and investment fund manager shall be applied exclusively to the Managed Accounts and to the Crystal Wealth Funds, subject to the restrictions on trading set out in paragraph 2 and the exception in paragraph 4;

- 5 -

- b. Crystal Wealth and any advising representatives shall not accept any new money for investment from any existing clients, shall not accept any new clients or open any new client accounts of any kind;
- 8. pursuant to subsection 127(6) of the Act, this Order shall take effect immediately and shall expire on the 15th day after its making unless extended by the Commission.

DATED at Toronto, this 7th day of April, 2017.

"Maureen Jensen"



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF
CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED,
CLAYTON SMITH, CLJ EVEREST LTD, 1150752 ONTARIO LIMITED, CRYSTAL
WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL
ENLIGHTENED RESOURCE & PRECIOUS METAL FUND, CRYSTAL WEALTH
MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY,
ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD
MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE
SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND,
CRYSTAL WEALTH ENLIGHTENED HEDGE FUND,
CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS
CAPITAL STRATEGY and
CRYSTAL WEALTH RETIREMENT ONE FUND**

Janet Leiper, Commissioner

October 2, 2017

ORDER

(Subsection 127(8) of the *Securities Act*, RSO 1990, c S.5)

WHEREAS on October 2, 2017, the Ontario Securities Commission (the **Commission**) held a hearing at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, Ontario, with respect to an application by Staff of the Commission (**Staff**) to extend the temporary cease trade order initially issued on April 6, 2017, amended on April 7, 2017, and extended on April 13, 2017 and April 28, 2017 (the **Temporary Order**);

ON READING the materials filed by Staff, the consent email dated September 21, 2017 from counsel for the Receiver, Grant Thornton Limited which was appointed by order of the Ontario Superior Court of Justice (Commercial List) pursuant to section 129 of the *Securities Act*, RSO 1990, c S.5 (the **Act**) on April 26, 2017 (the **Receiver**), and the email of Clayton Smith (**Smith**), dated September 23, 2017 stating that Smith does not consent to the extension of the Temporary Order, and on considering the oral submissions of Staff, appearing in person, and no one appearing for the Receiver and no one appearing for Smith although properly served;

IT IS ORDERED that:

1. pursuant to subsection 127(8) of the Act, the Temporary Order is extended until April 10, 2018, or until further order of the Commission, without prejudice to the right of any of the parties to seek to vary the Temporary Order on application to the Commission, with the following modifications:

- 2 -

- a. the portions of paragraphs 4 and 5 of the order dated April 7, 2017, referring to Smith in his capacity as advising representative are struck, given that Smith is no longer acting in the capacity of an advising representative at Crystal Wealth Management System Limited, as his registration was automatically suspended when he was terminated by the Receiver; and
2. the hearing of this matter is adjourned until April 9, 2018 at 10:00 a.m. or such other date and time as provided by the Office of the Secretary and agreed to by the parties.

DATED at Toronto, this 2nd October, 2017.

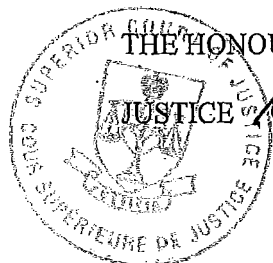


Janet Leiper

APPENDIX 2

Court File No. CV-17-11779-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST



THE HONOURABLE

JUSTICE

NEWBOU

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)
)

WEDNESDAY, THE 26th DAY

OF APRIL, 2017

ONTARIO SECURITIES COMMISSION

Applicant

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ
EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA
STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL
ENLIGHTENED RESOURCE & PRECIOUS METALS FUND, CRYSTAL WEALTH
MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING
STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH
HIGH YIELD MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED BULLION
FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE
PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL
WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS
CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, and
CHRYSLIS YOGA INC.

Respondents

Application under Section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Ontario Securities Commission (the "**Commission**") for an Order pursuant to section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Securities Act*") appointing Grant Thornton Limited ("**GTL**") as: (i) receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of each of the Respondents except the Respondent, Chrysalis Yoga Inc. ("**Chrysalis Yoga**") (each of the Respondents except for Chrysalis Yoga being individually and collectively, the "**Crystal Wealth Group**"); and (ii) Receiver of the account of the Respondent, Chrysalis Yoga, No. 87296 00518 10 at Bank of Nova Scotia (the "**Chrysalis Account**"), and of all contents, including funds, contained in the Chrysalis Account, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the application record of the Commission, including the affidavit of Marcel Tillie sworn April 17, 2017 and the exhibits thereto, the affidavit of Michael Ho sworn April 17, 2017 and the exhibits thereto, the supplementary affidavit of Michael Ho sworn April 24, 2017 and the exhibits thereto, the affidavit of David Adler sworn April 24, 2017 and the exhibits thereto, the consent of GTL to act as the Receiver, and the factum and brief of authorities of the Commission, and on hearing the submissions of counsel for the Commission, counsel for the Crystal Wealth Group, and counsel for Chrysalis Yoga,

CONSOLIDATION

1. **THIS COURT ORDERS** that the application to extend Freeze Directions commenced by the Commission by way of a notice of application issued through this Honourable Court on April 18, 2017 (Court File No. CV-17-11769-00CL) is hereby consolidated with the within application and that they proceed as one application identified by Court File No. CV-17-11779-00CL.

SERVICE

2. **THIS COURT ORDERS** that the time for service and filing of the Commission's notice of application, application record, and factum is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

- 2 -

APPOINTMENT

3. **THIS COURT ORDERS** that pursuant to section 129 of the *Securities Act*, GTL is hereby appointed Receiver, without security, of:

- (a) all of the present and future assets, undertakings and properties of the Crystal Wealth Group of every nature and kind whatsoever, whether in the possession or under the control of the Crystal Wealth Group or any other Person (as defined herein) and wherever situate including all proceeds thereof (the "**Property**"), including, without limitation, cash, deposit instruments, securities or other property held by the Crystal Wealth Group on behalf of or in trust for any other person or entity and the funds, securities, or other property frozen by Freeze Directions issued by the Commission on April 6 and 7, 2017 which are attached hereto as Schedule "**A**"; and
- (b) as the Receiver of the Chrysalis Account, and of all contents, including funds, contained in the Chrysalis Account (hereinafter included in all references to the Property).

4. **THIS COURT ORDERS** that all institutions holding funds on deposit to the credit of the Crystal Wealth Group, or any of them, including the institutions which are the subject of the Freeze Directions attached hereto as Schedule "**A**", are directed to pay all such funds to the Receiver or as the Receiver may otherwise direct in writing.

5. **THIS COURT ORDERS** that the the Freeze Directions issued by the Commission on April 6, 2017 with respect to Chrysalis Yoga, copies of which are attached hereto as Schedule "**B**", shall continue until further order of this Court, with the exception:

- (a) that the funds contained in the Chrysalis Account shall be paid by Bank of Nova Scotia to the Receiver or as the Receiver may otherwise direct in writing, and that the Receiver shall have unrestricted access to the Chrysalis Account and records in connection therewith; and

- 3 -

(b) Chrysalis Yoga shall be permitted to use a bank account opened by Chrysalis Yoga at the Canadian Imperial Bank of Commerce, account no. 05162 010 59 37914 (the "**Chrysalis Yoga CIBC Account**"), for the sole purpose of operating Chrysalis Yoga's yoga studio business, provided that:

- (i) ~~the sole sources of the funds deposited into the Chrysalis Yoga CIBC Account shall be: (i) the parents of Shanine Lee Dennill; or (ii) clients of the yoga studio operated by Chrysalis Yoga, and not, directly or indirectly, from the Respondent Clayton Smith ("Smith") and entities connected with or related to Smith as further particularized in sub-paragraph 5(b)(ii) below;~~
- (ii) the Chrysalis Yoga CIBC Account shall not be used in any manner by, and the funds contained therein shall not be received from or distributed to, directly or indirectly, Smith or persons or entities connected with or related to Smith, including, without limitation: (i) the Crystal Wealth Group; (ii) any investment funds managed by Crystal Wealth Management System Limited; or (iii) any other company associated with Smith; and
- (iii) copies of monthly bank statements for the Chrysalis Yoga CIBC Account shall forthwith be provided on a monthly basis by Chrysalis Yoga to Staff of the Ontario Securities Commission ("**Staff**"), until such time as Staff revokes or varies this requirement in writing, or the Ontario Securities Commission or Ontario Superior Court of Justice (Commercial List) orders otherwise.

RECEIVER'S POWERS

6. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality

- 4 -

of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Crystal Wealth Group, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Crystal Wealth Group;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, legal counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Crystal Wealth Group or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group and to exercise all remedies of the Crystal Wealth Group in collecting such monies, including, without limitation, to enforce any security held by the Crystal Wealth Group;

- 5 -

- (g) to settle, extend or compromise any indebtedness owing to the Crystal Wealth Group;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Crystal Wealth Group, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Crystal Wealth Group, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business as follows:
 - (i) without the approval of this Court, liquidating any exchange traded securities and derivatives held by the Respondents, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal

- 6 -

Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund (collectively, the **"Crystal Wealth Funds"**), Crystal Wealth Management System Limited (**"Crystal Wealth"**), CLJ Everest Ltd. (**"CLJ Everest"**), and 1150752 Ontario Limited (**"115"**), within 60 days of the Receiver's appointment, or within such longer period of time as the Receiver deems advisable;

- (ii) without the approval of this Court, selling, conveying, transferring, leasing, or assigning any other Property of the Crystal Wealth Funds, including without limitation illiquid assets such as film loans, mortgages, medical receivables, factoring receivables, or any other illiquid assets, regardless of the purchase price or aggregate purchase price of such transactions;
- (iii) without the approval of this Court, selling, conveying, transferring, leasing, or assigning any other Property of Crystal Wealth, CLJ Everest, and 115 in which the consideration for the transaction does not exceed \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000;
- (iv) with the approval of this Court, selling, conveying, transferring, leasing, or assigning any other Property of Crystal Wealth, CLJ Everest, and 115 in which the consideration for the transaction or the aggregate consideration for all such transactions exceeds \$250,000 or \$1,000,000, respectively; and
- (v) with the approval of this Court, selling, conveying, transferring, leasing, or assigning any Property of the Respondent, Clayton Smith;

- 7 -

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with any person or entity deemed necessary or advisable by the Receiver on all matters as the Receiver deems appropriate relating to the Property, the affairs of the Crystal Wealth Group, and the receivership, and to share information with such persons and entities, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental or regulatory authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Crystal Wealth Group;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Crystal Wealth Group, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Crystal Wealth Group;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Crystal Wealth Group may have;
- (r) without limiting the generality of clause 6(m) above, to share information, meet with and discuss with any regulatory bodies and their advisors, including without limitation the Commission and any other regulatory

- 8 -

authorities as the Receiver deems appropriate on all matters relating to the Property, the affairs of the Crystal Wealth Group, and the receivership of the Crystal Wealth Group, subject to such terms as to confidentiality as the Receiver deems advisable, including, without limitation, the Communications Protocol attached as Schedule "C" hereto;

- (s) to examine under oath any person the Receiver reasonably considers to have knowledge of the affairs of the Crystal Wealth Group, including, without limitation, any present or former director, officer, employee or person registered or previously registered with the Commission or subject to or formerly subject to the jurisdiction of the Commission or any other regulatory body respecting the Property and affairs of the Crystal Wealth Group;
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (u) and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Crystal Wealth Group, and without interference from any other Person.

7. **THIS COURT ORDERS** that the Receiver may engage as its legal counsel Aird & Berlis LLP, notwithstanding that Aird & Berlis LLP has had an advisory role with respect to the Commission.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

8. **THIS COURT ORDERS** that (i) the Respondents, (ii) all of their current and former directors, officers, employees, persons registered or previously registered or subject or formerly subject to the jurisdiction of the Commission or any other regulatory body, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a

- 9 -

"Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

9. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not required, to take possession and control of any monies, funds, deposit instruments or securities held by or in the name of the Crystal Wealth Group, or any of them, or by a third party for the benefit of the Crystal Wealth Group, or any of them, including without limitation the monies, funds, deposit instruments, or securities held in the accounts listed on the attached Schedule "D".

10. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Respondents, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 10 or in paragraph 11 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure, and that, without limiting the generality of subparagraph 6(r) or this paragraph 10 of this Order, the process for the Commission's review of information that may include documents over which privilege may be claimed, which process is attached as Schedule "E" hereto, is hereby approved.

11. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the

- 10 -

information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

12. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

13. **THIS COURT ORDERS** that no proceeding or enforcement process in any court, tribunal, regulatory or administrative body (each, a "Proceeding") shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE CRYSTAL WEALTH GROUP OR THE PROPERTY

14. **THIS COURT ORDERS** that no Proceeding against or in respect of the Crystal Wealth Group or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Crystal Wealth Group or the Property are hereby stayed and suspended pending further Order of this Court, provided that nothing herein shall prevent the commencement or continuation of any investigation or proceedings against the Respondents or any of them by or

- 11 -

before any regulatory body including, without limitation, the Commission or the Enforcement Staff of the Ontario Securities Commission.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that all rights and remedies against the Crystal Wealth Group, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Crystal Wealth Group to carry on any business which the Crystal Wealth Group is not lawfully entitled to carry on; (ii) exempt the Receiver or the Crystal Wealth Group from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

16. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Crystal Wealth Group, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Crystal Wealth Group or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Crystal Wealth Group are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Crystal Wealth Group's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in

- 12 -

accordance with normal payment practices of the Crystal Wealth Group or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

18. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

19. **THIS COURT ORDERS** that all employees of the Crystal Wealth Group shall remain the employees of the Crystal Wealth Group until such time as the Receiver, on the Crystal Wealth Group's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay.

PIPEDA

20. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and any other applicable privacy legislation, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such

- 13 -

information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Crystal Wealth Group, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

21. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act*, and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

22. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by any applicable legislation.

RECEIVER'S ACCOUNTS

23. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless

- 14 -

otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.

24. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

25. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

26. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.

- 15 -

27. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

28. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "F" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

29. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

30. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in these proceedings, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure (the "**Rules**"). Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL; www.grantthornton.ca/crystalwealth.

31. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding a notice with a link to the Case Website to the Crystal Wealth Group's creditors or other interested parties by email, facsimile transmission, or ordinary mail to their respective addresses as last shown on the records of the Crystal Wealth Group, or as otherwise ordered by the Court, and that any such service or distribution by email, facsimile transmission, or ordinary

- 16 -

mail shall be deemed to be received on the next business day following the date of sending thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

32. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

33. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Crystal Wealth Group.

34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

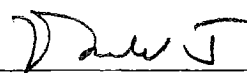
35. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

36. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than thirty (30) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

APR 26 2017

PER / PAR:



SCHEDULE "A"
FREEZE DIRECTIONS - CRYSTAL WEALTH GROUP

See attached.



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

Phone: 416-263-7663
Fax: 416-593-2319

Web site: www.osc.gov.on.ca

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED
192 Plains Road East
Burlington, Ontario
L7T 2C3

C/O: CLAYTON SMITH
192 Plains Road East
Burlington, Ontario
L7T 2C3

**RE: Accounts at NBCN Inc., Royal Bank of Canada, The Toronto Dominion Bank and
Interactive Brokers Canada Inc.**

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring,

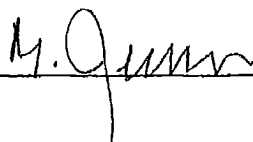
dissipating or otherwise dealing with or diminishing the value of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise, except that Crystal Wealth may dispose of securities and derivatives already held in Brokerage Accounts identified on Schedule "A" as at the date of the Directions on behalf of one or more of the following funds:

Crystal Wealth Media Strategy (the "Media Fund")
Crystal Wealth Mortgage Strategy (the "Mortgage Fund")
Crystal Enlightened Resource & Precious Metal Fund (the "Enlightened Resource Fund")
Crystal Wealth Medical Strategy (the "Medical Fund")
Crystal Wealth Enlightened Factoring Strategy (the "Factoring Fund")
ACM Growth Fund
ACM Income Fund
Crystal Wealth High Yield Mortgage Strategy (the "High Yield Mortgage Fund")
Crystal Enlightened Bullion Fund (the "Enlightened Bullion Fund")
Absolute Sustainable Dividend Fund (the "Sustainable Dividend Fund")
Absolute Sustainable Property Fund (the "Sustainable Property Fund")
Crystal Wealth Enlightened Hedge Fund (the "Enlightened Hedge Fund")
Crystal Wealth Infrastructure Strategy (the "Infrastructure Fund")
Crystal Wealth Conscious Capital Strategy (the "Conscious Capital Fund")
Crystal Wealth Retirement One Fund (the "Retirement Fund")

(collectively the "Funds"),

provided that any disposition of securities on behalf of the Funds occurs through the facilities of a recognized exchange and all proceeds of such sales are maintained in the account of the Fund on whose behalf the trade is executed.

DATED at Toronto this 6th day of April, 2017.



SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
NBCN Inc.	Crystal Wealth Management System Limited	27Q000A
NBCN Inc.	Crystal Wealth Management System Limited	27QCNA
NBCN Inc.	Crystal Wealth Management System Limited	27QTAA
NBCN Inc.	Crystal Wealth Management System Limited	27QAABC
NBCN Inc.	Crystal Wealth Management System Limited	27QCNC
Royal Bank of Canada	Crystal Wealth Management System Limited	00002 1304211
Royal Bank of Canada	Crystal Wealth Management System Limited	00002 1304260
The Toronto Dominion Bank	Crystal Wealth Management System Limited	5004279-0122
Interactive Brokers Canada Inc.	Crystal Wealth Management System Limited	F4795511
The Toronto Dominion Bank	Crystal Wealth Mortgage Strategy	5266530-0125
Interactive Brokers Canada Inc.	ACM Growth Fund	U1446894
Interactive Brokers Canada Inc.	Crystal Wealth Strategic Yield Media Fund	U4657920
Interactive Brokers Canada Inc.	Crystal Wealth Medical Income Fund	U4895282
Interactive Brokers Canada Inc.	Crystal Enlightened Resource and Precious Metals Fund	U4804316

Institution	Account Name	Account Number
NBCN Inc.	Crystal Wealth Media Strategy	27Q003E
NBCN Inc.	Crystal Wealth Media Strategy	27Q003F
NBCN Inc.	Crystal Wealth Mortgage Strategy	27Q050E
NBCN Inc.	Crystal Wealth Mortgage Strategy	27Q050F
NBCN Inc.	Crystal Enlightened Resource & Precious Metal Fund	27Q070E
NBCN Inc.	Crystal Enlightened Resource & Precious Metal Fund	27Q070F
NBCN Inc.	Crystal Wealth Medical Strategy	27Q080E
NBCN Inc.	Crystal Wealth Medical Strategy	27Q080F
NBCN Inc.	Crystal Wealth Enlightened Factoring Strategy	27Q090E
NBCN Inc.	Crystal Wealth Enlightened Factoring Strategy	27Q090F
NBCN Inc.	ACM Growth Fund	27QA23E
NBCN Inc.	ACM Growth Fund	27QA23F
NBCN Inc.	ACM Income Fund	27QA24E
NBCN Inc.	ACM Income Fund	27QA24F
NBCN Inc.	Crystal Wealth High Yield Mortgage Strategy	27QB26E
NBCN Inc.	Crystal Wealth High Yield Mortgage Strategy	27QB26F

Institution	Account Name	Account Number
NBCN Inc.	Crystal Enlightened Bullion Fund	27QC25E
NBCN Inc.	Crystal Enlightened Bullion Fund	27QC25F
NBCN Inc.	Absolute Sustainable Dividend Fund	27QD93A
NBCN Inc.	Absolute Sustainable Dividend Fund	27QD93B
NBCN Inc.	Absolute Sustainable Property Fund	27QD94A
NBCN Inc.	Absolute Sustainable Property Fund	27QD94B
NBCN Inc.	Crystal Wealth Englightened Hedge Fund	27QF14E
NBCN Inc.	Crystal Wealth Englightened Hedge Fund	27QF14F
NBCN Inc.	Crystal Wealth Infrastructure Strategy	27QG01E
NBCN Inc.	Crystal Wealth Infrastructure Strategy	27QG01F
NBCN Inc.	Crystal Wealth Conscious Capital Strategy	27QH93E
NBCN Inc.	Crystal Wealth Conscious Capital Strategy	27QH93F
NBCN Inc.	Crystal Wealth Retirement Retirement One Fund	27QB27E
NBCN Inc.	Crystal Wealth Retirement Retirement One Fund	27QB27F



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: CLAYTON SMITH
5043 Mount Nemo Crescent
Burlington, Ontario
L7M 0T7

RE: Accounts at The Toronto Dominion Bank

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

DATED at Toronto this 6th day of April, 2017.

SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
The Toronto Dominion Bank	Clayton Edward Smith	6045439-2228
The Toronto Dominion Bank	Clayton Edward Smith and Lee Ann Smith	0523771-0122



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: CLJ EVERBEST LTD.
5043 Mount Nemo Crescent
Burlington, Ontario
L7M 0T7

C/O: CLAYTON SMITH
5043 Mount Nemo Crescent
Burlington, Ontario
L7M 0T7

RE: Accounts at The Toronto Dominion Bank

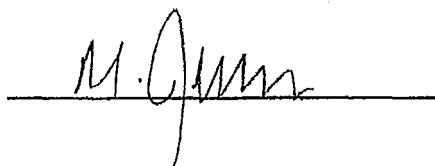
TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds,

7

securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

DATED at Toronto this 6th day of April, 2017.

A handwritten signature, appearing to be "M. Quinn", is written over a horizontal line.

SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
The Toronto Dominion Bank	CLJ Everest Ltd	5002640-0122



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: Branch Manager
Royal Bank of Canada
200 Bay Street
Main Floor
Toronto, Ontario
M5J 2J5

RE: Crystal Wealth Management System Limited

All Accounts and Sub Accounts under Nos. (1) 00002 1304211 and (2) 00002 1304260

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **Crystal Wealth Management System Limited** including any funds, securities or property on deposit in accounts with the following numbers:

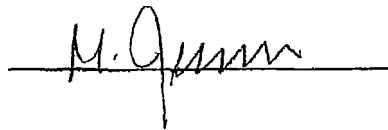
00002 1304211, and
00002 1304260

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of Royal Bank of Canada.

DATED at Toronto this 6th day of April, 2017.

A handwritten signature, appearing to be "M. Quinn", is written over a horizontal line.



Ontario
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de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: Branch Manager
Interactive Brokers Canada Inc.
1800 McGill College Avenue
Suite 2106
Montreal, Quebec
H3A 3J6

RE: 1. ACM Growth Fund,
2. Crystal Wealth Management System Limited,
3. Crystal Wealth Strategic Yield Media Fund,
4. Crystal Wealth Medical Income Fund, and
5. Crystal Enlightened Resource and Precious Metals Fund

All Accounts and Sub Accounts under Nos. (1) U1446894, (2) F4795511, (3) U4657920,
(4) U4895282 and (5) U4804316

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of ACM Growth Fund, Crystal Wealth Management System Limited, Crystal Wealth Strategic Yield Media Fund, Crystal Wealth Medical Income Fund and Crystal Enlightened Resource and Precious Metals Fund (the "Funds") including any funds, securities or property on deposit in accounts with the following numbers:

2

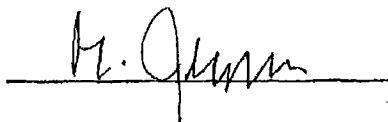
U1446894,
F4795511,
U4657920,
U4895282, and
U4804316

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise, with the exception that securities other than units of Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metal Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund (collectively the "Crystal Wealth Funds"), held in the name of, or otherwise under the control of, or on behalf of any of the Funds in the accounts at the brokerage may be sold provided that the disposition occurs through the facilities of a recognized exchange and all proceeds of such sales are maintained in the account where such securities were held.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of Interactive Brokers Canada Inc.

DATED at Toronto this 6th day of April, 2017.

A handwritten signature in dark ink, appearing to read "M. Quinn", is written over a horizontal line.



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: Branch Manager
NBCN Inc.
The Exchange Tower
130 King Street West
Suite 3000
PO Box 21
Toronto, Ontario
M5X 1J9

RE: 1. Crystal Wealth Media Strategy,
2. Crystal Wealth Mortgage Strategy,
3. Crystal Enlightened Resource & Precious Metal Fund,
4. Crystal Wealth Medical Strategy,
5. Crystal Wealth Enlightened Factoring Strategy,
6. ACM Growth Fund,
7. ACM Income Fund,
8. Crystal Wealth High Yield Mortgage Strategy,
9. Crystal Enlightened Bullion Fund,
10. Absolute Sustainable Dividend Fund,
11. Absolute Sustainable Property Fund,
12. Crystal Wealth Enlightened Hedge Fund,
13. Crystal Wealth Infrastructure Strategy,
14. Crystal Wealth Conscious Capital Strategy,
15. Crystal Wealth Management System Limited, and
16. Crystal Wealth Retirement One Fund

All Accounts and Sub Accounts under Nos. (1) 27Q003E and 27Q003F, (2) 27Q050E and 27Q050F, (3) 27Q070E and 27Q070F, (4) 27Q080E and 27Q080F, (5) 27Q090E and 27Q090F, (6) 27QA23E and 27QA23F, (7) 27QA24E and 27QA24F, (8) 27QB26E and 27QB26F, (9) 27QC25E and 27QC25F, (10) 27QD93A and 27QD93B, (11) 27QD94A and 27QD94B, (12) 27QF14E and 27QF14F, (13) 27QG01E and 27QG01F, (14) 27QH93E and 27QH93F, (15) 27Q000A, 27QCNA, 27QTAAA, 27QAABC and 27QCNCA, and (16) 27QB27E and 27QB27F

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metal Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund (collectively the "Funds") and Crystal Wealth Management System Limited including any funds, securities or property on deposit in accounts with the following numbers:

27Q003E and 27Q003F,
 27Q050E and 27Q050F,
 27Q070E and 27Q070F,
 27Q080E and 27Q080F,
 27Q090E and 27Q090F,
 27QA23E and 27QA23F,
 27QA24E and 27QA24F,
 27QB26E and 27QB26F,
 27QC25E and 27QC25F,
 27QD93A and 27QD93B,
 27QD94A and 27QD94B,
 27QF14E and 27QF14F,
 27QG01E and 27QG01F,
 27QH93E and 27QH93F,
 27Q000A, 27QCNA, 27QTAAA, 27QAABC and 27QCNCA, and
 27QB27E and 27QB27F

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise, with the exception:

- (1) securities other than units of the Funds held in the name of or otherwise under the control of or on behalf of any of the Funds in the accounts at the brokerage may be sold provided that the sale or disposition occurs through the facilities of a recognized

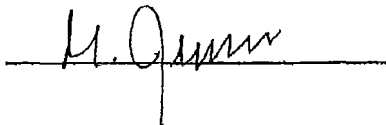
exchange and all proceeds of such sales or distributions are maintained in the account where such securities were held; and

- (2) of managed accounts, except managed accounts in the name or for the benefit of Clayton Edward Smith, Crystal Wealth Management System Limited, CLJ Everest Ltd., Chrysalis Yoga Inc., 1150752 Ontario Limited and Lee Ann Smith.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of NBCN Inc.

DATED at Toronto this 6th day of April, 2017.

A handwritten signature, appearing to read "M. Quinn", is written over a horizontal line.



Ontario
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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: Branch Manager
TD Bank Group
2931 Walkers Line
Burlington, Ontario
L7M 4M6

RE: Clayton Edward Smith
All Accounts and Sub Accounts under No. 6045439-2228

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of Clayton Edward Smith including any funds, securities or property on deposit in accounts with the following number:

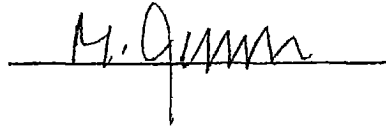
6045439-2228

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of TD Bank Group.

DATED at Toronto this 6th day of April, 2017.

A handwritten signature, appearing to read "M. Gurner", is written over a horizontal line. The signature is in cursive and includes a vertical line extending downwards from the end of the signature.



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: Branch Manager
TD Bank Group
20 Main Street East
Grimsby, Ontario
L3M 1M9

RE: 1. CLJ Everest Ltd
2. Crystal Wealth Management System Limited
3. Clayton Edward Smith and Lee Ann Smith

All Accounts and Sub Accounts under Nos. (1) 5002640-0122, (2) 5004279-0122 and (3) 0523771-0122

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of CLJ Everest Ltd, Crystal Wealth Management System Limited and Clayton Edward Smith and Lee Ann Smith including any funds, securities or property on deposit in accounts with the following numbers:

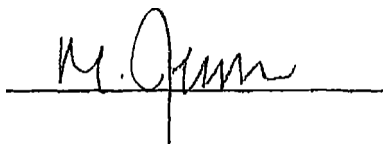
5002640-0122,
5004279-0122, and
0523771-0122

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of TD Bank Group.

DATED at Toronto this 6th day of April, 2017.

A handwritten signature, appearing to read "M. Quinn", is written over a horizontal line. The signature is in cursive and includes a vertical line extending downwards from the end of the signature.



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: Branch Manager
TD Bank Group
55 King Street West
Toronto, Ontario
M5K 1A2

RE: Crystal Wealth Mortgage Strategy
All Accounts and Sub Accounts under No. 5266530-0125

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of Crystal Wealth Mortgage Strategy including any funds, securities or property on deposit in accounts with the following number:

5266530-0125

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of TD Bank Group.

DATED at Toronto this 6th day of April, 2017.

M. J. J. J.

SCHEDULE "B"
FREEZE DIRECTIONS OVER CHRYSALIS YOGA

See attached.



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de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

Phone: 416-263-7653
Fax: 416-593-2319

Web site: www.osc.gov.on.ca

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: CHRYSALIS YOGA INC.
4040 Palladium Way
Burlington, Ontario
L7M 0C2

C/O: Shanine Lee Dennill
4040 Palladium Way
Burlington, Ontario
L7M 0C2

RE: Accounts at The Bank of Nova Scotia

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

SCHEDULE "B"
FREEZE DIRECTIONS OVER CHRYSALIS YOGA

See attached.



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

Phone: 416-283-7663
Fax: 416-593-2319

Web site: www.osc.gov.on.ca

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: CHRYSALIS YOGA INC.
4040 Palladium Way
Burlington, Ontario
L7M 0C2

C/O: Shanine Lee Dennill
4040 Palladium Way
Burlington, Ontario
L7M 0C2

RE: Accounts at The Bank of Nova Scotia

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

DATED at Toronto this 17th day of April, 2017.

M. O. Mmm

SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
The Bank of Nova Scotia	Chrysalis Yoga Inc.	87296 00518 10



Ontario
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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22^e étage
20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: Branch Manager
Bank of Nova Scotia
4519 Dundas Street
Burlington, Ontario
L7M 5B4

RE: Chrysalis Yoga Inc.
All Accounts and Sub Accounts under No. 87296 00518 10

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of Chrysalis Yoga Inc. including any funds, securities or property on deposit in accounts with the following number:

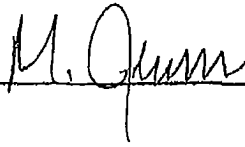
87296 00518 10

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of Bank of Nova Scotia.

DATED at Toronto this 6th day of April, 2017.



SCHEDULE "C"
COMMUNICATIONS PROTOCOL

WHEREAS:

1. Pursuant to Orders of the Honourable Justice _____ of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated April 26, 2017 (the "**Appointment Order**"), Grant Thornton Limited has been appointed as Receiver of a bank account No. 87296 00518 10 at Bank of Nova Scotia in the name of Chrysalis Yoga Inc., and of all of the assets, undertakings and properties (collectively, the "**Property**") of:
 - (i) Clayton Smith;
 - (ii) Crystal Wealth Management System Limited;
 - (iii) CLJ Everest Ltd.;
 - (iv) 1150752 Ontario Limited;
 - (v) Crystal Wealth Media Strategy;
 - (vi) Crystal Wealth Mortgage Strategy;
 - (vii) Crystal Enlightened Resource & Precious Metals Fund;
 - (viii) Crystal Wealth Medical Strategy;
 - (ix) Crystal Wealth Enlightened Factoring Strategy;
 - (x) ACM Growth Fund;
 - (xi) ACM Income Fund;
 - (xii) Crystal Wealth High Yield Mortgage Strategy;
 - (xiii) Crystal Enlightened Bullion Fund;
 - (xiv) Absolute Sustainable Dividend Fund;
 - (xv) Absolute Sustainable Property Fund;
 - (xvi) Crystal Wealth Enlightened Hedge Fund;
 - (xvii) Crystal Wealth Infrastructure Strategy;
 - (xviii) Crystal Wealth Conscious Capital Strategy;
 - (xix) Crystal Wealth Retirement One Fund;

C - 2 -

(collectively, the "Crystal Wealth Group");

2. The Receiver was initially appointed pursuant to an Application of the Ontario Securities Commission (the "OSC") under section 129 of the *Securities Act* (Ontario);
3. The OSC has commenced an investigation into the activities of Crystal Wealth Management Systems Limited ("Crystal Wealth") and its principal, Clayton Smith ("Smith"), as well as the activities of companies connected to Smith, which investigation is ongoing.
4. In the course of the Receiver's appointment it receives, reviews and is otherwise advised of confidential information (including personal information), documents and/or materials (collectively, the "Confidential Information"), including without limitation Confidential Information relating to (i) the business, operations, financial condition and/or affairs of the Crystal Wealth Group; and (ii) former and current officers, directors, employees, clients, investors, shareholders and/or creditors of the Crystal Wealth Group;
5. Pursuant to paragraph 6(r) of the Appointment Order, the Receiver is authorized to share information, meet with and discuss with any regulatory bodies ("Regulators") and their advisors, including without limitation the OSC and any other regulatory authorities as the Receiver deems appropriate, on all matters relating to the Property, the affairs of the Crystal Wealth Group and the receivership of the Crystal Wealth Group, subject to such terms as to confidentiality as the Receiver deems advisable;
6. The Receiver is of the view that if so requested by the OSC or any other Regulator, the Receiver should have the authority to provide the requesting Regulator with information and documentation regarding the Crystal Wealth Group (the "Information", which term includes, without limitation, Confidential Information), on and subject to the terms of this protocol; and
7. Staff of the OSC seeks approval of this protocol by the Court.

NOW THEREFORE:

1. The Receiver may provide Information to the OSC or a Regulator upon request by the OSC or the Regulator; provided that the Receiver determines in its sole discretion that provision of such Information (i) is in the best interests of the estate herein, (ii) would not breach or be prohibited by any agreement to which the Receiver is a party or by the laws of any jurisdiction to which the Receiver (which term includes any of its officers, partners, employees and agents) may be subject; and (iii) would not result in the breach of any duty or obligation of confidentiality to which the Receiver (which term includes any of its officers, partners, employees and agents) may be subject or which the Receiver may owe pursuant to the laws of Canada or of any other jurisdiction.
2. The Regulator will deal with any Information provided by the Receiver in a manner consistent with any law to which the OSC or Regulator is subject, including, without limitation, the *Securities Act* (Ontario) and subject to any specific confidentiality

C - 3 -

requirements imposed by the Receiver in respect of any such Information provided to the Regulator.

3. The Receiver is in no way responsible or liable for any incorrect and/or incomplete Information.
4. The Receiver shall have no liability arising from (i) the disclosure of Information to the Regulator; (ii) the content of the Information; (iii) the use of the Information by the Regulator; or (iv) any disclosure of the Information by the OSC or Regulator.

SCHEDULE "D"
DEPOSIT ACCOUNTS

As provided at paragraph 9 of the Order to which this Schedule is attached, the Receiver is hereby empowered and authorized, but not required, to take possession and control of any monies, funds, deposit instruments, or securities held by or in the name of the Crystal Wealth Group, or any of them, or by a third party for the benefit of the Crystal Wealth Group, or any of them, including without limitation the monies, funds, deposit instruments, or securities held in the following accounts:

Institution	Account Name	Account Number
Bank of Nova Scotia	Chrysalis Yoga Inc.	87296 00518 10
Royal Bank of Canada	Crystal Wealth Management System Limited	00002 1304211
Royal Bank of Canada	Crystal Wealth Management System Limited	00002 1304260
TD Bank Group	Clayton Edward Smith	6045439-2228
TD Bank Group	CLJ Everest Ltd.	5002640-0122
TD Bank Group	Crystal Wealth Management System Limited	5004279-0122
TD Bank Group	Crystal Wealth Mortgage Strategy	5266530-0125
TD Bank Group	Clayton Edward Smith and Lee Ann Smith	0523771-0122
TD Bank Group	1150752 Ontario Limited	5001601-0122
Interactive Brokers Canada Inc.	ACM Growth Fund	U1446894
Interactive Brokers Canada Inc.	Crystal Wealth Management System Limited	F4795511

D - 2

Institution	Account Name	Account Number
Interactive Brokers Canada Inc.	Crystal Wealth Strategic Yield Media Fund	U4657920
Interactive Brokers Canada Inc.	Crystal Wealth Medical Income Fund	U4895282
Interactive Brokers Canada Inc.	Crystal Enlightened Resource and Precious Metals Fund	U4804316
NBCN Inc.	Crystal Wealth Media Strategy	27Q003E
NBCN Inc.	Crystal Wealth Media Strategy	27Q003F
NBCN Inc.	Crystal Wealth Mortgage Strategy	27Q050E
NBCN Inc.	Crystal Wealth Mortgage Strategy	27Q050F
NBCN Inc.	Crystal Enlightened Resource & Precious Metals Fund	27Q070E
NBCN Inc.	Crystal Enlightened Resource & Precious Metals Fund	27Q070F
NBCN Inc.	Crystal Wealth Medical Strategy	27Q080E
NBCN Inc.	Crystal Wealth Medical Strategy	27Q080F
NBCN Inc.	Crystal Wealth Enlightened Factoring Strategy	27Q090E
NBCN Inc.	Crystal Wealth Enlightened Factoring Strategy	27Q090F
NBCN Inc.	ACM Growth Fund	27QA23E
NBCN Inc.	ACM Growth Fund	27QA23F

D - 3

Institution	Account Name	Account Number
NBCN Inc.	ACM Income Fund	27QA24E
NBCN Inc.	ACM Income Fund	27QA24F
NBCN Inc.	Crystal Wealth High Yield Mortgage	27QB26E
NBCN Inc.	Crystal Wealth High Yield Mortgage	27QB26F
NBCN Inc.	Crystal Enlightened Bullion Fund	27QC25E
NBCN Inc.	Crystal Enlightened Bullion Fund	27QC25F
NBCN Inc.	Absolute Sustainable Dividend Fund	27QD93A
NBCN Inc.	Absolute Sustainable Dividend Fund	27QD93B
NBCN Inc.	Absolute Sustainable Property Fund	27QD94A
NBCN Inc.	Absolute Sustainable Property Fund	27QD94B
NBCN Inc.	Crystal Wealth Enlightened Hedge Fund	27QF14E
NBCN Inc.	Crystal Wealth Enlightened Hedge Fund	27QF14F
NBCN Inc.	Crystal Wealth Infrastructure Strategy	27QG01E
NBCN Inc.	Crystal Wealth Infrastructure Strategy	27QG01F
NBCN Inc.	Crystal Wealth Conscious Capital Strategy	27QH93E
NBCN Inc.	Crystal Wealth Conscious Capital Strategy	27QH93F

D - 4

Institution	Account Name	Account Number
NBCN Inc.	Crystal Wealth Management System Limited	27Q000A
NBCN Inc.	Crystal Wealth Management System Limited	27QCNA
NBCN Inc.	Crystal Wealth Management System Limited	27QTAA
NBCN Inc.	Crystal Wealth Management System Limited	27QAABC
NBCN Inc.	Crystal Wealth Management System Limited	27QCNCA
NBCN Inc.	Crystal Wealth Retirement One Fund	27QB27E
NBCN Inc.	Crystal Wealth Retirement One Fund	27QB27F

SCHEDULE "E"

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, *ET AL.*

PRIVILEGE PROTOCOL FOR RECEIVER PRODUCTIONS

This Protocol identifies how Staff of the Ontario Securities Commission ("**Staff**") intend to address any potentially solicitor-client privileged documents that may be obtained from the Receiver in Staff's investigation of Crystal Wealth Management Systems Limited ("**Crystal Wealth**") and its principal, Clayton Smith ("**Smith**"), as well as the activities of companies connected to Smith. Generally, Staff will make best efforts to identify, in accordance with this Protocol, any documents over which privilege may be claimed prior to reviewing them and exclude those documents from Staff's review. Staff will advise the Receiver of any privilege issues that may arise as a result of the review and will consult with the Receiver on those issues that are not otherwise addressed in this Protocol.

A. **HARD COPY DOCUMENTS**

1. The investigating team (the "**Team**") will endeavor not to request any hard copy documents from the Receiver that could be privileged.
2. Prior to requesting any documents, the Team will review any index provided by the Receiver. The Team will also not review any documents or folders obtained that on their face may contain privileged advice. For example, folders labelled "**Privileged and Confidential**" will not be reviewed and will be immediately returned to the Receiver.
3. Hard copy documents obtained from the Receiver will be scanned by the Technology & Evidence Control Unit ("**TEC**") and added to the main database of documents (the "**Main Database**").

B. **E-MAILS**

4. Upon request by the Team, the Receiver will provide electronic documents, which include the emails of certain custodians. These electronic documents will not have been reviewed for privilege prior to production.
5. TEC will upload the electronic documents into a database (the "**Receiver Database**") that is segregated from the Main Database. The Team will never have access to the Receiver Database.
6. TEC may "**de-dupe**" the electronic documents in the Receiver Database.
7. TEC will run searches through the Receiver Database to attempt to identify potentially privileged electronic documents (the "**Blind Search**"). The search terms for the Blind Search will be provided by the Team, based on its knowledge of the file (see Appendix

"A"). This list will be supplemented with a list of Ontario law firms provided by TEC.¹ Electronic documents that do not include "hits" from the Blind Search will be added to the Main Database and can be reviewed by the Team.

8. TEC will generate a summary report of the emails in the Receiver Database that contain "hits" from the Blind Search. The Report will set out the address fields (i.e., "To"; "From"; "CC" and "BCC"). A Team member will review the report to determine which emails have also been addressed to third parties and will code those emails as "Third Party". Those emails may also be added to the Main Database and can be reviewed by the Team.
9. With regard to the remaining electronic documents in the Receiver Database, that is those which generated a "hit" in the Blind Search, the Team will discuss next steps with the Receiver before taking any steps with respect to these documents. Options to consider may include, but are not limited to, delaying the assessment of privilege issues in the Receiver Database to a later time when a privilege holder is able to review or initiating a privilege review with the use of a "Filter Lawyer".

IDENTIFICATION AND SEGREGATION OF POTENTIALLY PRIVILEGED DOCUMENTS DURING REVIEW

1. In the event a Team member comes across a potentially privileged document in the Main Database, the Team member will stop reviewing the document immediately, record the document ID and advise litigation counsel, who will advise the Receiver.
2. If the potentially privileged document identified was originally a hard copy document, TEC will remove the electronic version from the Main Database and will identify the original document from the boxes provided by the Receiver. TEC will secure the document in an envelope, which will be returned to the Receiver with a completed chain of custody form.
3. If the potentially privileged document identified was originally an electronic document, TEC will remove the document from the Main Database and put it back into the Receiver Database, to which the Team has no access.
4. If possible, TEC may extract information such as name of lawyer, name of law firm, email address and, upon direction by litigation counsel, use the information to run further Blind Searches in the Main Database to segregate any similar, additional documents identified. These electronic documents will be dealt with as described in item 8, above.

Staff reserve the right to challenge at a later date any claim of solicitor client privilege that may be made over any documents identified as potentially privileged in accordance with this

¹ List downloaded from Korbitec Inc. (ACL or Automated Civil Litigation software) on July 27, 2016. The list for the Blind Search shall not include Kelly Margaritas, Margaritis Law, Stephanie McManus, or Compliance Support Services.

Protocol. Staff also acknowledge that production of a document by the Receiver does not constitute a waiver of solicitor client privilege with respect to it.

APPENDIX "A"

PRIVILEGE SEARCH TERMS
LAWYERS AND LAW FIRMS

From following list, search:

- (a) last name of known lawyer
- (b) portions of law firm email address
- (c) email address of known lawyer (to the extent not covered by (b))

	Name of Lawyer	Law Firm	Email Address
1.	Laura Paglia	Borden Ladner Gervais LLP	lPaglia@blg.com
2.	Suzanne Kittell	Borden Ladner Gervais LLP	SKittell@blg.com
3.	Kathryn M. Fuller	Borden Ladner Gervais LLP	kfuller@blg.com
4.	Martin J. Doane	Martin J. Doane, Barrister & Solicitor	mjd@martinjdoane.com
5.	Jeremy Devereux	Norton Rose Fulbright Canada LLP	Jeremy.devereux@nortonrosefulbright.com
6.	Bruce O'Toole	Crawley MacKewn Brush LLP	botoole@cmblaw.ca
7.	Ellen Bessner	Babin Bessner Spry	ebessner@babinbessnerspry.com
8.	Nigel Campbell	Blake, Cassels & Graydon LLP	nigel.comapbell@blakes.com
9.	Doug McLeod	Blake, Cassels & Graydon LLP	Doug.mcleod@blakes.com

SCHEDULE "F"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Grant Thornton Limited is the receiver and manager (in such capacities, the "Receiver") of the assets, undertakings and properties of all of the Respondents, except the Respondent Chrysalis Yoga Inc., including all proceeds thereof (collectively, the "Property", which term shall include the funds contained in the account of Chrysalis Yoga Inc. bearing No. 87296 00518 10 at Bank of Nova Scotia), appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 2017 (the "Order") made in an application having Court file number 17-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly] not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

GRANT THORNTON LIMITED, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

ONTARIO SECURITIES COMMISSION

Applicant

and CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

Respondents

Court File No. CV-17-11779-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at TORONTO**

APPOINTMENT ORDER

ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
Toronto ON M5H 3S8

Catherine Weiler (LSUC # 52424M)
Tel: (416) 204-8985
Fax: (416) 593-8321
Email: cweiler@osc.gov.on.ca

Yvonne B. Chisholm (LSUC No. #37040F)
Tel: (416) 593-2363
Fax: (416) 593-8321
Email: ychisholm@osc.gov.on.ca

*Lawyers for the Applicant,
Ontario Securities Commission*

April 26, 2017

ONTARIO SECURITIES COMMISSION

and

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

Applicant

Respondents

Court File No. CV-17-11779-0001

April 26, 2017

Council for Crystal Wealth Group and its
Chairs Yogi Inc have attended & advised
they do not oppose the order sought. I
am satisfied that the relief is fully
justified and that the requirements of
section 129 of the Securities Act have
been met. Order to go.

D. J.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto

APPLICATION RECORD
VOLUME 8 OF 8

ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
Toronto ON M5H 3S8

Catherine Weiler (LSUC #52424M)
Tel: (416) 204-8985
Fax: (416) 593-8321
Email: cweiler@osc.gov.on.ca

Yvonne B. Chisholm (LSUC No. #37040F)
Tel: (416) 593-2363
Fax: (416) 593-8321
Email: ychisholm@osc.gov.on.ca

Lawyers for the Applicant,
Ontario Securities Commission

Service of a true copy hereof admitted

this 25 day of April 2017

Chrysalis Yogi Inc.
SOLICITOR FOR

Service of a true copy hereof admitted

this 25 day of April 2017

Crystal Wealth
SOLICITOR FOR

APPENDIX 3

Court File No. CV-17-11779-00CL

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE AND PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE FUND, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, and CHRYSALIS YOGA INC.

Respondents

**APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT R.S.O. 1990,
c. S.5, AS AMENDED**

**FIRST REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS RECEIVER**

JUNE 22, 2017



Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4

TABLE OF CONTENTS

INTRODUCTION AND PURPOSE OF THE FIRST REPORT	2
RESTRICTIONS AND TERMS OF REFERENCE.....	5
BACKGROUND.....	6
OVERVIEW OF THE CRYSTAL WEALTH FUNDS.....	8
CRYSTAL WEALTH FUND DESCRIPTIONS.....	12
Mortgage Fund	12
Resource Fund	13
Factoring Fund	14
Medical Fund	15
Bullion Fund.....	16
Media Fund.....	16
High Yield Mortgage Fund	17
Infrastructure Fund	18
Hedge Fund.....	19
Conscious Capital Fund.....	19
ACM Income Fund.....	20
ACM Growth Fund	21
Sustainable Dividend Fund	22
Sustainable Property Fund	22
Retirement Fund	23
ON-BOOK ASSETS – SPECIFIC DETAILS	23
Inter-Fund Investments	23
Equities and Warrants.....	24
Private Equities and Private Warrants.....	25
Gold Contracts.....	25
External Mutual Funds	28
OFF-BOOK ASSETS – SPECIFIC DETAILS	29
Residential Mortgages	29
Term Loans & Promissory Notes	30
Media Loans	32

Factoring Contracts	40
Medical Factoring Contracts	41
US Real Estate LP.....	43
PRELIMINARY CONCLUSION REGARDING MONETIZATION OF THE CRYSTAL WEALTH FUNDS	45
PROPOSED SALE PROCESS.....	46
PROPOSED CREDITOR CLAIMS PROCEDURE ORDER	52
Claims Bar Date.....	53
Review of Proofs of Claim.....	54
Notice of Revision or Disallowance	54
Disputed Notices of Revision or Disallowance	54
Resolution of Claim.....	55
Distribution to Creditors	55
PROPOSED RELIANCE ON IFDS UNIT HOLDER LISTING FOR THE PURPOSE OF MAKING DISTRIBUTIONS TO INVESTORS.....	55
RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP.....	57
SPECIFIC ACTIVITIES OF THE RECEIVER SINCE THE APPOINTMENT ORDER.....	58
Taking Possession.....	58
Employee Matters	59
Investor Matters	59
Administration of the Funds	60
Other Activities.....	60
MOUNT NEMO PROPERTY.....	61
COMMUNICATIONS WITH INVESTMENT ADVISORS	63
THE RECEIVER'S DEALINGS WITH SMITH.....	65
Investor and Other Correspondence	65
Removal of RV & Moving Trailer.....	66
Smith's Proposed Motion & Failure to Deliver Statutory Declaration	67
ISSUES CONCERNING REPRESENTATIVE COUNSEL	68
RECEIVER'S FEES AND DISBURSEMENTS.....	72
CONCLUSION.....	74

APPENDICES

- Appendix 1** Temporary Order dated April 7, 2017
- Appendix 2** Extension Order dated April 28, 2017
- Appendix 3** Appointment Order dated April 26, 2017
- Appendix 4** Vesting Order dated April 26, 2017
- Appendix 5** Commission Affidavits
- Appendix 6** Receiver's Interim R&D dated June 16, 2017
- Appendix 7** Company Corporate Chart dated November 4, 2016
- Appendix 8** April 20th Package provided by the Company dated April 20, 2017
- Appendix 9** Summary of Crystal Wealth Fund's Investments as at April 20, 2017
- Appendix 10** Summary of Inter-fund Investments as at April 20, 2017
- Appendix 11** Summary of Gold Contracts dated April 20, 2017
- Appendix 12** Settlement Contract Example (Redacted for certain Information)
- Appendix 13** Media Loan Summary provided by the Company
- Appendix 14** US Real Estate LP Organizational Structure
- Appendix 15** Draft Claims Procedure Order
- Appendix 16** Letter to M. McCready dated April 28, 2017
- Appendix 17** Mount Nemo RFP
- Appendix 18** Smith Email dated May 1, 2017
- Appendix 19** Receiver's Response to Smith Email dated May 10, 2017
- Appendix 20** Smith Email to Paco dated May 18, 2017

- Appendix 21** Receiver's Response to Smith email to Paco dated May 20, 2017
- Appendix 22** Smith Termination Letter dated May 16, 2017
- Appendix 23** Statutory Declaration delivered by the Receiver May 18, 2017
- Appendix 24** Endorsement dated May 24, 2017
- Appendix 25** Notice of Motion included in the June 1 Materials
- Appendix 26** Endorsement dated June 2, 2017
- Appendix 27** Housego Email dated May 17, 2017
- Appendix 28** Housego Response dated May 18, 2017
- Appendix 29** Receiver's Housego Email response to investors dated May 24, 2017
- Appendix 30** May 16th Crawley Letter dated May 16, 2017
- Appendix 31** A&B Response to May 16th Crawley Letter dated May 17, 2017
- Appendix 32** May 19th Crawley Letter dated May 19, 2017
- Appendix 33** A&B Response to May 19th Crawley Letter dated May 19, 2017
- Appendix 34** Krieger Affidavit dated June 21, 2017
- Appendix 35** Graff Affidavit dated June 22, 2017

CONFIDENTIAL APPENDICES

- Appendix 1** Securityholder Services Agreement dated February 17, 2004, unsigned Securityholder Services Agreement dated May, 2009, and unsigned Amending Agreement dated November 30, 2016
- Appendix 2** Summary of Mount Nemo Property Proposals Received
- Appendix 3** Mount Nemo Property Listing Agreement dated June 8, 2017

Court File No. CV-17-11779-00CL

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE AND PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE FUND, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, and CHRYSALIS YOGA INC.

Respondents

**APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT R.S.O. 1990,
c. S.5, AS AMENDED**

**FIRST REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS RECEIVER OF THE RESPONDENTS**

JUNE 22, 2017

INTRODUCTION AND PURPOSE OF THE FIRST REPORT

- 1 On April 7, 2017, the Ontario Securities Commission (the "**OSC**") issued a temporary order (the "**Temporary Order**") providing that the trading of units of all of the Crystal Wealth Funds (defined herein) cease, that trading in securities held by the Crystal Wealth Funds cease, and prohibiting the trading in or acquisition of securities by Clayton Smith ("**Smith**") and Crystal Wealth Management System Limited (the "**Company**"), with limited exceptions that permitted Smith and the Company to liquidate exchange-traded securities in the Crystal Wealth Funds with such proceeds being deposited into the bank account of the relevant fund. A copy of the Temporary Order is attached as **Appendix "1"** to this First Report of the Receiver (the "**First Report**"). On April 28, 2017, the OSC extended the Temporary Order to October 3, 2017 (the "**Extension Order**"). The Extension Order is attached as **Appendix "2"** to this First Report.

- 2 On April 26, 2017, on application of the OSC to the Ontario Superior Court of Justice (Commercial List), the Honourable Mr. Justice Newbould issued an Order (the "**Appointment Order**") appointing Grant Thornton Limited: (i) as receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties (collectively, the "**Property**") of each of the Respondents, except the Respondent, Chrysalis Yoga Inc. ("**Chrysalis Yoga**") (each of the Respondents except for Chrysalis Yoga being individually and collectively, the "**Crystal Wealth Group**"); and (ii) as Receiver of the account of the Respondent, Chrysalis Yoga, No. 87296 00518 10 at Bank of Nova Scotia (the "**Chrysalis Account**"), and of all contents, including funds, contained in the Chrysalis Account. The proceedings were commenced by way of application made by the OSC (the "**Application**") under section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"). The said receivership proceedings, shall be referred to herein as the "**Receivership Proceedings**". A copy of the Appointment Order and the endorsement of the Honourable Mr. Justice Newbould are attached as **Appendix "3"** to this First Report of the Receiver (the "**First Report**").

- 3 On April 26, 2017, the Honourable Mr. Justice Newbould issued an Order (the "**Vesting Order**") that, among other things, authorized the Receiver to complete, on behalf of the Respondent, CLJ Everest Ltd. ("**CLJ Everest**"), the sale transaction of the property located at 5043 Mount Nemo Crescent in Burlington, Ontario (the "**Mount Nemo Property**") to Martin McCready (the "**Purchaser**") pursuant to and in accordance with an

agreement of purchase and sale dated April 12, 2017 (the "**Mount Nemo Sale Agreement**"). A copy of the Vesting Order is attached to this First Report as **Appendix "4"**.

- 4 As outlined in the OSC's Application, the appointment of the Receiver was based on concerns the OSC had regarding, among other things, the Respondent, Crystal Wealth Media Strategy (the "**Media Fund**"). The OSC presented evidence that:

- a) *...Smith advanced approximately \$9.6M from the Media Fund (which are investors' monies) to a third-party, Media House Capital (Canada) Corp., and another entity related to it, purportedly to purchase film loans for the Media Fund ("**Film Loans**", also referred to herein as "**Media Loans**"), when in fact at least \$329,930 was transferred to Smith's personal account, and \$2,307,347.50 was transferred to his personal holding company, CLJ Everest. It was stated that Smith used these monies to, among other things, make credit card payments, purchase the Mount Nemo Property, and fund his then common-law spouse's yoga studio.¹*
- b) *...raised concerns about the existence and validity of the Film Loans owned by the Media Fund, and whether the value of the Film Loans as reflected in the net asset value ("**NAV**") of the Media Fund has been materially overstated. Smith appears to have acknowledged that the Film Loans should be written down in value, but nevertheless he has not caused that to happen and the NAV of the Media Fund remained substantially unchanged.²*

- 5 The OSC stated that it believed that Smith and the Company may have:

- a) participated in a course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud, contrary to s. 126.1(1)(b) of the Act;
- b) failed to act fairly, honestly and in good faith with clients, contrary to s. 2.1 of Rule 31-505 - *Conditions of Registration*; and

¹ Affidavit of Marcel Tillie, sworn April 17, 2017, para. 26; Affidavit of Michael Ho, sworn April 17, 2017, paras. 17-63

² Affidavit of Marcel Tillie, sworn April 17, 2017, paras. 32 and 41-57.

- c) failed to comply with the standard of care expected of investment fund managers under s. 116 of the Act.

6 The potential breaches of the Act identified with respect to the Media Fund have an impact on several of the other Crystal Wealth Funds due to the significant number of inter-fund investments between the Crystal Wealth Funds which inter-fund transactions, as discussed in detail later in this First Report, are particularly prevalent with respect to the Media Fund.

7 More detailed information pertaining to the Crystal Wealth Group, including the circumstances leading to the appointment of the Receiver, are contained in the affidavits of:

- a) Marcel Tillie sworn April 17, 2017;
- b) Michael Ho sworn April 17, 2017;
- c) David Adler sworn April 24, 2017; and
- d) the supplementary affidavit of Michael Ho sworn April 24, 2017;

(collectively, the "**Commission Affidavits**"), all filed in support of the Application. Copies of the Commission Affidavits, without exhibits, are attached hereto as **Appendix "5"**.

8 The purpose of this First Report is to inform the Court of the Receiver's activities since the date of the Appointment Order, to inform the Court of the Receiver's recommendations for the sale of certain investments of the Crystal Wealth Group, and to support the Receiver's request for an order, among other things, approving:

- a) this First Report, including the actions and activities of the Receiver as described in this First Report;
- b) a claims process to be conducted by the Receiver in respect of creditor claims against the Crystal Wealth Group, other than those of investors (the "**Creditor Claims Procedure Order**");
- c) the Receiver's reliance on the Unit Holder Listing (as defined herein) to make interim distributions to investors, where possible, without further approval of the

Court, of the proceeds obtained from the divestiture of certain assets of the Crystal Wealth Funds;

- d) the Receiver's request for an Order approving the proposed sale process ("**Sale Process**") with respect to certain Crystal Wealth Funds and authorizing the Receiver to carry out its functions in accordance with the Sale Process;
- e) the Receiver's Interim Statement of Receipts and Disbursements for the period from April 26, 2017 to May 31, 2017 appended as **Appendix "6"** to the First Report;
- f) the fees and disbursements of the Receiver and Aird & Berlis LLP, legal counsel to the Receiver ("**A&B**"), as described herein; and
- g) sealing **Confidential Appendices "1", "2", and "3"** of this First Report until further Order of the Court.

- 9 The Receiver's activities since its appointment are detailed throughout this First Report, with specific details of particular activities being described at paragraph 178 below.

RESTRICTIONS AND TERMS OF REFERENCE

- 10 In preparing this First Report, the Receiver has relied upon unaudited financial information, the Crystal Wealth Group's books and records, certain financial information, discussions with the Crystal Wealth Group's former management and employees, and discussions with various interested parties (collectively, the "**Information**"). Except as described in this First Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
- 11 This First Report has been prepared for the use of this Court to provide general information and an update relating to the Receivership Proceedings for the purpose of assisting the Court in making a determination as to whether to approve the relief sought. This First Report should not be relied on for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

- 12 Capitalized terms not defined in this First Report are as defined in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.
- 13 Copies of materials filed in these Receivership Proceedings are available on the Receiver's Case Website at: www.grantthornton.ca/crystalwealth.

BACKGROUND

- 14 The Company is a corporation registered with the OSC in the categories of: "Exempt Market Dealer", "Investment Fund Manager", "Portfolio Manager", and "Commodity Trading Manager". Prior to the commencement of the Receivership Proceedings, it operated out of an office located at 192 Plains Road E., Burlington, Ontario (the "**Premises**").
- 15 Smith is the controlling mind of the Company, is listed as the sole director and officer, and holds a controlling interest of 91.76% in the Company. Smith's ownership is held indirectly through CLJ Everest, a holding company incorporated in Ontario of which Smith is the sole shareholder, officer, and director. CLJ Everest holds 28.26% of the Company's outstanding shares and 100% of the shares of the Respondent, 1150752 Ontario Limited ("**115 Ontario**"). 115 Ontario in turn holds 63.50% of the Company's outstanding shares. The remaining 8.24% of the Company's shares are held by an individual named Gary Allen who, as the Receiver understands, acts as a silent shareholder. A copy of the legal corporate structure provided by Smith to the Receiver is attached hereto as **Appendix "7"**.
- 16 At the time of the Appointment Order, Smith was registered in Ontario with the OSC as a dealing representative, an advising representative in the category of "Portfolio Manager", and an advising representative in the category of "Commodity Trading Manager". Smith was also registered as the Company's chief executive officer, chief compliance officer and ultimate designated person. In fulfilling his responsibilities in the latter two roles, Smith bears responsibility for the Company's compliance with Ontario securities laws, including, without limitation, the Act.
- 17 The Company created and managed the following 15 proprietary investment funds (collectively referred to as the "**Crystal Wealth Funds**"):
 - a) Crystal Wealth Mortgage Strategy (the "**Mortgage Fund**");

- b) Crystal Enlightened Resource and Precious Metals Fund (the "**Resource Fund**");
- c) Crystal Wealth Enlightened Factoring Strategy (the "**Factoring Fund**");
- d) Crystal Wealth Medical Strategy (the "**Medical Fund**");
- e) Crystal Enlightened Bullion Fund (the "**Bullion Fund**");
- f) Crystal Wealth Media Strategy (the Media Fund);
- g) Crystal Wealth High Yield Mortgage Strategy (the "**High Yield Mortgage Fund**");
- h) Crystal Wealth Infrastructure Strategy (the "**Infrastructure Fund**");
- i) Crystal Wealth Enlightened Hedge Fund (the "**Hedge Fund**");
- j) Crystal Wealth Conscious Capital Strategy (the "**Conscious Capital Fund**");
- k) ACM Income Fund;
- l) ACM Growth Fund;
- m) Absolute Sustainable Dividend Fund (the "**Sustainable Dividend Fund**")
- n) Absolute Sustainable Property Fund (the "**Sustainable Property Fund**"); and
- o) Crystal Wealth Retirement One Fund (the "**Retirement Fund**").

A detailed description of the Crystal Wealth Funds and the work performed by the Receiver with respect to each of them is included later in this First Report.

- 18 The Crystal Wealth Funds are structured as open-ended mutual fund trusts. Units in each of the funds were distributed to investors on an exempt basis, pursuant to offering memoranda ("**OMs**"). The Company managed the day-to-day business of the Crystal Wealth Funds and was required to make investment decisions consistent with each fund's investment objectives. Based on internal information provided by Smith, the assets under management ("**AUM**") of the Crystal Wealth Funds, as at April 20, 2017, was approximately \$193,198,912. The Receiver believes this amount is materially overstated.

OVERVIEW OF THE CRYSTAL WEALTH FUNDS

- 19 During the initial stages of its appointment, the Receiver obtained a general understanding of the Company and, in particular, the Crystal Wealth Funds. The following sections of this First Report provide a summary of the Crystal Wealth Funds and details regarding the steps and actions taken by the Receiver in this regard.
- 20 The Receiver conducted a series of discussions with Smith focusing on the process of administering the Crystal Wealth Funds, the individuals who made investment decisions, how buy/sell orders were executed by the Company, the entities involved in recording trades, and the identity of investors within the Crystal Wealth Funds at any given time, and the frequency and methodology for the pricing of the funds.
- 21 On May 4, 2017, the Receiver met with Smith and Joanne Bentley ("**Bentley**") (the Company's trading officer and an associate advising representative at the time of the Appointment Order), to review each of the Crystal Wealth Funds in detail, for the purpose of understanding the investment objective of each fund and the underlying investments contained within. During the meeting, Smith provided the Receiver with the most recent valuation package for each of the Crystal Wealth Funds prepared by the Company prior to the Appointment Order. The valuation package, dated April 20, 2017 (the "**April 20th Package**"), outlines the investments in, and respective values of, each investment for each of the funds. This information includes the acquisition cost and the supposed market value of each investment, which are referred to herein as the "**Recorded Cost**" and the "**Recorded Value**", respectively. A copy of the April 20th Package is attached to this First Report as **Appendix "8"**.
- 22 In general, each of the Crystal Wealth Funds contains one or more of the following types of investments:
 - a) cash and money market securities ("**Cash**") held with two third parties, NBCN Inc. (otherwise known as National Bank Correspondent Network) ("**NBCN**") and Interactive Brokers Canada Inc. ("**IBCI**");
 - b) investments where the underlying security is held and recorded by NBCN ("**On-Book Assets**"); and
 - c) investments not held or recorded by NBCN but rather administered by the

Company and/or a third-party ("**Off-Book Assets**")

(collectively referred to as the "**Investment Categories**").

- 23 At the conclusion of the meeting, the Receiver provided Smith with a more detailed request to provide supporting documentation verifying the existence, value, and ownership of the investments contained in each of the Crystal Wealth Funds, with specific emphasis on the Off-Book Assets.
- 24 Shortly thereafter, Smith compiled and delivered to the Receiver a set of documents in response to the Receiver's request (the "**Provided Documents**"). The Provided Documents, particularly as they relate to the Off-Book Assets, are largely incomplete. In order to supplement the Provided Documents, the Receiver has been concurrently contacting various third parties to obtain the information required to support and corroborate the assets recorded on the Company's records.
- 25 Through discussions with Smith and the Receiver's review of the Provided Documents, it became apparent to the Receiver that the governance and management of the Crystal Wealth Funds, again more relating to the Off-Book Assets, was insufficient for a Company managing AUM of purportedly approximately \$200M. Through a continued review of the additional documentation obtained from various sources, the Receiver noted that there are little to no internal tracking mechanisms in place at the Company with respect to the Off-Book Assets. In addition, there appears to be no protocol for organizing documentation with respect to the investments and no central location or repository for same. This has continued to further impact the Receiver's efforts to gain a comprehensive understanding of the Off-Book Assets.
- 26 Notwithstanding the foregoing, the following is a summary of the Crystal Wealth Funds and the Investment Categories outlined in the April 20th Package:

Fund ¹	Portfolio Manager	Cash	On-Book Assets	Off-Book Assets	Accruals	Total
Mortgage Fund	Smith	\$ 1,217,989	\$ 2,578,364	\$ 23,242,421	\$ 44,162	\$ 27,082,935
Resource Fund	A. Housego	185,489	1,908,151	966	(6,799)	2,087,807
Factoring Fund	A. Housego	411,706	11,026,656	27,771,688	(1,085,882)	38,124,168
Medical Fund	Smith	449,770	1,540,927	7,277,553	1,840	9,270,090
Bullion Fund	A. Housego	268,830	763,006	-	(2,280)	1,029,555
Media Fund	Smith	731,305	1,018,720	53,520,539	(803,721)	54,466,843
High Yield Mortgage Fund	Smith	760,006	1,378,897	3,344,820	(41,557)	5,442,165
Infrastructure Fund	Smith	2,087,302	315,000	5,362,300	-	7,764,601
Hedge Fund	A. Housego	531,692	1,561,271	11,862,643	(36,657)	13,918,950
Conscious Capital Fund	Smith	27,905	658,198	(274,000)	(2,897)	409,206
ACM Income Fund	Smith	371,053	10,458,518	-	(14,153)	10,815,417
ACM Growth Fund	Smith	(2,040,779)	13,674,671	-	(24,828)	11,609,064
Sustainable Dividend Fund	Smith	121,340	6,524,987	3,475	(19,627)	6,630,175
Sustainable Property Fund	Smith	245,796	-	4,314,619	(12,480)	4,547,935
		\$ 5,369,403	\$ 53,407,366	\$ 136,427,023	\$ (2,004,879)	\$ 193,198,912
1-USD to CAD Rate: 1.3481001						

- 27 The general types of investments contained within each of the Investment Categories, all of which are discussed in detail later in this First Report, are as follows:

a) On-Book Assets include:

- i. investments in units of Crystal Wealth Funds ("**Inter-fund Investments**");
- ii. equity investments in companies whereby the securities of same are traded on active market exchanges and readily saleable ("**Equities**") as well as warrant options for the purchase of similar shares at a stated price in respect of equities traded on active market exchanges ("**Warrants**");
- iii. equity investments in companies whereby the securities were obtained through private placements or direct purchases and are not traded on active market exchanges and therefore are not readily saleable ("**Private Equities**") and warrant options for the purchase of shares in same at a stated price ("**Private Warrants**");
- iv. gold purchase agreements for the right to purchase a stated number of gold bullion ounces ("**Gold**") at a discount ("**Gold Contracts**");
- v. fixed income debentures with the option for the holder to convert the instrument into a set number of shares in the borrower ("**Convertible Debentures**");

- vi. unit holdings in mutual funds not managed by the Company and thus external to the Crystal Wealth Group, which the Receiver understands should be reasonably redeemable or monetizable ("**External Mutual Funds**"); and
- vii. currency future contracts, entered into with the purpose of hedging against a decline of the U.S. Dollar in relation to the Canadian Dollar ("**USD Futures**").

b) Off-Book Assets include:

- i. investments in first or second non-conventional residential mortgages administered by third parties ("**Residential Mortgages**");
- ii. term loans issued to private corporations and entities for various purposes ("**Commercial Loans**");
- iii. term loans purchased from Media House Capital (Canada) Corp. ("**MHC**") reflecting loans made to various production companies for the production of films ("**Media Loans**");
- iv. contracts with commercial businesses under which specific Crystal Wealth Funds purchased accounts of such businesses at a discount ("**Factoring Contracts**");
- v. participation rights in contracts with healthcare providers to purchase medical accounts receivable at a discount ("**Medical Factoring Contracts**"); and
- vi. preferred and common partnership units in 1076874 Properties Limited Partnership ("**107 LP**"), an entity that owns an interest in various rental properties located in the United States.

A detailed summary of the Crystal Wealth Funds and the Recorded Values of the investments as at April 20, 2017, prepared by the Receiver, is attached as **Appendix "9"** to this First Report.

CRYSTAL WEALTH FUND DESCRIPTIONS

- 28 For the purposes of this section, noted Cash balances and investment values are based on the Recorded Values in the April 20th Package, unless otherwise stated. They should not be taken as any statement, representation or reflection of actual or realizable value.

Mortgage Fund

- 29 The Mortgage Fund is the oldest active fund of the Crystal Wealth Group initially launched on or about April 12, 2007 with the objective of generating "a consistently high level of interest income with no downside volatility by investing primarily in first and second Canadian residential mortgages"³.

- 30 As at April 20, 2017, the Mortgage Fund held Cash of \$1,217,989 along with the following investments:

a) On-Book Assets:

- i. a 90 day GIC with HSBC Canada with a Recorded Value of \$522,765; and
- ii. Inter-fund Investment in the Media Fund with a Recorded Value of \$2,055,599.

b) Off-Book Assets:

- i. one hundred thirty four (134) individual Residential Mortgages managed by Spectrum Canada Mortgage Services Inc. ("**Spectrum**") and Squire Management Inc. ("**Squire**"), with a Recorded Value of \$14,322,861;
- ii. Commercial Loans with a Recorded Value of \$8,543,500 made to the following entities:
 - 1. MCSnoxrecovery Inc. ("**MCSnox**") – \$2,000,000;
 - 2. 2441472 Ontario Inc. ("**1472**") – \$1,800,000;

³ <http://crystalwealth.com/quartz-strategies/crystal-wealth-mortgage-strategy/>, Mortgage Fund OM, Nov. 21, 2016.

3. Magnitude CS Energy Inc. ("**Magnitude**") – \$1,133,500;
4. Pond Technologies Inc. (formerly known as Pond Biofuels Inc.) ("**Pond**") – \$3,110,000; and
5. Kanwal Development Inc. ("**Kanwal**") – \$500,000.

A detailed discussion of the Commercial Loans appears later in this First Report.

- iii. accrued and uncollected interest related to Residential Mortgages and Commercial Loans with a Recorded Value of \$376,060.

Resource Fund

- 31 The Resource Fund was launched on or about August 14, 2009, and its objective was to "...generate positive absolute annual returns by investing primarily in securities with economic exposure to the global resource and precious metals sector"⁴.
- 32 As at April 20, 2017, the Resource Fund held Cash of \$185,489. The Resource Fund also held the following investments:
 - a) On-Book Assets:
 - i. thirty nine (39) Equities in the resource and precious metals sector with a Recorded Value of \$1,563,820 along with 21 Warrants with a Recorded Value of \$36,878;
 - ii. one (1) 5% Convertible Debenture with a Recorded Value of \$50,000 plus accrued interest with a Recorded Value of \$966 (recorded as an Off-Book Asset);
 - iii. one (1) USD foreign exchange contract with a Recorded Value of negative \$4,718; and

⁴ crystalwealth.com/sapphire-funds/crystal-enlightened-resource-and-precious-metals-fund, Resource Fund OM, Nov. 21, 2016.

- iv. Inter-fund Investments in the Bullion Fund and Factoring Fund with Recorded Values of \$261,643 and \$528, respectively.

Factoring Fund

- 33 The Factoring Fund has an inception date of on or about January 22, 2010 and an objective to "...provide consistently positive total returns while seeking to protect against downside risk by investing primarily in commercial factoring contracts"⁵. In addition, the Factoring Fund is "...authorized to invest in other securities including equities, fixed income securities, investment funds and exchange-traded derivatives"⁶. The exclusive partner of this Crystal Wealth Fund in executing this strategy is Frontline Factoring Inc. ("Frontline"). Frontline is discussed later in this First Report.
- 34 As at April 20, 2017, the Factoring Fund held Cash of \$411,706 and held the following investments:
- a) On-Book Assets:
 - i. six (6) Equities and three (3) Warrants totaling a Recorded Value of \$988,026;
 - ii. one (1) 10% Convertible Debenture, from Garmatex Holdings Ltd. with a Recorded Value of \$30,000;
 - iii. five (5) Gold Contracts with a Recorded Value of \$6,996,654;
 - iv. one (1) External Mutual Fund with a Recorded Value of 67,406;
 - v. USD foreign exchange contracts with a Recorded Value of negative \$8,234; and
 - vi. Inter-fund Investments in the Hedge Fund and Media Fund with Recorded Values of \$2,951,950 and \$854, respectively.

⁵ crystalwealth.com/sapphire-funds/crystal-wealth-enlightened-factoring-strategy, Factoring Fund OM, Nov. 21, 2016

⁶ crystalwealth.com/sapphire-funds/crystal-wealth-enlightened-factoring-strategy, Factoring Fund OM, Nov. 21, 2016

b) Off-Book Assets:

- i. a promissory note with a principal amount owing of USD \$125,000 (Recorded Value of \$168,513) along with an additional conversion option for common shares in the borrower, 1092545 B.C. Ltd. ("**109 BC**"), along with accrued interest with a Recorded Value of \$41,136;
- ii. twelve (12) Factoring Contracts managed by Frontline with a Recorded Value of \$22,821,205, in addition to accrued interest and fees with a Recorded Value of \$1,641,268; and
- iii. a 31.545% ownership in 107 LP with Recorded Cost and a Recorded Value of \$2,898,415 (US \$2,650,000) in addition to accrued (but uncollected) interest with a Recorded Value of \$201,151.

Medical Fund

35 The Medical Fund was launched on or about January 22, 2010 with an objective to "...generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in American health care receivables"⁷. The exclusive partner in executing this strategy is Xynergy Medical Capital LLC ("**Xynergy**"), who is discussed later in this First Report.

36 As at April 20, 2017, the Medical Fund held Cash of \$449,770 and the following investments:

a) On-Book Assets:

- i. one (1) External Mutual Fund with a Recorded Value of \$25,288;
- ii. one (1) USD Equity traded on the "Over-The-Counter Markets Exchange" in the United States with a Recorded Value of \$7,846;
- iii. one (1) USD foreign exchange contract with a Recorded Value of negative \$18,812; and

⁷ <http://crystalwealth.com/quartz-strategies/crystal-wealth-medical-strategy/>, Medical Fund OM, Nov. 21, 2016

- iv. Inter-fund Investment in the Media Fund with a Recorded Value of \$1,526,605.

b) Off-Book Assets:

- i. thirty (30) Medical Factoring Contracts managed by Xynergy and accrued fees related to same with Recorded Values of \$6,470,773 (US \$4,800,019) and \$806,780 (US \$598,469), respectively.

Bullion Fund

37 The Bullion Fund was launched on or about July 3, 2015. The Bullion Fund's objective was to "...provide investors with the opportunity to invest in gold and silver bullion in a convenient way while simultaneously earning a yield on their bullion holdings"⁸.

38 As at April 20, 2017, the Bullion Fund held Cash of \$268,830 and the following investments:

a) On-Book Assets:

- i. two (2) Gold Contracts with a Recorded Value of \$763,006.

Media Fund

39 The Media Fund was launched on or about September 2, 2011. This fund's objective was to "...generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in debt obligations of motion pictures and series television productions"⁹. The exclusive partner in executing this strategy was MHC, who is discussed in detail later in this First Report.

40 As at April 20, 2017, the Media Fund held Cash of \$731,305 and the following investments:

a) On-Book Assets:

- i. one (1) External Mutual Fund with a recorded value of \$1,042,228; and

⁸ <http://crystalwealth.com/sapphire-funds/crystal-enlightened-bullion-fund/>, Bullion Fund OM, May 17, 2016

⁹ <http://crystalwealth.com/quartz-strategies/crystal-wealth-media-strategy/>, Media Fund OM, Nov. 21, 2016

- ii. one (1) USD foreign exchange contract with a negative Recorded Value of \$23,508.

b) Off-Book Assets all managed by MHC:

- i. twenty one (21) CAD Media Loans with principal and accrued interest Recorded Values of \$33,649,959 and \$11,873,156, respectively; and
- ii. four (4) USD Media Loans with principal and accrued interest Recorded Values of \$5,325,456 (US \$3,950,423) and \$2,671,968 (US \$1,982,065), respectively.

High Yield Mortgage Fund

41 The High Yield Mortgage Fund was launched on or about January 23, 2015. The High Yield Mortgage Fund's objective was to "...generate a consistently high level of interest income while focusing on preservation of capital by investing primarily in residential 2nd mortgages in Canada"¹⁰. The exclusive partner in executing this strategy was and continues to be Spectrum.

42 As at April 20, 2017, the High Yield Mortgage Fund held Cash of \$760,006 and the following investments:

a) On-Book Assets:

- i. Inter-fund Investments in the Media Fund and Mortgage Fund with Recorded Values of \$516,820 and \$862,077, respectively.

b) Off-Book Assets:

- i. fifty one (51) individual Residential Mortgages, administered by Spectrum, with a principal balance of \$2,467,145 (Recorded Value) plus monthly accrued interest with a Recorded Value of \$437;

¹⁰ crystalwealth.com/quartz-strategies/crystal-wealth-high-yield-mortgage-strategy/, High Yield Mortgage Fund OM, Nov. 21, 2016

- ii. an inter-fund loan receivable from the Conscious Capital Fund with a Recorded Value of \$274,000; and
- iii. participation in the Pond Loan (as defined below) with a principal balance of \$550,000 plus accrued interest with a Recorded Value of approximately \$53,238;

Infrastructure Fund

43 The Infrastructure Fund was launched on or about May 6, 2016. The Infrastructure Fund's objective was to "...generate a consistently high level of interest income along with long-term growth potential while focusing on preservation of capital by investing primarily in debt and equity instruments of infrastructure projects and companies"¹¹.

44 As at April 20, 2017, the Infrastructure Fund held Cash of \$2,087,302 and the following investments:

a) On-Book Assets:

- i. a Convertible Debenture to Cinnos Mission Critical Incorporated ("**Cinnos**") with a principal balance of \$315,000 (the note is convertible into common shares of Cinnos at a rate of 85% of the value of such share upon an initial equity raise); and

b) Off-Book Assets:

- i. seven (7) separate loans to two (2) companies for a total principal value of \$5,154,571 called the OOM Energy Loans (defined and discussed herein) with a Recorded Value of accrued interest of \$193,782; and
- ii. accrued interest related to the Convertible Debenture from Cinnos with a Recorded Value of \$13,947.

¹¹ <http://crystalwealth.com/quartz-strategies/crystal-wealth-infrastructure-strategy/>, Infrastructure Fund OM, Nov. 21, 2016

Hedge Fund

45 The Hedge Fund was launched on or about February 26, 2016. The Hedge Fund's objective was to "...generate consistently positive annual returns regardless of the directional movement in equity, interest rates or currency markets"¹².

46 As at April 20, 2017, the Hedge Fund held Cash of \$531,692 and the following investments:

a) On-Book Assets:

- i. one (1) USD, and three (3) CAD Equities, as well as two (2) Warrants, with a cumulative Recorded Value of \$272,508;
- ii. four (4) Gold Contracts with a cumulative Recorded Value of \$1,235,773; and
- iii. one (1) External Mutual Fund with a Recorded Value of \$52,990;

b) Off-Book Assets:

- i. three (3) Factoring Contracts with principal and related accrued interest with Recorded Values of \$2,992,362 and \$568,797, respectively;
- ii. a 68.45% ownership in 107 LP with a Recorded Cost and Recorded Value of \$7,751,575 (US \$5,750,000) and accrued interest with a Recorded Value of \$503,909 (US \$373,800); and
- iii. a non-interest bearing promissory note with a face value of \$46,000 issued from the 107 LP due December 31, 2017.

Conscious Capital Fund

47 The Conscious Capital Fund was launched on or about May 27, 2016. The Conscious Capital Fund's objective was "...long term capital growth through investment in companies

¹² <http://crystalwealth.com/sapphire-funds/crystal-wealth-enlightened-hedge-fund/>, Hedge Fund OM, Nov. 21, 2016

that are making a positive change in the world¹³.

48 As at April 20, 2017, the Conscious Capital Fund held Cash of \$27,905 and the following investments:

a) On-Book Assets:

- i. 336,571 common shares in Pond (Private Equities) with a Recorded Value of \$632,753; and
- ii. 212,040 warrants (Private Warrants) in Pond with the right to purchase shares (one share per warrant) at a strike price of \$2.50/share, expiring November 21, 2018 with a Recorded Value of \$25,445.

b) Off-Book Assets (Liabilities):

- i. an inter-fund loan owing to the High Yield Mortgage Fund with a principal balance of \$274,000.

ACM Income Fund

49 The ACM Income Fund was launched on or about July 4, 2014. The ACM Income Fund's objective was to "...provide a consistent level of current income while protecting against loss of capital"¹⁴.

50 As at April 20, 2017, the ACM Income Fund held Cash of \$371,053 and the following investments:

a) On-Book Assets:

- ii. Manulife Yield Opportunities Fund (External Mutual Fund) with a Recorded Value of \$560,025; and
- iii. Inter-fund Investments with a total Recorded Value of \$9,898,493 in the following four Funds with the respective Recorded Values:

¹³ <http://crystalwealth.com/quartz-strategies/conscious-capital-strategy/>, Conscious Capital Fund OM, Nov. 28, 2016

¹⁴ <http://crystalwealth.com/sapphire-funds/acm-income-fund/>, ACM Income Fund and ACM Growth Fund OM, May 6, 2016

1. Media Fund – \$6,594,529;
2. Factoring Fund – \$2,426,339;
3. Medical Fund – \$560,297; and
4. Hedge Fund – \$317,328.

ACM Growth Fund

51 The ACM Growth Fund was launched on or about July 4, 2014. The ACM Growth Fund's objective was to "...provide long term capital appreciation while minimizing the risk of loss of capital"¹⁵.

52 As at April 20, 2017, the ACM Growth Fund had a margin balance (negative Cash) of \$2,040,779 and held the following investments:

a) On-Book Assets:

- i. fourteen (14) Equities in publicly traded entities with a Recorded Value of \$5,452,400;
- ii. four (4) External Mutual Funds with a Recorded Value of \$3,482,518; and
- iii. Inter-fund Investments with a total Recorded Value of \$4,739,753 in the following four Funds with the respective Recorded Values of:

1. Factoring Fund – \$2,511,933;
2. Mortgage Fund - \$1;
3. Hedge Fund – \$1,655,059; and
4. Media Fund – \$572,761.

b) Off-Book Assets:

- i. accrued interest and dividends related to investments with a Recorded

¹⁵ Ibid.

Value of \$3,475.

Sustainable Dividend Fund

53 The Sustainable Dividend Fund was launched on or about February 5, 2016. The Sustainable Dividend Fund's objective was to "...generate long term capital appreciation while focusing on preservation of capital by combining sustainable, responsible and values-based investing principles"¹⁶.

54 As at April 20, 2017, the Sustainable Dividend Fund held Cash of \$121,340 and the following investments:

a) On-Book Assets:

- i. nine (9) CAD Equities with a Recorded Value of \$1,440,897;
- ii. twenty Five (25) USD Equities with a Recorded Value of \$5,008,397 (US \$3,715,153); with accrued dividends with a Recorded Value of \$3,475 (classified as an Off-Book Asset); and
- iii. Inter-fund Investment in the Sustainable Property Fund with a Recorded Value of \$75,693.

Sustainable Property Fund

55 The Sustainable Property Fund was launched on or about February 5, 2016. The Sustainable Property Fund's objective was to "...generate a consistently reasonable level of income while focusing on preservation of capital by investing primarily in a diversified portfolio of alternative financing vehicles on real properties, within the residential and commercial sectors while adhering to Responsible, Equitable and Values-Based principles"¹⁷. The exclusive partner in executing this strategy, was and continues to be Spectrum.

¹⁶ <http://crystalwealth.com/sapphire-funds/absolute-sustainable-dividend-fund/>, Sustainable Dividend Fund OM, Nov. 21, 2016

¹⁷ <http://crystalwealth.com/sapphire-funds/absolute-sustainable-property/>, Sustainable Property Fund OM, Nov. 21, 2016

56 As at April 20, 2017, the Sustainable Property Fund held Cash of \$245,796 and the following investments:

a) Off-Book Assets:

- i. six (6) individual Residential Mortgages with a principal balance of \$2,219,879 administered by Spectrum; and
- ii. a Commercial Loan to MCSAB10 Inc. ("**MCSAB**") with a principal balance of \$2,000,000 plus accrued user fees with a Recorded Value of \$94,740.

Retirement Fund

57 The Retirement Fund was originally launched on or about January 2015 and was discontinued in March 2017. The Unit Holder Listing (defined later in this First Report) provided by International Financial Data Services (Canada) Limited ("**IFDS**") (a third-party that maintained the listing of investors) indicated that there were zero investors in the Retirement Fund and it had a NAV of \$0.

ON-BOOK ASSETS – SPECIFIC DETAILS

Inter-Fund Investments

58 Upon review of the April 20th Package, the Receiver noted that there were significant Inter-fund Investments between the Crystal Wealth Funds. The Media Fund is the single largest recipient of Inter-fund Investments with a Recorded Cost of \$11,349,768. The Recorded Costs noted for the following Crystal Wealth Funds represent the Inter-fund Investment balance in the Media Fund as at April 20, 2017:

- a) ACM Income Fund – \$6,641,115;
- b) Mortgage Fund – \$2,072,643;
- c) Medical Fund – \$1,537,291;
- d) ACM Growth Fund – \$576,764;
- e) High Yield Mortgage Fund – \$521,098; and

f) Factoring Fund – \$857.

The Receiver has prepared a diagram outlining the Inter-fund Investments between the Crystal Wealth Funds, with the noted Recorded Costs, which is attached as **Appendix “10”**.

- 59 When questioned, Smith advised the Receiver that Inter-fund Investments are common in the mutual fund industry and were utilized to manage cash flow requirements between the Crystal Wealth Funds, specifically for requested redemptions from investors. Based on the transaction data obtained from NBCN for the 12 months ending April 26, 2017, it appears the inter-fund transfers are largely one sided, meaning that the Media Fund is the largest recipient of proceeds from other funds to create liquidity in the Media Fund for redemptions.
- 60 The Receiver intends to conduct a more thorough review of the inter-fund transfers and will report the results of such review in a future report to the Court.

Equities and Warrants

- 61 Certain Equities in the Funds are traded in the following active markets:
- a) Toronto Stock Exchange;
 - b) TSX – Venture Exchange;
 - c) New York Stock Exchange;
 - d) National Association of Securities Dealers Automated Quotations (“**NASDAQ**”);
 - e) Australian Stock Exchange; and
 - f) Over-The-Counter Markets Exchange in the United States.

As a result, Equities quoted on these exchanges **should be** relatively liquid.

- 62 Based on a preliminary review of supporting documentation, some of the Warrants contain restrictions on their assignability and ultimately their saleability. Therefore, these warrants may not be readily liquid. The Receiver will continue to review the supporting documentation regarding these warrants to determine if and when they may be turned into

cash.

Private Equities and Private Warrants

- 63 Private Equities held in the Crystal Wealth Funds are obtained primarily through private placements or through direct purchases from persons who independently hold same. These investments are not actively traded in external markets. Therefore, they are not easily valued or realizable. The Receiver continues to review documentation and correspond and/or meet with the issuers with respect to these investments to develop a monetization strategy.
- 64 Similar to the Warrants, the Receiver continues to review the documentation with respect to each of the Private Warrants.

Gold Contracts

- 65 The Bullion Fund, Factoring Fund, and Hedge Fund collectively have a total of eleven (11) Gold Contracts:
- a) Onstar Exploration Ltd. ("**Onstar**") – 4 Gold Contracts with a combined Recorded Value of approximately \$6,447,484 (the "**Onstar Contracts**");
 - b) 611802 B.C. Ltd. ("**611 BC**") – 4 Gold Contracts with a combined Recorded Value of approximately \$1,255,819 (the "**611 Contracts**");
 - c) Inca One Gold Corp. ("**Inca**") – 2 Gold Contracts with a combined Recorded Value of approximately \$958,797 (the "**Inca Contracts**"); and
 - d) Solid Holdings Ltd. ("**Solid Holdings**") – 1 Gold Contract with a Recorded Value of \$333,332 (the "**Solid Contract**").

(Onstar, 611 BC, Inca, and Solid Holdings are referred to as the "**Gold Sellers**"). A summary of the Gold Contracts is attached hereto as **Appendix "11"**.

Onstar Contracts, 611 Contracts, Inca Contracts, and Solid Contract

- 66 The 611 Contracts, the Inca Contracts and the Solid Contract (collectively, the "**Settlement Contracts**") are similar in nature in that upon expiry, the contract is

completed either through: (i) the delivery of the Gold; or (ii) a cash settlement.

67 In general, the commercial arrangement for the Settlement Contracts is as follows:

- a) the Crystal Wealth Fund enters into a monthly Settlement Contract whereby it becomes entitled to purchase a certain amount of Gold at the current quoted spot price per ounce (the "**Spot Price**"), less a stated discount (between 1% to 5%) (the "**Purchase Price**") for a stated period of time until the contract matures (the "**Maturity Date**");
- b) on the anniversary date of each month (the commencement date of the Settlement Contract), there is a settlement in cash between the Gold Seller and the Crystal Wealth Fund whereby the Fund "sells" the Gold to the Seller at the Spot Price and then "re-purchases" the Gold at the Purchase Price (no actual transfer of physical Gold occurs);
- c) at the Maturity Date, a final settlement occurs either through the delivery of Gold to an agreed upon location or through a cash settlement whereby the Gold Seller remits payment to the Crystal Wealth Fund for the current market value of the Gold.

An example of a Settlement Contract under increasing and decreasing Gold prices along with an example of the appendices of such a contract (with financial terms redacted) is attached to this First Report as **Appendix "12"**.

68 Based on the contact information provided by the Company, the Receiver corresponded with the Gold Sellers advising them of the Appointment Order and requested a discussion to be scheduled with the Receiver. A summary of the various correspondence and discussions with each of the Gold Sellers is included below:

- a) 611 BC
 - i. 611 BC explained the nature of the Settlement Contract and 611 BC's role in same. The 611 Contracts begin to expire in November 2017.
 - ii. The Receiver inquired into the potential for an early exit from the 611 Contracts. 611 BC indicated that since it does not have to settle the 611 Contract until November 2017, the potential for an early exit would not be

possible as 611 BC does not have the funds required to buyout the contract at this time or to deliver the Gold. Mining of the Gold under this contract has not yet commenced.

b) Inca

- i. There are currently two Inca Contracts ("Inca 1" and "Inca 2"). The third and final tranche of Inca 1 expired on June 1, 2017 while Inca 2 expires December 1, 2017.
- ii. The Receiver conducted a call with Inca on May 24, 2017. Inca indicated that it did not have the funds available to settle the third and final tranche of Inca 1 and that it would prepare a re-payment proposal for the Receiver to review.
- iii. On June 7, 2017, Inca provided a proposal to the Receiver which proposed that Inca settle the Inca Contracts for a cumulative value of \$1,000,000 over the course of 52 weeks beginning June 26, 2017. The proposal also included an alternative for Inca to repay the original face value (i.e. the acquisition cost) of the Inca Contracts plus a 2.5% annual interest rate, for total proceeds of approximately \$725,000 within 60 days. The Receiver has acknowledged receipt of this proposal but has not provided a response to Inca.

c) Solid Holdings

- i. On May 20, 2017, the Receiver obtained a response from a representative from Solid Holdings stating that the president of the company (the contact for the Solid Contract) was very ill, and, therefore, was unable to respond to questions. The Receiver advised the representative to have the president of Solid Holdings contact the Receiver once available. The Solid Contract does not expire until February 2018.
- ii. On June 20, 2017, the Receiver had a discussion with the president of Solid Holdings who indicated the company was undergoing significant financial and operational challenges. The Receiver has requested certain information to better understand this situation.

d) Onstar

- i. The nature of the Onstar Contracts differs slightly from the Settlement Contracts. The Factoring Fund and Hedge Fund entered into Gold Certificate Subscription Agreements whereby the Hedge/Factoring Fund purchased gold certificates for 1,000 ounces of gold per certificate (the "**Gold Certificates**"). The Receiver was able to locate unsigned Gold Certificates in the Company's books and records which included the following:

1. *Gold deliveries to the Owner [the Hedge/Factoring Fund] shall commence on April 30, 2017 F.O.B. Juneau, Alaska and shall occur monthly, until the entire 1,000 ounces of gold due under this Certificate has been delivered to the Owner. It is expected that all gold payments will be completed no later than April 30, 2019.*

The Receiver has confirmed with Onstar that no Gold has been delivered to either the Factoring Fund or the Hedge Fund.

- ii. The Receiver is unable to locate executed versions of the Gold Certificates in the Company's books and records.
- iii. The Receiver conducted a call with Onstar on May 24, 2017. On this call, Onstar claimed that one of the Company's former independent investment advisors, Al Housego ("**Housego**"), had verbally agreed to provide a total of US \$10M of funding to Onstar for the development of a mine in Juneau, Alaska. However, to date, the Hedge Fund and Factoring Fund had only provided USD \$4M. As a result, Onstar has had to seek external financing to complete the development of such mine.
- iv. The Receiver had requested that Onstar provide copies of the executed Onstar Contracts which, as at the date of this Report, have not been provided to the Receiver.

External Mutual Funds

69 External Mutual Funds include units in mutual funds managed by large asset management

firms, including: Hollis Canadian Bank, Sentry Investments, National Bank Mutual Funds, Manulife Asset Management Limited, and Sprott Asset Management LP. It is the Receiver's understanding that the units in these External Mutual Funds should be reasonably redeemable.

OFF-BOOK ASSETS – SPECIFIC DETAILS

Residential Mortgages

- 70 The Mortgage Fund, High Yield Mortgage Fund, and Sustainable Property Fund contain a total of 191 Residential Mortgages with a cumulative principal balance owing to the said Funds of \$19,009,884.
- 71 Of the 191 Residential Mortgages, 189 (\$18,813,884) are administered by a third-party, Spectrum, while the remaining two Residential Mortgages (\$196,000) are administered by Squire (the "**Squire Mortgages**"). Spectrum and Squire are both licensed financial intermediaries involved in originating, underwriting, and managing non-conventional first and second Residential Mortgages. Spectrum and Squire both have Mortgage Procurement and Administration Agreements ("**MPAAs**") with the Company, the Mortgage Fund, the High Yield Mortgage Fund, and the Sustainable Property Fund (collectively the "**Mortgage Related Funds**") outlining their respective roles in administering Residential Mortgages on behalf of the Mortgage Related Funds.
- 72 Spectrum and Squire evaluate and underwrite Residential Mortgages which are then presented to the Mortgage Related Funds for purchase. Once purchased, Spectrum and Squire administer the Residential Mortgages by performing duties, including, but not limited to:
 - a) collecting and remitting principal and interest payments by the mortgagors on a monthly basis;
 - b) negotiating and settlement of, and collecting payments in arrears;
 - c) the management of any legal actions require to enforce on a Residential Mortgage; and
 - d) administering a trust account(s) on behalf of the Company and Mortgage Related

Funds and remitting monies to same as requested by the Company.

- 73 Shortly after the commencement of the Receivership Proceedings, the Receiver instructed Spectrum to continue to perform its obligations under the MPAA with the Company and remit balances collected in the trust account administered by Spectrum on behalf of the Mortgage Related Funds on a weekly basis to NBCN. The Receiver remains in regular contact with Spectrum with respect to the administration of the Mortgage Related Funds.
- 74 On June 19, 2017, Squire offered to acquire the Squire Mortgages, with an effective date of June 23, 2017, for proceeds of \$197,526 (proceeds include the entire principal value of the Squire Mortgages (\$196,000) plus accrued interest of \$1,526 to June 23, 2017). The Receiver subsequently accepted the offer and intends to close the transaction on June 23, 2017 as permitted by the Appointment Order.

Term Loans & Promissory Notes

- 75 The Funds have a total of fourteen (14) individually issued Commercial Loans with a cumulative principal balance of \$16,416,584 issued to:
 - a) Pond;
 - b) MCSnox, Magnitude, 1472, 2445958 Ontario Inc. ("**5958 Ontario**"), MCSAB (each of these entities are under the control of a common individual, Craig Clydesdale ("**Clydesdale**")), and are collectively referred to as the "**OOM Energy Group**");
 - c) Kanwal; and
 - d) 109 BC.

Pond Loan

- 76 A term-loan in the amount of \$4,500,000 was advanced to Pond by the Company on December 15, 2015 (the "**Pond Loan**"). Subsequent to its advance, the Company executed various participation agreements assigning the rights to a stated portion of the Pond Loan to the Mortgage Fund, High Yield Mortgage Fund, and an individual, Suzanne West, resulting in the following participation amounts of the Pond Loan:
 - a) Mortgage Fund – \$2,950,000;

b) High Yield Mortgage Fund – \$550,000; and

c) Suzanne West - \$1,000,000.

77 Shortly after the Receiver's appointment, the Receiver contacted Pond to notify it of the Receivership Proceedings at which time Pond acknowledged the outstanding amount of \$4,500,000. Subject to the review of all documentation related to these loans, it appears that the Company is the first secured creditor over all of the assets of Pond.

78 Pond was incorporated on May 27, 2008 under the laws of Canada, with the purpose of pursuing microalgal biomass production using raw stack gas emissions from industrial emitters. Pond remains in the development stage, has not yet reached profitability, and has relied on non-conventional sources of financing to fund operations.

79 The Receiver has continued discussions with Pond and reviewed certain documentation, but is currently not in a position to advise the Court regarding monetization of these loans for the benefit of the investors. The Receiver will update the Court in a future report.

OOM Energy Group

80 The following term loans and promissory notes with a cumulative principal sum of \$12,090,607 were advanced to the entities under the OOM Energy Group as follows:

- a) MCSnox – a ten year term-loan with a principal value of \$2,000,000 issued on November 2, 2016 held by the Mortgage Fund (the "**MCSnox Loan**");
- b) 5958 Ontario – advances reflected by four (4) promissory notes totaling \$967,107 issued between May 26, 2016 and August 4, 2016 all held by the Infrastructure Fund and all of which are repayable on demand (the "**5958 Ontario Notes**");
- c) MCSAB – a three year term-loan with a principal value of \$2,000,000 advanced on December 9, 2016 held by the Infrastructure Fund (the "**MCSAB Loan**");
- d) Magnitude – a five year term-loan with a principal value of \$3,000,000 advanced on July 6, 2016 held by the Infrastructure Fund (the "**Magnitude Loan**"), further advances reflected by two (2) promissory notes with a cumulative value of \$1,190,000 issued on July 8, 2016 and January 12, 2017 (the "**Magnitude Notes**"), and a \$1,133,500 loan advanced on April 28, 2016 administered by Spectrum (the

"Magnitude Spectrum Loan"); and

- e) 1472 – a fifteen year term-loan with a principal value of \$1,800,000 advanced on December 4, 2014 held by the Mortgage Fund (the **"1472 Ontario Loan"**)

(collectively the **"OOM Energy Loans"**).

- 81 On May 9, 2017, Smith provided the Receiver with the contact information for Clydesdale. Subsequent to obtaining the information, the Receiver immediately contacted Clydesdale advising him of the Appointment Order along with a request to discuss the OOM Energy Loans.
- 82 On May 11, 2017, the Receiver received a response from Bill McKenzie (**"McKenzie"**) from KWM Law Professional Corporation advising that he had been retained to represent the OOM Energy Group and Clydesdale with respect to these matters.
- 83 On May 18, 2017, the Receiver conducted a call with McKenzie; Clydesdale did not attend the call. During the call, McKenzie had little knowledge of the specifics surrounding the OOM Energy Group and the loans issued to same. Upon request for Clydesdale to provide documents related to the OOM Energy Loans, McKenzie advised that such documents would be provided after a written request was issued, outlining the specific documents required by the Receiver. The Receiver issued a document request list for the MCSnox Loan and the 1472 Ontario Loan on June 7, 2017 but, as at the date of this First Report, neither McKenzie nor Clydesdale have provided the documents requested.
- 84 The Receiver continues to work with A&B to determine the outstanding documents required to fully understand the status of the remaining OOM Energy Loans.

Media Loans

MHC and the Bron Companies

- 85 All of the Media Loans are administered by a third-party, MHC, and are held in the Media Fund. MHC was originally incorporated in the Province of Alberta on December 22, 2010 and continued out of Alberta on January 11, 2011 to be a federal corporation, with a registered office in Vancouver, British Columbia specializing in the structuring, sourcing and administration of loans for the independent film and television market. MHC's

- President, CEO, Chairman, and sole director is Aaron Gilbert ("**Gilbert**"). In addition, Bron Studios Inc. and Bron Animation Inc. are both entities related to MHC of which Gilbert is listed as a director.
- 86 From December 22, 2010 to July 13, 2015, MHC operated under Media House Capital (Canada) Corp.¹⁸ Beginning July 13, 2015, MHC operated under Bron Capital Partners Corp. until April 7, 2016 when it reverted to and continued to operate under MHC.
- 87 Gilbert has some involvement in the films which are investments of the Media Fund. Gilbert is listed as a producer or executive producer on 19 of the 25 film productions for which Media Loans have been purchased by the Media Fund. For five of the productions, he is a director or officer of the production company (the underlying borrower)¹⁸. A detailed account of the Receiver's interactions with MHC are included below in this section.
- 88 Media Loans are made to production companies who require financing in excess of the funds raised through other sources (e.g. equity and financing tax credits) (this shortfall is referred to as the "**Gap Financing**" or "**Gap Loans**") required to develop films or television productions ("**Production**").
- 89 The Media Fund OM states that: "The [Media] Fund will not be in the business of making loans, but rather purchasing already existing securities such as notes and other debt obligations". However, a preliminary review of the documentation supporting the Media Loans indicates that in many cases, the loans were made directly by the Media Fund to the production companies (this is discussed in greater detail in the Commission Affidavits). A schedule of the Media Loans provided by Smith on May 9, 2017 ("**Media Loan Schedule**"), is attached hereto as **Appendix "13"**.
- 90 The purported process for acquiring Media Loans was as follows:
- a) MHC sourced potential Gap Loans and conducted initial underwriting and lending (i.e. MHC advanced the funds to the production company);
 - b) the Company conducted secondary underwriting and analyzed how/if the loans fit into the Media Fund's portfolio;

¹⁸ Paragraph 39 of the Tillie Affidavit attached to this First Report as Appendix "2".

- c) the Media Fund would buy the pre-existing loans from MHC and all loan rights would be transferred to the Media Fund;
- d) the Company would hire MHC to provide Management Services (defined below); and
- e) Smith, the sole individual responsible for valuing the Media Loans, would monitor and determine the weekly value of the Media Loans (i.e. ensuring Media Loans were performing and recording loss reserves as needed).

91 The process for Production and the collection of proceeds was as follows:

- a) as the Production was produced, interest on the Media Loan would accrue in accordance with the original loan documents between MHC and the Production;
- b) during production, a sales agent would be hired to promote the Production to different geographical distributors;
- c) MHC would set up an account with a collection account manager (a "**CAM**") and execute a Collection Account Management Agreement (a "**CAMA**") with the CAM and any other parties who had a financial interest in the Production (e.g. equity owners, lenders, the actors', directors', and producers' guilds (unions) etc.) (the "**Production Interests**");
- d) the CAM would be a third-party responsible for collecting all revenues earned from the Production (i.e. revenue from distributors, broadcasters, merchandising, and other revenues); and
- e) the CAMA between all of the Production Interests outlines, among other things, the fees earned by the CAM, the ranking of Production Interests, and the "waterfall" payment structure for the film's receipts to the various Production Interests (the "**CAMA Waterfall**").

92 Based on a preliminary review of the CAMAs obtained thus far from MHC, the principal and interest of a sample of Media Loans appear after payment to other interests in the CAMA Waterfall, such as: the CAM expenses and fees, the actors', directors', and producer's guilds and the entitlement to a portion of the sales agents fees/expense.

Documentation of Media Loans

- 93 In addition to the Media Loan Schedule, Smith provided documentation relating to the Media Loans and Media Fund's payment relationship with MHC but did not provide documentation to support the value, security, status of collections, and the position of the Media Fund in the respective CAMA Waterfalls.
- 94 Upon reviewing fully the Company's books and records, the Receiver was unable to obtain the information required to fully understand and support the value of the Media Loans. Aside from the Media Loan Schedule, it appears that there was no documentation used by Smith or the Company to understand the performance of the Media Loans. As a result, the Receiver and its counsel have spent significant time contacting and conducting discussions with various third parties with respect to the Media Loans to gather sufficient documentation to understand the entirety of the Media Fund and its holdings and their structure.

Dealings with MHC

- 95 MHC and the Media Fund entered into a Master Assignment Agreement (the "**Media Master Assignment Agreement**"), dated October 6, 2011 which, among other things, outlined the terms in which the Media Fund would purchase Media Loans from MHC.
- 96 On August 12, 2011, MHC and the Media Fund entered into a Production Loan Administration Agreement (the "**Media Production Loan Administration Agreement**") which, among other things, outlined MHC's role in sourcing and presenting potential Media Loans to the Media Fund for purchase and administration of same. Under the Media Production Loan Administration Agreement, MHC was to manage and service each Media Loan by performing duties, including, but not limited to:
- a) the collection and remittance of all prescribed payments of principal and interest and any profit or other participations (exclusive only of the 10% facility fee that is retained by MHC but deferred in part during the term) generated by the Production, as required under each Media Loan;
 - b) the collection of any penalties or miscellaneous fees, including any shared sales agent fee;

- c) the provision of information to the Production and any other parties for the maintenance or discharge of the loan;
- d) the negotiation and settlement, subject to the Company's approval, of any payments in arrears;
- e) the management of any legal actions required to enforce the Media Loans;
- f) the negotiation and management of any actions with the completion bond company, sales agent(s), distributor(s) or other third parties, if any;
- g) the negotiation and management of any actions required with the producers or production company; and
- h) the takeover, management, and oversight of all of or part of the film production, if necessary.

(collectively referred to as the "**Management Services**").

- 97 On May 9, 2017, Smith provided the Receiver with the contact information for MHC. Subsequent to obtaining the information, the Receiver contacted Gilbert advising him of the Appointment Order along with a request to discuss the Media Loans and MHC's involvement in same.
- 98 On May 10, 2017, the Receiver obtained a response from Gilbert who advised that MHC would be available for a discussion along with MHC's US counsel, Adam Davids from Davoli Davids, LLP ("**Davids**"), and MHC's Toronto counsel, Fasken Martineau DuMoulin LLP ("**Faskens**").
- 99 On May 16, 2017, the Receiver and A&B attended a conference call with MHC, Davids, and Faskens. During the call, the Receiver inquired into MHC's role in administering the Media Loans whereby MHC indicated that activities related to the tracking, monitoring, and valuation of same was performed by Smith. The Receiver also requested that MHC provide all of the necessary documentation and supporting schedules with respect to the Media Loans.
- 100 On May 23, 2017, MHC provided an email response (the "**May 23 MHC Email**") which, among other things:

- a) included the executed Media Master Assignment Agreement and Media Production Loan Administration Agreement;
- b) provided background information on the Management Services MHC performed;
- c) notified the Receiver that in the second quarter of 2016, the Media Fund retained an individual named Paco Alvarez ("**Paco**") to assist in administering and managing the Media Loans on behalf of the Media Fund;
- d) provided status updates on specific Media Loans and the Management Services provided by MHC with respect to same; and
- e) provided the Receiver with access to a Dropbox account containing documentation for two Media Loans.

- 101 Based on the status updates contained in the May 23 MHC Email, it is apparent that a significant number of the films underlying the Media Loans appear to be experiencing significant issues and/or delays. The status updates included in the May 23 MHC Email are included in the Media Loan Schedule.
- 102 On May 24, 2017, A&B, on the Receiver's behalf, requested that Davids direct MHC to provide all of the closing/security documents for all of the Media Loans. On May 30, 2017, MHC began providing same. As of the date of this First Report, the Receiver has been provided with certain documents requested for only 20 Media Loans. With respect to 6 of these loans, critical documentation, including distribution agreements, collection agreements, and sales agent agreements, remain outstanding.
- 103 On May 26, 2017, A&B, on the Receiver's behalf, requested that MHC provide current contact information for all individuals and entities who are currently involved or associated with the sale, distribution, collection, and remittance of payments (whether on account of principal, interest, profit, or otherwise) in connection with each of the Media Loans. On May 31, 2017, MHC provided a spreadsheet that identified the aforementioned contact information.

Paco Alvarez

- 104 Subsequent to advising Paco of the Receivership Proceedings on May 31, 2017, the

Receiver attended a call with Paco on June 1, 2017.

- 105 Paco advised the Receiver that he and his company, Forward Motion Entertainment Corp. ("**Forward Motion**"), were retained in December 2016 to administer the Media Loans on behalf of the Media Fund which included but was not limited to: assisting in collecting amounts from distributors and agents, obtaining reports from CAMs, conducting discussions with sales agents, and providing updates to Smith. Paco advised that he was retained by the Media Fund as MHC began to focus more on producing its own movies through Bron and wanted to reduce its involvement in administering the Media Loans.
- 106 Smith, in an earlier email, advised the Receiver that Forward Motion was paid a monthly fee for its services plus expenses to attend film sale festivals; Paco confirmed this arrangement. There is no written contract between the Company or Media Fund and Paco/Forward Motion.
- 107 The Receiver requested that Paco provide any documentation with respect to the Media Loans, including but not limited to, agreements, supporting schedules, notes from conversations with sales agents, contacts of individuals and companies involved in the Media Loans, and status updates on the Productions. Paco advised that he would not provide the Receiver with the requested information until he was paid his arrears (including expenses) up to and including May 2017.
- 108 The Receiver is currently assessing all of the issues regarding the Media Fund before any commitment is made to any party relating to on-going services to the Media Fund.

Receiver's Potential Engagement of an Advisor

- 109 Given the complex and unique nature of the Media Fund, the Receiver has sought out and discussed the potential of engaging an independent advisor to assist with the management of the Media Fund.
- 110 On June 13, 2017, after initial discussions, the Receiver and A&B attended a meeting with Quiver Capital Inc. ("**Quiver**") to discuss the potential engagement of Quiver as an independent expert to assist in recapturing as much value as possible from the Media Loans.
- 111 Quiver is involved in financing and distributing films and television productions throughout

the world. Quiver's management team consists of three individuals who have had lengthy careers in all facets of the film and television entertainment industry including but not limited to producing, financing, and distributing of a wide variety of content. Prior to starting Quiver, its management team founded and sold companies such as Hollywood Suite, ThinkFilm, Phase 4 Films, and KaBOOM! Entertainment in addition to holding executive level positions at companies such as Lions Gate Films, Momentum Pictures (an Entertainment One Company), and Peace Arch Home Entertainment.

112 On June 14, 2017, Quiver delivered a proposal to the Receiver which outlined the scope of the potential engagement along with a proposed fee structure. More specifically, the proposal outlined Quiver's mandate as follows:

- a) engage with all third party sales agents and domestic distributors to review the status of each film, including but not limited to interest and results from international distributors, timing of such interest, exposure and interest at film markets and festivals, and identification of unpaid, current and long-term accounts receivable;
- b) identify the unsold rights by film, by media (e.g. video on demand, television, etc.), and determine the best course of action to extract value from said rights and provide recommendations on the best course of action moving forward; and
- c) utilize relationships with the distributors and customers (e.g. Netflix, Amazon, Walmart, etc.) to influence collection of accounts receivable, and assist to generate further revenue to maximize value to the unit holders of the fund.

113 Subject to negotiations on the proposed fee structure, the Receiver is of the view that engaging Quiver as an advisor to the Receiver with respect to the Media Fund is the most efficient way to:

- a) obtain all of the relevant Media Loan documentation directly from third-parties (other than MHC);
- b) determine the current underlying value of the Media Loans; and
- c) develop and execute a strategy to create additional value through unpursued markets and revenue streams.

Factoring Contracts

- 114 All of the Factoring Contracts are administered by Frontline, which is a corporation based in Alberta that sources and administers contracts that the Factoring Fund and Hedge Fund enter into to purchase invoices (after purchase, invoices are referred to as "**Purchased Receivables**") from operating businesses ("**Merchants**") for a discount (typically 70% - 95% of the invoice value) and a service fee. Each of the Purchased Receivables are then assigned to Frontline who ultimately collects the invoice value. Any amounts collected over the purchase price, less applicable fees, are remitted to the company that sold the invoice.
- 115 The Factoring Fund and Hedge Fund entered into a Factoring Procurement and Administration Agreement ("**FPAA**") with Frontline on November 25, 2014. The FPAA outlines that Frontline is responsible for evaluating and presenting potential Factoring Contracts to the Factoring Fund/Hedge Fund for purchase (i.e. the rights of the Factoring Contract(s) are assigned) and administering same. Once purchased, Frontline, under the FPAA, administers the Factoring Contracts by performing duties, including, but not limited to:
- a) the registration and assignment of, or transfer into the name of the Factoring/Hedge Fund of all Purchased Receivables pursuant to the Factoring Contracts entered into between the Factoring/Hedge Fund and the Merchants;
 - b) the provision of assurances, as required by the Factoring/Hedge Fund, for enforcing its rights, benefits, title, interest, and vesting of the Purchased Receivables;
 - c) the collection and remittance to the Factoring/Hedge Fund of all Purchased Receivables (less any fees under the FPAA) received from the Merchants as well as any fees, commissions, or penalties, if any;
 - d) the negotiation and settlement of any payments in arrears;
 - e) the management of any legal actions required to enforce the Factoring/Hedge Fund's rights with respect to Purchased Receivables, the Merchants or the Factoring Contracts;

- f) the provision of weekly reporting to the Factoring/Hedge Fund; and
- g) the administration of a bank account on behalf of the Factoring/Hedge Fund and remittance of monies to same as requested by the Company.

116 Under the section 4.4 of the FPAA, *"the [Factoring/Hedge] Fund hereby authorizes and empowers Frontline, without the requirement of further authorization or direction from the [Factoring/Hedge] Fund to:*

- a) *Make, or cause to be made, advances out of the fund provided by the [Factoring/Hedge] Fund in accordance with a Factoring Agreement;*
- b) *Make any emergency type advances to preserve and protect the property and assets which are the subject matter of a Factoring Agreement."*

Specific to item (a) above, except where the Merchant is in default under the applicable Factoring Contract, the Factoring/Hedge Fund is required to purchase all of the approved receivables from the Merchant (i.e. the Factoring/Hedge Fund was obligated to continue to purchase invoices after the Receivership Date) under and pursuant to the terms of the operative Factoring Contract.

117 Subsequent to advising Frontline of the Receivership Proceedings, the Receiver conducted a call with representatives from Frontline on May 12, 2017. Frontline advised that it had not and would not purchase approved receivables from the various Merchants after the Receivership Date but it has been collecting proceeds from Purchased Receivables on behalf of the Factoring/Hedge Fund.

118 The Receiver remains in regular contact with Frontline with respect to the administration of the Factoring/Hedge Fund. The Receiver has instructed Frontline to send available cash balances to the Factoring/Hedge Fund's NBCN accounts, and to provide a full accounting and reconciliation of all amounts currently outstanding to the Receiver. As of the date of this Report, the Receiver has yet to receive any cash currently being held by Frontline on the Factoring/Hedge Fund's behalf or a reconciliation of same.

Medical Factoring Contracts

119 Similar to the Factoring/Hedge Fund's contractual arrangement with Frontline, the Medical

Fund holds investments in medical factoring receivables which are sourced and administered by Xynergy.

- 120 Xynergy is a corporation based in Florida that enters into contracts to purchase healthcare receivables (after purchase, invoices are referred to as "**Purchased Medical Receivables**") from operating businesses in the United States ("**Clients**") for a discount and service fees pursuant to which the invoice is assigned to Xynergy who ultimately collects the invoice value. Unlike Factoring Contracts, the Medical Factoring Contracts are not entered into between the Clients and the Medical Fund but rather a participation in the relationship is purchased by the Medical Fund.
- 121 Xynergy and the Medical Fund entered into a Master Medical Receivables Purchase and Administration Agreement on March 31, 2016 (the "**MMRPAA**") which essentially gives the Medical Fund the opportunity to purchase participations in Xynergy's Medical Factoring Contracts with various Clients (defined therein). For active participations, Xynergy, under the MMRPAA, administers the Medical Factoring Contracts by performing duties, including, but not limited to:
 - a) bearing all costs and expenses of managing and servicing the Medical Factoring Contracts;
 - b) providing weekly reporting to the Medical Fund; and
 - c) administering a trust account on behalf of the Medical Fund and remitting monies to same as requested by the Company.
- 122 Subsequent to advising Xynergy of the Receivership Proceedings, the Receiver conducted a call with representatives from Xynergy on May 10, 2017. Xynergy made the Receiver aware that Xynergy is obligated to the Clients to continue purchasing healthcare invoices as they depend on the financing to operate their business.
- 123 Xynergy has continued to administer the Medical Factoring Contracts that the Medical Fund has an interest in and remains in regular communication with the Receiver. Xynergy also provides the Receiver with weekly reports outlining the activity (i.e. purchases and collections) of the Medical Factoring Contracts and provides a trust account statement outlining the cash held on behalf of the Medical Fund.

Potential Sale of Geodata Balance

- 124 Included in the Medical Fund is Medical Factoring Contracts with GeodataPR International, Inc. ("**Geodata**") and Servicios de Salud Integrada, CSP ("**SSI**") who both operate out of Puerto Rico. The most recent weekly report received from Xynergy (June 15, 2017) indicated that Geodata and SSI have net outstanding funds employed (i.e. the principal balance) of \$684,313 (the "**Geodata Balance**").
- 125 On June 20, 2017, Xynergy put forth a revised offer to acquire only the Medical Fund's participation in the Geodata Balance in full for \$684,313 (the "**Geodata Offer**"). The Receiver has verbally indicated to Xynergy that it is interested in the Geodata Offer. The Geodata Offer is for 100% of the Geodata Balance and as such represents its fair market value. Furthermore, the Geodata Medical Factoring Contract is a unique and specialized investment, and would likely result in a limited number of potential purchasers willing to pay greater than 100% of the balance outstanding.

US Real Estate LP

- 126 Based on a review of the Provided Documents and additional documents located in the Company's books and records, the Hedge Fund and Factoring Fund cumulatively own 99.99% of 107 LP, an entity that has an indirect ownership interest in a number of rental properties located in the United States together with corporate and individual partners (collectively the structure is referred to as the "**US Real Estate LP**"). The Hedge Fund and Factoring Fund act as limited partners in the US Real Estate LP (the "**Limited Partners**").
- 127 The remaining 0.01% ownership of 107 LP is held by 1076874 B.C. Ltd., an entity listed as the general partner which is owned by the following individuals:
- a) Alberto Storelli (Canadian) ("**Storelli**") – 51.0%;
 - b) Brian Peoples (USA) ("**Peoples**") – 24.5%; and
 - c) Joe Harker (USA) ("**Harker**") – 24.5%.

All or one of Storelli, Peoples, and Harker (collectively the "**General Partners**") are listed as directors or officers in a majority of the entities included in the US Real Estate LP.

- 128 The US Real Estate LP is a cross-border operation through a Nevada based corporation, DaVinci Capital Property, Inc. ("**DVCP**") which is an indirect wholly owned subsidiary of 107 LP.
- 129 The purpose of the US Real Estate LP is to acquire and develop real estate properties in the United States to subsequently earn rental income and proceeds from the possible and/or eventual sale of such properties. Through its investment in 107 LP, the Receiver understands that the Factoring Fund and Hedge Fund have an indirect minority ownership interest in the following properties in the US Real Estate LP:
- a) 3961 Covington Highway, Decatur, Dekalb County, Georgia;
 - b) 3859 Austin Circle, Decatur, Dekalb County, Georgia;
 - c) 325 - 3rd Avenue SW, Birmingham, Alabama;
 - d) 201 - 3rd Avenue SW, Birmingham, Alabama;
 - e) 922 Lawndale Drive, Tupelo, Mississippi; and
 - f) 619 E. Groveland Parkway, Chicago, Illinois.
- (collectively referred to as the "**US Properties**").
- 130 The Receiver has prepared a detailed organizational chart demonstrating the structure of the US Real Estate LP which is attached to this First Report as **Appendix "14"**.

Subscription Agreements

- 131 From June 6, 2016 to March 14, 2017, the Limited Partners invested US \$7,500,000 in the US Real Estate LP by way of unit purchases in 107 LP through subscription agreements (the "**Subscription Agreements**"). Based on a preliminary review of the Subscription Agreements, the Receiver understands that the investment structure to be as follows:
- a) the Limited Partners would purchase units in 107 LP (the "**Subscription Amount**");
 - b) a portion of the Subscription Amounts would be advanced to DVCP by way of a

12% loans (the "**DVCP Loans**") while the remaining Subscription Amounts would be advanced to DVCP by way of a share purchases in same (the "**DVCP Equity**");

- c) in almost all cases, the entire Subscription Amounts received by DVCP would then be advanced to the various special purpose entities by way of interest bearing loans (the "**SPE Loans**"); and
- d) the proceeds from the SPE Loans would then be used to purchase and/or develop the US Properties.

132 The Receiver and A&B continue to review the Subscription Agreements and other related documents with respect to the US Real Estate LP to gain a more fulsome understanding of same.

Contact with General Partners

133 On June 4, 2017, the Receiver notified the General Partners of the Appointment Order along with a request to discuss the US Real Estate LP. On June 7, 2017, the Receiver delivered a follow-up email to the General Partners. Despite repeated follow-up communications, the Receiver has yet to have a discussion with the General Partners.

PRELIMINARY CONCLUSION REGARDING MONETIZATION OF THE CRYSTAL WEALTH FUNDS

134 Since the beginning of the Receivership Proceedings, the Receiver has issued and posted on its Case Website notices to all investors dated May 1, 2017, May 10, 2017, May 17, 2017, and June 9, 2017.

135 In its May 17, 2017 notice to investors, the Receiver stated that it was very mindful of the needs of the investors, and, accordingly, was conducting a review of the Company's books and records on an accelerated basis to devise a plan that would ultimately lead to realization of the assets and distribution of the proceeds. Moreover, the Receiver determined that there were certain Crystal Wealth Funds which could be monetized on an urgent basis as they were largely comprised of marketable securities and cash holdings.

136 As a result of the foregoing review, the Receiver, in consultation with colleagues in Canada and the US with extensive investment and portfolio expertise, is carefully monetizing all

marketable securities, including Equities and Warrants, where possible, which are traded on the various public stock exchanges. The Receiver anticipates that this realization process will be complete by the end of June 2017.

- 137 As a result of its appointment by the Court, the Receiver holds an obligation to the investors. As such, the over-arching investment objective is to minimize the downside risk of uncontrollable domestic and global factors, by monetizing Crystal Wealth Funds in the short term for ultimate distribution to the investors rather than earning longer term higher returns.
- 138 Once this monetization process is complete, the Receiver will be issuing a notice to the investors advising them of the results of same.

PROPOSED SALE PROCESS

- 139 A significant portion of the total AUM of the Crystal Wealth Funds, particularly, the Off-Book Assets, have long maturities and appear to be difficult to value individually as they are not actively traded. Therefore, the Receiver is of the view that monitoring and the eventual realization of these assets individually will present significant effort and costs to the Crystal Wealth Funds and ultimately the investors.
- 140 In addition, the Receiver has also received expressions of interest from a number of parties with respect to purchasing and/or assuming the management of one or more of the Crystal Wealth Funds.
- 141 Given the above, the Receiver proposes that it conduct a sales process (the "**Sales Process**") for certain Crystal Wealth Funds in a manner in which:
- a) potential bidders may make an offer to purchase the investments from one or more of the Crystal Wealth Funds (the "**Potential Bidders**"); and/or
 - b) potential managers may present an offer to assume the management of one or more of the Crystal Wealth Funds' investment activities and assume Crystal Wealth's position and duties to investors (the "**Potential Managers**").
- 142 The proposed Sales Process comprises the following:
- a) The Receiver has begun and will continue to prepare a list of Potential Bidders and

Potential Managers for certain Crystal Wealth Funds. Potential Bidders will have the opportunity to bid for some or all of certain Crystal Wealth Funds' investments. Potential Managers will have the opportunity to present their proposal for assuming the entirety of the assets and management of certain Crystal Wealth Funds.

- b) The Sales Process will be advertised in publication(s) as determined by the Receiver.
- c) The Receiver will provide Potential Bidders and Potential Managers with a solicitation letter summarizing the acquisition and opportunity (the "**Solicitation Letter**") and a form of confidentiality agreement (the "**CA**") to be executed for further participation in the Sales Process.
- d) Any Potential Bidders and/or Potential Managers who execute a CA (a "**Prospective Bidder**" and a "**Prospective Manager**" respectively), will receive a confidential information memorandum ("**CIM**") describing the purchase and/or management opportunity and will gain access to an electronic data room, containing confidential information to perform due diligence.
- e) Prospective Bidders will be required to submit a binding offer to purchase the investment(s) contained within certain Crystal Wealth Funds (a "**Purchase Offer**") by 5:00 p.m. Eastern Standard Time ("**EST**") on August 10, 2017 (the "**Offer Deadline**"), which must include:
 - i. the identity, contact information, and disclosure of the principal(s) of the Prospective Bidder;
 - ii. a list and description of the Crystal Wealth Fund(s) and investments to be included in a purchase;
 - iii. an indication of the proposed purchase price or financial terms of such sale;
 - iv. an acknowledgement that the sale will be made on an "as is, where is" basis and that the Prospective Bidder will be bound by the terms of the Sales Process;
 - v. a description of any liabilities to be assumed by the Prospective Bidder;

- vi. details related to any regulatory approvals required to close the proposed transaction;
 - vii. a proposed timeline to the date of closing the transaction, along with critical milestones; and
 - viii. such other information requested by the Receiver.
- f) Prospective Managers will be required to submit a binding offer to assume and manage certain Crystal Wealth Funds (a "**Management Offer**") by the Offer Deadline, which must include:
- i. the identity, contact information, and disclosure of principal(s) of the Prospective Manager;
 - ii. a list and description of the Crystal Wealth Fund(s) and the investments which the Prospective Manager has an interest in assuming;
 - iii. a list of the qualifications and experience in managing mutual funds and investments and a listing of the portfolio manager(s), proposed for the applicable Crystal Wealth Fund(s);
 - iv. a description of the proposed fees to be imposed on the investors of the applicable Crystal Wealth Funds;
 - v. a copy of the most recent audited financial statements of the Prospective Manager;
 - vi. an acknowledgement that the transfer will be made on an "as is, where is" basis and that the Prospective Manager will be bound by the terms of the Sales Process;
 - vii. a description of any liabilities to be assumed by the Prospective Manager;
 - viii. details related to any regulatory approvals required to close the proposed transaction;
 - ix. a proposed timeline to the date of closing the transaction, along with critical

milestones; and

- x. such other information requested by the Receiver.
- g) The Receiver may also request information to demonstrate that the Prospective Bidder / Prospective Manager has the resources to close the transaction.
- h) A Purchase Offer and/or Management Offer will be considered a "Qualified Offer" if it meets the following criteria:
- i. The offer is received by the Offer Deadline;
 - ii. The offer contains a letter stating that the Purchase/Management Offer is irrevocable and open for acceptance until at least five business days after the Offer Deadline;
 - iii. The Purchase/Management Offer includes proof of the Prospective Bidder's/Manager's ability to close the transaction and is not conditional upon financing;
 - iv. The Purchase/Management Offer includes proof of the Prospective Bidder's/Manager's financial stability;
 - v. The Purchase/Management Offer includes an acknowledgement that the Prospective Bidder/Manager has (a) relied solely upon its own independent review of any documents and assets to be acquired and/or assumed in making its offer; and (b) not relied upon any representations or warranties whatsoever regarding the property of the Crystal Wealth Group, except as expressly stated in the agreement of purchase and sale and/or the transfer of ownership agreement;
 - vi. The Purchase/Management Offer shall not contain any material conditions to closing other than Court approval;
 - vii. The Purchase/Management Offer should include a completed form of agreement of purchase and sale and/or ownership transfer agreement, in a form prepared by the Receiver;

- viii. The Purchase/Management Offer shall not contain a break-fee or any type of compensation to the Prospective Bidder/Manager;
 - ix. The Receiver must believe the transaction will close on or prior to five days after Court approval of the transaction; and
 - x. As appropriate, the Purchase Offer shall include a deposit equal to 10% of the purchase price of the assets(s), and in the case of a Management Offer, a deposit per the Receiver's discretion;
- i) Upon review of the Qualified Offers, the Receiver, may:
- i. accept a Qualified Offer (a "**Successful Offer**") and complete an agreement for a Successful Offer;
 - ii. accept two or more non-overlapping Qualified Offers and complete agreements for same;
 - iii. continue negotiations with a selected number of Prospective Bidders and/or Prospective Managers; or
 - iv. terminate the Sales Process.
- j) The Receiver shall be under no obligation to accept the highest offer, and shall be under no obligation to accept any offer if the Receiver determines that no suitable offers have been received.
- k) If no acceptable Purchase Offers and/or Management Offers are received, the Receiver may consider other options for dealing with the Crystal Wealth Funds' assets.
- l) A Successful Offer must be approved by the Court.

143 The following chart summarizes the relevant milestones for the proposed Sales Process:

Milestone	Approximate Date
(i) Court Approval of Proposed Sales Process	July 3, 2017
(ii) Solicitation Letter Distribution	July 10, 2017
(iii) Purchas�/Management Offer Deadline	August 10, 2017
(iv) Selection of a Successful Offer(s)	August 17, 2017
(v) Issuance of an Approval and Vesting Order	August 31, 2017
(vi) Closing Date	5 days after (v)

144 It is proposed that the Sales Process will be carried out by the Receiver as it is qualified to administer the proposed Sales Process for the following reasons:

- i. the Receiver has considerable experience conducting a sale process for investment assets and investment portfolios and will utilize the expertise of its corporate finance professionals, as necessary, in carrying out its duties;
- ii. the Receiver has extensive contacts in the industry who it will ensure are made aware of the Sales Process;
- iii. if a party other than the Receiver were to be engaged to run the Sales Process, the Receiver would be required to maintain oversight of the third party, thus duplicating certain efforts and costs;
- iv. the proposed Sales Process has been designed to be a thorough and efficient process, which will reduce professional fees associated with administering same, if it is administered by the Receiver; and
- v. the Receiver will not charge a success fee, but instead will charge its standard hourly rates based on actual hours spent in administering and processing the Sales Process. It is anticipated, given the nature of the Crystal Wealth Funds, that the Receiver's fees, based on its standard hourly rates, will be significantly less than a success fee.

PROPOSED CREDITOR CLAIMS PROCEDURE ORDER

145 The Receiver is of the view that a Creditor Claims Procedure (as defined in the proposed Creditor Claims Procedure Order) is warranted for non-investor creditor claims against the Crystal Wealth Group. With respect to investor distributions, the Receiver requests approval to rely on the IFDS Unit Holder Listing, as is outlined in paragraphs 167 to 175 below.

146 The books and records of the Company indicate the following liabilities:

- a. trade payables totaling \$169,964;
- b. income tax and HST payable of \$34,200;
- c. loans from shareholders and employees totaling \$9,952;
- d. loans from Smith of \$202,648; and
- e. loans from CLJ Everest of \$286,879.

(collectively referred to as the "**Recorded Liabilities**")

147 Since the Appointment Order, the Receiver has been contacted by several parties claiming that there are monies owing to them from either the Company or Crystal Wealth Funds which liabilities were not identified in the Recorded Liabilities.

148 As a result of these claims, it appears that the liabilities recorded on the books and records of the Company and the Crystal Wealth Funds are inaccurate and unreliable for the Receiver to establish a complete creditor listing for the Crystal Wealth Group. As a result, the Receiver is seeking approval of a Creditor Claims Procedure, according to which the Receiver would call for all claims against the Crystal Wealth Group, and bar any claims against the Crystal Wealth Group not submitted by the Claims Bar Date (as defined in the proposed Creditor Claims Procedure Order).

149 The proposed Creditor Claims Procedure provides the Receiver with a mechanism to determine the amounts of claims against the Crystal Wealth Group. The proposed Creditor Claims Procedure Order will permit the Receiver to instruct creditors of the Crystal Wealth Group to file proofs of claim since the Receiver is not confident in the completeness

and accuracy of the Crystal Wealth Group's books and records with regard to non-investor creditor claims.

- 150 The proposed Creditor Claims Procedure Order provides for a package of information (each a "**Claims Package**") to be sent to each known creditor.
- 151 The complete details of the proposed Creditor Claims Procedure are set out in the draft Creditor Claims Procedure Order, which is attached hereto as **Appendix "15"**, and are summarized here as follows.

Summary of Proposed Creditor Claims Procedure

- 152 Under the proposed Creditor Claims Procedure, the Receiver intends to send a Claims Package to known creditors of the Crystal Wealth Group and potential creditors that request such a mailing prior to the Claims Bar Date, which will also include an instruction letter and Proof of Claim, by ordinary mail no later than July 10, 2017.
- 153 As soon as reasonably practicable upon receiving a request from a potential creditor (provided such request is made prior to the Claims Bar Date), the Receiver would send such creditor a Claims Package by ordinary mail, courier, facsimile or electronic mail.
- 154 In addition, the Receiver would cause notice of the proposed Creditor Claims Procedure to be published for one day in the Globe and Mail by no later than July 10, 2017 and would make the Claims Package available on its website at www.GrantThornton.ca/crystalwealth.

Claims Bar Date

- 155 The draft Creditor Claims Procedure Order provides that the **Claims Bar Date for all claims will be 5:00 p.m. (Toronto time) on August 3, 2017** (the "Claims Bar Date").
- 156 All creditors are required to file a Proof of Claim such that it is **received** by the Receiver prior to the Claims Bar Date. Failure to submit a Proof of Claim by the Claims Bar Date would result in such creditor's claim being forever barred and extinguished, released and discharged.

Review of Proofs of Claim

- 157 As part of proposed Creditor Claims Procedure Order, the Receiver would review all Proofs of Claim that are received on or before the Claims Bar Date to determine the adequacy of the manner in which Proofs of Claim have been completed and executed.

Notice of Revision or Disallowance

- 158 The Receiver would accept or, by way of Notice of Revision or Disallowance (as defined in the proposed Creditor Claims Procedure Order), revise or disallow, in whole or in part, the amount and/or status of the claim set out in any Proof of Claim.
- 159 At any time, the Receiver would be entitled to request additional information with respect to any claim and would be entitled to request that the creditor file a revised Proof of Claim. The Receiver would send a form of Notice of Dispute (as defined in the proposed Creditor Claims Procedure Order) to any creditor whose claim has been revised or disallowed at the time the Notice of Revision or Disallowance of Claim is sent to that creditor.
- 160 Where a claim has been revised or disallowed, in whole or in part, by a Notice of Revision or Disallowance, the revised or disallowed portion of that claim would be determinative unless the creditor disputes the revision or disallowance and proves the revised or disallowed claim, or portion thereof, in accordance with the proposed Creditor Claims Procedure Order.

Disputed Notices of Revision or Disallowance

- 161 Any creditor that receives a Notice of Revision or Disallowance and intends to dispute such Notice of Revision or Disallowance would be required to deliver a Notice of Dispute to the Receiver by no later than 5:00 p.m. (Toronto time) on the day that is ten business days after the Receiver sends the Notice of Revision or Disallowance. The filing of a Notice of Dispute with the Receiver within the time limit would constitute an application to have the amount or status of such claim resolved as set out below.
- 162 Where a creditor that receives a Notice of Revision or Disallowance fails to file a Notice of Dispute with the Receiver within the time limit, the amount and status of such creditor's claim would be deemed to be as set forth in the Notice of Revision or Disallowance and such amount and status, if any, would constitute such creditor's proven claim.

Resolution of Claim

- 163 Upon receipt by the Receiver of a Notice of Dispute from a creditor, the proposed Creditor Claims Procedure Order provides for the resolution of claims by the creditor and the Receiver by first attempting to resolve and settle the creditor's claim on consent of the parties. If it is not possible to resolve and settle the creditor's claim consensually, the Receiver or the creditor would be entitled to make a motion to the Court for a final determination of the creditor's claim.
- 164 In addition, the Receiver would be entitled to make a motion to the Court for the final determination of any claim at any time, whether or not the Receiver has sent the creditor a Notice of Revision or Disallowance.

Distribution to Creditors

- 165 The proposed Creditor Claims Procedure Order addresses only the identification of claims. It does not address entitlement to a distribution, or the priority of such claims. The matter of distributions to non-investor creditors of the Crystal Wealth Group will be the subject matter of a separate motion.
- 166 After the conclusion of the proposed Claim Procedure, the Receiver will report to the Court in respect of any proposed interim distribution to non-investor creditors of the Crystal Wealth Group, and would seek Court approval of same.

PROPOSED RELIANCE ON IFDS UNIT HOLDER LISTING FOR THE PURPOSE OF MAKING DISTRIBUTIONS TO INVESTORS

- 167 On April 26, 2017, the Receiver requested that Smith provide the most recent investor listing/database showing all of the investors in each of the Crystal Wealth Funds and their respective holdings. In response to this request, Smith advised that neither he nor the Company maintained the listing of investors but rather this function was performed by an external entity, IFDS. Smith advised the Receiver that when T3's were to be prepared or if the information was required for any correspondence with investors, the Company would obtain this list directly from IFDS for a fee.
- 168 On April 27, 2017, the Receiver contacted IFDS to advise them of the Receivership Proceedings and to request relevant information as it related to the Crystal Wealth Funds

and the investors therein. Subsequent to initial contact, the Receiver requested the following items from IFDS:

- a) a current listing of Crystal Wealth Funds, with details of composition in each fund;
- b) a current listing of investors in each of the Crystal Wealth Funds, indicating the holdings of each investor in each fund;
- c) a current listing of the investors with individually managed funds on hand with National Bank; and
- d) all of the available contact information (including mailing addresses, email addresses, and telephone and fax numbers) for each of the investors in each of the Crystal Wealth Funds, as well as for each of Company's portfolio management clients who have their managed accounts at NBCN.

169 On May 4, 2017, IFDS, through its counsel, provided the Receiver with a document addressing items (b) to (d) noted above (the "**Unit Holder Listing**"). It is the Receiver's understanding that the Unit Holder Listing encompasses all of the individuals invested in a particular Crystal Wealth Fund (i.e. the Unit Holder Listing contains a complete picture of the unit holdings in each of the Funds). In regards to item (a), the Receiver obtained same from NBCN.

170 On May 11, 2017, IFDS, through its counsel, provided the Receiver with the executed Securityholder Services Agreement between IFDS and the Company dated February 17, 2004 as well as a similar unsigned Securityholder Services Agreement between IFDS and the Company dated May, 2009 and an Amending Agreement dated November 30, 2016. All three of these documents are attached hereto as **Confidential Appendix "1"**.

171 IFDS is the central repository of all investor data, including names, addresses, personal information, Crystal Wealth Funds holdings, etc. Moreover, discussions with NBCN, recent discussions with BDO Canada LLP ("**BDO**"), the Company's auditors, and discussions with Smith corroborate the fact that IFDS independently maintains its records based on instructions from NBCN or the Company.

172 Accordingly, based on the fact that the Unit Holder Listing is maintained solely by IFDS, with Smith or the Company having limited involvement in same, the Receiver is of the view

- that the Unit Holder Listing accurately reflects the units held by each investor and that a separate process for investors to validate such holdings would not present a result materially different than the Unit Holder Listing. As a result, the Receiver will not be conducting a separate investor claims process as it will be relying on the investor information contained in the Unit Holder Listing.
- 173 On June 15, 2017, the Receiver attended a meeting with BDO and its counsel. During the meeting, the Receiver inquired into BDO's understanding of the Unit Holder Listing, the processes for maintaining and updating same, and the work performed on the Unit Holder Listing during the scheduled audits. BDO advised that the Unit Holder Listing was maintained and updated by IFDS with information provided by an additional third-party, Fundserv Inc., who was responsible for processing investor subscriptions and redemptions within the Funds.
- 174 BDO advised that an annual external audit is performed by a third-party on IFDS' processes and controls with respect to its business through the issuance of a Canadian Standard on Assurance Engagements 3416 (CSAE 3416) Report. BDO indicated that during the audit of the Company it would obtain copies of the annual CASE 3416 Report to confirm that the conclusions contained within the Report outlined that the controls and processes used by IFDS were sufficient to ensure the Unit Holder Listing was not materially misstated.
- 175 The Receiver seeks Court approval of its proposed reliance on the IFDS Unit Holder Listing to make distributions to investors in the Crystal Wealth Funds, where possible, without the necessity of seeking further approval from the Court.

RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP

- 176 Attached hereto as **Appendix "6"** is the Receiver's Interim Statement of Receipts and Disbursements for the period April 26, 2017 to May 31, 2017 which outlines the cash balances of the Company and the Crystal Wealth Funds.
- 177 The deposits to the Crystal Wealth Funds primarily relate to Off-Book Assets, such as regular payments from Spectrum or Squire for on-going maintenance of the Residential Mortgages. Disbursement from the Crystal Wealth Funds primarily relate to bank charges.

SPECIFIC ACTIVITIES OF THE RECEIVER SINCE THE APPOINTMENT ORDER

178 Upon its appointment, the Receiver took immediate steps to secure and preserve the Property of the Crystal Wealth Group, communicate with stakeholders, and deal with other operational and administrative tasks. The Receiver has conducted the following key activities in relation to its appointment:

Taking Possession

- a) Attended the Premises immediately upon being appointed and changed the locks to secure the assets and books and records contained therein, notified various service providers and transferred billing arrangements into the Receiver's name for the period post-Appointment Order.
- b) Attended the Mount Nemo Property shortly after the Appointment Order and changed the locks to secure the Mount Nemo Property and its contents. The Receiver transferred utilities for the Mount Nemo Property for the period post Appointment Order into the Receiver's name as well as arranged for on-going maintenance of the Mount Nemo Property.
- c) Corresponded with the landlord of the Premises to notify it of the Appointment Order and make arrangements for payment of rent during the Receiver's occupancy.
- d) Secured the books and records of the Crystal Wealth Group, located at the Premises, disabled external access to the computer system and performed a forensic backup of all data contained on the Company's Dropbox account and GoDaddy email systems. During this process, the Receiver identified that the emails contained in the inbox and sent items of the email accounts of Smith, Housego and Bentley were either deleted in their entirety, or it was apparent that individual emails had been removed.
- e) Contacted the third party cloud server company to restore email data with respect to the deleted emails. This process is still underway.
- f) Corresponded with the Crystal Wealth Group's contract accountant and received copies of certain records of the Crystal Wealth Group.

- g) Secured the Crystal Wealth Group's bank accounts and transferred the funds therein to the Receiver's trust accounts. Specifically, the Receiver has maintained separate trust accounts consistent with the origin of funds transferred from the Crystal Wealth Funds.

Employee Matters

- a) Permitted the Company to continue to actively employ three (3) employees for a brief period post Appointment Order (including Smith and Bentley) to assist the Receiver in understanding the business and operations of the Crystal Wealth Group and to facilitate the initial mailing to all investors.
- b) Terminated these employees on behalf of the Company effective May 10, 2017 and arranged for all Records of Employment ("ROEs") to be issued to same. A fourth employee, who was subsequently discovered by the Receiver to be on maternity leave, was terminated effective May 24, 2017.
- c) Engaged the Company's contracted accountant to prepare
 - i. bi-weekly payroll for Smith and the other employees;
 - ii. ROEs; and
 - iii. T4's.

Investor Matters

- a) Established a Crystal Wealth Funds toll free number and email account.
- b) Responded to numerous calls and emails from Crystal Wealth Group investors and other stakeholders.
- c) Published the Receivership Proceedings in the national editions of the Globe and Mail and the National Post on May 4, 2017.
- d) Distributed four (4) notices from the Receiver to all investors, which were also posted to the Receiver's Case Website, on May 1, 2017, May 10, 2017, May 17, 2017, and June 9, 2017 updating them on the receivership as events unfolded.

- e) Created and maintained a listing of investors with holdings, accounts, and contact information including email addresses.

Administration of the Funds

- a) The Receiver's activities with respect to the administration of the Crystal Wealth Funds include:
 - i. meeting and corresponding with NBCN on a number of investor matters, including the on-going management of the securities, records and monetization of assets within the Crystal Wealth Funds;
 - ii. corresponding with various third-parties involved in administering certain Crystal Wealth Funds, and, in some cases, their legal counsel and financial advisors;
 - iii. collecting monthly payments and funds held by third-parties administering certain Crystal Wealth Funds and/or their assets;
 - iv. corresponding with borrowers of the Crystal Wealth Funds, and, in some cases, their legal counsel and financial advisors;
 - v. conducting meetings with certain third-parties and borrowers, as appropriate; and
 - vi. negotiating the sale of two Residential Mortgages to a third party as discussed further below.

Other Activities

- a) Corresponded and held numerous discussions with Smith, employees, and contractors of the Crystal Wealth Group.
- b) Corresponded and held numerous discussions with various stakeholders, providers and/or their legal counsels.
- c) Corresponded and held various discussions with the Company's auditor, BDO.
- d) Corresponded and held various discussions and meetings with parties expressing

interest in either purchasing or managing certain Crystal Wealth Funds.

- e) Maintained a public website for the Receivership Proceedings in accordance with the Commercial List E-Service Protocol.
- f) Arranged for the redirection of the Company's and CLJ Everest's mail to the Receiver's office.
- g) Made arrangements with insurance providers to ensure that continued coverage remains in place with respect to both the Premises and Mount Nemo Property.

MOUNT NEMO PROPERTY

- 179 Pursuant to the Vesting Order, the Receiver was authorized by the Court to complete, on behalf of CLJ Everest, the sale transaction contemplated by the Mount Nemo Sale Agreement.
- 180 CLJ Everest is the registered owner of Mount Nemo Property. At the date of the Receivership Proceedings, this property was vacant.
- 181 Prior to the Appointment Order, the Mount Nemo Sale Agreement was entered into by CLJ Everest and the Purchaser with a completion date for the underlying transaction of April 28, 2017.
- 182 On April 27, 2017, Jo-Anne Smith ("**Ms. Smith**"), Smith's sister and the listing agent for the Mount Nemo Property, informed the Receiver that the Purchaser had advised her on April 27, 2017, that the Purchaser would not be completing the purchase transaction.
- 183 At 9:20 a.m. and 9:21 a.m. on April 28, 2017, the Receiver attempted to contact the Purchaser by telephone at the number which Ms. Smith advised was the Purchaser's cell phone number. On both occasions, the message "Call cannot be completed as dialed" was received.
- 184 Accordingly, by letter to the Purchaser dated April 28, 2017, A&B advised the Purchaser that the Receiver was treating his anticipatory breaches as a repudiation of the Mount Nemo Sale Agreement, thereby discharging the Receiver from proceeding with the Mount Nemo Sale Agreement while reserving the Receiver's right to pursue damages from the Purchaser. A&B's letter to the Purchaser is attached to this Report as **Appendix "16"**.

- 185 To date, no response has been provided by the Purchaser, and the transaction did not proceed as contemplated by the Vesting Order.
- 186 The Receiver obtained the listing agreement from Ms. Smith which was in place at the time of the Appointment Order.
- 187 After the transaction contemplated by the Mount Nemo Sale Agreement failed to close, the Receiver corresponded with Ms. Smith, providing information with respect to the Receivership Proceedings and the Receiver's intention to conduct a formal sales process for the listing of the Mount Nemo Property (the "**Mount Nemo Listing Process**"). The Receiver invited Ms. Smith to participate in that process. On May 10, 2017, the Receiver received an executed Listing Cancellation from Ms. Smith to allow the Receiver to conduct the Mount Nemo Listing Process.
- 188 Between April 28, 2017 and May 1, 2017, the Receiver researched and compiled a short-list of seven (7) real estate agents/brokers with extensive experience in marketing and selling rural estate properties in the Burlington and surrounding areas, including Ms. Smith (the "**Prospective Brokers**").
- 189 On May 2, 2017, the Receiver distributed a request for proposals (the "**Request for Proposals**" or "**RFP**") via email to the Prospective Brokers outlining: the appointment of the Receiver, the contents of the Mount Nemo Listing Process, and the request for each Prospective Broker to submit a proposal outlining, among other things, such Brokers' experience in the related market, a strategic marketing plan with timelines, as well as indications of value of the Mount Nemo Property, by 5:00 PM EST on May 9, 2017. The Receiver also included a confidentiality agreement, to be executed by the Prospective Brokers, along with preliminary information with respect to the Mount Nemo Property in the RFP. On May 6, 2017, a copy of the RFP was provided to Ms. Smith, inviting her to participate in the RFP conducted by the Receiver. A copy of the RFP is attached hereto as **Appendix "17"**.
- 190 Between May 2, 2017 and May 9, 2017, the Receiver received expressions of interest from four (4) Prospective Brokers (the "**Interested Brokers**"), one (1) response indicating a proposal would not be submitted, and two (2) Prospective Brokers did not respond. Of the four Interested Brokers, the Receiver obtained three executed confidentiality agreements.

- 191 On May 8, 2017, the Receiver provided on-site access to the Mount Nemo Property to the three Interested Brokers who submitted confidentiality agreements. During the on-site visit, the Receiver gave tours of the Mount Nemo Property and responded to questions with respect to the Receivership Proceedings and the Mount Nemo Sale Process.
- 192 On May 9, 2017, RFP submissions from the Interested Brokers were received. A proposal was not received from Ms. Smith. After review of the proposals received from the Interested Brokers, the Receiver selected and notified the successful broker on May 18, 2017, being RE/MAX Aboutowne Realty Corp., Brokerage (the "**Broker**"). A summary of the proposals received is attached to this First Report as **Confidential Appendix "2"**. The Receiver selected the Broker due to its extensive experience selling similar real estate in the Burlington and surrounding area, its competitive commission structure, and its detailed marketing plan to prepare and execute the sale of the Mount Nemo Property.
- 193 On June 8, 2017, the Receiver entered into an MLS listing agreement with the Broker (the "**Listing Agreement**") which is attached to this First Report as **Confidential Appendix "3"**. The Mount Nemo Property is currently listed for \$3,399,000.

COMMUNICATIONS WITH INVESTMENT ADVISORS

- 194 On May 1, 2017, the Receiver obtained a listing of eight (8) individuals, including Smith, then registered and/or acting for the Crystal Wealth Funds as investment advisors, consultants, referral sources, and/or portfolio managers (the "**Investment Advisors**"). Of the Investment Advisors, the following seven (7) individuals were determined to be registered representatives of Crystal Wealth:
- a) Smith;
 - b) Bentley;
 - c) Housego;
 - d) Scott Whale ("**Whale**");
 - e) Tim Johnston ("**Johnston**");
 - f) Sameer Azam ("**Azam**"); and

g) Geoff Reiner ("**Reiner**").

(collectively referred to as the "**Registered Representatives**").

195 The remaining Investment Advisor, Jeffrey Mushaluk, was confirmed to not be a Registered Representative of the Company and was independently contracted by the Company as a referral source.

196 On May 2, 2017, the Receiver delivered a letter via email to Housego, Whale, Johnston, and Azam, (the "**May 2nd Letter**") advising them, among other things:

- a) of the Appointment Order;
- b) of the Receiver's intention not to execute trades or manage client accounts with NBCN over which the Company had been authorized to make and implement investment decisions (the "**Managed Accounts**");
- c) not to undertake or effect any activity in the Managed Accounts;
- d) of the Receiver's intention to honour written directions provided by the Managed Accounts clients to transfer the same to another registered dealer and/or advisor; and
- e) that, at their request and upon releasing the Company from any claims related to their respective business arrangements with the Company, the Receiver would terminate the Registered Representative's relationship with the Company, and would file an online Form 33-109F1 Notice of Termination of Registered Individuals and Permitted Individuals (the "**Notice of Termination**") via the National Registration Database ("**NRD**"), enabling them to register with another firm.

197 Subsequent to sending the May 2nd Letter, the Receiver did not receive a response from any of Housego, Whale, Johnston, or Azam instructing the Receiver to terminate their relationship with the Company. On May 17, 2017, the Receiver delivered another letter via email to Housego, Whale, Johnston and Azam (the "**May 17th Letter**") notifying them that the Receiver intended to file the Notice of Termination and that if they wanted for same to reflect a voluntary resignation, they were to notify the Receiver of such a request in writing by the end of the week.

- 198 When no affirmative response was received from Housego, Whale, Johnston or Azam, the Receiver delivered a further letter dated May 26, 2017 to each of them terminating each of their relationships with the Company, and advising each of them that a Notice of Termination would be filed.
- 199 On May 30, 2017, the Receiver sent a letter to Reiner similarly advising him that the Receiver was terminating his relationship with the Company effective as of that date, and advising him that a Notice of Termination would be filed.
- 200 The Receiver completed the relevant NRD forms to effect the filing of the Notices of Termination, and on May 30, 2017, executed Notices of Termination for all Registered Representatives. The Notices of Termination were filed with NRD on June 7, 2017.

THE RECEIVER'S DEALINGS WITH SMITH

Investor and Other Correspondence

- 201 On May 8, 2017, the OSC and Receiver were made aware of an email communication made by Smith on May 1, 2017 to an unknown group of apparent investors in the Crystal Wealth Funds (the "**Smith Email**"). In the Smith Email, Smith made many false and/or erroneous statements ultimately misinforming the investors who had received same. A copy of the Smith Email is attached to this First Report as **Appendix "18"**.
- 202 On May 10, 2017, the Receiver sent an email to Smith (the "**Smith Response**") advising him that the Smith Email contained certain false and misleading statements that interfered with the steps and actions taken by the Receiver and that it was in breach of the Appointment Order. The Receiver demanded that Smith cease all communications with investors in the Crystal Wealth Funds, and the Company's Managed Account clients, unless expressly authorized by the Receiver in writing. In addition, the Receiver demanded that it be provided with copies of any and all communications sent by Smith to any one or more investors in the Crystal Wealth Funds, or to Managed Account clients. As of the date of this First Report no such communications have been provided to the Receiver by Smith. A copy of the Smith Response is attached to this First Report as **Appendix "19"**.
- 203 As of the date of this First Report, the Receiver has corresponded with numerous investors who have received the Smith Email. The Receiver understands the confusion that these

proceedings can cause to investors, which confusion is exacerbated by the Smith Email and the conflicting messages it creates. Through its Notices to Investors, the Receiver has tried to clarify to investors that the Receiver's communications should be the sole source of information relied upon for information and updates concerning the status of the Crystal Wealth Group.

- 204 On May 18, 2017, the Receiver was made aware that Smith had sent an email to Paco advising him that he should continue his services and that he would be compensated by the Receiver. In so doing, it came to the Receiver's attention that Smith had used the email address "crystalwealthceo@gmail.com". A copy of Smith's email is attached to this First Report as **Appendix "20"**.
- 205 On May 20, 2017, the Receiver sent an email response to Smith reiterating that he has no authority to represent or speak on behalf of the Receiver, including with respect to whom will be compensated under the Appointment Order. In addition, the Receiver demanded that Smith refrain from using any email address containing the words "crystal wealth", and cease all communications under same. A copy of the Receiver's response to Smith is attached to this First Report as **Appendix "21"**.

Removal of RV & Moving Trailer

- 206 On April 28, 2017, upon taking possession of the Mount Nemo Property, the Receiver documented a trailer with the license plate L52 87V (the "**Moving Trailer**") and a recreational vehicle with the license plate BVCD 847 (the "**RV**") on the Mount Nemo Property. The Receiver ensured that both the Moving Trailer and RV were both locked and secured prior to leaving.
- 207 On May 7, 2017, the Receiver returned to the Mount Nemo Property and noted that both the Moving Trailer and RV were not present. On May 11, 2017, the Receiver obtained information through the Government of Ontario database, dated May 8, 2017, indicating that Smith was the owner of both the Moving Trailer and RV.
- 208 In Smith's termination letter, dated May 16, 2017 (delivered via registered mail and email, a copy of which is attached to this First Report as **Appendix "22"**), the Receiver notified Smith of the removal of the RV and Moving Trailer and requested that Smith preserve the RV and Moving Trailer, at a location of his choice until such time that the Receiver provided

further direction. The Receiver also requested that Smith notify the Receiver of the location where the RV and Moving Trailer would be located; the Receiver has yet to obtain a response from Smith.

Smith's Proposed Motion & Failure to Deliver Statutory Declaration

- 209 As a result of the Appointment Order, all of Smith's known assets, including bank accounts, continue to be frozen, and all of the Property (as defined in the Appointment Order) of the Crystal Wealth Group was vested in the Receiver.
- 210 At the hearing of the Receivership Application on April 26, 2017, and subsequent to granting the Appointment Order which was unopposed by the Crystal Wealth Group, the Honourable Justice Newbould scheduled a motion date of May 24, 2017 (the "**Comeback Date**"), at which time, Smith was to bring a motion, if he wished, to vary certain terms of the Appointment Order, including any request to access funds for the purpose of retaining counsel and for personal living expenses. The Receiver has received correspondence from investors communicating their opposition to Smith gaining access to such funds.
- 211 On May 18, 2017, the Receiver delivered a blank form of statutory declaration (the "**Statutory Declaration**") to Smith requesting that he provide information concerning, among other things, his assets, liabilities, income, and expenses. A copy of the statutory declaration sent to Smith by the Receiver is attached as **Appendix "23"** to this First Report.
- 212 On May 24, 2017 and June 6, 2017, A&B, on behalf of the Receiver, sent follow-up correspondence to Smith reiterating the Receiver's request that Smith complete the Statutory Declaration. As at the date of the First Report, the Receiver has not received the completed Statutory Declaration from Smith.
- 213 No motion materials were served by Smith prior to the May 24th Comeback Date. On the Comeback Date, Smith advised the Court that his previously retained counsel had resigned on May 18, 2017 and that he therefore required additional time to prepare the necessary materials himself in support of a motion to vary certain terms of the Appointment Order, and more specifically, to access funds for retaining counsel and for personal living expenses (despite not having completed the Statutory Declaration). The Honourable Justice Morawetz directed Smith to serve and file his materials in support of any such

motion with the Court by the close of business on June 1, 2017. Justice Morawetz further directed the Receiver and Smith to re-attend Court with counsel for the OSC on June 2, 2017 to review the status and to set a schedule for the hearing of Smith's motion, if necessary. A copy of the endorsement of the Honourable Justice Morawetz issued on May 24, 2017 is attached as **Appendix "24"** to this First Report.

- 214 On June 1, 2017, Smith, representing himself, served a notice of motion, legal brief, and motion record which failed to include any evidence (the "**June 1 Materials**"). The relief sought in the notice of motion was substantially different than that to which Smith advised the Court he would be seeking on the Comeback Date before Justice Morawetz, and included a request that the Appointment Order, Vesting Order, and OSC Freeze Directions be rescinded in their entirety. A copy of the notice of motion included in the June 1 Materials is attached hereto as **Appendix "25"**.
- 215 On June 2, 2017, the Receiver, A&B, Smith, and OSC lawyers attended the scheduled 9:30 a.m. Court appointment. During the appointment, the Honourable Justice Hainey advised Smith that the June 1 Materials were insufficient to allow the Court to consider the relief sought, and accordingly, the Court declined to schedule Smith's motion. Furthermore, the Honourable Justice Hainey advised that the relief sought by Smith in the June 1 Materials was far different and greater in scope than Smith had communicated to Justice Morawetz at the May 24, 2017 Comeback Date. The Honourable Justice Hainey issued an endorsement on June 2, 2017 scheduling a further 9:30 appearance for June 23, 2017, and directed counsel to provide a progress report to the Court at that time. A copy of the endorsement of the Honourable Justice Hainey issued on June 2, 2017 is attached as **Appendix "26"** to this First Report.

ISSUES CONCERNING REPRESENTATIVE COUNSEL

Housego's Support for the Appointment of CMB as Representative Counsel

- 216 On May 17, 2017, the Receiver was made aware of an email sent by Housego on the same date to a group of investors in the Crystal Wealth Funds using the email address crystalwealthupdates@gmail.com (the "**Housego Email**"). The Housego Email, among other things, "*strongly recommended*" that investors endorse the appointment of Alistair Crawley ("**Crawley**") and Crawley MacKewn Brush LLP ("**CMB**") as representative counsel for investors. Housego's recommendation supporting Crawley and CMB was

done utilizing false and/or erroneous statements regarding the Receivership Proceedings as well as past and future actions to be taken by the Receiver. Most notably, Housego asserted that the cost of CMB's services to the investors would be covered by the Receiver, rather than from the Property of the Crystal Wealth Group. The Housego Email contained a hyperlink which investors could click on to support CMB's appointment as Representative Counsel. A copy of the Housego Email is attached to this First Report as **Appendix "27"**.

- 217 On May 18, 2017, the Receiver delivered an email to Housego (the "**Housego Response**"), attached as **Appendix "28"**, advising him that although the Receiver is supportive of investors seeking independent legal advice, it was concerned about the numerous inaccurate statements which were communicated in the Housego Email, which had given rise to confusion within the investor body.
- 218 On May 24, 2017, the Receiver distributed an email to the email addresses provided by Housego that attached the Housego Email, the Housego Response, and directed these investors to monitor the Receiver's case website for reliable updates concerning the status of the Receivership Proceedings. A copy of the Receiver's communication in this regard is attached to this First Report as **Appendix "29"**.

CMB's Motion to be Appointed as Representative Counsel

- 219 At the June 2, 2017 Court hearing, Crawley, on behalf of CMB, attended to advise the Court of CMB's intention to bring a motion to be appointed as representative counsel for the investors in the Crystal Wealth Funds. On June 9, 2017, CMB served the Receiver with a motion record in support of a motion to appoint CMB as representative counsel to the investors in the Crystal Wealth Funds. A date for the motion has yet to be scheduled.
- 220 At the time of the Appointment Order, CMB acted as counsel for one of the named Respondents, Chrysalis Yoga, and appeared on Chrysalis Yoga's behalf at the hearing before the Honourable Justice Newbould on April 26, 2017.
- 221 Shortly following the Application hearing on April 26, 2017, A&B was contacted by Crawley. During a conference call between A&B and Crawley on May 8, 2017, Crawley indicated that he had been informally speaking with an investor named Tony Murphy, as well as Johnston, one of the Registered Representatives, but had not been retained. On

May 10, 2017, Crawley advised A&B of his view that this case would benefit from representative counsel to represent the interests of investors, and that CMB would be interested in seeking an appointment for this role.

- 222 On May 11, 2017, A&B and the Receiver participated in a conference call with Crawley and Melissa MacKewn of CMB to discuss CMB's interest in the appointment. Crawley advised that he was introduced to the Crystal Wealth situation by Housego and Johnston. The Receiver inquired as to Crawley's experience acting as representative counsel on similar files to which Crawley responded that neither he nor CMB had acted in such capacity. The Receiver advised Crawley that it has had extensive experience interacting with representative counsel in its capacity as Court-appointed Receiver and acknowledged the importance of the role in certain of these mandates. Notwithstanding the above, the Receiver indicated to Crawley that the appointment of representative counsel at that stage was premature.
- 223 On May 16, 2017, Crawley sent a letter via email to A&B reiterating CMB's interest in being appointed representative counsel (the "**May 16th Crawley Letter**"). A copy of the Crawley Letter is attached hereto as **Appendix "30"**. On May 17, 2017, A&B, on behalf of the Receiver, sent a letter in response to the May 16th Crawley Letter reiterating the Receiver's view, and rationale for it, that it was premature for representative counsel to be appointed at that juncture. A&B's response sent to CMB on May 17th is attached to this First Report as **Appendix "31"**.
- 224 On May 19, 2017, (two days after the Housego Email was sent) Crawley sent additional correspondence via email to A&B (the "**May 19th Crawley Letter**") which is attached hereto as **Appendix "32"**. The May 19th Crawley Letter, among other things, contained a critical and aggressive tone towards the Receiver and its actions taken to date and made many incorrect assumptions regarding same. In the letter, Crawley took issue with the fact that the Receiver had not contacted Housego with respect to the management of certain Crystal Wealth Funds. On behalf of the Receiver, A&B provided a response to the May 19th Crawley Letter via letter sent to CMB on May 19, 2017. In its response, A&B advised Crawley, among other things, that it was "surprised by the aggressive tone of your letter" while reiterating once again that the Receiver believed it to be premature to introduce representative counsel at that stage, and to unnecessarily levy the cost of representative counsel to investors at this time. A&B further advised CMB in its letter that

the Receiver had intentionally not consulted with Housego, given the Receiver's view that it was neither necessary nor desirable to seek Housego's consultation in order for the Receiver to review and make appropriate decisions in connection with the Crystal Wealth Funds. A copy of A&B's May 19th letter to CMB is attached to this Report as **Appendix "33"**.

225 As is set out in A&B's letters to Crawley sent on May 17th and May 19th, the Receiver has not foreclosed the option of recommending representative counsel to investors. However, the Receiver still believes it is premature to engage representative counsel for the following reasons:

- a) The Receiver is acting as independent court officer, with legal representation from A&B, and is taking steps to advance the interests of all investors;
- b) An omnibus representative counsel will likely not have a meaningful role. The Receiver believes that there are divergent interests among the investor group, given the differences between the Crystal Wealth Funds, and accordingly, many investors may opt out, or multiple representative counsel roles may be required;
- c) The Receiver believes that the monetization of certain Crystal Wealth Funds is straight forward and as previously mentioned, is currently underway. Accordingly, it seems counter-productive to burden investors in such Crystal Wealth Funds with the cost of representative counsel at this stage; and
- d) Certain Crystal Wealth Funds may require individual and protracted realization strategies, unique to each Crystal Wealth Fund, during which time the cost of representative counsel could unnecessarily be significant while adding questionable value. As previously discussed in this First Report, the Receiver has expended considerable effort to obtain documentation to fully understand the Off-Book Assets, is continuing the process to do so and will very shortly be in a position to conduct the Sales Process as described in this First Report. In addition, the Receiver will be engaging an expert to assist the Receiver in the management and development of realization strategies of the Media Fund, arguably one of the most complex investments of the Crystal Wealth Funds, and will consider the need for such a specialized advisor in respect of any other fund if the circumstances warrant it.

226 The Receiver is of the view that in the event that this Honourable Court nevertheless believes that representative counsel should be appointed, such role should not be fulfilled by Crawley or CMB for the following reasons:

- a) CMB: (i) acted for one of the Respondents, Chrysalis Yoga, an entity which is subject to the Receiver's investigation; (ii) made representations to the Court in that capacity at the time of the Appointment Order; and (iii) is, in the Receiver's view, conflicted from acting in an impartial role;
- b) Crawley and CMB admitted that they were introduced to the Crystal Wealth situation, in part, by Housego and Johnston. Both of these individuals were actively working with Smith, were Registered Representatives of the Company prior to being terminated by the Receiver, were subject to the OSC's Temporary Order and Extension Order, and are the subject of the Receiver's continued investigation;
- c) Housego circulated false and misleading information to investors vehemently advocating for CMB to be appointed as representative counsel;
- d) CMB's correspondence to the Receiver has been inflammatory, accusatory, and misleading, based, at least in part, on knowledge and information provided to CMB by Housego and Johnston; and,
- e) CMB's alleged proxies from investors, through the hyperlink referenced in the Housego Email, were obtained under false pretenses from Housego.

227 If this Honourable Court believes that representative counsel should be appointed, the Receiver respectfully suggests that such role be fulfilled by Cassels, Brock & Blackwell LLP ("**Cassels**"), a firm with significant experience in acting as representative counsel and a firm well versed in the mutual fund industry and the financial services sector. Cassels is one of the various experienced firms who have contacted the Receiver to communicate an interest in acting in the representative counsel capacity, and has confirmed to the Receiver that it is free of conflicts in acting in such capacity.

RECEIVER'S FEES AND DISBURSEMENTS

228 Pursuant to paragraph 23 of the Appointment Order, the Receiver and its counsel are to

be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment Order. Pursuant to paragraph 24 of the Appointment Order, the Receiver and its counsel shall pass their accounts.

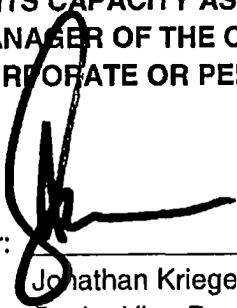
- 229 The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Receiver and its counsel have maintained detailed records of their professional time and costs.
- 230 The total fees for the Receiver for the period April 25, 2017 to May 31, 2017, were \$214,276.91, plus disbursements of \$1,566.00, plus HST of \$28,058.28, for a total of \$243,891.19. The time spent by the Receiver is more particularly described in the Affidavit of Jonathan Krieger sworn June 21, 2017 (the "**Krieger Affidavit**"), which is attached hereto as **Appendix "34"** and contains copies of invoices that set out the services provided during this time period.
- 231 The total fees of A&B, as counsel to the Receiver, for the period of April 24, 2017 to May 31, 2017, were \$160,293.50, plus disbursements of \$5,069.55, plus HST of \$21,237.34, for a total of \$186,600.39. The time spent by A&B is more particularly described in the Affidavit of Steven L. Graff sworn June 22, 2017 (the "**Graff Affidavit**"), which is attached as **Appendix "35"** and contains, among other things, copies of invoices that set out the services provided during this period of time.
- 232 It is the Receiver's opinion that the fees and disbursements of the Receiver and A&B accurately reflect the work done by the Receiver and on behalf of the Receiver by A&B in connection with the receivership and the administration of the property of the Crystal Wealth Group from April 24, 2017 to May 31, 2017.
- 233 It is the Receiver's opinion that the fees and disbursements of A&B are fair and reasonable and justified in the circumstances. The Receiver recommends approval of A&B's accounts by this Honourable Court. While the Receiver is seeking approval of its fees and disbursements at this time, the Receiver intends to make a recommendation and seek approval of an allocation of its fees and disbursements among the Crystal Wealth Funds in a further motion before this Court.

CONCLUSION

234 For the reasons set out in this First Report, the Receiver respectfully requests the relief and approval as set out in the Receiver's Notice of Motion dated June 22, 2017.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 22 day of June, 2017.

**GRANT THORNTON LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER AND
MANAGER OF THE CRYSTAL WEALTH GROUP, AND NOT IN ITS
CORPORATE OR PERSONAL CAPACITY**

Per: 

Jonathan Krieger, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX 4

Court File Number: CV-17-11779-806LSuperior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

OSC

Plaintiff(s)

AND

CRYSTAL WEALTH. INC

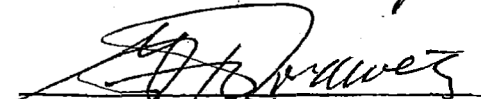
Defendant(s)

Case Management ☐ Yes ☐ No by Judge: _____

Counsel	Telephone No:	Facsimile No:
M. van Zandvoort P. Weeber (OSC)	416-865-4742 416-204-8881	
Clayton Smith (self-rep)	905-517-6172	

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
- ☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- ☐ Adjourned to: _____
- ☐ Time Table approved (as follows):

On April 26, 2017 Newbould J. appointed Grant Stratton as Receiver of the ~~Ally~~ company. company
Mr. Smith is the majority shareholder of the ~~Ally~~ company.
Mr. Smith advises that his counsel has resigned and that he has been unable, to date, to retain new counsel. Mr. Smith has indicated an intention to bring a motion to vary certain terms of the receivership order, specifically to access funds for retaining counsel and for

May 24/17
Date

Judge's Signature
☒ Additional Pages 1/2

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

personal living expenses.

Newbould J. had set May 24, 2017 as the date for such a motion. However, Mr. Smith was advised on May 18, 2017 that his counsel was resigning and he is not in a position to proceed today (no materials have been filed).

Mr. Smith has indicated that he will prepare his own ~~motion~~ ^{motion} materials.

The motion materials are to be served and filed with the Court by close of business on Thursday June 1, 2017. Parties to attend a 9:30 appointment on Friday June 2, 2017 to review statements and to set a schedule for the hearing of the motion, if necessary.

No judge is seized of this matter.

* Counsel advised that newship order affects the Crystal Wealth Group of Companies and Mr. Smith personally.

[Signature]

[Signature]

APPENDIX 5

June 2, 2017

This 9:30 AM appointment
is acknowledged &

June 23/17 at 9:30 AM
at which time counsel
will give me a
progress report.

Harvey J

APPENDIX 6

Court File No. CV-17-11779-00CL

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

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE AND PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE FUND, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, and CHRYSALIS YOGA INC.

Respondents

**APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT R.S.O. 1990,
c. S.5, AS AMENDED**

**SUPPLEMENT TO THE FIRST REPORT TO THE COURT
SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS RECEIVER**

JUNE 29, 2017



**Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4**

TABLE OF CONTENTS

INTRODUCTION AND PURPOSE OF THE FIRST REPORT SUPPLEMENT	2
MONETIZATION OF ON-BOOK ASSETS	2
MONETIZATION OF OFF-BOOK ASSETS	3
PRESERVATION OF CRYSTAL WEALTH FUNDS	3
ENGAGEMENT OF QUIVER AS ADVISOR	3

CONFIDENTIAL APPENDIX

Appendix 1 Memorandum of Understanding dated June 27, 2017

Court File No. CV-17-11779-00CL

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

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE AND PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE FUND, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, and CHRYSALIS YOGA INC.

Respondents

**APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT R.S.O. 1990,
c. S.5, AS AMENDED**

**SUPPLEMENT TO THE FIRST REPORT TO THE COURT
SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS RECEIVER**

JUNE 29, 2017

INTRODUCTION AND PURPOSE OF THE FIRST REPORT SUPPLEMENT

- 1 This supplement (this **"First Report Supplement"**) is filed by Grant Thornton Limited in its capacity as Court-appointed receiver (the **"Receiver"**) of the Crystal Wealth Group and of the Chrysalis Account. This First Report Supplement is filed by the Receiver as a supplement to its first report dated June 22, 2017 (the **"First Report"**).
- 2 Unless otherwise defined, all capitalized terms in this First Report Supplement are defined as they are in the First Report. Any and all disclaimers provided in the First Report also apply to this First Report Supplement.
- 3 Background information in respect of the Respondents and the Receivers' appointment is provided in the First Report.
- 4 Copies of materials filed in these proceedings generally are available on the Receiver's Case Website at www.grantthornton.ca/crystalwealth.
- 5 The purpose of this First Report Supplement is to inform and update the Court on:
 - a) the Receiver's efforts thus far in monetizing certain On-Book Assets, more specifically, Equities and External Mutual Funds;
 - b) the Receiver's efforts thus far in monetizing certain Off-Book Assets, more specifically, the Squire mortgages; and
 - c) the engagement of Quiver Capital Inc. (**"Quiver"**) as an advisor to the Receiver in managing the Media Fund.

MONETIZATION OF ON-BOOK ASSETS

- 6 As mentioned in the First Report, the Receiver, in consultation with colleagues in Canada and the US with extensive investment and portfolio expertise, is carefully monetizing all marketable securities, including Equities and External Mutual Funds, where possible, which are traded on the various public stock exchanges. The Receiver estimates that this process is over 90% complete, covering the ACM Growth Fund, ACM Income Fund, Factoring Fund, Medical Fund, Media Fund, Resource Fund and the Sustainable Dividend Fund. The Receiver anticipates that this realization process will be completed shortly.

MONETIZATION OF OFF-BOOK ASSETS

- 7 As mentioned in the First Report, Squire had offered to acquire the remaining two Squire Mortgages, with an effective date of June 23, 2017, for proceeds of \$197,526 (proceeds include the entire principal value of the Squire Mortgages (\$196,000) plus accrued interest of \$1,526 to June 23, 2017). The Receiver accepted the offer and the transaction closed on June 23, 2017.

PRESERVATION OF CRYSTAL WEALTH FUNDS

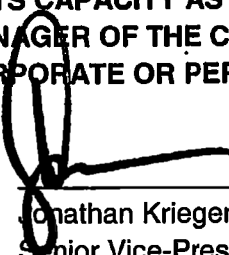
- 8 The Receiver notes that the monetization of individual On-Book Assets and Off-Book Assets will be preserved in each Crystal Wealth Fund to which they pertain and cash proceeds will not be intermingled among other Crystal Wealth Funds.

ENGAGEMENT OF QUIVER AS ADVISOR

- 9 The First Report describes the Receiver's potential engagement of Quiver as an advisor to assist with the management of the Media Fund, due to the uniqueness of the Media Fund and Quiver's expertise in this area.
- 10 On June 27, 2017, the Receiver and Quiver entered into a Memorandum of Understanding ("MOU") which outlines the roles and responsibilities of Quiver and compensation in so acting. A copy of the MOU is attached as **Confidential Appendix "1"** which the Receiver respectfully requests be subject to the sealing order as requested in the First Report.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 29 day of June, 2017.

**GRANT THORNTON LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER AND
MANAGER OF THE CRYSTAL WEALTH GROUP, AND NOT IN ITS
CORPORATE OR PERSONAL CAPACITY**

Per: 

Jonathan Krieger, CPA, CA, CIRP, LIT
Senior Vice-President

APPENDIX 7

June 23/17

I have scheduled a 2-hour
motion on June 30/17 at
9 AM before Me.

There shall be a
sealing order with
respect to the original
~~motion~~ application record filed
April 25, 2017, and with
respect to Confidential
Appendices 1, 2 and 3 to
the Receiver's Final Report.

Harvey J.

APPENDIX 8

June 23, 2017

Short Title of Proceedings

Applicant

Respondents

Court File No. CV-17-11779-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at TORONTO

MOTION RECORD

Volume 1 of 2

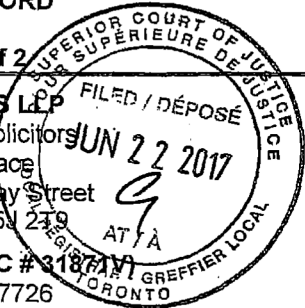
AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, 181 Bay Street
Toronto, ON M5V 2T9

Steven L. Graff (LSUC # 318717)
Tel: (416) 865-7726
Fax: (416) 863-1515
E-mail: sgraff@airdberlis.com

Mark van Zandvoort (LSUC # 59120U)
Tel: (416) 865-4742
Fax: (416) 863-1515
E-mail: mvanzandvoort@airdberlis.com

Kyle Plunkett (LSUC # 61044N)
Tel: (416) 865-3406
Fax: (416) 863-1515
E-mail: kplunkett@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as Receiver and Manager of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited



June 30, 2017

I am satisfied that this motion should be granted on the terms of the attached order and the creditor claims procedure order.

There shall be a sealing order with respect to the Confidential Appendices as defined in the attached order.

Hanley J

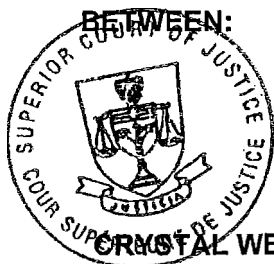
Court File No. CV- 17-11779-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE
JUSTICE HAINEY

)
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)
)
)

FRIDAY, THE 30th DAY
OF JUNE, 2017



BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND and CHRYSALIS YOGA INC.

Respondents

**APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

ORDER

THIS MOTION, made by Grant Thornton Limited ("GTL"), in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**")), without security, of all of the assets, undertakings and properties of each of the Respondents except the Respondent, Chrysalis Yoga Inc. ("**Chrysalis Yoga**") (each of the Respondents except for Chrysalis Yoga being individually and collectively, the "**Crystal Wealth Group**"), for an Order, *inter alia*: (i) approving the First Report of the Receiver dated June 22, 2017 (the "**First Report**") and the activities of the Receiver set out in the First Report; (ii) approving the Supplement to the First Report of the Receiver dated June 29, 2017 (the "**Supplement to the First Report**") and the

- 2 -

activities of the Receiver set out in the Supplement to the First Report; (iii) sealing certain appendices to the First Report and the Supplement to the First Report (the "**Confidential Appendices**") until further Order of the Court; (iv) approving the Receiver's reliance on the Unit Holder Listing (as defined in the First Report) to make interim distributions of the proceeds obtained from the divestiture of certain assets of Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, and Crystal Wealth Retirement One Fund (collectively, the "**Crystal Wealth Funds**"), where possible, to investors in the Crystal Wealth Funds; (v) approving the Sales Process (the "**Sales Process**") as defined and described in the First Report and authorizing the Receiver to carry out its functions in accordance with the Sales Process; (vi) approving the Receiver's interim statement of receipts and disbursements for the period from April 26, 2017 to May 31, 2017 (the "**Receiver's Interim R&D**"); and (vii) approving the fees and disbursements of the Receiver and its counsel, Aird & Berlis LLP, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report, including the affidavit of Jonathan Krieger sworn June 21, 2017 (the "**Krieger Affidavit**"), and the affidavit of Steven L. Graff sworn June 22, 2017 (the "**Graff Affidavit**"), the Supplement to the First Report, and on hearing the submissions of counsel for the Receiver, counsel for the Ontario Securities Commission, and of the Respondent, Clayton Smith, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Diana Saturno sworn June 22, 2017, filed,

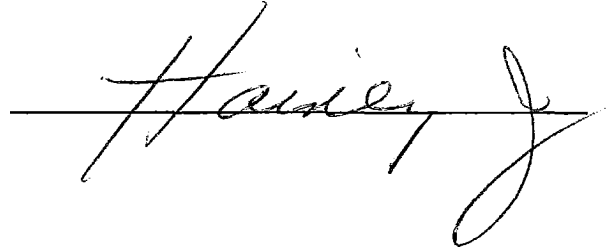
1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the First Report and the Supplement to the First Report, and the activities of the Receiver described therein be and are hereby approved.

- 3 -

3. **THIS COURT ORDERS** that the Confidential Appendices be and are hereby sealed until further Order of the Court.
4. **THIS COURT ORDERS** that the Sales Process, as defined and described in the First Report, be and is hereby approved.
5. **THIS COURT ORDERS** that the Receiver may rely on the Unit Holder Listing (as defined in the First Report) to make distributions, without further approval of the Court, of the proceeds obtained from the divestiture of certain assets of the Crystal Wealth Funds to investors of the Crystal Wealth Funds.
6. **THIS COURT ORDERS** that the Receiver's Interim R&D, as described in the First Report, be and is hereby approved.
7. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, as described in the First Report and as set out in the Krieger Affidavit, be and are hereby approved.
8. **THIS COURT ORDERS** that the fees and disbursements of Aird & Berlis LLP, counsel to the Receiver, as described in the First Report and as set out in the Graff Affidavit, be and are hereby approved.
9. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
11. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the

- 4 -

within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

A handwritten signature in cursive script, appearing to read "Hainey", written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUN 30 2017

PER / PAR:

Handwritten initials, possibly "g", written next to the "PER / PAR:" label.

Applicant
Short Title of Proceedings

Respondents

Court File No. CV-17-11779-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, 181 Bay Street
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
E-mail: sgraff@airdberlis.com

Mark van Zandvoort (LSUC # 59120U)
Tel: (416) 865-4742
Fax: (416) 863-1515
E-mail: mvanzandvoort@airdberlis.com

Kyle Plunkett (LSUC # 61044N)
Tel: (416) 865-3406
Fax: (416) 863-1515
E-mail: kplunkett@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as Receiver and Manager of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited

APPENDIX 9

Court File No. CV-17-11779-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

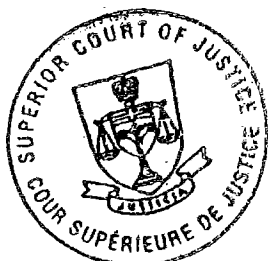
THE HONOURABLE

JUSTICE HAINEY

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)

FRIDAY, THE 30th DAY

OF JUNE, 2017



ONTARIO SECURITIES COMMISSION

Applicant

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, and CHRYSALIS YOGA INC.

Respondents

Application under Section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended

CREDITOR CLAIMS PROCEDURE ORDER

THIS MOTION, made by Grant Thornton Limited ("**GTL**"), in its capacity as the Court-appointed receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of each of the Respondents except the Respondent, Chrysalis Yoga Inc. ("**Chrysalis Yoga**") (each of the Respondents except for Chrysalis Yoga being individually and collectively, the "**Crystal Wealth Group**"), for an order approving a procedure for the determination and resolution of claims filed by non-investor creditors against

the Crystal Wealth Group and authorizing the Receiver to administer the claims process in accordance with its terms, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated June 22, 2017 and the appendices thereto (collectively, the "**First Report**"), the Supplement to the First Report dated June 29, 2017, and on hearing the submissions of counsel for the Receiver, and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Diana Saturno sworn June 22, 2017, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that for the purposes of this Order, the following terms shall have the following meanings:

- (a) "**Appointment Date**" means April 26, 2017;
- (b) "**Appointment Order**" means the Appointment Order made by the Honourable Justice Newbould dated April 26, 2017 in the within proceeding;
- (c) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (d) "**Claim**" means any right of any Person against the Crystal Wealth Group in connection with any indebtedness, liability or obligation of any kind of the Crystal Wealth Group, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future that could be asserted by way of set-off, counterclaim

or otherwise, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Appointment Date or which would have been claims provable in bankruptcy had the Crystal Wealth Group, or any individual entity included therein, as the case may be, become bankrupt on the Appointment Date (each, a "**Creditor Claim**" and, collectively, the "**Creditor Claims**"), provided, however, that "Claim" shall not include an Excluded Claim. For greater certainty, a claim of a Known Creditor arising from a lease, contract, employment agreement or other agreement which was terminated or disclaimed by the Receiver between the Appointment Date and the date of this Order, is included in the definition of a "**Claim**" and "**Creditor Claim**";

- (e) "**Claims Bar Date**" means **5:00 p.m. (Toronto time) on August 3, 2017**, or any later date ordered by the Court;
- (f) "**Claims Package**" means a package of information to be provided by the Receiver, which package shall include a copy of this Order without attachments, an Instruction Letter, a Proof of Claim, and such other materials as the Receiver may consider appropriate or desirable;
- (g) "**Claims Procedure**" means the procedures outlined in this Order, including the Schedules;
- (h) "**Claims Procedure Order**" means this Order;
- (i) "**Court**" means the Ontario Superior Court of Justice (Commercial List);
- (j) "**Creditor**" means any Person having a Claim;
- (k) "**Excluded Claim**" means any claims of an investor in any entity comprising the Crystal Wealth Group (each, an "**Investor**") with respect to such Investor's investment;
- (l) "**Instruction Letter**" means a letter to Creditors regarding the Claims Procedure containing instructions regarding the completion and return of a Proof of Claim, substantially in the form attached as **Schedule "B"** hereto;

- (m) **"Investor"** has the meaning ascribed to that term in paragraph 2(k) of the Claims Procedure Order;
- (n) **"Known Creditors"** means:
 - (i) those Creditors which the books and records of the Crystal Wealth Group disclose were owed monies by the Crystal Wealth Group as of the Appointment Date and which monies remain unpaid in whole or in part, excluding Investors;
 - (ii) any Person which commenced a legal proceeding against the Crystal Wealth Group which legal proceeding was commenced and served upon the Crystal Wealth Group prior to the Appointment Date;
 - (iii) any Person which is party to a lease, contract, employment agreement or other agreement of the Crystal Wealth Group which was terminated or disclaimed by the Receiver between the Appointment Date and the date of this Order; and
 - (iv) any other Creditor actually known to the Receiver as of the date of this Order;
- (o) **"Notice of Dispute"** means a notice delivered to the Receiver by a Creditor disputing a Notice of Revision or Disallowance, which notice shall be substantially in the form attached hereto as **Schedule "E"** and shall set out the reasons for the dispute;
- (p) **"Notice of Revision or Disallowance"** means a notice informing a Creditor that the Receiver has revised or disallowed all or any part of such Creditor's Claim, which notice shall be substantially in the form attached hereto as **Schedule "D"** and shall set out the reasons for such revision and/or disallowance;
- (q) **"Notice to Creditors"** means the notice publicizing this Claims Procedure to be published in accordance with this Order, substantially in the form of the notice attached as **Schedule "A"**;

- (r) **"Person"** means any individual, general or limited partnership, firm, association, joint venture, trust, entity, corporation, limited or unlimited liability company, unincorporated organization, trade union, pension plan administrator, pension plan regulator, governmental authority or agency, employee or other association, or any other juridical entity howsoever designated or constituted;
- (s) **"Proof of Claim"** means the form of Proof of Claim to be completed and filed by a Creditor setting forth its purported Claim, substantially in the form attached as **Schedule "C"**;
- (t) **"Proven Claim"** means the amount and classification of any Creditor's Claim as finally determined in accordance with this Claims Procedure;
- (u) **"Receivership Proceedings"** means the receivership proceedings commenced in respect of the Crystal Wealth Group by way of the Appointment Order; and
- (v) **"Receiver's Website"** means <http://www.grantthornton.ca/crystalwealth>.

NOTICE TO CREDITORS AND OTHERS

3. THIS COURT ORDERS that:

- (a) the Receiver shall, no later than five Business Days following the making of this Order, post a copy of this Order (together with all Schedules) on the Receiver's Website;
- (b) the Receiver shall send to each of the Known Creditors (in each case, for which it has an address) a copy of the Claims Package by July 10, 2017;
- (c) the Receiver shall, no later than July 10, 2017, cause to be published the Notice to Creditors in The Globe and Mail; and
- (d) the Receiver shall, provided such request is received prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request therefore a copy of the Claims Package to any Person claiming to be a Creditor and requesting such material.

PROOFS OF CLAIM

4. **THIS COURT ORDERS** that all Creditors shall file with the Receiver a Proof of Claim within the time periods herein stipulated.

DEADLINE FOR FILING OR PROOF OF CLAIM

5. **THIS COURT ORDERS** that all Proofs of Claim, together with supporting documentation in respect of such Claim, must be filed with the Receiver by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission, so that such Proof of Claim is received by the Receiver by no later than the Claims Bar Date.

6. **THIS COURT ORDERS** that any Creditor that does not file a Proof of Claim, together with supporting documentation in respect of such Claim,

- (a) shall be and is hereby forever barred from asserting or enforcing any Claim against the Crystal Wealth Group;
- (b) shall not be entitled to receive any distributions from any of the Crystal Wealth Group's estates; and
- (c) shall not be entitled to any further notice in, and shall not be entitled to participate as a creditor in, the Receivership Proceedings.

DETERMINATION OF CLAIMS AGAINST THE CRYSTAL WEALTH GROUP

7. **THIS COURT ORDERS** that the Receiver shall review all Proofs of Claim filed on or before the Claims Bar Date and may accept, revise or disallow (in whole or in part) the amount and/or status of a Claim set out in any Proof of Claim. If the Receiver determines to revise or disallow a Claim, the Receiver shall send a Notice of Revision or Disallowance to the Creditor. At any time, the Receiver may request additional information with respect to any Claim, and may request that the Creditor file a revised Proof of Claim, as the case may be.

8. **THIS COURT ORDERS** that the Receiver may attempt to consensually resolve the classification and amount of any Claim with the Creditor prior to accepting, revising or disallowing such Claim.

9. **THIS COURT ORDERS** that where a Proof of Claim has been revised or disallowed (in whole or in part) by a Notice of Revision or Disallowance, the revised or disallowed portion of

that Claim shall not establish a Proven Claim unless the Creditor has disputed the revision or disallowance and proven the revised or disallowed Claim (or portion thereof) in accordance with paragraphs 12-14 of this Order.

NOTICES OF DISPUTE

10. **THIS COURT ORDERS** that if a Creditor disputes the Notice of Revision or Disallowance and intends to contest the Notice of Revision or Disallowance then such Creditor shall deliver a Notice of Dispute by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission so that such Notice of Dispute is received by the Receiver by no later than 5:00 p.m. (Toronto time) on the day which is ten (10) Business Days after the Receiver delivered the Notice of Revision or Disallowance or such later date as the Receiver may agree in writing or the Court may order. The filing of a Notice of Dispute with the Receiver within the time limited therefore shall constitute an application to have the amount or status of such Claim determined as set out in paragraphs 12-14 hereof.

11. **THIS COURT ORDERS** that where a Creditor that receives a Notice of Revision or Disallowance fails to file a Notice of Dispute with the Receiver within the time frame required by paragraph 10 above, the amount and status of such Creditor's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and such amount and status, if any, shall constitute such Creditor's Proven Claim.

RESOLUTION OF CLAIMS

12. **THIS COURT ORDERS** that as soon as practicable after the delivery of the Notice of Dispute to the Receiver, the Receiver may:

- (a) attempt to consensually resolve the classification and amount of the Claim with the Creditor; and/or
- (b) schedule an appointment with the Court for the purpose of scheduling a motion to have the classification and/or amount of the Claim determined by the Court, and at such motion the Creditor shall be deemed to be the applicant and the Receiver shall be deemed to be the respondent.

13. **THIS COURT ORDERS** that notwithstanding the other provisions of this Order, the Receiver may make a motion to the Court for a final determination of a Claim at any time, whether or not a Notice of Revision or Disallowance has been sent by the Receiver.

14. **THIS COURT ORDERS** that in the event that the dispute between the Creditor and the Receiver is not settled within a time period or in a manner satisfactory to the Receiver or the Creditor, the Receiver or the Creditor may make a motion to the Court for the final determination of the Creditor's Claim.

ADEQUACY OF INFORMATION/CURRENCY

15. **THIS COURT ORDERS** that:

- (a) the Receiver may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Claim; and
- (b) any Creditor Claims denominated in a currency other than Canadian dollars shall, for the purposes of this Order, be converted to, and constitute obligations in, Canadian dollars, such calculation to be effected by the Receiver using the Bank of Canada noon spot rate on the Appointment Date.

NOTICE OF TRANSFEREES

16. **THIS COURT ORDERS** that the Receiver shall not be obligated to give notice to or otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof unless:

- (a) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Receiver; and
- (b) the Receiver shall have acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim.

Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to the written acknowledgement by the Receiver of such transfer or assignment.

17. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or

Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Receiver shall in each such case not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with paragraph 16 of this Order and the Receiver has acknowledged in writing such transfer or assignment, the person last holding such Claim in whole as the Creditor in respect of such Claim may by notice in writing to the Receiver direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Creditor, such transferee, or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order.

18. **THIS COURT ORDERS** that the Receiver is under no obligation to give notice to any Person other than the Creditor holding the Claim and shall, without limitation, have no obligation to give notice to any Person holding a security interest, lien, or charge in, or a pledge or assignment by way of security in, a Claim.

19. **THIS COURT ORDERS** that the transferee or assignee of any Claim:

- (a) shall take the Claim subject to the rights and obligations of the transferor/assignor of the Claim, and subject to the rights of any Crystal Wealth Group entity against any such transferor or assignor, including any rights of set-off which any Crystal Wealth Group entity had against such transferor or assignor; and
- (b) cannot use any transferred or assigned claim to reduce any amount owing by the transferee or assignee to any Crystal Wealth Group entity, whether by way of set-off, application, merger, consolidation or otherwise.

PROTECTIONS FOR RECEIVER

20. **THIS COURT ORDERS** that in carrying out the terms of this Order:

- (a) the Receiver shall have all of the protections given to it by the Appointment Order or as an officer of this Court, including the stay of proceedings in its favour;

- (b) the Receiver shall incur no liability or obligation as a result of the carrying out of the provisions of this Order;
- (c) the Receiver shall be entitled to rely on the Crystal Wealth Group's books and records, and any information provided by the Crystal Wealth Group, all without independent investigation; and
- (d) the Receiver shall not be liable for any claims or damages resulting from any errors or omissions in such books or records.

DIRECTIONS

21. **THIS COURT ORDERS** that the Receiver may, at any time, and with such notice as this Court may require, seek directions from this Court with respect to this Order, the Claims Procedure set out herein and the forms attached as Schedules hereto, including with respect to the appointment of a claims officer if the Receiver deems it necessary or appropriate.

SERVICE AND NOTICE

22. **THIS COURT ORDERS** that the Receiver be at liberty to deliver the Claims Package, and any letters, notices or other documents to Creditors or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of the Crystal Wealth Group and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by prepaid ordinary mail, on the fourth (4th) Business Day after mailing.

23. **THIS COURT ORDERS** that any notice or other communication (including, without limitation, Proofs of Claim and Notices of Dispute) to be given under this Order by a Creditor to the Receiver shall be in writing substantially in the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed to:

Grant Thornton Limited
in its capacity as Receiver and Manager of the Crystal Wealth Group

200 King Street West, 11th Floor
Toronto, Ontario M5H 3T4

Attention: Jason Knight
E-mail: jason.knight@ca.gt.com or crystalwealth@grantthornton.ca

Any such notice or other communication by a Creditor shall be deemed received only upon actual receipt thereof by the Receiver during normal business hours on a Business Day.

MISCELLANEOUS

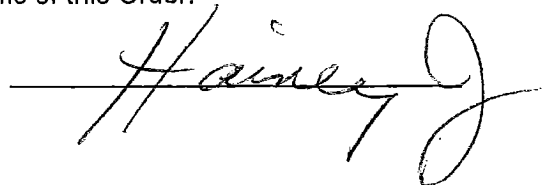
24. **THIS COURT ORDERS** that this Claims Procedure Order does not and is not intended to provide for the calculation or methodology of determining distributions but solely for providing a process for submitting and adjudicating Claims. The Receiver will request additional relief from this Court with respect to determining a final basis for calculating and determining ultimate distributions, if any, to Creditors.

25. **THIS COURT ORDERS** that Claims on behalf of any of the Crystal Wealth Group entities against any other of the Crystal Wealth Group entities shall be deemed filed and accepted by the Receiver in amounts determined by the Receiver on the basis of the books and records of the Crystal Wealth Group, without the need for the Receiver to file Proofs of Claim with respect to such Claims.

26. **THIS COURT ORDERS** that the Receiver may set off (whether by way of legal, equitable or contractual set-off) against the Claims of any Creditor, any claims of any nature whatsoever that any of the Crystal Wealth Group entities may have against such Creditor arising prior to the entry of this Claims Procedure Order, provided that such set-off satisfies the requirements for legal, equitable or contractual set-off to the extent permitted by applicable law as may be determined by the Court. If there is any dispute between the Receiver and the applicable Creditor, however, neither the failure to assert set-off nor the allowance of any Claim hereunder shall constitute a waiver or release by the Receiver of any such claim that the Receiver may have against such Creditor.

27. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the

United States of America, and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

A handwritten signature in cursive script, appearing to read "Hainey", written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUN 30 2017

PER / PAR: 

SCHEDULE "A"

NOTICE TO CREDITORS

IN THE MATTER OF THE RECEIVERSHIP OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, CLJ EVEREST LTD., AND 1150752 ONTARIO LIMITED

AND IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 129 OF THE *SECURITIES ACT*, R.S.O. 1990, C. S.5, AS AMENDED

RE: NOTICE OF CLAIMS PROCEDURE

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made June 30, 2017 (the "**Claims Procedure Order**"). All the creditors of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited (individually and collectively, the "**Crystal Wealth Group**") should have received a claims package by mail from Grant Thornton Limited, Court-appointed receiver and manager (in such capacity, the "**Receiver**") of the Crystal Wealth Group. Creditors may also obtain the Claims Procedure Order and a claims package from the Receiver's website at www.grantthornton.ca/crystalwealth or by contacting the Receiver by telephone at (866) 448-5867 or by email at crystalwealth@grantthornton.ca.

Completed documents must be received by the Receiver by 5:00 p.m. (Toronto time) on August 3, 2017 (the "**Claims Bar Date**"). It is your responsibility to complete the appropriate documents and ensure that the Receiver receives your completed documents by the Claims Bar Date.

Among those creditors who do not need to file a Proof of Claim are investors in the Crystal Wealth Group and whose claim derives from such investor's investment in the Crystal Wealth Group. Please consult the Claims Procedure Order made on June 30, 2017 for details with respect to this and other exemptions.

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

DATED at Toronto this ____ day of _____, 2017.

SCHEDULE "B"

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE

IN THE MATTER OF THE RECEIVERSHIP OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, CLJ EVEREST LTD., AND 1150752 ONTARIO LIMITED

AND IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 129 OF THE
SECURITIES ACT, R.S.O. 1990, C. S.5, AS AMENDED

A. CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) made June 30, 2017 (the "**Claims Procedure Order**"), Grant Thornton Limited, the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited (individually and collectively, the "**Crystal Wealth Group**"), has been authorized to conduct a claims procedure (the "**Claims Procedure**") for the determination of certain claims against the Crystal Wealth Group.

This letter provides instructions for understanding and completing a Proof of Claim. Please note that capitalized terms which are not defined in this Instruction Letter shall have the meanings ascribed to them in the Claims Procedure Order.

The Claims Procedure is intended for any Person with any Claim (as defined in the Claims Procedure Order) of any kind or nature whatsoever, other than an Excluded Claim, whether unliquidated, contingent or otherwise against one or more of the entities within the Crystal Wealth Group (collectively, the "**Claims**"). Please review the Claims Procedure Order on the Receiver's Website (www.granthornton.ca/crystalwealth) for the complete definition of Claim and Excluded Claim.

If you have any questions regarding the Claims Procedure, please consult the Receiver's Website or contact the Receiver at the address provided below.

All notice and enquiries with respect to the Claims Procedure should be addressed to

Grant Thornton Limited
in its capacity as Receiver and Manager of the Crystal Wealth Group

200 King Street West, 11th Floor
Toronto, Ontario M5H 3T4

Attention: Jason Knight
E-mail: jason.knight@ca.gt.com or crystalwealth@grantthornton.ca
Toll-Free Telephone Number: 1-866-448-5867

B. FOR CREDITORS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against the Crystal Wealth Group, you will have to file a Proof of Claim with the Receiver. **Your Proof(s) of Claim must be received by 5:00 p.m. (Toronto time) on August 3, 2017, the Claims Bar Date. Pursuant to the Claims Procedure Order, failure to submit a Proof of Claim by the Claims Bar Date will result in such Claim being barred and extinguished, released and discharged forever.**

Additional Proof of Claim forms and other information, including the Claims Procedure Order, can be obtained from the Receiver's Website at www.grantthornton.ca/crystalwealth, or by contacting the Receiver at the telephone number indicated above and providing particulars as to your name, address and contact information.

It is your responsibility to ensure that the Receiver receives your Proof of Claim by the Claims Bar Date.

SCHEDULE "C"

PROOF OF CLAIM AGAINST CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, CLJ EVEREST LTD., AND 1150752 ONTARIO LIMITED (INDIVIDUALLY AND COLLECTIVELY, THE "CRYSTAL WEALTH GROUP") PURSUANT TO THE CLAIMS PROCEDURE ORDER DATED JUNE 30, 2017

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____
2. Full Mailing Address of the Creditor (the original Creditor and not the Assignee):

3. Telephone number: _____
4. E-mail address: _____
5. Facsimile number: _____
6. Attention (Contact Person): _____
7. Has the Claim been sold or assigned by the Creditor to another party [check (✓) one]?
Yes: _____ No: _____

B. PARTICULARS OF ASSIGNEE(S) (IF ANSWER TO QUESTION 7 IS YES):

8. Full Legal Name of Assignee(s): _____
(If Claim has been assigned, insert full legal name of assignee(s) of Claim (if all or a portion of the Claim has been sold). If there is more than one assignee, please attach a separate sheet with the require information)
9. Full Mailing Address of Assignee(s):

- _____

10. Telephone number of Assignee(s): _____
11. E-mail address: _____
12. Facsimile number: _____
13. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, _____
[name of Creditor or Representative of the Creditor],
of _____ do hereby certify that:
[City or Province]

(a) I [check (✓) one]

- ☐ am the Creditor of the Crystal Wealth Group; OR
- ☐ am _____ (state position or title) of
_____ (name of creditor);

(b) I have knowledge of all the circumstances connected with the Claim referred to below;

(c) _____ [Insert the name(s) of the specific Crystal Wealth Group entity(ies) to which the Claim relates] was and still is indebted to the Creditor as follows:

(i) TOTAL CLAIM: \$ _____ CAD

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at April 26, 2017. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN\$1.3592/US\$1.00); and

D. NATURE OF CLAIM:

(check (✓) one and complete appropriate category)

☐ A. UNSECURED CLAIM OF \$ _____

That in respect of this debt, I do not hold any security and

(Check (✓) appropriate description)

- ☐ Regarding the amount of \$ _____, I do not claim a right to a priority.
- ☐ Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Bankruptcy and Insolvency Act (Canada) (the "BIA") or would claim such a priority if this Proof of Claim were being filed in accordance with that Act.

(Set out on an attached sheet details to support priority claim.)

☐ B. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold security valued at \$ _____ particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of Crystal Wealth Group entity/entities involved, name of any guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Crystal Wealth Group to the Creditor and estimated value of such security, and particulars of any interim period claim.)

This Proof of Claim must be received by the Receiver by no later than 5:00 p.m. (Toronto time) on August 3, 2017 ("Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

Grant Thornton Limited
in its capacity as Receiver and Manager of the Crystal Wealth Group

200 King Street West, 11th Floor
Toronto, Ontario M5H 3T4

Attention: Jason Knight
E-mail: jason.knight@ca.gt.com or crystalwealth@grantthornton.ca

F. FILING OF CLAIM:

Failure to file your Proof of Claim as directed by the Claims Bar Date will result in your Claim being barred and in you being prevented from making or enforcing a Claim against the Crystal Wealth Group. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a creditor in these proceedings.

G. EXCLUDED CLAIMS

Claims by creditors who are investors in the Crystal Wealth Group and whose claim derives from such investor's investment in the Crystal Wealth Group are Excluded Claims and no such person or entity needs to file any claim in respect thereof at this time. Please consult the Claims Procedure Order made on June 30, 2017 for details with respect to this and other exemptions.

Dated at _____ this _____ day of _____, 2017.

Signature of Creditor

SCHEDULE "D"**NOTICE OF REVISION OR DISALLOWANCE OF CLAIM
REFERENCE NUMBER _____**TO: **[insert name of creditor]**

Grant Thornton Limited, in its capacity as receiver and manager (in this capacity, the "**Receiver**") of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited (individually and collectively, the "**Crystal Wealth Group**"), hereby gives you notice that the Receiver has reviewed your Proof of Claim, as the case may be, and has revised or rejected your Claim or any part thereof or any information relating thereto, as follows:

The Proof of Claim as Submitted	The Claim as Accepted

Reasons for Revision or Disallowance:

[insert explanation]

If you do not agree with this Notice of Revision or Disallowance, please take notice of the following:

1. If you dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (Toronto time) on _____, being the day which is ten Business Days after the Notice of Revision or Disallowance is sent by the Receiver (see paragraph 10 of the Claims Procedure Order), notify the Receiver by delivery of a Notice of Dispute in accordance with the Claims Procedure Order made on June 30, 2017 (which Order can be found on the Receiver's Website at www.grantthornton.ca/crystalwealth). The form of Notice of Dispute is enclosed.
2. IF YOU DO NOT DELIVER A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU AND YOUR CLAIM SHALL BE DEEMED TO BE AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.

DATED at Toronto, this _____, day of _____, 2017.

**GRANT THORNTON LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF THE CRYSTAL WEALTH
GROUP**

21

SCHEDULE "E"**NOTICE OF DISPUTE**

We hereby give you notice of our intention to dispute the Notice of Revision or Disallowance bearing Reference Number _____ and dated _____ issued in respect of our claim.

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Name of Creditor: _____

(Signature of individual completing this Dispute)

Date

(Please print name)

Telephone Number: _____

Email address: _____

Facsimile Number: _____

Full Mailing Address: _____

THIS FORM IS TO BE RETURNED BY PREPAID ORDINARY MAIL, COURIER, PERSONAL DELIVERY OR ELECTRONIC OR DIGITAL TRANSMISSION AND MUST BE RECEIVED NO LATER THAN 5:00 P.M. (TORONTO TIME) ON _____, BEING THE DAY WHICH IS TEN BUSINESS DAYS AFTER THE NOTICE OF REVISION OR DISALLOWANCE IS SENT BY THE RECEIVER (PURSUANT TO PARAGRAPH 10 OF THE CLAIMS PROCEDURE ORDER WHICH IS POSTED ONLINE AT www.grantthornton.ca/crystalwealth) TO:

Grant Thornton Limited
in its capacity as Receiver and Manager of the Crystal Wealth Group

200 King Street West, 11th Floor
Toronto, Ontario M5H 3T4

Attention: Jason Knight
E-mail: jason.knight@ca.gt.com or crystalwealth@grantthornton.ca

ONTARIO SECURITIES COMMISSION

and CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

Short Title of Proceedings

Applicant

Respondents

Court File No. CV-17-11779-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at TORONTO**

CLAIMS PROCEDURE ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, 181 Bay Street
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)

Tel: (416) 865-7726

Fax: (416) 863-1515

E-mail: sgraff@airdberlis.com

Mark van Zandvoort (LSUC # 59120U)

Tel: (416) 865-4742

Fax: (416) 863-1515

E-mail: mvanzandvoort@airdberlis.com

Kyle Plunkett (LSUC # 61044N)

Tel: (416) 865-3406

Fax: (416) 863-1515

E-mail: kplunkett@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as Receiver and Manager of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited

APPENDIX 10

CITATION: Ontario Securities Commission v. Crystal Wealth Management System Limited, 2017 ONSC 4160
COURT FILE NO.: CV-17-11779-00CL
DATE: 20170705

**SUPERIOR COURT OF JUSTICE – ONTARIO
 COMMERCIAL LIST**

IN THE MATTER OF THE *SECURITIES ACT*, R.S.O. 1990, c. S.5, AS AMENDED

RE: ONTARIO SECURITIES COMMISSION, Applicant

AND:

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, et al.,
 Respondents

BEFORE: HAINEY J.

COUNSEL: *Catherine Weiler*, for the Applicant, Ontario Securities Commission

Steven K. Graff and Mark van Zandvoort, for Grant Thornton Limited, in its
 capacity as Court-Appointed Receiver

Michael Finley, for Tony Whitehouse

Alistair Crawley, Melissa MacKewn and Kate McGrann, Proposed Representative
 Counsel

Clayton Smith, Respondent In Person

HEARD: June 30, 2017

ENDORSEMENT

Overview

[1] The law firm of Crawley MacKewn Brush LLP (“CMB”) brings this motion for an order appointing it as representative counsel to the approximately 3,000 investors (“Investors”) in the proprietary funds offered by Crystal Wealth Management Systems Inc. (“Crystal Wealth”) in the receivership of Crystal Wealth.

[2] Crystal Wealth’s receiver, Grant Thornton Limited (“Receiver”) opposes CMB’s motion to be appointed representative counsel of Crystal Wealth’s Investors.

[3] On April 26, 2017, on an application brought by the Ontario Securities Commission (“OSC”), the Receiver was appointed as receiver and manager of all of the assets, undertakings and property of all of the respondents. The appointment of the Receiver was based, in part, on

- Page 2 -

the OSC's concerns regarding potential breaches of the *Securities Act*, R.S.O. 1990, c. S.5, as amended ("*Act*") by Crystal Wealth and its principal, Clayton Smith ("Smith").

Analysis

[4] The Receiver's role is to protect and enhance the interests of the Investors. Since its appointment, I am satisfied that the Receiver has maintained regular communications with the Investors while investigating and evaluating the Crystal Wealth funds to determine the appropriate approach to maximize Investors' returns.

[5] The Receiver, as a court-appointed officer, has as its primary objective the interests and needs of the Investors. I am satisfied, based upon the Receiver's actions to date, that it has and will continue to advance the interests of the Investors in an objective and impartial manner with a view to recognizing the unique interests of the Investors in each of Crystal Wealth's different and unique funds.

[6] The Receiver has begun monetizing certain of Crystal Wealth's funds to make interim distributions to some Investors. Further, a sales process has been proposed by the Receiver to accomplish either a purchase or a management takeover of certain of Crystal Wealth's funds.

[7] The OSC and certain of the Investors oppose the appointment of CMB as representative counsel on the grounds that it would be duplicative of the Receiver's role and will result in unnecessary professional fees that will be incurred by all Investors. Smith supports the appointment of CMB as representative counsel.

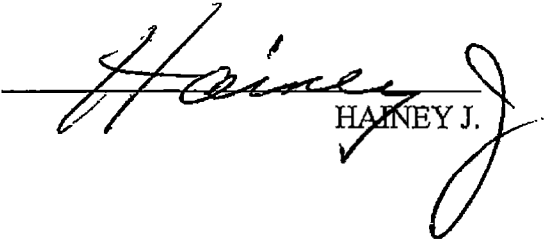
[8] Having considered the balance of convenience, I have concluded that the appointment of representative counsel is not necessary for the following reasons:

- (a) The Investors' interests are being protected and advanced by the Receiver which is why the appointment was made by Newbould J. in the first instance;
- (b) Although the Investors may be vulnerable, their vulnerability will be protected by the Receiver, who has been appointed by the Court for the sole purpose of acting in their best interest;
- (c) The appointment of representative counsel will add unnecessary expense to the receivership which will adversely affect Investors; and
- (d) There is no good reason to appoint representative counsel to effectively duplicate the Receiver's role.

[9] I have, therefore, concluded for these reasons that CMB's motion should be dismissed. In view of this conclusion, it is not necessary for me to determine whether CMB is conflicted from acting as representative counsel due to a previous related retainer.

- Page 3 -

[10] CMB's motion is dismissed. If counsel cannot settle the costs of the motion they may schedule a 9:30 a.m. attendance with me to deal with costs.



HAILEY J.

Date: July 5, 2017

APPENDIX 11

**IN THE MATTER OF THE RECEIVERSHIP OF
CRYSTAL WEALTH MANAGEMENT SYSTEMS LIMITED AND THE CRYSTAL WEALTH FUNDS
RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDING OCTOBER 31, 2017**

	CAD				USD		
	Receiver Trust Accounts	NBCN Accounts	Interactive Brokers Accounts	Combined	NBCN Accounts	Interactive Brokers Accounts	Combined
OPENING BALANCE	\$ 193,259.96	\$ 4,426,035.04	\$ 656,289.43	\$ 5,275,584.43	\$ (224,991.14)	\$ (17,147.98)	\$ (242,139.12)
CASH RECEIPTS							
Sale of Equities	-	7,564,859.30	214,321.39	7,779,180.69	4,207,608.70	-	4,207,608.70
Principal Payments & Collections - Media Loans	6,640,123.70	219,064.33	-	6,859,188.03	153,591.39	-	153,591.39
Residential Mortgage Interest & Principal Payments	-	5,652,372.84	-	5,652,372.84	-	-	-
Sale of External Mutual Funds	-	5,051,937.03	-	5,051,937.03	-	-	-
Sale of Squire Mortgages	-	266,917.92	-	266,917.92	-	-	-
NFL Participation Agreement Settlements	-	-	-	-	714,687.21	-	714,687.21
Sale of Geodata Balance	-	-	-	-	684,312.79	-	684,312.79
Settlement of Foreign Currency Options	-	-	134,175.77	134,175.77	-	307,031.00	307,031.00
Dividend Income	-	6,985.73	-	6,985.73	13,495.91	-	13,495.91
Interest	286.10	4,949.17	197.98	5,433.25	3,444.32	51.85	3,496.17
Commercial Loan Payments	-	23,935.14	-	23,935.14	-	-	-
USD Account to CAD Account Transfers	-	5,056,159.09	-	5,056,159.09	(3,842,066.18)	-	(3,842,066.18)
Account Transfers	900,000.00	(900,000.00)	-	-	-	-	-
TOTAL CASH RECEIPTS	7,540,409.80	22,947,180.55	348,695.14	30,836,285.49	1,935,074.14	307,082.85	2,242,156.99
CASH DISBURSEMENTS							
Outside Consulting	103,182.74	-	-	103,182.74	-	-	-
Mount Nemo Property Insurance	25,977.76	-	-	25,977.76	-	-	-
Custodial & Bank Charges	51.00	19,204.41	1,044.89	20,300.30	449.28	455.10	904.38
HST Paid on Expenses	19,796.51	-	-	19,796.51	-	-	-
Wages & Payroll	18,118.12	-	-	18,118.12	-	-	-
Advertising and Notices	12,474.65	-	-	12,474.65	-	-	-
Mount Nemo Property Maintenance	12,337.25	-	-	12,337.25	-	-	-
Rent Expense	10,831.51	-	-	10,831.51	-	-	-
Computer Services	10,055.00	-	-	10,055.00	-	-	-
Security	4,072.50	-	-	4,072.50	-	-	-
Source Deductions	4,005.50	-	-	4,005.50	-	-	-
Storage & Moving	3,175.02	-	-	3,175.02	-	-	-
Utilities	1,411.25	-	-	1,411.25	-	-	-
Wire Transfer Fees	-	820.00	-	820.00	60.00	-	60.00
Ascend License Fee	170.00	-	-	170.00	-	-	-
Other Administrative	150.00	-	-	150.00	-	-	-
Exercising Warrants	-	76,928.00	-	76,928.00	-	-	-
Receiver Fees	551,378.66	-	-	551,378.66	-	-	-
HST Paid on Receiver Fees	71,679.23	-	-	71,679.23	-	-	-
Legal Fees	165,363.05	-	-	165,363.05	-	-	-
HST Paid on Legal Fees	21,237.34	-	-	21,237.34	-	-	-
TOTAL CASH DISBURSEMENTS	1,035,467.09	96,952.41	1,044.89	1,133,464.39	509.28	455.10	964.38
ENDING BALANCE	\$ 6,698,202.67	\$ 27,276,263.18	\$ 1,003,939.68	\$ 34,978,405.53	\$ 1,709,573.72	\$ 289,479.77	\$ 1,999,053.49
ACCRUALS							
Receiver Fees - September 30, 2017	53,646.33	-	-	53,646.33	-	-	-
HST Accruals on Receiver Fees	6,997.07	-	-	6,997.07	-	-	-
Legal Fees - September 30, 2017	322,818.38	-	-	322,818.38	-	-	-
HST Accruals on Legal Fees	41,696.37	-	-	41,696.37	-	-	-
TOTAL ACCRUALS	425,158.15	-	-	425,158.15	-	-	-
ADJUSTED ENDING BALANCE	\$ 6,273,044.52	\$ 27,276,263.18	\$ 1,003,939.68	\$ 34,553,247.38	\$ 1,709,573.72	\$ 289,479.77	\$ 1,999,053.49

APPENDIX 12

Crystal Wealth Funds
Summary of April 20th Package
As at April 20, 2017

Fund	Cash & MM (CAD)	On-Book Assets					Off-Book Assets								Accruals	Total
		Inter-fund Investments	Gold Contracts	Equities & Warrants	Private Equities & Warrants	External Mutual Funds	Residential Mortgages	Commercial Loans	Factoring Contracts	Medical Factoring Contracts	NFL Claims	US Real Estate LP Units	Media Loans	Other Loans		
Mortgage Fund	\$ 1,217,989	\$ 2,055,599	\$ -	\$ -	\$ -	\$ 522,765	\$ 14,262,107	\$ 8,979,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,603	\$ 27,082,935
Resource Fund	185,489	262,171	-	1,650,698	-	-	-	-	-	-	-	-	-	-	(10,551)	2,087,807
Factoring Fund	411,706	2,952,804	6,996,654	1,085,432	-	-	-	209,649	24,462,473	-	-	3,099,566	-	-	(1,094,115)	38,124,169
Medical Fund	449,770	1,526,605	-	7,846	-	25,288	-	-	-	1,804,896	5,472,656	-	-	-	(16,971)	9,270,090
Bullion Fund	268,830	-	763,006	-	-	-	-	-	-	-	-	-	-	-	(2,280)	1,029,555
Media Fund	731,305	1	-	-	-	1,042,228	-	-	-	-	-	-	53,520,539	-	(827,229)	54,466,843
High Yield Mortgage Fund	760,006	1,378,897	-	-	-	-	2,467,582	603,238	-	-	-	-	-	274,000	(41,557)	5,442,165
Infrastructure Fund	2,087,302	-	-	-	-	-	-	5,677,299	-	-	-	-	-	-	-	7,764,601
Hedge Fund	531,692	-	1,235,773	272,508	-	52,991	-	-	3,561,159	-	-	8,301,484	-	-	(36,657)	13,918,950
Conscious Capital Fund	27,905	-	-	-	658,198	-	-	-	-	-	-	-	-	(274,000)	(2,897)	409,206
ACM Income Fund	371,053	9,898,493	-	-	-	560,025	-	-	-	-	-	-	-	-	(14,153)	10,815,417
ACM Growth Fund	(2,040,779)	4,739,753	-	5,452,400	-	3,482,518	-	-	-	-	-	-	-	-	(24,828)	11,609,064
Sustainable Dividend Fund	121,340	75,693	-	6,449,294	-	-	-	-	-	-	-	-	-	-	(16,152)	6,630,175
Sustainable Property Fund	245,796	-	-	-	-	-	2,219,879	2,094,740	-	-	-	-	-	-	(12,480)	4,547,935
	\$ 5,369,403	\$ 22,890,015	\$ 8,995,432	\$ 14,918,179	\$ 658,198	\$ 5,685,814	\$ 18,949,567	\$ 17,564,799	\$ 28,023,632	\$ 1,804,896	\$ 5,472,656	\$ 11,401,050	\$ 53,520,539	\$ -	\$ (2,055,269)	\$ 193,198,913

USD to CAD Rate: 1.3481001

Crystal Wealth Funds
 Summary of April 20th Package
 As at April 20, 2017

Fund	Cash & MM (CAD)	On-Book Assets					Off-Book Assets								Accruals	Total
		Inter-fund Investments	Gold Contracts	Equities & Warrants	Private Equities & Warrants	External Mutual Funds	Residential Mortgages	Commercial Loans	Factoring Contracts	Medical Factoring Contracts	NFL Claims	US Real Estate LP Units	Media Loans	Other Loans		
Mortgage Fund	4.5%	7.6%	-	-	-	1.9%	52.7%	33.2%	-	-	-	-	-	-	0.2%	100.0%
Resource Fund	8.9%	12.6%	-	79.1%	-	-	-	-	-	-	-	-	-	-	-0.5%	100.0%
Factoring Fund	1.1%	7.7%	18.4%	2.8%	-	-	-	0.5%	64.2%	-	-	8.1%	-	-	-2.9%	100.0%
Medical Fund	4.9%	16.5%	-	0.1%	-	0.3%	-	-	-	19.5%	59.0%	-	-	-	-0.2%	100.0%
Bullion Fund	26.1%	-	74.1%	-	-	-	-	-	-	-	-	-	-	-	-0.2%	100.0%
Media Fund	1.3%	0.0%	-	-	-	1.9%	-	-	-	-	-	-	98.3%	-	-1.5%	100.0%
High Yield Mortgage Fund	14.0%	25.3%	-	-	-	-	45.3%	11.1%	-	-	-	-	-	5.0%	-0.8%	100.0%
Infrastructure Fund	26.9%	-	-	-	-	-	-	73.1%	-	-	-	-	-	-	-	100.0%
Hedge Fund	3.8%	-	8.9%	2.0%	-	0.4%	-	-	25.6%	-	-	59.6%	-	-	-0.3%	100.0%
Conscious Capital Fund	6.8%	-	-	-	160.8%	-	-	-	-	-	-	-	-	-67.0%	-0.7%	100.0%
ACM Income Fund	3.4%	91.5%	-	-	-	5.2%	-	-	-	-	-	-	-	-	-0.1%	100.0%
ACM Growth Fund	-17.6%	40.8%	-	47.0%	-	30.0%	-	-	-	-	-	-	-	-	-0.2%	100.0%
Sustainable Dividend Fund	1.8%	1.1%	-	97.3%	-	-	-	-	-	-	-	-	-	-	-0.2%	100.0%
Sustainable Property Fund	5.4%	-	-	-	-	-	48.8%	46.1%	-	-	-	-	-	-	-0.3%	100.0%
2.8%		11.8%	4.7%	7.7%	0.3%	2.9%	9.8%	9.1%	14.5%	0.9%	2.8%	5.9%	27.7%	0.0%	-1.1%	100.0%

USD to CAD Rate: 1.3481001

APPENDIX 13

Crystal Wealth Management System Limited
Warrant Expiry Schedule

Fund	Warrant Description	Stock	Qty	Expiry Date	Strike Price
Hedge Fund	WTS-3D SIGNATURE 16DEC18	DXD	134,300	December 16, 2018	0.920
Hedge Fund	WTS-APPIA ENERGY CORP 31JAN22	API	125,000	January 31, 2022	0.300
Factoring Fund	WTS-WTS-OAXACA RES CORP16MY18	GRMX	10,000	May 16, 2018	7.500
Factoring Fund	WTS-URBAN COMMS 24AUG18	UBN	250,000	August 24, 2018	0.200
Resource Fund	WTS-HEMPCO FD&FBR 30NOV17	HEMP	25,000	November 30, 2017	0.650
Resource Fund	WTS-ROCKHAVEN RES 23DEC17	RK	75,000	December 23, 2017	0.250
Resource Fund	WTS-NOVO RES CORP 8MAR18	NVO	333,333	March 8, 2018	0.850
Resource Fund	WTS-NOVO RES CORP 8MAR18	NVO	166,667	March 8, 2018	0.850
Resource Fund	WTS-NULEGACY GOLD 17MAY18	NUG	56,000	May 17, 2018	0.650
Resource Fund	WTS-COLORADO RES 18MAY18	CXO	71,429	May 18, 2018	0.500
Resource Fund	WTS-LATIN AMER MNLS10JN18	LAT	250,000	June 10, 2018	0.150
Resource Fund	WTS-ANGKOR GOLD CORP 29JUL18	ANK	31,250	July 29, 2018	0.600
Resource Fund	WTS-MONTAN MNG CRP 25AG18	MNY	500,000	August 25, 2018	0.150
Resource Fund	WTS-CENTURION MN 31AUG17	CTN	357,143	August 31, 2018	0.150
Resource Fund	WTS-GOLDCLIFF RES 16SEP18	GCN	65,800	September 16, 2018	0.250
Resource Fund	WTS-SOURCE EXPLORATION CORP 3MAR19	MEX	166,665	March 3, 2019	0.250
Resource Fund	WTS-GREATBANKS RES 22MR19	GTB	363,637	March 22, 2019	0.080
Resource Fund	WTS-MONTAN MNG CRP 13AP19	MNY	181,820	April 13, 2019	0.100
Resource Fund	WTS-MX GOLD CORP 12AUG19	MXL	100,000	August 12, 2019	0.750
Resource Fund	WTS-88 CAPITAL CORP 17AUG19	EEC	125,000	August 17, 2019	0.250
Resource Fund	WTS-INCA ONE GOLD 30AUG19	IO	354,748	August 30, 2019	0.400
Resource Fund	WTS-WALLBRIDGE MNG 4OCT19	WM	400,000	October 4, 2019	0.100
Resource Fund	WTS-KLONDIKE GOLD 4APR20	KG	100,000	April 4, 2020	0.300
Resource Fund	WTS-NORTHERN FREE 9NOV20	TIG	100,000	November 9, 2020	0.350
Resource Fund	WTS-INCA ONE GOLD 22DEC20	IO	28,571	December 22, 2020	1.260
Resource Fund	WTS-MONTAN MNG CRP 27OC21	MNY	500,000	October 27, 2021	0.100

APPENDIX 14

FACTORING PROCUREMENT AND ADMINISTRATION AGREEMENT

THIS AGREEMENT made effective as of the 25th day of November, 2014.

BETWEEN:

- **CRYSTAL ENLIGHTENED INCOME FUND,**
a mutual fund trust established under the laws of Ontario
and having its registered office at
3385 Harvester Road, Suite 200, Burlington, ON L7N 3N2
(the "**Fund**")

- and -

FRONTLINE FACTORING INC.,
a corporation incorporated under the laws of Alberta
and having its registered and records office at
442 Couleesprings Road South, Lethbridge, AB T1S 5R5
("**Frontline**")

RECITALS:

- A. The Fund desires to invest in factoring arrangements in the Province of Alberta and that such factoring arrangements be sourced and presented to the Fund by Frontline and, if entered into by the Fund, managed and serviced by Frontline;
- B. Frontline is experienced and qualified to source, analyze and administer factoring arrangements;
- C. Frontline has agreed to source and present to the Fund for potential investment by the Fund certain potential factoring arrangements identified by it or its Affiliates during the term hereof in accordance with and subject to all of the terms and conditions set forth herein; and
- D. Frontline has agreed to provide certain administrative services to the Fund with respect to all approved factoring arrangements sourced and presented by Frontline in which the Fund invests all in accordance with and subject to the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the foregoing and the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties hereto hereby covenant and agree as follows:

1. Interpretation and Definitions

- 1.1 In this Agreement:

- (a) **"Administrative Services"** means the contract administration and servicing services to be provided hereunder by Frontline to the Fund with respect to Approved Factoring Arrangements, as more particularly set forth in section 4.1;
- (b) **"Affiliate"** means any person or entity owned or controlled (whether in law or in fact) by, controlling or under common control with any one of the parties herein, as the case may be;
- (c) **"Agreement"** means this factoring procurement and administration agreement, including the recitals hereto and all schedules attached hereto, as the same may be amended, supplemented, restated or revised from time to time;
- (d) **"Approved Factoring Arrangements"** means the factoring arrangements sourced by Frontline in accordance with the terms of this Agreement which are presented to the Fund by Frontline and which meet the Fund's Approved Investment Criteria, and **"Approved Factoring Arrangement"** means each of such Approved Factoring Arrangements;
- (e) **"Approved Investment Criteria"** means the Fund's investment criteria for factoring arrangements as [agreed to between the Fund and Frontline from time to time/described more particularly in Exhibit "C" hereto];
- (f) **"Business Day"** means any day that the Toronto Stock Exchange is open for business;
- (g) **"Contract Documents"** means all documents and agreements relating to each Approved Factoring Arrangement, including without limitation, the Factoring Agreement, a Lockbox Agreement, and all other agreements, instruments, and documents relating to the Approved Factoring Arrangement heretofore, now or hereafter evidencing, securing, guaranteeing, or otherwise relating to the Approved Factoring Arrangement, or any other aspect of the transactions contemplated by this Agreement, as any of such agreements, instruments or documents may be amended, supplemented, or otherwise modified from time to time.
- (h) **"Debtor"** means those persons that are counterparties to the receivables due to a Merchant that are covered by an Approved Factoring Arrangement;
- (i) **"Due Diligence Guidelines"** means the written due diligence guidelines adopted by the Fund relating to Approved Factoring Arrangements [and disclosed to Frontline in writing from time to time/, a copy of which Frontline acknowledges receiving and which are attached hereto as Exhibit A, as the same may be amended from time to time by the Fund];
- (j) **"Frontline"** means Frontline Factoring Inc., a corporation incorporated pursuant to the laws of Alberta;

- (k) **"Fund"** means the Crystal Enlightened Income Fund, a mutual fund trust established pursuant to the laws of the Province of Ontario;
 - (l) **"Merchant"** means the person or entity sourced by Frontline with whom the Fund has entered into or will enter into an Approved Factoring Arrangement;
 - (m) **"Non-Performing Factoring Arrangements"** means any Approved Factoring Arrangement in which the Merchant is in default or breach, or where it is reasonable, as mutually agreed upon, to conclude that the Merchant may not be able to meet its current or repayment obligations of principal at any time;
- 1.2 This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- 1.3 Nothing herein contained shall be deemed to create any relationship of partnership or of joint venture between the Fund and Frontline. Frontline is entering into this Agreement and performing and observing its respective covenants and obligations hereunder as an independent contractor.

2. **Proposed Contracts**

Frontline shall, on a regular basis, present to the Fund potential factoring arrangements that it or its Affiliate(s) have identified during the term hereof for potential investment by the Fund. Each such proposed factoring arrangement must comply with all of the requirements of this Agreement and the Approved Investment Criteria. Prior to its presentation to the Fund, Frontline shall have evaluated each potential factoring arrangement in accordance with the Due Diligence Guidelines and shall include, but will not be limited to, a review of the operations and credit worthiness of any Merchant, the Debtors involved, the accounts receivable aging and any other applicable Contract Documents as outlined in the factoring agreement to be entered into between the Fund and each Merchant (the **"Factoring Agreement"**) which will be in substantially the form of the agreement attached hereto as Exhibit B. With respect to each specific proposed arrangement, Frontline shall also provide a written report as to whether the specific proposed arrangement complies with the Due Diligence Guidelines.

3. **Investment In Approved Factoring Arrangements**

Upon being presented with a proposed factoring arrangement by Frontline, the Fund shall then be entitled (but not obligated) to enter into a Factoring Agreement with the applicable Merchant. The Fund shall notify Frontline in writing of its willingness to enter into such a Factoring Agreement within five (5) Business Days of receipt thereof from Frontline. Absent a response or upon notice from the Fund by the end of such five (5) business day period that the Fund does not wish to enter into a Factoring Agreement with respect to such proposed factoring arrangement, Frontline shall be free to seek other purchasers for the proposed factoring arrangement or enter into the proposed factoring arrangement on its own behalf. If the arrangement is approved by the Fund, Frontline and the Fund will execute all actions outlined in the Factoring Agreement in order to facilitate completion of the proposed arrangement.

4. Administrative Services

- 4.1 The Fund hereby retains Frontline, to manage and service each Approved Factoring Arrangement on behalf of the Fund, including, but not limited to:
- (a) the registration, assignment of or transfer into the name of the Fund of all receivables purchased pursuant to a Factoring Agreement (the "Purchased Receivables");
 - (b) Frontline shall from time to time at the request of the Fund provide assurances as may be required by the Fund for enforcing its rights, benefits, title, interest, and vesting in the Purchased Receivables;
 - (c) the collection and remittance to the Fund of all Purchased Receivables (less any fees payable under Section 4.6 below) received from Debtors as required under the Contract Documents entered into with the Merchant **[NTD: Should collections be directed to a collection/lock box account over which the Fund has control?]**;
 - (d) collection of any fees or commissions payable under each Factoring Agreement and any penalties or other miscellaneous fees;
 - (e) provision of information to the Merchant, Debtor and any other parties for the maintenance or discharge of the Contract Documents;
 - (f) negotiation and settlement (for Fund approval) of any payments in arrears;
 - (g) management of any legal actions required to enforce the Contract Documents;
 - (h) negotiate and manage any actions required with the Debtor or other third parties if any; and
 - (i) negotiate and manage any actions required with the Merchant.
- 4.2 Frontline will provide to the Fund a weekly report by 12:00 pm on the last Business Day of each week which shall include the following information:
- (a) listing of contracts and total principal outstanding; which will include a report on any event of default or potential jeopardy of the collateral and such other reasonable information as requested from time to time;
 - (b) payments received during the week;
 - (c) total income for the week;
 - (d) contracts in arrears and the amount and period of time in arrears;
 - (e) any subsequent encumbrance on the property or any significant change in circumstances affecting the arrangement; and

(f) any other reports reasonably requested by the Fund.

4.3 Without limiting any other provision herein, Frontline is required to obtain the written authorization of the Fund in respect of any of the following matters:

- (a) any amendment or modification to any Contract Documents;
- (b) any extensions of the term of any Approved Factoring Arrangement;
- (c) any subordination or postponement of any rights under a Contract Document;
- (d) any concession or waiver with regard to the payment of any receivables payable under any Factoring Agreement or with regard to the compliance with any material obligations of any Merchant imposed thereby;
- (e) any action taken in respect to any default under the Contract Documents by the respective Merchant;
- (f) any settlement of loss payable under the insurance policies relating to any contract or any settlement of compensation payable in respect of an expropriation of any contract; and
- (g) any amendments to the Due Diligence Guidelines.

Any written authorization of the Fund required under this Agreement shall be satisfied if Frontline obtains the original, a facsimile or a PDF of the authorization signed by an authorized officer of the Fund.

4.4 The Fund hereby authorizes and empowers Frontline, without the requirement of a further written authorization or direction from the Fund to:

- (a) make, or cause to be made, advances out of funds provided by the Fund in accordance with a Factoring Agreement;
- (b) make any emergency type advances to preserve and protect the property and assets which are the subject matter of a Factoring Agreement.

4.5 Without limiting any other provision contained in this Agreement, it is understood and agreed by the parties hereto that the relationship between Frontline and the Fund shall be that of trustee and beneficiary with respect to all monies collected by Frontline on account of principal, commissions, discounts, interest, fees or otherwise and all Contract Documents in respect of all Approved Factoring Arrangements and such monies, excluding Frontline's fees and other reimbursements, and Contract Documents shall be held by Frontline in trust for the Fund.

4.6 As compensation for its services hereunder, Frontline shall be entitled to receive and retain an administrative fee equal to any fees and commissions paid under each Factoring Agreement which are in excess of the equivalent of interest earned at eighteen (18%)

percent per annum of any amounts advanced under Factoring Agreements. The parties agree that all monies received from a Merchant or its Debtors, either in the normal course of business or in the event of a collection action or resolution shall be paid, firstly, to the Fund until the amount advanced by the Fund has been repaid in full and, secondly, on a pro rata basis to Frontline and the Fund for the amounts of the fees due to each of them hereunder.

- 4.7 Frontline will retain and store on the Fund's behalf all Contract Documents pertaining to the outstanding contracts consistent with the standards exhibited by conventional factoring companies. Such files will be maintained for a period of time required to meet the requirements of the Canada Revenue Agency and any other tax authority with jurisdiction over the transaction.
- 4.8 The Fund shall have the right to audit, at the Fund's expense and on Frontline's premises during regular business hours, the Contract Documents, security interests and periodic reporting of Frontline to the Fund.
- 4.9 In the event that Frontline is unable, unwilling or otherwise not in a position to continue its obligations to provide Administrative Services as contemplated by this Agreement, Frontline will forward all of the Contract Documents to the Fund.
- 4.10 Other than costs or expenses identified in paragraph 5.1, the Fund will not be responsible for any other costs or expenses pertaining to the initiation or the on-going operation of this Agreement.
- 4.11 Frontline agrees that it shall provide the Administrative Services, or any other set of services substantially the same as those defined, exclusively to the Fund or other pooled investment products including, but not limited to, mutual fund trusts and limited partnerships managed by Crystal Wealth Management System Limited. To be more specific, Frontline shall not provide similar services to any other pooled investment entity or company that carries substantially the same security registrations as Crystal Wealth Management System Limited in Canada.
- 4.12 In consideration of the Administrative Services to be provided by Frontline hereunder, the Fund does hereby indemnify and hold Frontline and its executive committees, parent, affiliates, depository banks, subsidiaries, agents, directors, officers, employees, agents, and their successors and assigns (collectively the "Indemnified Parties") harmless against any damages or claims arising from the failure of the Fund funding any of the Merchants under Approved Factoring Arrangements entered into by the Fund, including, without limitation, any actions against Frontline by any Merchants or guarantors as a result of the action, inaction, decisions or lack of decisions by the Fund, and from any and all costs, claims, expenses, actions and liabilities, including fees of attorneys and other professionals and experts, costs of suit and interest, arising out of any of the foregoing. This indemnification shall survive the termination or expiration of this Agreement.

5. **Collection Proceedings**

5.1 In addition to the regular weekly reports described herein, the Fund will receive additional reports on any Non-Performing Factoring Arrangements. In the event of a default under an Approved Factoring Arrangement or another Event of Default (as defined below or in any Approved Factoring Arrangement) triggering the right to enforce a remedy or exercise a right pursuant to an Approved Factoring Arrangement, the following procedures will be applied:

- (a) The Fund will be provided with all information in the possession of Frontline including Frontline's suggested action plan and an outline of the rights or obligations of the Fund, along with any costs to the Fund including anticipated shortfalls that may result from amounts owing to the Fund that may not be recovered by Collection Proceedings (as defined below);
- (b) The Fund may request that Frontline take such action, including but not limited to notifying account debtors and Debtors, issuing default notices, commencing litigation, retaining agents to exercise remedies under the Approved Contract, or engaging legal counsel as selected by Frontline to initiate and prosecute collection, foreclosure or other legal proceedings (collectively, "Collection Proceedings") to collect the amount owed, interest, penalties, costs and other amounts payable pursuant to the contract or to otherwise enforce the rights and remedies pursuant to the contract in respect of which a default has been made, as the Fund may request and as Frontline and the Fund may agree, all at the cost of the Fund and only upon the Fund giving to Frontline such authorizations, directions, assurances, contributions and indemnities as Frontline may reasonably request. All legal counsel and third party providers shall be retained by Frontline on behalf of and in the name of the Fund and Frontline shall not have any liability for fees, costs, expenses, etc.;
- (c) Unless otherwise paid by or collected from the Merchants, the payroll and normal business expenses of Frontline personnel shall be borne by Frontline, all additional costs associated with Collection Proceedings shall be borne by the Fund subject to pre-approval by the Fund, upon request from Frontline, the Fund shall advance all pre-approved costs and expenses;
- (d) The Fund agrees to fully co-operate with Frontline and legal counsel or other agents appointed in connection with the collection of the contract or enforcement of rights or remedies and will provide prompt and timely instruction and information in connection with such Collection Proceedings as Frontline may reasonably request; and
- (e) Frontline may at any time, with the written consent of the Fund, agree to accept from any merchant a settlement of an account receivable for less than the face value thereof.

6. **Termination**

- 6.1 Either party, in this paragraph referred to as the terminating party, may terminate this Agreement at any time upon the occurrence of any of the following events:
- (a) If the other party or its representatives act unlawfully, dishonestly, in bad faith or is grossly negligent with respect to the business of the terminating party;
 - (b) There occurs a breach or default of any material term of this Agreement by the other party if such breach or default has not been remedied within 30 days after written notice of the breach or default has been delivered by the terminating party.
- 6.2 Subject to any ongoing obligations, including, but not limited to the servicing or funding of Approved Factoring Arrangements, either party may terminate this Agreement at any time for any reason whatsoever upon ninety (90) days written notice.
- 6.3 The Fund may dispose of Approved Factoring Arrangements only in the following circumstances:
- (a) through Collection Proceedings should the contract become a Non-Performing Approved Contract, delinquent or is otherwise in default.
 - (b) at any other time, at the request and at the cost of the Fund, Frontline will attempt to sell the contract to another Fund, on a best efforts basis, subject to a reasonable commission fee for Company to be negotiated in good faith.
 - (c) At any time, if the sale process is managed by the Fund and Frontline will collaborate therewith and provide all materials, documents, contracts and such reasonable information as may be requested by the Fund.
- 6.4 In the event of termination, the Fund has the right to appoint a new servicing agent for all Approved Factoring Arrangements that it owns and Frontline will cooperate with the transfer of Administrative Services for these contracts, and, once transferred, Frontline will have no further claim or right to any fees or compensation from the transferred contracts.

7. **Miscellaneous**

- 7.1 All payments made by Merchants or Debtors pursuant to Approved Factoring Arrangements, including penalties and bonuses, will be paid, disbursed and disposed of in accordance with this Agreement.

Frontline shall not be obligated to make payments to the Fund except as otherwise provided herein or from payments of principal, interest or other amounts made by or on behalf of the Merchant under the applicable Factoring Agreements.

If a Merchant, debtor or account debtor makes a payment by cheque, other than by certified cheque, money order or bank draft, Frontline shall not be obligated to make a payment to the Fund until the cheque has cleared and Frontline has received the funds.

If Frontline receives money as the proceeds of the redemption or partial redemption of the Contract, then subject to the obligations for costs and fees pursuant to this Agreement, Frontline, as the case may be, shall promptly pay to the Fund the full amount owing to the Fund.

The parties agree that in the event that any payment which is the subject of remittance by one party to another as provided herein is returned unpaid for any reason or sought to be recovered by the payer or a representative thereof (including a trustee in bankruptcy) or assignee for the benefit of creditors on the grounds of preference, then the party who made the remittance which is either returned or sought to be recovered (the "Remitting Party") shall promptly so advise the party who received the remittance (the "Receiving Party") in writing. Following the aforementioned written notice, Receiving Party shall have the exclusive right and obligation, at its sole cost and expense, to contest, defend or settle such claim. Receiving Party hereby indemnifies and holds Remitting Party harmless from and against any and all loss or expense arising out of the assertion of such claim including Remitting Party's reasonable attorneys' fees incurred (including those incurred by Remitting Party at all trial and appellate levels) arising out of or relating to any such claim or cause of action.

- 7.2 In the event of a default under an Approved Contract pursuant to this Agreement or in the event that Frontline becomes aware of a subsequent encumbrance on the respective collateral secured by such contract or any other significant change in circumstances affecting the Contract, Frontline, as the case may be, will notify the Fund of such default or subsequent encumbrance in writing by the most expedient means possible including email, fax or sent by pre-paid mail posted in Canada and addressed to the Fund at the address specified in this Agreement or at such other address in Canada as the Fund shall direct in writing.
- 7.3 The Fund acknowledges and agrees that by signing a Contract disclosure statement, a Contract approval submitted by Frontline to the Fund, the Fund expressly acknowledges receiving the disclosure statement, commitment together with copies of all applicable closing documents as outlined which Frontline is obligated to provide and which the Fund considers material to the Fund's decision whether to purchase the Approved Contract.
- 7.4 If a provision of this Agreement is wholly or partially invalid, this Agreement shall be interpreted as if such invalid provision had not been hereof and all other provisions shall remain in full force and effect.
- 7.5 This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Company shall not have the right to transfer, sell or assign any or all of its rights and obligations herein or any part of this agreement or any entitlements in respect of any Approved Contract without the prior written consent of Fund, which consent can be withheld for any reason thereto. A sale of any controlling interest in the capital stock of Company shall be deemed to be a transfer or assignment herein and subject to the prior written consent of the Fund. Fund shall have the right to

transfer and assign its rights, obligations and this agreement to any other person without the consent of Company.

- 7.6 This Agreement and all schedules hereto constitute the entire agreement between the parties with respect to the subject matter of this agreement.
- 7.7 In the event of any litigation, arbitration or other proceeding arising out of or in connection with this Agreement, the substantially prevailing party shall be entitled to recover its reasonable attorneys' fees and court costs from the other party. Such attorneys' fees and costs shall include all attorneys' fees and costs reasonably incurred in any effort to resolve any dispute, at the trial level, in any related bankruptcy action, and at the appellate level.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

FRONTLINE FACTORING INC.

Per: _____

Authorized Signatory

**CRYSTAL ENLIGHTENED INCOME FUND by its
manager and trustee CRYSTAL WEALTH
MANAGEMENT SYSTEM LIMITED**

Per: _____

Authorized Signatory

APPENDIX 15

Crystal Wealth Management System Limited
Outstanding Purchased Invoices
As at October 26, 2017

Merchant	Invoice Nbr	Debtor	Invoice Date	Advance Date	Days O/S	Principal Due	A		B		Payments Received	C		D		E		A+C+D+E		Owing to CW		
							Paid to CW	Paid to FF	Principal	Interest		Paid to CW	Interest	Principal	Interest	Paid to CW	Interest	Principal	Interest			
FACTORING FUND																						
Dome Mountain	206	MGE Corporation Limited	05-Nov-16	05-Nov-15	538	23,557,593	259,321	454,067	2,310,507	543,820	1,229,301	537,387	1,488,621	991,454	12,793,175	2,280,593	12,793,175	2,280,593	23,013,773	3,744,678		
Zomongo TV	AC-2015-08-27a	Accent Marketing	27-Aug-15	01-Oct-15	608	315,000	4,725	11,025	433,041	251,222	78,965	102,854	83,690	113,879	63,778	6,888	315,000	42,368	661,500	88,972	606,375	81,558
	AC-2015-08-27b	Accent Marketing	27-Aug-15	01-Oct-15	608	315,000	4,725	11,025	71,978	-	71,978	-	76,703	11,025	315,000	42,368	661,500	88,972	606,375	81,558	441,000	59,315
	EC-12-15b-2015	Eyecoic.tv	15-Dec-15	08-Jan-16	498	661,500	9,923	23,153	118,409	-	118,409	-	128,331	23,153	661,500	88,972	661,500	88,972	606,375	81,558	421,053	56,633
	EC-01-12-2016	Eyecoic.tv	12-Jan-16	21-Jan-16	470	606,375	9,096	21,223	104,601	-	104,601	-	113,696	21,223	606,375	81,558	606,375	81,558	441,000	59,315	210,526	28,315
	EC-01-18-2016	Eyecoic.tv	18-Jan-16	04-Feb-16	464	441,000	6,815	15,435	72,986	-	72,986	-	79,601	15,435	441,000	59,315	441,000	59,315	210,526	28,315	64,633	21,053
	AC-2016-02-08a	Accent Marketing	08-Feb-16	29-Mar-16	443	421,053	-	21,053	64,633	-	64,633	-	64,633	21,053	421,053	56,633	421,053	56,633	210,526	28,315	210,526	28,315
	VA-2016-04-4a	Vanus Consulting Inc.	04-Apr-16	08-Apr-16	387	210,526	-	10,526	31,262	-	31,262	-	31,262	10,526	210,526	28,315	210,526	28,315	210,526	28,315	210,526	28,315
	VA-2016-04-4b	Vanus Consulting Inc.	04-Apr-16	08-Apr-16	387	210,526	-	10,526	31,262	-	31,262	-	31,262	10,526	210,526	28,315	210,526	28,315	210,526	28,315	210,526	28,315
	VA-2016-04-4a	Vanus Consulting Inc.	04-Apr-16	21-Apr-16	387	210,526	-	10,526	29,894	-	29,894	-	29,894	10,526	210,526	28,315	210,526	28,315	210,526	28,315	210,526	28,315
	VA-2016-04-4b	Vanus Consulting Inc.	04-Apr-16	21-Apr-16	387	210,526	-	10,526	29,894	-	29,894	-	29,894	10,526	210,526	28,315	210,526	28,315	210,526	28,315	210,526	28,315
	EC-05-19-2016	Eyecoic.tv	19-May-16	20-May-16	342	632,813	-	31,641	80,685	-	80,685	-	80,685	31,641	632,813	85,114	632,813	85,114	526,500	70,814	421,875	56,743
	EC-05-21-2016	Eyecoic.tv	21-May-16	27-May-16	340	526,500	-	26,325	65,286	-	65,286	-	65,286	26,325	526,500	70,814	526,500	70,814	421,875	56,743	421,875	56,743
	EC-06-16-2016	Eyecoic.tv	16-Jun-16	16-Jun-16	314	421,875	-	21,094	48,094	-	48,094	-	48,094	21,094	421,875	56,743	421,875	56,743	213,750	28,751	213,750	28,751
	EC-06-29-2016	Eyecoic.tv	29-Jun-16	04-Jul-16	301	421,875	-	21,094	44,297	-	44,297	-	44,297	21,094	421,875	56,743	421,875	56,743	213,750	28,751	213,750	28,751
	EC-06-16-2016	Eyecoic.tv	29-Jun-16	12-Jul-16	301	213,750	-	10,688	21,590	-	21,590	-	21,590	10,688	213,750	28,751	213,750	28,751	211,500	28,139	211,500	28,139
	EC-06-29-2016	Eyecoic.tv	29-Jun-16	12-Jul-16	301	213,750	-	10,688	21,590	-	21,590	-	21,590	10,688	213,750	28,751	213,750	28,751	211,500	28,139	211,500	28,139
	MM-2016-17-8a	Mobility Media & TV	17-Aug-16	03-Oct-16	252	211,500	-	10,575	12,892	-	12,892	-	12,892	10,575	211,500	28,139	211,500	28,139	6,204,373	845,396	6,204,373	845,396
	MM-2016-17-8b	Mobility Media & TV	17-Aug-16	03-Oct-16	252	211,500	-	10,575	12,892	-	12,892	-	12,892	10,575	211,500	28,139	211,500	28,139	1,256,311	328,029	1,256,311	328,029
Advanced Metal	35507	Lotus Environmental Ltd.	04-Aug-15	22-Sep-15	631	526,316	7,895	18,421	544,390	68,236	165,463	310,691	173,358	329,112	458,080	17,450	71,502	22,165	201,600	62,496	200,441	62,136
	35539	PROFAB Industrial Construction	08-Jan-16	15-Jan-16	474	71,502	1,073	1,430	-	-	-	-	1,073	1,430	71,502	22,165	201,600	62,496	200,441	62,136	171,095	50,988
	35535	AIC International Group	15-Dec-15	15-Jan-16	498	201,600	3,024	4,032	-	-	-	-	3,024	4,032	201,600	62,496	200,441	62,136	171,095	50,988	153,593	27,794
	35536	Lotus Energy Services Inc.	05-Jan-16	15-Jan-16	477	200,441	3,007	4,009	-	-	-	-	3,007	4,009	200,441	62,136	171,095	50,988	153,593	27,794	1,256,311	328,029
	35555	Mi2 Energy Ltd.	25-Feb-16	09-Mar-16	426	171,095	-	5,988	-	-	-	-	-	-	5,988	171,095	50,988	153,593	27,794	1,256,311	328,029	
156 Alberta	35615	Downton's Transport Ltd.	02-Aug-16	25-Aug-16	267	153,593	-	5,376	544,390	68,236	165,463	310,691	180,461	349,947	1,256,311	328,029	1,256,311	328,029	6,204,373	845,396	6,204,373	845,396
647 BC	221	Dome Mountain	04-May-16	13-May-16	357	487,200	-	9,744	289,828	224,361	56,658	8,809	56,658	18,553	262,839	38,557	361,200	78,561	200,000	23,200	824,039	140,318
	222	Dome Mountain	03-Aug-16	17-Aug-16	266	361,200	-	7,224	-	-	-	-	-	7,224	361,200	78,561	200,000	23,200	824,039	140,318	307,789	76,483
	223	IC Commerce	12-Feb-17	08-Mar-17	73	200,000	-	4,000	-	-	-	-	-	4,000	200,000	23,200	824,039	140,318	307,789	76,483	131,909	32,777
647 BC	335	Dome Mountain	10-May-16	16-Jun-16	351	307,789	-	6,156	-	-	-	-	-	6,156	307,789	76,483	131,909	32,777	439,698	109,260	439,698	109,260
	336	Dome Mountain	01-Jun-16	16-Jun-16	329	131,909	-	2,638	-	-	-	-	-	2,638	131,909	32,777	439,698	109,260	439,698	109,260	439,698	109,260
Restoration Energy	20150917A	University of Calgary	18-Sep-15	01-Oct-15	586	400,000	6,000	11,000	98,280	-	36,400	61,880	42,400	72,880	400,000	29,000	400,000	29,000	480,000	34,800	261,097	18,930
	20151201A	TLP Outreach Assoc Inc.	01-Dec-15	16-Dec-15	512	480,000	7,200	13,200	68,688	-	25,440	43,248	32,640	56,448	480,000	34,800	480,000	34,800	261,097	18,930	104,439	6,005
	20151201C	CPPS Mission Projects	01-Dec-15	29-Jan-16	512	261,097	-	11,097	21,854	-	12,011	9,843	12,011	20,940	261,097	18,930	261,097	18,930	104,439	6,005	156,658	12,141
	20151201C	CPPS Mission Projects	01-Dec-15	24-Feb-16	512	104,439	-	4,439	5,076	-	5,013	63	5,013	4,501	104,439	6,005	104,439	6,005	156,658	12,141	1,402,193	100,876
	20151201C	CPPS Mission Projects	01-Dec-15	20-Apr-16	512	156,658	-	6,658	193,897	-	78,864	115,034	92,064	161,427	1,402,193	100,876	1,402,193	100,876	93,985	20,206	93,985	20,206
Single Source Services	318	First Capital Management Services	06-Aug-16	12-Aug-16	263	93,985	-	3,759	-	-	-	-	-	3,759	93,985	20,206	93,985	20,206	93,985	20,206	93,985	20,206
						93,985	-	3,759	-	-	-	-	-	3,759	93,985	20,206	93,985	20,206	93,985	20,206	93,985	20,206

Crystal Wealth Management System Limited
Outstanding Purchased Invoices
As at October 26, 2017

Merchant	Invoice Nbr	Debtor	Invoice Date	Advance Date	Days O/S	Principal Due	A		B		Payments Received	C		D		E		A+C+D		B+E		Owing to CW	
							Paid to CW	Paid to FF	Principal	Interest		Paid to CW	Interest	Paid to CW	Interest	Paid to CW	Interest	Principal	Interest				
HEDGE FUND																							
Dome Mountain	206	MGE Corporation Limited	05-Nov-16	05-Nov-15	538	1,015,660	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,015,660	181,058
Zomongo TV	EC-01-18-2016	Eyeconic.tv	18-Jan-16	21-Mar-16	464	105,263	-	-	5,263	-	-	-	-	-	-	-	-	-	-	-	-	5,263	51,205
	AC-2016-02-08a	Accent Marketing	08-Feb-16	22-Mar-16	443	142,105	-	-	7,105	-	-	-	-	-	-	-	-	-	-	-	-	7,105	69,010
	GS-2016-04-4a	Golden Shores Enterprises Inc.	04-Apr-16	12-Apr-16	387	263,158	-	-	13,158	-	-	-	-	-	-	-	-	-	-	-	-	13,158	123,196
	GS-2016-04-4b	Golden Shores Enterprises Inc.	04-Apr-16	12-Apr-16	387	263,158	-	-	13,158	-	-	-	-	-	-	-	-	-	-	-	-	13,158	123,196
	GS-2016-04-4a	Golden Shores Enterprises Inc.	04-Apr-16	13-May-16	387	210,526	-	-	10,526	-	-	-	-	-	-	-	-	-	-	-	-	10,526	93,121
	GS-2016-04-4b	Golden Shores Enterprises Inc.	04-Apr-16	13-May-16	387	210,526	-	-	10,526	-	-	-	-	-	-	-	-	-	-	-	-	10,526	93,121
	MM-2016-17-8a	Mobility Media & TV	17-Aug-16	22-Aug-16	252	150,000	-	-	7,500	-	-	-	-	-	-	-	-	-	-	-	-	7,500	53,729
MM-2016-17-8b	Mobility Media & TV	17-Aug-16	22-Aug-16	252	150,000	-	-	7,500	-	-	-	-	-	-	-	-	-	-	-	-	7,500	53,729	
						1,494,737	-	-	74,737	-	-	-	-	-	-	-	-	-	-	-	-	1,494,737	660,307
Restoration Energy	20160309	CPPS Mission Projects	09-Mar-16	14-Mar-16	413	302,872	-	-	12,872	-	6,951	-	-	7,118	-	(167)	-	7,118	-	12,705	-	302,872	41,322
	20151201C	CPPS Mission Projects	01-Dec-15	16-Mar-16	512	21,000	-	-	893	-	425	-	-	473	-	(47)	-	473	-	845	-	21,000	2,851
	20160309	CPPS Mission Projects	09-Mar-16	16-Mar-16	413	177,128	-	-	7,528	-	3,587	-	-	3,985	-	(398)	-	3,985	-	7,130	-	177,128	24,049
						501,000	-	-	21,293	-	10,963	-	-	11,575	-	(612)	-	11,575	-	20,680	-	501,000	68,222
GRAND TOTAL						26,568,990	259,321	550,096	-	2,321,470	-	543,820	1,240,876	536,775	-	1,500,196	1,086,871	-	-	-	-	26,025,170	4,654,265

APPENDIX 16

AIRD BERLIS

Mark van Zandvoort
 Direct: 416.865.4742
 E-mail: mvanzandvoort@airdberlis.com

June 28, 2017

BY EMAIL

Jerry Froese
 President/CEO
 Frontline Factoring Inc.
 230-719 4th Ave S
 Lethbridge, AB
 T1J 0P1
 Email: jerry@frontlinefactoring.com

Dear Mr. Froese:

Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund

We are the lawyers for Grant Thornton Limited, in its capacity as receiver and manager (in such capacity, the "**Receiver**") of the assets, undertakings and properties of Crystal Wealth Management System Limited, and of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund (together, the "**Funds**").

As you are aware, the Receiver was appointed as receiver and manager of the Funds pursuant to the Order (Appointing Receiver) (the "**Appointment Order**") issued by the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) on April 26, 2017. The Appointment Order can be found on the Receiver's Case Website www.granthornton.ca/crystalwealth. As is evident in the Appointment Order, the Court has provided broad powers to the Receiver in furtherance of its mandate, in order to augment and ensure that the highest possible recovery can be achieved for the benefit of investors of the Funds.

Pursuant to Factoring Procurement and Administration Agreements (the "**Administration Agreements**"), Frontline Factoring Inc. ("**Frontline**") is required to manage and service certain factoring arrangements entered into by the Funds with third party Merchants.¹ In this regard, we understand that despite the Receiver's request, a copy of the Hedge Fund Administration Agreement has yet to be provided by Frontline. Please provide it forthwith.

We understand that Frontline at times has failed to provide consistent weekly reporting to the Receiver contrary to s. 4.2 of the Administration Agreements. It is critical that Frontline provide such weekly reporting. Furthermore, it is essential that Frontline provide reports to the Receiver with respect to any Non-Performing Factoring Arrangements as required by s.

¹ Unless otherwise defined, all capitalised terms used herein are intended to have the meaning ascribed to them in the Administration Agreements.

June 28, 2017
Page 2

5.1 of the Administration Agreements, including the reasons for non-performance by any Debtors and Merchants and the specific efforts made by Frontline to collect. In the event that a default has occurred under an Approved Factoring Arrangement or the Administration Agreements as contemplated by s. 5.1 thereof, we require that Frontline provide to the Receiver all information in its possession concerning the default(s). Please provide updated weekly reports, and reports with respect to any Non-Performing Factoring Arrangements, to the undersigned and the Receiver by no later than 5 p.m. EST on Friday, June 30, 2017, and every Friday thereafter on a weekly basis.

In accordance with s. 4.3(d) of the Administration Agreements, we further reiterate that Frontline is not to make any concession or waiver with regard to the payment of any receivables owing to the Funds arising from the Factoring Agreements entered into with Merchants.

More specifically in this latter regard, we have been advised that Frontline recently informed the Receiver that Zomongo Inc. a/k/a Zomongo TV Corp ("**Zomongo**") is advising Debtors that they need not pay to Frontline receivables purchased by the Funds from Zomongo. In accordance with s. 4.1(e) of the Administration Agreements, we require Frontline's immediate confirmation that it will advise all Merchants and Debtors, and based on the above specifically, Zomongo, that the Receiver's appointment is of no consequence to the amounts owing to the Funds pursuant to the Funds' Factoring Agreements, and that all outstanding Purchased Receivables and associated fees must continue to be remitted in full.

We trust that Frontline will act with vigilance in fulfilling its obligation to collect and remit the Purchased Receivables to the Receiver on behalf of the Funds. In the interim, we continue to reserve all rights on behalf of the Receiver, including with respect to the extensive powers provided to it under the Appointment Order and to take any necessary steps to obtain recovery for the Funds in the event that satisfactory performance is not promptly provided by Frontline in accordance with the Administration Agreements.

Yours truly,

AIRD & BERLIS LLP



Mark van Zandvoort

MVZ/ds

- c. Grant Thornton Limited, in its capacity as receiver and manager of the assets, undertakings, and properties of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund

29751637.1

AIRD BERLIS

APPENDIX 17



230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

July 12, 2017

BY EMAIL

[Debtor Name]
[Address]
[City, Province]
[Postal Code]

Dear Sirs:

Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund
Ontario Superior Court of Justice Court File No. CV-17-1179-00CL

As you may be aware, on April 26, 2017, Grant Thornton Limited was appointed by the Ontario Superior Court of Justice (Commercial List) as receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Crystal Wealth Management System Limited (the "**Company**"), Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the "**Factoring Fund**") and Crystal Wealth Enlightened Hedge Fund (the "**Hedge Fund**", and together, the "**Funds**"). This Court Order is posted on the Receiver's Case Website: www.grantthornton.ca/crystalwealth.

The fact that the Receiver has been appointed by the Court does not in any way alter or relieve you of your liabilities to the Company and the Funds, as applicable, on account of their factoring arrangements with **[Merchant Name]**. As you know, Frontline administers such factoring arrangements on the Company and the Funds' behalf. In this regard, invoice nos. **[Invoice No.(s)]** are currently outstanding by you. Payment of all amounts owing under these invoices, including on account of principal and accrued interest, must be forthwith remitted directly to Frontline Factoring Inc. ("**Frontline**"), in trust for the Receiver.

We wish to be clear that no concession or waiver with respect to the amounts owing in this regard will be made, and full and timely payment of all amounts presently due and outstanding are to be paid directly to Frontline, in trust.

It is important to reiterate that the Receiver has been empowered by the Court with the express authority to collect the amounts owing by you under these invoices. Aside from the Receiver, no other entity – including **[Merchant Name]** - has any authority to relieve you of, or otherwise compromise or settle your indebtedness pursuant to the aforesaid invoices.



230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

We look forward to receiving prompt payment from you. If you have any questions, please contact Frontline or the Receiver at its contact information set out below.

Toll Free Number: 1-866-448-5867

Local Number: 416-607-4130

Email: crystalwealth@grantthornton.ca

Sincerely,

A handwritten signature in black ink, appearing to read 'Jerry Froese'.

Jerry Froese
President/CEO
Frontline Factoring Inc.

29822389.1

APPENDIX 18

112 Cranston Drive SE, Calgary AB, T3M 1A8

November 11, 2015

MGE Corporation LTD

Please direct payment to:

Frontline Factoring Inc.
230 – 719 4th Ave S
Lethbridge AB T1J 0P1

Thank you for your business!

APPENDIX 19



Overseas European Holdings Limited
145-157 St. John Street,
London
EC1V 4PW

Mandate Letter and Terms Sheet

To: Mr. Darcy Pahl / Managing Director,
Dome Mountain Resources of Canada Inc.
112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada
("Borrower")

November 7th, 2015

Dome Mountain – Acquisition of Gavin Mines Inc.

We refer to the proposed acquisition ("**Acquisition**") by Dome Mountain Resources of Canada Inc ("**Dome**" and "**Borrower**") of Gavin Mines Inc (the "**Target**").

Overseas European Holdings Limited ("**OEHL**") (or one of its affiliates) has agreed in principle, and subject to the satisfaction of certain conditions, to issue a bond ("**Bond**") to finance the Acquisition and prior to the issue of the Bond to assist in procuring a provision of bridge funding to finance drilling operations of the Target ("**Bridge Funding**").

OEHL and its affiliate MGE Corporation Limited ("**MGE**") will work with Dome on a reasonable efforts basis subject (inter alia) to the conditions set out at clause 1 below to assist in raising finance for the Bridge Funding to be secured 100% of the Target assets.

OEHL has agreed to on-lend part of the Bond proceeds to be secured 100% of the Target assets and the Dome assets, subject (inter alia) to the conditions set out at clause 2 below, to the Borrower to fund the Acquisition, capital expenditure and refinance the Bridge Facility on the indicative terms set out in the attached terms sheet (headed the "**Acquisition Loan Terms Sheet**"). The loan to be made referred to in the Acquisition Loan Terms Sheet is referred to as the "**Acquisition Loan Facility**".

1 Bridge Funding Conditions

1.1 OEHL is willing to work with Dome on a reasonable efforts basis to procure provision of the Bridge Loan Facility subject to (without limitation):

- (a) Compliance by Dome and the Target with OEHL, MGE and their affiliates and agents client take on procedures;
- (b) Compliance by Dome and the Target with the provider of such Bridging Loan Facility ("**Bridge Funder**") their affiliates and agents client take on procedures;
- (c) Compliance by Dome and the Target with the Bridge Funder's conditions to Bridge Funding including all financial commercial and legal due diligence and provision of all necessary regulatory approvals in connection with the Bridging Loan Facility from any relevant authorities in any relevant jurisdictions;
- (d) The preparation, execution and delivery of the loan and security documents in form and substance satisfactory to the Bridge Funder; and
- (e) The Bridge Funder obtaining all relevant internal and external approvals with respect to the Bridging Loan Facility.



2 Bond Conditions

- 2.1 OEHL is willing to provide the Acquisition Loan Facility subject to (without limitation):
- (a) Compliance by the Borrower with OEHL (and its affiliates and agents) client take on procedures;
 - (b) The preparation, execution and delivery of the loan and security documents referred to in the Terms Sheet in form and substance satisfactory to OEHL;
 - (c) OEHL obtaining all relevant internal and external approvals with respect to the Loan Facility;
 - (d) Successful issuance of the Bond;
 - (e) Completion of legal, technical, financial and regulatory due diligence in respect of the Borrower, Borrower and the Project (including without limitation, the supply to OEHL of technical, legal and financial reports on which OEHL can rely), the results being in all respects satisfactory to OEHL acting reasonably in the context of the potential securitisation of the Loan Facility; and
 - (f) the Borrower and OEHL obtaining all necessary regulatory approvals in connection with the Loan Facility and the Project from any relevant authorities in any relevant jurisdictions.

3 Fees, Costs and Expenses

- 3.1 The Borrower shall be required to pay OEHL an arrangement fee on loan disbursement equal to 3% of the Loan Facility.
- 3.2 The Borrower shall issue to OEHL 30% of the equity share capital in the Borrower on loan disbursement.
- 3.3 The Borrower shall be responsible for payment of all 3rd party fees in relation to the Loan Facility and the Bond including, inter alia, legal fees, rating fees and accountancy fees. OEHL will negotiate and agree these fees on behalf of and with the Borrower.
- 3.4 By signing this letter, the Borrower agrees that if it does not proceed with the Loan Facility, it will within thirty Business Days of demand thereof indemnify OEHL against any reasonable direct cost, expense, loss or liability (including without limitation legal fees) incurred by OEHL in arranging the Loan Facility. OEHL's certification of such amount shall be final and binding in the absence of manifest error.

4 Payments

- 4.1 All payments to be made under this letter:
- (a) shall be paid in the currency of invoice and in immediately available, freely transferable cleared funds to such account with such bank as OEHL may notify the Borrower;
 - (b) shall be paid without any deduction or withholding for or on account of tax (a "Tax Deduction") unless a Tax Deduction is required by law. If a Tax Deduction is required by law to be made, the amount of the payment due shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required; and
 - (c) are exclusive of any value added tax or similar charge ("VAT"). If VAT is chargeable, the Borrower shall also and at the same time pay to the recipient of the relevant payment an amount equal to the amount of the VAT.



5 Indemnity

- 5.1 Whether or not the full suite of financial documentation is signed, the Borrower agrees within thirty Business Days of demand to indemnify each Indemnified Person against any reasonable direct cost, expense, loss or liability (including without limitation legal fees) incurred by or awarded against that Indemnified Person in each case arising out of or in connection with any action, claim, investigation or proceeding commenced or threatened (including, without limitation, any action, claim, investigation or proceeding to preserve or enforce rights) (each a Loss) in relation to information supplied by or on behalf of the Borrower to OEHL in connection with the Loan Facility and the Bond.
- 5.2 The Borrower will not be liable under clause 4.1 for any loss that results directly from negligence, fraud or wilful misconduct of that Indemnified Person.
- 5.3 OEHL shall not have any duty or obligation, whether as fiduciary for any Indemnified Person or otherwise, to recover any payment made or required to be made under this paragraph 4.
- 5.4 The Borrower agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or any of its affiliates for or in connection with the matters contemplated by this letter unless such liability is finally judicially determined to have resulted directly from the gross negligence or wilful misconduct of that Indemnified Person.
- 5.5 Notwithstanding clause 4.4 above, neither the Borrower nor any Indemnified Person shall be responsible or have any liability for indirect loss or consequential losses or damages such as loss of profit etc. unless caused by gross negligence or wilful misconduct.
- 5.6 OEHL undertakes promptly to notify the Borrower upon becoming aware of any circumstances which may give rise to a claim for indemnification by any Indemnified Person and to consult with the Borrower (and procure that any other Indemnified Person consults with the Borrower) with respect to the conduct of any dispute, proceedings or litigation (save in each case in relation to information which is attorney/client privileged or in respect of which OEHL is under a duty of non-disclosure) and shall not settle any such dispute, proceedings or litigation without the Borrower's prior written consent (not to be unreasonably withheld or delayed).
- 5.7 Each Indemnified Person shall in consultation with the Borrower take all reasonable steps to mitigate any loss.
- 5.8 "Indemnified Person" means OEHL and their affiliates and each of their (or its affiliates') directors, officers, employees and agents.
- 5.9 The Contracts (Rights of Third Parties) Act 1999 shall apply to this paragraph but only for the benefit of the Indemnified Persons who are not a party to this letter.

6 Information

- 6.1 The Borrower represents and warrants that:
 - (a) any factual information provided to OEHL by or on behalf of it is complete and accurate in all material respects as at the date it is provided or as at the date (if any) at which it is stated;
 - (b) nothing has occurred or been omitted and no information has been given or withheld that results in the information being untrue or misleading in any material respect; and
 - (c) any financial projections that have been or will be prepared and provided OEHL have been or will be prepared on the basis of recent historical information and on the basis of reasonable assumptions.



6.2 The representations and warranties set out in paragraph 5.1 above are deemed to be made by the Borrower daily by reference to the facts and circumstances then existing commencing on the date of this letter and continuing until the date on which the Loan Facility is entered into ("Signing Date").

6.3 The Borrower shall within reasonable time notify OEHL in writing if any representation and warranty set out in paragraph 5.1 above is incorrect or misleading and agrees to amend such information promptly from time to time to ensure that each such representation and warranty is correct when made. Should the Borrower amend incorrect or misleading information within reasonable time then the information shall be deemed to be in accordance with paragraph 5.1 above.

7 Confidentiality

7.1 The Loan Facility, this Mandate Letter, the Bond and the Project are confidential. Neither OEHL nor the Borrower or the Borrower's affiliates shall disclose them or their contents or any information relating to or concerning them to any other person without the prior written consent of the other parties to this letter except:

- (a) as required by law or by any applicable governmental or other regulatory authority or by any applicable stock exchange; and
- (b) to its employees, agents, sub-contractors and professional advisers for the purposes of the Facility who have been made aware of and agreed to be bound by the obligations under this paragraph or are in any event subject to confidentiality obligations as a matter of law or professional practice.

8 Publicity/Announcements

8.1 All publicity in connection with the Loan Facility shall be managed by OEHL after written approval of the Borrower.

8.2 No announcements regarding the Financing or any roles shall be made without the prior written consent of OEHL unless required pursuant to clause 6.1(a).

9 Assignments

The parties may not assign or transfer any of its rights or obligations under the Commitment Documents without the prior written consent of the other party.

10 Termination

10.1 Following execution by each party of this letter and up to the Signing Date:

- (a) OEHL may terminate its obligations under this letter with immediate effect by notifying the Borrower in writing if the Borrower is in material breach of any provision of this letter or if any of the conditions in clause 1 of this letter are not met;
- (b) the Borrower may terminate the appointment of OEHL with immediate effect by notifying OEHL in writing if OEHL is in material breach of any provision of this letter or if OEHL indicates that it is not prepared to proceed with the Loan Facility; and
- (c) The Borrower shall remain liable following termination for all fees costs and expenses then due and payable by it under this letter.

10.2 Unless terminated earlier, the obligations under this letter shall expire and terminate on the earliest of:

- (a) the date falling on the first anniversary of this letter ("Termination Date"); and



(b) the Signing Date.

11 Survival

Except for clause 1(Conditions), 4(Indemnity) and 9(Termination) the terms of this letter shall survive and continue after the Signing Date.

12 Miscellaneous

12.1 The failure to exercise or delay in exercising a right or remedy under this letter shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right to remedy shall preclude any further exercise thereof, or the exercise of any other right or remedy. Except as expressly provided in this letter, the rights and remedies contained in this Letter are cumulative and not exclusive of any rights or remedies provided by law.

12.2 This letter sets out the entire agreement between the Borrower and OEHL as to the Loan Facility and supersedes any prior oral and/or written understandings or arrangements relating to the Loan Facility.

12.3 Any provision of this letter may only be amended or waived in writing signed by the Borrower and OEHL.

13 Third Party Rights

13.1 Except as otherwise expressly provided in this letter, the terms of this letter may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.

13.2 Notwithstanding any term of this letter, no consent of a third party is required for any termination or amendment of this letter.

14 Notices

14.1 Any communication to be made under or in connection with any Commitment Document shall be made in writing and, unless otherwise stated in the relevant Commitment Document, may be made by fax or letter.

14.2 Communications or documents to be given to the Borrower or OEHL under this letter shall be sent to it at the address set out with its signature below.

14.3 Communications or documents made or delivered by one person to another under or in connection with the Commitment Documents will be effective:

- (a) by way of email to the email address on the signing pages of this letter;
- (b) if by way of fax, when received in legible form; or
- (c) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post, postage prepaid, in an envelope addressed to the relevant recipient at that address.

15 Counterparts

This letter may be executed in any number of counterparts and all those counterparts taken together shall be deemed to constitute one and the same letter.

16 Governing Law and Jurisdiction

16.1 This letter and any non -contractual obligations arising out of or in connection with it is



governed by and construed in all respects in accordance with English law. The parties submit to the non-exclusive jurisdiction of the English courts.

The Borrower agrees to the above terms and conditions and acknowledges its agreement and acceptance of the offer by signing and returning the enclosed copy of this letter.

Yours faithfully

For and on behalf of

Overseas European Holdings Limited

Address:

145-157 St. John Street,
London
EC1V 4PW

Attention: Chris Brierley

Chris.brierley@wragge-law.com

The Borrower acknowledges and agrees to the above

for and on behalf of

Dome Mountain Resources of Canada Inc.

112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada

Attention: Mr. Darcy Pahl, Managing Director,

Email: ddp.icc@gmail.com



governed by and construed in all respects in accordance with English law. The parties submit to the non-exclusive jurisdiction of the English courts.

The Borrower agrees to the above terms and conditions and acknowledges its agreement and acceptance of the offer by signing and returning the enclosed copy of this letter.

Yours faithfully

For and on behalf of

Overseas European Holdings Limited

Address:

145-157 St. John Street,
London
EC1V 4PW

Attention: Chris Brierley

Chris.brierley@wragge-law.com

The Borrower acknowledges and agrees to the above

for and on behalf of

Dome Mountain Resources of Canada Inc.

112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada

Attention: Mr. Darcy Pahl, Managing Director,

Email: ddp.icc@gmail.com



**INDICATIVE TERM SHEET
(ACQUISITION LOAN FACILITY)**

TERMS OF THE FACILITY	
Lender	OEHL affiliate of bond issuer
Borrower:	Dome Mountain Resources of Canada Inc. 112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada (the "Borrower").
Loan Amount:	Total US\$[80] million
Interest Rate:	8.5% per annum
Interest Payments:	Bi-annually
Facility Type:	Amortising Term Loan facilities ("Facility")
Purpose:	To finance the acquisition of 100% of the issued share capital of [Target], to refinance the Bridging Facility and capex
Drawdown Availability:	May 31, 2016 or 30 days after drilling program, whichever date is later.
Principal Repayment Schedule:	The Facility will amortise down to zero by the Loan Maturity Date (as defined below) according to a semi-annual scheduled repayment schedule.
Proposed payment priority waterfall:	The Facility will contain a waterfall indicating the priority of application of cash receipts and payments to be agreed on each Interest Payment Date but to include and reflecting the following priorities: - Operating costs - Opex Reserve Account - Maintenance Reserve Account (pari passu) - Debt service costs - DSRA - Agreed non-priority operating costs - Distributions
Debt Service Reserve Account ("DSRA Account"):	An account in the name of the Borrower in an amount to be agreed following final modelling Debt Service Costs during construction phase to



	be placed in a blocked account with the Account Bank and charged to the Trustee DSRA Account shall be deposited in a charged account with a Moody's P-1 rated bank. DSRA Account will be subject to security under the Borrower Deed of Charge and remain under sole control of the Borrower Cash Manager.
Opex Reserve Account ("Opex Reserve Account"):	An account in the name of the Borrower in an amount to be agreed following final modelling
Loan Payment Dates:	Annually on each anniversary of the Loan
Day Count:	ACT/ACT
Loan Maturity Date:	Loan Payment Date falling in [10 years from closing] 2026
Repayment:	If not redeemed earlier, in full on the Loan Maturity Date
Prepayment:	Permitted at any time from the date 24 months from drawdown of the Facility and subject to: i. the whole of the Facility being prepaid; ii. 7 business days' notice; and iii. Payment of the Make-Whole Provision Amount (Spens).
Make-Whole Provision Amount:	Make-Whole Provision Amount will be calculated using Spens formula (mirroring repayment penalties under the Bond.
Distributions:	Permitted subject to (i) all required payments to be made to the DSRA Account having been made so that the balance of the DSRA Account is no less than the required level at that time; and (ii) no events of default / DSCR Trigger having occurred and be continuing.
Other Bank Accounts:	All revenues will be paid directly into a common account held by the Borrower (the "Account"). The Account will be subject to security under the Borrower Deed of Charge and will remain under the sole control of the Borrower Cash Manager at all times. The Borrower may also retain a General Account for working capital purposes. Each General Account will be subject to security.
Account Bank:	[To be agreed]



Conditions Precedent:	As required for facilities of this nature to include Specifically, prior to completion, the following in a form and substance satisfactory to the Arranger: Full legal diligence including over title to real estate and ownership of intellectual property rights to use the system; Satisfaction with intellectual property rights for dual fuel system Satisfaction with fuel supply and off take arrangements; Satisfaction with equity share rights and exit strategy; Evidence of the existence or all approvals, permissions and licences required for the Project; Evidence that all insurance policies and documents are in place; The security documents; Bank account mandates; Approval of tax structure; Evidence of compliance with regulatory and Lender requirements for client adoption, account opening and money laundering purposes; Financial model review of the financial model; Confirmation of no other material financial indebtedness within the Borrower other than any intercompany loans which will be equity-like in effect and subject to appropriate inter-creditor deed; and Other due diligence requirement as reasonably required for a facility of this nature.
Security	Standard security for a loan of this nature including, but not limited to the following and its equivalent in each relevant jurisdiction: Full fixed and floating debenture over the assets of the Borrower; Security over the shares in the Borrower by way of specific pledge; Assignment by way of security of all operating and supply contracts; Assignment of all insurance policies; Assignment of manufacturer warranties; Assignment of intellectual property rights over the system; Negative pledge in relation to all assets of the



	Borrower; Step-in rights/direct agreements in favour of the Lender under all key contracts including feedstock supply and off takes; Subordination agreements with the Issuer, the Issuer Security Trustee, the Borrower Security Trustee and the Borrower; Security over bank accounts; and Intercreditor/subordination deed (where other parties have financial indebtedness to the Borrower) giving the Lender full priority (where relevant).
Debt Service Cover Ratio:	The Debt Service Cover Ratio ("DSCR") definition to be agreed but suggested as the ratio of Cashflow to Debt Service calculated as at each Interest Payment Date as follows and to include both measures below: 12 month actual historic (beginning on 1st anniversary); and 12 month forward-looking, based on forecast assumptions and numbers Projected in the agreed financial close model, as adjusted for 12 months historic data with respect to the performance ratio, availability and irradiance only.
Covenant Testing	Semi-annual on each loan payment date, to be certified by two directors of the Borrower.
DSCR Covenant:	The DSCR Covenant to be agreed. An un-remedied breach of the DSCR Covenant constitutes an Event of Default.
DSCR Trigger:	A DSCR Trigger occurs and is continuing at any time where the Debt Service Cover Ratio as at the then most recent Interest Payment Date is less than or equal to [to be agreed](the "DSCR Trigger Ratio").
Cashflow:	Definition to be agreed.
Debt Service:	To be agreed but suggested as, in respect of any Interest Period, the aggregate: a) all accrued interest, commissions, fees, discounts, premiums or charges and other finance payments in respect of the Facility; and b) all scheduled and mandatory repayments of Facility falling due, in each case during such Interest Period (and, for the avoidance of doubt, taking into account



	any indexation).
Cash Trap:	To be agreed but suggested as to the extent the DSCR Trigger has occurred and is not remedied within 10 business days all surplus Generation income after interest and principal obligations will be transferred to the Debt Service Reserve Account on the following Interest Payment Date with the amounts trapped released back to the Borrower Group once the DSCR is restored above [to be agreed] over two consecutive Interest Periods. The balance standing to the credit of the Debt Service Reserve Account is capped at the greater of: (1) [to be agreed]% of the Principal Amount Outstanding; and (2) the lower of (i) US\$[to be agreed] million or (ii) the Total Principal Amount Outstanding less the amount credited in the DSRA.
Property Covenants and Other Covenants:	As required for facilities of this nature, but to include: a) all income received from production to be credited to Project Accounts; b) maintenance of appropriate insurances; provision of information as required in Information Requirements; c) maintenance of and conformity to all government / regulatory / consents / licences; d) compliance with all material obligations in key agreements; and e) limitation on further indebtedness to Borrower.
Information Requirements:	Standard for a facility of this nature, including but not limited to annual audited accounts for the Borrower, updated cashflow model, annual meeting with the management of the Borrower, semi-annual report detailing technical, operating and financial performance of systems, cash management reports.



Events of Default:	Standard clauses for facilities of this nature (including, without limitation): a) failure to pay any sum when due; b) breach of DSCR Covenant; c) cross default of sum greater than £10,000; d) insolvency; e) major damage in circumstances where it is reasonably likely the Borrower will not be able to comply with its payment obligations under the financing or the cover ratios (having regard to sums available to it from available insurance proceeds); and f) cessation of business.
Costs	All legal and other fees, costs and expenses (plus VAT) incurred by the Arranger and approved by the Borrower in connection with the negotiation, preparation, execution and printing of the Documentation is for the account of the Borrower.
Taxes	All payments to be made by the Borrower/Lender must be made free and clear of withholding and any other taxes.
Governing law	England and Wales
Jurisdiction	Courts of England and Wales

APPENDIX 20



**ACTIVE CAPITAL
REINSURANCE, LTD.**

**INSURANCE COVER NOTE
CAD-MGEC-112015**

TYPE: Performance Guarantee Bond.

INSURED: MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom

GUARANTOR: Active Capital Re Ltd.

UNDERWRITING AGENCY: Global BRG, LLC (a Florida Company) - (Global)

PERIOD: From: 6th November 2015.
To: 5th November 2016.
Both days inclusive.

SUM INSURED: CAD 12,000,000.00

LOCATION: Canada

BENEFICIARY: Crystal Wealth Management System Limited (In Trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2, as Lender.

CONDITIONS: As Per Performance Guarantee Wording as attached.
Sanctions Limitation and Exclusion Clause as attached.
Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL. 370).
Institute Cyber Attack Exclusion Clause 10/11/03 (CL. 380).

SUBJECTIVITIES: Subject to sight of lender term sheet.



**ACTIVE CAPITAL
REINSURANCE, LTD.**

**CHOICE OF LAW
& JURISDICTION:**

This insurance shall be governed by and construed in accordance with the law of England and Wales. Each party agrees to submit to the exclusive jurisdiction of any competent court within England and Wales.

PREMIUM: CAD 600,000

PREMIUM PAYMENT

TERMS: 90 day premium payment condition - LSW 3001(amended) as attached.

PREMIUM PAYMENT:

Account Name:	GLOBAL BRG LLC
Bank::	CITIBANK, N.A.
Branch:	Weston, FL 33326 - USA
Swift:	CITIUS33
ABA:	266086554
Checking Account:	9134601398



**ACTIVE CAPITAL
REINSURANCE, LTD.**

PERFORMANCE GUARANTEE

Date: 6th November 2015

To: Crystal Wealth Management System Limited (In Trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2, as Lender, the "Beneficiary" or "you", or "Insured")

From: Active Capital Re, Ltd., (the "Guarantor" or "we");

Covered Period: 6th November 2015 to 5th November 2016

Total Premium: \$600,000

Underwriting Agency: Global BRG, LLC (a Florida Company) - (Global)

We refer to the CAD 12,000,000 Loan due 2016 (the "Loan") available on or around the date of this Guarantee by MGE Corporation Limited, whose registered office is at 145-147 St. John Street, London, EC1V 4PW (the "Issuer").

Words and expressions used in this Performance Guarantee shall have the meanings given in the Loan Agreement and the Conditions unless otherwise stated.

1. Covenant to Pay:

We hereby guarantee punctual payment of the principle payable by the Borrower under the Loan for the Loan maturity falling in November 2016 (the "Guaranteed Obligations") in the amount not in excess of the Guarantee Limit and otherwise in accordance with the terms of this Performance Guarantee.

2. Guarantee Limit:

Amount payable under this Performance Guarantee shall not exceed an aggregate amount of CAD 12,000,000 falling in November 2016, plus your reasonable costs of enforcement (if any) of this Performance Guarantee (the "Guarantee Limit").

3. Claims:

Any claim under this Performance Guarantee (any, a "Claim") shall be made in writing by the Beneficiary in accordance with Clause 13 (*Notices*) below within 10 (ten) Business Days following the Beneficiary's receipt of a notice that a payment default has occurred under Condition [9] of the Loan. Any Claim shall specify the



ACTIVE CAPITAL
REINSURANCE, LTD.

due date for payment of such Guaranteed Obligation, the amount of such unpaid Guaranteed Obligation and that such Guaranteed Obligation remains unpaid. The Guarantor shall be entitled to assume that the information set out in the Claim demand is accurate and genuine and has been duly signed on behalf of the Beneficiary.

4. Payment:

Following receipt of a Claim from the Beneficiary in accordance with Clause 2 (*Claims*) above, the Guarantor shall pay to the Beneficiary the amount claimed no later than 10 (ten) Business Days in Canadian Dollars by wire transfer of immediately available funds to the account specified in the Schedule hereto (the "**Payment Account**") without setoff, counterclaim, deduction or withholding of any nature whatsoever.

5. Primary and Independent Obligation:

This Performance Guarantee constitutes our primary and independent obligation to make payment to you in accordance with the terms of this Performance Guarantee, and we hereby agree to pay you within 10 (ten) Business Days following receipt of your written demand, any cost, loss or liability suffered by you if any Guaranteed Obligation is or becomes unenforceable, invalid, illegal or uncollectible for any reason whatsoever. The amount of the cost, loss or liability shall be equal to the amount which you would otherwise have been entitled to recover, subject to the Guarantee Limit.

6. Exclusion of Specific Defenses:

This Performance Guarantee and our obligations hereunder shall not be contingent upon the legal relationship between the Beneficiary and the Insured or between the Insured and any other person and shall not be affected by an act, omission, matter or thing which, but for this Clause 6 (*Exclusion of Specific Defences*), would reduce, release or prejudice any of the Insured's obligations under or in respect of the Loan, the Conditions, the Loan Agreement, the Conditions (without limitation and whether or not known to the Guarantor or you) or the Guarantor's obligations under this Performance Guarantee, unless as defined in the conditions stated under this clause, including:

- (a) Any defect in any provision of the Loan, the Conditions, the Loan Agreement or any other document or instrument,
- (b) Any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Insured or any other person.



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- (c) Any inadequate representation of the Insured or any other person, not inclusive of fraud or misrepresentation of facts.
- (d) any absence of licences or other authorisations or any factual or legal restrictions or limitations currently existing or subsequently introduced in the jurisdiction of the Insured (including, but not limited to, force majeure or any event or action delaying or preventing any conversion or transfer to or receipt by you in the account agreed to by you),
- (e) the taking, existence, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any other collateral provided to you for the Indebtedness, and your legal relationship with any provider of such other collateral, or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (f) any time, waiver or consent granted to, or composition with, the Insured or any other person.
- (g) any supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of the Loan, the Conditions, the Loan Agreement or any other document or instrument, provided that no such amendment or other modification shall (i) increase the amount payable by the Guarantor hereunder or (ii) without the consent of the Guarantor, change the timing of the payment of any Guaranteed Obligation by the Guarantor hereunder.
- (h) Guarantor can and will reinsure all or part of this Performance Guarantee. Reinsurer terms and condition will be stated on the "Reinsurance Cover Note".
- (i) any insolvency or similar proceedings in respect of the Insured or any other person.

7. No setoff, Withholding, etc.:

Any amount payable by us hereunder will be paid free and clear of and without set-off, counterclaim, deduction or withholding unless compelled by law, in which event we will pay such additional amounts as will result in the receipt by you of the amounts which you would otherwise have been payable by us to you in accordance with this Performance Guarantee in the absence of any such set-off, counterclaim, deduction or withholding.

8. Limitation of Subrogation:

So long as any amount remains payable by the Insured to you under or in connection with the Loan, we undertake not to assert any claim we may have against the Insured



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by reason of the performance of our obligations under this Performance Guarantee, whether on contractual grounds or on any other legal basis, until the Secured Obligations have been satisfied and all amounts payable to you in respect of the Secured Obligations have been fully received or recovered. Until the Secured Obligations have been fully and irrevocably received or recovered, any amount received or recovered by us from the Insured shall be held in trust for and immediately paid to you. If we make any payment to you hereunder, we shall only be subrogated in your rights against the Insured once all Secured Obligations have been fully and irrevocably received or recovered by you.

9. Beneficiary's Discretion:

The Beneficiary may determine from time to time whether or not it will enforce the Performance Guarantee, which it may do without making any demand of or taking any proceedings against the Insured or the Guarantor and may from time to time make any arrangement or compromise with the Guarantor in relation to the Performance Guarantee which the Beneficiary may consider expedient in the interests of the Lender.

10. Anti-avoidance clause:

It is agreed that you will not have any duty or obligation to make any representation, warranty or disclosure of any nature, express or implied (such duty and obligation being expressly waived by us) and you shall have no liability of any nature to us for any information provided by any other parties and any such information provided by or non-disclosure by other parties shall not be a ground or grounds for avoidance of our obligations under this Performance Guarantee.

11. Reinstatement:

If any payment by the Insured or any discharge given by the Beneficiary (whether in respect of the obligations of the Insured or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of the Insured shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) you shall be entitled to recover the value or amount of that security or payment from the Insured, as if the payment, discharge, avoidance or reduction had not occurred.

12. Representations:

The Guarantor hereby makes the following representations and warranties as at the

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BB15008, Christchurch
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date of this Performance Guarantee.

12.1 It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation. It has the power to execute, deliver and perform this Performance Guarantee.

12.2 The obligations expressed to be assumed by it in this Performance Guarantee are (subject to the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors) legal, valid, binding and enforceable obligations.

12.3 The entry into and performance by it, and the transactions contemplated by, this Performance Guarantee do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

12.4 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Performance Guarantee.

12.5 All consents, approvals and authorisations or every person and regulatory authority required to enable the Guarantor lawfully to enter into and perform its obligations under this Performance Guarantee and to make this Performance Guarantee admissible in evidence in

12.6 The Guarantor's obligations under this Performance Guarantee constitute its unconditional, direct and unsecured obligations and rank and will rank *pari passu* with all of its other outstanding unsecured and unsubordinated obligations, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

13. Notices:

13.1 Any communication to be made under or in connection with this Performance Guarantee shall be made in writing and, unless otherwise stated, may be made by fax or letter.

13.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each of the Guarantor and the



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Beneficiary for any communication or document to be made or delivered under or in connection with this Performance Guarantee is that identified with its name below or any substitute address or fax number or department or officer as the Guarantor or the Beneficiary may notify to each other by not less than five Business Days' notice.

13.3 Any communication or document made or delivered by one person to another under or in connection with this Performance Guarantee will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

13.4 Any communication or document to be made or delivered to the Guarantor will be effective only when actually received by the Guarantor and then only if it is expressly marked for the attention of Global BRG, LLC (or any substitute department or officer as the Guarantor shall specify for this purpose).

13.5 Any communication or document which becomes effective, in accordance with paragraph (a) or (b) of Clause above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

13.6 Any communication to be made between the Guarantor and the Beneficiary under or in connection with this Performance Guarantee may be made by electronic mail or other electronic means to the extent that the Guarantor and the Beneficiary agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if they:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

13.7 Any electronic communication made between the Guarantor and the Beneficiary will be effective only when actually received in readable form and in the case of any electronic communication made by the Beneficiary only if it is addressed in such a manner as the Guarantor shall specify for this purpose.

13.8 Any electronic communication which becomes effective, in accordance with Clause 11.6 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.



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13.9 Any notice given hereunder must be in English.

14. Partial Invalidity:

Should any provision of this Performance Guarantee be unenforceable or invalid, the other provisions hereof shall remain in force.

15. Governing Law, Jurisdiction:

15.1 This Performance Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

15.2 The parties hereto agree that the courts of England shall have jurisdiction to hear and determine any disputes, and the parties hereto waive any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. The Guarantor hereby irrevocably submits to the jurisdiction of such courts.

15.3 This Clause 0 (Governing Law, Jurisdiction) is for your benefit and nothing in this Section 0 (Governing Law, Jurisdiction) prevents you from taking proceedings in any other courts with jurisdiction. To the extent allowed by law, you may take concurrent proceedings in any number of jurisdictions.

15.4 Without prejudice to any other mode of service allowed under any relevant law, the Guarantor irrevocably appoints Global BRG, LLC as its agent for service of process in relation to any proceedings before the English courts in connection with this Performance Guarantee and agrees that failure by a process agent to notify the Guarantor of the process will not invalidate the proceedings concerned.

16. Contracts (Rights of Third Parties) Act (1999):

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Performance Guarantee and no person not party to this Performance Guarantee shall have or acquire any right to enforce any term of it pursuant to that Act, unless this Performance Guarantee expressly provides that such person has rights under it or is entitled to benefit from its provisions.

17. Premium Payment Clause LSW3001 (Amended):

17.1 Notwithstanding any provision to the contrary within this Performance Guarantee or any endorsement hereto, in respect of non-payment of



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premium only the following clause will apply.

- 17.2 The Insured undertakes that premium will be paid in full to Global BRG, LLC (Global) in accordance with clause "Total Premium". The premium will be paid direct by the Original Insured to Global.
- 17.3 If the premium due under this contract has not been so paid within 30 days of this contract (and, in respect of instalment premiums, by the date they are due), the Guarantor and/or the Reinsurer shall have the right to cancel this contract upon being notified in writing by Global about such non-payment.
- 17.4 The Insured has the right to cancel this Contract within 90 days of the Premium Payment date. Such cancellation Premium Refund will be made net of administrative and underwriting fees of the Guarantor.

18. Sanction Limitation and Exclusion Clause:

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

19. Claims Cut Through Agreement Clause: Addendum No. 1 (attached)

Signature Page to Follow:

Worthing Corporate Center, Worthing Main Road
BB15008, Christchurch
Barbados

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**ACTIVE CAPITAL
REINSURANCE, LTD.**

Signed on behalf of:

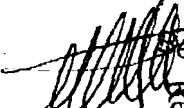
MGE Corporation Limited.
("the Original Insured")


Authorized Signatory
Name: **Stephen Miller**
Date: **November 6th 2015.**

Active Capital Reinsurance, Ltd.
("the Reinsured")


Authorized Signatory
Name: **Juan A. Niño**
Date: **Nov. 6, 2015**

Best Meridian Insurance Company
("the Reinsurer")


Authorized Signatory
Name: **Luis Escobar**
Date: **November 6, 2015**



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BB15008, Christchurch
Barbados

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**ACTIVE CAPITAL
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**ADDENDUM No. 1
CLAIMS CUT THROUGH AGREEMENT
ATTACHING TO AND FORMING PART OF PERFORMANCE GUARANTEE BOND
REINSURANCE AGREEMENT
Slip No. CAD-MGEC-112015
("The Reinsurance Agreement")**

Between
MGE Corporation Limited.
London, England
("the Original Insured")

and
Active Capital Reinsurance, Ltd.
Christ Church, Barbados
("the Reinsured")

and
Best Meridian Insurance Company
Miami, Florida USA
("the Reinsurer")

Whereas The Reinsured has issued a Performance Guarantee Bond to MGE CORPORATION LIMITED. ("The Original Insured") effective 6th November 2015.

Whereas the Reinsurer has also entered into a Reinsurance Agreement with the Reinsured, whereby the Reinsurer agrees to reinsure 100% of the Reinsured liability to the Original Insured under the Reinsurance Agreement.

Now therefore, the Original Insured, the Reinsured, and the Reinsurer, agree as follows:

The Reinsurer agrees that, at the request of the Original Insured, the Reinsurer will immediately become liable to the Original Insured for any loss to the Reinsurance Agreement otherwise applies:

The Reinsurer will make payment of such loss directly to the Original Insured, but only at the same time and in the same manner as the Reinsurer would be obligated to make payment pursuant to the terms of the Reinsurance Agreement.

The Original Insured agrees that the Reinsured shall have no obligation to pay any amount to the Original Insured for claim, losses, or any other reason, if the Reinsured has not previously received from the Reinsurer the amount of the claim, and in any event the Reinsured shall only pay the Original Insured to the extent of the amounts previously received from the Reinsurer, up to the limit of the Sum indicated in the Reinsurance Agreement. In respect of such loss, such payment shall fully discharge the Reinsured of any and all liability to the Original Insured under the Performance Guarantee Bond contractual and any other extra contractual obligations that could arise. Also, it is further understood and agreed that, in the event of the insolvency of the Reinsurer, the reinsurance under this contract shall be payable directly by the Reinsurer to the Original Insured through its

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liquidator, receiver, conservator or statutory successor, and therefore fully discharging the Reinsured from any current or further liability regarding the COVER NOTE CAD-MGEC-112015.

Signature Page to Follow:

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BB15008, Christchurch
Barbados

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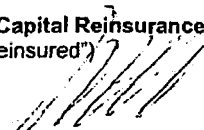
**ACTIVE CAPITAL
REINSURANCE, LTD.**

Signed on behalf of:

MGE Corporation Limited.
("the Original Insured")


Authorized Signatory
Name: **Stephen Miller**
Date: **November 6th 2015.**

Active Capital Reinsurance, Ltd.
("the Reinsured")


Authorized Signatory
Name: **Juan A. Nino**
Date: **Nov. 6, 2015**

Best Meridian Insurance Company
("the Reinsurer")


Authorized Signatory
Name: **Luis Escobar**
Date: **November 6, 2015**

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Barbados

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**REINSURANCE COVER NOTE
ACRE - CAD-MGEC-112015**

TYPE: Performance Guarantee Bond.

INSURED: MGE Corporation Limited

REINSURED: Active Capital Re Ltd. (ACRe)

REINSURER: Best Meridian Insurance Company (BMI)

UNDERWRITING AGENCY: Global BRG, LLC (a Florida Company) - (Global)

PERIOD: From: 6th November 2015.
To: 5th November 2016.
Both days inclusive.

SUM INSURED: CAD 12,000,000.00

LOCATION: Canada
Crystal Wealth Management System Limited (In Trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2, as Lender.

CONDITIONS: As Per Performance Guarantee Wording as ANNEX 1.
Sanctions Limitation and Exclusion Clause as attached.
Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL: 370).
Institute Cyber Attack Exclusion Clause 10/11/03 (CL: 380).

SUBJECTIVITIES: Subject to sight of lender term sheet.

CHOICE OF LAW & JURISDICTION: This insurance shall be governed by and construed in accordance with the law of England and Wales. Each party agrees to submit to the exclusive jurisdiction of any competent court within England and Wales.

GLOBAL BRG

PREMIUM: CAD 600,000

PREMIUM PAYMENT

TERMS: 90 day premium payment condition - LSW 3001(amended) as attached.

PREMIUM PAYMENT:

Account Name:	GLOBAL BRG LLC
Bank::	CITIBANK, N.A.
Branch:	Weston, FL 33326 - USA
Swift:	CITIUS33
ABA:	266086554
Checking Account:	9134601398



ANNEX 1

PERFORMANCE GUARANTEE

Date: 6th November 2015

To: Crystal Wealth Management System Limited (In Trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2, as Lender, the "Beneficiary" or "you", or "Insured")

From: Active Capital Re, Ltd., (the "Guarantor" or "we");

Covered Period: 6th November 2015 to 5th November 2016

Total Premium: \$600,000

Underwriting Agency: Global BRG, LLC (a Florida Company) - (Global)

We refer to the CAD 12,000,000 Loan due 2016 (the "Loan") available on or around the date of this Guarantee by MGE Corporation Limited, whose registered office is at 145-147 St. John Street, London, EC1V 4PW (the "Issuer").

Words and expressions used in this Performance Guarantee shall have the meanings given in the Loan Agreement and the Conditions unless otherwise stated.

1. Covenant to Pay:

We hereby guarantee punctual payment of the principle payable by the Borrower under the Loan for the Loan maturity falling in November 2016 (the "Guaranteed Obligations") in the amount not in excess of the Guarantee Limit and otherwise in accordance with the terms of this Performance Guarantee.

2. Guarantee Limit:

Amount payable under this Performance Guarantee shall not exceed an aggregate amount of CAD 12,000,000 falling in November 2016, plus your reasonable costs of enforcement (if any) of this Performance Guarantee (the "Guarantee Limit").

3. Claims:

Any claim under this Performance Guarantee (any, a "Claim") shall be made in writing by the Beneficiary in accordance with Clause 13 (Notices) below within 10 (ten) Business Days following the Beneficiary's receipt of a notice that a payment default has occurred under Condition [9] of the Loan. Any Claim shall specify the due date for payment of such Guaranteed Obligation, the amount of such unpaid Guaranteed Obligation and that such Guaranteed Obligation remains



unpaid. The Guarantor shall be entitled to assume that the information set out in the Claim demand is accurate and genuine and has been duly signed on behalf of the Beneficiary.

4. Payment:

Following receipt of a Claim from the Beneficiary in accordance with Clause 2 (*Claims*) above, the Guarantor shall pay to the Beneficiary the amount claimed no later than 10 (ten) Business Days in Canadian Dollars by wire transfer of immediately available funds to the account specified in the Schedule hereto (the "Payment Account") without setoff, counterclaim, deduction or withholding of any nature whatsoever.

5. Primary and Independent Obligation:

This Performance Guarantee constitutes our primary and independent obligation to make payment to you in accordance with the terms of this Performance Guarantee, and we hereby agree to pay you within 10 (ten) Business Days following receipt of your written demand, any cost, loss or liability suffered by you if any Guaranteed Obligation is or becomes unenforceable, invalid, illegal or uncollectible for any reason whatsoever. The amount of the cost, loss or liability shall be equal to the amount which you would otherwise have been entitled to recover, subject to the Guarantee Limit.

6. Exclusion of Specific Defenses:

This Performance Guarantee and our obligations hereunder shall not be contingent upon the legal relationship between the Beneficiary and the Insured or between the Insured and any other person and shall not be affected by an act, omission, matter or thing which, but for this Clause 6 (*Exclusion of Specific Defences*), would reduce, release or prejudice any of the Insured's obligations under or in respect of the Loan, the Conditions, the Loan Agreement, the Conditions (without limitation and whether or not known to the Guarantor or you) or the Guarantor's obligations under this Performance Guarantee, unless as defined in the conditions stated under this clause, including:

- (a) Any defect in any provision of the Loan, the Conditions, the Loan Agreement or any other document or instrument,
- (b) Any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Insured or any other person,
- (c) Any inadequate representation of the Insured or any other person, not inclusive of fraud or misrepresentation of facts.

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- (d) any absence of licences or other authorisations or any factual or legal restrictions or limitations currently existing or subsequently introduced in the jurisdiction of the Insured (including, but not limited to, force majeure or any event or action delaying or preventing any conversion or transfer to or receipt by you in the account agreed to by you),
- (e) the taking, existence, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any other collateral provided to you for the Indebtedness, and your legal relationship with any provider of such other collateral, or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (f) any time, waiver or consent granted to, or composition with, the Insured or any other person,
- (g) any supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of the Loan, the Conditions, the Loan Agreement or any other document or instrument, provided that no such amendment or other modification shall (i) increase the amount payable by the Guarantor hereunder or (ii) without the consent of the Guarantor, change the timing of the payment of any Guaranteed Obligation by the Guarantor hereunder,
- (h) Guarantor can and will reinsure all or part of this Performance Guarantee. Reinsurer terms and condition will be stated on the "Reinsurance Cover Note".
- (i) any insolvency or similar proceedings in respect of the Insured or any other person.

7. No setoff, Withholding, etc.:

Any amount payable by us hereunder will be paid free and clear of and without set-off, counterclaim, deduction or withholding unless compelled by law, in which event we will pay such additional amounts as will result in the receipt by you of the amounts which you would otherwise have been payable by us to you in accordance with this Performance Guarantee in the absence of any such set-off, counterclaim, deduction or withholding.

8. Limitation of Subrogation:

So long as any amount remains payable by the Insured to you under or in connection with the Loan, we undertake not to assert any claim we may have against the Insured by reason of the performance of our obligations under this Performance Guarantee, whether on contractual grounds or on any other legal

Global BRG, 8950 SW 74 Ct. Suite 2400, Miami, FL 33156, USA; Tel: +1 305 443-2898; Fax: +1 305-442-8486.

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basis, until the Secured Obligations have been satisfied and all amounts payable to you in respect of the Secured Obligations have been fully received or recovered. Until the Secured Obligations have been fully and irrevocably received or recovered, any amount received or recovered by us from the Insured shall be held in trust for and immediately paid to you. If we make any payment to you hereunder, we shall only be subrogated in your rights against the Insured once all Secured Obligations have been fully and irrevocably received or recovered by you.

9. Beneficiary's Discretion:

The Beneficiary may determine from time to time whether or not it will enforce the Performance Guarantee, which it may do without making any demand of or taking any proceedings against the Insured or the Guarantor and may from time to time make any arrangement or compromise with the Guarantor in relation to the Performance Guarantee which the Beneficiary may consider expedient in the interests of the Lender.

10. Anti-avoidance clause:

It is agreed that you will not have any duty or obligation to make any representation, warranty or disclosure of any nature, express or implied (such duty and obligation being expressly waived by us) and you shall have no liability of any nature to us for any information provided by any other parties and any such information provided by or non-disclosure by other parties shall not be a ground or grounds for avoidance of our obligations under this Performance Guarantee.

11. Reinstatement:

If any payment by the Insured or any discharge given by the Beneficiary (whether in respect of the obligations of the Insured or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of the Insured shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) you shall be entitled to recover the value or amount of that security or payment from the Insured, as if the payment, discharge, avoidance or reduction had not occurred.

12. Representations:

The Guarantor hereby makes the following representations and warranties as at the date of this Performance Guarantee.

GLOBAL BRG

12.1 It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation. It has the power to execute, deliver and perform this Performance Guarantee.

12.2 The obligations expressed to be assumed by it in this Performance Guarantee are (subject to the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors) legal, valid, binding and enforceable obligations.

12.3 The entry into and performance by it, and the transactions contemplated by, this Performance Guarantee do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

12.4 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Performance Guarantee.

12.5 All consents, approvals and authorisations or every person and regulatory authority required to enable the Guarantor lawfully to enter into and perform its obligations under this Performance Guarantee and to make this Performance Guarantee admissible in evidence in

12.6 The Guarantor's obligations under this Performance Guarantee constitute its unconditional, direct and unsecured obligations and rank and will rank *pari passu* with all of its other outstanding unsecured and unsubordinated obligations, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

13. Notices:

13.1 Any communication to be made under or in connection with this Performance Guarantee shall be made in writing and, unless otherwise stated, may be made by fax or letter.

13.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each of the Guarantor and the Beneficiary for any communication or document to be made or delivered under or in connection with this Performance Guarantee is that identified with its name below or any substitute address or fax number or department or officer as the Guarantor or the Beneficiary may notify to each other by not less than five Business Days' notice.

Global BRG, 8950 SW 74 Ct. Suite 2400, Miami, FL 33156, USA; Tel: +1 305 443-2898; Fax: +1 305-442-8486.

GLOBAL BRG

13.3 Any communication or document made or delivered by one person to another under or in connection with this Performance Guarantee will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

13.4 Any communication or document to be made or delivered to the Guarantor will be effective only when actually received by the Guarantor and then only if it is expressly marked for the attention of Global BRG, LLC (or any substitute department or officer as the Guarantor shall specify for this purpose).

13.5 Any communication or document which becomes effective, in accordance with paragraph (a) or (b) of Clause above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

13.6 Any communication to be made between the Guarantor and the Beneficiary under or in connection with this Performance Guarantee may be made by electronic mail or other electronic means to the extent that the Guarantor and the Beneficiary agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if they:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

13.7 Any electronic communication made between the Guarantor and the Beneficiary will be effective only when actually received in readable form and in the case of any electronic communication made by the Beneficiary only if it is addressed in such a manner as the Guarantor shall specify for this purpose.

13.8 Any electronic communication which becomes effective, in accordance with Clause 11.6 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

13.9 Any notice given hereunder must be in English.

14. Partial Invalidity:

Should any provision of this Performance Guarantee be unenforceable or invalid, the other provisions hereof shall remain in force.

Global BRG, 8950 SW 74 Ct. Suite 2400, Miami, FL 33156, USA: Tel: +1 305 443-2898; Fax: +1 305-442-8486.

GLOBAL BRG

15. Governing Law, Jurisdiction:

- 15.1 This Performance Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.
- 15.2 The parties hereto agree that the courts of England shall have jurisdiction to hear and determine any disputes, and the parties hereto waive any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. The Guarantor hereby irrevocably submits to the jurisdiction of such courts.
- 15.3 This Clause 0 (Governing Law, Jurisdiction) is for your benefit and nothing in this Section 0 (Governing Law, Jurisdiction) prevents you from taking proceedings in any other courts with jurisdiction. To the extent allowed by law, you may take concurrent proceedings in any number of jurisdictions.
- 15.4 Without prejudice to any other mode of service allowed under any relevant law, the Guarantor irrevocably appoints Global BRG, LLC as its agent for service of process in relation to any proceedings before the English courts in connection with this Performance Guarantee and agrees that failure by a process agent to notify the Guarantor of the process will not invalidate the proceedings concerned.

16. Contracts (Rights of Third Parties) Act (1999):

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Performance Guarantee and no person not party to this Performance Guarantee shall have or acquire any right to enforce any term of it pursuant to that Act, unless this Performance Guarantee expressly provides that such person has rights under it or is entitled to benefit from its provisions.

17. Premium Payment Clause LSW3001 (Amended):

- 17.1 Notwithstanding any provision to the contrary within this Performance Guarantee or any endorsement hereto, in respect of non-payment of premium only the following clause will apply.
- 17.2 The Insured undertakes that premium will be paid in full to Global BRG, LLC (Global) in accordance with clause "Total Premium". The premium will be paid direct by the Original Insured to Global.
- 17.3 If the premium due under this contract has not been so paid within 30 days of this contract (and, in respect of instalment premiums, by the date



they are due), the Guarantor and/or the Reinsurer shall have the right to cancel this contract upon being notified in writing by Global about such non-payment.

- 17.4 The Insured has the right to cancel this Contract within 90 days of the Premium Payment date. Such cancellation Premium Refund will be made net of administrative and underwriting fees of the Guarantor.

18. Sanction Limitation and Exclusion Clause:

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

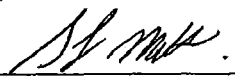
19. Claims Cut Through Agreement Clause: Addendum No. 1 (attached)

Signature Page to Follow:

GLOBAL BRG

Signed on behalf of:

MGE Corporation Limited.
("the Original Insured")


Authorized Signatory
Name: Stephen Miller
Date: November 6th 2015

Active Capital Reinsurance, Ltd.
("the Reinsured")


Authorized Signatory
Name: Juan A. Niño
Date: Nov. 6, 2015

Best Meridian Insurance Company
("the Reinsurer")


Authorized Signatory
Name: Luis Escobar
Date: November 6, 2015





ADDENDUM No. 1
CLAIMS CUT THROUGH AGREEMENT
ATTACHING TO AND FORMING PART OF PERFORMANCE GUARANTEE BOND
REINSURANCE AGREEMENT
Slip No. CAD-MGEC-112015
("The Reinsurance Agreement")

Between
MGE Corporation Limited.
 London, England
 ("the Original Insured")

and
Active Capital Reinsurance, Ltd.
 Christ Church, Barbados
 ("the Reinsured")

and
Best Meridian Insurance Company
 Miami, Florida USA
 ("the Reinsurer")

Whereas The Reinsured has issued a Performance Guarantee Bond to MGE CORPORATION LIMITED. ("The Original Insured") effective 6th November 2015.

Whereas the Reinsurer has also entered into a Reinsurance Agreement with the Reinsured, whereby the Reinsurer agrees to reinsure 100% of the Reinsured liability to the Original Insured under the Reinsurance Agreement.

Now therefore, the Original Insured, the Reinsured, and the Reinsurer, agree as follows:

The Reinsurer agrees that, at the request of the Original Insured, the Reinsurer will immediately become liable to the Original Insured for any loss to the Reinsurance Agreement otherwise applies:

The Reinsurer will make payment of such loss directly to the Original Insured, but only at the same time and in the same manner as the Reinsurer would be obligated to make payment pursuant to the terms of the Reinsurance Agreement.

The Original Insured agrees that the Reinsured shall have no obligation to pay any amount to the Original Insured for claim, losses, or any other reason, if the Reinsured has not previously received from the Reinsurer the amount of the claim, and in any event the Reinsured shall only pay the Original Insured to the extent of the amounts previously received from the Reinsurer, up to the limit of the Sum indicated in the Reinsurance Agreement. In respect of such loss, such payment shall fully discharge the Reinsured of any and all liability to the Original Insured under the Performance Guarantee Bond contractual and any other extra contractual obligations that could arise. Also, it is further understood and agreed that, in the event of the insolvency of the Reinsurer, the reinsurance under this contract shall be payable directly by the Reinsurer to the Original Insured through its liquidator, receiver, conservator or statutory successor, and therefore fully discharging the Reinsured from any current or further liability regarding the COVER NOTE CAD-MGEC-112015.



Signature Page to Follow:

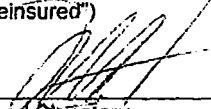
GLOBAL BRG

Signed on behalf of:

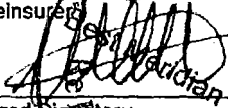
MGE Corporation Limited.
("the Original Insured")


Authorized Signatory
Name: Stephen Miller
Date: November 6th 2015

Active Capital Reinsurance, Ltd.
("the Reinsured")


Authorized Signatory
Name: Juan A. Niño
Date: Nov. 6, 2015

Best Meridian Insurance Company
("the Reinsured")


Authorized Signatory
Name: Luis Escobar
Date: November 6, 2015

APPENDIX 21

112 Cranston Drive SE, Calgary AB, T3M 1A8

November 5, 2016

MGE Corporation LTD

Terms

Please direct payment to:

230 - 719 4th Ave S

Lethbridge AB T1J 0P1

Thank you for your business!

APPENDIX 22



MGE Corporation Limited
 Level 18, 40 Bank Street
 Canary Wharf E14-5NR
 United Kingdom
 Phone 44 (0) 2030594517
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Mandate Letter and Terms Sheet

To: Mr. Darcy Pahl / Managing Director,
 Dome Mountain Resources of Canada Inc.
 112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada
 ("Borrower")

November 3rd 2016

Dome Mountain – Acquisition of [mining target]

We refer to the proposed acquisition ("Acquisition") by [Dome Mountain] ("Dome" and "Borrower") of [target] (the "Target").

MGE Capital Corporation PLC ("MGE") (or one of its affiliates) has agreed in principle, and subject to the satisfaction of certain conditions, to issue a bond ("Bond") to finance the Acquisition and prior to the issue of the Bond to assist in procuring a provision of bridge funding to finance drilling operations of the Target ("Bridge Funding").

MGE and its affiliate Overseas European Holdings Limited ("OEHL") will work with Dome on a reasonable efforts basis subject (inter alia) to the conditions set out at clause 1 below to assist in raising finance for the Bridge Funding to be secured 100% of the Target assets. MGE will seek to provide an Insurance guarantee to be provided to the lender to secure the loan to Dome Mountain.

MGE has agreed to on-lend part of the Bond proceeds to be secured 100% of the Target assets and the Dome assets, subject (inter alia) to the conditions set out at clause 2 below, to the Borrower to fund the Acquisition Capital Expenditure and refinance the Bridge Facility on the indicative terms set out in the attached terms sheet (headed the "Acquisition Loan Terms Sheet"). The loan to be made referred to in the Acquisition Loan Terms Sheet is referred to as the "Acquisition Loan Facility".

1 Bridge Funding Conditions

1.1 MGE is willing to work with Dome on a reasonable efforts basis to procure provision of the Bridge Loan Facility subject to (without limitation):

- (a) Compliance by Dome and the Target with MGE, OEHL and their affiliates and agents client take on procedures;
- (b) Compliance by Dome and the Target with the provider of such Bridging Loan Facility ("Bridge Funder") their affiliates and agents client take on procedures;
- (c) Compliance by Dome and the Target with the Bridge Funder's conditions to Bridge Funding including all financial commercial and legal due diligence and provision of all necessary regulatory approvals in connection with the Bridging Loan Facility from any



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 United Kingdom
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relevant authorities in any relevant jurisdictions;

- (d) The preparation, execution and delivery of the loan and security documents referred to in the Terms Sheet in form and substance satisfactory to the Bridge Funder; and
- (e) The Bridge Funder obtaining all relevant internal and external approvals with respect to the Bridging Loan Facility.

2 Bond Conditions

2.1 MGE is willing to provide the Acquisition Loan Facility subject to (without limitation):

- (a) Compliance by the Borrower with MGE (and its affiliates and agents) client take on procedures;
- (b) The preparation, execution and delivery of the loan and security documents referred to in the Terms Sheet in form and substance satisfactory to MGE;
- (c) MGE obtaining all relevant internal and external approvals with respect to the Loan Facility;
- (d) Successful issuance of the Bond;
- (e) Completion of legal, technical, financial and regulatory due diligence in respect of the Borrower, Borrower and the Project (including without limitation, the supply to MGE of technical, legal and financial reports on which MGE can rely), the results being in all respects satisfactory to MGE acting reasonably in the context of the potential securitisation of the Loan Facility; and
- (f) the Borrower and MGE obtaining all necessary regulatory approvals in connection with the Loan Facility and the Project from any relevant authorities in any relevant jurisdictions.

3 Fees, Costs and Expenses

- 3.1 The Borrower shall be required to pay MGE an arrangement fee on loan disbursement equal to 3% of the Loan Facility.
- 3.2 The Borrower shall issue to MGE 30% of the equity share capital in the Borrower on loan disbursement.
- 3.3 The Borrower shall be responsible for payment of all 3rd party fees in relation to the Loan Facility and the Bond including, inter alia, legal fees, rating fees and accountancy fees. MGE will negotiate and agree these fees on behalf of and with the Borrower.
- 3.4 By signing this letter, the Borrower agrees that if it does not proceed or comply with the terms of the Loan Facility, it will within thirty Business Days of demand thereof indemnify against any reasonable direct cost, expense, loss or liability (including without limitation legal fees)



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incurred by MGE in arranging the Loan Facility. MGE's certification of such amount shall be final and binding in the absence of manifest error.

4 Payments

4.1 All payments to be made under this letter:

- (a) shall be paid in the currency of invoice and in immediately available, freely transferable cleared funds to such account with such bank as MGE may notify the Borrower;
- (b) shall be paid without any deduction or withholding for or on account of tax (a "Tax Deduction") unless a Tax Deduction is required by law. If a Tax Deduction is required by law to be made, the amount of the payment due shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required; and
- (c) are exclusive of any value added tax or similar charge ("VAT"). If VAT is chargeable, the Borrower shall also and at the same time pay to the recipient of the relevant payment an amount equal to the amount of the VAT.

5 Indemnity

- 5.1 Whether or not the full suite of financial documentation is signed, the Borrower agrees within thirty Business Days of demand to indemnify each Indemnified Person against any reasonable direct cost, expense, loss or liability (including without limitation legal fees) incurred by or awarded against that Indemnified Person in each case arising out of or in connection with any action, claim, investigation or proceeding commenced or threatened (including, without limitation, any action, claim, investigation or proceeding to preserve or enforce rights) (each a Loss) in relation to information supplied by or on behalf of the Borrower to MGE in connection with the Loan Facility and the Bond.
- 5.2 The Borrower will not be liable under clause 4.1 for any loss that results directly from negligence, fraud or wilful misconduct of that Indemnified Person.
- 5.3 MGE shall not have any duty or obligation, whether as fiduciary for any Indemnified Person or otherwise, to recover any payment made or required to be made under this paragraph 4.
- 5.4 The Borrower agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Borrower or any of its affiliates for or in connection with the matters contemplated by this letter unless such liability is finally judicially determined to have resulted directly from the gross negligence or wilful misconduct of that Indemnified Person.
- 5.5 Notwithstanding clause 4.4 above, neither the Borrower nor any Indemnified Person shall be responsible or have any liability for indirect loss or consequential losses or damages such as loss of profit etc. unless caused by gross negligence or wilful misconduct.
- 5.6 MGE undertakes promptly to notify the Borrower upon becoming aware of any circumstances



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which may give rise to a claim for indemnification by any Indemnified Person and to consult with the Borrower (and procure that any other Indemnified Person consults with the Borrower) with respect to the conduct of any dispute, proceedings or litigation (save in each case in relation to information which is attorney/client privileged or in respect of which MGE is under a duty of non-disclosure) and shall not settle any such dispute, proceedings or litigation without the Borrower's prior written consent (not to be unreasonably withheld or delayed).

- 5.7 Each Indemnified Person shall in consultation with the Borrower take all reasonable steps to mitigate any loss.
- 5.8 "**Indemnified Person**" means MGE and their affiliates and each of their (or its affiliates') directors, officers, employees and agents.
- 5.9 The Contracts (Rights of Third Parties) Act 1999 shall apply to this paragraph but only for the benefit of the Indemnified Persons who are not a party to this letter.

6 Information

- 6.1 The Borrower represents and warrants that:
 - (a) any factual information provided to MGE by or on behalf of it is complete and accurate in all material respects as at the date it is provided or as at the date (if any) at which it is stated;
 - (b) nothing has occurred or been omitted and no information has been given or withheld that results in the information being untrue or misleading in any material respect; and
 - (c) any financial projections that have been or will be prepared and provided MGE have been or will be prepared on the basis of recent historical information and on the basis of reasonable assumptions.
- 6.2 The representations and warranties set out in paragraph 5.1 above are deemed to be made by the Borrower daily by reference to the facts and circumstances then existing commencing on the date of this letter and continuing until the date on which the Loan Facility is entered into ("**Signing Date**").
- 6.3 The Borrower shall within reasonable time notify MGE in writing if any representation and warranty set out in paragraph 5.1 above is incorrect or misleading and agrees to amend such information promptly from time to time to ensure that each such representation and warranty is correct when made. Should the Borrower amend incorrect or misleading information within reasonable time then the information shall be deemed to be in accordance with paragraph 5.1 above.

7 Confidentiality

- 7.1 The Loan Facility, this Mandate Letter, the Bond and the Project are confidential. Neither MGE nor the Borrower or the Borrower's affiliates shall disclose them or their contents or any information relating to or concerning them to any other person without the prior written consent of the other parties to this letter except:



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- (a) as required by law or by any applicable governmental or other regulatory authority or by any applicable stock exchange; and
- (b) to its employees, agents, sub-contractors and professional advisers for the purposes of the Facility who have been made aware of and agreed to be bound by the obligations under this paragraph or are in any event subject to confidentiality obligations as a matter of law or professional practice.

8 Publicity/Announcements

- 8.1 All publicity in connection with the Loan Facility shall be managed by MGE after written approval of the Borrower.
- 8.2 No announcements regarding the Financing or any roles shall be made without the prior written consent of MGE unless required pursuant to clause 6.1(a).

9 Assignments

The parties may not assign or transfer any of its rights or obligations under the Commitment Documents without the prior written consent of the other party.

10 Termination

- 10.1 Following execution by each party of this letter and up to the Signing Date:
 - (a) MGE may terminate its obligations under this letter with immediate effect by notifying the Borrower in writing if the Borrower is in material breach of any provision of this letter or if any of the conditions in clause 1 of this letter are not met;
 - (b) the Borrower may terminate the appointment of MGE with immediate effect by notifying MGE in writing if MGE is in material breach of any provision of this letter or if MGE indicates that it is not prepared to proceed with the Loan Facility; and
 - (c) The Borrower shall remain liable following termination for all fees costs and expenses then due and payable by it under this letter.
- 10.2 Unless terminated earlier, the obligations under this letter shall expire and terminate on the earliest of:
 - (a) the date falling on the first anniversary of this letter ("**Termination Date**"); and
 - (b) the Signing Date.

11 Survival

Except for clause 1(Conditions), 4(Indemnity) and 9(Termination) the terms of this letter shall survive and continue after the Signing Date.



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12 Miscellaneous

- 12.1 The failure to exercise or delay in exercising a right or remedy under this letter shall not constitute a waiver of the right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right to remedy shall preclude any further exercise thereof, or the exercise of any other right or remedy. Except as expressly provided in this letter, the rights and remedies contained in this Letter are cumulative and not exclusive of any rights or remedies provided by law.
- 12.2 This letter sets out the entire agreement between the Borrower and MGE as to the Loan Facility and supersedes any prior oral and/or written understandings or arrangements relating to the Loan Facility.
- 12.3 Any provision of this letter may only be amended or waived in writing signed by the Borrower and MGE.

13 Third Party Rights

- 13.1 Except as otherwise expressly provided in this letter, the terms of this letter may be enforced only by a party to it and the operation of the Contracts (Rights of Third Parties) Act 1999 is excluded.
- 13.2 Notwithstanding any term of this letter, no consent of a third party is required for any termination or amendment of this letter.

14 Notices

- 14.1 Any communication to be made under or in connection with any Commitment Document shall be made in writing and, unless otherwise stated in the relevant Commitment Document, may be made by fax or letter.
- 14.2 Communications or documents to be given to the Borrower or MGE under this letter shall be sent to it at the address set out with its signature below.
- 14.3 Communications or documents made or delivered by one person to another under or in connection with the Commitment Documents will be effective:
 - (a) by way of email to the email address on the signing pages of this letter;
 - (b) if by way of fax, when received in legible form; or
 - (c) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post, postage prepaid, in an envelope addressed to the relevant recipient at that address.

15 Counterparts

This letter may be executed in any number of counterparts and all those counterparts taken together shall be deemed to constitute one and the same letter.



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16 Governing Law and Jurisdiction

- 16.1 This letter and any non -contractual obligations arising out of or in connection with it is governed by and construed in all respects in accordance with English law. The parties submit to the non-exclusive jurisdiction of the English courts.

The Borrower agrees to the above terms and conditions and acknowledges its agreement and acceptance of the offer by signing and returning the enclosed copy of this letter.

Yours faithfully

For and on behalf of

MGE Capital Corporation (PLC)

Address:

Level 18, 40 Bank Street
 Canary Wharf, London E14 5NR

Attention: Stephen Miller

stephenmiller@mgecorporation.com

The Borrower acknowledges and agrees to the above

for and on behalf of

Dome Mountain Resources of Canada Inc.

112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada

Attention: Mr. Darcy Pahl, Managing Director,

Email: ddp.icc@gmail.com



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Level 18, 40 Bank Street
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INDICATIVE TERM SHEET
(ACQUISITION LOAN FACILITY)

TERMS OF THE FACILITY	
Lender	(MGE) or its affiliate
Borrower:	Dome Mountain Resources of Canada Inc. 112 Cranston Drive SE, Calgary, Alberta, T3M 1A8, Canada (the "Borrower").
Loan Amount:	Total USD \$[36] million
Interest Rate:	12.5% per annum
Interest Payments:	Bi-annually
Facility Type:	Amortising Term Loan facilities ("Facility")
Purpose:	To finance the drilling and acquisition of 100% of the issued share capital of [Target], to refinance the Bridging Facility and capex
Drawdown Availability:	March 31, 2017: subject to acceptable Feasibility study provided by December 1 st 2016
Principal Repayment Schedule:	The Facility will amortise down to zero by the Loan Maturity Date (as defined below) according to a semi-annual scheduled repayment schedule.
Proposed payment priority waterfall:	The Facility will contain a waterfall indicating the priority of application of cash receipts and payments to be agreed on each Interest Payment Date but to include and reflecting the



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	following priorities: - Operating costs - Opex Reserve Account - Maintenance Reserve Account (pari passu) - Debt service costs - DSRA - Agreed non-priority operating costs - Distributions
Debt Service Reserve Account ("DSRA Account"):	An account in the name of the Borrower in an amount to be agreed following final modelling Debt Service Costs during construction phase to be placed in a blocked account with the Account Bank and charged to the Trustee DSRA Account shall be deposited in a charged account with a Moody's P-1 rated bank. DSRA Account will be subject to security under the Borrower Deed of Charge and remain under sole control of the Borrower Cash Manager.
Opex Reserve Account ("Opex Reserve Account"):	An account in the name of the Borrower in an amount to be agreed following final modelling
Loan Payment Dates:	Annually on each anniversary of the Loan
Day Count:	ACT/ACT
Loan Maturity Date:	Loan Payment Date falling in [10 years from closing] 2026
Repayment:	If not redeemed earlier, in full on the Loan Maturity Date
Prepayment:	Permitted at any time from the date 24 months from drawdown of the Facility and subject to: I. the whole of the Facility being prepaid;



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	ii. 7 business days' notice; and iii. Payment of the Make-Whole Provision Amount (Spens).
Make-Whole Provision Amount:	Make-Whole Provision Amount will be calculated using Spens formula (mirroring repayment penalties under the Bond.
Distributions:	Permitted subject to (i) all required payments to be made to the DSRA Account having been made so that the balance of the DSRA Account is no less than the required level at that time; and (ii) no events of default / DSCR Trigger having occurred and be continuing.
Other Bank Accounts:	All revenues will be paid directly into a common account held by the Borrower (the "Account"). The Account will be subject to security under the Borrower Deed of Charge and will remain under the sole control of the Borrower Cash Manager at all times. The Borrower may also retain a General Account for working capital purposes. Each General Account will be subject to security.
Account Bank:	[To be agreed]
Conditions Precedent:	As required for facilities of this nature to include Specifically, prior to completion, the following in a form and substance satisfactory to the Arranger: Full legal diligence including over title to real estate and ownership of intellectual property rights to use the system; Satisfaction with equity share rights and exit strategy; Evidence of the existence or all approvals, permissions and licences required for the Project;



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	Evidence that all insurance policies and documents are in place; The security documents; Bank account mandates; Approval of tax structure; Evidence of compliance with regulatory and Lender requirements for client adoption, account opening and money laundering purposes; Financial model review of the financial model; Confirmation of no other material financial indebtedness within the Borrower other than any intercompany loans which will be equity-like in effect and subject to appropriate inter-creditor deed; and Borrower providing resource reports as to JORC or N1-43101 which can be relied upon. The reports must show valuations and reserves to service the debt of the bond to 1.5 times payments of principal and interest over the term of the bond. Other due diligence requirement as reasonably required for a facility of this nature.
Security	Standard security for a loan of this nature including, but not limited to the following and its equivalent in each relevant jurisdiction: Full fixed and floating debenture over the assets of the Borrower; Security over the shares and assets of the Borrower by way of specific pledge; Assignment by way of security of all operating and supply contracts; Assignment of all insurance policies; Assignment of manufacturer warranties; Assignment of intellectual property rights over



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	the system; Negative pledge in relation to all assets of the Borrower; Step-in rights/direct agreements in favour of the Lender under all key contracts including off takes; Subordination agreements with the Issuer, the Issuer Security Trustee, the Borrower Security Trustee and the Borrower; Security over bank accounts; and Intercreditor/subordination deed (where other parties have financial indebtedness to the Borrower) giving the Lender full priority (where relevant).
Debt Service Cover Ratio:	The Debt Service Cover Ratio ("DSCR") definition to be agreed but suggested as the ratio of Cashflow to Debt Service calculated as at each Interest Payment Date as follows and to include both measures below: 12 month actual historic (beginning on 1st anniversary); and 12 month forward-looking, based on forecast assumptions and numbers Projected in the agreed financial close model, as adjusted for 12 months historic data with respect to the performance ratio, availability and irradiance only.
Covenant Testing	Semi-annual on each loan payment date, to be certified by two directors of the Borrower.
DSCR Covenant:	The DSCR Covenant to be agreed. An un-remedied breach of the DSCR Covenant constitutes an Event of Default.
DSCR Trigger:	A DSCR Trigger occurs and is continuing at any time where the Debt Service Cover Ratio as at



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 United Kingdom
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	the then most recent Interest Payment Date is less than or equal to [to be agreed](the "DSCR Trigger Ratio").
Cashflow:	Definition to be agreed.
Debt Service:	To be agreed but suggested as, in respect of any Interest Period, the aggregate: a) all accrued interest, commissions, fees, discounts, premiums or charges and other finance payments in respect of the Facility; and b) all scheduled and mandatory repayments of Facility falling due, in each case during such Interest Period (and, for the avoidance of doubt, taking into account any indexation).
Cash Trap:	To be agreed but suggested as to the extent the DSCR Trigger has occurred and is not remedied within 10 business days all surplus Generation income after interest and principal obligations will be transferred to the Debt Service Reserve Account on the following Interest Payment Date with the amounts trapped released back to the Borrower Group once the DSCR is restored above [to be agreed] over two consecutive Interest Periods. The balance standing to the credit of the Debt Service Reserve Account is capped at the greater of: (1) [to be agreed]% of the Principal Amount Outstanding; and (2) the lower of (i) US\$[to be agreed] million or (ii) the Total Principal Amount Outstanding less the amount credited in the DSRA.



MGE Corporation Limited
 Level 18, 40 Bank Street
 Canary Wharf E14-5NR
 United Kingdom
 Phone 44 (0) 2030594517
www.mgegroupp.net

Property Covenants and Other Covenants:	As required for facilities of this nature, but to include: a) all income received from production to be credited to Project Accounts; b) maintenance of appropriate insurances; provision of information as required in Information Requirements; c) maintenance of and conformity to all government / regulatory / consents / licences; d) compliance with all material obligations in key agreements; and e) limitation on further indebtedness to Borrower.
Information Requirements:	Standard for a facility of this nature, including but not limited to annual audited accounts for the Borrower, updated cashflow model, annual meeting with the management of the Borrower, semi-annual report detailing technical, operating and financial performance of systems, cash management reports.
Events of Default:	Standard clauses for facilities of this nature (including, without limitation): a) failure to pay any sum when due; b) breach of DSCR Covenant; c) cross default of sum greater than £10,000; d) insolvency; e) major damage in circumstances where it is reasonably likely the Borrower will not be able to comply with its payment obligations under the financing or the cover ratios (having regard to sums available to it from available insurance proceeds); and f) cessation of business.



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www.mgegroun.net

Costs	All legal and other fees, costs and expenses (plus VAT) incurred by the Arranger and approved by the Borrower in connection with the negotiation, preparation, execution and printing of the Documentation is for the account of the Borrower.
Taxes	All payments to be made by the Borrower/Lender must be made free and clear of withholding and any other taxes.
Governing law	England and Wales
Jurisdiction	Courts of England and Wales

APPENDIX 23



**REINSURANCE COVER NOTE
MGE - 112017-000016**

TYPE: Performance Guarantee.

INSURED: MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom.

BENEFICIARY: Crystal Wealth Management System Limited (in trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2.

REINSURED: Active Capital Reinsurance Ltd – (ACRE)

REINSURER: Best Meridian International Insurance Company SPC– (BMIIC)

UNDERWRITING AGENCY: Global BRG, LLC (a Florida Company) - (Global)

INTERMEDIARY: Insured has the right to assign an Intermediary or Broker.

PERIOD: From: 04 November 2016
To: 06 November 2021
Both days inclusive.

SUM INSURED: CAD18,000,000.00

LOCATION: Canada

CONDITIONS: As Per Performance Guarantee Wording as ANNEX 1.
Sanctions Limitation and Exclusion Clause as attached.
Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL. 370).
Institute Cyber Attack Exclusion Clause 10/11/03 (CL. 380).

SUBJECTIVITIES: Subject to sight of the term sheet.
Cover Note MGE-112017-0016 supersedes Cover Note CAD-MGEC-112015.

CHOICE OF LAW & JURISDICTION: This insurance shall be governed by and construed in accordance with the law of England and Wales. Each party agrees to submit to the exclusive jurisdiction of any competent court within England and Wales.

PREMIUM: CAD630,000.00

PREMIUM PAYMENT

GLOBAL BRG

TERMS: 10 day premium payment condition - LSW 3001(amended) as attached.

PREMIUM PAYMENT:

Bank	CITIBANK, N.A.
Branch	Weston, FL 33326 - USA
Account name	GLOBAL BRG LLC
Checking Account	9134601398
Swift code	CITIUS33
ABA	266086554



**ANNEX 1
PERFORMANCE GUARANTEE**

Date: 04 November 2016

To: MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom; (the "Insured" or "you")

From: Active Capital Reinsurance Ltd, (the "Guarantor" or "we");

Covered Period: 04 November 2016 to 06 November 2017

Total Premium: CAD630,000.00

Underwriting Agency: Global BRG, LLC (a Florida Company) - (Global)

Intermediary: Insured has the right to assign an Intermediary or Broker to represent them.

We refer to the CAD18,000,000.00 Loan due 06 November 2017, (the "Loan") available on or around the date of this Guarantee by MGE Corporation Limited, whose registered office is at Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom (the "Issuer").

Words and expressions used in this Performance Guarantee shall have the meanings given unless otherwise stated.

1. Covenant to Pay:

We hereby guarantee punctual payment of the principle payable by the Borrower under the Loan for the Loan maturity falling on 06 November 2017 (the "Guaranteed Obligations") in the amount not in excess of the Guarantee Limit and otherwise in accordance with the terms of this Performance Guarantee.

2. Guarantee Limit:

Amount payable under this Performance Guarantee shall not exceed an aggregate amount of CAD18,000,000.00 falling on 06 November 2017, plus your reasonable costs of enforcement (if any) of this Performance Guarantee (the "Guarantee Limit").

3. Claims:

Any claim under this Performance Guarantee (any, a "Claim") shall be made in writing by the Insured in accordance with Clause 12 (*Notices*) below following the Insured's receipt of a notice that a payment default has occurred under the Loan. Any Claim shall specify the due date for payment of such Guaranteed Obligation, the amount of such unpaid Guaranteed Obligation and that such Guaranteed Obligation remains unpaid. The Guarantor shall be entitled to assume that the information set out in each Claim demand is accurate and genuine and has been duly signed on behalf of the Insured.

4. Payment:

Following receipt of a Claim from the Insured in accordance with Clause 3 (*Claims*) above, the Guarantor shall pay to the order of the Insured the amount claimed only at the same time

GLOBAL BRG

as the settlement or advance of funds under the Guarantor's and / or Reinsurer's own facultative reinsurance contract (s). Payment will be made in Canadian Dollars by wire transfer of immediately available funds to the account specified in the Schedule 1 hereto (the "Payment Account") without setoff, counterclaim, deduction or withholding of any nature whatsoever.

5. Primary and Independent Obligation:

This Performance Guarantee constitutes our primary and independent obligation to make payment to you in accordance with the terms of this Performance Guarantee, and we hereby agree to pay you following receipt of your written demand, any cost, loss or liability suffered by you if any Guaranteed Obligation is or becomes unenforceable, invalid, illegal or uncollectible for any reason whatsoever. The amount of the cost, loss or liability shall be equal to the amount which you would otherwise have been entitled to recover, subject to the Guarantee Limit.

6. Exclusion of Specific Defenses:

This Performance Guarantee and our obligations hereunder shall not be contingent upon the legal relationship between the Insured and any other person and shall not be affected by an act, omission, matter or thing which, but for this Clause 6 (*Exclusion of Specific Defences*), would reduce, release or prejudice any of the Borrower's obligations under or in respect of the Loan, (without limitation and whether or not known to the Guarantor or you) or the Guarantor's obligations under this Performance Guarantee, unless as defined in the conditions stated under this clause, including:

- (a) Any defect in the provisions of the Loan, the Conditions or the Loan Agreement, causes the whole of that Loan, Conditions or Loan Agreement to be void
- (b) Any incapacity or lack of power, authority or legal personality of the Insured to enforce the Loan, Conditions or the Loan Agreement, or dissolution of the Insured,
- (c) any absence of the required licences or such other authorisations or any factual or legal restrictions or limitations currently or subsequently required of the Insured in its jurisdiction of the Insured (including, but not limited to, force majeure or any event or action delaying beyond reasonable time or preventing any conversion or transfer to or receipt by you in the account agreed to by you),
- (d) the taking, existence, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any other collateral provided to you for the Indebtedness, and your legal relationship with any provider of such other collateral, or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (e) any supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of the Loan, the Conditions, the Loan Agreement or any other document or instrument, provided that no such amendment or other modification shall (i) increase the amount payable by the Guarantor hereunder or (ii) without the consent of the Guarantor, change the timing of the payment of any Guaranteed Obligation by the Guarantor hereunder.

GLOBAL BRG

(f) Guarantor can and will reinsure all or part of this Performance Guarantee. Reinsurer terms and condition will be stated on the "Reinsurance Cover Note".

(g) any insolvency or similar proceedings in respect of the Insured.

7. No setoff, Withholding, etc.:

Any amount payable by us hereunder will be paid free and clear of and without set-off, counterclaim, deduction or withholding unless compelled by law, in which event we will pay such additional amounts as will result in the receipt by you of the amounts which you would otherwise have been payable by us to you in accordance with this Performance Guarantee in the absence of any such set-off, counterclaim, deduction or withholding.

8. Limitation of Subrogation:

So long as any amount remains payable by the Insured to you under or in connection with the Loan, we undertake not to assert any claim we may have against the Insured by reason of the performance of our obligations under this Performance Guarantee, whether on contractual grounds or on any other legal basis, until the Secured Obligations have been satisfied and all amounts payable to you in respect of the Secured Obligations have been fully received or recovered. Until the Secured Obligations have been fully and irrevocably received or recovered, any amount received or recovered by us from the Insured shall be held in trust for and immediately paid to you. If we make any payment to you hereunder, we shall only be subrogated in your rights against the Insured once all Secured Obligations have been fully and irrevocably received or recovered by you.

9. Anti-avoidance clause:

It is agreed that you will not have any duty or obligation to make any representation, warranty or disclosure of any nature, express or implied (such duty and obligation being expressly waived by us) and you shall have no liability of any nature to us for any information provided by any other parties and any such information provided by or non-disclosure by other parties shall not be a ground or grounds for avoidance of our obligations under this Performance Guarantee.

10. Reinstatement:

If any payment by the Insured or any discharge given by the Insured (in respect of the obligations of the Insured for this security) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of the Insured shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) you shall be entitled to recover the value or amount of that security or payment from the Insured, as if the payment, discharge, avoidance or reduction had not occurred.

11. Representations:

The Guarantor hereby makes the following representations and warranties as at the date of this Performance Guarantee.

GLOBAL BRG

11.1 It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation. It has the power to execute, deliver and perform this Performance Guarantee.

11.2 The obligations expressed to be assumed by it in this Performance Guarantee are (subject to the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors) legal, valid, binding and enforceable obligations.

11.3 The entry into and performance by it, and the transactions contemplated by, this Performance Guarantee do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

11.4 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Performance Guarantee.

11.5 All consents, approvals and authorisations or every person and regulatory authority required to enable the Guarantor lawfully to enter into and perform its obligations under this Performance Guarantee and to make this Performance Guarantee admissible in evidence in

11.6 The Guarantor's obligations under this Performance Guarantee constitute its unconditional, direct and unsecured obligations and rank and will rank *pari passu* with all of its other outstanding unsecured and unsubordinated obligations, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

12. Notices:

12.1 Any communication to be made under or in connection with this Performance Guarantee shall be made in writing and, unless otherwise stated, may be made by fax or letter.

12.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each of the Guarantor and the Insured for any communication or document to be made or delivered under or in connection with this Performance Guarantee is that identified with its name below or any substitute address or fax number or department or officer as the Guarantor or the Insured may notify to each other by not less than five Business Days' notice.

12.3 Any communication or document made or delivered by one person to another under or in connection with this Performance Guarantee will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

GLOBAL BRG

12.4 Any communication or document to be made or delivered to the Guarantor will be effective only when actually received by the Guarantor and then only if it is expressly marked for the attention of Global BRG, LLC (or any substitute department or officer as the Guarantor shall specify for this purpose).

12.5 Any communication or document which becomes effective, in accordance with paragraph (a) or (b) of Clause above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

12.6 Any communication to be made between the Guarantor and the Insured under or in connection with this Performance Guarantee may be made by electronic mail or other electronic means to the extent that the Guarantor and the Insured agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if they:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

12.7 Any electronic communication made between the Guarantor and the Insured will be effective only when actually received in readable form and in the case of any electronic communication made by the Insured only if it is addressed in such a manner as the Guarantor shall specify for this purpose.

12.8 Any electronic communication which becomes effective, in accordance with Clause 12.6 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

12.9 Any notice given hereunder must be in English.

13. **Partial Invalidity:**

Should any provision of this Performance Guarantee be unenforceable or invalid, the other provisions hereof shall remain in force.

14. **Governing Law, Jurisdiction:**

- 14.1 This Performance Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.
- 14.2 The parties hereto agree that the courts of England shall have jurisdiction to hear and determine any disputes, and the parties hereto waive any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. The Guarantor hereby irrevocably submits to the jurisdiction of such courts.
- 14.3 This Clause 14 [Governing Law, Jurisdiction] is for your benefit and nothing in this Section 14 [Governing Law, Jurisdiction] prevents you from taking proceedings in any other courts with jurisdiction. To the extent allowed by law, you may take concurrent proceedings in any number of jurisdictions.

GLOBAL BRG

- 14.4 Without prejudice to any other mode of service allowed under any relevant law, the Guarantor irrevocably appoints Global BRG, LLC as its agent for service of process in relation to any proceedings before the English courts in connection with this Performance Guarantee and agrees that failure by a process agent to notify the Guarantor of the process will not invalidate the proceedings concerned.

15. Contracts (Rights of Third Parties) Act (1999):

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Performance Guarantee and no person party to or not party to or other implied third party to this Performance Guarantee shall have or acquire any right to enforce any term of it pursuant to that Act.

16. Premium Payment Clause LSW3001 (Amended):

- 16.1 Notwithstanding any provision to the contrary within this Performance Guarantee or any endorsement hereto, in respect of non-payment of premium only the following clause will apply.
- 16.2 The Insured undertakes that premium will be paid in full to Global BRG, LLC (Global) in accordance with clause "Total Premium". The premium will be paid direct by the Original Insured to Global.
- 16.3 If the premium due under this contract has not been so paid within 10 days of this contract (and, in respect of instalment premiums, by the date they are due), the Guarantor and/or the Reinsurer shall have the right to cancel this contract upon being notified in writing by Global about such non-payment.
- 16.4 The Insured has the right to cancel this Contract within 90 days of the Premium Payment date. Such cancelation Premium Refund will be made net of administrative and underwriting fees of the Guarantor. The Guarantor is not responsible for the refund of commissions paid to Intermediaries and or Brokers as a result of this Insurance Cover Note.

17. Sanction Limitation and Exclusion Clause:

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

18. Claims Cut Through Agreement Clause: Addendum No. 1 (attached)

Signature Page to Follow:

GLOBAL BRG

Signed on behalf of:

MGE Corporation Limited
 ("the Original Insured")



Authorized Signatory

Name: Stephen Miller

Date: 4/11/2016.

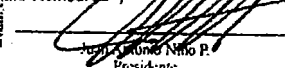
Active Capital Reinsurance Ltd
 ("the Insurer")



ACTIVE CAPITAL REINSURANCE, LTD

Active Capital Re Ltd

("the Reinsured")



Juan Antonio Nino P.
 Presidente

Authorized Signatory

Name:

Date:

Best Meridian International Insurance Company SPC
 ("the Reinsurer")



Authorized Signatory

Name: Luis Escobar

Date:



GLOBAL BRG

ADDENDUM No. 1
CLAIMS CUT THROUGH AGREEMENT
ATTACHING TO AND FORMING PART OF PERFORMANCE GUARANTEE
REINSURANCE AGREEMENT
Slip No. MGE-112017-000016
("The Reinsurance Agreement")

Between
MGE Corporation Limited
 London, England
 ("the Original Insured")

and
Active Capital Reinsurance, Ltd.
 Christ Church, Barbados
 ("the Reinsured")

and
Best Meridian International Insurance Company SPC
 Grand Cayman, Cayman Islands
 ("the Reinsurer")

Whereas The Reinsured has issued a Performance Guarantee Bond to MGE Corporation Limited ("The Original Insured") effective 04 November 2016.

Whereas the Reinsurer has also entered into a Reinsurance Agreement with the Reinsured, whereby the Reinsurer agrees to reinsure 100% of the Reinsured liability to the Original Insured under the Reinsurance Agreement. In the event of a claim under this reinsurance contract, all parties agree that payments hereon shall take place only at the same time as the settlement or advance of funds under the Reinsurer's own facultative retrocession contract (s). The Reinsurer can or will retrocede any volume of liability at its sole discretion.

Now therefore, the Original Insured, the Reinsured, and the Reinsurer, agree as follows:

The Reinsurer agrees that, at the request of the Original Insured, the Reinsurer will immediately become liable to the Original Insured for any loss to the Reinsurance Agreement otherwise applies;

The Reinsurer will make payment of such loss directly to the Original Insured, but only at the same time and in the same manner as the Reinsurer would be obligated to make payment pursuant to the terms of the Reinsurance Agreement.

The Original Insured agrees that the Reinsured shall have no obligation to pay any amount to the Original Insured for claim, losses, or any other reason, if the Reinsured has not previously received from the Reinsurer the amount of the claim, and in any event the Reinsured shall only pay the Original Insured to the extent of the amounts previously received from the Reinsurer, up to the limit of the Sum indicated in the Reinsurance Agreement. In respect of such loss, such payment shall fully discharge the Reinsured of any and all liability to the Original Insured under the Performance Guarantee Bond contractual and any other extra contractual obligations that could arise. Also, it is further understood and agreed that, in the event of the insolvency of the Reinsurer, the reinsurance under this contract shall be payable directly by the Reinsurer to the order of the Original Insured through its liquidator, receiver, conservator or statutory successor, and therefore fully discharging the Reinsured from any current or further liability regarding the COVER NOTE MGE-112017-000016.

Signature Page to Follow:

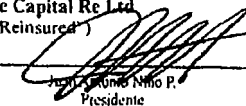
GLOBAL BRG

Signed on behalf of:

MGE Corporation Limited
 ("the Original Insured")

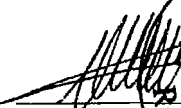

 Authorized Signatory
 Name: Stephen Miller
 Date: 4/11/2016

Active Capital Reinsurance Ltd
 ("the Insurer")

 ACTIVE CAPITAL REINSURANCE, LTD.
 Active Capital Re Ltd
 ("the Reinsured")

 Juan Antonio Nino P.
 Presidente

Authorized Signatory
 Name:
 Date:

Best Meridian International Insurance Company SPC
 ("the Reinsurer")


 Authorized Signatory
 Name: Luis Escobar
 Date:



**SCHEDULE 1****PAYMENT ACCOUNT:**

Bank	[Banking Coordinates]
Address	
Account name	
Account No.	
Swift code	
IBAN	

APPENDIX 24



November 22, 2016

RE: Crystal Wealth Invoices Summary for Dome Mountain

Fund:	Crystal Wealth Enlightened Factoring Strategy
Merchant:	Dome Mountain Resources of Canada Ltd.
Invoice #:	206
Debtor:	MGE Corporation Limited
Invoice Total	\$36,000,000.00
Total Gross Forwarded:	\$13,808,835.23
Forward Percent:	38.35787564%
Total Net Forwarded:	\$13,550,032.23 (includes \$45,731.35 - previous Frontline Fees)

CW 30 Day Rate:	1.561643835% = \$211,603.24
Frontline 30 Day Rate:	0.3483368839% = \$47,199.76
Total 30 Day Rate:	1.9099807189% = \$258,803.00

CW Daily Rate After 30 Days:	0.0520547945% = \$7,053.44
-------------------------------------	-----------------------------------

Gross Forwarded Distribution:

Dome Mountain Total Outstanding to Crystal Wealth Enlightened Factoring Strategy:	\$10,127,675.88
Dome Mountain Total Outstanding to ACM Income Fund:	\$2,380,000.00
Dome Mountain Total Outstanding to Crystal Wealth Enlightened Hedge Fund:	\$996,625.00
CW 30 Day Rate:	\$211,603.24
Frontline 30 Day Rate:	\$47,199.76 (Has been wired)
Frontline Fees Due from Last Invoice:	\$45,731.35 (Has been wired)

Due Diligence Summary:

This summary is new agreement and invoice that will payout the old invoice including a new insurance policy. MGE Corporation Limited (MGE) was unable to close on the funding of Gavin mines as the numbers did not substantiate the purchase price, although we had an insurance policy covering the performance of MGE. As the deal has been restructured at a lower price, MGE will now be able to fund the share purchase and the insurance company is willing to reissue a new policy at an increased amount to cover the added factoring fees. The fees will be at the same annual rate as the last deal although it will be prorated with early payout.

Previously sent:

- Security Agreement
- Mandate Letter
- Deed of Guarantee
- Coverage email from BMI Reinsurance Division committing that executed insurance documents will be received from the head office later today
- Draft of Lawyer Confirming Insurance
- Signed Insurance Cover Note
- Signed Reinsurance Cover Note
- Signed Deed of Guarantee

Attached:

- Factoring Agreement
- Term Sheet

Sincerely,



Steven Bandola
Frontline Factoring Inc.
403 715-3901

APPENDIX 25



November 28, 2016

Re: Insurance Cover Note MGE-112017-000016

**Insured: MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf,
E14 5NR United Kingdom.**

**Beneficiary: Crystal Wealth Management System Limited (in trust) whose registered
office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2.**

Dear Sirs,

We issue this communication to confirm with immediate effect the cancellation ab initio of the above referenced Insurance / Reinsurance Cover Notes due to non-payment of premium within the allotted time period as per Clause 16, (Premium Payment Clause LSW3001 (Amended) subparagraph 16.3), of the Performance Guarantee.

This notice will be remitted to all relevant parties.

Sincerely,


Luis A. Escobar
Director



APPENDIX 26

October 19, 2017

BY EMAIL (stephenmiller06@outlook.com)

MGE Corporation Limited
Tower Bridge House, St. Katharine's Way
London, United Kingdom E1W 1DD

Grant Thornton Limited
11 Floor, 200 King Street West
Box 11
Toronto, ON
M5H 3T4
T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

Attention: Stephen Miller, Director

Dear Mr. Miller:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund
Ontario Superior Court of Justice Court File No. CV-17-1179-00CL**

As you know, Grant Thornton Limited was appointed by the Ontario Superior Court of Justice (Commercial List) as receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of, among other entities, Crystal Wealth Management System Limited (the "**Company**"), Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the "**Factoring Fund**"), and the Crystal Wealth Enlightened Hedge Fund (the "**Hedge Fund**", together with the Factoring Fund, the "**Funds**").

In your email sent to the Receiver on August 31, 2017, you denied having any knowledge of invoice no. 205 which was rendered to MGE Corporation Ltd. ("**MGE**") by Dome Mountain Resources of Canada Inc. ("**Dome Mountain**"), which receivable was indicated in the Company's records as having been purchased by, and assigned to, the Funds pursuant to their factoring arrangements with Dome Mountain.

In light of your response, and upon further investigation, the Receiver understands that MGE's indebtedness to the Funds arises, in part, as a result of a policy of insurance in the amount of CAD \$18,000,000 which was to be obtained by MGE, to ensure the repayment of certain indebtedness owing to the Funds (described below) as a result of their lending arrangements with Dome Mountain. In this regard, we enclose a Reinsurance Cover Note (MGE-112017-000016) and Performance Guarantee dated November 4, 2016 (the "**Performance Guarantee**"), which was obtained by MGE, and in which the Company, in trust for the Funds, is the named beneficiary. The sum insured under the Performance Guarantee, pursuant to which Best Meridian International Insurance Company SPC ("**BMIIC**") is the reinsurer and Global BRG, LLC ("**Global BRG**") is the named underwriting agent, is CAD \$18,000,000.

As you are aware, MGE and Dome Mountain also executed a Deed of Guarantee dated November 4, 2016 (enclosed), wherein MGE expressly acknowledged that Dome Mountain was borrowing funds from the Company (in trust for the Funds), in the form of an interest-bearing loan (the "**Loan**") to the amount of CAD \$18,000,000. The Deed of Guarantee expressly provides that MGE had procured the Performance Guarantee "*to ensure repayment of the Loan*" and all interest due to the Company (in trust for the Funds). You personally executed both the Performance Guarantee and the Deed of Guarantee on behalf of MGE.

Consistent with the Deed of Guarantee, on November 4, 2016 MGE effected a registration under the *Personal Property Security Act*, R.S.O. 1990, c. P.10 in Alberta, Canada, registering MGE as a secured party of Dome Mountain with the following description:

100% of the share capital of [Dome Mountain], secured party has charge over the total share capital of the Debtor, Dome Mountain Resources of Canada Inc., as collateral for a loan of C\$18,000,000 starting on 4 November 2016, as per Deed of Guarantee of the same Date.

On November 11, 2016, days following the execution of the Deed of Guarantee and the issuance of the Performance Guarantee, the Factoring Fund advanced CAD \$12,600,606.99 and the Hedge Fund advanced CAD \$996,625 of the Loan, in reliance on the representation by MGE that the \$18 million Performance Guarantee was in place to ensure that these advances, and all accrued interest, would be repaid to the Funds. Additional Loan advances were similarly made by the Factoring Fund in reliance on the representation by MGE that a Performance Guarantee was in place.

As the Loan has not been repaid to the Funds, a claim ought to be submitted by MGE pursuant to the Performance Guarantee, to ensure that the principal amount of the Loan, and all accrued interest, is repaid to the Funds as the beneficiaries of the Performance Guarantee.

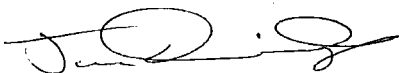
The Receiver has recently made inquiry with Global BRG to confirm that the Performance Guarantee is in place. In response, Global BRG provided the enclosed cancellation letter dated November 28, 2016, which purports to confirm that the Performance Guarantee was cancelled with immediate effect, due to MGE's failure to pay the CAD \$630,000 policy premium.

The Receiver demands that MGE provide forthwith, and in any event, by no later than 5 p.m. EST on Friday, October 20, 2017, a written explanation to the Receiver advising of: (i) the circumstances which gave rise to MGE's failure to pay the premium required by the Performance Guarantee; (ii) whether notice was given by MGE to the Company, the Funds, Dome Mountain, and/or to Frontline Factoring Inc. that the premium had not been paid, and that the Performance Guarantee had been cancelled, and produce in your response to the Receiver all written communications in this regard; (iii) the reason MGE registered its security interest against Dome Mountain as per the Deed of Guarantee, despite its failure to secure the Performance Guarantee as required and contrary to MGE's representations in the Deed of Guarantee; and (iv) whether a replacement policy of insurance, or performance guarantee, has been obtained by MGE or any other party to secure repayment of the Loan indebtedness owing to the Funds as set out above.

In its capacity as Receiver, the Receiver continues to reserve all rights of the Company and of the Funds, including to pursue MGE for all amounts owing to the Funds by Dome Mountain and MGE.

Sincerely,

GRANT THORNTON LIMITED,
In its capacity as the Court-appointed Receiver and Manager of
Crystal Wealth Management System Limited and the Funds,
and not in its personal or corporate capacity and without personal or corporate liability



Jason Knight, CPA, CA
Manager

Encls.



**REINSURANCE COVER NOTE
MGE - 112017-000016**

TYPE: Performance Guarantee.

INSURED: MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom.

BENEFICIARY: Crystal Wealth Management System Limited (in trust) whose registered office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2.

REINSURED: Active Capital Reinsurance Ltd – (ACRE)

REINSURER: Best Meridian International Insurance Company SPC– (BMIIC)

UNDERWRITING AGENCY: Global BRG, LLC (a Florida Company) - (Global)

INTERMEDIARY: Insured has the right to assign an Intermediary or Broker.

PERIOD: From: 04 November 2016
To: 06 November 2021
Both days inclusive.

SUM INSURED: CAD18,000,000.00

LOCATION: Canada

CONDITIONS: As Per Performance Guarantee Wording as ANNEX 1.
Sanctions Limitation and Exclusion Clause as attached.
Institute Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic Weapons Exclusion Clause 10/11/03 (CL. 370).
Institute Cyber Attack Exclusion Clause 10/11/03 (CL. 380).

SUBJECTIVITIES: Subject to sight of the term sheet.
Cover Note MGE-112017-0016 supersedes Cover Note CAD-MGEC-112015.

CHOICE OF LAW & JURISDICTION: This insurance shall be governed by and construed in accordance with the law of England and Wales. Each party agrees to submit to the exclusive jurisdiction of any competent court within England and Wales.

PREMIUM: CAD630,000.00

PREMIUM PAYMENT

GLOBAL BRG

TERMS: 10 day premium payment condition - LSW 3001(amended) as attached.

PREMIUM PAYMENT:

Bank	CITIBANK, N.A.
Branch	Weston, FL 33326 - USA
Account name	GLOBAL BRG LLC
Checking Account	9134601398
Swift code	CITIUS33
ABA	266086554



**ANNEX 1
PERFORMANCE GUARANTEE**

Date: 04 November 2016

To: MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom; (the "Insured" or "you")

From: Active Capital Reinsurance Ltd, (the "Guarantor" or "we");

Covered Period: 04 November 2016 to 06 November 2017

Total Premium: CAD630,000.00

Underwriting Agency: Global BRG, LLC (a Florida Company) - (Global)

Intermediary: Insured has the right to assign an Intermediary or Broker to represent them.

We refer to the CAD18,000,000.00 Loan due 06 November 2017, (the "Loan") available on or around the date of this Guarantee by MGE Corporation Limited, whose registered office is at Level 18, 40 Bank Street, Canary Wharf, E14 5NR United Kingdom (the "Issuer").

Words and expressions used in this Performance Guarantee shall have the meanings given unless otherwise stated.

1. Covenant to Pay:

We hereby guarantee punctual payment of the principle payable by the Borrower under the Loan for the Loan maturity falling on 06 November 2017 (the "Guaranteed Obligations") in the amount not in excess of the Guarantee Limit and otherwise in accordance with the terms of this Performance Guarantee.

2. Guarantee Limit:

Amount payable under this Performance Guarantee shall not exceed an aggregate amount of CAD18,000,000.00 falling on 06 November 2017, plus your reasonable costs of enforcement (if any) of this Performance Guarantee (the "Guarantee Limit").

3. Claims:

Any claim under this Performance Guarantee (any, a "Claim") shall be made in writing by the Insured in accordance with Clause 12 (*Notices*) below following the Insured's receipt of a notice that a payment default has occurred under the Loan. Any Claim shall specify the due date for payment of such Guaranteed Obligation, the amount of such unpaid Guaranteed Obligation and that such Guaranteed Obligation remains unpaid. The Guarantor shall be entitled to assume that the information set out in each Claim demand is accurate and genuine and has been duly signed on behalf of the Insured.

4. Payment:

Following receipt of a Claim from the Insured in accordance with Clause 3 (*Claims*) above, the Guarantor shall pay to the order of the Insured the amount claimed only at the same time

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as the settlement or advance of funds under the Guarantor's and / or Reinsurer's own facultative reinsurance contract (s). Payment will be made in Canadian Dollars by wire transfer of immediately available funds to the account specified in the Schedule I hereto (the "Payment Account") without setoff, counterclaim, deduction or withholding of any nature whatsoever.

5. Primary and Independent Obligation:

This Performance Guarantee constitutes our primary and independent obligation to make payment to you in accordance with the terms of this Performance Guarantee, and we hereby agree to pay you following receipt of your written demand, any cost, loss or liability suffered by you if any Guaranteed Obligation is or becomes unenforceable, invalid, illegal or uncollectible for any reason whatsoever. The amount of the cost, loss or liability shall be equal to the amount which you would otherwise have been entitled to recover, subject to the Guarantee Limit.

6. Exclusion of Specific Defenses:

This Performance Guarantee and our obligations hereunder shall not be contingent upon the legal relationship between the Insured and any other person and shall not be affected by an act, omission, matter or thing which, but for this Clause 6 (*Exclusion of Specific Defences*), would reduce, release or prejudice any of the Borrower's obligations under or in respect of the Loan, (without limitation and whether or not known to the Guarantor or you) or the Guarantor's obligations under this Performance Guarantee, unless as defined in the conditions stated under this clause, including:

- (a) Any defect in the provisions of the Loan, the Conditions or the Loan Agreement, causes the whole of that Loan, Conditions or Loan Agreement to be void
- (b) Any incapacity or lack of power, authority or legal personality of the Insured to enforce the Loan, Conditions or the Loan Agreement, or dissolution of the Insured,
- (c) any absence of the required licences or such other authorisations or any factual or legal restrictions or limitations currently or subsequently required of the Insured in its jurisdiction of the Insured (including, but not limited to, force majeure or any event or action delaying beyond reasonable time or preventing any conversion or transfer to or receipt by you in the account agreed to by you),
- (d) the taking, existence, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any other collateral provided to you for the Indebtedness, and your legal relationship with any provider of such other collateral, or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security,
- (e) any supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement of the Loan, the Conditions, the Loan Agreement or any other document or instrument, provided that no such amendment or other modification shall (i) increase the amount payable by the Guarantor hereunder or (ii) without the consent of the Guarantor, change the timing of the payment of any Guaranteed Obligation by the Guarantor hereunder.

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(f) Guarantor can and will reinsure all or part of this Performance Guarantee. Reinsurer terms and condition will be stated on the "Reinsurance Cover Note".

(g) any insolvency or similar proceedings in respect of the Insured.

7. No setoff, Withholding, etc.:

Any amount payable by us hereunder will be paid free and clear of and without set-off, counterclaim, deduction or withholding unless compelled by law, in which event we will pay such additional amounts as will result in the receipt by you of the amounts which you would otherwise have been payable by us to you in accordance with this Performance Guarantee in the absence of any such set-off, counterclaim, deduction or withholding.

8. Limitation of Subrogation:

So long as any amount remains payable by the Insured to you under or in connection with the Loan, we undertake not to assert any claim we may have against the Insured by reason of the performance of our obligations under this Performance Guarantee, whether on contractual grounds or on any other legal basis, until the Secured Obligations have been satisfied and all amounts payable to you in respect of the Secured Obligations have been fully received or recovered. Until the Secured Obligations have been fully and irrevocably received or recovered, any amount received or recovered by us from the Insured shall be held in trust for and immediately paid to you. If we make any payment to you hereunder, we shall only be subrogated in your rights against the Insured once all Secured Obligations have been fully and irrevocably received or recovered by you.

9. Anti-avoidance clause:

It is agreed that you will not have any duty or obligation to make any representation, warranty or disclosure of any nature, express or implied (such duty and obligation being expressly waived by us) and you shall have no liability of any nature to us for any information provided by any other parties and any such information provided by or non-disclosure by other parties shall not be a ground or grounds for avoidance of our obligations under this Performance Guarantee.

10. Reinstatement:

If any payment by the Insured or any discharge given by the Insured (in respect of the obligations of the Insured for this security) is avoided or reduced as a result of insolvency or any similar event:

- (a) the liability of the Insured shall continue as if the payment, discharge, avoidance or reduction had not occurred; and
- (b) you shall be entitled to recover the value or amount of that security or payment from the Insured, as if the payment, discharge, avoidance or reduction had not occurred.

11. Representations:

The Guarantor hereby makes the following representations and warranties as at the date of this Performance Guarantee.

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11.1 It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation. It has the power to execute, deliver and perform this Performance Guarantee.

11.2 The obligations expressed to be assumed by it in this Performance Guarantee are (subject to the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors) legal, valid, binding and enforceable obligations.

11.3 The entry into and performance by it, and the transactions contemplated by, this Performance Guarantee do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

11.4 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Performance Guarantee.

11.5 All consents, approvals and authorisations or every person and regulatory authority required to enable the Guarantor lawfully to enter into and perform its obligations under this Performance Guarantee and to make this Performance Guarantee admissible in evidence in

11.6 The Guarantor's obligations under this Performance Guarantee constitute its unconditional, direct and unsecured obligations and rank and will rank *pari passu* with all of its other outstanding unsecured and unsubordinated obligations, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

12. Notices:

12.1 Any communication to be made under or in connection with this Performance Guarantee shall be made in writing and, unless otherwise stated, may be made by fax or letter.

12.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each of the Guarantor and the Insured for any communication or document to be made or delivered under or in connection with this Performance Guarantee is that identified with its name below or any substitute address or fax number or department or officer as the Guarantor or the Insured may notify to each other by not less than five Business Days' notice.

12.3 Any communication or document made or delivered by one person to another under or in connection with this Performance Guarantee will only be effective:

- (a) if by way of fax, when received in legible form; or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

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12.4 Any communication or document to be made or delivered to the Guarantor will be effective only when actually received by the Guarantor and then only if it is expressly marked for the attention of Global BRG, LLC (or any substitute department or officer as the Guarantor shall specify for this purpose).

12.5 Any communication or document which becomes effective, in accordance with paragraph (a) or (b) of Clause above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

12.6 Any communication to be made between the Guarantor and the Insured under or in connection with this Performance Guarantee may be made by electronic mail or other electronic means to the extent that the Guarantor and the Insured agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if they:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

12.7 Any electronic communication made between the Guarantor and the Insured will be effective only when actually received in readable form and in the case of any electronic communication made by the Insured only if it is addressed in such a manner as the Guarantor shall specify for this purpose.

12.8 Any electronic communication which becomes effective, in accordance with Clause 12.6 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

12.9 Any notice given hereunder must be in English.

13. Partial Invalidity:

Should any provision of this Performance Guarantee be unenforceable or invalid, the other provisions hereof shall remain in force.

14. Governing Law, Jurisdiction:

14.1 This Performance Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

14.2 The parties hereto agree that the courts of England shall have jurisdiction to hear and determine any disputes, and the parties hereto waive any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum. The Guarantor hereby irrevocably submits to the jurisdiction of such courts.

14.3 This Clause 14 [Governing Law, Jurisdiction] is for your benefit and nothing in this Section 14 [Governing Law, Jurisdiction] prevents you from taking proceedings in any other courts with jurisdiction. To the extent allowed by law, you may take concurrent proceedings in any number of jurisdictions.

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- 14.4 Without prejudice to any other mode of service allowed under any relevant law, the Guarantor irrevocably appoints Global BRG, LLC as its agent for service of process in relation to any proceedings before the English courts in connection with this Performance Guarantee and agrees that failure by a process agent to notify the Guarantor of the process will not invalidate the proceedings concerned.

15. Contracts (Rights of Third Parties) Act (1999):

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Performance Guarantee and no person party to or not party to or other implied third party to this Performance Guarantee shall have or acquire any right to enforce any term of it pursuant to that Act.

16. Premium Payment Clause LSW3001 (Amended):

- 16.1 Notwithstanding any provision to the contrary within this Performance Guarantee or any endorsement hereto, in respect of non-payment of premium only the following clause will apply.
- 16.2 The Insured undertakes that premium will be paid in full to Global BRG, LLC (Global) in accordance with clause "Total Premium". The premium will be paid direct by the Original Insured to Global.
- 16.3 If the premium due under this contract has not been so paid within 10 days of this contract (and, in respect of instalment premiums, by the date they are due), the Guarantor and/or the Reinsurer shall have the right to cancel this contract upon being notified in writing by Global about such non-payment.
- 16.4 The Insured has the right to cancel this Contract within 90 days of the Premium Payment date. Such cancellation Premium Refund will be made net of administrative and underwriting fees of the Guarantor. The Guarantor is not responsible for the refund of commissions paid to Intermediaries and or Brokers as a result of this Insurance Cover Note.

17. Sanction Limitation and Exclusion Clause:

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

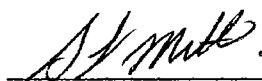
18. Claims Cut Through Agreement Clause: Addendum No. 1 (attached)

Signature Page to Follow:

GLOBAL BRG

Signed on behalf of:

MGE Corporation Limited
 ("the Original Insured")



Authorized Signatory

Name: Stephen Miller

Date: 9/11/2016.

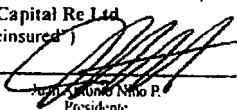
Active Capital Reinsurance Ltd
 ("the Insurer")



ACTIVE CAPITAL REINSURANCE, LTD

Active Capital Re Ltd

("the Reinsured")



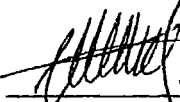
Juan Antonio Nino P.
 Presidente

Authorized Signatory

Name:

Date:

Best Meridian International Insurance Company SPC
 ("the Reinsurer")



Authorized Signatory

Name: Luis Escobar

Date:





ADDENDUM No. 1
CLAIMS CUT THROUGH AGREEMENT
ATTACHING TO AND FORMING PART OF PERFORMANCE GUARANTEE
REINSURANCE AGREEMENT
Slip No. MGE-112017-000016
("The Reinsurance Agreement")

Between
MGE Corporation Limited
 London, England
 ("the Original Insured")

and
Active Capital Reinsurance, Ltd.
 Christ Church, Barbados
 ("the Reinsured")

and
Best Meridian International Insurance Company SPC
 Grand Cayman, Cayman Islands
 ("the Reinsurer")

Whereas The Reinsured has issued a Performance Guarantee Bond to MGE Corporation Limited ("The Original Insured") effective 04 November 2016.

Whereas the Reinsurer has also entered into a Reinsurance Agreement with the Reinsured, whereby the Reinsurer agrees to reinsure 100% of the Reinsured liability to the Original Insured under the Reinsurance Agreement. In the event of a claim under this reinsurance contract, all parties agree that payments hereon shall take place only at the same time as the settlement or advance of funds under the Reinsurer's own facultative retrocession contract (s). The Reinsurer can or will retrocede any volume of liability at its sole discretion.

Now therefore, the Original Insured, the Reinsured, and the Reinsurer, agree as follows:

The Reinsurer agrees that, at the request of the Original Insured, the Reinsurer will immediately become liable to the Original Insured for any loss to the Reinsurance Agreement otherwise applies;

The Reinsurer will make payment of such loss directly to the Original Insured, but only at the same time and in the same manner as the Reinsurer would be obligated to make payment pursuant to the terms of the Reinsurance Agreement.

The Original Insured agrees that the Reinsured shall have no obligation to pay any amount to the Original Insured for claim, losses, or any other reason, if the Reinsured has not previously received from the Reinsurer the amount of the claim, and in any event the Reinsured shall only pay the Original Insured to the extent of the amounts previously received from the Reinsurer, up to the limit of the Sum indicated in the Reinsurance Agreement. In respect of such loss, such payment shall fully discharge the Reinsured of any and all liability to the Original Insured under the Performance Guarantee Bond contractual and any other extra contractual obligations that could arise. Also, it is further understood and agreed that, in the event of the insolvency of the Reinsurer, the reinsurance under this contract shall be payable directly by the Reinsurer to the order of the Original Insured through its liquidator, receiver, conservator or statutory successor, and therefore fully discharging the Reinsured from any current or further liability regarding the COVER NOTE MGE-112017-000016.

Signature Page to Follow:

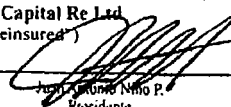
GLOBAL BRG

Signed on behalf of:

MGE Corporation Limited
 ("the Original Insured")


 Authorized Signatory
 Name: Stephen Miller
 Date: 4/11/2016

Active Capital Reinsurance Ltd
 ("the Insurer")

 ACTIVE CAPITAL REINSURANCE, LTD.
 Active Capital Re Ltd
 ("the Reinsured")

 Juan Antonio Nino P.
 Presidente

Authorized Signatory
 Name:
 Date:

Best Meridian International Insurance Company SPC
 ("the Reinsurer")


 Authorized Signatory
 Name: Luis Escobar
 Date:



**SCHEDULE 1****PAYMENT ACCOUNT:**

Bank	[Banking Coordinates]
Address	
Account name	
Account No.	
Swift code	
IBAN	

DATED 4 NOVEMBER 2016

MGE CORPORATION LTD

AND

DOME MOUNTAIN RESOURCES OF CANADA INC

AND

THE SHAREHOLDERS OF DOME MOUNTAIN RESOURCES OF CANADA INC

DEED OF GUARANTEE

THIS DEED is made on 4 November 2016

PARTIES

- 1) MGE CORPORATION LIMITED, a company incorporated pursuant to the laws of the England and Wales, with its principal office at Level 18, 40 Bank Street, Canary Wharf, E14 5NR, United Kingdom (the "**Guarantor**"); and
- 2) DOME MOUNTAIN RESOURCES OF CANADA INC., a company incorporated pursuant to the laws of the Province of Alberta, Canada, with its principal office at 112 Cranston Drive SE Calgary AB, T3M 1A8, Canada (the "**Borrower**"); and
- 3) The Shareholders are the shareholder on the share register of the Borrower (the "**Shareholders**").

RECITALS

- A. The Borrower is borrowing funds from CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED (in trust) (the "**Lender**") of 3385 Harvester Road, Suite 200, Burlington, ON L7N 3N2, Canada, in the form of an interest-bearing loan to the amount of CAD18 million ("the **Loan**"), under the terms and conditions as set out in the FACTORING AGREEMENT, dated November 4, 2016 between the Lender and the Borrower.
- B. The Borrower is acquiring the whole share capital of Gavin Mines Inc (the "**Mine**") via a separate agreement. As precondition, the Mine has to prove sufficient resources for a minimum seven (7) years' production, run of mine. The resources are required to be proven as per N1 43101 and valuation and revenues produced must be a minimum of 1.5 times the principal and interest re payments of the loan.
- C. The Borrower is utilising the proceeds of the Loan to fund the mineral exploration programme of the "**Mine**" and produce the resource report.
- D. The Guarantor has procured a performance guarantee (the "**Guarantee**") to ensure the repayment of the Loan to the Lender in return for a charge over the full share capital of the Borrower, the borrower will hold 43% of the shares in Gavin Mines Inc (the "**Charge**") as set out in the terms and conditions of this Deed of Guarantee.

IT IS AGREED as follows:

1. Definitions and interpretation

1.1 Definitions

In this Deed, unless otherwise provided:

Business Day	means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in London;
Charge	means the charge the Guarantor has over 100% of the issued share capital of the Borrower in exchange for the Guarantee;
Exploration programme	means the continued exploration work the Mine has to undertake to provide the Resource Report;
Event of Default	means the occurrence of any of the following: 1. Non-payment: the Borrower fails to repay the Lender the Loan on the date it falls due;

2. Breach of obligations: the Borrower fails to perform promptly any other of its obligations hereunder or under the Mandate Letter and Terms Sheet;
 3. The Mine fails to produce proof in the Resource report that the resources are sufficient to provide at least seven (7) years' production at full capacity of the mining operations;
 4. Misrepresentation: any representation or warranty contained in hereunder or under the Mandate Letter and Terms Sheet or in any document or instrument delivered under or in connection therewith, is incorrect or misleading in any material respect when made or deemed to be made.
- Guarantee** means the performance guarantee, arranged by the Guarantor to guarantee the repayment of the Loan by the Borrower to the Lender and the Lender's financier;
- Legal Reservations** means:
- (a) the principle that the granting or not of equitable remedies is at the discretion of a court;
 - (b) the time barring of claims under any limitation acts in any jurisdiction; and
- any other principles of law applicable to companies generally;
- Loan** means the interest-bearing loan of CAD18m (eighteen million Canadian Dollars) provided by the Lender to the Borrower under the terms and conditions set out in the CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED (in trust) FACTORING AGREEMENT dated November 4, 2016
- Resource Report** means a JORC compliant or NI 43-101 compliant mineral resource report produced by a competent person resulting from the Exploration;
- Secured Assets** means the total share capital now and on the date of invoking the Charge of the Borrower;
- Security Interest** means the right to the Secured Assets as effected by the Charge.
- 1.2 **I**
- n**
- terpretation**
- 1.2.1 In this Deed, unless the context otherwise requires:
- a) words in the singular include the plural and vice versa;
 - b) including means including without limitation;
 - c) where an act is required to be performed promptly, it must be performed as soon as reasonably possible from the moment when the act could reasonably have been performed, having regard to all of the circumstances;
 - d) a time of day is a reference to London time;
 - e) a reference to any Party shall be construed as including, where relevant, successors in title to that Party, and that Party's permitted assigns and transferees (if any);
 - f) a reference to a person includes individuals, unincorporated bodies, government entities, companies and corporations;

- g) a reference to this Deed is a reference to it as amended, novated, supplemented, restated or replaced from time to time in accordance with its terms; and
 - h) references to legislation include any modification or re-enactment of such legislation or any part of it.
- 1.2.2 The table of contents and any Clause title, Schedule title or other headings in this Deed are included for convenience only and shall have no effect on the interpretation of this Deed.
- 1.2.3 An Event of Default is 'continuing' if it has not been waived in writing by the Guarantor.
- 1.3 Third party rights**
- 1.3.1 Except as expressly provided for in this Deed, a person who is not a Party (other than a Receiver or any of its delegates or sub-delegates) shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the provisions of this Deed. This does not affect any right or remedy of such a person that exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.
- 1.3.2 The Parties may terminate or rescind this Deed, or agree to any variation, waiver or settlement in connection with it, without the consent of any third party, whether or not it extinguishes or alters any entitlement they may have to enforce any of the provisions of this Deed.

2 The Loan and use of Loan proceeds

- 2.1 The Lender is providing the Loan to the Borrower. The Borrower agrees to use the proceeds of the Loan to fund the Exploration programme and produce the Resource Report.
- 2.2 The Borrower requires proof in the Resource Report resources equivalent to at least seven (7) years' mining production and other condition precedent as per the mandate and term sheet as condition for the full acquisition of the Mine.

3 Covenant to pay

- 3.1 The Borrower covenants with the Guarantor that it will repay the Loan and all interest when due.

4 Charge over shares and covenant to release the shares under charge

- 4.1 The Borrower and the Shareholders irrevocably agree to the Charge over the total issued share capital (the "Security Interests") of the Borrower for the benefit of the Guarantor, to be transferred as agreed herein.
- 4.2 As a continuing security for the repayment of the Loan or, in the case of an Event of Default, the Borrower and the Shareholders by full guarantee, irrevocably covenants to keep the total issued shares of the Borrower secure and free from all liens, charges to third parties or any such encumbrances, for the benefit of the Guarantor, as created by this Deed.
- 4.3 In the event the Borrower fails to repay the Loan and all interest when due as per clause 2 herein or the Event of Default; the Borrower and all other shareholders of the Borrower irrevocably covenants with the Guarantor that they will transfer for the total consideration of CAD1.00 the total issued shares in the Borrower to the Guarantor as per the Charge over the Assets herein.

5 Representations and warranties

The Parties make the following representations and warranties to and for the benefit of the Borrower and the Guarantor on the Date of this Deed and acknowledges that the Guarantor and Borrower and the Shareholders have entered into the Guarantee Deed in reliance on such representations and warranties:

- 5.1 the Guarantor has effected a guarantee with a third party to guarantee repayment of the Loan to the Lender in the event the Borrower fails to repay the Loan and all interests due;
- 5.2 subject to the Legal Reservations, this Deed creates the Charge over the Secured Assets that it purports to create and the Charge over the Secured Assets constitutes a legal, valid and effective Security Interest with first ranking priority;
- 5.3 the Borrower shall not issue further shares to any shareholders not party to this Deed and no Shareholder hereto shall pledge, offer as security of otherwise encumbrance the Shares (the secured Assets) and any new shares issued to the Shareholders shall form part of the Secured Assets;
- 5.4 no third party consents are required to ensure the effective creation of the Security Interests envisaged by this Deed.
- 5.5 Any Party hereto shall not, without the consent of the other Parties' prior written consent amend or waive any of its rights or any other party's obligations under this Deed;
- 5.6 waive any breach by such other party of, or agree to accept termination of such other party's obligations under this Deed;

6 Notices

- 6.1 Any notice or other communication given by a party under this Deed must:
 - 6.1.1 be in writing and in English; and
 - 6.1.2 be signed by or on behalf of the party giving it.
- 6.2 Notices will be sent to the parties at the addresses given in this Deed
- 6.3 Notices may be given and will be deemed received:
 - 6.3.1 by hand: on receipt of a signature at the time of delivery; or
 - 6.3.2 by pre-paid first class post: at 9.00 am on the 2nd (second) Business Day after posting; and
- 6.4 A notice given under this Deed is not validly served if sent by email.

7 Amendments

No amendment, waiver or variation of any of the terms of this Deed will be valid or effective unless made in writing and executed by or on behalf of the Parties.

8 Remedies and waivers

- 8.1 No failure, delay or omission by the Guarantor in exercising any right, power or remedy provided by law or under this Deed shall operate as a waiver of that right, power or remedy, nor shall it preclude or restrict any future exercise of that or any other right, power or remedy.
- 8.2 No single or partial exercise of any right, power or remedy provided by law or under this Deed shall prevent any future exercise of it or the exercise of any other right, power or remedy.
- 8.3 Any release, waiver or discharge of the whole or any part of the Secured Assets or any consent, approval or waiver given by the Guarantor in relation to this Deed shall only be effective for that specific purpose and for the terms and conditions upon which it was granted.

9 No prejudice

The Security Interests created, or intended to be created, by or pursuant to this Deed shall not be prejudiced by any unenforceability or invalidity of any other agreement or document.

10 Redemption of security and releases

Subject to and without prejudice to the stipulations herein, on the irrevocable and unconditional repayment and discharge in full of the Loan and any other fees, interest and

charges to the Lender, the Charge over the Secured Assets held by the Guarantor shall be deemed cancelled.

11 Partial invalidity

- 11.1 If any provision of this Deed (or part of any provision of this Deed) is or becomes illegal, invalid or unenforceable, the legality, validity and enforceability of any other provision of this Deed (or other part of that provision of this Deed) shall not be affected.
- 11.2 If any provision of this Deed (or part of any provision of this Deed) is or becomes illegal, invalid or unenforceable but would be legal, valid or enforceable if some part of it was deleted, the provision or part-provision in question shall apply with such deletions as may be necessary to make the provision legal, valid and enforceable. In the event of such deletion, the Parties shall negotiate in good faith in order to agree the terms of a mutually acceptable alternative provision in place of the provision or part-provision so deleted.

12 Counterparts

- 12.1 This Deed may be executed in any number of separate counterparts and this has the same effect as if the signatures on those counterparts were on a single copy of this Deed.
- 12.2 Each Party may evidence their execution of this Deed by emailing an executed signature page of this Deed in PDF format together with the final version of this Deed in PDF or Word format, which shall constitute an original executed counterpart of this Deed. Each Party adopting this method of execution will, following circulation by email, provide the original, hard copy executed signature page to the other Party as soon as reasonably practicable.

13 Governing law and jurisdiction

- 13.1 This Deed and any dispute or claim arising out of, or in connection with it, its subject matter or formation shall be governed by, and construed in accordance with, the laws of England and Wales.
- 13.2 The Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claims arising out of or in connection with this Deed, its subject matter or formation.

THIS DEED has been executed and delivered as a deed and is intended to take effect as a deed by the Parties on the date written at the beginning of this Deed.

EXECUTION PAGE

EXECUTED as a DEED by)

MGE CORPORATION LIMITED)

acting by)

STEPHEN MILLER)

a director, in the presence of:)

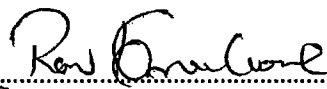
director

Witness' signature:

Witness' name (in BLOCK CAPITALS):

Witness' address:




 RONALD GEORGE KNEEBONE
 44/104 WEST LAKE BOULEVARD
 (502)

EXECUTED as a DEED by)

 DOME MOUNTAIN RESOURCES OF
 CANADA INC)

acting by)

a director, in the presence of:)

director

Witness' signature:

Witness' name (in BLOCK CAPITALS):

Witness' address:

EXECUTION PAGE

EXECUTED as a DEED by
 MGE CORPORATION LIMITED
 acting by
 STEPHEN MILLER
 a director, in the presence of:

)
)
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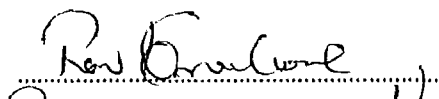


director

Witness' signature:

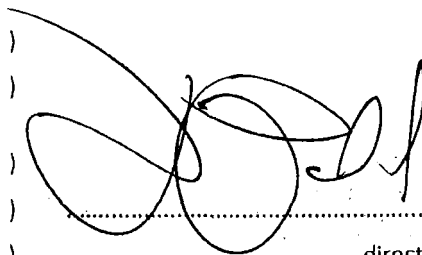
Witness' name (in BLOCK CAPITALS):

Witness' address:


 RONALD GEORGE KNEELBOWE
 44/104 WEST LAKE BOULEVARD
 5021

EXECUTED as a DEED by
 DOME MOUNTAIN RESOURCES OF
 CANADA INC
 acting by

)
)
)
)
)



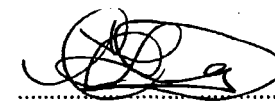
director

a director, in the presence of:

Witness' signature:

Witness' name (in BLOCK CAPITALS):

Witness' address:


 CHRISTINA DOWLING
 112 CRANSTON DR SE
 CALGARY, AB T3M 1A8

GLOBAL BRG

November 28, 2016

Re: Insurance Cover Note MGE-112017-000016

**Insured: MGE Corporation Limited, Level 18, 40 Bank Street, Canary Wharf,
E14 5NR United Kingdom.**

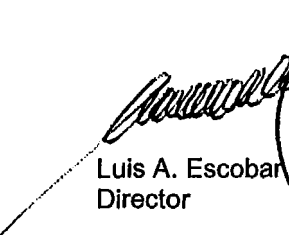
**Beneficiary: Crystal Wealth Management System Limited (in trust) whose registered
office is at 3385 Harvester Road, Suite 200, Burlington, ON, L7N 3N2.**

Dear Sirs,

We issue this communication to confirm with immediate effect the cancellation ab initio of the above referenced Insurance / Reinsurance Cover Notes due to non-payment of premium within the allotted time period as per Clause 16, (Premium Payment Clause LSW3001 (Amended) subparagraph 16.3), of the Performance Guarantee.

This notice will be remitted to all relevant parties.

Sincerely,


Luis A. Escobar
Director



APPENDIX 27

From: Mark van Zandvoort
Sent: Monday, October 23, 2017 9:05 PM
To: Stephen Miller
Cc: Steve Graff; Knight, Jason
Subject: RE: Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund - MGE Corporation Limited
Attachments: Letter to MGE Corporation Limited dated October 19, 2017.pdf
Importance: High

Sir:

We are the lawyers for Grant Thornton Limited, in its capacity as the Court-Appointed receiver and manager (in such capacities, the "**Receiver**") of, among other entities, Crystal Wealth Management System Limited, and of Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund (together, the "**Funds**").

The Receiver has not received a response from MGE Corporation Ltd. ("**MGE**") to its letter dated October 19, 2017, attached. We demand that MGE provide a response to the Receiver **by no later than 5 p.m. EST on Tuesday, October 24, 2017**, failing which, we will consider MGE's lack of response as an acknowledgement that MGE failed to secure the Performance Guarantee (or any replacement policy), contrary to the representations made by MGE to the Funds.

Should MGE fail to provide a response to the Receiver's inquiries by 5.p.m. EST on Tuesday, October 24, 2017, including the provision of all documentation requested, MGE's lack of response will also be reported by the Receiver to the Ontario Superior Court of Justice (Commercial List), and the Receiver will take all necessary steps to recover the indebtedness owing to the Funds arising from MGE's apparent failure to secure the Performance Guarantee contrary to its representations.

Regards,

Mark van Zandvoort

Mark van Zandvoort

T 416.865.4742
F 416.863.1515
E mvanzandvoort@airdberlis.com

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | airdberlis.com

AIRD BERLIS

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APPENDIX 28

From: Stephen Miller
Sent: Tuesday, October 31, 2017 9:36 AM
To: Mark van Zandvoort
Cc: Steve Graff; Knight, Jason
Subject: Re: Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund - MGE Corporation Limited
Attachments: Mandate Letter and Term Sheet 04112016 v2C.pdf

Mr. Van Zandvoort

My apologies for the late reply, unfortunately my Mother was taken to hospital and priority has been given to family over the last week.

MGE Provided a term sheet to Dome Mountain resources as per the attached document to provide a loan facility conditional upon successful issuance of a Bond and certain criteria, included but not limited to an N1-43101 report being produced which could be relied upon as well as valuations and reserves to service the debt of the Bond to 1.5 times payment of principal and interest over the term of the Bond.

As per the term sheet MGE was prepared to assist in arranging an insurance guarantee to enable Dome to obtain bridge financing which would enable them to undergo a drilling program which would enable an N1-43101 report to be produced and provide a valuation of the asset.

The guarantee was conditional upon payment of the premium as well as Dome achieving an acceptable valuation and a minimum of seven years reserves to service the debt of the bond issuance to 1.5 times payment of principal and interest of the term of the Bond.

The majority of communication was with Darcy Pahl and Bob Maljaars of Dome and numerous conference calls had been made between Jerry Froese of Frontline, Al Housego of Crystal Wealth along with Darcy Pahl, Bob Maljaars and myself.

Al Housego and Jerry Froese were very well aware that it was the Funds and Frontlines responsibility to pay the insurance premium.

They failed to pay the premium for the insurance guarantee and the guarantee was cancelled.

I was advised that they did not pay for the premium as Bob Maljaars had secured a different financing option and they did not wish to proceed with MGE.

MGE has at no time provided finance to Dome Mountain and Dome Mountain failed to provide MGE with acceptable valuations which was a pre condition to the financing.

Regards
Stephen Miller

MILLSCOPE LLC
Level 18, 540 Madison Avenue New York NY 10022
+1-347-7676740
www.millscope.com

From: Mark van Zandvoort
Sent: Tuesday, October 31, 2017 12:58 PM
To: 'Stephen Miller'
Cc: Steve Graff; Knight, Jason
Subject: RE: Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund - MGE Corporation Limited

Importance: High

Mr. Miller,

While we appreciate your response, you nevertheless have failed to provide – either by reference to specific provisions of the relevant agreements, or by way of producing written correspondence exchanged with AI Housego and/or Jerry Froese and/or any other party involved – any support for your assertion that it was the responsibility of Frontline Factoring Inc., Crystal Wealth Enlightened Factoring Strategy, and/or Crystal Wealth Enlightened Hedge Fund to pay the premium required by the Performance Guarantee dated November 4, 2016. Do you have any such written support for MGE's position in that regard? Please provide any such written support before the end of the day.

Also, you failed to respond to the Receiver's inquiry as to why MGE registered its security interest against Dome Mountain as per the Deed of Guarantee dated November 4, 2016, despite the failure to secure the Performance Guarantee. Please advise as to why MGE effected the registration.

Lastly, please confirm today that MGE is no longer pursuing financing for Dome Mountain, and advise us as to the date when MGE ceased such efforts.

We look forward to receiving your response today.

Regards,

Mark van Zandvoort

Mark van Zandvoort

T 416.865.4742
F 416.863.1515
E mvanzandvoort@airdberlis.com

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | airdberlis.com

AIRD BERLIS

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error.
If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: Mark van Zandvoort
Sent: **Thursday, November 9, 2017 10:50 AM**
To: 'Stephen Miller'
Cc: Steve Graff; Knight, Jason
Subject: RE: Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund - MGE Corporation Limited
Attachments: Order (Appointing Receiver).pdf
Importance: High

Mr. Miller:

We have yet to receive a response from you to my October 31st email below, and have accordingly not received any of the information and documentation requested. We require that you respond, and provide the information and documentation requested, by the close of business today. We remind you that pursuant to the Appointment Order (attached), including s. 10 thereof, the Ontario Superior Court of Justice (Commercial List) has ordered that you provide the information and documentation requested, which pertains to the business and affairs of the Respondents, Crystal Wealth Management System Limited, Crystal Wealth Enlightened Factoring Strategy, and Crystal Wealth Enlightened Hedge Fund. We trust that we will receive your prompt response today.

The Receiver continues to reserve its right to examine you under oath, as a representative of MGE Corporation Limited, in accordance with s. 6(s) of the Appointment Order.

We look forward to hearing from you today.

Regards,

Mark van Zandvoort

Mark van Zandvoort

T 416.865.4742
F 416.863.1515
E mvanzandvoort@airdberlis.com

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | airdberlis.com

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APPENDIX 29

From: Knight, Jason
Sent: Tuesday, October 31, 2017 7:30 PM
To: 'Jerry Froese'
Cc: Bando, Bruce; 'Mark van Zandvoort'; 'Steve Graff'
Subject: RE: Crystal Wealth - Frontline Factoring
Attachments: Invoice Summary rec_d from Frontline on October 3, 2017 - Dome Mountainpdf

Jerry,

We are writing with the hope of clarifying several issues with respect to the indebtedness owing to the Factoring and Hedge Funds (the "**Funds**") by Dome Mountain Resources of Canada Inc. ("**Dome Mountain**"), as Merchant, and MGE Corporation Ltd. ("**MGE**"), as Debtor, as reflected in Frontline's weekly summary reports.

As we have previously indicated, MGE denies having any knowledge of Dome Mountain invoice nos. 205 and 206, and claims that MGE is not indebted to Dome Mountain or to the Funds.

As we discussed with you during our conference call on October 3, 2017, we understand that a policy of insurance in the amount of CAD \$18,000,000 was to be obtained by MGE, to ensure the repayment of the indebtedness owing to the Funds (described below) as a result of their lending arrangements with Dome Mountain. In this regard, you provided to us with a Reinsurance Cover Note (MGE-112017-000016) and Performance Guarantee dated November 4, 2016 (the "**Performance Guarantee**"), which was obtained by MGE, and in which Crystal Wealth Management System Limited (the "**Company**"), in trust for the Funds, is the named beneficiary. The sum insured under the Performance Guarantee was to be CAD \$18,000,000.

You also provided us with a Deed of Guarantee dated November 4, 2016 which was executed by MGE and Dome Mountain, wherein MGE expressly acknowledged that Dome Mountain was borrowing funds from the Funds, in the form of an interest-bearing loan (the "**Loan**"), up to the amount of CAD \$18,000,000. The Deed of Guarantee expressly provides that MGE had procured the Performance Guarantee "*to ensure repayment of the Loan*" and all interest due to the Company (in trust for the Funds).

As Frontline is aware, on November 11, 2016, just days following the execution of the Deed of Guarantee and the issuance of the Performance Guarantee, the Factoring Fund advanced CAD \$12,600,606.99 and the Hedge Fund advanced CAD \$996,625 of the Loan, seemingly in reliance on the representation that the \$18 million Performance Guarantee was in place to ensure that these advances, and all accrued interest, would be repaid to the Funds. Additional Loan advances were similarly made by the Factoring Fund to 647497 BC Ltd. ("**647**") and 1566496 Alberta Ltd. ("**156**") with an outstanding principal sum of \$1,402,588.65. Given your indication of Dome Mountain's affiliation with 647 and 156, we understand that Dome Mountain is similarly the beneficiary of these additional Loan advances.

The Receiver has recently made an inquiry with Global BRG, the underwriter of the Performance Guarantee, concerning the status of the Performance Guarantee. In response, Global BRG confirmed that the Performance Guarantee was cancelled, given that the CAD \$630,000 policy premium was never paid. Consequently, the \$18 million insurance proceeds are not available to satisfy the indebtedness owing to the Funds.

We have made inquiries with Stephen Miller, a Director of MGE and the signatory of the Deed of Guarantee on behalf of MGE, as to why the premium for the Performance Guarantee was never paid. Mr. Miller of MGE has specifically asserted that you and Al Housego were "very well aware" that it was the Funds and Frontline's responsibility to pay the insurance premium. Mr. Miller further advised that at no time has MGE provided financing to Dome Mountain. The

version of events that the Receiver is being provided by MGE is in contrast to your previous advice that it was MGE⁵³² who failed to pay the premium. Please advise, with particularity, the nature of the ongoing dealings between MGE and Dome Mountain, and explain and elaborate upon the meaning of your October 27, 2017 email to the Receiver, wherein you indicated that "MGE has had some good progress although nothing definitive".

Jerry, it is very important that the Receiver understand the circumstances which resulted in the insurance premium not being paid, and the reporting which was given to the Funds by Frontline leading up to the advances made by the Funds to Dome Mountain on November 11, 2016, totalling \$13,597,231.99. Please provide us with a copy of Frontline's Due Diligence summary, report to the Funds and all correspondence and discussion notes, which immediately preceded these advances (the October and November 2016 Frontline reporting summaries which preceded the November 22, 2016 Frontline reporting, attached). The Receiver does not understand why the Funds would have advanced \$13,597,231.99 to Dome Mountain on November 11, 2016, without confirmation that the Performance Guarantee, and the \$18 million of insurance monies available under the policy, were in place. The Receiver understands that there is no insurance policy in place that could satisfy any of the indebtedness owing to the Funds.

As previously requested, please explain why the \$630,000 CAD premium for the Performance Guarantee was never paid, which left the Funds without recourse to an insurance policy. We reiterate our request that all documentation – including all correspondence – concerning the premium (whether with MGE, Mr. Housego, the Funds, or otherwise), and when Frontline first learned that the premium had not been paid, be provided to the Receiver. If there is any correspondence from Frontline advising the Funds, or representatives of Crystal Wealth Management System Limited, that the premium had not been paid, please similarly provide such correspondence to us.

Please respond to the above, and provide the documentation requested, as soon as possible, and in any event, by no later than 5 p.m. MST tomorrow.

Lastly, the \$113,044.51 payment received by Frontline from Advance Metal in September 2017 on account of Lotus Invoice 33507, and the remainder of the \$25,000 payment received by Frontline from Advanced Metal on August 11, 2017 in the sum of \$9,615.38 on account of Lotus Invoice 33507, remain outstanding. We reiterate that Frontline must transfer, without further delay, both amounts by wire transfer to the Receiver in Trust for the Factoring Fund. Please confirm.

Regards,
- Jason

Jason Knight, CPA, CA | Manager
Recovery & Reorganization
Grant Thornton Limited
T +1 416 369 7017

APPENDIX 30

From: Knight, Jason <Jason.Knight@ca.gt.com>
Sent: November-21-17 3:30 PM
To: Jerry Froese
Cc: Samuel Kurtz; Mark van Zandvoort; Steve Graff; Bando, Bruce
Subject: RE: Dome Mountain Resources events
Attachments: RE Crystal Wealth - Frontline Factoring

Hi Jerry,

As outlined in our original request on October 31, 2017 (attached for your reference), please provide all written correspondence and memorandums with respect to the communications and events raised in your email below.

Regards,

- Jason

Jason Knight, CPA, CA | Manager

Recovery & Reorganization

Grant Thornton Limited

T +1 416 369 7017 | C +1 416 434 8074

From: Jerry Froese [mailto:jerry@frontlinefactoring.com]

Sent: Tuesday, November 21, 2017 2:04 PM

To: Knight, Jason

Cc: Samuel Kurtz

Subject: Dome Mountain Resources events

Hi Jason,

I have gone through all my records and paperwork, notes etc to make sure I give you an accurate representation of what happened with Dome Mountain.

As Dome Mountain was approaching the deadline for the insurance policy there were discussions leading up to the date with Dome Mountain, MGE and Crystal Wealth (Al Housego and Clayton Smith) at the end of October 2016. Originally, I suggested that we should realize on the insurance, although there was a discrepancy with the mining resource and MGE advised (thought) that the insurance would not pay out. MGE advised that it would be very detrimental to the project and to MGE if Crystal Wealth would claim on insurance as they were very close to getting their funding to purchase the Gavin Mine shares. MGE/Dome Mountain requested a telephone meeting with Crystal Wealth (Clayton Smith and Al Housego) to see if there was another way to extend the factoring arrangement. I was unable to be on this call. After the call, I was informed that it may be possible to get an extension on the existing insurance policy or issue an additional policy. The share price had to be renegotiate and one of the shareholders of Gavin mines agreed to sell his shares at a substantially discounted amount in order to get the mine price down to the point MGE's funds or bond would payout. It was communicated at that time that by MGE that with the lowered Sale price of the mine, the purchase would be done very quickly (at the latest end of March 2017). At that point MGE also indicated that they would not be able or willing to pay for the new insurance policy and Dome Mountain had no resources. The only possible way to pay for the insurance policy would be to factor an additional amount on the new negotiated amount that MGE was going to pay for Gavin Mines. At that point, Al Housego was very reluctant to put any more resources into Dome Mountain without a legal option that the insurance would pay out. MGE indicated that they had some lawyers that were familiar with these types of insurance policies. We did get a quote from Channing Lucan and Partners Ltd. for 18k although they would not be able to get it completed within the 10 business days from the date of the insurance (we had 10 business days to pay for the insurance). I also tried to independently call and email Global BRG to get confirmation although all I received was email back saying they would confirm shortly (email responses dated Nov 17 and Nov 22). At this point (Nov, the insurance was not paid as Crystal Wealth did not have the funds available to pay the insurance as Al Housego indicated funds were available and when he went to check on funds he said "Clayton had taken funds" which I think meant there was a redemption. After that point in time, I did not follow up on the insurance.

Just to be clear, there was not additional funds advanced at that time. The existing factoring agreement was extended and with the accrued interest added in.

Here are some dates I have with the events

Oct 28 – email from Dome Mountain referencing conversation between MGE, Dome Mountain and Crystal Wealth

Nov 3 – received Draft insurance cover note and reinsurance cover note

Nov 4 – received signed Dome Deed of Guarantee and Mandate Letter and Term Sheet

Nov 4 – received Frontline Term Sheet signed, new Factoring Agreement, new security agreement,

Nov 4 - email forwarded from Dome Mountain indicating Miami office of Global BRG was processing Insurance and Reinsurance

Nov 7 – Phone conversation with Al Housego talking about insurance policy needs to be paid from a new invoice and need to see if we could get a legal option.

Not sure of date - Miller Thomson (Frontline's lawyer) indicated that they would not be able to give a legal opinion on the insurance due to jurisdiction.

Nov 14 – Al decided to not get the letter of confirmation from the lawyer Channing Lucan and Partners Ltd. as he did not want to pay \$18,000 to get the option

Nov 14 – Asked Dome Mountain to see if we could get extension on insurance policy

Nov 14 – Received instructions from Al Housego regarding wording of Invoice Summary and what needs to happen with internal structure

Nov 15 – Received email instructions from Clayton Smith requesting we structure this as a factoring agreement and the object being factored is the sale proceeds from MGE with insurance as backup.

Nov 16 – Received word (verbal from Dome Mountain) that we could get at least one week and maybe two weeks extension on paying insurance.

Nov 17 and 22 – email response from Global BRG responses saying they are still working on getting confirmation of insurance

Nov 23-Dec1 – I was out of country

First week of December – received word that Crystal Wealth did not have any funds to pay for the insurance policy although based on their conversations with Steve Miller from MGE, they were confident he would perform.

I hope this helps. This took a lot of time going back through everything I could find.

Let me know if you have any questions.

Regards,

--

Jerry Froese

President/CEO

Frontline Factoring inc.

Phone: 403.795.0718

Fax: 587.787.0897

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From: Jerry Froese <jerry@frontlinefactoring.com>
Sent: November-21-17 5:02 PM
To: Knight, Jason
Cc: Bando, Bruce; Mark van Zandvoort; Samuel Kurtz
Subject: FW: Dome Mountain

Nov 15 email from Clayton on Structure

From: Clayton Smith [mailto:claytons@crystalwealth.com]
Sent: Tuesday, November 15, 2016 7:37 AM
To: jerry@frontlinefactoring.com
Cc: Al Housego <alh@crystalwealth.com>; info@frontlinefactoring.com
Subject: Re: Dome Mountain

Hi Jerry,

It should definitely be structured as a factoring agreement not a loan and I would think the object being factored is the sale proceeds from MGE and as back up the insurance proceeds.

Agreement should be only in the name of Crystal Wealth Enlightened Factoring Strategy.

Therefore, no split.

Let me know if you need anything else.

Thanks!

Clayton Smith, CAIA

Chief Executive Officer

Crystal Wealth

3385 Harvester Road, Suite 200

Burlington, ON L7N 3N2

(P) 905-332-4414

(C) 905-517-6172

(F) 905-332-6028

(TF) 877-299-2854

www.crystalwealth.com

WE ARE MOVING! As of November 21, 2016, our new head office address will be 192 Plains Rd. E., Burlington, ON L7T 2C3. Please update your records accordingly.

If you no longer wish to receive electronic communications from Crystal Wealth, please reply with UNSUBSCRIBE as the subject.

On Nov 14, 2016, at 5:08 PM, jerry@frontlinefactoring.com wrote:

Hi Clayton,

We are trying to put together the new documents for Dome Mountain and I would like your input on structure.

What name should we do the new invoice summary in?

Do we do it all under CW factoring fund?

Split it between hedge fund and factoring?

Do we leave Jeff's fund out of new funding as Al has indicated he is paying out Jeff's position?

If we leave Jeff's position out, do we allocate it to the income fund?

We want it to be easiest for your reporting now, and in the future.

Thanks,

--

Jerry Froese

President/CEO

Frontline Factoring inc.

Phone: [403.795.0718](tel:403.795.0718)

Fax: 587.787.0897

APPENDIX 31



November 22, 2017

BY REGISTERED MAIL AND EMAIL

Dome Mountain Resources of Canada Inc.
112 Cranston Drive, SE
Calgary AB, T3M 1A8

Grant Thornton Limited
11 Floor, 200 King Street West
Box 11
Toronto, ON
M5H 3T4
T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

-and-

Dome Mountain Resources of Canada Inc.
400 – 725 Granville Street, PO Box 10325
Vancouver, BC V7Y 1G5

Attention: Darcy Dean Pahl, President

Dear Sirs:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy
(formerly Crystal Enlightened Income Fund) and Crystal Wealth
Enlightened Hedge Fund**

As you are aware, Grant Thornton Limited was appointed as receiver and manager of the assets, undertakings, and properties of Crystal Wealth Management System Limited (the “**Company**”), and of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund (together, the “**Funds**”) (in such capacity, the “**Receiver**”), pursuant to the Order (Appointing Receiver) (the “**Appointment Order**”) issued by the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) on April 26, 2017. The Appointment Order can be found on the Receiver’s Case Website: www.grantthornton.ca/crystalwealth. As is evident in the Appointment Order, the Court has provided broad powers to the Receiver in furtherance of its mandate, in order to augment and ensure that the highest possible recovery can be achieved for the benefit of investors of the Funds.

We refer you to the factoring agreement made between the Company (in trust for the Funds) and Dome Mountain Resources of Canada Inc. (“**Dome**”) dated November 4, 2016 (the “**Factoring Agreement**”). Unless otherwise defined, all capitalised terms used herein are intended to have the meaning ascribed to them in the Factoring Agreement.

As you are aware, Frontline Factoring Inc. (“**Frontline**”) administered the Funds’ factoring arrangements with Dome, including the tracking of Receivables on behalf of the Funds.

As reported by Frontline, as at November 17, 2017, the following Debtor Receivables are outstanding for principal and interest:

Crystal Wealth Enlightened Factoring Strategy			
MGE Corporation Ltd.	Invoice number 206	Interest Outstanding:	\$2,424,355.15
		Principal Outstanding:	\$12,793,174.88
Crystal Wealth Enlightened Factoring Strategy Total:		\$15,217,530.03	
Crystal Wealth Enlightened Hedge Fund			
MGE Corporation Ltd.	Invoice number 206	Interest Outstanding:	\$192,471.09
		Principal Outstanding:	\$1,015,660.35
Crystal Wealth Enlightened Hedge Fund Total:		\$1,208,131.44	
Total		\$16,425,661.47 (collectively, the "Indebtedness")	

The Receiver has reason to believe that the monies advanced to Dome by the Funds were in fact used by Dome as bridge financing, and that the invoices to MGE Corporation Ltd. noted above were created by Dome in order to be consistent with the Factoring Agreement.

We hereby provide Dome with written notice that the above-noted Receivables are more than 90 days in arrears based upon Frontline's records, and that pursuant to section 7.1 of the Factoring Agreement, the Receiver hereby requires that you immediately repurchase these Receivable from the Funds. Please contact the undersigned to make immediate arrangements for payment, as all payments are to be remitted directly to the Receiver. Under the terms of the Factoring Agreement, the repurchase price is the aggregate of the amount of the Indebtedness owing, plus interest, at the rates established by the Factoring Agreement. Interest continues to accrue on the Indebtedness at the rates established by the Factoring Agreement.

In addition, based upon Frontline's books and records, Dome is indebted to the Factoring Fund for additional amounts as set out below pursuant to the Factoring Fund's factoring agreements with 1566496 Alberta Ltd. and 647497 B.C. Ltd., as follows:

Crystal Wealth Enlightened Factoring Strategy			
1566496 Alberta Ltd.	Invoice to Dome No. 221	Interest Outstanding:	\$41,448.66
		Principal Outstanding:	\$262,838.65
	Invoice to Dome No. 222	Interest Outstanding:	\$82,534.20
		Principal Outstanding:	\$361,200.00
Total Owing by Dome to the Factoring Fund on account of invoices issued by 1566496 Alberta Ltd		\$748,021.51	
647497 B.C. Ltd.	Invoice to Dome No. 335	Interest Outstanding:	\$79,868.91
		Principal Outstanding:	\$307,788.60
	Invoice to Dome No. 336	Interest Outstanding:	\$34,228.05
		Principal Outstanding:	\$131,909.40
Total Owing by Dome to the Factoring Fund on account of invoices issued by 647497 B.C. Ltd.		\$553,794.96	
Total Owing by Dome to the Factoring Fund per Factored Invoice Indebtedness from 1566496 Alberta Ltd and 647497 B.C. Ltd.		\$1,301,816.47 (hereinafter included in references to, the "Indebtedness")	

Please contact the undersigned to make immediate arrangements for Dome's payment of the Indebtedness, and Dome's repurchase of the Receivables pursuant to the Factoring Agreement.

If payment of the Indebtedness is not received by the Receiver immediately, the Receiver shall take whatever steps it considers necessary or appropriate to collect and recover the Indebtedness owing to the Funds, including enforcing the security provided by Dome pursuant to the Factoring Agreement. All costs, including legal fees, incurred by the Receiver in enforcing the Funds' rights under the Factoring Agreement will be sought from Dome.

GRANT THORNTON LIMITED,

**In its capacity as the Court-appointed Receiver and Manager of the Funds,
and not in its personal or corporate capacity**



**Jason Knight, CPA, CA
Manager**

APPENDIX 32

647497 British Columbia Ltd.
3891 Turner Rd.
Tappen, BC, V0E 2X0
1 (250) 833-9876

TO: Dome Mountain Resources of
Canada
112 Cranston Drive SE
Calgary Alberta T3M 1A8

	PAYMENT TERMS	DUE DATE
		July 1, 2016

QUANTITY	DESCRIPTION	LINE TOTAL
1	Project Management	\$165,300.00
GST#:827102914RT0001		Subtotal
		GST
		Total

Make all checks payable to 647497 Alberta Ltd.

THANK YOU FOR YOUR BUSINESS!

1566496 Alberta Ltd.

INVOICE^{F47}

PO Box 91

Pritchard, BC, V0E 2P0

Phone: (403) 317-5756

INVOICE #	DATE
221	May 4, 2016

BILL TO

Dome Mountain Resources Ltd.

112 Cranston Drive SE

Calgary Alberta T3M 1A8

DESCRIPTION		AMOUNT
Consulting		\$580,000.00
<i>Thank you for your business!</i>		Gst \$29,000.00
GST #832282115		TOTAL \$609,000.00

If you have any questions about this invoice, please contact us

1566496 Alberta Ltd.

INVOICE

PO Box 91

Pritchard, BC, V0E 2P0

Phone: (403) 317-5756

INVOICE #	DATE
222	August 3, 2016

BILL TO

Dome Mountain Resources Ltd.
112 Cranston Drive SE
Calgary Alberta T3M 1A8

DESCRIPTION		AMOUNT
Consulting		\$430,000.00
<i>Thank you for your business!</i>		Gst \$21,500.00
GST #832282115		TOTAL \$451,500.00

If you have any questions about this invoice, please contact us

1566496 Alberta Ltd.

INVOICE

549

PO Box 91
Pritchard, BC, V0E 2P0
Phone: (403) 317-5756

INVOICE #	DATE
223	Feb 12, 2017

BILL TO

IC Commerce

DESCRIPTION	AMOUNT
Consulting	\$238,095.24
<i>Thank you for your business!</i>	Gst \$11,904.76
<i>GST #832282115</i>	TOTAL \$250,000.00

If you have any questions about this invoice, please contact us

APPENDIX 33

From: Jerry Froese
Sent: Tuesday, November 7, 2017 11:03 AM
To: Knight, Jason
Subject: FW: 647497 BC Ltd - Crystal Wealth

Hi Jason,

Here is a response from 647497 BC Ltd.

Regards,

Jerry Froese
President/CEO
Frontline Factoring inc.
Phone: 403.795.0718
Fax: 587.787.0897

From: David Denhollander
Sent: Tuesday, November 7, 2017 8:07 AM
To: Jerry Froese
Subject: Re: 647497 BC Ltd - Crystal Wealth

Hey Jerry,

Sorry for the not getting back to you sooner. I am out of the country and don't know when we will return. Perhaps sometime next year but at present not sure.

I have requested from my accountant the tax returns and financial statements to be completed for the past three years but he has been extremely tardy and non responsive. I am currently three years behind and anxious to get them completed but it is difficult to do so as I am away.

In regards to a repayment schedule we are working on a plan which I hope will be finalized in the next 30-60 days which would allow us to start repaying the funds.

David

APPENDIX 34



Grant Thornton

November 22, 2017

BY REGISTERED MAIL AND EMAIL

647497 B.C. Ltd.
3891 Turner Rd
Tappen, BC V0E 2X1

Grant Thornton Limited
11 Floor, 200 King Street West
Box 11
Toronto, ON
M5H 3T4
T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

Attention: David Jeffrey Denhollander and Marion Joyce Denhollander

Dear Sirs:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy
(formerly Crystal Enlightened Income Fund)**

As you are aware, Grant Thornton Limited was appointed as receiver and manager of the assets, undertakings and properties of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “**Fund**”) (in such capacity, the “**Receiver**”), pursuant to the Order (Appointing Receiver) (the “**Appointment Order**”) issued by the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) on April 26, 2017. The Appointment Order can be found on the Receiver’s Case Website www.grantthornton.ca/crystalwealth. As is evident in the Appointment Order, the Court has provided broad powers to the Receiver in furtherance of its mandate, in order to augment and ensure that the highest possible recovery can be achieved for the benefit of investors of the Fund.

We refer to the factoring agreement made between the Fund and 647497 B.C. Ltd. (“**647**”) dated November 28, 2014 (the “**Factoring Agreement**”). Unless otherwise defined, all capitalised terms used herein are intended to have the meaning ascribed to them in the Factoring Agreement.

As you are aware, Frontline Factoring Inc. (“**Frontline**”) administered the Fund’s factoring arrangements with 647, including the tracking of Receivables on behalf of the Fund.

As reported by Frontline, as at November 17, 2017, the following Debtor Receivables are outstanding for principal and interest:

Crystal Wealth Enlightened Factoring Strategy			
Dome Mountain Resources of Canada	Invoice number 355	Interest Outstanding:	\$79,868.91
		Principal Outstanding:	\$307,788.60
Dome Mountain Resources of Canada	Invoice number 356	Interest Outstanding:	\$34,228.05
		Principal Outstanding:	\$131,909.40
TOTAL		\$553,794.96	

We hereby provide you with written notice that the above-noted Receivables are more than 90 days in arrears. Pursuant to section 7.1 of the Factoring Agreement, we hereby require that you repurchase these Receivable from the Fund. Under the terms of the Factoring Agreement, the repurchase price is the aggregate of the amount of the Indebtedness owing, plus interest, at the rates established by the Factoring Agreement. Interest continues to accrue on the Indebtedness at the rates established by the Factoring Agreement.

Please contact the undersigned to make arrangements for immediate payment, as all payments are to be remitted directly to the Receiver.

If payment of the Indebtedness is not received immediately, or alternate arrangements are not put in place forthwith, the Receiver shall take whatever steps it considers necessary or appropriate to collect and recover the Indebtedness owing to the Fund, including enforcing the security provided by 647 pursuant to the Factoring Agreement. All costs, including legal fees, incurred by the Receiver in enforcing the Fund's rights under the Factoring Agreement will be sought from 647.

Please contact the undersigned to make immediate arrangements for 647's payment of the Indebtedness, and repurchase of the Receivables.

Yours truly,

GRANT THORNTON LIMITED,
In its capacity as the Court-appointed Receiver and Manager of the Fund,
and not in its personal or corporate capacity and without personal or corporate liability



Jason Knight, CPA, CA
Manager



November 22, 2017

BY REGISTERED MAIL AND EMAIL

1566496 Alberta Ltd.
#600, 220-4th Street South
Lethbridge, Alberta T1J 4J7

Grant Thornton Limited
11 Floor, 200 King Street West
Box 11
Toronto, ON
M5H 3T4

T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

- and -

1566496 Alberta Ltd.
PO Box 219, Stn. Main
Lethbridge, Alberta T1J 3Y5

- and -

1566496 Alberta Ltd.
PO Box 91
Pritchard, British Columbia V0E 2P0

Attention: Jeffrey Maljaars, President

Dear Sirs:

Re: Receivership of Crystal Wealth Enlightened Factoring Strategy
(formerly Crystal Enlightened Income Fund)

As you are aware, Grant Thornton Limited was appointed as receiver and manager of the assets, undertakings and properties of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “Fund”) (in such capacity, the “Receiver”), pursuant to the Order (Appointing Receiver) (the “Appointment Order”) issued by the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) on April 26, 2017. The Appointment Order can be found on the Receiver’s Case Website www.grantthornton.ca/crystalwealth. As is evident in the Appointment Order, the Court has provided broad powers to the Receiver in furtherance of its mandate, in order to augment and ensure that the highest possible recovery can be achieved for the benefit of investors of the Fund.

We refer to the factoring agreement made between the Fund and 1566496 Alberta Ltd. (“156”) dated January 8, 2015 (the “Factoring Agreement”). Unless otherwise defined, all capitalised terms used herein are intended to have the meaning ascribed to them in the Factoring Agreement.

As you are aware, Frontline Factoring Inc. ("Frontline") administered the Fund's factoring arrangements with 156, including the tracking of Receivables on behalf of the Fund.

As reported by Frontline, as at November 17, 2017, the following Debtor Receivables are outstanding for principal and interest:

Crystal Wealth Enlightened Factoring Strategy			
Dome Mountain Resources Ltd.	Invoice number 221	Interest Outstanding:	\$41,448.66
		Principal Outstanding:	\$262,838.65
Dome Mountain Resources Ltd.	Invoice number 222	Interest Outstanding:	\$82,534.20
		Principal Outstanding:	\$361,200.00
IC Commerce	Invoice number 223	Interest Outstanding:	\$25,400.00
		Principal Outstanding:	\$200,000.00
TOTAL		\$973,421.51 (collectively, the “Indebtedness”)	

We hereby provide you with written notice that the above-noted Receivables are more than 90 days in arrears. Pursuant to section 7.1 of the Factoring Agreement, we hereby require that you repurchase these Receivables from the Fund. Under the terms of the Factoring Agreement, the repurchase price is the aggregate of the amount of the Indebtedness owing, plus interest, at the rates established by the Factoring Agreement. Interest continues to accrue on the Indebtedness at the rates established by the Factoring Agreement.

Please contact the undersigned to make arrangements for immediate payment, as all payments are to be remitted directly to the Receiver.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it considers necessary or appropriate to collect and recover the Indebtedness owing to the Fund, including enforcing the security provided by 156 pursuant to the Factoring Agreement. All costs, including legal fees, incurred by the Receiver in enforcing the Fund's rights under the Factoring Agreement will be sought from 156.



Please contact the undersigned to make immediate arrangements for 156's payment of the Indebtedness, and repurchase of the Receivables.

GRANT THORNTON LIMITED,
In its capacity as the Court-appointed Receiver and Manager of the Fund,
and not in its personal or corporate capacity and without personal or corporate
liability

A handwritten signature in black ink, appearing to read 'Jason Knight', with a long horizontal line extending to the left.

Jason Knight, CPA, CA
Manager

APPENDIX 35

LIMITED PERSONAL GUARANTEE

THIS GUARANTEE dated this 16th day of January, 2015.

David DenHollander
3891 Turner Rd
From: Tappen, BC V0E 2X1
(the "Guarantor")

To: Crystal Enlightened Income Fund of 3385 Harvester Road,
Suite 200 Burlington, ON, L7N 3N2
(the "Factor")

Re: Zomongo Inc.
Box 658
Cochrane, AB T4C 1A8
(the "Merchant")

IN CONSIDERATION OF the Factor extending future credit from time to time to the Merchant, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor, personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness (the "Debt") due to the Factor by the Merchant, under the terms of certain debt agreements (the "Agreement") and under the following terms and conditions up to a maximum of \$750,000 (Seven Hundred and Fifty Thousand):

1. The Liability of the Guarantor is limited to Mortgage security registered on personal residence.
2. The Guarantor guarantees that the Merchant will promptly pay the full amount of amount forwarded from invoices purchased that remain unpaid plus interest as and when the same will in any manner be or become due, either according to the terms and conditions provided by the Agreement or upon acceleration of the payment under the Agreement by reason of a default.
3. The Guarantor agrees not to pledge, hypothecate, mortgage, sell or otherwise transfer any of the Guarantor's pledged assets without the prior written consent of the Factor.
4. To the extent permitted by law, the Guarantor waives all defenses, counterclaims or offsets that are legally available to the Guarantor with respect to the payment of the invoices and interest debt of the Merchant.
5. The Factor is hereby authorized at any time, in its sole discretion and without notice, to take, change, release or in any way deal with any security securing the invoices purchased and debt without in any way impairing the obligation of the Guarantor.

6. The Factor will be under no obligation to collect or to protect any such security or the Debt, and its neglect or failure to collect or protect the security or the Debt is excused. Acceptance of the Guarantee is waived.
7. The Factor may grant extensions of time or other indulgences and otherwise deal with the Merchant and with other parties and securities as the Factor may see fit without in any way limiting or lessening the liability of the Guarantor under this Agreement.
8. Any impairment of the security, which the Factor may from time to time hold as security for the invoices and Debt, will in no way operate to discharge the Guarantor in whole or in part, it being specifically agreed that the Factor is not required to exercise diligence to enforce its rights against the Merchant.
9. The Factor may release, surrender, exchange, modify, impair or extend the periods of duration or the time for performance or payment of any collateral securing the obligations of the Merchant to the Factor, and may also settle or compromise any claim of the Factor against the Merchant or against any other person or corporation whose obligation is held by the Factor as collateral security for any obligation of the Merchant or the Factor.
10. This Guarantee is for the use and benefit of the Factor, and will also be for the use and benefit of any subsequent Factor to whom the Factor may assign this Guarantee.
11. The liability of the Guarantor will continue until payment is made of every obligation of the Merchant now or later incurred in connection with the Debt and until payment is made of any loss or damage incurred by the Factor with respect to any matter covered by this Guarantee or any of the Agreement.
12. The Guarantor further waives all rights, by statute or otherwise, to require the Factor to institute suit against the Merchant, and to exercise diligence in enforcing this Guarantee or any other instrument.
13. All present and future indebtedness of the Merchant to the Guarantor is hereby assigned to the Factor. All monies received by the Guarantor from the Merchant will be received in trust for the Factor and upon receipt are to be paid over to the Factor until such time as the Debt owed by the Merchant has been fully paid and satisfied.
14. The Guarantor represents that at the time of the execution and delivery of this Guarantee nothing exists to impair the effectiveness of this Guarantee.
15. All of the Factor's rights, powers and remedies available under this Guarantee and under any other agreement in force now or anytime later between the Factor and the Guarantor will be cumulative and not alternative, and will be in addition to all rights, powers and remedies given to the Factor by law or in equity.
16. The Factor may, at its option, proceed in the first instance against the Guarantor to collect the obligations covered by this Guarantee without first proceeding against any other person, firm or corporation and without resorting to any property held by the Factor as collateral security.

17. All pronouns will include masculine, feminine and/or neuter gender, single or plural number, as the context of this Guarantee may require.
18. This Guarantee is made pursuant to the laws of the Province of Ontario. In the event that this Guarantee must be enforced by the Factor, all reasonable costs and expenses, including attorney's fees, incurred by the Factor will be paid by the Guarantor.
19. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Guarantee will not affect the validity or enforceability of the remaining portions of this Guarantee or any part of this Guarantee.
20. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions will be binding upon the Factor unless made in writing over the signature of the Factor or its representative.
21. Words of "Guarantee" contained in this Guarantee in no way diminish or impair the absolute liability created in this Guarantee.
22. Any notice to be given to the Guarantor may be sent by mail, telephone, fax, email or otherwise delivered to the address provided below.

David DenHollander
3891 Turner Rd
Tappen, BC V0E 2X1

IN WITNESS WHEREOF the Guarantor has duly affixed its signature under hand and seal on this 16th day of January 2015.

SIGNED, SEALED OR ATTESTED
in the presence of:

Witness

Red Cross

[Signature]

THE GUARANTEE ACKNOWLEDGEMENT ACT CERTIFICATE OF NOTARY PUBLIC

I HEREBY CERTIFY THAT:

1. Rodney Chorneyko, of Salmon Arm, BC, Canada, the Guarantor (or one of the Guarantors) in the Guarantee dated the 16 day of Jan, 2015, made between David DeHaller and Crystal Enlightened Income fund which this Certificate is attached to or noted upon, appeared in person before me and acknowledged the he/she has executed the Guarantee.
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the Guarantee and understands it.

GIVEN AT Salmon Arm, BC, Canada, this 16 day of Jan, 2015 under my hand and seal of office.

Rod Ch
A Notary in and for the Province of BC

RODNEY A. CHORNEYKO
Barrister & Solicitor
#102, 951-5th Ave., S.W.
Salmon Arm, BC V1E 2R9
Ph:(250) 832-1500 Fax:(250) 832-1525

STATEMENT OF GUARANTOR
I am the person named in the Certificate

[Signature]

LIMITED PERSONAL GUARANTEE

THIS GUARANTEE dated this 16th day of January, 2015.

From: Marion DenHollander
3891 Turner Rd
Tappen, BC V0E 2X1
(the "Guarantor")

To: Crystal Enlightened Income Fund of 3385 Harvester Road,
Suite 200 Burlington, ON, L7N 3N2
(the "Factor")

Re: Zomongo Inc.
Box 658
Cochrane, AB T4C 1A8
(the "Merchant")

IN CONSIDERATION OF the Factor extending future credit from time to time to the Merchant, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor, personally guarantees the prompt, full and complete performance of any and all present and future duties, obligations and indebtedness (the "Debt") due to the Factor by the Merchant, under the terms of certain debt agreements (the "Agreement") and under the following terms and conditions up to a maximum of \$750,000 (Seven Hundred and Fifty Thousand):

1. The Liability of the Guarantor is limited to Mortgage security registered on personal residence.
2. The Guarantor guarantees that the Merchant will promptly pay the full amount of amount forwarded from invoices purchased that remain unpaid plus interest as and when the same will in any manner be or become due, either according to the terms and conditions provided by the Agreement or upon acceleration of the payment under the Agreement by reason of a default.
3. The Guarantor agrees not to pledge, hypothecate, mortgage, sell or otherwise transfer any of the Guarantor's pledged assets without the prior written consent of the Factor.
4. To the extent permitted by law, the Guarantor waives all defenses, counterclaims or offsets that are legally available to the Guarantor with respect to the payment of the invoices and interest debt of the Merchant.
5. The Factor is hereby authorized at any time, in its sole discretion and without notice, to take, change, release or in any way deal with any security securing the invoices purchased and debt without in any way impairing the obligation of the Guarantor.

6. The Factor will be under no obligation to collect or to protect any such security or the Debt, and its neglect or failure to collect or protect the security or the Debt is excused. Acceptance of the Guarantee is waived.
7. The Factor may grant extensions of time or other indulgences and otherwise deal with the Merchant and with other parties and securities as the Factor may see fit without in any way limiting or lessening the liability of the Guarantor under this Agreement.
8. Any impairment of the security, which the Factor may from time to time hold as security for the invoices and Debt, will in no way operate to discharge the Guarantor in whole or in part, it being specifically agreed that the Factor is not required to exercise diligence to enforce its rights against the Merchant.
9. The Factor may release, surrender, exchange, modify, impair or extend the periods of duration or the time for performance or payment of any collateral securing the obligations of the Merchant to the Factor, and may also settle or compromise any claim of the Factor against the Merchant or against any other person or corporation whose obligation is held by the Factor as collateral security for any obligation of the Merchant or the Factor.
10. This Guarantee is for the use and benefit of the Factor, and will also be for the use and benefit of any subsequent Factor to whom the Factor may assign this Guarantee.
11. The liability of the Guarantor will continue until payment is made of every obligation of the Merchant now or later incurred in connection with the Debt and until payment is made of any loss or damage incurred by the Factor with respect to any matter covered by this Guarantee or any of the Agreement.
12. The Guarantor further waives all rights, by statute or otherwise, to require the Factor to institute suit against the Merchant, and to exercise diligence in enforcing this Guarantee or any other instrument.
13. All present and future indebtedness of the Merchant to the Guarantor is hereby assigned to the Factor. All monies received by the Guarantor from the Merchant will be received in trust for the Factor and upon receipt are to be paid over to the Factor until such time as the Debt owed by the Merchant has been fully paid and satisfied.
14. The Guarantor represents that at the time of the execution and delivery of this Guarantee nothing exists to impair the effectiveness of this Guarantee.
15. All of the Factor's rights, powers and remedies available under this Guarantee and under any other agreement in force now or anytime later between the Factor and the Guarantor will be cumulative and not alternative, and will be in addition to all rights, powers and remedies given to the Factor by law or in equity.
16. The Factor may, at its option, proceed in the first instance against the Guarantor to collect the obligations covered by this Guarantee without first proceeding against any other person, firm or corporation and without resorting to any property held by the Factor as collateral security.

17. All pronouns will include masculine, feminine and/or neuter gender, single or plural number, as the context of this Guarantee may require.
18. This Guarantee is made pursuant to the laws of the Province of Ontario. In the event that this Guarantee must be enforced by the Factor, all reasonable costs and expenses, including attorney's fees, incurred by the Factor will be paid by the Guarantor.
19. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Guarantee will not affect the validity or enforceability of the remaining portions of this Guarantee or any part of this Guarantee.
20. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions will be binding upon the Factor unless made in writing over the signature of the Factor or its representative.
21. Words of "Guarantee" contained in this Guarantee in no way diminish or impair the absolute liability created in this Guarantee.
22. Any notice to be given to the Guarantor may be sent by mail, telephone, fax, email or otherwise delivered to the address provided below.

Marion DenHollander
3891 Turner Rd
Tappen, BC V0E 2X1

IN WITNESS WHEREOF the Guarantor has duly affixed its signature under hand and seal on this 16th day of January 2015.

SIGNED, SEALED OR ATTESTED
in the presence of:

Witness

Red Ch...

[Signature]

THE GUARANTEE ACKNOWLEDGEMENT ACT CERTIFICATE OF NOTARY PUBLIC

I HEREBY CERTIFY THAT:

1. Rodney Chorneyko, of Salmon Arm, BC, Canada, the Guarantor (or one of the Guarantors) in the Guarantee dated the 16 day of Jan, 2015, made between Marcus Den Hollander and Crystal Enlightened Income fund which this Certificate is attached to or noted upon, appeared in person before me and acknowledged the he/she has executed the Guarantee.
2. I satisfied myself by examination of him/her that he/she is aware of the contents of the Guarantee and understands it.

GIVEN AT Salmon Arm, BC, Canada, this 16 day of Jan, 2015 under my hand and seal of office.

Rod Ch
A Notary in and for the Province of BC

RODNEY A. CHORNEYKO
Barrister & Solicitor
#102, 951-5th Ave., S.W.
Salmon Arm, BC V1E 2R9
Ph: (250) 832-1500 Fax: (250) 832-1525

STATEMENT OF GUARANTOR
I am the person named in the Certificate

[Signature]

LAND TITLE ACT
FORM B (Section 225)

MORTGAGE - PART I Province of British Columbia

PAGE 1 OF 3 PAGES

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

1. APPLICATION: (Name, address, phone number of applicant, applicant's solicitor or agent)

Sharon MacMillan, Miller Thomson LLP
 1000, 840 Howe Street

604.687.2242

Client No: 010437 File No: 178340.0005

Frontline/ 12723367

Vancouver

BC V6Z 2M1

Deduct LTSA Fees? Yes ☒

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:

[PID] [legal description]

009-637-974

**LOT 3 SECTION 11 TOWNSHIP 21 RANGE 10 WEST OF THE 6TH MERIDIAN
 KAMLOOPS DIVISION YALE DISTRICT PLAN 9768 EXCEPT PLANS 25438,
 28187 AND 31206**

STC? YES ☐

3. BORROWER(S) (MORTGAGOR(S)): (including postal address(es) and postal code(s))

DAVID JEFFREY; DENHOLLANDER; BUSINESSMAN

MARION JOYCE; DENHOLLANDER; HOMEMAKER

SITE A1, COMP 23, RR #1

TAPPEN

BRITISH COLUMBIA

AS JOINT TENANTS

V0E 2X0

CANADA

4. LENDER(S) (MORTGAGEE(S)): (including occupation(s), postal address(es) and postal code(s))

FRONTLINE FACTORING INC.

442 COULEE SPRINGS ROAD SOUTH

LETHBRIDGE

ALBERTA

CANADA

T1K 5E5

5. PAYMENT PROVISIONS:

(a) Principal Amount:

\$700,000

(b) Interest Rate:

2% per annum

(c) Interest Adjustment

Date: N/A

Y

M

D

(d) Interest Calculation Period:

Semi-annually

(e) Payment Dates:

N/A

(f) First Payment

Date: N/A

(g) Amount of each periodic payment:

N/A

(h) *Interest Act* (Canada) Statement.
 The equivalent rate of interest calculated
 half yearly not in advance
 is N/A % per annum.

(i) Last Payment

Date: N/A

(j) Assignment of Rents which the
 applicant wants registered?

YES ☐ NO ☒

If YES, page and paragraph number:

(k) Place of payment:

Postal Address in item 4

(l) Balance Due

Date: On Demand

MORTGAGE - PART 1

PAGE 2 OF 3 PAGES

6. MORTGAGE contains floating charge on land ?
YES ☐ NO ☒
7. MORTGAGE secures a current or running account ?
YES ☒ NO ☐

8. INTEREST MORTGAGED:

Freehold ☒Other (specify) ☐

9. MORTGAGE TERMS:

Part 2 of this mortgage consists of (select one only):

(a) Prescribed Standard Mortgage Terms ☒(b) Filed Standard Mortgage Terms ☐(c) Express Mortgage Terms ☐

D F Number:

(annexed to this mortgage as Part 2)

A selection of (a) or (b) includes any additional or modified terms referred to in item 10 or in a schedule annexed to this mortgage.

10. ADDITIONAL OR MODIFIED TERMS:

SEE SCHEDULE

11. PRIOR ENCUMBRANCES PERMITTED BY LENDER:

Covenant R51040

Easement R80898 and Easement KD75756

Statutory Right of Way KG55592 and Statutory Right of Way KG55593

Mortgage CA332892

12. EXECUTION(S): This mortgage charges the Borrower's interest in the land mortgaged as security for payment of all money due and performance of all obligations in accordance with the mortgage terms referred to in item 9 and the Borrower(s) and every other signatory agree(s) to be bound by, and acknowledge(s) receipt of a true copy of, those terms.

Officer Signature(s)

RODNEY A. CHORNEYKO*Barrister & Solicitor*#102, 951-5th Ave., S.W.

Salmon Arm, BC V1E 2R9

Ph:(250) 832-1500 Fax:(250) 832-1525

Execution Date

Y	M	D
14	11	20

Borrower(s) Signature(s)

DAVID JEFFREY

DENHOLLANDER

MARION JOYCE DENHOLLANDER

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

**LAND TITLE ACT
FORM E****SCHEDULE**

PAGE 3 OF 3 PAGES

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

10. ADDITIONAL OR MODIFIED TERMS

1. The terms used in this mortgage form have the same meaning as the terms defined in the prescribed standard mortgage terms ("mortgage terms") referred to in Item 9 of this mortgage form.

2. The mortgage terms are amended by:

(a) deleting section 2.(1) in its entirety and replacing it with "this mortgage is given for valuable consideration (the receipt and sufficiency of which are hereby acknowledged) as further collateral security for payment and satisfaction to the lender of all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, at any time owing by the borrower to the lender or remaining unpaid by the borrower to the lender or heretofore or hereafter incurred or arising and whether incurred by or arising from agreements or dealings with the lender and the borrower or from any agreement or dealings with any third party by which the lender may be or become in any manner whatsoever a creditor of the borrower or however otherwise incurred or arising anywhere within or outside Canada and whether the borrower be bound alone or with another or others and whether as principal or surety and any unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again."

(b) adding the following as section 16.(4) "Notwithstanding any other provision of this mortgage, the lender may assign, grant, pledge, sell or transfer any participation in this mortgage, or any power, remedy or right of the lender hereunder or any of its interest herein to any party, without notice to the borrower or any covenantor, and the obligations of the borrower and any covenantor under this mortgage are undertaken for the benefit of each such assignee as well as the lender"

ACKNOWLEDGEMENT OF TERMS

I/We acknowledge receipt from the Lender described below of:

1. a true copy of Prescribed Standard Mortgage Terms; and
2. a copy of the Mortgage – Part 1 (Form B, Land Title Act) described below and any schedules referred to therein,

at or before the time that I executed the Mortgage – Part 1.

DATED this * 20th day of November, 2014.



DAVID JEFFREY DENHOLLANDER



MARION JOYCE DENHOLLANDER

DESCRIPTION OF MORTGAGE

NAME OF LENDER:	<u>Frontline Factoring Inc.</u>
PRINCIPAL AMOUNT:	<u>\$700,000</u>
DATE OF EXECUTION BY BORROWER(S):	<u>November 2014</u>
LEGAL DESCRIPTION	<u>PID: 009-637-974</u> <u>Lot 3 Section 11 Township 21 Range 10</u> <u>West of the 6th Meridian Kamloops Division</u> <u>Yale District Plan 9768 Except Plans</u> <u>25438, 28187 and 31206</u>

TITLE SEARCH PRINT

2017-08-08, 13:56:25

File Reference: 137794-mvz

Declared Value \$ 404000

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District

Land Title Office

KAMLOOPS

KAMLOOPS

Title Number

From Title Number

KT50953

KL26551

Application Received

2002-05-14

Application Entered

2002-05-16

Registered Owner in Fee Simple

Registered Owner/Mailing Address:

DAVID JEFFREY DENHOLLANDER, BUSINESSMAN
MARION JOYCE DENHOLLANDER, HOMEMAKER
SITE A1 COMP 23
RR #1
TAPPEN, BC
VOE 2X0
AS JOINT TENANTS

Taxation Authority

Vernon Assessment Area

Description of Land

Parcel Identifier:

009-637-974

Legal Description:

LOT 3 SECTION 11 TOWNSHIP 21 RANGE 10 WEST OF THE 6TH MERIDIAN KAMLOOPS
DIVISION YALE DISTRICT PLAN 9768 EXCEPT PLANS 25438, 28187 AND 31206

Legal Notations

HERETO IS ANNEXED EASEMENT R80896 OVER PART LOTS 1 & 2
PLAN 31206 SHOWN ON PLAN A15310

Charges, Liens and Interests

Nature:

COVENANT

Registration Number:

R51040

Registration Date and Time:

1980-09-02

Registered Owner:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH
COLUMBIA
AS REPRESENTED BY THE MINISTRY OF TRANSPORTATION AND
HIGHWAYS

Remarks:

INTER ALIA
PART CROSS-HATCHED ON PLAN 31206
SEC 215 LTA

2017-08-08, 13:56:25

TITLE SEARCH PRINT

File Reference: 137794-mvz

Declared Value \$ 404000

Nature: EASEMENT
Registration Number: R80898
Registration Date and Time: 1980-12-05
Remarks: PART ON PLAN A15310; APPURTENANT TO LOT 2 PLAN 31206 INTER ALIA

Nature: EASEMENT
Registration Number: KD75756
Registration Date and Time: 1990-09-19 13:05
Remarks: PART ON PLAN 43690 APPURTENANT TO LOT 2 PLAN 31206

Nature: STATUTORY RIGHT-OF-WAY
Registration Number: KG55592
Registration Date and Time: 1993-06-16 10:27
Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

Nature: STATUTORY RIGHT-OF-WAY
Registration Number: KG55593
Registration Date and Time: 1993-06-16 10:27
Registered Owner: BC TEL
INCORPORATION NO. A1801

Nature: MORTGAGE
Registration Number: CA332892
Registration Date and Time: 2006-11-23 16:18
Registered Owner: ROYAL BANK OF CANADA

Nature: MORTGAGE
Registration Number: CA4118181
Registration Date and Time: 2014-12-03 14:59
Registered Owner: FRONTLINE FACTORING INC.

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

APPENDIX 36

AIRD BERLIS

Mark van Zandvoort
 Direct: 416.865.4742
 E-mail: mvanzandvoort@airdberlis.com

November 7, 2017

BY REGULAR AND REGISTERED MAIL

Restoration Energy Inc.
 #234 203-304 Main St. SE
 Airdrie, Alberta T4B 0P8

ATTN: YVONNE MARTIN-MORRISON

Ms. Martin-Morrison:

Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund

We are the lawyers for Grant Thornton Limited ("**GTL**"), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund (together, the "**Funds**" and, individually or collectively with the other entities under receivership, the "**Crystal Wealth Group**"). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on April 26, 2017 (the "**Appointment Order**").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group; to exercise all remedies of the Crystal Wealth Group in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to the Crystal Wealth Group. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

We refer to the factoring agreement made between Crystal Wealth Enlightened Factoring Strategy and Restoration Energy Inc. ("**Restoration**") dated March 18, 2015 and the factoring agreement made between Crystal Wealth Enlightened Hedge Fund and Restoration dated March 16, 2016 (collectively, the "**Factoring Agreements**"). Unless otherwise defined, all capitalised terms used herein are intended to have the meaning ascribed to them in the Factoring Agreements.

Default has occurred under the Factoring Agreements, including as a result of Restoration's failure to repurchase the Receivables from the Funds, as required by the Receiver's letter to Restoration dated October 31, 2017, enclosed. On behalf of the Receiver, we hereby make formal demand on Restoration for payment of \$1,903,193.21 in principal and \$169,098.10 in

November 6, 2017

Page 2

accrued interest owing to the Funds as at October 19, 2017, together with all recovery costs of the Receiver (including, without limitation, the Receiver's legal and professional fees) (the "Indebtedness"). Interest continues to accrue on the Indebtedness at the rates established by the Factoring Agreements.

The Indebtedness is secured, as applicable and *inter alia*, by a general security agreement granted by Restoration in favour of Crystal Wealth Enlightened Factoring Strategy (under its prior name, Crystal Enlightened Income Fund), as well as continuing security interests granted by Restoration pursuant to the Factoring Agreements, each of which covers all of Restoration's present and after-acquired undertaking, property and assets, in favour of the respective Funds and their affiliates.

On behalf of the Receiver, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "BIA Notice").

The Receiver hereby reserves its rights to initiate proceedings within the ten-day period set out in the BIA notice, if circumstances warrant such proceedings.

Payment of the Indebtedness is required to be made immediately to the Receiver. If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider necessary or appropriate to recover the Indebtedness, which may include, without limitation, taking steps to appoint an interim receiver, receiver or receiver and/or manager of Restoration, in which case the Receiver will also be seeking all costs incurred in so doing.

Yours truly,

AIRD & BERLIS LLP



Mark van Zandvoort

MVZ/tj

Encl.

c: Grant Thornton Ltd.
1312163 Alberta Ltd.

AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Regular and Registered Mail

TO: **Restoration Energy Inc.**
 #234 203-304 Main St. SE
 Airdrie, Alberta T4B 0P8

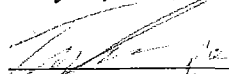
insolvent company / person

TAKE NOTICE that:

1. Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund (together, the "**Funds**" and collectively with all of the entities under receivership, the "**Crystal Wealth Group**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of Restoration Energy Inc. (the "**Company**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Company.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Crystal Wealth Enlightened Factoring Strategy (under its prior name, Crystal Enlightened Income Fund) dated March 18, 2015 and the Company, and/or security granted to the Crystal Wealth Group, or any of them, pursuant to a factoring agreement made on March 18, 2015 and March 16, 2016 (the "**Security**").
3. As at October 19, 2017, the total amount of the indebtedness secured by the Security is the sum of **\$2,072,291.31** in principal and interest, plus accruing interest and recovery costs of the Receiver (including, without limitation, the Receiver's legal and other professional fees).
4. The Receiver will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Company consents to an earlier enforcement.

DATED at Toronto this 7th day of November, 2017.

**GRANT THORNTON LIMITED, in its capacity as
 Receiver and Manager of the Crystal Wealth Group,
 and not in its personal or corporate capacity and
 without personal or corporate liability
 by its lawyers, Aird & Berlis LLP**

Per: 
 Mark van Zandvoort
 Brookfield Place, Suite 1800
 181 Bay Street, Box 754 Toronto, ON M5J 2T9
 Tel: 416-863-1500 / Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

AIRD BERLIS

Mark van Zandvoort
 Direct: 416.865.4742
 E-mail: mvanzandvoort@airdberlis.com

November 13, 2017

BY REGISTERED MAIL

1312163 Alberta Ltd.
 52 Sherwood Rise
 Calgary AB
 T3R 1P5

AND BY E-MAIL: (jim@jimperks.ca)

Mr. Perks:

Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund

We are the lawyers for Grant Thornton Limited (“GTL”), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund (together, the “**Funds**” and, individually or collectively with the other entities under receivership, the “**Crystal Wealth Group**”). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued on April 26, 2017 (the “**Appointment Order**”).

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group; to exercise all remedies of the Crystal Wealth Group in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to the Crystal Wealth Group. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

We refer to the factoring agreement made between Crystal Wealth Enlightened Factoring Strategy and Restoration Energy Inc. (“**Restoration**”) dated March 18, 2015 and the factoring agreement made between Crystal Wealth Enlightened Hedge Fund and Restoration dated March 16, 2016 (collectively, the “**Factoring Agreements**”). The total indebtedness owing by Restoration to the applicable Funds under the Factoring Agreements is \$1,903,193.21 in principal and \$169,098.10 in accrued interest as at October 19, 2017, together with recovery costs of the Receiver (including, without limitation, the Receiver’s legal and professional fees).

November 13, 2017

Page 2

1312163 Alberta Ltd. (the "**Company**") became a guarantor of Restoration's obligations under the Factoring Agreements under a Corporate Guarantee and Indemnity Agreement dated March 20, 2015 (the "**Guarantee**").

Default has occurred under the Factoring Agreements. On behalf of the Receiver, pursuant to the Guarantee, we hereby make formal demand on the Company for payment of \$2,072,291.31 in principal and accrued interest pursuant to the Factoring Agreements, together with recovery costs of the Receiver (including, without limitation, the Receiver's legal and professional fees) (the "**Indebtedness**").

The Indebtedness is secured by a mortgage/charge dated February 23, 2015 (the "**Mortgage**") that was granted by the Company in favour of Crystal Wealth Management System Limited, as amended by an amending agreement dated September 24, 2015, which are registered on title to the lands listed in Schedule "A" (the "**Property**") hereto as Instrument Nos. 152 070 894 and 152 319 054 respectively. The Mortgage is in the principal amount of \$2,000,000.00,

On behalf of the Receiver, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "**BIA Notice**").

The Receiver hereby reserves its rights to initiate proceedings within the ten-day period set out in the BIA notice, if circumstances warrant such proceedings.

Payment of the Indebtedness is required to be made immediately to the Receiver. Interest continues to accrue on the Indebtedness at the rate established by the Factoring Agreements.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider appropriate to recover the Indebtedness, which may include, without limitation, taking steps to appoint an interim receiver, receiver or receiver and/or manager over the Property as provided under the Mortgage, or otherwise commencing legal action, in which case the Receiver will also be seeking all costs incurred in so doing.

Going forward, please direct all notices under the Guarantee to the Receiver, to the attention of Jason Knight, by both email and registered mail at the addresses below, with a copy to our firm, to my attention.

Yours truly,

AIRD & BERLIS LLP

Mark van Zandvoort

MVZ/tj

c: Jason Knight, Manager, Grant Thornton Ltd. (Jason.Knight@ca.gt.com)
200 King Street West, 11th floor
Toronto, Ontario M5H 3T4

AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Registered Mail and by E-Mail (jim@jimperks.ca)

TO: **1312163 Alberta Ltd.**
 52 Sherwood Rise
 Calgary AB T3R 1P5
insolvent company / person

TAKE NOTICE that:

1. Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) and Crystal Wealth Enlightened Hedge Fund (collectively, the "**Crystal Wealth Group**"), a secured creditor, intends to enforce its security on the property of 1312163 Alberta Ltd. (the "**Company**"), including, without limiting the generality of the foregoing, the real property described more particularly on Schedule "A" to this notice (the "**Property**").
2. The security that is to be enforced is in the form of, *inter alia*, a mortgage/charge dated February 23, 2015 in favour of Crystal Wealth Management System Limited, as amended by an amending agreement dated September 24, 2015, which are registered on title to the Property as Instrument Nos. 152 070 894 and 152 319 054 respectively (the "**Security**").
3. As at October 19, 2017, the total amount of the indebtedness secured by the Security is the sum of **\$2,072,291.31** in principal and interest, plus accruing interest and recovery costs of the Receiver (including, without limitation, the Receiver's legal and other professional fees).
4. The Receiver will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Company consents to an earlier enforcement.

DATED at Toronto this 13th day of November, 2017.

**GRANT THORNTON LIMITED, in its capacity as
 Receiver and Manager of the Crystal Wealth Group,
 and not in its personal or corporate capacity and
 without personal or corporate liability
 by its lawyers, Aird & Berlis LLP**

Per:

Mark van Zandvoort
 Brookfield Place, Suite 1800
 181 Bay Street, Box 754 Toronto, ON M5J 2T9
 Tel: 416-863-1500 / Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

AIRD BERLIS

SCHEDULE "A"
LEGAL DESCRIPTION OF THE PINE LAKE LANDS

PLAN 802NY
 LOT A
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AREA: 18 HECTARES (44.45 ACRES) MORE OR LESS

and

PLAN 9521984
 LOT 1
 EXCEPTING THEREOUT ALL MINES AND MINERALS
 AREA: 2.43 HECTARES (6 ACRES) MORE OR LESS

and

ALL THOSE PORTIONS OF THE NORTH EAST QUARTER OF
 SECTION SIX (6)
 TOWNSHIP THIRTY SIX (36)
 RANGE TWENTY FOUR (24)
 WEST OF THE FOURTH MERIDIAN, IN THE SAID PROVINCE
 NOT COVERED BY ANY OF THE WATERS OF DEVILS PINE LAKE AS
 SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP SIGNED AT OTTAWA
 ON THE 24TH DAY OF JUNE A.D. 1893
 CONTAINING (78.10) ACRES MORE OR LESS
 EXCEPTING THEREOUT:

HECTARES (ACRES) MORE OR LESS

A) ALL THAT PORTION OF THE SAID QUARTER SECTION LYING NORTH OF THE NORTHERLY SHORE LINE OF THE SAID LAKE AS SHOWN ON SAID PLAN OF SURVEY, CONTAINING.....	1.74 4.30
B) PLAN 0420171 SUBDIVISION EXCEPTING THEREOUT ALL MINES AND MINERALS	12.50 30.89

30808516.1

AIRD BERLIS

AIRD BERLIS

Mark van Zandvoort
 Direct: 416.865.4742
 E-mail: mvanzandvoort@airdberlis.com

November 15, 2017

BY REGISTERED MAIL

Dionne Design Inc.
 1425 Kings Blvd.,
 Airdrie AB
 T4A 0A1

Attention: Deborah Dionne:

AND BY E-MAIL: (d.dionne@ddienergy.com)

Dear Ms. Dionne:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly
 Crystal Enlightened Income Fund)**

We are the lawyers for Grant Thornton Limited (“GTL”), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “**Factoring Fund**” and, individually or collectively with the other entities under receivership, the “**Crystal Wealth Group**”). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued on April 26, 2017 (the “**Appointment Order**”).

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group; to exercise all remedies of the Crystal Wealth Group in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to the Crystal Wealth Group. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

We refer to the factoring agreement made between the Factoring Fund and Restoration Energy Inc. (“**Restoration**”) dated March 18, 2015 (the “**Factoring Agreement**”).

As at October 19, 2017, the indebtedness owing by Restoration under the Factoring Agreement amounted to \$1,503,069.41, representing \$1,402,193.21 in outstanding principal and \$100,876.20 in accrued interest.

Dionne Design Inc. (the “**Company**”) became a guarantor of Restoration’s obligations under the Factoring Agreement under a Corporate Guarantee dated March 18, 2015 (the “**Guarantee**”).

November 15, 2017

Page 2

Default has occurred under the Factoring Agreement. On behalf of the Receiver, pursuant to the Guarantee, we hereby make formal demand on the Company for payment of \$1,503,069.41 in principal and accrued interest pursuant to the Factoring Agreements, together with recovery costs of the Receiver (including, without limitation, the Receiver's legal and professional fees) (the "Indebtedness").

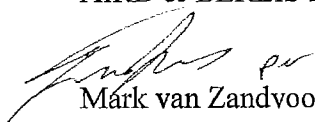
Payment of the Indebtedness is required to be made immediately to the Receiver. Interest continues to accrue on the Indebtedness at the rate established by the Factoring Agreement.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider appropriate to recover the Indebtedness, including commencing legal proceedings against the Company without further notice, in which case the Receiver will also be seeking all costs incurred in so doing.

Please direct all notices and communications concerning the Guarantee to our firm, to my attention, with a copy to Jason Knight of the Receiver at the address below.

Yours truly,

AIRD & BERLIS LLP



Mark van Zandvoort

MVZ/tj

c: Jason Knight, Manager, Grant Thornton Ltd. (Jason.Knight@ca.gt.com)
200 King Street West, 11th floor
Toronto, Ontario M5H 3T4

AIRD BERLIS

AIRD BERLIS

Mark van Zandvoort
 Direct: 416.865.4742
 E-mail: mvanzandvoort@airdberlis.com

November 15, 2017

BY REGISTERED MAIL

DDI Distribution Corp.
 1425 Kings Blvd.,
 Airdrie AB
 T4A 0A1

Attention: Deborah Dionne:

AND BY E-MAIL: (d.dionne@ddienergy.com)

Dear Ms. Dionne:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly
 Crystal Enlightened Income Fund)**

We are the lawyers for Grant Thornton Limited (“GTL”), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “**Factoring Fund**” and, individually or collectively with the other entities under receivership, the “**Crystal Wealth Group**”). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued on April 26, 2017 (the “**Appointment Order**”).

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group; to exercise all remedies of the Crystal Wealth Group in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to the Crystal Wealth Group. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

We refer to the factoring agreement made between the Factoring Fund and Restoration Energy Inc. (“**Restoration**”) dated March 18, 2015 (the “**Factoring Agreement**”).

As at October 19, 2017, the indebtedness owing by Restoration under the Factoring Fund Agreement amounted to \$1,503,069.41, representing \$1,402,193.21 in outstanding principal and \$100,876.20 in accrued interest.

DDI Distribution Inc. (the “**Company**”) became a guarantor of Restoration’s obligations under the Factoring Agreement under a Corporate Guarantee dated March 18, 2015 (the “**Guarantee**”).

November 15, 2017

Page 2

Default has occurred under the Factoring Agreement. On behalf of the Receiver, pursuant to the Guarantee, we hereby make formal demand on the Company for payment of \$1,503,069.41 in principal and accrued interest pursuant to the Factoring Agreement, together with recovery costs of the Receiver (including, without limitation, the Receiver's legal and professional fees) (the "Indebtedness").

Payment of the Indebtedness is required to be made immediately to the Receiver. Interest continues to accrue on the Indebtedness at the rate established by the Factoring Agreement.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider appropriate to recover the Indebtedness, including commencing legal proceedings against the Company without further notice, in which case the Receiver will also be seeking all costs incurred in so doing.

Please direct all notices and communications concerning the Guarantee to our firm, to my attention, with a copy to Jason Knight of the Receiver at the address below.

Yours truly,

AIRD & BERLIS LLP



Mark van Zandvoort

MVZ/tj

c: Jason Knight, Manager, Grant Thornton Ltd. (Jason.Knight@ca.gt.com)
200 King Street West, 11th floor
Toronto, Ontario M5H 3T4

AIRD BERLIS

From: Timothy Jones
Sent: November-15-17 1:42 PM
To: 'yvonne@restoreenergy.com'
Cc: Steve Graff; Mark van Zandvoort; 'Bando, Bruce'; 'Knight, Jason'
Subject: Receivership of Crystal Wealth Group / Restoration Energy / personal guarantee
Attachments: Letter to Yvonne Martin-Morrison dated November 15, 2017.pdf; Letter to Restoration Energy - Yvonne Martin-Morrison dated November 7,pdf; Personal Guarantee of Yvonne Martin-Morrison.pdf; Letter to Restoration Energy-Yvonne Martin-Morrison - Oct 31, 2017.pdf

Importance: High

Tracking:	Recipient	Delivery
	'yvonne@restoreenergy.com'	
	Steve Graff	Delivered: 15/11/2017 1:42 PM
	Mark van Zandvoort	Delivered: 15/11/2017 1:42 PM
	'Bando, Bruce'	
	'Knight, Jason'	

Ms. Martin-Morrison,

Please see the attached letter to you in your personal capacity dated November 15, 2017, which requires your attention. Today's letter is in connection with your personal guarantee of certain of Restoration Energy's obligations to an entity within the Crystal Wealth Group of funds, a copy of which guarantee agreement is attached hereto for your convenience. This letter is also being sent to you via registered mail to the address noted in the guarantee agreement.

Our letter of today's date refers to a letter dated November 7, 2017, which was previously sent by us to Restoration Energy, to your attention, by regular and registered mail, in respect of Restoration Energy's obligations to two of the Crystal Wealth Group funds. As of this morning, we note from the tracking number that the registered mail envelope was not signed for on delivery, and has not been picked up from your local post office. We trust the regular mail envelope containing this letter was received in the ordinary course. For convenience, however, a copy of it is attached hereto. We also attach the letter from our client which preceded it, which is dated October 31, 2017.

Regards,

Timothy Jones

T 416.865.3086
 F 416.863.1515
 E tjones@airdberlis.com

Aird & Berlis LLP | Lawyers
 Brookfield Place, 181 Bay Street, Suite 1800
 Toronto, Canada M5J 2T9 | airdberlis.com

AIRD BERLIS

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

AIRD BERLIS

Mark van Zandvoort
 Direct: 416.863.4742
 E-mail: mvanzandvoort@airdberlis.com

November 15, 2017

BY REGISTERED MAIL

Yvonne Martin-Morrison
 19 Hillcrest Street West
 Airdrie AB T4B 0Y5

AND BY E-MAIL: (yvonne@restoreenergy.com)

Dear Ms. Martin-Morrison:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy (formerly
 Crystal Enlightened Income Fund)**

We are the lawyers for Grant Thornton Limited (“GTL”), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Crystal Wealth Management System Limited (“CWMSL” and certain additional persons and entities, including Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “**Factoring Fund**” and, together with CWMSL and the other entities under receivership, the “**Crystal Wealth Group**”). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued on April 26, 2017 (the “**Appointment Order**”).

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group; to exercise all remedies of the Crystal Wealth Group in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to the Crystal Wealth Group. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

We refer to the factoring agreement made between the Factoring Fund and Restoration Energy Inc. (“**Restoration**”) dated March 18, 2015 (the “**Factoring Fund Agreement**”) and the factoring agreement made between Crystal Wealth Enlightened Hedge Fund and Restoration dated March 16, 2016 (the “**Hedge Fund Agreement**” and, together with the Factoring Fund Agreement, the “**Factoring Agreements**”).

The combined indebtedness owing by Restoration to the applicable Funds under the Factoring Agreements is \$1,903,193.21 in principal and \$169,098.10 in accrued interest as at October 19, 2017, together with recovery costs of the Receiver (including, without limitation, the Receiver’s legal and professional fees). Default has occurred under each of the Factoring Agreements. On behalf of the Receiver, we demanded on the amounts owing under the Factoring Agreements in a letter to Restoration dated November 7, 2017, which was sent to your attention via regular and registered mail. For convenience, a copy of this demand letter is attached.

In your personal capacity, you became a guarantor of Restoration's obligations under the Factoring Fund Agreement (the "**Factoring Fund Obligations**"), together with recovery costs of the Receiver, under a Personal Guarantee dated March 18, 2015 (the "**Personal Guarantee**"). A copy of the Personal Guarantee is attached.

As at October 19, 2017, the Factoring Fund Obligations amounted to \$1,503,069.41, representing \$1,402,193.21 in outstanding principal and \$100,876.20 in accrued interest.

As noted above, default has occurred under the Factoring Fund Agreement.

On behalf of the Receiver, pursuant to the Personal Guarantee, we hereby make formal demand on you for payment of \$1,503,069.41 in principal and accrued interest pursuant to the Factoring Agreements, together with recovery costs of the Receiver (including, without limitation, the Receiver's legal and professional fees) (the "**Personal Guarantee Indebtedness**").

Payment of the Personal Guarantee Indebtedness is required to be made immediately to the Receiver. Interest continues to accrue on the Personal Guarantee Indebtedness at the rate established by the Factoring Fund Agreement.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider appropriate to recover the Indebtedness, which may include, without limitation, commencing legal action without further notice to you, in which case the Receiver shall also be seeking all costs incurred in so doing.

Please direct all notices and communications concerning the Personal Guarantee to our firm, to my attention, with a copy to Jason Knight of the Receiver at the address below.

Please govern yourself accordingly.

Yours truly,

AIRD & BERLIS LLP



Mark van Zandvoort

MVZ/tj

c: Jason Knight, Manager, Grant Thornton Ltd. (Jason.Knight@ca.gt.com)
200 King Street West, 11th floor
Toronto, Ontario M5H 3T4

Encl.

30948531.1

AIRD BERLIS

APPENDIX 37



November 22, 2017

BY REGISTERED MAIL AND EMAIL

Single Source Services Ltd.
2900, 10180 – 101 Street
Edmonton, Alberta T5J 3V5

Grant Thornton Limited
11 Floor, 200 King Street West
Box 11
Toronto, ON
M5H 3T4
T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

- and to -

Single Source Services Ltd.
503-14032 23rd Ave.
Edmonton, AB T6R 3L6

Attention: Tanya McCrary-Singh, Chief Financial Officer

Dear Ms. McCrary-Singh:

**Re: Receivership of Crystal Wealth Enlightened Factoring Strategy
(formerly Crystal Enlightened Income Fund)**

As you are aware, Grant Thornton Limited was appointed as receiver and manager of the assets, undertakings and properties of Crystal Wealth Enlightened Factoring Strategy (formerly Crystal Enlightened Income Fund) (the “**Fund**”) (in such capacity, the “**Receiver**”), pursuant to the Order (Appointing Receiver) (the “**Appointment Order**”) issued by the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) on April 26, 2017. The Appointment Order can be found on the Receiver’s Case Website www.grantthornton.ca/crystalwealth. As is evident in the Appointment Order, the Court has provided broad powers to the Receiver in furtherance of its mandate, in order to augment and ensure that the highest possible recovery can be achieved for the benefit of investors of the Fund.

We refer to the factoring agreement made between the Fund and Single Source Services Ltd. (“**Single Source**”) dated August 9, 2016 (the “**Factoring Agreement**”). Unless otherwise defined, all capitalised terms used herein are intended to have the meaning ascribed to them in the Factoring Agreement.

As you are aware, Frontline Factoring Inc. (“**Frontline**”) administered the Fund’s factoring arrangements with Single Source, including the tracking of Receivables on behalf of the Fund.

As reported by Frontline, as at November 17, 2017, the following Debtor Receivables are outstanding for principal and interest:

Crystal Wealth Enlightened Factoring Strategy			
First Capital Management Services LP	Invoice number 318	Interest Outstanding:	\$21,239.48
		Principal Outstanding:	\$93,984.75
TOTAL		\$115,224.23	

We hereby provide you with written notice that the above-noted Receivables are more than 90 days in arrears. Pursuant to section 7.1 of the Factoring Agreement, we hereby require that you repurchase these Receivable from the Fund. Under the terms of the Factoring Agreement, the repurchase price is the aggregate of the amount of the Indebtedness owing, plus interest, at the rates established by the Factoring Agreement. Interest continues to accrue on the Indebtedness at the rates established by the Factoring Agreement.

Please contact the undersigned to make arrangements for immediate payment, as all payments are to be remitted directly to the Receiver.

If payment of the Indebtedness is not received immediately, or alternate arrangements are not put in place forthwith, the Receiver shall take whatever steps it considers necessary or appropriate to collect and recover the Indebtedness owing to the Fund, including enforcing the security provided by Single Source pursuant to the Factoring Agreement. All costs, including legal fees, incurred by the Receiver in enforcing the Fund's rights under the Factoring Agreement will be sought from Single Source.

Please contact the undersigned to make immediate arrangements for Single Source's payment of the Indebtedness, and repurchase of the Receivables.

Yours truly,

GRANT THORNTON LIMITED,
In its capacity as the Court-appointed Receiver and Manager of the Fund,
and not in its personal or corporate capacity and without personal or corporate liability



Jason Knight, CPA, CA
Manager

APPENDIX 38

647497 BC LTD.
INVOICE SUMMARIES



June 9, 2016

RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.

Invoice #:	335
Debtor:	Dome Mountain
Invoice Total:	\$587,550.00 CAD
Forward Percent:	76%
Gross Forward Amount:	\$307,788.60

24% Reserve:	\$97,196.40
Total fees for first 30 days:	\$6,155.77
Net Forward Amount:	\$301,632.83

Frontlines Fees for first 30 days:	\$ 1,538.94
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Daily Crystal Wealth Income:	\$153.89
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Invoice #:	336
Debtor:	Dome Mountain
Invoice Total:	\$173,565.00 CAD
Forward Percent:	76%
Gross Forward Amount:	\$131,909.40
24% Reserve:	\$41,655.60

Total fees for first 30 days:	\$2,638.19
Net Forward Amount:	\$129,271.21
Frontlines Fees for first 30 days:	\$659.55
Daily Crystal Wealth Income:	\$65.95

Total Invoice:	\$578,550.00
Total Gross Forwarded:	\$439,698.00
Total Net Forwarded:	\$430,904.04
Total Fees for first 30 days:	\$8,793.96
Total Daily Interest to Crystal Wealth:	\$219.84
Total Wire to Frontline:	\$439,698.00

Due Diligence Summary:

Here is the next invoices for 647497 BC Ltd.

Wire Instructions:

Beneficiary Address:
Frontline Factoring Inc.
230-719 4th Ave S
Lethbridge AB, T1J 0P1

Account #: 7300895
Branch #: 06809
Institution #: 004
SWIFT: TDOMCATTOR

Beneficiary Bank Address:
TD Canada Trust
2033 Mayor Magrath Dr S
Lethbridge AB, T1K 2S2

Sincerely,

Jerry Froese
President
Frontline Factoring Inc.
403 795-0718



November 28th, 2014

RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.

Merchant:	647497 BC Ltd.
Total Net Forwarded:	\$532,002.78 To be wired to 647497 BC Ltd.
Total Gross Forwarded:	\$542,850.80
Total Frontlines Fees for first 30 days:	\$2714.25
Total Daily Interest to Crystal Wealth:	\$271.43

Invoice #:	256
Debtor:	Bio Diesel Canada Corp.
Invoice Total:	\$105,000.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$84,000.00
20% Reserve:	\$21,000.00
Total fees for first 30 days:	\$1,680.00
Net Forward Amount:	\$82,320.00
Frontlines Fees for first 30 days:	\$420.00

Invoice #:	257
Debtor:	Dome Mountain Resources of Canada Inc.
Invoice Total:	\$357,000.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$285,600.00
20% Reserve:	\$71,400.00
Total fees for first 30 days:	\$5,712.00
Net Forward Amount:	\$279,888.00
Frontlines Fees for first 30 days:	\$1,428.00

Invoice #:	258
Debtor:	GIC Capital Corp.
Invoice Total:	\$216,562.50 CAD
Forward Percent:	80%
Gross Forward Amount:	\$173,250.80
20% Reserve:	\$43,312.50
Total fees for first 30 days:	\$3,456.02
Net Forward Amount:	\$169,794.78
Frontlines Fees for first 30 days:	\$866.25

Due Diligence Summary:

Merchant does project management for large projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as most companies have been incorporated for a specific project. I (Jerry Froese) am personally familiar with the owners of the debtor companies and have good working knowledge that they are well funded. Through other companies the debtors own, Frontline Factoring Inc. has factored over 10 million dollars in receivables over the course of 18 months. Frontline Factoring Inc. has registered a General Security Agreement on the merchant and confirmed equity in land development (see attachments). Frontline Factoring Inc. has also introduced Al Housego to all the parties involved to ensure his comfort level.

It was determined that Royal Bank did have a security agreement on the merchant, although it was from a New Home Warranty Letter of Credit that no longer exists, and we received confirmation of discharge. Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

RBC

Institution #003

Transit #4990

320 Alexander Street

Salmon Arm, bc

V1E 4N8

Account -1005172

647497 BC LTD

3891 Turner Road

Tappen, BC

VOE 2X1

Sincerely,

Jerry Froese

President

Frontline Factoring Inc.

403 795-0718



December 22, 2014

RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.

Merchant:	647497 BC Ltd.
Total Net Forwarded:	\$535,080.00 to be wired to 647497 BC Ltd.
Total Gross Forwarded:	\$546,000.00
Total Frontlines Fees for first 30 days:	\$2730.00
Total Daily Interest to Crystal Wealth:	\$273.00

Invoice #:	259
Debtor:	Bio Diesel Canada Corp.
Invoice Total:	\$183,750.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$147,000.00
20% Reserve:	\$36,750.00
Total fees for first 30 days:	\$2,940.00
Net Forward Amount:	\$144,060.00
Frontlines Fees for first 30 days:	\$735.00

Invoice #:	261
Debtor:	Dome Mountain Resources of Canada Inc.
Invoice Total:	\$367,500.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$294,000.00
20% Reserve:	\$73,500.00
Total fees for first 30 days:	\$5,880.00
Net Forward Amount:	\$288,120.00
Frontlines Fees for first 30 days:	\$1,470.00

Invoice #:	260
Debtor:	GIC Capital Corp.
Invoice Total:	\$131,250.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$105,000.00
20% Reserve:	\$26,250.00
Total fees for first 30 days:	\$2,100.00
Net Forward Amount:	\$102,900.00
Frontlines Fees for first 30 days:	\$525.00

Due Diligence Summary:

Dec 22, 2014 – This is the next batch of invoices for the projects 647497 BC Ltd. is working on.

Previous Summary:

Merchant does project management for large projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as most companies have been incorporated for a specific project. I (Jerry Froese) am personally familiar with the owners of the debtor companies and have good working knowledge that they are well funded. Through other companies the debtors own, Frontline Factoring Inc. has factored over 10 million dollars in receivables over the course of 18 months. Frontline Factoring Inc. has registered a General Security Agreement on the merchant and confirmed equity in land development (see attachments). Frontline Factoring Inc. has also introduced Al Housego to all the parties involved to ensure his comfort level.

It was determined that Royal Bank did have a security agreement on the merchant, although it was from a New Home Warranty Letter of Credit that no longer exists, and we received confirmation of discharge. Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

RBC

Institution #003

Transit #4990

320 Alexander Street

Salmon Arm, bc

V1E 4N8

Account –1005172

647497 BC LTD

3891 Turner Road

Tappen, BC

VOE 2X1

Sincerely,



Jerry Froese

President

Frontline Factoring Inc.

403 795-0718



January 27, 2015

RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.

Merchant:	647497 BC Ltd.
Total Net Forwarded:	\$380,730.00 to be wired to 647497 BC Ltd.
Total Gross Forwarded:	\$388,500.00
Total Frontlines Fees for first 30 days:	\$1,942.50
Total Daily Interest to Crystal Wealth:	\$194.25

Invoice #:	262
Debtor:	Bio Diesel Canada Corp.
Invoice Total:	\$105,000.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$84,000.00
20% Reserve:	\$21,000.00
Total fees for first 30 days:	\$1,680.00
Net Forward Amount:	\$82,320.00
Frontlines Fees for first 30 days:	\$420.00

Invoice #:	263
Debtor:	GIC Capital Corp.
Invoice Total:	\$52,500.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$42,000.00
20% Reserve:	\$10,500.00
Total fees for first 30 days:	\$840.00
Net Forward Amount:	\$41,160.00
Frontlines Fees for first 30 days:	\$210.00

Invoice #:	264
Debtor:	Dome Mountain Resources of Canada Inc.
Invoice Total:	\$328,125.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$262,500.00
20% Reserve:	\$65,625.00
Total fees for first 30 days:	\$5,250.00
Net Forward Amount:	\$257,250.00
Frontlines Fees for first 30 days:	\$1,312.50

Due Diligence Summary:

New Funding: Here are the new amounts for the month for 647497 BC Ltd. No real changes and projects are going as planned.

Merchant does project management for large projects, and has been a long term client of Frontline Factoring Inc. There is very little information regarding the debtors in regards to credit history, as most companies have been incorporated for a specific project. I (Jerry Froese) am personally familiar with the owners of the debtor companies and have good working knowledge that they are well funded. Through other companies the debtors own, Frontline Factoring Inc. has factored over 10 million dollars in receivables over the course of 18 months. Frontline Factoring Inc. has registered a General Security Agreement on the merchant and confirmed equity in land development (see attachments). Frontline Factoring Inc. has also introduced Al Housego to all the parties involved to ensure his comfort level.

Wire Instructions:

RBC

Institution #003

Transit #4990

320 Alexander Street

Salmon Arm, BC

V1E 4N8

Account -1005172

647497 BC LTD

3891 Turner Road

Tappen, BC

VOE 2X1

Sincerely,



Jerry Froese

President

Frontline Factoring Inc.

403 795-0718



May 11, 2015

RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.

Merchant:	647497 BC Ltd.
Invoice #:	302
Debtor:	Dome Mountain Resources Ltd
Invoice Total:	\$507,675.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$406,140.00
20% Reserve:	\$101,535.00
Total fees for first 30 days:	\$8,122.80
Net Forward Amount:	\$398,017.20 to be wired to 647497 BC Ltd.
Frontlines Fees for first 30 days:	\$2,030.70
Crystal Wealth Daily fees:	\$203.07

Due Diligence Summary:

Here is the nest invoice for 647497 BC Ltd.

Previous Summary

Merchant does project management for large projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as most companies have been incorporated for a specific project. I (Jerry Froese) am personally familiar with the owners of the debtor companies and have good working knowledge that they are well funded. Through other companies the debtors own, Frontline Factoring Inc. has factored over 10 million dollars in receivables over the course of 18 months. Frontline Factoring Inc. has registered a General Security Agreement on the merchant and confirmed equity in land development (see attachments). Frontline Factoring Inc. has also introduced AI Housego to all the parties involved to ensure his comfort level. It was determined that Royal Bank did have a security agreement on the merchant, although it was from a New Home Warranty Letter of Credit that no longer exists, and we received confirmation of discharge. Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

RBC

Institution #003

Transit #4990

320 Alexander Street

Salmon Arm, bc

V1E 4N8

Account -1005172

647497 BC LTD

3891 Turner Road

Tappen, BC

V0E 2X1

Sincerely,

Jerry Froese

President

Frontline Factoring Inc.

403 795-0718



September 30, 2015

RE: Crystal Wealth Invoices Summary for 647497 BC Ltd.

Merchant:	647497 BC Ltd.
Total Net Forwarded:	\$405,168.75 to be wired to 647497 BC Ltd.
Total Gross Forwarded:	\$413,437.50
Total Frontlines Fees for first 30 days:	\$2,067.19 to be wired to Frontline
Total Daily Interest to Crystal Wealth:	\$206.72

Invoice #:	303
Debtor:	Bio Diesel Canada Corp.
Invoice Total:	\$278,906.25 CAD
Forward Percent:	80%
Gross Forward Amount:	\$223,125.00
20% Reserve:	\$55,781.25
Total fees for first 30 days:	\$4,462.50
Net Forward Amount:	\$218,662.50
Frontlines Fees for first 30 days:	\$1,115.63
Daily Crystal Wealth Income:	\$111.56

Invoice #:	304
Debtor:	Dome Mountain Resources of Canada Inc.
Invoice Total:	\$237,890.63 CAD
Forward Percent:	80%
Gross Forward Amount:	\$190,312.50
20% Reserve:	\$47,578.13
Total fees for first 30 days:	\$3,806.25
Net Forward Amount:	\$186,506.25
Frontlines Fees for first 30 days:	\$951.56
Daily Crystal Wealth Income:	\$95.16

Due Diligence Summary:

Here is the next invoices for 647497 BC Ltd.

Previous Summary:

Merchant does project management for large projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as most companies have been incorporated for a specific project. I (Jerry Froese) am personally familiar with the owners of the debtor companies and have good working knowledge that they are well funded. Through other companies the debtors own, Frontline Factoring Inc. has factored over 10 million dollars in receivables over the course of 18 months. Frontline Factoring Inc. has registered a General Security Agreement on the merchant and confirmed equity in land development (see attachments). Frontline Factoring Inc. has also introduced Al Housego to all the parties involved to ensure his comfort level.

It was determined that Royal Bank did have a security agreement on the merchant, although it was from a New Home Warranty Letter of Credit that no longer exists, and we received confirmation of discharge. Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

RBC

Institution #003

Transit #4990

320 Alexander Street

Salmon Arm, bc

V1E 4N8

Account -1005172

647497 BC LTD

3891 Turner Road

Tappen, BC

VOE 2X1

Sincerely,

Jerry Froese

President

Frontline Factoring Inc.

403 795-0718

1566496 ALBERTA LTD.
INVOICE SUMMARIES



February 27, 2015

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Total Net Forwarded:	\$331,749.60 to be wired to 1566496 Alberta Ltd.
Total Gross Forwarded:	\$338,720.00
Total Frontlines Fees for first 30 days:	\$1,692.60
Total Daily Interest to Crystal Wealth:	\$169.26

Invoice #:	144
Debtor:	894833 Alberta Ltd.
Invoice Total:	\$270,900.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$216,720.00
20% Reserve:	\$54,180.00
Total fees for first 30 days:	\$4334.40
Net Forward Amount:	\$212,385.60
Frontlines Fees for first 30 days:	\$1,083.60

Invoice #:	145
Debtor:	Dome Mountain Resources of Canada
Invoice Total:	\$152,250.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$121,800.00
20% Reserve:	\$30,450.00
Total fees for first 30 days:	\$2,436.00
Net Forward Amount:	\$119,364.00
Frontlines Fees for first 30 days:	\$609.00

Due Diligence Summary:

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0

TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454

Sincerely,



Jerry Froese
President
Frontline Factoring Inc.
403 795-0718



March 17, 2015

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Total Net Forwarded:	\$324,135.00 to be wired to 1566496 Alberta Ltd.
Total Gross Forwarded:	\$330,750.00
Total Frontlines Fees for first 30 days:	\$1653.75
Total Daily Interest to Crystal Wealth:	\$165.38

Invoice #:	146
Debtor:	Dome Mountain Resources Ltd
Invoice Total:	\$131,250.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$105,000.00
20% Reserve:	\$26,250.00
Total fees for first 30 days:	\$2,100.00
Net Forward Amount:	\$102,900.00
Frontlines Fees for first 30 days:	\$525.00
Crystal Wealth Daily fees:	\$52.50

Invoice #:	147
Debtor:	1566496 AB Ltd.
Invoice Total:	\$282,187.50 CAD
Forward Percent:	80%
Gross Forward Amount:	\$225,750.00
20% Reserve:	\$56,437.50
Total fees for first 30 days:	\$4,515.00
Net Forward Amount:	\$221,235.00
Frontlines Fees for first 30 days:	\$1,128.75
Crystal Wealth Daily Fees:	\$112.88

Due Diligence Summary:

Here is the next batch of invoices.

Previous Summary

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0

TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454

Sincerely,



Jerry Froese
President
Frontline Factoring Inc.
403 795-0718



March 30, 2015

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Total Net Forwarded:	\$308,700.00 to be wired to 1566496 Alberta Ltd.
Total Gross Forwarded:	\$315,000.00
Total Frontlines Fees for first 30 days:	\$1,575.00
Total Daily Interest to Crystal Wealth:	\$157.50

Invoice #:	149
Debtor:	Dome Mountain Resources Ltd
Invoice Total:	\$183,750.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$147,000.00
20% Reserve:	\$36,750.00
Total fees for first 30 days:	\$2,940.00
Net Forward Amount:	\$144,060.00
Frontlines Fees for first 30 days:	\$735.00
Crystal Wealth Daily fees:	\$73.50

Invoice #:	148
Debtor:	1566496 AB Ltd.
Invoice Total:	\$210,000.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$168,000.00
20% Reserve:	\$42,000.00
Total fees for first 30 days:	\$3,360.00
Net Forward Amount:	\$164,640.00
Frontlines Fees for first 30 days:	\$840.00
Crystal Wealth Daily Fees:	\$84.00

Due Diligence Summary:

Here is the next batch of invoices.

Previous Summary

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0

TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit - 06809
Institution - 004
Account Number - 84655217454

Sincerely,



Jerry Froese
President
Frontline Factoring Inc.
403 795-0718



April 13, 2015

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Total Net Forwarded:	\$102,900.00 to be wired to 1566496 Alberta Ltd.
Total Gross Forwarded:	\$105,000.00
Total Frontlines Fees for first 30 days:	\$525.00
Total Daily Interest to Crystal Wealth:	\$52.50

Invoice #:	150
Debtor:	Dome Mountain Resources Ltd
Invoice Total:	\$131,250.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$105,000.00
20% Reserve:	\$26,250.00
Total fees for first 30 days:	\$2,100.00
Net Forward Amount:	\$102,900.00
Frontlines Fees for first 30 days:	\$525.00
Crystal Wealth Daily fees:	\$52.50

Due Diligence Summary:

Here is the next batch of invoices.

Previous Summary

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they

are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

**1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0**

**TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Froese', with a horizontal line extending to the right.

**Jerry Froese
President
Frontline Factoring Inc.
403 795-0718**



April 29, 2015

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Invoice #:	151
Debtor:	Dome Mountain Resources Ltd
Invoice Total:	\$262,500.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$210,000.00
20% Reserve:	\$52,500.00
Total fees for first 30 days:	\$4,200.00
Net Forward Amount:	\$205,800.00 to be wired to 1566496 Alberta Ltd.
Frontlines Fees for first 30 days:	\$1,050.00
Crystal Wealth Daily fees:	\$105.00

Due Diligence Summary:

Here next invoice for the large mine project.

Previous Summary

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

**1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0**

**TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Froese', with a long horizontal stroke extending to the right.

**Jerry Froese
President
Frontline Factoring Inc.
403 795-0718**



May 11, 2015

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Invoice #:	152
Debtor:	Dome Mountain Resources Ltd
Invoice Total:	\$510,300.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$408,240.00
20% Reserve:	\$102,060.00
Total fees for first 30 days:	\$8,164.80
Net Forward Amount:	\$400,075.20 to be wired to 1566496 Alberta Ltd.
Frontlines Fees for first 30 days:	\$2,041.20
Crystal Wealth Daily fees:	\$204.12

Due Diligence Summary:

Here is the next invoice for this merchant. The invoice is a little larger as they are getting closer to the end of the large mining project.

Previous Summary

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

**1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0**

**TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Froese', with a long horizontal stroke extending to the right.

**Jerry Froese
President
Frontline Factoring Inc.
403 795-0718**



August 31, 2015

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Invoice #:	153
Debtor:	Dome Mountain Resources Ltd
Invoice Total:	\$105,000.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$84,000.00
20% Reserve:	\$21,000.00
Total fees for first 30 days:	\$8,164.80
Net Forward Amount:	\$82,320.00 to be wired to 1566496 Alberta Ltd.
Frontlines Fees for first 30 days:	\$420.00
Crystal Wealth Daily fees:	\$1,260.00

Due Diligence Summary:

Here is the next invoice for this merchant.

Previous Summary

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

**1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0**

**TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454**

Sincerely,

A handwritten signature in dark ink, appearing to be 'J. Froese', with a long horizontal stroke extending to the right.

**Jerry Froese
President
Frontline Factoring Inc.
403 795-0718**



September 10, 2015

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Invoice #:	154
Debtor:	Bio Diesel Canada Corp.
Invoice Total:	\$315,000.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$252,000.00
20% Reserve:	\$63,000.00
Total fees for first 30 days:	\$5,040.00
Net Forward Amount:	\$246,960.00
Frontlines Fees for first 30 days:	\$1,260.00
Crystal Wealth Daily fees:	\$126.00

Invoice #:	155
Debtor:	Dome Mountain Resources Ltd
Invoice Total:	\$220,500.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$176,400.00
20% Reserve:	\$44,100.00
Total fees for first 30 days:	\$3,528.00
Net Forward Amount:	\$172,872.00
Frontlines Fees for first 30 days:	\$882.00
Crystal Wealth Daily fees:	\$88.20

Reserve:	\$107,100.00
Net Forward Amount:	\$419,832.00 to be wired to 1566496 Alberta Ltd.
Frontlines Fees for first 30 days:	\$2142.00 to be wired to Frontline
Crystal Wealth Daily fees:	\$214.20

Due Diligence Summary:

Here is the next invoice for this merchant.

Previous Summary

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0

TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454

Sincerely,



Jerry Froese

President
Frontline Factoring Inc.
403 795-0718



October 29, 2015

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Invoice #:	156
Debtor:	Bio Diesel Canada Corp.
Invoice Total:	\$440,000.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$352,000.00
20% Reserve:	\$88,000.00
Total fees for first 30 days:	\$7,040.00
Net Forward Amount:	\$344,960.00
Frontlines Fees for first 30 days:	\$1,760.00
Crystal Wealth Daily fees:	\$176.00

Invoice #:	157
Debtor:	Dome Mountain Resources Ltd
Invoice Total:	\$340,000.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$272,000.00
20% Reserve:	\$68,000.00
Total fees for first 30 days:	\$5,440.00
Net Forward Amount:	\$266,560.00
Frontlines Fees for first 30 days:	\$1,360.00
Crystal Wealth Daily fees:	\$136.00

Reserve:	\$156,000.00
Net Forward Amount:	\$611,520.00 to be wired to 1566496 Alberta Ltd.
Frontlines Fees for first 30 days:	\$3,120.00 to be wired to Frontline
Crystal Wealth Daily fees:	\$312.00

Due Diligence Summary:

Here is the next invoice for this merchant.

Previous Summary

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0

TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454

Sincerely,



Jerry Froese

President
Frontline Factoring Inc.
403 795-0718



November 6, 2015

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Invoice #:	158
Debtor:	Dome Mountain Resources of Canada Inc
Invoice Total:	\$260,000.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$208,000.00
20% Reserve:	\$52,000.00
Total fees for first 30 days:	\$4,160.00
Net Forward Amount:	\$203,840.00 to be wired to 1566496 AB Ltd.
Frontlines Fees for first 30 days:	\$1,040.00 to be wired to Frontline
Crystal Wealth Daily fees:	\$104.00

Due Diligence Summary:

Here is the next invoice for this merchant.

Previous Summary

Merchant does project management and consulting specifically on mining projects. Jeff Maljaars works with his Father (Bob Maljaars) on various projects, and has been a client of Frontline Factoring Inc. in the past. There is very little information regarding the debtors in regards to credit history, as debtor has no debt. In this case the debtor is a project manager from a number of mines and has come to the Maljaars' to source the right mining equipment for multiple projects. I (Jerry Froese) am personally familiar with the owner of the debtor companies and have good working knowledge that they are well funded. I have also factored through Frontline Factoring Inc. over 3 million for other companies that the debtor owns.

Frontline Factoring Inc. has registered a General Security Agreement on the merchant and received personal guarantee from Jeff Maljaars.

Overall, we feel confident in the merchant, the debtors and these receivables.

Wire Instructions:

**1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0**

**TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Froese', with a long horizontal stroke extending to the right.

**Jerry Froese
President
Frontline Factoring Inc.
403 795-0718**



January 5, 2016

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Invoice #:	158
Debtor:	Dome Mountain Resources of Canada Inc.
Invoice Total:	\$390,000.00 CAD
Forward Percent:	80%
Gross Forward Amount:	\$312,000.00
20% Reserve:	\$78,000.00
Total fees for first 30 days:	\$6,240.00
Net Forward Amount:	\$305,760.00 to be wired to 1566496 Alberta Ltd.
Frontlines Fees for first 30 days:	\$1,560.00 to be wired to Frontline
Crystal Wealth Daily fees:	\$156.00

Due Diligence Summary:

Here is the next invoice for Dome Mountain Resources. All previous invoices have been paid off as agreed.

Wire Instructions:

**1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0**

**TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004**

Account Number - 84655217454

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'J' followed by a horizontal line and a small upward flick.

Jerry Froese
President
Frontline Factoring Inc.
403 795-0718



April 15, 2016

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Invoice #:	215
Debtor:	Dome Mountain Resources of Canada Inc.
Invoice Total:	\$65,100.00
Forward Percent:	80%
Gross Forward Amount:	\$52,080.00
20% Reserve:	\$13,020.00
Total fees for first 30 days:	\$1,041.60 to be wired to Frontline
Net Forward Amount:	\$51,038.40 to be wired to 1566496 Alberta Ltd.
Crystal Wealth Daily fees:	26.04

Due Diligence Summary:

Here is the next invoice for Dome Mountain Resources.

Wire Instructions:

**1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0**

**TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to read 'Jerry Froese'.

Jerry Froese
President
Frontline Factoring Inc.
403 795-0718



May 11, 2016

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Invoice #:	221
Debtor:	Dome Mountain Resources of Canada Inc.
Invoice Total:	\$609,000.00
Forward Percent:	80%
Gross Forward Amount:	\$487,200.00
20% Reserve:	\$121,800.00
Total fees for first 30 days:	\$9,744.00 to be wired to Frontline
Net Forward Amount:	\$477,456.00 to be wired to 1566496 Alberta Ltd.
Crystal Wealth Daily fees:	\$243.60

Due Diligence Summary:

Here is the next invoice for Dome Mountain Resources.

Wire Instructions:

**1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0**

**TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454**

Sincerely,

Jerry Froese
President
Frontline Factoring Inc.
403 795-0718



August 18, 2016

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Invoice #:	222
Debtor:	Dome Mountain Resources of Canada Inc.
Invoice Total:	\$451,500.00
Forward Percent:	80%
Gross Forward Amount:	\$361,200.00
20% Reserve:	\$90,300.00
Total fees for first 30 days:	\$7,224.00 to be wired to Frontline
Net Forward Amount:	\$353,976.00 to be wired to 1566496 Alberta Ltd.
Crystal Wealth Daily fees:	\$180.60

Due Diligence Summary:

Here is the next invoice for Dome Mountain Resources.

Wire Instructions:

**1566496 Alberta Ltd.
PO Box 91
Pritchard BC, V0E 2P0**

**TD Canada Trust
2033 Mayor Magrath Drive South
Lethbridge, AB T1K 2S2
Transit – 06809
Institution – 004
Account Number - 84655217454**

Sincerely,

A handwritten signature in black ink, appearing to read 'Jerry Froese', with a stylized horizontal stroke extending to the right.

Jerry Froese
President
Frontline Factoring Inc.
403 795-0718



February 17, 2017

RE: Crystal Wealth Invoices Summary for 1566496 Alberta Ltd.

Merchant:	1566496 Alberta Ltd.
Invoice #:	223
Debtor:	IC Commerce
Invoice Total:	\$250,000.00
Forward Percent:	80%
Gross Forward Amount:	\$200,000.00
20% Reserve:	\$50,000.00
Total fees for first 30 days:	\$4,000.00
Net Forward Amount:	\$196,000.00
Wire to Frontline:	\$200,000.00
Crystal Wealth Daily fees:	\$100.00

Due Diligence Summary:

Here is a new invoice to IC Commerce.

Sincerely,

A handwritten signature in black ink, appearing to be "Jerry Froese". The signature is stylized with a long horizontal stroke and a vertical stroke intersecting it.

Jerry Froese
President
Frontline Factoring Inc.
403 795-0718

**ADVANCED METAL CONCEPT AND
FABRICATION LTD.
INVOICE SUMMARIES**



September 21, 2015

RE: Crystal Wealth Invoices Summary for Advanced Metal Concepts and Fabrication Ltd.

Merchant:	Advanced Metal Concepts & Fabrication Ltd. (Advanced Metals)
Total Net Forwarded:	\$500,000.00 to be wired to Advanced Metal Concepts and Fabrication Ltd.
Total Gross Forwarded:	\$526,315.79
Total Frontlines Fees for first 30 days:	\$18,421.05
Total Daily Interest to Crystal Wealth:	\$263.16

Invoice #:	35507
Debtor:	Lotus Environmental Ltd.
Invoice Total:	\$879,823.63 CAD
Forward Percent:	59.82060177%
Gross Forward Amount:	\$526,315.79
Reserve:	\$353,507.84
Total fees for first 30 days:	\$26,315.79
Net Forward Amount:	\$500,000.00
Frontlines Fees for first 30 days:	\$18,421.05
Crystal Wealth Daily fees:	\$263.16

Due Diligence Summary:

Advanced Metal was Frontline Factoring Inc.'s first ever factoring client. Advanced Metal have not required factoring for the last year and a half, although now they have a very large project that they require factoring on. The invoice we are factoring is for a waste to energy system that will be installed in the county of Lacombe landfill (Prentiss Landfill). This invoice is for completed engineering costs associated with the build. As we only have one receivable that we are purchasing, and no commitment for ongoing factoring, we have charged the merchant 5% for the first 30 days and .13% per day after 30 days. Along with our usual personal guarantees from owners of Advanced Metals and a General Security Agreement, we have also received personal guarantees (attached) with Independent Legal Advice (with copies of personal net worth) on three shareholders of the Debtor (Lotus Environmental Ltd.)

Wire Instructions:

Advanced Metal Concepts and Fabrication Ltd
3675 Griffen Road North
Lethbridge, AB T1H 5V9

1st Choice Savings & Credit Union Ltd.
1320 – 3rd Ave. S
Lethbridge, Alberta T1J 4A4
Transit – 01849
Institution – 899
Account Number - 721630282433

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Froese', with a long horizontal stroke extending to the right.

Jerry Froese
President
Frontline Factoring Inc.
403 795-0718

January 13, 2016

RE: Advanced Metals Invoice Summary

Invoice #: 35539
Debtor: Profab Industrial Construction
Invoice Amount: \$89,378.01
Gross Forwarded: \$71,502.41
Forward Percent: 80%
Net Forwarded: \$68,999.83
Fees for first 30 days: \$2,502.58
Frontlines Fees for first 30 days: \$1,430.05
Daily Interest to Crystal Wealth: \$35.75

Invoice #: 35535
Debtor: AIC International Corp
Invoice Amount: \$252,000.00
Gross Forwarded: \$201,600.00
Forward Percent: 80%
Net Forwarded: \$194,544.00
Fees for first 30 days: \$7,056.00
Frontlines Fees for first 30 days: \$4,032.00
Daily Interest to Crystal Wealth: \$100.80

Invoice #: 35525
Debtor: Westpro Infrastructure Ltd.
Invoice Amount: \$55,738.92
Gross Forwarded: \$44,591.14
Forward Percent: 80%
Net Forwarded: \$43,030.45
Fees for first 30 days: \$1,560.69
Frontlines Fees for first 30 days: \$891.82
Daily Interest to Crystal Wealth: \$22.30

Invoice #:	35536
Debtor:	Strategic Transportation Ltd.
Invoice Amount:	\$1,466,364.85
Gross Forwarded:	\$200,441.16
Forward Percent:	13.6692554%
Net Forwarded:	\$193,425.72
Fees for first 30 days:	\$7,015.44
Frontlines Fees for first 30 days:	\$4,008.82
Daily Interest to Crystal Wealth:	\$100.22

Total Invoices:	\$1,863,481.78
Total Gross Forwarded:	\$518,134.71
Total Net Forwarded:	\$500,000.00 wire to Advanced Metals
Total Fees Upfront:	\$18,134.71
Total Frontline Fees Upfront:	\$10,362.69 wire to Frontline
Total CW Daily Interest:	\$259.07

Due Diligence Summary:

We have completed due diligence on all of the accounts receivables and are recommending the purchase of these receivables to Crystal Wealth.

Sincerely,



Steven Bandola
Account Manager
Frontline Factoring Inc.
(403) 715-3901

March 4, 2016

RE: Advanced Metals Invoice Summary

Invoice #:	35555
Debtor:	Mi2 Energy Ltd
Invoice Amount:	\$213,868.36
Gross Forwarded:	\$171,094.69
Forward Percent:	80%
Net Forwarded:	\$165,106.38 wire to Advanced Metals
Fees for first 30 days:	\$5,988.31 wire to Frontline
Frontlines Fees for first 30 days:	\$4,008.82
Daily Interest to Crystal Wealth:	\$85.55

Due Diligence Summary:

We have completed due diligence on all of the accounts receivables and are recommending the purchase of these receivables to Crystal Wealth.

Sincerely,



Steven Bandola
Account Manager
Frontline Factoring Inc.
(403) 715-3901

August 25, 2016

RE: Crystal Wealth Invoice Summary

Fund:	Crystal Wealth Enlightened Factoring Fund
Merchant:	Advanced Metals Concepts and Fabrication
Invoice #:	35615
Debtor:	Cuttings Edge Energy
Invoice Total:	\$191,990.93
Gross Forwarded:	\$153,592.74
Forward Percent:	80%
Net Forwarded:	\$148,216.99
Fees for first 30 days:	\$5,375.75
Daily Interest to Crystal Wealth:	\$76.80

Total Net Forwarded:	\$148,216.99
Total Fees for first 30 days:	\$5,375.75
Total Wire to Frontline:	\$153,592.74
Total New Daily CW Rate:	\$684.58

Due Diligence Summary:

Cuttings Edge Energy is an energy company supplying drill site products to oil and gas producers in southern Alberta. Their payment trends are sufficient and the invoice has been confirmed and approved to be submitted, payment being directed to Frontline.

Sincerely,



Steven Bandola
Frontline Factoring Inc.
403 715-3901

**DOME MOUNTAIN RESOURCES OF CANADA
INC.
INVOICE SUMMARIES**



March 9, 2016

RE: Crystal Wealth Invoices Summary for Dome Mountain

Merchant:	Dome Mountain Resources of Canada Ltd.
Invoice #:	205
Debtor:	MGE Corporation Limited
Invoice Total	\$80,000,000.00
Total Gross Forwarded:	\$1,000,000.00
Forward Percent:	1.25%
Total Net Forwarded:	\$837,500.00 CAD to be wired to Dome Mountain

***This new invoice will bring the total Forward percentage to 13.95246567330%**

Total Fees:	\$162,500.00 Flat Fee
Total CW Income:	\$159,125.00 Flat Fee
Frontline Factoring Fees:	\$3,375.00 Flat Fee

Due Diligence Summary:

The next advance for this invoice secured by GSA all assets which includes shares in Gavin Mines Inc. Given the overall strength of purchase agreement and GSA, we are recommending purchasing additional amounts on this receivable.

Previous Summary:

Dome Mountain Resources has secured an advance of \$80MM for purchase of shares in a gold mine (Gavin Mines Inc.). The advance is subject to completion of a drilling program that will be completed by spring 2016. Normally we would not recommend factoring an advance prior to completion of all the requirements although, the funder (MGE Corporation Limited) has secured a Performance bond that guarantees \$12MM payment within 12 months of November 6, 2015. Given the strength of the insurance company, we are strongly recommending factoring this deal. The total amount required is \$10,050,000 and a guaranteed payback of \$12,000,000 within 12 months. This deal is being structured as a flat discount rate for 12 months verses a normal 30-day

discount rate. Although the performance bond is 12 months, it is estimates to be funded by May 31, 2016.

Wire Instructions:

Dome Mountain Resources of Canada Inc.
112 Cranston Dr SE
Calgary AB
T3M1A8

TD Canada Trust
Calgary South Trails
#4307 130th Ave SE, Suite 20
Calgary AB T2Z 3V8

Transit No. 06909
Inst. No. 004
Account No. 5253869

Sincerely,



Steven Bandola
Frontline Factoring Inc.
403 715-3901



November 22, 2016

RE: Crystal Wealth Invoices Summary for Dome Mountain

Fund:	Crystal Wealth Enlightened Factoring Strategy
Merchant:	Dome Mountain Resources of Canada Ltd.
Invoice #:	206
Debtor:	MGE Corporation Limited
Invoice Total	\$36,000,000.00
Total Gross Forwarded:	\$13,808,835.23
Forward Percent:	38.35787564%
Total Net Forwarded:	\$13,550,032.23 (includes \$45,731.35 - previous Frontline Fees)
 CW 30 Day Rate:	 1.561643835% = \$211,603.24
Frontline 30 Day Rate:	0.3483368839% = \$47,199.76
Total 30 Day Rate:	1.9099807189% = \$258,803.00
 CW Daily Rate After 30 Days:	 0.0520547945% = \$7,053.44
 Gross Forwarded Distribution:	
Dome Mountain Total Outstanding to Crystal Wealth Enlightened Factoring Strategy:	\$10,127,675.88
 Dome Mountain Total Outstanding to ACM Income Fund:	 \$2,380,000.00
 Dome Mountain Total Outstanding to Crystal Wealth Enlightened Hedge Fund:	 \$996,625.00
 CW 30 Day Rate:	 \$211,603.24
 Frontline 30 Day Rate:	 \$47,199.76 (Has been wired)
 Frontline Fees Due from Last Invoice:	 \$45,731.35 (Has been wired)

Due Diligence Summary:

This summary is new agreement and invoice that will payout the old invoice including a new insurance policy. MGE Corporation Limited (MGE) was unable to close on the funding of Gavin mines as the numbers did not substantiate the purchase price, although we had an insurance policy covering the performance of MGE. As the deal has been restructured at a lower price, MGE will now be able to fund the share purchase and the insurance company is willing to reissue a new policy at an increased amount to cover the added factoring fees. The fees will be at the same annual rate as the last deal although it will be prorated with early payout.

Previously sent:

- Security Agreement
- Mandate Letter
- Deed of Guarantee
- Coverage email from BMI Reinsurance Division committing that executed insurance documents will be received from the head office later today
- Draft of Lawyer Confirming Insurance
- Signed Insurance Cover Note
- Signed Reinsurance Cover Note
- Signed Deed of Guarantee

Attached:

- Factoring Agreement
- Term Sheet

Sincerely,



Steven Bandola
Frontline Factoring Inc.
403 715-3901

RESTORATION ENERGY INC.
INVOICE SUMMARIES



September 23, 2015

RE: Restoration Energy Invoice Summary

Merchant:	Restoration Energy
Total Invoices	\$ 900,000.00
Total Gross Forwarded:	\$ 720,000.00
Forward Percent:	80.00%
Total Net Forwarded:	\$ 689,400.00
Total Frontline Fees for 30 days	\$ 19,800.00
Total Fees for 30 days	\$ 30,600.00
Daily CW Interest	\$ 360.00

Debtor:	CPPS Mission Projects
Invoice	20150917B
Invoice Amt:	\$ 400,000.00
Gross Forwarded:	\$ 320,000.00
Net Forwarded:	\$ 306,400.00

Debtor:	U of C
Invoice:	20150917A
Invoice Amt:	\$ 500,000.00
Gross Forwarded:	\$ 400,000.00
Net Forwarded:	\$ 383,000.00

Due Diligence Summary:

Here are the next 2 invoices from Restoration Energy. Invoices are very strong again as one is to the University of Calgary and the other is an arm of the Catholic Church. As we have not received payment on the first invoice (which we are expected to be paid in next 15-30 days), so we have again requested mortgage security. Current mortgage security is as follows:

\Land as Security (based on 2011 appraisal)

Total Land Value	\$4,680,000
Total Mortgaged	\$1,804,000
<u>Additional Security</u>	<u>\$1,607,728 (amount registered is \$2,000,000)</u>
Total Equity	\$1,268,272
Total Loan to Value	72.9%

Wire Instructions:

Restoration Energy Inc.
Acct. #1995-775
Bank of Montreal
750 Main Street, Airdrie, AB T4B3M1
Transit #21619
Swift Code: BOFMCAM2
Institution No: 001

Sincerely,



Steven Bandola
Frontline Factoring Inc.
403 715-3901

December 15, 2015

RE: Restoration Energy Invoice Summary

Invoice #:	20151201A	
Invoice Amount:	\$600,000.00	
Forward Percent:	80%	
Gross Forwarded:	\$480,000.00	
30-day fee:	\$20,400.00	
Net Forwarded:	\$459,600.00	Wire to Restoration
FL Fees Upfront:	\$13,200.00	Wire to Frontline
CW Daily Revenue:	\$240.00	

Due Diligence Summary:

Here is the next invoice from Restoration Energy. Restoration Energy continues to pay the interest component on a monthly basis.

Land as Security (based on 2011 appraisal)

Existing Value secured:	\$1,111,323.69
New secured amount:	\$480,000.00
Total Security held:	\$1,591,323.69
 Total Land Value	 \$4,680,000
Total Registered Mortgage by CW:	\$2,000,000
Existing Prior Mortgage:	\$1,607,728
Total Equity	\$1,480,948
Total Loan to Value	68.4%

Wire Instructions:

Restoration Energy Inc.
Acct. #1995-775
Bank of Montreal
750 Main Street, Airdrie, AB T4B3M1
Transit #21619
Swift Code: BOFMCAM2

Sincerely,



Steven Bandola
Account Manager
Frontline Factoring Inc.
(403) 715-3901

January 29, 2016

RE: Restoration Energy Invoice Summary

Invoice #:	20151201C	
Invoice Amount:	\$700,000.00	
Forward Percent:	37.299515%	
Gross Forwarded:	\$261,096.61	
30-day fee:	\$11,096.61	
Net Forwarded:	\$250,000.00	Wire to Restoration
FL Fees Upfront:	\$7,180.16	Wire to Frontline
CW Daily Revenue:	\$130.55	

Due Diligence Summary:

Here is the next invoice from Restoration Energy. Restoration Energy continues to pay the interest component on a monthly basis.

Land as Security (based on 2011 appraisal)

Existing Value secured:	\$1,341,323.69
New secured amount:	\$261,096.61
New Total Security held:	\$1,602,420.30
Total Land Value	\$4,680,000
Total Registered Mortgage by CW:	\$2,000,000
Existing Prior Mortgage:	\$1,607,728
Total Loan to Value	68.6%

Wire Instructions:

Restoration Energy Inc.
Acct. #1995-775
Bank of Montreal
750 Main Street, Airdrie, AB T4B3M1
Transit #21619
Swift Code: BOFMCAM2

Sincerely,



Steven Bandola
Account Manager
Frontline Factoring Inc.
(403) 715-3901

February 23, 2016

RE: Restoration Energy Invoice Summary

Invoice #:	20151201C	
Invoice Amount:	\$700,000.00	
Forward Percent:	14.919825%	
Gross Forwarded:	\$104,438.64	
30-day fee:	\$4,438.64	Wire to Frontline
Net Forwarded:	\$100,000.00	Wire to Restoration
FL Fees Upfront:	\$2,872.06	
CW Daily Revenue:	\$52.22	

Due Diligence Summary:

This is a new funding amount for an existing invoice from Restoration Energy. This new funding would bring the total forward percent of this invoice to 52.219%, which is well below the 80% we can recommend for this client. Restoration Energy continues to pay the interest component on a monthly basis.

Land as Security (based on 2011 appraisal)

Existing Value secured:	\$1,602,420.30
New secured amount:	\$104,438.64
New Total Security held:	\$1,706,858.94
Total Land Value	\$4,680,000
Total Registered Mortgage by CW:	\$2,000,000
Existing Prior Mortgage:	\$1,607,728
Total Loan to Value	70.82%

Wire Instructions:

Restoration Energy Inc.
#234, 203-304 Main St E
Airdrie AB, T4B 3C3

Bank of Montreal
750 Main Street, Airdrie, AB T4B3M1
Acct. #1995-775
Transit #21619
Swift Code: BOFMCAM2

Sincerely,



Steven Bandola
Account Manager



Frontline Factoring Inc.
(403) 715-3901

230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

665

April 19, 2016

RE: Restoration Energy Invoice Summary

Invoice #: 20151201C
Invoice Amount: \$700,000.00
Forward Percent: 22.3797090%
Gross Forwarded: \$156,657.96
30-day fee: \$6,657.96 **Wire to Frontline**
Net Forwarded: \$150,000.00 **Wire to Restoration**
CW Daily Revenue: \$78.33

Due Diligence Summary:

Here is the next amount for Restoration Energy. Restoration Energy continues to pay the interest component on a monthly basis and the full amount is secured by a mortgage on outside property.

Wire Instructions:

Restoration Energy Inc.
#234, 203-304 Main St E
Airdrie AB, T4B 3C3

Bank of Montreal
750 Main Street, Airdrie, AB T4B3M1 Acct.
#1995-775
Transit #21619
Swift Code: BOFMCAM2
Phone: 403.795.0718
Fax: 587.787.0897

230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

Sincerely,



Steven Bandola
Account Manager
Frontline Factoring Inc.
(403) 715-3901

February 23, 2016

RE: Restoration Energy Invoice Summary

Invoice #: 20151201C
Invoice Amount: \$700,000.00
Forward Percent: 3%
Gross Forwarded: \$21,000.00
30-day fee: \$892.50
Net Forwarded: \$20,107.50
FL Fees Upfront: \$577.50
CW Daily Revenue: \$10.50

Invoice #: 20160309
Invoice Amount: \$600,000.00
Forward Percent: 80%
Gross Forwarded: \$482,000.00
30-day fee: \$20,400.00
Net Forwarded: \$459,600.00
FL Fees Upfront: \$13,200.00
CW Daily Revenue: \$240.00

Total New Principal: \$501,000.00
Total Funding Amount: **\$479,707.50 Wire to Restoration Energy**
Total Upfront Fees: **\$21,292.50 Wire to Frontline**
Total CW Daily Interest: \$250.50

Due Diligence Summary:

The first funding amount is a new amount for an existing invoice from Restoration Energy. This new funding would bring the total forward percent of this invoice to 55.219320%, which is still below the 80% we can recommend for this client. The other amount is for a new invoice from a debtor who we recommend. Restoration Energy continues to pay the interest component on a monthly basis.

Land as Security (based on 2011 appraisal)

Existing Value secured:	\$1,561,841.26
New secured amount:	\$501,000.00
New Total Security held:	\$2,062,841.26
Total Land Value	\$4,680,000
Total Registered Mortgage by CW:	\$2,000,000
Existing Prior Mortgage:	\$1,607,728
Total Loan to Value	70.82%

Wire Instructions:

Restoration Energy Inc.
#234, 203-304 Main St E
Airdrie AB, T4B 3C3

Bank of Montreal
750 Main Street, Airdrie, AB T4B3M1
Acct. #1995-775
Transit #21619
Swift Code: BOFMCAM2

Sincerely,



Steven Bandola
Account Manager
Frontline Factoring Inc.
(403) 715-3901

SINGLE SOURCE SERVICES LTD
INVOICE SUMMARIES



August 19, 2016

RE: Crystal Wealth Invoice Summary for Single Source Services

Merchant:	Single Source Services
Invoice #:	318
Debtor:	First Capital Management Services
Invoice Total:	\$117,480.94
Forward Percent:	80%
Gross Forward Amount:	\$93,984.75
20% Reserve:	\$23,496.19
Total fees for first 30 days:	\$3,759.39 to be wired to Frontline
Net Forward Amount:	\$90,225.36 to be wired to Frontline

Total wire to Frontline: \$93,984.75

Crystal Wealth Daily fees: \$46.99

Due Diligence Summary:

First Capital Management Services is a long standing customer of Single Source Services. It is a subsidiary of First Capital Realty Inc. [TSX:FCR]. Single Source works for them on a monthly basis. This invoice has been verified with First Capital, is undisputed and has been submitted to payables for payment in early September. This invoice has already been purchased by Frontline and the funds have been advanced to Single Source, so the full wire amount should be sent directly to Frontline.

Sincerely,

Jerry Froese
President
Frontline Factoring Inc.
403 795-0718

ZOMONGO TV CORP
INVOICE SUMMARIES



September 30, 2015

RE: Invoices Summary for Zomongo TV Corp

Merchant:	Zomongo TV Corp.
Total Invoices	\$787,500.00
Total Gross Forwarded:	\$630,000.00
Forward Percent:	80%
Total Net Forwarded:	\$598,500.00 CAD to be wired to Zomongo
Total Frontlines Fees for first 30 days:	\$22,050.00 CAD to be wired to Frontline
Total Daily Interest to Crystal Wealth:	\$315.00
Total Fees for first 30 days:	\$31,500.00

Invoice #:	AC-2015-08-27a
Debtor:	Accent Marketing
Invoice Total:	\$393,750.00
Gross Forwarded:	\$315,500.00
Forward Percent:	80%
Net Forwarded:	\$299,250.00
Frontlines Fees for first 30 days:	\$11,025.00
Daily Interest to Crystal Wealth:	\$157.50
Total Fees for first 30 days:	\$15,750.00

Invoice #:	AC-2015-08-27b
Debtor:	Accent Marketing
Invoice Total:	\$393,750.00
Gross Forwarded:	\$315,000.00
Forward Percent:	80%
Net Forwarded:	\$299,250.00
Frontlines Fees for first 30 days:	\$11,025.00
Daily Interest to Crystal Wealth:	\$157.50
Total Fees for first 30 days:	\$15,750.00

Due Diligence Summary:

Here are the next invoices for Zomongo TV Corp. Zomongo continues to expand and we are continuing to use land as security for these invoices.

Here are the details of the property:

Value	\$4,800,000
ATB First Mtg	\$700,000
Duratech 2 nd Mtg	\$280,000
B. Van Hierden 3 rd Mtg	\$700,000
Our Mortgage from Apr 10 th	\$913,500
Our Mortgage from Aug 25 th	\$248,724.00
Total Mortgages	\$2,842,224.00
New Mortgage	\$630,000.00
Total Mortgage Registered	\$3,472,224.00

We will be using \$1,792,224.00 of the \$2,000,000 registered mortgage.

New Loan to Value $\$3,472,224.00 / 4,800,000 = 72.3\%$

Given the mortgage we are recommending factoring these this invoice.

Wire Instructions:

Zomongo.tv Corp
 Acct. #1994885
 Bank of Montreal
 101 Crowfoot Way NW, Calgary AB, T3G 2R2
 Transit #06469
 Swift Code: BOFMCAM2
 Institution No: 001

Sincerely,



Steven Bandola
 Frontline Factoring Inc.
 403 715-3901



March 24, 2016

RE: Hedge Fund Invoice Summary for Zomongo TV Corp

Merchant:	Zomongo TV Corp.
Invoice #:	AC-2016-02-08a
Debtor:	Accent Marketing
Total Invoice:	\$787,500.00
Total Gross Forwarded:	\$142,105.26
Forward Percent:	18.0451120%
Total Net Forwarded:	\$135,000.00 CAD to be wired to Zomongo
Total Fees for first 30 days:	\$7,105.26 to be wired to Frontline
Total Daily Interest to Hedge Fund:	\$118.42

Due Diligence Summary:

Here is the next invoice for Zomongo TV Corp. Client continues to grow and has recently reached a deal with Vanus for another 100 screens. Vanus manages 244+million in advertising budgets and has been in business for over 10 years.

Wire Instructions:

Zomongo.tv Corp
 Box 658
 Cochrane AB T4C 1A8
 Acct. #1994885
 Bank of Montreal
 101 Crowfoot Way NW, Calgary AB, T3G 2R2
 Transit #06469
 Swift Code: BOFMCAM2
 Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a horizontal line extending to the right.

Steven Bandola
 Frontline Factoring Inc.
 403 715-3901



March 24, 2016

RE: Hedge Fund Invoice Summary for Zomongo TV Corp

Merchant:	Zomongo TV Corp.
Invoice #:	AC-2016-02-08a
Debtor:	Accent Marketing
Total Invoice:	\$787,500.00
Total Gross Forwarded:	\$142,105.26
Forward Percent:	18.0451120%
Total Net Forwarded:	\$135,000.00 CAD to be wired to Zomongo
Total Fees for first 30 days:	\$7,105.26 to be wired to Frontline
Total Daily Interest to Hedge Fund:	\$118.42

Due Diligence Summary:

Here is the next invoice for Zomongo TV Corp. Client continues to grow and has recently reached a deal with Vanus for another 100 screens. Vanus manages 244+million in advertising budgets and has been in business for over 10 years.

Wire Instructions:

Zomongo.tv Corp
 Box 658
 Cochrane AB T4C 1A8
 Acct. #1994885
 Bank of Montreal
 101 Crowfoot Way NW, Calgary AB, T3G 2R2
 Transit #06469
 Swift Code: BOFMCAM2
 Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola'.

Steven Bandola
 Frontline Factoring Inc.
 403 715-3901



January 12, 2016

RE: **Crystal Wealth Invoice Summary for Zomongo TV Corp**

Merchant:	Zomongo TV Corp.
Invoice #:	EC-01-12-2016
Debtor:	Eyeconic.tv
Total Invoice:	\$1,102,500.00
Total Gross Forwarded:	\$606,375.00
Forward Percent:	55%
Total Net Forwarded:	\$576,056.25 CAD to be wired to Zomongo
Total Frontlines Fees for first 30 days:	\$21,223.13 CAD to be wired to Frontline
Total Daily Interest to Crystal Wealth:	\$303.19
Total Fees for first 30 days:	\$30,318.75

Due Diligence Summary:

Here is the next invoice for Zomongo TV Corp. Client continues to grow and has recently reached a deal with Pay Day loans for 150 screens. The billing is done through Eyeconic.tv. As payment from Eyeconic.TV has a history of being slow, we have reduced the forward percentage to 55% from 80%.

Wire Instructions:

Zomongo.tv Corp
 Acct. #1994885
 Bank of Montreal
 101 Crowfoot Way NW, Calgary AB, T3G 2R2
 Transit #06469
 Swift Code: BOFMCAM2
 Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a horizontal line extending to the right.

Steven Bandola
 Frontline Factoring Inc.
 403 715-3901



January 28, 2016

RE: **Crystal Wealth Invoice Summary for Zomongo TV Corp**

Merchant:	Zomongo TV Corp.
Invoice #:	EC-01-18-2016
Debtor:	Eyeconic.tv
Total Invoice:	\$1,102,500.00
Total Gross Forwarded:	\$441,000.00
Forward Percent:	40%
Total Net Forwarded:	\$418,950.00 CAD to be wired to Zomongo
Total Fees for first 30 days:	\$22,050.00 to be wired to Frontline
Total Daily Interest to Crystal Wealth:	\$220.50

Due Diligence Summary:

Here is the next invoice for Zomongo TV Corp. Client continues to grow and has recently reached a deal with Pay Day loans for 150 screens. The billing is done through Eyeconic.tv. As payment from Eyeconic.TV has a history of being slow, we have reduced the forward percentage to 40% from 55%.

Wire Instructions:

Zomongo.tv Corp
 Acct. #1994885
 Bank of Montreal
 101 Crowfoot Way NW, Calgary AB, T3G 2R2
 Transit #06469
 Swift Code: BOFMCAM2
 Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a horizontal line extending to the right.

Steven Bandola
 Frontline Factoring Inc.
 403 715-3901

May 20, 2016

RE: Crystal Wealth Invoice Summary for Zomongo TV Corp

Fund:	Crystal Enlightened Factoring Strategy
Merchant:	Zomongo TV Corp.
Invoice #:	EC-05-19-2016
Debtor:	Eyeconic.tv
Invoice Total:	\$1,125,000.00
Gross Forwarded:	\$632,812.50
Forward Percent:	56.25%
Net Forwarded:	\$601,171.87
Fees for first 30 days:	\$31,640.63
Daily Interest to Crystal Wealth:	\$316.41

Total Invoice:	\$1,125,000.00
Total Gross Forwarded:	\$632,812.50
Total Net Forwarded:	\$601,171.87 CAD to be wired to Zomongo
Total Fees for first 30 days:	\$31,640.63 to be wired to Frontline
Total Daily Interest to Crystal Wealth:	\$316.41

Due Diligence Summary:

Here is the next invoice for Zomongo. We have only advanced 56.25% on this invoice to maintain a healthy reserve.

Wire Instructions:

Zomongo.tv Corp
Box 658
Cochrane AB T4C 1A8
Acct. #1994885
Bank of Montreal
101 Crowfoot Way NW, Calgary AB, T3G 2R2
Transit #06469
Swift Code: BOFMCAM2
Institution No: 001



230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

680

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a long horizontal flourish extending to the right.

Steven Bandola
Frontline Factoring Inc.
403 715-3901

May 25, 2016

RE: Crystal Wealth Invoice Summary for Zomongo TV Corp

Fund: Crystal Enlightened Factoring Strategy
Merchant: Zomongo TV Corp.

Invoice #: EC-05-21-2016

Debtor: Eyeconic.tv
Invoice Total: \$1,125,000.00
Gross Forwarded: \$526,500.00
Forward Percent: 46.80%
Net Forwarded: \$500,175.00
Fees for first 30 days: \$26,325.00
Daily Interest to Crystal Wealth: \$263.25

Total Invoice: \$1,125,000.00
Total Gross Forwarded: \$526,500.00
Total Net Forwarded: **\$500,175.00 CAD to be wired to Zomongo**
Total Fees for first 30 days: **\$26,325.00 to be wired to Frontline**
Total Daily Interest to Crystal Wealth: **\$263.25**

Due Diligence Summary:

Here is the next invoice summary for Zomongo.

Wire Instructions:

Zomongo.tv Corp
Box 658
Cochrane AB T4C 1A8
Acct. #1994885
Bank of Montreal
101 Crowfoot Way NW, Calgary AB, T3G 2R2
Transit #06469
Swift Code: BOFMCAM2
Institution No: 001



230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

682

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a long horizontal flourish extending to the right.

Steven Bandola
Frontline Factoring Inc.
403 715-3901

July 12, 2016

RE: Crystal Wealth Invoice Summary for Zomongo TV Corp

Fund: Crystal Enlightened Factoring Strategy
Merchant: Zomongo TV Corp.

Invoice #: EC-06-16-2016
Debtor: Eyeconic.tv
Invoice Total: \$1,125,000.00
Gross Forwarded: \$213,750.00
Forward Percent: 19.00%
Net Forwarded: \$203,062.50
Fees for first 30 days: \$10,687.50
Daily Interest to Crystal Wealth: \$106.88

Invoice #: EC-06-29-2016
Debtor: Eyeconic.tv
Invoice Total: \$1,125,000.00
Gross Forwarded: \$213,750.00
Forward Percent: 19.00%
Net Forwarded: \$203,062.50
Fees for first 30 days: \$10,687.50
Daily Interest to Crystal Wealth: \$106.88

Total Invoice: \$2,250,000.00
Total Gross Forwarded: \$427,500.00
Total Net Forwarded: **\$406,125.00 CAD to be wired to Zomongo**
Total Fees for first 30 days: **\$21,375.00 to be wired to Frontline**
Total Daily Interest to Crystal Wealth: \$213.76

Due Diligence Summary:

Here is the next invoice for Zomongo TV Corp.



230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

Wire Instructions:

Zomongo.tv Corp
Box 658
Cochrane AB T4C 1A8
Acct. #1994885
Bank of Montreal
101 Crowfoot Way NW, Calgary AB, T3G 2R2
Transit #06469
Swift Code: BOFMCAM2
Institution No: 001

Sincerely,

Steven Bandola
Frontline Factoring Inc.
403 715-3901

June 20, 2016

RE: Crystal Wealth Invoice Summary for Zomongo TV Corp

Fund:	Crystal Enlightened Factoring Strategy
Merchant:	Zomongo TV Corp.
Invoice #:	EC-06-16-2016
Debtor:	Eyeconic.tv
Invoice Total:	\$1,125,000.00
Gross Forwarded:	\$421,875.00
Forward Percent:	37.50%
Net Forwarded:	\$400,781.25 CAD to be wired to Zomongo
Fees for first 30 days:	\$21,093.75 CAD to be wired to Frontline
Daily Interest to Crystal Wealth:	\$210.94

Due Diligence Summary:

Here is the next invoice summary for Zomongo.

Wire Instructions:

Zomongo.tv Corp
Box 658
Cochrane AB T4C 1A8
Acct. #1994885
Bank of Montreal
101 Crowfoot Way NW, Calgary AB, T3G 2R2
Transit #06469
Swift Code: BOFMCAM2
Institution No: 001

Sincerely,



Steven Bandola
Frontline Factoring Inc.
403 715-3901

June 30, 2016

RE: Crystal Wealth Invoice Summary for Zomongo TV Corp

Fund:	Crystal Enlightened Factoring Strategy
Merchant:	Zomongo TV Corp.
Invoice #:	EC-06-29-2016
Debtor:	Eyeconic.tv
Invoice Total:	\$1,125,000.00
Gross Forwarded:	\$421,875.00
Forward Percent:	37.50%
Net Forwarded:	\$400,781.25 CAD to be wired to Zomongo
Fees for first 30 days:	\$21,093.75 CAD to be wired to Frontline
Daily Interest to Crystal Wealth:	\$210.94

Due Diligence Summary:

Here is the next advance on the previously sent invoices.

Wire Instructions:

Zomongo.tv Corp
Box 658
Cochrane AB T4C 1A8
Acct. #1994885
Bank of Montreal
101 Crowfoot Way NW, Calgary AB, T3G 2R2
Transit #06469
Swift Code: BOFMCAM2
Institution No: 001

Sincerely,



Steven Bandola
Frontline Factoring Inc.
403 715-3901



January 6, 2016

RE: **Crystal Wealth Invoice Summary for Zomongo TV Corp**

Merchant:	Zomongo TV Corp.
Invoice #:	EC-12-15b-2015
Debtor:	Eyeconic.tv
Total Invoice:	\$1,102,500.00
Total Gross Forwarded:	\$661,500.00
Forward Percent:	60%
Total Net Forwarded:	\$628,425.00 CAD to be wired to Zomongo
Total Frontlines Fees for first 30 days:	\$23,152.50 CAD to be wired to Frontline
Total Daily Interest to Crystal Wealth:	\$330.75
Total Fees for first 30 days:	\$33,075.00

Due Diligence Summary:

Here is the next invoice for Zomongo TV Corp. Client continues to grow and has recently reached a deal with Pay Day loans for 150 screens. The billing is done through Eyeconic.tv. As payment from Eyeconic.TV has a history of being slow, we have reduced the forward percentage to 60% from 80%.

Wire Instructions:

Zomongo.tv Corp
 Acct. #1994885
 Bank of Montreal
 101 Crowfoot Way NW, Calgary AB, T3G 2R2
 Transit #06469
 Swift Code: BOFMCAM2
 Institution No: 001

Sincerely,

Steven Bandola
 Frontline Factoring Inc.
 403 715-3901

April 7, 2016

RE: Crystal Wealth Invoice Summary for Zomongo TV Corp

Fund: Hedge Fund
Merchant: Zomongo TV Corp.

Invoice #: GS-2016-04-4a
Debtor: Golden Shores Enterprises Inc
Invoice Total: \$750,000.00
Gross Forwarded: \$263,157.90
Forward Percent: 35.0877200%
Net Forwarded: \$250,000.00
Fees for first 30 days: \$13,157.90
Daily Interest to Crystal Wealth: \$219.30

Invoice #: GS-2016-04-4b
Debtor: Golden Shores Enterprises Inc
Invoice Total: \$750,000.00
Gross Forwarded: \$263,157.90
Forward Percent: 35.0877200%
Net Forwarded: \$250,000.00
Fees for first 30 days: \$13,157.90
Daily Interest to Crystal Wealth: \$219.30

Total Invoice: \$1,500,000.00
Total Gross Forwarded: \$526,315.80
Total Net Forwarded: **\$500,000.00 CAD to be wired to Zomongo**
Total Fees for first 30 days: **\$26,315.80 to be wired to Frontline**
Total Daily Interest to Crystal Wealth: \$438.60

Due Diligence Summary:

Here is the next Golden Shore invoice.

Wire Instructions:

Zomongo.tv Corp
Box 658
Cochrane AB T4C 1A8
Acct. #1994885
Bank of Montreal
101 Crowfoot Way NW, Calgary AB, T3G 2R2



230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

689

Transit #06469
Swift Code: BOFMCAM2
Institution No: 001

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Bandola', with a long horizontal flourish extending to the right.

Steven Bandola
Frontline Factoring Inc.
403 715-3901



May 10, 2016

RE: Hedge Fund Invoice Summary for Zomongo TV Corp

Invoice #:	GS-2016-04-4a
Debtor:	Golden Shores Enterprises Inc
Invoice:	\$750,000.00
Gross Forwarded:	\$210,526.32
Forward Percent:	28.0701760%
Net Forwarded:	\$200,000.00 CAD
Fees for first 30 days:	\$10,526.32
Daily Interest to Hedge Fund:	\$175.44

Invoice #:	GS-2016-04-4b
Debtor:	Golden Shores Enterprises Inc
Invoice:	\$750,000.00
Gross Forwarded:	\$210,526.32
Forward Percent:	28.0701760%
Net Forwarded:	\$200,000.00
Fees for first 30 days:	\$10,526.32
Daily Interest to Hedge Fund:	\$175.44

Merchant:	Zomongo TV Corp.
Total Invoice:	\$1,500,000.00
Total Gross Forwarded:	\$421,052.64
Forward Percent:	28.0701760%
Total Net Forwarded:	\$400,000.00 CAD to be wired to Zomongo
Total Fees for first 30 days:	\$21,052.64 to be wired to Frontline
Total Daily Interest to Hedge Fund:	\$350.88

Due Diligence Summary:

Here is the next invoice for Golden Shores.

Wire Instructions:

Zomongo.tv Corp
Box 658
Cochrane AB T4C 1A8
Acct. #1994885
Bank of Montreal
101 Crowfoot Way NW, Calgary AB, T3G 2R2
Transit #06469
Swift Code: BOFMCAM2
Institution No: 001

Sincerely,



Steven Bandola
Frontline Factoring Inc.
403 715-3901

Sept 20, 2016

RE: Crystal Wealth Invoice Summary for Zomongo TV Corp

Fund:	Crystal Wealth Enlightened Factoring Strategy
Merchant:	Zomongo TV Corp.
Invoice #:	MM-2016-17-8a
Debtor:	Moblty Media & TV
Invoice Total:	\$1,500,000.00
Gross Forwarded:	\$211,500.00
Forward Percent:	14.1%
Net Forwarded:	\$200,925.00
Fees for first 30 days:	\$10,575.00
Daily Interest to Crystal Wealth:	\$105.75

Invoice #:	MM-2016-17-8b
Debtor:	Moblty Media & TV
Invoice Total:	\$1,500,000.00
Gross Forwarded:	\$211,500.00
Forward Percent:	14.1%
Net Forwarded:	\$200,925.00
Fees for first 30 days:	\$10,575.00
Daily Interest to Crystal Wealth:	\$105.75

Total Gross Forwarded:	\$423,000.00 to be wired to Frontline
Total Net Forwarded:	\$401,850.00 CAD
Total Fees for first 30 days:	\$21,150.00
Total Daily Interest to Crystal Wealth:	\$211.50

Due Diligence Summary:

Here is the next advance on the previously sent invoices.

Sincerely,

Steven Bandola
Frontline Factoring Inc.
403 715-3901

April 7, 2016

RE: Crystal Wealth Invoice Summary for Zomongo TV Corp

Fund: Crystal Enlightened Factoring Strategy
Merchant: Zomongo TV Corp.

Invoice #: VA-2016-04-4a
Debtor: Vanus Consulting Inc
Invoice Total: \$750,000.00
Gross Forwarded: \$210,526.32
Forward Percent: 28.07017600%
Net Forwarded: \$200,000.00
Fees for first 30 days: \$10,526.32
Daily Interest to Crystal Wealth: \$105.26

Invoice #: VA-2016-04-4b
Debtor: Vanus Consulting Inc
Invoice Total: \$750,000.00
Gross Forwarded: \$210,526.32
Forward Percent: 28.07017600%
Net Forwarded: \$200,000.00
Fees for first 30 days: \$10,526.32
Daily Interest to Crystal Wealth: \$105.26

Total Invoice: \$1,500,000.00
Total Gross Forwarded: \$421,052.64
Total Net Forwarded: **\$400,000.00 CAD to be wired to Zomongo**
Total Fees for first 30 days: **\$21,052.64 to be wired to Frontline**
Total Daily Interest to Crystal Wealth: \$210.52

Due Diligence Summary:

Here is the next invoice for Zomongo TV Corp. Vanus is an advertising agency is investing in units in various convenience store locations with Zomongo.

Wire Instructions:

Zomongo.tv Corp
Box 658
Cochrane AB T4C 1A8
Acct. #1994885
Bank of Montreal



230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

101 Crowfoot Way NW, Calgary AB, T3G 2R2

Transit #06469

Swift Code: BOFMCAM2

Institution No: 001

Sincerely,

Steven Bandola
Frontline Factoring Inc.
403 715-3901

April 19, 2016

RE: Crystal Wealth Invoice Summary for Zomongo TV Corp

*this is a second identical invoice summary for the same invoices sent on April 7, 2016

Fund: Crystal Enlightened Factoring Strategy
Merchant: Zomongo TV Corp.

Invoice #: VA-2016-04-4a
Debtor: Vanus Consulting Inc
Invoice Total: \$750,000.00
Gross Forwarded: \$210,526.32
Forward Percent: 28.07017600%
Net Forwarded: \$200,000.00
Fees for first 30 days: \$10,526.32
Daily Interest to Crystal Wealth: \$105.26

Invoice #: VA-2016-04-4b
Debtor: Vanus Consulting Inc
Invoice Total: \$750,000.00
Gross Forwarded: \$210,526.32
Forward Percent: 28.07017600%
Net Forwarded: \$200,000.00
Fees for first 30 days: \$10,526.32
Daily Interest to Crystal Wealth: \$105.26

Total Invoice: \$1,500,000.00
Total Gross Forwarded: \$421,052.64
Total Net Forwarded: **\$400,000.00 CAD to be wired to Zomongo**
Total Fees for first 30 days: **\$21,052.64 to be wired to Frontline**
Total Daily Interest to Crystal Wealth: \$210.52

Due Diligence Summary:

Here is the next advance on the previously sent invoices.



230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

Wire Instructions:

Zomongo.tv Corp
Box 658
Cochrane AB T4C 1A8
Acct. #1994885
Bank of Montreal
101 Crowfoot Way NW, Calgary AB, T3G 2R2
Transit #06469
Swift Code: BOFMCAM2
Institution No: 001

Sincerely,

Steven Bandola
Frontline Factoring Inc.
403 715-3901

APPENDIX 39

TAB 39

From: Jerry Froese
Sent: Friday, September 29, 2017 4:21 PM Knight,
To: Jason; Bando, Bruce
Cc: Samuel Kurtz
Subject: Exhibit C and written reports

Follow Up Flag: Follow up
Flag Status: Completed

Response to call September 29

As per request, Exhibit "C" was never completed in the Factoring Procurement and Administration Agreement. There were many discussions with Clayton Smith although I don't believe we ever came to an agreement. We started with conversations on each deal as well as an invoice summary and if Crystal Wealth requested any addition information we would give it to them.

Because of that, there were no written reports as there was nothing to reference.

Let me know if you have any other questions.

Thanks,

--
Jerry Froese
President/CEO
Frontline Factoring Inc.
Phone: 403.795.0718
Fax: 587.787.0897

APPENDIX 40

EXHIBIT A

DUE DILIGENCE GUIDELINES

The following is a guideline of the base due diligence that Fund will require for a factoring arrangement to be initiated by Frontline and approved by Fund:

SECTION 1

Category 1 Documents (From Merchant)

- Merchant Application
- Articles of Organization or Incorporation
- Driver's License from all Owners
- A/R Aging Summary By Debtor
- Business Licenses / Permits
- Six Month Closed History Spreadsheet

SECTION 2

Initial Review

- Review of Section 1 Documents
- Prepare Merchant Summary
- Issue Term Sheet
- Send Term Sheet Package Complete

SECTION 3

Category 2 Documents (From Merchant)

- Returned Signed Term Sheet
- Obtain Proof of Insurance
- Financials 2 years
- Tax Returns 2 years
- Number of Filings Found
- Copies of Filings Attached
- Audit - 3 months
 - Bank Statements
 - Deposit Slips

SECTION 4

- PPSA Filings/Searches Request
- Credit Report(s)
- Subordination Agreement if Needed

SECTION 5

Debtor Review

- Credit Insurance Coverage
- D&B Reports

SECTION 6

Audit Review

- Test File/Backup
- Final Audit Report

SECTION 7

Closing Documents

- Bank Account Requested and Opened
 - Lockbox if Needed
- Factoring Agreement
- Lock Box Agreement
- Notification Letter (GENERIC)
- Notification Letter (DEBTOR SPECIFIC)
- All Notification Letters Sent
- Wire transfer instructions

SECTION 8

Final Signoff

- Final Approval
- Merchant Summary (Final)

APPENDIX 41

From: Jerry Froese
Sent: Tuesday, October 31, 2017 1:53 PM
To: Knight, Jason; Samuel Kurtz
Cc: Bando, Bruce; Steve Graff; Mark van Zandvoort
Subject: RE: Frontline

Hi Jason,

As per previous conversations, there was no formal Schedule "A" and the schedule you have may have been a draft copy for discussion purposes, although was never part of the agreement. As per information, I believe we have sent you everything that we have.

Let me know if you require any additional information.

Regards,

--

Jerry Froese
President/CEO
Frontline Factoring inc.
Phone: 403.795.0718
Fax: 587.787.0897

From: Knight, Jason
Sent: Tuesday, October 31, 2017 10:46 AM
To: Jerry Froese; Samuel Kurtz
Cc: Bando, Bruce; Steve Graff; Mark van Zandvoort
Subject: RE: Frontline

Hi Jerry,

To follow-up on our initial request on September 11, 2017, can you please provide the following items to the Receiver with respect to the Factoring Procurement and Administration Agreements ("FPAA's"). I have cited particular section references with respect to the Receiver's requests based on the FPAA between Frontline and the Crystal Enlightened Income Fund dated November 25, 2014 (attached to this email). I have bolded these section references for your convenience.

- The Lockbox Agreement – **Section 1.1(g)**
- Documentation (e.g. reports, correspondence, supporting documentation obtained and/or reviewed by Frontline as required by the Exhibit "A" Due Diligence Guidelines, etc.) to support Frontline's due diligence of each Merchant, and that the Due Diligence Guidelines (as defined in the FPAA) for each Merchant were met, including but not limited to, a review of the operations and credit worthiness of the Merchants, the Debtors involved, and the accounts receivable aging – **Section 2**
- The written reports provided to Crystal Wealth as to whether the specific proposed factoring arrangement complies with the Due Diligence Guidelines – **Section 2, "Due Diligence Guidelines" are defined in Section 1.1(i) making reference to Exhibit "A"** (I have attached Exhibit "A" for your convenience).

Please provide the above noted documents to the Receiver no later than 5:00 PM MST on November 2, 2017.

Regards,

Jason Knight, CPA, CA | Manager
Recovery & Reorganization
Grant Thornton Limited

APPENDIX 42



230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

August 11, 2017

RE: Payment Summary

Client: Advanced Metals Concepts and Fabrication

Invoice #:	35507
Payment Amount:	\$25,000.00
Principle Paid:	\$0.00
Interest Paid:	\$25,000.00
Duration:	232
CW Revenue Paid:	\$9,615.38
CW Revenue Outstanding:	\$43,521.90

CW Revenue Collected:	\$9,615.38
Principal Collected:	\$0.00
Transfer to CW:	\$9,615.38

Client Total Outstanding:	\$1,760,208.81
New CW Daily Rate:	\$628.16

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Bandola'.

Steven Bandola
Account Manager
Frontline Factoring Inc.
(403) 715-3901



230-719 4th Ave S
Lethbridge, Alberta
T1J 0P1, Canada

September 21, 2017

RE: Payment Summary

Client: Advanced Metals Concepts and Fabrication Ltd.

Invoice #: 35507
Payment Amount: \$113,044.51
Principle Paid: \$0.00
Interest Paid: \$113,044.51
Duration: 41
CW Revenue Paid: \$43,478.64
CW Revenue Outstanding: \$9,433.90

CW Revenue Collected: \$43,478.64
Principal Collected: \$0.00
Transfer to CW: \$43,478.64

Client Total Outstanding: \$1,704,306.82
New CW Daily Rate: \$628.16

Sincerely,

A handwritten signature in black ink, appearing to read 'Sam Kurtz'.

Sam Kurtz
Operations Manager
Frontline Factoring Inc.
(403) 942-7233



Phone: 403 942-7233
Email: info@frontlinefactoring.com

APPENDIX 43

From: Jerry Froese
Sent: Wednesday, October 18, 2017 4:56 PM
To: Knight, Jason
Cc: Bando, Bruce; Mark van Zandvoort; Steve Graff; Samuel Kurtz
Subject: RE: Crystal Wealth - Frontline Factoring

Hi Jason,

I'm waiting on a deposit in Frontline. It was supposed to hit my account today, but it has not hit. I will advise and send wire as soon as funds hit my account.

Regards,

--

Jerry Froese
President/CEO
Frontline Factoring inc.
Phone: 403.795.0718
Fax: 587.787.0897

From: Knight, Jason
Sent: Monday, October 16, 2017 2:44 PM
To: Jerry Froese
Cc: Bando, Bruce; Mark van Zandvoort; Steve Graff; Samuel Kurtz
Subject: RE: Crystal Wealth - Frontline Factoring

Hi Jerry,

During our telephone discussion on October 3, 2017, we inquired as to why the payments which Frontline received from Merchants since the Receiver's appointment (specifically, the August 11 and September 21, 2017 payments from Advanced Metal) were not remitted in their entirety to the Factoring Fund. You advised that Frontline had some form of verbal arrangement with Clayton Smith, whereby Frontline was permitted to retain certain sums of the payments received from Merchants on account of interest in priority to repayment being first made to the Factoring Fund. That arrangement is contrary to s. 4.6 of Factoring Procurement and Administration Agreement dated November 25, 2014, which provides that all monies received by Frontline from a Merchant or Debtors shall be paid firstly to the Factoring Fund until the amount advanced by the Fund has been repaid in full, and secondly, on a pro rata basis to Frontline and the Fund for the amounts of the fees due to each of them under the agreement. The Receiver has not – and does not – approve of a priority arrangement for payment which is different from the priority arrangement prescribed by the Factoring Procurement and Administration Agreement. Nor is there any other agreement in place that could legitimize Frontline's administration of funds received from the Merchants (or Debtors) in the manner which would permit Frontline to retain portions of the payments received in priority to the Fund in circumstances where the amount advanced by the Fund has not yet been repaid in full. We therefore reiterate that the entirety of the payments, and all future payments received, must be immediately remitted to the Receiver in trust for the Fund in accordance with the

709
priority scheme set out in the Factoring Procurement and Administration Agreement. Should such payments not be received by the Receiver in full, Frontline's failure to remit payment will be brought to the attention of the Court.

Please also provide full particulars of the quantum of funds, and source thereof, which you anticipate receiving today or tomorrow.

We trust that the foregoing is clear, and look forward to receiving payment as required without further delay.

Thank you.

Regards,

Jason Knight, CPA, CA | Manager
Recovery & Reorganization
Grant Thornton Limited
T +1 416 369 7017

From: Jerry Froese
Sent: Monday, October 16, 2017 1:44 PM
To: Knight, Jason
Cc: Bando, Bruce; Mark van Zandvoort; Steve Graff; Samuel Kurtz
Subject: RE: Crystal Wealth - Frontline Factoring

Hi Jason,

As this is not how we were administrating and distributing funds, and the receiver did not notify us of any change or dispute when invoice summaries were sent, we did not hold the full amount of funds for the receiver. At this point we do not have sufficient funds to send the full amount to the receiver although we are expecting funds today or tomorrow. At that point we can send funds to receiver. Do you want me to send partial payment today? Can you also clarify your position on how funds are to be distributed in the future? I understand you want full payment to receiver, although as funds are collected and invoices are paid off, at what time will Frontline receive fees?

Thanks,

--
Jerry Froese
President/CEO
Frontline Factoring inc.
Phone: 403.795.0718
Fax: 587.787.0897

From: Knight, Jason
Sent: Friday, October 13, 2017 4:10 PM
To: Jerry Froese
Cc: Bando, Bruce; Mark van Zandvoort; Steve Graff
Subject: RE: Crystal Wealth - Frontline Factoring

Hi Jerry,

As indicated in my email of October 10, 2017 below, the Receiver requires that the entire \$113,044.51 payment received by Frontline from Advance Metal in September 2017 on account of Lotus Invoice 33507 be remitted to the Receiver, in Trust for the Factoring Fund, in accordance with s. 4.6 of Factoring Procurement and Administration Agreement dated November 25, 2014. For the same reason, the entire \$25,000 payment received by Frontline from Advanced Metal on August 11, 2017 on account of Lotus Invoice 33507 ought to have been remitted to the Receiver, as opposed to the \$9,615.38 which was allocated to the Factoring Fund in Frontline's weekly summary. Please transfer both amounts by wire transfer to the Receiver in Trust for the Factoring Fund, to the wire transfer instructions set out in my October 10th email below.

Should the Receiver not be sent the entire amounts, the Receiver will be required to report to the Court concerning the failure of Frontline to remit the entirety of the payments to the Receiver, contrary to the Receiver's requests and the express requirements of the Factoring Procurement and Administration Agreement.

Please confirm that payment will be remitted today as requested.

Thank you.

Regards,

- Jason

Jason Knight, CPA, CA | Manager
Recovery & Reorganization
Grant Thornton Limited
T +1 416 369 7017

From: Jerry Froese
Sent: Friday, October 13, 2017 3:57 PM
To: Knight, Jason
Cc: Bando, Bruce
Subject: RE: Crystal Wealth - Frontline Factoring

Hi Jason,

Frontline has been caught off guard with the request to send all the funds from the invoices to the receiver. As precedent had been set and agreed to by Crystal Wealth with the way we were handling all payments and per instructions from receiver to continue operations as we always have, would it be possible to start with the new calculations (per original agreement) going forward. We will send the original amount from the invoice summaries right away.

Thanks,

Jerry Froese
President/CEO
Frontline Factoring inc.
Phone: 403.795.0718
Fax: 587.787.0897

From: Knight, Jason
Sent: Thursday, October 12, 2017 5:19 PM
To: Jerry Froese
Cc: Bando, Bruce; Samuel Kurtz; Mark van Zandvoort; Steve Graff
Subject: RE: Crystal Wealth - Frontline Factoring

Jerry,

We have not received a response from you to my email below, and have not received any of the information and documentation requested. Nor have we received the \$113,044.51 payment received by Frontline from Advance Metal in September on account of Lotus Invoice 33507. We require that the foregoing be delivered today, as per my email below.

Thank you.

Regards,
 • Jason

Jason Knight, CPA, CA | Manager
 Recovery & Reorganization
 Grant Thornton Limited
 T +1 416 369 7017

From: Knight, Jason
Sent: Tuesday, October 10, 2017 11:00 AM
To: 'Jerry Froese'
Cc: Bando, Bruce; Samuel Kurtz; Mark van Zandvoort; Steve Graff
Subject: Crystal Wealth - Frontline Factoring

Jerry,

By way of follow-up to our conference call on Tuesday, October 3, 2017, we require that you please send to us the following documentation by no later than Thursday, October 12, 2017:

- A complete set of all of the General Security Agreements executed by each Merchant in favour of both the Factoring and Hedge Funds;
- With respect to the attached document entitled "Dome Mountain – 205":
 - a copy of the "purchase agreement" referenced at p. 1 thereof;
 - the initial performance guarantee which guaranteed \$12MM payment within 12 months of November 6, 2015;
- With respect to the attached document entitled "Dome Mountain – 206":
 - Each of the following documents listed under the "Previously sent" and "Attached" headings on p. 2:
 - Security Agreement (if different from the November 4, 2016 Security Agreement already provided);
 - Mandate Letter;
 - Deed of Guarantee (if different from the November 4, 2016 Deed of Guarantee already provided);
 - Coverage email from BMI Reinsurance Division committing that executed insurance documents will be received from the head office;

- Draft of Lawyer Confirming Insurance;
 - Any other correspondence from the lawyer, Dome, or MGE confirming the insurance was in place, or advising that the premium had not been paid;
 - Signed Reinsurance Cover Note;
 - Signed Deed of Guarantee;
 - Factoring Agreement; and
 - Term Sheet;
- With respect to the attached document entitled “Restoration Energy – 20160309, 20151201C”, all security documents pertaining to the land security described at p. 2, including without limitation copies of the registered mortgage referenced; and
 - Please provide a copy of the agreement pursuant to which Dome Mountain was acquiring the whole share capital of Gavin Mines Inc. (as referenced at recital B of the November 4, 2016 Deed of Guarantee, attached), and confirm whether Dome Mountain is the sole shareholder of Gavin Mines Inc., and if not, provide a breakdown of the shareholdings in Gavin Mines Inc.

Lastly, the entire \$113,044.51 payment received by Frontline from Advance Metal on September 2017 on account of Lotus Invoice 33507 must be remitted to the Receiver, in Trust for the Factoring Fund, in accordance with s. 4.6 of Factoring Procurement and Administration Agreement dated November 25, 2014. For the same reason, the entire \$25,000 payment received by Frontline from Advanced Metal on August 11, 2017 on account of Lotus Invoice 33507 ought to have been remitted to the Receiver, as opposed to the \$9,615.38 which was allocated to the Factoring Fund in Frontline’s weekly summary. Please transfer both amounts by wire transfer to the Receiver in Trust for the Factoring Fund – the details of which are attached to this email with the associated USD and CAD accounts outlined below:

USD – Account: 27Q090F

CAD – Account: 27Q090E

Please confirm today once the payments have been sent so that we may look out for them:

Thank you.

Jason

Jason Knight, CPA, CA | Manager

Recovery & Reorganization

Grant Thornton Limited

11th Floor | 200 King Street West | Box 11 | Toronto | ON | M5H 3T4

T +1 416 369 7017 | F +1 416 360 4949

Linked In profile



APPENDIX 44

Crystal Wealth Funding Breakdown Report

Date: November 17, 2017

CAD
CWEFS

Principal Outstanding:	\$22,875,728.58	CW Outstanding:	\$4,034,418.25	Total Outstanding:	\$31,744,255.77
------------------------	-----------------	-----------------	----------------	--------------------	-----------------

CWEHF

Principal Outstanding:	\$3,011,397.21	CW Outstanding:	\$948,392.22	Total Outstanding:	\$4,620,899.57
	\$25,887,125.79		\$4,982,810.47		\$36,365,155.34

CWEFS - General Summary
[BACK](#)
Zomongo TV Corp

CW Daily Interest	CW Revenue To-Date	FL Revenue To-Date	Principal Outstanding	CW Interest Outstanding	Total Outstanding
\$3,102.20	\$1,922,373.92	\$4,478,399.53	\$6,204,373.05	\$913,644.02	\$11,100,229.45

Dome Mountain

CW Daily Interest	CW Revenue To-Date	FL Revenue To-Date	Principal Outstanding	CW Interest Outstanding	Total Outstanding
\$6,534.65	\$4,237,418.54	\$78,024.80	\$12,793,174.87	\$2,424,355.15	\$15,457,297.70

Advanced Metal

CW Daily Interest	CW Revenue To-Date	FL Revenue To-Date	Principal Outstanding	CW Interest Outstanding	Total Outstanding
\$559.14	\$442,702.19	\$567,530.03	\$1,118,266.05	\$310,496.00	\$1,772,187.71

1566496 Alberta Ltd.

CW Daily Interest	CW Revenue To-Date	FL Revenue To-Date	Principal Outstanding	CW Interest Outstanding	Total Outstanding
\$412.02	\$446,762.80	\$159,258.58	\$824,038.65	\$149,382.86	\$1,012,325.46

647497 Bc Ltd

CW Daily Interest	CW Revenue To-Date	FL Revenue To-Date	Principal Outstanding	CW Interest Outstanding	Total Outstanding
\$219.84	\$367,391.37	\$122,492.12	\$439,698.00	\$114,096.96	\$583,038.57

Restoration Energy

CW Daily Interest	CW Revenue To-Date	FL Revenue To-Date	Principal Outstanding	CW Interest Outstanding	Total Outstanding
\$0.00	\$332,320.60	\$570,165.33	\$1,402,193.21	\$100,875.68	\$1,684,592.77

Single Source Services

CW Daily Interest	CW Revenue To-Date	FL Revenue To-Date	Principal Outstanding	CW interest Outstanding	Total Outstanding
\$46.99	\$21,239.48	\$23,119.27	\$93,984.75	\$21,239.48	\$134,584.11

CAD Totals

Total CW Daily Interest	\$10,874.84
CW Revenue To-Date:	\$7,782,421.52
FL Revenue To-Date:	\$6,014,710.84
Principal Outstanding:	\$22,875,728.58
CW Outstanding:	\$4,034,418.25
Total Outstanding:	\$31,744,255.77

**Zomongo TV Corp**[BACK](#)

Currency: Canadian Dollar (CAD)

	Daily Interest	Avg Days Past Term	Principal Outstanding	Interest Outstanding	Total Outstanding
	\$10,330.29		\$6,204,373.05	\$4,895,856.40	\$11,100,229.45
CW Daily Interest:	\$3,102.20	FL Daily Interest:	\$7,228.09	Interest Revenue To-Date:	\$6,065,557.46
CW Fees Upfront:	\$38,813.99	FL Fees Upfront:	\$296,402.00	Fees Upfront Revenue To-Date:	\$335,215.99
CW Revenue To-Date:	\$1,922,373.92	FL Revenue To-Date:	\$4,478,399.53	Revenue To-Date:	\$6,400,773.45
Paid to CW:	\$1,008,729.90	Paid to FL:	\$496,187.15	Interest Collected:	\$1,169,701.06
CW Interest Outstanding:	\$913,644.02	FL Interest Outstanding:	\$3,982,212.38	Interest Outstanding:	\$4,895,856.40

Invoice #: AC-2015-08-27a		Invoice Amt:		\$393,750.00	
Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
October 1, 2015	\$197,568.93	778	\$315,000.00	\$11,025.00	\$4,725.00
Payment Date	Payment Amount	Days of interest	Principal Collected	Interest Collected	CW Revenue
October 3, 2016	\$75,505.58	338	\$0.00	\$75,505.58	\$22,651.67
January 30, 2017	\$150,649.57	119	\$51,323.74	\$99,325.83	\$49,325.83
March 24, 2017	\$206,886.14	53	\$199,898.62	\$6,987.52	\$6,987.52
	\$433,041.29	510	\$251,222.36	\$181,818.93	\$78,965.02
CW Total Revenue:	\$91,279.84	Total Paid to CW:	\$83,690.02	CW Interest Outstanding:	\$7,589.82
				Principal Outstanding:	\$63,777.64
				CW Total Outstanding:	\$71,367.46

Invoice #: AC-2015-08-27b		Invoice Amt:		\$393,750.00	
Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
October 1, 2015	\$87,727.50	778	\$315,000.00	\$11,025.00	\$4,725.00
Payment Date	Payment Amount	Days of interest	Principal Collected	Interest Collected	CW Revenue
January 30, 2017	\$71,977.50	457		\$71,977.50	\$71,977.50
CW Total Revenue:	\$122,535.00	Total Paid to CW:	\$76,702.50	CW Interest Outstanding:	\$45,832.50
				Principal Outstanding:	\$315,000.00
				CW Total Outstanding:	\$360,832.50

Invoice #: VA-2016-04-4b

Invoice Amt: \$750,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
April 8, 2016	\$41,788.54	588	\$210,526.32	\$10,526.32	\$0.00
Payment Date	Payment Amount	Days of Interest	Principal Collected	Interest Collected	CW Revenue
January 30, 2017	\$31,262.22	267		\$31,262.22	\$31,262.22
CW Total Revenue:	\$61,892.88	Total Paid to CW:	\$31,262.22	CW Interest Outstanding:	\$30,630.66
				Principal Outstanding:	\$210,526.32
				CW Total Outstanding:	\$241,156.98

Invoice #: VA-2016-04-4a

Invoice Amt: \$750,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
April 21, 2016	\$40,420.16	575	\$210,526.32	\$10,526.32	\$0.00
Payment Date	Payment Amount	Days of Interest	Principal Collected	Interest Collected	CW Revenue
January 30, 2017	\$29,893.84	254		\$29,893.84	\$29,893.84
CW Total Revenue:	\$60,524.50	Total Paid to CW:	\$29,893.84	CW Interest Outstanding:	\$30,630.66
				Principal Outstanding:	\$210,526.32
				CW Total Outstanding:	\$241,156.98

invoice #: VA-2016-04-4b

Invoice Amt: \$750,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
April 21, 2016	\$40,420.16	575	\$210,526.32	\$10,526.32	\$0.00
Payment Date	Payment Amount	Days of Interest	Principal Collected	Interest Collected	CW Revenue
January 30, 2017	\$29,893.84	254		\$29,893.84	\$29,893.84
CW Total Revenue:	\$60,524.50	Total Paid to CW:	\$29,893.84	CW Interest Outstanding:	\$30,630.66
				Principal Outstanding:	\$210,526.32
				CW Total Outstanding:	\$241,156.98

Invoice #: EC-05-19-2016

Invoice Amt: \$1,125,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
May 20, 2016	\$112,325.18	546	\$632,812.50	\$31,640.63	\$0.00
Payment Date	Payment Amount	Days of Interest	Principal Collected	Interest Collected	CW Revenue
January 30, 2017	\$80,684.55	225		\$80,684.55	\$80,684.55
CW Total Revenue:	\$172,759.86	Total Paid to CW:	\$80,684.55	CW Interest Outstanding:	\$92,075.31
				Principal Outstanding:	\$632,812.50
				CW Total Outstanding:	\$724,887.81

Invoice #: EC-05-21-2016

Invoice Amt: \$1,125,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
May 27, 2016	\$91,611.00	539	\$526,500.00	\$26,325.00	\$0.00
Payment Date	Payment Amount	Days of Interest	Principal Collected	Interest Collected	CW Revenue
January 30, 2017	\$65,286.00	218		\$65,286.00	\$65,286.00
CW Total Revenue:	\$141,891.75	Total Paid to CW:	\$65,286.00	CW Interest Outstanding:	\$76,605.75
				Principal Outstanding:	\$526,500.00
				CW Total Outstanding:	\$603,105.75



- 7 -

Invoice #: MM-2016-17-8b

Invoice Amt: \$1,500,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
October 3, 2016	\$10,575.00	410	\$211,500.00	\$10,575.00	\$0.00
CW Total Revenue:		Total Paid to CW:	\$0.00	CW Interest Outstanding:	\$43,674.75
				Principal Outstanding:	\$211,500.00
				CW Total Outstanding:	\$255,174.75

- 7 -

Invoice #: 35615 Invoice Amt: \$191,990.93

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
August 25, 2016	\$5,375.75	449	\$153,592.74	\$5,375.75	\$0.00
CW Total Revenue:	\$34,483.20	Total Paid to CW:	\$0.00	CW Interest Outstanding:	\$34,483.20
				Principal Outstanding:	\$153,592.74
				CW Total Outstanding:	\$188,075.94

Invoice #: 223 Invoice Amt: \$250,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
March 8, 2017	\$4,000.00	254	\$200,000.00	\$4,000.00	\$0.00
CW Total Revenue:		Total Paid to CW:	\$0.00	CW Interest Outstanding:	\$25,400.00
				Principal Outstanding:	\$200,000.00
				CW Total Outstanding:	\$225,400.00

Invoice #: 336 Invoice Amt: \$173,565.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
June 16, 2016	\$2,638.19	519	\$131,909.40	\$2,638.19	\$0.00
CW Total Revenue:	\$34,228.05	Total Paid to CW:	\$0.00	CW Interest Outstanding:	\$34,228.05
				Principal Outstanding:	\$131,909.40
				CW Total Outstanding:	\$166,137.45

Invoice #: 20151201C

Invoice Amt: \$700,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
January 29, 2016	\$32,950.37	237	\$261,096.61	\$11,096.61	\$0.00
Payment Date	Payment Amount	Days of Interest	Principal Collected	Interest Collected	CW Revenue
February 29, 2016	\$352.48	1	\$0.00	\$352.48	\$130.55
March 31, 2016	\$10,926.88	31	\$0.00	\$10,926.88	\$7,963.55
April 30, 2016	\$10,574.40	30	\$0.00	\$10,574.40	\$3,916.50
	<u>\$21,853.76</u>	<u>62</u>	<u>\$0.00</u>	<u>\$21,853.76</u>	<u>\$12,010.60</u>
CW Total Revenue:	\$30,940.35	Total Paid to CW:	\$12,010.60	CW Interest Outstanding:	\$18,929.75
				Principal Outstanding:	\$261,096.61
				CW Total Outstanding:	\$280,026.36

Invoice #: 20151201C

Invoice Amt: \$700,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
February 24, 2016	\$9,514.28	211	\$104,438.64	\$4,438.64	\$0.00
Payment Date	Payment Amount	Days of Interest	Principal Collected	Interest Collected	CW Revenue
March 31, 2016	\$845.94	6	\$0.00	\$845.94	\$1,879.92
April 30, 2016	\$4,229.70	30	\$0.00	\$4,229.70	\$3,133.20
	<u>\$5,075.64</u>	<u>36</u>	<u>\$0.00</u>	<u>\$5,075.64</u>	<u>\$5,013.12</u>
CW Total Revenue:	\$11,018.42	Total Paid to CW:	\$5,013.12	CW Interest Outstanding:	\$6,005.30
				Principal Outstanding:	\$104,438.64
				CW Total Outstanding:	\$110,443.94

Invoice #: 20151201C

Invoice Amt: \$700,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
April 20, 2016	\$6,657.96	155	\$156,657.96	\$6,657.96	\$0.00
CW Total Revenue:	\$12,141.15	Total Paid to CW:	\$0.00	CW Interest Outstanding:	\$12,141.15
				Principal Outstanding:	\$156,657.96
				CW Total Outstanding:	\$168,799.11

CWEHF - General Summary
[BACK](#)
Zomongo TV Corp

CW Daily Interest	CW Revenue To-Date	FL Revenue To-Date	Principal Outstanding	CW Interest Outstanding	Total Outstanding
\$1,245.11	\$687,699.23	\$686,962.80	\$1,494,736.86	\$687,699.23	\$2,794,662.03

Dome Mountain

CW Daily Interest	CW Revenue To-Date	FL Revenue To-Date	Principal Outstanding	CW Interest Outstanding	Total Outstanding
\$518.79	\$367,159.82	\$6,846.62	\$1,015,660.35	\$192,471.09	\$1,227,166.79

Restoration Energy

CW Daily Interest	CW Revenue To-Date	FL Revenue To-Date	Principal Outstanding	CW Interest Outstanding	Total Outstanding
\$0.00	\$79,797.28	\$50,528.98	\$501,000.00	\$68,221.90	\$599,070.75

CAD Totals

Total CW Daily Interest	\$1,763.90
CW Revenue To-Date:	\$1,134,656.33
FL Revenue To-Date:	\$744,338.40
Principal Outstanding:	\$3,011,397.21
CW Outstanding:	\$948,392.22
Total Outstanding:	\$4,620,899.57

Invoice #: GS-2016-04-4a

Invoice Amt:

\$750,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
May 13, 2016	\$10,526.32	553	\$210,526.32	\$10,526.32	\$0.00
CW Total Revenue:		\$96,979.61	Total Paid to CW:	\$0.00	CW Interest Outstanding: \$96,979.61 Principal Outstanding: \$210,526.32 CW Total Outstanding: \$307,505.93

Invoice #: GS-2016-04-4b

Invoice Amt:

\$750,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
May 13, 2016	\$10,526.32	553	\$210,526.32	\$10,526.32	\$0.00
CW Total Revenue:		\$96,979.61	Total Paid to CW:	\$0.00	CW Interest Outstanding: \$96,979.61 Principal Outstanding: \$210,526.32 CW Total Outstanding: \$307,505.93

Invoice #: MM-2016-17-8a

Invoice Amt:

\$1,500,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
August 22, 2016	\$7,500.00	452	\$150,000.00	\$7,500.00	\$0.00
CW Total Revenue:		\$56,477.40	Total Paid to CW:	\$0.00	CW Interest Outstanding: \$56,477.40 Principal Outstanding: \$150,000.00 CW Total Outstanding: \$206,477.40

Invoice #: MM-2016-17-8b

Invoice Amt:

\$1,500,000.00

Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
August 22, 2016	\$7,500.00	452	\$150,000.00	\$7,500.00	\$0.00
CW Total Revenue:		\$56,477.40	Total Paid to CW:	\$0.00	CW Interest Outstanding: \$56,477.40 Principal Outstanding: \$150,000.00 CW Total Outstanding: \$206,477.40

Restoration Energy
[BACK](#)

Currency: Canadian Dollar (CAD)

	Daily Interest	Avg Days Past Term	Principal Outstanding	Interest Outstanding	Total Outstanding
	\$0.00		\$501,000.00	\$98,070.75	\$599,070.75
CW Daily Interest:	\$0.00	FL Daily Interest:	\$0.00	Interest Revenue To-Date:	\$109,033.76
CW Fees Upfront:	\$0.00	FL Fees Upfront:	\$21,292.50	Fees Upfront Revenue To-Date:	\$21,292.50
CW Revenue To-Date:	\$79,797.28	FL Revenue To-Date:	\$50,528.98	Revenue To-Date:	\$130,326.26
Paid to CW:	\$11,575.38	Paid to FL:	\$20,680.13	Interest Collected:	\$10,963.01
CW Interest Outstanding:	\$68,221.90	FL Interest Outstanding:	\$29,848.85	Interest Outstanding:	\$98,070.75

Invoice #:	20160309	Invoice Amt:	\$600,000.00		
Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
March 14, 2016	\$19,823.02	192	\$302,872.06	\$12,872.06	\$0.00
Payment Date	Payment Amount	Days of Interest	Principal Collected	Interest Collected	CW Revenue
April 30, 2016	\$6,950.96	17	\$0.00	\$6,950.96	\$7,117.68
CW Total Revenue:	\$48,439.68	Total Paid to CW:	\$7,117.68	CW Interest Outstanding:	\$41,322.00
				Principal Outstanding:	\$302,872.06
				CW Total Outstanding:	\$344,194.06

Invoice #:	20151201C	Invoice Amt:	\$700,000.00		
Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
March 16, 2016	\$1,317.75	190	\$21,000.00	\$892.50	\$0.00
Payment Date	Payment Amount	Days of Interest	Principal Collected	Interest Collected	CW Revenue
April 30, 2016	\$425.25	15	\$0.00	\$425.25	\$472.50
CW Total Revenue:	\$3,323.10	Total Paid to CW:	\$472.50	CW Interest Outstanding:	\$2,850.60
				Principal Outstanding:	\$21,000.00
				CW Total Outstanding:	\$23,850.60

Invoice #:	20160309	Invoice Amt:	\$600,000.00		
Date Advanced	Amount Collected	Total Duration	Principal	FL Fees Upfront	CW Fees Upfront
March 16, 2016	\$11,114.74	190	\$177,127.94	\$7,527.94	\$0.00
Payment Date	Payment Amount	Days of Interest	Principal Collected	Interest Collected	CW Revenue
April 30, 2016	\$3,586.80	15	\$0.00	\$3,586.80	\$3,985.20
CW Total Revenue:	\$28,034.50	Total Paid to CW:	\$3,985.20	CW Interest Outstanding:	\$24,049.30
				Principal Outstanding:	\$177,127.94
				CW Total Outstanding:	\$201,177.24

APPENDIX 45



24 April 2017

British Columbia Securities Commission
 P.O. Box 10142, Pacific Centre
 12th Floor
 701 West Georgia St.
 Vancouver, BC V7Y 1L2
 Attn: Roy Leon
 Delivered via email

WITHOUT PREJUDICE

RE: Order for Production, April 11, 2017

1. Crystal Wealth Management System Limited (the "Registrant") has provided the following additional funds to Onstar since September 10, 2015:
 - a) \$500,000 from Crystal Enlightened Factoring Strategy on 2 December 2016.
 Please provide a list of other companies associated with Brett Johnson, and I will search our books and records for any transactions associated with those entities.
2. Copies of all contracts, gold purchase agreements, gold certificates, share certificates, collateral agreements or any other arrangement between the Registrant and any entity or individual regarding the Funds are included by way of attachment.
3. Copies of all documents provided to the Registrant supporting its investment of the Funds, including but not limited to, term sheets, offering memorandums, property option agreements, collateral agreements, and technical reports are included by way of attachment.
4. Listed below are the names and contact information for all persons who communicated with any staff of the Registrant regarding its investment in the Funds.
 - Jerry Braun Email: jbrown19@gmail.com Phone: 604-240-7504
 - Taz Faryad, tazfaryad@sutton.com 604 700 5200
 - Alan Braun, alan.g.braun@gmail.com 604.839.4626
 - Rene Gladu, gladurene@gmail.com
 - Chuck Pinnell, crp52els@gmail.com 778 214 3407
 - David Denhollander, denhollander98@gmail.com 250 833 9876
 - Brent Johnson, bjohnson.comm@shaw.ca
5. Copies of all written communication, including, but not limited to, faxes, emails, letters and other electronic communication, between any staff of the Registrant and all of the persons included in request #4 are included by way of attachment.
6. All written communications with Brent Johnson and Jorge Lopehandia are included in question 5.

7. The circumstances under which Alan Braun was introduced to the Registrant through Albert Housego, an advising representative of the Registrant, are described below:

Mr. Housego was introduced to Alan Braun through Taz Faryad. Mr. Faryad was trying to connect gold sellers and gold buyers. The Registrant manages a number of mutual fund trusts for which Mr. Housego acts as lead portfolio manager and in which Mr. Housego was looking to invest in gold. Presumably, Alan Braun was involved in a company or companies that produces gold so Mr. Faryad connected us to see if there was a fit. Mr. Housego first met Alan Braun at a meeting in Vancouver in early August 2016. Taz Faryad, Jerry Braun and Rene Gladu were also present.



Clayton Smith
Chief Executive Officer

APPENDIX 46

AIRD BERLIS

Kyle Plunkett
Direct: 416.865.3406
E-mail: kplunkett@airdberlis.com

October 26, 2017

BY EMAIL – alan.g.braun@gmail.com

Onstar Exploration Ltd.

Suite 704-595 Howe Street, Box 35
Vancouver, BC V6C 2T5

Attention: Alan Braun

Dear Mr. Braun

Re: Gold Certificates for 4000 Troy Ounces of Gold Bullion

We are the solicitors for Grant Thornton Limited (in such capacity, the "**Receiver**"), in its capacity as Court-appointed receiver of, among others, Crystal Enlightened Hedge Fund and Crystal Enlightened Factoring Strategy Fund (together, the "**Crystal Funds**") pursuant to an Order of The Honourable Justice Newbould (as he was then known) dated April 26, 2017 (the "**Appointment Order**").

We also refer to four (4) Gold Certificate Subscription Agreements entered into between the Crystal Funds and Onstar Exploration Ltd. ("**Onstar**") dated August 12, 2016, September 25, 2016 and November 27, 2016 (collectively, the "**Subscription Agreements**"), pursuant to which the following Gold Certificates (as defined below) were issued by Onstar in favour of the Crystal Funds:

- a) Gold Certificate dated September 25, 2016 in favour of Crystal Enlightened Hedge Fund with a face amount of USD\$1,000,000 securing the delivery of 1,000 troy ounces of GOLD BULLION;
- b) Gold Certificate dated September 25, 2016 in favour of Crystal Enlightened Factoring Strategy Fund with a face amount of USD\$1,000,000 securing the delivery of 1,000 troy ounces of GOLD BULLION;
- c) Gold Certificate dated August 12, 2016 in favour of Crystal Enlightened Factoring Strategy Fund with a face amount of USD\$1,000,000 securing the delivery of 1,000 troy ounces of GOLD BULLION; and
- d) Gold Certificate dated November 27, 2016 in favour of Crystal Enlightened Factoring Strategy Fund with a face amount of CAD\$500,000 securing the delivery of 1,000 troy ounces of GOLD BULLION,

(collectively, the "**Gold Certificates**")

Enclosed herewith for ease of reference is a copy of the agreed form of gold certificate which forms part of the Subscription Agreements that was provided to the Receiver by Mr. Braun via email dated June 6, 2017. Under the terms of the Gold Certificates, delivery of the Gold Bullion

October 26, 2017

Page 2

owned by the Crystal Funds was to commence on April 30, 2017 followed by monthly deliveries until such time as the balance of the Gold due under the Gold Certificates has been delivered to the respective Crystal Funds in full.

As of today's date, the Crystal Funds have not received any delivery of Gold clearly reflecting a breach under the Gold Certificates. On behalf of the Receiver, we hereby demand immediate delivery of Gold in accordance with the terms of the Gold Certificates. If delivery of the Gold is not received, or alternate arrangements satisfactory to our client are not put in place forthwith, the Receiver shall take whatever steps it considers necessary or appropriate to collect and recover the Gold owing to the Crystal Funds. In the event that the Receiver is required to incur costs to enforce its rights, it will also be seeking all costs incurred in so doing.

Yours truly,

AIRD & BERLIS LLP

A handwritten signature in black ink, appearing to read 'Kyle Plunkett', written over a horizontal line.

Kyle Plunkett

KP/ph

cc: Mark van Zandvoort, Aird & Berlis LLP
Steven Graff, Aird & Berlis LLP
Jason Knight, Grant Thornton Limited
Bruce Brando, Grant Thornton Limited
29743555.2

AIRD BERLIS

Kyle Plunkett

From: Alan Braun <alan.g.braun@gmail.com>
Sent: June-06-17 11:55 AM
To: Knight, Jason
Subject: Re: Crystal Wealth Management System Limited (the "Company") - Gold Certificate Subscription Agreements
Attachments: Gold Certificate Subscription Agreement-2.pdf.html
Follow Up Flag: Follow up
Flag Status: Flagged

The certificate is on the final page. Thank you.

On Tue, Jun 6, 2017 at 7:16 AM, Knight, Jason <Jason.Knight@ca.gt.com> wrote:

Hi Alan,

Thank you for your response and clarifications.

Could you please provide the Gold Certificates.

Jason Knight, CPA, CA | Manager
 Recovery & Reorganization

Grant Thornton Limited

T [+1 416 369 7017](tel:+14163697017) | **C** [+1 416 434 8074](tel:+14164348074)

From: Alan Braun [<mailto:alan.g.braun@gmail.com>]
Sent: Monday, June 5, 2017 6:11 PM
To: Knight, Jason <Jason.Knight@ca.gt.com>
Subject: Fwd: Crystal Wealth Management System Limited (the "Company") - Gold Certificate Subscription Agreements

Jason,

Thank you for your letter indicating our conversation.

I wanted to state, for the record, OnStar was promised we would be receiving \$10M for the extraction of gold from the Juno claim. This did not happen. This is why we are presently on our own search for the necessary funds to complete. If your team was committed to further the \$6M, it would speed our delivery dates up considerably.

You also mention the Agreements expired on May 31, 2017; this is not accurate. This is when the agreements begin to be filled but this comes with a completion date of April 30, 2019 before we are offside.

"It is expected that all gold payments will be completed no later than April 30, 2019" this statement is right on the issued Certificates.

You also stated: you had indicated that Onstar would be open to paying an amount to the Receiver for the outstanding fair value of the Agreements (by way of external financing currently being pursued by Onstar). We need our borrowed funds now that Crystal Wealth is not providing us funding for the future delivery gold contracts.

You also wanted: Could you please provide a proposal of what the settlement of these Agreements would entail under both: (i) physical delivery of gold and (ii) payment for the market value of the Agreements.

I had understood that this proposal was coming from you to us.

1. Physical delivery is 4000 ounces of gold delivered by April 30, 2019. Which we will honour.
2. I didn't know what numbers you were expecting for a quick financial payout. If you are asking 5 or 10c on the dollar, I will arrange funding to pay out by July 30, 2017. If you are seeking higher financial amounts for a quick return, I must have you understand that OnStar must be careful to have funds on hand to complete its gold contracts, as a first priority.

If you give us a proposal we will seriously consider how to wrap this up quickly for you.

On Sun, Jun 4, 2017 at 8:05 AM, Knight, Jason <Jason.Knight@ca.gt.com> wrote:

Hi Alan,

I am following up on the status of the documents requested by the Receiver in our conversation on May 24, 2017 supporting the Gold Certificate Subscription Agreements the Company, on behalf of certain Crystal Wealth funds, had entered into with Onstar Exploration Ltd. ("Onstar") (the "Agreements"). For greater clarity, the following documents were requested:

- copies of Gold Certificates;
- copies of Agreements executed by the Company and Onstar; and
- any internal tracking sheets showing the cumulative ounces owned by the Company

In addition, as the Agreements expired on May 31, 2017, you had indicated that Onstar would be open to paying an amount to the Receiver for the outstanding fair value of the Agreements (by way of external financing currently being pursued by Onstar). Could you please provide a proposal of what the settlement of these Agreements would entail under both: (i) physical delivery of gold and (ii) payment for the market value of the Agreements.

We look forward to receiving the documents noted above and Onstar's proposal.

Kind regards,

- Jason

Jason Knight, CPA, CA | Manager
Recovery & Reorganization

Grant Thornton Limited

T +1 416 369 7017 | C +1 416 434 8074

From: Alan [mailto:alan.g.braun@gmail.com]
Sent: Wednesday, May 24, 2017 11:07 AM
To: Knight, Jason <Jason.Knight@ca.gt.com>
Cc: Bando, Bruce <Bruce.Bando@ca.gt.com>
Subject: Re: Crystal Wealth Management System Limited (the "Company") - Gold Contracts

I will call you today. Thanks

Cheers

On May 24, 2017, at 7:57 AM, Knight, Jason <Jason.Knight@ca.gt.com> wrote:

Hi Alan,

I am just following up to the below email. As the contracts with Onstar Exploration expire on May 31, 2017, could you please provide a response as soon as possible.

Jason Knight, CPA, CA | Manager
 Recovery & Reorganization

Grant Thornton Limited

T [+1 416 369 7017](tel:+14163697017) | C [+1 416 434 8074](tel:+14164348074)

From: Knight, Jason
Sent: Friday, May 19, 2017 7:43 PM
To: 'Alan.g.braun@gmail.com' <Alan.g.braun@gmail.com>
Cc: Bando, Bruce <Bruce.Bando@ca.gt.com>
Subject: Crystal Wealth Management System Limited (the "Company") - Gold Contracts

Hi Alan,

We wish to confirm that Grant Thornton Limited was appointed as receiver and manager (the "Receiver") of all of the assets, undertakings and properties of the Company pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) issued on April 26, 2017 (the "Appointment Order"). A copy of the Appointment Order is attached and can also be found on the Receiver's Case Website at: www.grantthornton.ca/crystalwealth.

Pursuant to the Appointment Order, Grant Thornton Limited also became the Receiver of all of the assets, undertakings, and properties of certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company.

We would like to have a discussion with you to discuss the various gold contracts purchased by Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund to gain a better understanding of same.

Could you please let us know your earliest availability.

Thanks,

- Jason

Jason Knight, CPA, CA | Manager
Recovery & Reorganization

Grant Thornton Limited

11th Floor | 200 King Street West | Box 11 | Toronto | ON | M5H 3T4
T +1 416 369 7017 | F +1 416 360 4949 | C +1 416 434 8074
E Jason.Knight@ca.gt.com | W http://www.grantthornton.ca/

Grant Thornton LLP is proud
to be
recognized as one of Canada's
best
workplaces for our ninth
consecutive year!

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Alan Braun

604.839.4626

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Alan Braun

604.839.4626

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--

Alan Braun

604.839.4626

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- 2 -

#●

ONSTAR EXPLORATION LTD.

(the "Company")

(Incorporated under the laws of British Columbia., Canada).

USD\$1,000,000 Face Amount**Securing the Delivery of 1,000 troy ounces of GOLD BULLION****GOLD CERTIFICATE**

This is to certify that ●, the registered owner (the "Owner") of this Gold Certificate is entitled to receive delivery of 1,000 troy ounces of 93% purity or better miner's gold, produced and processed by or on behalf of the Company from mining operations in Juneau, Alaska.

Gold deliveries to the Owner shall commence on April 30, 2017 F.O.B. Juneau, Alaska and shall occur monthly, until the entire 1,000 ounces of gold due under this Certificate has been delivered to the Owner.

It is expected that all gold payments will be completed no later than April 30, 2019.

IN WITNESS WHEREOF, the President and Secretary of the Company have respectively authorized the issuance of this Certificate this ●, day of ●, 2016 by affixing the signatures below.

ONSTAR EXPLORATION LTD.

Per: _____
●, President

Per: _____
●, Secretary

This Certificate is transferable with the consent of the Company, such consent not to be unreasonably withheld. For greater certainty, transferability is subject to information having been provided by any transferee(s) which is sufficient to allow the Company to satisfy and discharge its legal obligations relating to owner identification and money laundering legislation.

APPENDIX 47

From: Bill McKenzie <lawyerbill@rogers.com>
Sent: November-11-17 2:05 PM
To: Timothy Jones
Cc: Miranda Spence; Mark van Zandvoort; Steve Graff; 'Bando, Bruce'; 'Knight, Jason'
Subject: RE: Receivership of Crystal Wealth Group / OOM Energy / MCSnoxrecovery Inc.

Hi Timothy: I think you meant October 26 2017. Anyway this is all a bit of blur by now and of course my clients are trying to dig out of the mess created by the receivership so that the projects can be completed. If you would please send me the documents you are relying on that would help us to sort this out: my client wants to meet with the Receiver and arrange a final resolution so if we can have all the documents so I can review them and advise that will move this forward.

Regards, Bill McKenzie

From: Timothy Jones [<mailto:tjones@airdberlis.com>]
Sent: November-03-17 3:46 PM
To: 'craig@oomenergy.com'
Cc: 'lawyerbill@rogers.com'; Miranda Spence; Mark van Zandvoort; Steve Graff; 'Bando, Bruce'; 'Knight, Jason'
Subject: Receivership of Crystal Wealth Group / OOM Energy / MCSnoxrecovery Inc.

Mr. Clydesdale,

We attach a letter from our firm of today's date, which is sent to your attention.

Timothy Jones

T 416.865.3086
 F 416.863.1515
 E tjones@airdberlis.com

Aird & Berlis LLP | Lawyers
 Brookfield Place, 181 Bay Street, Suite 1800
 Toronto, Canada M5J 2T9 | airdberlis.com



This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

APPENDIX 48

AMENDMENT TO LOAN AGREEMENT

THIS AMENDMENT TO LOAN AGREEMENT (this "**Amendment**") is made as of this 11th day of August, 2017

A M O N G:

GRANT THORNTON LIMITED ("GTL"), in its capacity as the Court-appointed receiver and manager of Crystal Wealth Management System Limited (the "**Lender**")

(hereinafter referred to, in such capacity, as the "**Receiver**")

- and -

POND TECHNOLOGIES INC., formerly Pond Biofuels Inc.
(the "**Borrower**")

WHEREAS:

- A. The Lender and the Borrower entered into a loan agreement dated as of December 15, 2015 (as amended, replaced, restated or supplemented from time to time, the "**Loan Agreement**"), pursuant to which the Lender provided certain credit facilities to the Borrower;
- B. Pursuant to amendments dated October 5, 2016, October 20, 2016, October 26, 2016, and February 8, 2017, the Lender agreed to defer but not waive the payment of interest by the Borrower pursuant to the Loan Agreement;
- C. GTL was appointed as, and currently continues to be Receiver of all the assets, undertakings and properties of the Lender (the "**Property**"), among others, by way of an Order of the Ontario Superior Court of Justice (Commercial List) issued on April 26, 2017 (the "**Receivership Order**");
- D. Pursuant to the Receivership Order, the Receiver is expressly empowered and authorized to, among other things:
 - a) manage, operate, and carry on the business of the Lender, including the power to enter into any agreements on behalf of the Lender;
 - b) receive and collect all monies and accounts now owed or hereafter owing to the Lender and to exercise all remedies of the Lender in collecting such monies, including, without limitation, to enforce any security held by the Lender; and
 - c) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Lender.

All payments, notices and other obligations of the Borrower owed to the Lender or to "Crystal Wealth" (as the Lender is defined in the Loan Agreement) pursuant to the Loan Agreement and this Amendment shall accordingly be made, provided and owed to the

Receiver, for so long as the Receiver continues to retain the foregoing powers pursuant to the Receivership Order; and

- E. The Borrower has requested, and the Receiver has agreed, to amend certain terms of the Loan Agreement, pursuant to the terms of this Amendment.

NOW THEREFORE in consideration of the respective covenants of the parties hereto as herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereby agree as follows:

1. Definitions

In this Amendment, all capitalized terms used herein but not defined shall have the meanings given to such terms in the Loan Agreement.

2. Acknowledgements

- (a) The Borrower hereby acknowledges, confirms and agrees that, as of the close of business on July 31, 2017, the Borrower was indebted to the Lender in respect of advances made pursuant to the Loan Agreement, for principal and interest, exclusive of amounts which may become owing for fees, professional fees and accruing interest at the rates set out in the Loan Agreement and herein, in the amounts set out in Schedule A hereto (the "Indebtedness").
- (b) The Borrower hereby acknowledges, confirms and agrees that the Indebtedness, together with interest accrued and accruing thereon, and fees, costs, expenses and other charges now or hereafter properly payable by the Borrower to the Lender under the Loan Agreement (and, in turn, payable to the Receiver), is unconditionally owing by the Borrower to the Lender (and, in turn, the Receiver), without any right of setoff, defence, counterclaim or reduction of any kind, nature or description whatsoever, other than as expressly provided in this Amendment, and the Borrower is forever estopped from disputing such Indebtedness.
- (c) The Borrower hereby acknowledges, confirms and agrees that the Loan Agreement constitutes a legally binding and enforceable agreement between the Lender and the Borrower, and has constituted a legally binding and enforceable agreement amongst the Lender and the Borrower since the date of its execution.
- (d) The Borrower hereby acknowledges, confirms and agrees that the Borrower shall continue to accept statements of the Indebtedness issued by the Receiver to be accurate statements of the amount and the particulars of the Indebtedness as of the date of the statement, absent manifest error.
- (e) The Borrower hereby acknowledges, confirms and agrees that the Security, as set out in the Loan Agreement, has not been discharged, waived or varied, that it is binding upon the Borrower, and that the Security, is enforceable in accordance with its written terms until the obligations of the Borrower to the Lender (and, in turn, the Receiver) have been indefeasibly paid and satisfied in full, other than as expressly provided in this Amendment.
- (f) The Borrower hereby acknowledges, confirms and agrees that:

- (i) the facts set out in the recitals to this Amendment are true and accurate;
 - (ii) except as provided for in this Amendment, the Lender or the Receiver, as the case may be, either by itself or through its employees or agents, has made no promises, nor has it taken any action or omitted to take any action, that would constitute a waiver of its rights to enforce the Security and pursue its remedies in respect of the obligations of the Borrower, or that would stop it from doing so; and
 - (iii) to the date hereof, both the Lender and the Receiver have acted in a commercially reasonable manner and the Borrower is estopped from disputing same.
- (g) The Receiver hereby acknowledges, confirms and agrees that, to the best of its knowledge based on its review of the books and records of the Lender as of the date hereof:
- (i) the facts set out in the recitals to this Amendment are true and accurate;
 - (ii) upon execution of this Amendment, there shall be no alleged or actual breach or default, continuing or otherwise, related to Borrower's failure to make interest payments under the Loan Agreement for the period of October 1, 2016, through November 30, 2017;
 - (iii) it has the standing and power and authority to amend the Loan Agreement and enter into this Amendment; and
 - (iv) as of the date of this Amendment, it has not, by itself or through its employees or agents, taken any action to enforce the Security or pursue remedies in respect of the obligations of the Borrower under the Loan Agreement.

3. Amendments to Loan Agreement

The Loan Agreement is hereby amended as follows:

- (a) The paragraph entitled "Repayment" is hereby deleted in its entirety and replaced with the following:

REPAYMENT:

The Borrower shall repay the Loan as follows:

- (i) \$1,000,000 by December 31, 2017;
- (ii) 20% of the proceeds received by the Borrower from one or more financing transactions once the aggregate amount of such financing transactions is equal to or greater than \$10,000,000, which amount is to be paid to Crystal Wealth on the date that the Borrower receives proceeds in respect of the financing transaction. Should the Borrower enter into one or more financing transactions pursuant to which a sum equal to or greater than \$10,000,000 is to be paid to the

Borrower in respect of each such financing transaction in separate tranches, the Borrower shall pay to Crystal Wealth 20% of each tranche upon receipt; and

- (iii) in full (including all principal, interest and other fees owing and outstanding) upon the **"Date of Termination"**, being the earlier of:
 - a. June 30, 2019; or
 - b. the date upon which an Event of Default occurs.

Until the Date of Termination, the Borrower shall make payments of interest only as provided below.

- (b) The paragraph entitled "Prepayment" is hereby deleted in its entirety and replaced with the following:

The Borrower may, at its option, prepay in whole or in part the outstanding principal amount of the Loan, together with all accrued interest, inclusive of the First Interest Payment, Quarterly Interest Payments, and Delayed Interest, on the amount so prepaid to the date of prepayment, at any time after providing Crystal Wealth with not less than thirty (30) days prior written notice, without bonus or penalty.

- (c) The paragraph entitled "Calculation of Interest" is hereby deleted in its entirety and replaced with the following:

CALCULATION OF INTEREST:

The Borrower shall at all times pay interest, in Canadian Dollars, on the daily balance of all amounts outstanding under the Loan as follows:

1. for the period of October 1, 2016 until July 31, 2017, at the rate of 12.00% per annum; and
2. as at and from August 1, 2017 until the Date of Termination at the rate of 8.00% per annum,

which shall accrue and be payable in arrears as set out below in the Section titled "INTEREST PAYMENTS" on the basis of the then current calendar year for the actual number of days elapsed, with interest on all overdue interest calculated as aforesaid and compounded quarterly at the aforesaid rate from the due date thereof without necessity of notice or demand, the whole before as well as after maturity, demand, default or judgement, until all amounts owing under the Loan are repaid in full.

- (d) A paragraph entitled "Interest Payments" is inserted following the paragraph entitled "Calculation of Interest", as follows:

INTEREST PAYMENTS:

First Interest Payment

The Borrower shall pay to Crystal Wealth \$581,398.88 on November 30, 2017, which amount represents accrued interest from October 1, 2016 until November 30, 2017, calculated in accordance with the Section titled "CALCULATION OF INTEREST" above and as set out in Schedule "D".

Quarterly Interest Payments

The Borrower shall make quarterly interest payments to Crystal Wealth, commencing on December 31, 2017 and thereafter on the last day of March, June, September and December of each year (or such other day of the quarter as may be agreed to in writing from time to time), on the basis of the then-current calendar year for the actual number of days elapsed, with interest on all overdue interest calculated as aforesaid and compounded quarterly at the rate of 8.00% per annum from the due date thereof without necessity of notice or demand, the whole before as well as after maturity, demand, default or judgement, until all amounts owing under the Loan are paid in full.

For greater certainty, the First Interest Payment and the Quarterly Interest Payments shall be due and payable as set out in the attached Schedule "D", which chart details the amounts and dates of the scheduled interest payments subject to adjustment for any principal repayments.

Delayed Interest Payment

In addition to the First Interest Payment and the Quarterly Interest Payments, the Borrower shall pay interest on the daily balance of all amounts outstanding under the Loan as at and from August 1, 2017, at the rate of 4.00% per annum for the actual number of days elapsed (the "Delayed Interest"). Delayed Interest shall accrue and be compounded quarterly in arrears, and shall be payable on the Date of Termination.

- (e) The paragraph entitled "Covenants" is hereby amended to renumber the subparagraph "19" that was added as an additional covenant pursuant to the amending letter agreement dated October 5, 2016, as subparagraph "18". For greater clarity, this subparagraph shall read as follows:

18. It shall not enter into any further financing transactions whether by way of loan, equity or otherwise including, without limitation, any reorganization of its share capital, without the consent of Crystal Wealth, which consent shall not be unreasonably withheld.

- (f) The paragraph entitled "Notices" is hereby amended by deleting the delivery details under "1. Crystal Wealth:" and replacing the same with the following:

Grant Thornton Limited, in its capacity as Court-appointed receiver and manager
of Crystal Wealth Management System Limited
Royal Bank Plaza South Tower
200 Bay Street, 19th Floor
Toronto, ON M5J 2P9

Attention: Jonathan Krieger and Bruce Bando
Email: jonathan.krieger@ca.gt.com and bruce.bando@ca.gt.com

with a copy to:

Aird & Berlis LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Steven Graff and Miranda Spence
Email: sgraff@airdberlis.com and mspence@airdberlis.com

- (g) Schedule "D" of the Loan Agreement is hereby deleted in its entirety, and replaced with the schedule identified as Schedule B to this Amendment.

4. No Other Changes

Except as explicitly amended by this Amendment, all of the terms and conditions of the Loan Agreement shall remain in full force and effect, unamended hereby.

5. Condition Precedent

This Amendment shall be effective when the Receiver has received an executed copy of this Amendment.

6. Condition Subsequent

Within thirty (30) days of the date of this Amendment, the Borrower shall deliver, in form and substance satisfactory to the Receiver, an executed copy of the Intellectual Property Security Agreement.

7. References

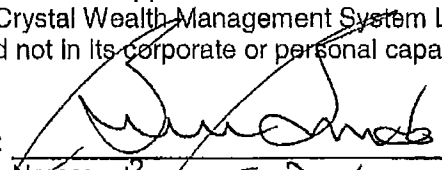
All references in the Loan Agreement to "this agreement" shall be deemed to refer to the Loan Agreement, as amended hereby.

8. Miscellaneous

This Amendment may be executed in any number of counterparts and delivered by PDF or other electronic method, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same agreement.

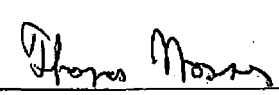
IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date first above mentioned.

GRANT THORNTON LIMITED, in its capacity
as the Court-appointed receiver and manager
of Crystal Wealth Management System Limited,
and not in its corporate or personal capacity

By: 

Name: Bryan S. Banks
Title: Vice President

POND TECHNOLOGIES INC.

By: 

Name: Thomas Masney
Title: CFO

SCHEDULE A

Loan History to July 31, 2017

Amounts advanced	4,500,000
Interest accrued	779,153
Interest paid	329,771
Overdue interest as at July 31, 2017	449,382
Interest on overdue interest to Nov. 30, 2017 @8%	12,016

SCHEDULE B
PAYMENT SCHEDULE

1	First Interest Payment due November 30, 2017	<u>\$ 581,398</u>
2	\$1m principal repayment due December 31, 2017	<u>1,000,000</u>
3	Quarterly Interest Payments	
	Dec.31/17	30,492
	Mar.31/18	68,852
	Jun.30/18	69,617
	Sep.30/18	70,383
	Dec.31/18	70,383
	Mar.31/19	68,852
	Jun.30/19	69,617
		<u>448,197</u>
4	Loan payments due on maturity	
	Principal	3,500,000
	Deferred interest	293,934
		<u>3,793,934</u>
5	Total loan repayments	<u>\$ 5,823,529</u>

* Amounts set out herein are estimated and shall be adjusted based on the actual principal amount outstanding during the preceding quarter and such calculation shall be detailed in the payment notification from Borrower, subject to confirmation by Crystal Wealth.

APPENDIX 49



August 15, 2017

Dear Shareholders,

On behalf of Pond, I am pleased to report on the Company's progress since the last shareholder communication dated March 23, 2017 and the annual meeting of shareholders held on April 13, 2017. In addition, Pond's most recent unaudited financial statements for the quarter ended June 30, 2017 are attached.

In Pond's previous letters to shareholders we set out the following priorities for 2017:

- Raise sufficient long-term capital to address financing needs to achieve commercialization of Pond's technology;
- Complete a go public event through a reverse takeover ("RTO") transaction with a TSX-V listed company;
- Draw on a \$833k grant from Ontario Centres of Excellence Carbon X Prize award and a commitment from the National Research Council ("NRC") for labour, equipment and consumables expenses relating to upgrades to the 25k L St. Marys facility;
- Plan and build nutraceutical photobioreactors at Pond's Markham facility; and
- Continue to seek commercial revenue from pollution abatement equipment, licences and engineering consulting services to be funded by early adopters of Pond's technology.

This remainder of this letter provides an update on the progress made on these priorities and other corporate matters.

Financing

Brokered Private Share Placements

As part of our plan to raise \$3m in a pre - RTO private share financing, Hampton Securities and Industrial Alliance successfully raised \$1.6m for Pond in a Unit offering of common shares at \$2 per share and common share purchase warrants exercisable at \$2.50 per share. It is Pond's intention to raise the balance of the \$3m, following execution of the Letter of Intent with the Reverse Take Over TSX-V listed company noted below.

Pond will use the proceeds from this round to launch the building of the nutraceutical bioreactors at Pond's facility.

Crystal Wealth Loan

As part of Pond's corporate financing, Pond has a \$4.5m loan outstanding to Crystal Wealth. The loan initially had a maturity date of February 19, 2018. On August 11, 2017 Pond signed an amendment to its loan agreement with Crystal Wealth. The amended terms include a loan maturity extension to June 30, 2019, reduction of quarterly interest payable to 8% and a deferral of quarterly interest payable of 4%. The amendments also include an interest payment of \$581,398 for accrued and accruing interest payable on November 30, 2017 and a principal repayment of \$1,000,000 on December 31, 2017.

Reverse Take Over (RTO) – TSX-V Listing

The Company's plan to go public via a RTO has moved significantly forward. On August 14, 2017, Pond signed a Letter of Intent with Ironhorse Oil and Gas a TSX-V listed company. This was publicly announced on August 14, 2017 and values Pond at approximately \$23m. Further details of the proposed RTO can be found in the attached press release issued by Ironhorse.

The next key steps before the RTO can successfully be completed are:

1. Further due diligence by both parties;
2. The completion of a definitive agreement;
3. Further financings (pre-RTO and concurrent with the RTO) of a minimum of \$7.0m and up to \$15m (to be led by Hampton Securities and Industrial Alliance); and
4. Shareholder approvals.

Upon completion of the RTO transaction, Pond will be in a much stronger position to execute its commercialization plan.

Government Funding

Ontario Centres of Excellence (OCE) Carbon X-Prize Award

Pond in partnership with Markham District Energy and the National Research Council, entered the natural gas category of the Carbon X-Prize. In October, 2016, Pond was selected as a semi-finalist and successfully qualified for a grant of up to \$833,000 from the Ontario Centres of Excellence for project related funding support. Pond has been receiving funds from this grant for its project related expenses incurred and will continue to do so for several months.

Pond has also successfully proceeded through the Carbon X-Prize technical audit. During the upcoming months there will be further data verification runs which are expected to be completed in the 4th quarter of 2017. The Carbon X-prize finalists should be announced in February 2018.

Markham District Energy

Markham District Energy is pleased with the progress made on the X-Prize and the significant market opportunity for Pond's technology within the combined heat and power marketplace. As a result, they have proposed to expand their relationship with Pond. This has resulted in the signing of a Memorandum of Understanding to prepare an evaluation study for the building of a commercial nutraceutical plant using gases from a Markham District Energy site.

Ontario Centres of Excellence (OCE) Target GHG Program - Stelco

The OCE Target GHG program was designed to encourage large industrial emitters to adopt innovative GHG reduction solutions. The program provides up to \$5m or 50% of a \$10m commercialization project. In partnership with Stelco, and with a commitment of financial support from its new owners, Bedrock Industries, Pond has submitted a full proposal to the Target GHG program and is awaiting a decision for the program's financial support. An announcement is expected by September.

Commercial Activities

Nutraceutical

Planning for the construction of the dedicated nutraceutical photobioreactors at Pond's facility has commenced. We continue to monitor trends in the chlorella, spirulina and astaxanthin marketplaces and with the assistance of a leading North American importer, we have identified additional market opportunities for our products.

Pollution Abatement

Pond continues to receive interest from major emitters across North America. Over the past three months, Pond has hosted several such emitters at the St. Marys Cement site and has entered negotiations for a feasibility study and subsequent pilot plant with one of them.

For further information, please contact myself or Chris Cory at 416-616-0866 or chris.c@pondtechnologiesinc.com.

Regards,



Steve Martin, CEO

APPENDIX 50

AMENDMENT TO LOAN AGREEMENT

THIS AGREEMENT is made as of the 16th day of November, 2017

BETWEEN:

GRANT THORNTON LIMITED in its capacity as the court-appointed receiver and manager of
Crystal Wealth Management System Limited

(the "Receiver")

- and -

POND TECHNOLOGIES INC., formerly Pond Biofuels Inc.

(the "Borrower")

RECITALS

- A. Crystal Wealth Management System Limited (the "**Lender**") and the Borrower entered into a loan agreement dated as of December 15, 2015 (the "**Loan Agreement**"), pursuant to which the Lender provided certain credit facilities to the Borrower.
- B. Pursuant to amendments dated October 5, 2016, October 20, 2016, October 26, 2016, and February 8, 2017 (the "**Prior Amendments**"), the Lender agreed to defer but not waive the payment of interest by the Borrower pursuant to the Loan Agreement;
- C. The Receiver was appointed as, and continues to be, the Court-appointed receiver and manager of all of the assets, undertakings and properties of the Lender pursuant to an order of the Ontario Superior Court of Justice (Commercial List) issued on April 26, 2017.
- D. The Borrower and the Receiver entered into an Amendment to Loan Agreement dated as of August 11, 2017 (the "**August Amending Agreement**").
- E. The Borrower has requested, and the Receiver has agreed, to amend certain terms of the Loan Agreement, as amended by the Prior Amendments and the August Amending Agreement, as set out in this agreement.

AGREEMENTS

NOW THEREFORE in consideration of the respective covenants of the parties as herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The date of the First Interest Payment, as set out in paragraph 3(d) and Schedule B of the August Amending Agreement, is changed from November 30, 2017, to December 21, 2017.
2. The Borrower agrees to pay the Receiver an extension fee of \$10,000, payable with the First Interest Payment.

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- 2 -

3. Except as expressly amended by this agreement, all of the terms and conditions of the Loan Agreement, as amended by the Prior Amendments and the August Amending Agreement, remain in full force and effect, un-amended.
4. This agreement may be executed in any number of counterparts and delivered by PDF or other electronic method, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same agreement.
5. All references in the Loan Agreement to "this agreement" shall be deemed to refer to the Loan Agreement, as amended by the Prior Amendments, the August Amending Agreement and this agreement.

IN WITNESS WHEREOF the parties hereto have entered into this agreement as of the date first written above.

GRANT THORNTON LIMITED In its capacity as the Court-appointed receiver and manager of Crystal Wealth Management System Limited, and not in its corporate or personal capacity.

By: _____

Name: _____

Title: _____

Bruce S. Bando
Chair - President

POND TECHNOLOGIES INC.

By: _____

Name: _____

Title: _____

Thomas Massey
CFO

30975930.2

APPENDIX 51

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraff@airdberlis.com

October 26, 2017

BY REGULAR MAIL AND REGISTERED MAIL

Magnitude CS Energy Inc.
 1237 Beechgrove Crescent
 Oakville, ON L6M 2B5

Attention: Craig Clydesdale

– and –

Magnitude CS Energy Inc.
 200 North Service Road West
 Unit 1, Suite 385
 Oakville, ON L6M 2Y1

Attention: Craig Clydesdale

AND BY E-MAIL (craig@oomenergy.com)

Dear Sir:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

We are the lawyers for Grant Thornton Limited (“GTL”), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the “Receiver”) of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, “Crystal Wealth”). As you know, the Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “Court”) issued on April 26, 2017 (the “Appointment Order”).

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

NOTICE OF DEFAULT

We refer to a loan agreement among Crystal Wealth Management System Limited (together with any assigns, the "**Lender**"), Magnitude CS Energy Inc. (formerly named 2445958 Ontario Inc.) (the "**Company**"), and Craig Clydesdale (in his individual capacity acting as guarantor, the "**Guarantor**", and together with the Company, the "**Obligors**"), dated July 6, 2016 (as same may have been amended, replaced, restated, or supplemented from time to time, and as same may have replaced previous arrangements, including but not limited to a Memorandum of Understanding made April 27, 2016, the "**Loan Agreement**"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan Agreement.

The Company has failed to make the required interest payments when due under the terms of the Loan Agreement. This is an Event of Default under the Loan Agreement (the "**Interest Default**").

In addition to the Interest Default, the failure by any Obligor to observe any one or more of the provisions contained in the Loan Agreement is an Event of Default under the Loan Agreement. Under the heading of "Further Assurances", each of the Obligors undertook to make, execute, or deliver all further acts, documents, and things in connection with the Loan Agreement and the Security as the Lender may reasonably require from time to time for the purpose of giving effect thereto, including, without limitation, for the purpose of facilitating the enforcement of the Security, all immediately upon the request of Crystal Wealth. On May 18th, 2017, the Receiver requested that the Obligors and/or their solicitor deliver certain documentation in connection with the Loan Agreement and the Security. This documentation was not provided. The failure to provide this documentation is an Event of Default.

This notice is not a waiver of any other existing Defaults or Events of Default or a waiver of any additional or subsequent Default or Event of Default. The Receiver expressly reserves any and all of the Lender's rights and remedies under the Loan Agreement and under any and all documents and agreements ancillary thereto, at law and in equity.

REQUEST FOR FINANCIAL STATEMENTS

Pursuant to Article 2 under the "Covenants" heading of the Loan Agreement, the Company is required to deliver annual financial statements (review engagement report) on written request from the Lender. Please immediately deliver the Company's most recent review engagement report.

AIRD BERLIS

DEMAND ON PROMISSORY NOTES

Apart from arrangements under the Loan Agreement as referred to above, we also refer to a series of promissory notes made between the Lender and the Company (collectively, the **"Factoring Promissory Notes"**), the proceeds of which were apparently used to pay accrued interest and partial paydown of principal for a factoring agreement made between the Company and Crystal Wealth Enlightened Factoring Strategy (under its prior name, Crystal Enlightened Income Fund, and the **"Factoring Fund"**) on July 11, 2015 (the **"Factoring Agreement"**).

Each of the Factoring Promissory Notes and the outstanding indebtedness thereunder is itemized on Schedule "A" hereto.

The principal and interest payable under each of the Factoring Promissory Notes is repayable on demand.

On behalf of the Receiver, we hereby make formal demand for payment of \$3,176,017.85 in outstanding principal and interest accrued to date, together with legal and professional fees (the **"Factoring Promissory Note Indebtedness"**). Payment is required to be made immediately. Interest continues to accrue at the rate set out in the Factoring Promissory Notes.

In addition to the Security that the Company granted to the Lender as a condition of the Loan Agreement (including, amongst other things, a general security agreement in favour of the Lender), pursuant to the Factoring Agreement, the Company granted the Factoring Fund and its affiliates a continuing security interest over all of the Company's present and after-acquired property, assets and undertakings as security for the Company's indebtedness of every kind and nature, whether arising under the Factoring Agreement or any note or other instrument or document.

On behalf of the Receiver, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the **"BIA Notice"**).

The Receiver hereby reserves its rights to initiate proceedings within the ten-day period set out in the BIA notice, if circumstances warrant such proceedings.

If payment of the Factoring Promissory Note Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider necessary or appropriate to recover the Indebtedness, which may include, without limitation, taking steps to appoint an interim receiver, receiver or receiver and/or manager of the Company, in which case the Receiver will also be seeking all costs incurred in so doing.

Please note that if we are required to commence legal proceedings, we will be seeking repayment of the principal amount plus accrued interest and all of our client's legal costs on a full indemnity basis, together with prejudgment and post-judgment interest pursuant to the *Courts of Justice Act*.

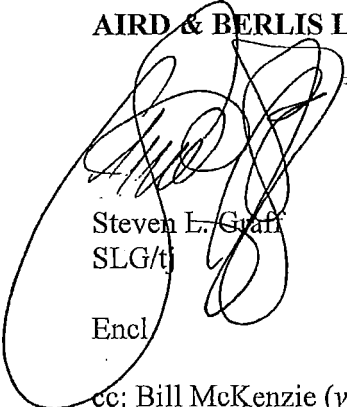
AIRD BERLIS

Page 4

Please govern yourself accordingly.

Sincerely,

AIRD & BERLIS LLP



Steven L. Graft
SLG/tj

Encl.

cc: Bill McKenzie (*via e-mail and facsimile*)
Craig Clydesdale, as Guarantor
Grant Thornton Limited

AIRD BERLIS

SCHEDULE "A"
FACTORING FUND PROMISSORY NOTES

Accrued interest is calculated as at September 30, 2017. All figures CAD.

<u>Date</u>	<u>Outstanding Amount</u>	
May 26, 2016	Principal	\$210,000.00
	Accrued Interest	\$20,419.00
June 6, 2016	Principal	\$45,000.00
	Accrued Interest	\$4,375.00
June 30, 2016	Principal	\$120,000.00
	Accrued Interest	\$11,668.00
July 8, 2016	Principal	\$190,000.00
	Accrued Interest	\$18,474.00
July 27, 2016	Principal	\$1,175,000.00
	Accrued Interest	\$114,249.00
August 4, 2016	Principal	\$592,107.00
	Accrued Interest	\$57,572.00
August 8, 2016	Principal	\$500,000.00 ¹
	Accrued Interest	\$48,616.00
August 18, 2016	Principal	\$62,463.85 ²
	Accrued Interest	\$6,074.00
<i>Total Outstanding Principal</i>		\$2,894,570.85
<i>Total Accrued Interest as at September 30, 2017</i>		\$281,447.00
<u>TOTAL</u>		\$3,176,017.85

¹ Although the advance was made in USD in the amount of \$383,670.00 USD, the principal and interest are repayable in CAD and for the purposes of interest calculation and principal repayment, the CAD equivalent is \$500,000.00.

² Although the advance was made in USD in the amount of \$48,521.27 USD, the principal and interest are repayable in CAD and for the purposes of interest calculation and principal repayment, the CAD equivalent is \$62,463.85.

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Regular and Registered Mail

TO: **Magnitude CS Energy Inc.**
 200 North Service Road West, Unit 1, Suite 385, Oakville, ON L6M 2Y1

AND TO: **Magnitude CS Energy Inc.**
 1237 Beechgrove Crescent, Oakville, ON L6M 2B5
insolvent company / person

TAKE NOTICE that:

1. Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of Crystal Wealth Management System Limited (individually and collectively with certain of its affiliates and assigns, "**Crystal Wealth**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of Magnitude CS Energy Inc. (the "**Company**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Company.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Company and Crystal Wealth, and/or security granted to Crystal Wealth Enlightened Factoring Strategy (under its prior name, Crystal Enlightened Income Fund) and its affiliates pursuant to a factoring agreement made on July 11, 2015 (the "**Security**").
3. As at September 30, 2017, the total amount of the indebtedness secured by the Security is the sum of **\$3,176,017.85** in principal and interest, plus accruing interest and recovery costs of the Receiver (including, without limitation, the Receiver's legal and other professional fees).
4. The Receiver will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Company consents to an earlier enforcement.

DATED at Toronto this 26th day of October, 2017.

**GRANT THORNTON LIMITED, in its capacity as
 Receiver and Manager of the Crystal Wealth Group,
 and not in its personal or corporate capacity and
 without personal or corporate liability
 by its lawyers, Aird & Berlis LLP**

Per: 

Steven L. Graff
 Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500 / Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

APPENDIX 52

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraff@airdberlis.com

November 13, 2017

BY REGULAR MAIL AND REGISTERED MAIL

Magnitude CS Energy Inc.
 1237 Beechgrove Crescent
 Oakville, ON L6M 2B5

Attention: Craig Clydesdale

– and –

Magnitude CS Energy Inc.
 200 North Service Road West
 Unit 1, Suite 385
 Oakville, ON L6M 2Y1

Attention: Craig Clydesdale

AND BY E-MAIL (craig@oomenergy.com)

Dear Sir:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

As you know, we are the lawyers for Grant Thornton Limited (“GTL”), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the “Receiver”) of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, “Crystal Wealth”). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “Court”) issued on April 26, 2017 (the “Appointment Order”).

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

Page 2

We refer to a loan agreement among Crystal Wealth Management System Limited (together with any assigns, the "**Lender**"), Magnitude CS Energy Inc. (formerly named 2445958 Ontario Inc.) (the "**Company**"), and Craig Clydesdale (in his individual capacity acting as guarantor, the "**Guarantor**", and together with the Company, the "**Obligors**"), dated July 6, 2016 (as same may have been amended, replaced, restated, or supplemented from time to time, and as same may have replaced previous arrangements, including but not limited to a Memorandum of Understanding made April 27, 2016, the "**Loan Agreement**").

According to the books and records of Crystal Wealth, as at October 31, 2017, the following amounts are owing for principal and interest under the credit facilities pursuant to the Loan Agreement:

- a) \$3,393,500.00 in respect of principal; and
- b) \$342,597.31 in respect of accrued interest.

Events of Default have occurred under the Loan Agreement, including, amongst other things, the failure to make payments when due. We notified you of this, among other things, in a letter to you of October 26, 2017 (our "**October 26 Letter**"). Default has not been cured within the necessary time period under the Loan Agreement.

On behalf of the Receiver, we hereby make formal demand on the Company for payment of \$3,736,097.31, together with legal and professional fees (the "**Loan Agreement Indebtedness**").

We have already demanded on the Company for payment of the Factoring Promissory Note Indebtedness pursuant to the Factoring Promissory Notes (as each of those terms was defined in our October 26 Letter), which demand was in the amount of \$3,176,017.85 (representing principal and accrued interest calculated as at September 30, 2017) plus legal and professional fees. Interest has continued to accrue, and accordingly, we are updating this demand to reflect accrued interest as at October 31, 2017.

According to the books and records of Crystal Wealth, the following amounts are owing for principal and accrued interest under the Factoring Promissory Notes, as set out more particularly on Schedule "A" hereto, as at October 31, 2017:

- a) \$2,894,571.33 in respect of principal; and
- b) \$313,406.68 in respect of accrued interest.

On behalf of the Receiver, we hereby make formal demand on the Company for payment of \$3,207,978.01 plus legal and professional fees (the "**Updated Factoring Promissory Note Indebtedness**").

AIRD BERLIS

Page 3

Taking the Loan Agreement Indebtedness and the Updated Factoring Promissory Note Indebtedness together, the total amount demanded from the Company at present is \$6,944,075.32, plus legal and professional fees (the "**Indebtedness**").

The Company has granted a charge on all of its assets, undertaking and property as a condition of the Loan Agreement. The Factoring Agreement also establishes a continuing security interest granted by the Company in favour of the Lender and all its affiliates (i.e. Crystal Wealth) over all of the Company's present and after-acquired property, assets and undertakings, as security for the Company's indebtedness of every kind and nature, whether arising under the Factoring Agreement or any note or other instrument or document. These security interests, as applicable, secure the Indebtedness.

On behalf of the Receiver, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "**BIA Notice**").

The Receiver hereby reserves its rights to initiate proceedings within the ten-day period set out in the BIA notice, if circumstances warrant such proceedings.

Payment of the Indebtedness is required to be made immediately. Interest continues to accrue on the Indebtedness at the rate established by, as applicable, the Loan Agreement, the Factoring Agreement, the Factoring Promissory Notes, and any other agreement or instrument.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider necessary or appropriate to recover the Indebtedness, which may include, without limitation, taking steps to appoint an interim receiver, receiver or receiver and/or manager of the Company, in which case the Receiver will also be seeking all costs incurred in so doing.

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP

Steven L. Griff
SLG/tj

cc: Bill McKenzie, KWM Law
Craig Clydesdale, as Guarantor
Grant Thornton Limited

AIRD BERLIS

SCHEDULE "A"
FACTORING FUND PROMISSORY NOTES

Accrued interest is calculated as at October 31, 2017. All figures CAD.

<u>Date</u>	<u>Outstanding Amount</u>	
May 26, 2016	Principal	\$210,000.00
	Accrued Interest	\$22,737.53
June 6, 2016	Principal	\$45,000.00
	Accrued Interest	\$4,872.22
June 30, 2016	Principal	\$120,000.00
	Accrued Interest	\$12,992.88
July 8, 2016	Principal	\$190,000.00
	Accrued Interest	\$20,572.05
July 27, 2016	Principal	\$1,175,000.00
	Accrued Interest	\$127,221.92
August 4, 2016	Principal	\$592,107.48
	Accrued Interest	\$64,109.78
August 8, 2016	Principal	\$500,000.00 ¹
	Accrued Interest	\$54,136.99
August 18, 2016	Principal	\$62,463.85 ²
	Accrued Interest	\$6,763.21
<i>Total Outstanding Principal</i>		\$2,894,571.33
<i>Total Accrued Interest as at October 31, 2017</i>		\$313,406.68
<u>TOTAL</u>		\$3,207,978.01

¹ Although the advance was made in USD in the amount of \$383,670.00 USD, the principal and interest are repayable in CAD and for the purposes of interest calculation and principal repayment, the CAD equivalent is \$500,000.00.

² Although the advance was made in USD in the amount of \$48,521.27 USD, the principal and interest are repayable in CAD and for the purposes of interest calculation and principal repayment, the CAD equivalent is \$62,463.85.

AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Regular and Registered Mail

TO: Magnitude CS Energy Inc.
 200 North Service Road West, Unit 1, Suite 385, Oakville, ON L6M 2Y1

AND TO: Magnitude CS Energy Inc.
 1237 Beechgrove Crescent, Oakville, ON L6M 2B5

insolvent company / person

TAKE NOTICE that:

1. Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of Crystal Wealth Management System Limited (individually and collectively with certain of its affiliates and assigns, "**Crystal Wealth**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of Magnitude CS Energy Inc. (the "**Company**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Company.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement granted by the Company in favour of Crystal Wealth, and/or security granted to Crystal Wealth pursuant to a factoring agreement made with Crystal Wealth Enlightened Factoring Strategy (under its prior name, Crystal Enlightened Income Fund) on July 11, 2015 (the "**Security**").
3. As at October 31, 2017, the total amount of the indebtedness secured by the Security is the sum of \$6,944,075.32 in principal and interest, plus accruing interest and recovery costs of the Receiver (including, without limitation, the Receiver's legal and other professional fees).
4. The Receiver will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Company consents to an earlier enforcement.

DATED at Toronto this 13th day of November, 2017.

**GRANT THORNTON LIMITED, in its capacity as
 Receiver and Manager of the Crystal Wealth
 Group, and not in its personal or corporate capacity
 and without personal or corporate liability
 by its lawyers, Aird & Berlis LLP**

Per: _____

Steven L. Graft
 Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500 / Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraff@airdberlis.com

November 13, 2017

BY REGULAR MAIL AND REGISTERED MAIL

Craig Clydesdale
 1237 Beechgrove Crescent
 Oakville, ON L6M 2B5

AND BY E-MAIL (craig@oomenergy.com)

Dear Sir:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

As you know, we are the lawyers for Grant Thornton Limited ("GTL"), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "Receiver") of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, "Crystal Wealth"). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on April 26, 2017 (the "Appointment Order").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

We refer to certain credit arrangements, including a loan agreement among Crystal Wealth Management System Limited (together with any assigns, the "Lender"), Magnitude CS Energy Inc. (formerly named 2445958 Ontario Inc.) ("Magnitude"), and you, dated July 6, 2016 (as same may have been amended, replaced, restated, or supplemented from time to time, and as same may have replaced previous arrangements, including but not limited to a Memorandum of Understanding made April 27, 2016, the "Loan Agreement"). The total indebtedness owing by Magnitude to the Lender as at the close of business on September 30, 2017 pursuant to the Loan Agreement is \$3,700,328.00, together with legal and professional fees.

Pursuant to the Loan Agreement, you, in your personal capacity, provided an unlimited guarantee of Magnitude's obligations under the Loan Agreement.

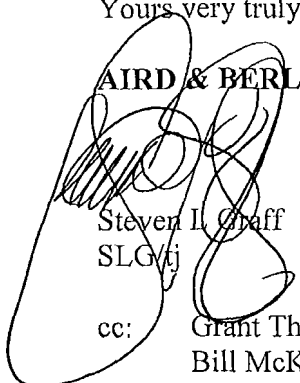
Page 2

On behalf of the Receiver, we hereby make formal demand on you for payment of \$3,736,097.31, together with legal and professional fees (collectively, the "Indebtedness"). Payment is required to be made immediately. Interest continues to accrue on the Indebtedness at the rate set out in the Loan Agreement.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider necessary or appropriate to recover the Indebtedness, including, without limitation, commencing legal proceedings in the Ontario Superior Court of Justice, in which case the Receiver shall also be seeking all costs incurred in so doing.

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP

Steven L. Graff
SLG/tj

cc: Grant Thornton Ltd.
Bill McKenzie, KWM Law (by e-mail)

30675914.1

AIRD BERLIS

APPENDIX 53

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraff@airdberlis.com

October 26, 2017

BY REGULAR AND REGISTERED MAIL

2441472 Ontario Inc.
 1237 Beechgrove Crescent
 Oakville, ON L6M 2B5

Attention: Craig Clydesdale

– and –

2441472 Ontario Inc.
 200 North Service Road West
 Unit 1, Suite 385
 Oakville, ON L6M 3B3

Attention: Craig Clydesdale

AND BY EMAIL (craig@oomenergy.com)

Dear Sir:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

We are the lawyers for Grant Thornton Limited (“GTL”), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the “Receiver”) of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, “Crystal Wealth”). As you know, the Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the “Court”) issued on April 26, 2017 (the “Appointment Order”).

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

Page 2

We refer to a loan agreement among Crystal Wealth Management System Limited (together with any assignees, the "**Lender**"), 2441472 Ontario Inc. (the "**Company**") and 2404873 Ontario Corp. (the "**Guarantor**", and together with the Company, the "**Obligors**"), dated November 7, 2014 (as same may have been amended, replaced, restated, or supplemented from time to time, the "**Loan Agreement**"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan Agreement.

The Company has failed to make certain of the required interest payments when due under the terms of the Loan Agreement. This is an Event of Default under the Loan Agreement.

Granting security to a creditor other than Crystal Wealth on any collateral subject to the Security of the Lender without the latter's prior written consent is an Event of Default under the Loan Agreement. The Obligors have granted a security interest to certain related entities, as evidenced by a registration made under the *Personal Property Security Act* (Ontario) on September 7, 2016, constituting an Event of Default.

The failure by any Obligor to observe any one or more of the provisions contained in the Loan Agreements is an Event of Default under the Loan Agreement. Under the heading of "Further Assurances", each of the Obligors undertook to make, execute, or deliver all further acts, documents, and things in connection with the Loan Agreement and the Security as the Lender may reasonably require from time to time for the purpose of giving effect thereto, including, without limitation, for the purpose of facilitating the enforcement of the Security, all immediately upon the request of the Lender. On May 18th, 2017 and again on June 7th, 2017, the Receiver requested that the Company and/or its solicitor deliver certain documentation in connection with the Loan Agreement and the Security. The failure to provide this information on request breaches the Further Assurances clause and is therefore an Event of Default.

Additionally, pursuant to Article 2 under the "Covenants" heading of the Loan Agreement, the Company is required to deliver annual financial statements (review engagement report) on written request from the Lender. Please immediately deliver the most recent review engagement reports for each of the Obligors.

This notice is not a waiver of any other existing defaults or Events of Default or a waiver of any additional or subsequent default or Event of Default. The Receiver expressly reserves any and all of Crystal Wealth's rights and remedies under the Loan Agreement and under any and all documents and agreements ancillary thereto, at law and in equity.

Please govern yourself accordingly.

AIRD & BERLIS LLP

Steven L. Graff
SLG/tj

cc: Bill McKenzie (via e-mail and facsimile)
Grant Thornton Limited

AIRD BERLIS

APPENDIX 54

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraff@airdberlis.com

November 13, 2017

BY REGULAR MAIL AND REGISTERED MAIL

2441472 Ontario Inc.
 1237 Beechgrove Crescent
 Oakville, ON L6M 2B5

Attention: Craig Clydesdale

- and -

2441472 Ontario Inc.
 200 North Service Road West
 Unit 1, Suite 385
 Oakville, ON L6M 3B3

Attention: Craig Clydesdale

AND BY EMAIL (craig@oomenergy.com)

Dear Sir:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

We are the lawyers for Grant Thornton Limited ("GTL"), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "Receiver") of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, "Crystal Wealth"). As you know, the Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on April 26, 2017 (the "Appointment Order").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

Page 2

We refer to a loan agreement among Crystal Wealth Mortgage Strategy (under its prior name, Crystal Enhanced Mortgage Fund) (together with any assignees, the "**Lender**"), 2441472 Ontario Inc. (the "**Company**") and 2404873 Ontario Corp. (the "**Guarantor**", and together with the Company, the "**Obligors**"), dated November 7, 2014 (as same may have been amended, replaced, restated, or supplemented from time to time, the "**Loan Agreement**").

According to the books and records of Crystal Wealth, as at October 31, 2017, the following amounts are owing for principal and interest under the credit facilities pursuant to the Loan Agreement:

- a) \$1,679,198.55 in respect of principal; and
- b) \$175,459.28 in respect of accrued interest.

Events of Default have occurred under the Loan Agreement, including, amongst other things, the failure to make payments when due. We notified you of this in a letter dated October 26, 2017. Default has not been cured within the necessary time period under the Loan Agreement.

On behalf of the Receiver, we hereby make formal demand on the Company for payment of \$1,872,657.83, together with legal and professional fees (collectively, the "**Indebtedness**").

The Indebtedness is secured by, *inter alia*, a general security agreement dated November 20, 2014, granted by the Company in favour of the Lender, and an assignment of energy services agreement granted by the Company in favour of the Lender dated November 20, 2014 (the "**Assignment of ESA**").

We additionally note that pursuant to the Assignment of ESA, any payments received under the energy services agreement between the Company and St. Mary's Cement dated June 27, 2013 (the "**ESA**") which are received in disregard of the Assignment of ESA (i.e. payments which are received by the Company but not remitted to the Lender) shall be held by in trust by the Company for the Lender. To the extent that any such payments have been received by the Company but not remitted to the Lender, the Company is in breach of trust. In this regard, we note that Crystal Wealth has not received payments from the Company since March 2017.

Accordingly, and on behalf of the Receiver, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "**BIA Notice**").

The Receiver hereby reserves its rights to initiate proceedings within the ten-day period set out in the BIA notice, if circumstances warrant such proceedings.

AIRD BERLIS

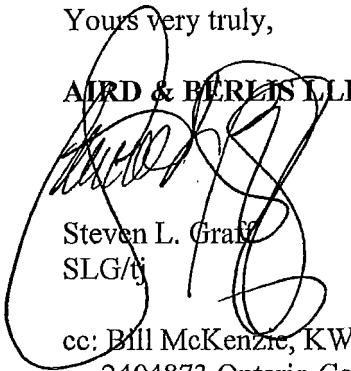
Page 3

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider necessary or appropriate to recover the Indebtedness, which may include, without limitation, taking steps to appoint an interim receiver, receiver or receiver and/or manager of the Company, in which case the Receiver will also be seeking all costs incurred in so doing.

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP



Steven L. Graff
SLG/gj

cc: Bill McKenzie, KWM Law
2404873 Ontario Corp.
Grant Thornton Limited

AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Regular and Registered Mail

TO: **2441472 Ontario Inc.**
 1237 Beechgrove Crescent, Oakville, ON L6M 2B5

AND TO: **2441472 Ontario Inc.**
 200 North Service Road West, Unit 1, Suite 385, Oakville, ON L6M 3B3
insolvent company / person

TAKE NOTICE that:

1. Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of, amongst other affiliated entities, Crystal Wealth Mortgage Strategy (prior name Crystal Enhanced Mortgage Fund) (individually and collectively with its affiliates and/or assigns, the "**Mortgage Fund**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of 2441472 Ontario Inc. (the "**Company**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Company.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement and an assignment of energy services agreement, each granted by the Company in favour of the Mortgage Fund, and each dated November 20, 2014 (the "**Security**").
3. As at October 31, 2017, the total amount of the indebtedness secured by the Security is the sum of \$1,872,657.83 in principal and interest, plus accruing interest and recovery costs of the Receiver (including, without limitation, the Receiver's legal and other professional fees).
4. The Receiver will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Company consents to an earlier enforcement.

DATED at Toronto this 13th day of October, 2017.

**GRANT THORNTON LIMITED, in its capacity as
 Receiver and Manager of the Crystal Wealth
 Group, and not in its personal or corporate capacity
 and without personal or corporate liability
 by its lawyers, Aird & Berlis LLP**

Per: _____

Steven L. Graft
 Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500 / Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

APPENDIX 55

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraff@airdberlis.com

October 26, 2017

BY REGULAR AND REGISTERED MAIL

MCSnoxrecovery Inc.
 1237 Beechgrove Crescent
 Oakville, ON L6M 2B5

Attention: Craig Clydesdale

- and -

MCSnoxrecovery Inc.
 200 North Service Road West
 Unit 1, Suite 385
 Oakville, ON L6M 2Y1

Attention: Craig Clydesdale

Dear Sir:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

We are the lawyers for Grant Thornton Limited ("GTL"), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "Receiver") of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, "Crystal Wealth"). As you know, the Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on April 26, 2017 (the "Appointment Order").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

We refer to a loan agreement between Crystal Wealth Management System Limited (together with any assignees, the “**Lender**”) and MCSnoxrecovery Inc. (the “**Company**”) dated March 8, 2015 (as same may have been amended, replaced, restated, or supplemented from time to time, the “**2015 Loan Agreement**”). We also refer to a loan agreement between the Lender and the Company dated November 2, 2016 (as same may have been amended, replaced, restated or supplemented from time to time, the “**2016 Loan Agreement**” and, together with the 2015 Loan Agreement, the “**Loan Agreements**”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan Agreements.

DEMAND ON INTEREST

The Loan Agreements each provide that accrued interest is payable on demand. The books and records of Crystal Wealth held by the Receiver provide that \$45,361.00 in accrued interest is outstanding under the 2015 Loan Agreement and \$152,820.00 is outstanding under the 2016 Loan Agreement.

On behalf of the Receiver, we hereby make formal demand on these amounts. Payment is required to be made immediately. Interest continues to accrue at the rate set out in the Loan Agreements. Please contact the undersigned to make payment arrangements.

REQUEST FOR FINANCIAL STATEMENTS

Finally, pursuant to Article 2 under the “Covenants” heading of the Loan Agreements, the Company is required to deliver annual financial statements (review engagement report) on written request from the Lender. Please immediately deliver the most recent review engagement report for the Company.

NOTICE OF DEFAULT

The failure by the Company to observe any one or more of the provisions contained in the Loan Agreements is an Event of Default under the Loan Agreements. Under the heading of “Further Assurances”, the Company undertook to, amongst other things, and at their own expense, make, execute, or deliver all further acts, documents, and things in connection with the Loan Agreements and the Security as the Lender may reasonably require from time to time for the purpose of giving effect thereto, including, without limitation, for the purpose of facilitating the enforcement of the Security, all immediately upon the request of the Lender. On May 18th, 2017 and again on June 7th, 2017, the Receiver requested that the Company and/or its solicitor deliver certain documentation in connection with the Loan Agreements and the Security. The failure to provide this information on request breaches each Further Assurances clause and is therefore an Event of Default under each of the Loan Agreements.

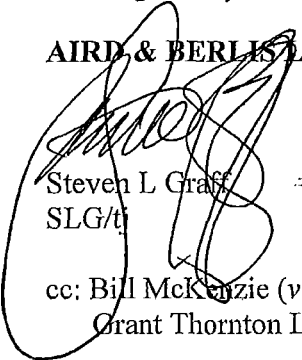
This notice is not a waiver of any other existing defaults or Events of Default or a waiver of any additional or subsequent default or Event of Default. The Receiver expressly reserves any and all of Crystal Wealth’s rights and remedies under the Loan Agreements and under any and all documents and agreements ancillary thereto, at law and in equity.

AIRD BERLIS

Page 3

Please govern yourself accordingly.

AIRD & BERLIS LLP



Steven L Graft

SLG/t

cc: Bill McKenzie (*via e-mail and facsimile*)

Grant Thornton Limited

30700709.5

AIRD BERLIS

APPENDIX 56

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraff@airdberlis.com

November 3, 2017

BY REGULAR MAIL AND REGISTERED MAIL

MCSnoxrecovery Inc.
 1237 Beechgrove Crescent
 Oakville, ON L6M 2B5

Attention: Craig Clydesdale

- and -

MCSnoxrecovery Inc.
 200 North Service Road West
 Unit 1, Suite 385
 Oakville, ON L6M 2Y1

Attention: Craig Clydesdale

AND BY E-MAIL (craig@oomenergy.com)

Dear Sir:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

We are the lawyers for Grant Thornton Limited ("GTL"), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "Receiver") of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, "Crystal Wealth"). As you know, the Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on April 26, 2017 (the "Appointment Order").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

Page 2

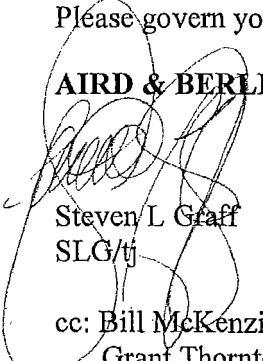
We refer to a loan agreement between Crystal Wealth Management System Limited (together with any assignees, the "**Lender**") and MCSnoxrecovery Inc. (the "**Company**") dated March 8, 2015 (as same may have been amended, replaced, restated, or supplemented from time to time, the "**2015 Loan Agreement**"). We also refer to a loan agreement between the Lender and the Company dated November 2, 2016 (as same may have been amended, replaced, restated or supplemented from time to time, the "**2016 Loan Agreement**" and, together with the 2015 Loan Agreement, the "**Loan Agreements**"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan Agreements.

In a letter dated October 26, 2016, we made demand for immediate payment of accrued interest under the 2015 Loan Agreement and the 2016 Loan Agreement. The Company failed to make this payment. This is an Event of Default under the each of Loan Agreements.

This notice is not a waiver of any other existing defaults or Events of Default or a waiver of any additional or subsequent default or Event of Default. The Receiver expressly reserves any and all of Crystal Wealth's rights and remedies under the Loan Agreements and under any and all documents and agreements ancillary thereto, at law and in equity.

Please govern yourself accordingly.

AIRD & BERLIS LLP


Steven L. Graff
SLG/tj

cc: Bill McKenzie (via e-mail)
Grant Thornton Limited

30843377.1

AIRD BERLIS

APPENDIX 57

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraff@airdberlis.com

November 13, 2017

BY REGULAR MAIL AND REGISTERED MAIL

MCSnoxrecovery Inc.
 1237 Beechgrove Crescent
 Oakville, ON L6M 2B5

Attention: Craig Clydesdale

- and -

MCSnoxrecovery Inc.
 200 North Service Road West
 Unit 1, Suite 385
 Oakville, ON L6M 2Y1

Attention: Craig Clydesdale

AND BY EMAIL (craig@oomenergy.com)

Dear Sir:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

We are the lawyers for Grant Thornton Limited ("GTL"), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "Receiver") of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, "Crystal Wealth"). As you know, the Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on April 26, 2017 (the "Appointment Order").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

Page 2

We refer to a loan agreement between Crystal Wealth Management System Limited (together with any assignees, the "**Lender**") and MCSnoxrecovery Inc. (the "**Company**") dated March 8, 2015 (as same may have been amended, replaced, restated, or supplemented from time to time, the "**2015 Loan Agreement**"). We also refer to a loan agreement between the Lender and the Company dated November 2, 2016 (as same may have been amended, replaced, restated or supplemented from time to time, the "**2016 Loan Agreement**" and, together with the 2015 Loan Agreement, the "**Loan Agreements**").

According to the books and records of Crystal Wealth, as at October 31, 2017, the following amounts are owing for principal and interest under the credit facilities pursuant to the Loan Agreements:

- a) \$550,000.00 in respect of principal on the 2015 Loan Agreement;
- b) \$50,499.54 in respect of accrued interest on the 2015 Loan Agreement;
- c) \$2,000,000.00 in respect of principal on the 2016 Loan Agreement; and
- d) \$152,820.00 in respect of accrued interest on the 2016 Loan Agreement.

Events of Default have occurred under the Loan Agreements, including, amongst other things, the failure to make payments when due. We notified you of certain defaults, and demanded payment of accrued interest, in a letter dated October 26, 2017. After not hearing back in respect of the demand for interest, we notified you that the failure to pay interest constituted an Event of Default under the Loan Agreements in a letter dated November 3, 2017. Default has not been cured within the necessary time period under the Loan Agreements.

On behalf of the Receiver, we hereby make formal demand on the Company for payment of \$2,772,004.11, together with legal and professional fees (collectively, the "**Indebtedness**").

The Company has granted a charge over all of its assets, undertaking, and property as a condition of each of the Loan Agreements.

On behalf of the Receiver, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "**BIA Notice**").

The Receiver hereby reserves its rights to initiate proceedings within the ten-day period set out in the BIA notice, if circumstances warrant such proceedings.

Payment of the Indebtedness is required to be made immediately. Interest continues to accrue on the Indebtedness at the rate established by the Loan Agreements and any other agreement or instrument, as applicable.

AIRD BERLIS

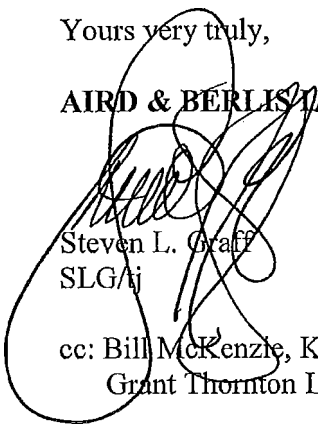
Page 3

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider necessary or appropriate to recover the Indebtedness, which may include, without limitation, taking steps to appoint an interim receiver, receiver or receiver and/or manager of the Company, in which case the Receiver will also be seeking all costs incurred in so doing.

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP



Steven L. Graff
SLG/tj

cc: Bill McKenzie, KWM Law
Grant Thornton Limited

AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Regular and Registered Mail

TO: **MCSnoxrecovery Inc.**
 200 North Service Road West, Unit 1, Suite 385, Oakville, ON L6M 2Y1

AND TO: **MCSnoxrecovery Inc.**
 1237 Beechgrove Crescent, Oakville, ON L6M 2B5

insolvent company / person

TAKE NOTICE that:

1. Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of Crystal Wealth Management System Limited (individually and collectively with certain of its affiliates and assigns, as applicable, "**Crystal Wealth**"), a secured creditor, intends to enforce its security on the property, assets and undertakings of MCSnoxrecovery Inc. (the "**Company**"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Company.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Company and Crystal Wealth (the "**Security**").
3. As at October 31, 2017, the total amount of the indebtedness secured by the Security is the sum of \$2,772,004.11, in principal and interest, plus accruing interest and recovery costs of the Receiver (including, without limitation, the Receiver's legal and other professional fees).
4. The Receiver will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Company consents to an earlier enforcement.

DATED at Toronto this 13th day of November, 2017.

**GRANT THORNTON LIMITED, in its capacity as
 Receiver and Manager of the Crystal Wealth
 Group, and not in its personal or corporate capacity
 and without personal or corporate liability
 by its lawyers, Aird & Berlis LLP**

Per: _____

Steven L. Graff
 Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500 / Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

APPENDIX 58

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraff@airdberlis.com

October 26, 2017

BY REGULAR AND REGISTERED MAIL

MCSAB10 Inc.
 1237 Beechgrove Crescent
 Oakville, ON L6M 2B5

Attention: Craig Clydesdale

- and -

MCSAB10 Inc.
 408-5500 Clover Bar Road
 Sherwood Park, AB T8H 0W5

Attention: Craig Clydesdale

AND BY EMAIL (craig@oomenergy.com)

Dear Sir:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

We are the lawyers for Grant Thornton Limited ("GTL"), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, "**Crystal Wealth**"). As you know, the Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on April 26, 2017 (the "**Appointment Order**").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

Page 2

We refer to a loan agreement among Crystal Wealth Management System Limited (together with any assignees, the "**Lender**"), MCSAB10 Inc. (the "**Company**"), and 2404873 Ontario Corp. (the "**Guarantor**", and together with the Company, the "**Obligors**") dated November 28, 2016 (as same may have been amended, replaced, restated, or supplemented from time to time, and as same may have replaced previous arrangements, the "**Loan Agreement**"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan Agreement.

The Company has failed to make its required monthly payments when due under the terms of the Loan Agreement. This is an Event of Default under the Loan Agreement.

Each of the Obligors represented and warranted that the collateral under the Security required by the Loan Agreement was free and clear of any liens, charges, or other security interests other than Permitted Liens. The Guarantor granted a security interest to certain related entities, as evidenced by a registration made under the *Personal Property Security Act* (Ontario) on September 7, 2016, making this representation and warranty false, and constituting an Event of Default.

The failure by any Obligor to observe any one or more of the provisions contained in the Loan Agreements is an Event of Default under the Loan Agreement. Under the heading of "Further Assurances", each of the Obligors undertook to, amongst other things, and at their own expense, make, execute, or deliver all further acts, documents, and things in connection with the Loan Agreement and the Security as the Lender may reasonably require from time to time for the purpose of giving effect thereto, including, without limitation, for the purpose of facilitating the enforcement of the Security, all immediately upon the request of the Lender. On May 18th, 2017, the Receiver requested that the Company and/or its solicitor deliver certain documentation in connection with the Loan Agreement and the Security. The failure to provide this information on request breaches the Further Assurances clause and is therefore an Event of Default.

This notice is not a waiver of any other existing Defaults or Events of Default or a waiver of any additional or subsequent Default or Event of Default. The Receiver expressly reserves any and all of Crystal Wealth's rights and remedies under the Loan Agreement and under any and all documents and agreements ancillary thereto, at law and in equity.

Finally, pursuant to Article 2 under the "Covenants" heading of the Loan Agreement, the Company is required to deliver annual financial statements (review engagement report) of each of the Obligors on written request from the Lender. Please immediately deliver the most recent review engagement reports for each of the Obligors.

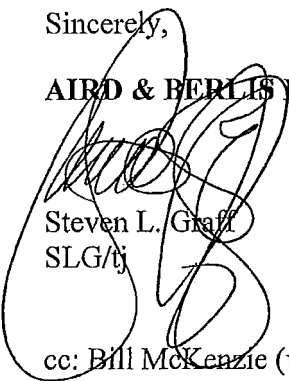
Please govern yourself accordingly.

AIRD BERLIS

Page 3

Sincerely,

AIRD & BERLIS LLP



Steven L. Graff

SLG/tj

cc: Bill McKenzie (*via e-mail and facsimile*)

Grant Thornton Limited

2404873 Ontario Corp.

30700809.2

AIRD BERLIS

APPENDIX 59

TAB 59

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraiff@airdberlis.com

November 13, 2017

BY REGULAR MAIL AND REGISTERED MAIL

MCSAB10 Inc.
 1237 Beechgrove Crescent
 Oakville, ON L6M 2B5

Attention: Craig Clydesdale

- and -

MCSAB10 Inc.
 408-5500 Clover Bar Road
 Sherwood Park, AB T8H 0W5

Attention: Craig Clydesdale

AND BY EMAIL (craig@oomenergy.com)

Dear Sir:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

As you know, we are the lawyers for Grant Thornton Limited ("GTL"), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, "**Crystal Wealth**"). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on April 26, 2017 (the "**Appointment Order**").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

Page 2

We refer to a loan agreement among Crystal Wealth Management System Limited (together with any assigns, the "**Lender**"), MCSAB10 Inc. (the "**Company**"), and 2404783 Ontario Corp. (the "**Guarantor**"), and together with the Company, the "**Obligors**"), dated November 28, 2016 (as same may have been amended, replaced, restated, or supplemented from time to time, the "**Loan Agreement**").

According to the books and records of Crystal Wealth, as at October 31, 2017, the following amounts are owing for principal and monthly user fees under the credit facilities pursuant to the Loan Agreement:

- a) \$2,000,000.00 in respect of principal; and
- b) \$232,219.18 in respect of user fees.

Events of Default have occurred under the Loan Agreement, including, amongst other things, the failure to make payments when due. We notified you of this default in a letter dated October 26, 2017. We have not heard back from you, and default has not been cured within the necessary time period under the Loan Agreement.

On behalf of the Receiver, we hereby make formal demand on the Company for payment of \$2,232,219.18, together with legal and professional fees (the "**Indebtedness**").

The Indebtedness is secured by, *inter alia*, a General Security Agreement granted by the Company in favour of the Lender dated November 28, 2016, and an Assignment of Energy Services Agreement granted by the Company in favour of the Lender dated November 28, 2016 (the "**Assignment of ESA**").

We additionally note that pursuant to the Assignment of ESA, any payments received under the Energy Services Agreement between the Company and Imaginea Energy Corp. dated June 16, 2016 (the "**ESA**") which are received in disregard of the Assignment of ESA (i.e. payments which are received by the Company but not remitted to the Lender) shall be held by in trust by the Company for the Lender. To the extent that any such payments have been received by the Company and not remitted to the Lender, the Company is in breach of trust. In this regard, we note that Crystal Wealth has not received payments from the Company at any point.

On behalf of the Receiver, we enclose a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (the "**BIA Notice**").

The Receiver hereby reserves its rights to initiate proceedings within the ten-day period set out in the BIA Notice, if circumstances warrant such proceedings.

Payment of the Indebtedness is required to be made immediately. Interest continues to accrue on the Indebtedness at the rate established by the Loan Agreement and any other agreement or instrument, as applicable.

AIRD BERLIS

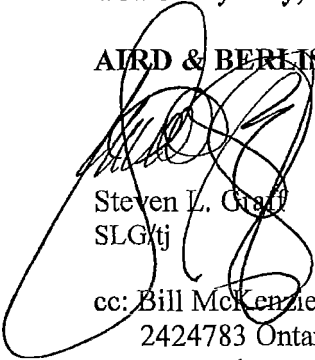
Page 3

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider necessary or appropriate to recover the Indebtedness, which may include, without limitation, taking steps to appoint an interim receiver, receiver or receiver and/or manager of the Company, in which case the Receiver will also be seeking all costs incurred in so doing.

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP



Steven L. Graft
SLG/tj

cc: Bill McKenzie, KWM Law
2424783 Ontario Corp.
Grant Thornton Limited

AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Regular and Registered Mail

TO: **MCSAB10 Inc.**
 1237 Beechgrove Crescent, Oakville, ON L6M 2B5

AND TO: **MCSAB10 Inc.**
 408-5500 Clover Bar Road, Sherwood Park, AB T8H 0W5
insolvent company / person

TAKE NOTICE that:

1. Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "Receiver") of, amongst other entities, Crystal Wealth Management System Limited (individually and collectively with certain of its affiliates and assigns, as applicable, "Crystal Wealth"), a secured creditor, intends to enforce its security on the property, assets and undertakings of MCSAB10 Inc. (the "Company"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Company.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement and an assignment of energy services agreement, each between the Company and Crystal Wealth and each dated November 28, 2016 (the "Security").
3. As at October 31, 2017, the total amount of the indebtedness secured by the Security is the sum of \$2,232,219.18 in principal and interest, plus accruing interest and recovery costs of the Receiver (including, without limitation, the Receiver's legal and other professional fees).
4. The Receiver will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Company consents to an earlier enforcement.

DATED at Toronto this 13th day of November, 2017.

**GRANT THORNTON LIMITED, in its capacity as
 Receiver and Manager of the Crystal Wealth Group,
 and not in its personal or corporate capacity and
 without personal or corporate liability
 by its lawyers, Aird & Berlis LLP**

Per: _____

Steven L. Goff
 Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9

Tel: 416-863-1500 / Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

APPENDIX 60

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraff@airdberlis.com

November 13, 2017

BY REGULAR MAIL AND REGISTERED MAIL

2404873 Ontario Corp.
 1237 Beechgrove Crescent
 Oakville, ON L6M 2B5

Attention: Craig Clydesdale

- and -

2404873 Ontario Corp.
 200 North Service Road West
 Unit 1, Suite 385
 Oakville, ON L6M 2Y1

Attention: Craig Clydesdale

AND BY EMAIL (craig@oomenergy.com)

Dear Sir:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

As you know, we are the lawyers for Grant Thornton Limited ("GTL"), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "Receiver") of all of the assets, undertakings and properties of Crystal Wealth Management System Limited, Crystal Wealth Mortgage Strategy, and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, "Crystal Wealth"). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on April 26, 2017 (the "Appointment Order").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

Page 2

We refer to a loan agreement among Crystal Wealth Mortgage Strategy (under its prior name, Crystal Enhanced Mortgage Fund) (together with any assignees, the "**244 Lender**"), 2441472 Ontario Inc. ("**244**") and 2404873 Ontario Corp. (the "**Company**"), dated November 7, 2014 (as same may have been amended, replaced, restated, or supplemented from time to time, the "**244 Loan Agreement**").

Pursuant to a Guarantee and Postponement of Claim dated November 20, 2014 (the "**244 Guarantee**"), the Company provided an unlimited guarantee of 244's obligations to the 244 Lender under the 244 Loan Agreement.

The total indebtedness owing by 244 to the 244 Lender as at October 31, 2017 pursuant to the 244 Loan Agreement is \$1,872,657.83, together with legal and professional fees (the "**244 Indebtedness**").

We also refer to a loan agreement among Crystal Wealth Management System Limited (together with any assigns, the "**MCSAB Lender**"), MCSAB10 Inc. ("**MCSAB**"), and the Company, dated November 28, 2016 (as same may have been amended, replaced, restated, or supplemented from time to time, the "**MCSAB Loan Agreement**").

Pursuant to a Guarantee and Postponement of Claim dated November 28, 2016, the Company provided an unlimited guarantee of MCSAB's obligations to the MCSAB Lender under the MCSAB Loan Agreement (the "**MCSAB Guarantee**").

The total indebtedness owing by MCSAB to the MCSAB Lender as at October 31, 2017 pursuant to the MCSAB Loan Agreement is \$2,232,219.18, together with legal and professional fees (the "**MCSAB Indebtedness**").

On behalf of the Receiver, we hereby make formal demand on the Company for payment of \$4,104,877.00, together with legal and professional fees, representing the combined amount of the 244 Indebtedness and the MCSAB Indebtedness (collectively, the "**Indebtedness**").

Each of the 244 Guarantee and the MCSAB Guarantee is secured by, *inter alia*, a general security agreement and a pledge of equity interests made by the Company in favour of the respective Lender.

On behalf of the Receiver, we enclose Notices of Intention to Enforce Security delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act*: one provided in respect of the 244 Indebtedness and the other provided in respect of the MCSAB Indebtedness (the "**BIA Notices**").

The Receiver hereby reserves its rights to initiate proceedings within the ten-day period set out in the BIA Notices, if circumstances warrant such proceedings.

Payment of the Indebtedness is required to be made immediately. Interest continues to accrue at the rates set out in the 244 Loan Agreement and the MCSAB Loan Agreement, and any other agreement or instrument, as applicable.

AIRD BERLIS

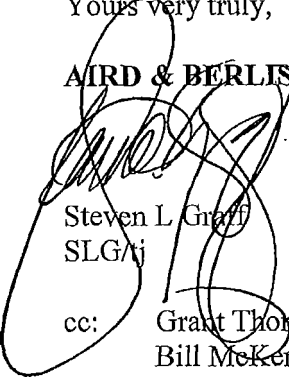
Page 3

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider necessary or appropriate to recover the Indebtedness, which may include, without limitation, taking steps to appoint an interim receiver, receiver or receiver and/or manager of the Company, in which case the Receiver will also be seeking all costs incurred in so doing.

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP



Steven L. Graff
SLG/tj

cc: Grant Thornton Ltd.
Bill McKenzie, KWM Law (by e-mail)

AIRD BERLIS

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Regular and Registered Mail

TO: **2404873 Ontario Corp.**
 1237 Beechgrove Crescent, Oakville, ON L6M 2B5

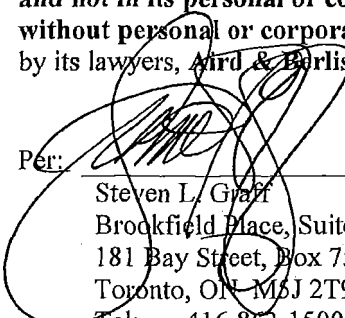
AND TO: **2404873 Ontario Corp.**
 200 North Service Road West, Unit 1, Suite 385, Oakville, ON L6M 2Y1
insolvent company / person

TAKE NOTICE that:

1. Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "Receiver") of, amongst other entities, Crystal Wealth Management System Limited (individually and collectively with certain of its affiliates and assigns, as applicable, "Crystal Wealth"), a secured creditor, intends to enforce its security on the property, assets and undertakings of 2404873 Ontario Corp. (the "Company"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Company.
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Company and Crystal Wealth (the "Security").
3. As at October 31, 2017, the total amount of the indebtedness secured by the Security is the sum of \$2,232,219.18 in principal and interest, plus accruing interest and recovery costs of the Receiver (including, without limitation, the Receiver's legal and other professional fees).
4. The Receiver will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Company consents to an earlier enforcement.

DATED at Toronto this 13th day of November, 2017.

**GRANT THORNTON LIMITED, in its capacity as
 Receiver and Manager of the Crystal Wealth Group,
 and not in its personal or corporate capacity and
 without personal or corporate liability
 by its lawyers, Aird & Berlis LLP**

Per: 

Steven L. Graft
 Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5J 2T9
 Tel: 416-863-1500 / Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

NOTICE OF INTENTION TO ENFORCE SECURITY
(Bankruptcy and Insolvency Act, Subsection 244(1))

Delivered By Regular and Registered Mail

TO: **2404873 Ontario Corp.**
 1237 Beechgrove Crescent, Oakville, ON L6M 2B5

AND TO: **2404873 Ontario Corp.**
 200 North Service Road West, Unit 1, Suite 385, Oakville, ON L6M 2Y1
insolvent company / person

TAKE NOTICE that:

1. Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "Receiver") of, amongst other entities, Crystal Wealth Mortgage Strategy (prior name Crystal Enhanced Mortgage Fund) (individually and collectively with certain of its affiliates and assigns, the "Mortgage Fund"), a secured creditor, intends to enforce its security on the property, assets and undertakings of 2404873 Ontario Corp. (the "Company"), including, without limiting the generality of the foregoing, all the equipment, accounts, proceeds, books and records, inventory, leaseholds and all other personal property interests of the Company, including certain equity interests in 2441472 Ontario Inc..
2. The security that is to be enforced is in the form of, *inter alia*, a general security agreement between the Company and the Mortgage Fund dated November 20, 2014, and a Pledge of Equity Interests granted by the Company in favour of the Mortgage Fund also dated November 20, 2014.
3. As at October 31, 2017, the total amount of the indebtedness secured by the Security is the sum of \$1,872,657.83 in principal and interest, plus accruing interest and recovery costs of the Receiver (including, without limitation, the Receiver's legal and other professional fees).
4. The Receiver will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Company consents to an earlier enforcement.

DATED at Toronto this 13th day of November, 2017.

**GRANT THORNTON LIMITED, in its capacity as
 Receiver and Manager of the Crystal Wealth Group,
 and not in its personal or corporate capacity and
 without personal or corporate liability
 by its lawyers, Aird & Berlis LLP**

Per: _____

Steven L. Graff
 Brookfield Place, Suite 1800
 181 Bay Street, Box 754
 Toronto, ON M5L 2A9

Tel: 416-863-1500 / Fax: 416-863-1515

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

APPENDIX 61

AIRD BERLIS

Steven L. Graff
 Direct: 416.865.3414
 E-mail: sgraff@airdberlis.com

October 26, 2017

BY COURIER

1092545 BC Ltd.
 3801 St. Georges Avenue
 North Vancouver, BC V7N 1W3

Attention: Marcel Rada - President

Dear Sir:

**RE Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

AND RE: Promissory note dated November 4, 2016

We are the lawyers for Grant Thornton Limited ("GTL"), in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "Receiver") of all of the assets, undertakings and properties of Crystal Wealth Management System Limited and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, "Crystal Wealth"). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "Court") issued on April 26, 2017 (the "Appointment Order").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to Crystal Wealth; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to Crystal Wealth. A copy of the Appointment Order is available at www.GrantThornton.ca/CrystalWealth.

We refer to a promissory note made between 1092545 B.C. Ltd., as borrower ("109"), and Crystal Wealth Management System Limited, as lender, dated November 4, 2016 (the "Promissory Note").

The Promissory Note matured (at the latest) 90 days following the date it was made, at which point all principal and accrued interest became repayable. Crystal Wealth's records show that the outstanding balance thereunder has not been paid.

Page 2

On behalf of the Receiver, we hereby make formal demand for payment of US \$125,000.00, together with accrued interest, the share bonus involving shares of Century Energy Ltd. (if applicable), and legal and professional fees incurred in enforcing the Promissory Note (the "Indebtedness"). Payment is required to be made immediately. Please contact the undersigned to discuss payment arrangements.

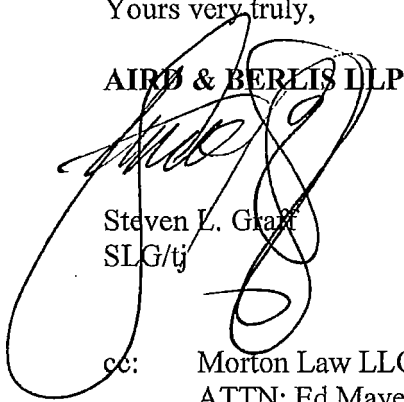
The Indebtedness is secured by, *inter alia*, a trust account deposit held by Morton Law LLC.

If payment of the Indebtedness is not received immediately, the Receiver shall take whatever steps it may consider necessary or appropriate to recover the Indebtedness, including, without limitation, commencing legal proceedings, in which case the Receiver shall also be seeking all costs incurred in so doing.

Please govern yourself accordingly.

Yours very truly,

AIRD & BERLIS LLP



Steven L. Graff
SLG/tj

cc: Morton Law LLC
ATTN: Ed Mayerhofer
1200-750 West Pender Street
Vancouver, BC V6C 2T8

cc: Grant Thornton Ltd.

30655466.3

AIRD BERLIS

APPENDIX 62

Re Rada

IN THE MATTER OF:

**The Dealer Member Rules of the Investment Industry Regulatory
Organization of Canada (IIROC)**

and

The By-Laws of the Investment Dealers Association of Canada (IDA)

and

Marcel Anil Rada

[2011] IIROC No. 27

Investment Industry Regulatory Organization of Canada
Hearing Panel (Pacific District Council)

Heard: April 18, 2011 in Vancouver, BC
Decision: April 29, 2011
(14 paras.)

Hearing Panel:

Catharine Esson, Chair, Dave Pearson and Mike Johnson

Appearance:

Barbara Lohmann, Enforcement Counsel

The Respondent was not present and did not appear by counsel

DECISION

¶ 1 Pursuant to Association Bylaw 20.36, we conducted a hearing on April 18, 2011 to consider whether to accept a settlement agreement entered into between IIROC's Enforcement Staff and Mr. Rada on April 14, 2011 (the "Settlement Agreement"). At the conclusion of the hearing and after considering the submissions of Enforcement Council, we accepted the Settlement Agreement. These are our reasons for doing so.

¶ 2 The Settlement Agreement is attached to these reasons. Enforcement Counsel advised us that Mr. Rada was represented throughout the settlement process.

¶ 3 In the Settlement Agreement, Mr. Rada has admitted that:

- a. From January 2007 to March 2007, he solicited and obtained monies for the stated purposes of investments in Ialta Industries Ltd. ("Ialta"), which investments were off-book transactions conducted without the knowledge or consent of his employer, when in fact he was the primary beneficiary of the monies raised, contrary to Dealer Member Rule 29.1 (then IDA By-law 29.1).
- b. On or about June 1, 2007, he solicited and obtained monies from JB for the stated purpose of an investment in Montrose Explorations Ltd. ("Montrose"), which investment was off-book and

without the knowledge or consent of his employer, when in fact he was the primary beneficiary of the money raised, and once he became the President of Montrose in November 2007, he failed to cause Montrose to issue the shares to JB pursuant to that investment, contrary to Dealer Member Rule 29.1 (then IDA By-law 29.1).

- c. On or about August 24, 2007, he facilitated the participation in an off-book transaction on behalf of Montrose without the knowledge or consent of his employer, contrary to Dealer Member Rule 29.1 (then IDA By-law 29.1).
- d. On or about November 5, 2007, he issued a personal cheque for \$30,000 to JB in re-payment of a loan to Montrose on a bank account that he knew or ought to have known had been closed two months earlier, contrary to Dealer Member Rule 29.1 (then IDA By-law 29.1).
- e. From November 14, 2008 to August 25, 2010, he failed to co-operate with Staff's investigation into the matters outlined in Counts 1, 2, 3 and 4 herein, contrary to Dealer Member Rule 19.5 in that he refused to produce banking records when asked by Staff to do so and he failed to attend an interview with Staff scheduled for August 25, 2010.

¶ 4 In the Settlement Agreement, Staff and Mr. Rada agreed on the following terms of settlement:

- a. a permanent prohibition against Mr. Rada's reapproval in all capacities; and
- b. a fine in the amount of \$75,000

¶ 5 Mr. Rada also agreed to pay costs to IIROC in the amount of \$10,000.

The principles applicable to the decision to accept or reject a settlement agreement.

¶ 6 Pursuant to s. 20.36(1) of IIROC's Dealer Member Rules, we must accept or reject the Settlement Agreement as presented to us. This requires that we consider:

- a. whether the facts agreed upon support the admissions of contraventions made by Mr. Rada in paragraph 7 of the Settlement Agreement; and
- b. whether the agreed upon penalty is within the reasonable range for the misconduct which is admitted.

¶ 7 In *R. v. Milewski* [1999] IDAC No. 17, the District Council described the difference between determining whether the agreed upon penalty is within a reasonable range and the task which faces a panel following a contested hearing, as follows:

Although a settlement agreement must be accepted by a District Council before it can become effective, the standards for acceptance are not identical to those applied by a District Council when making a penalty determination after a contested hearing. In a contested hearing, the District Council attempts to determine the correct penalty. A District Council considering a settlement agreement will tend not to alter a penalty that it considers to be within a reasonable range, taking into account the settlement process and the fact that the parties have agreed. It will not reject a settlement unless it views the penalty as clearly falling outside a reasonable range of appropriateness. Put another way, the District Council will reflect the public interest benefits of the settlement process in its consideration of specific settlements.

¶ 8 This is consistent with the description of the obligation on tribunals considering settlements and joint submissions in other contexts, as described in *Rault v. Law Society of Saskatchewan* 2009 SKCA 81.

Do the facts agreed upon in the Settlement Agreement support the admissions of contraventions?

¶ 9 We have concluded that the facts agreed upon support the admissions of contraventions in paragraph 7 of the Settlement Agreement.

Is the agreed upon penalty within the reasonable range for the misconduct which is admitted?

¶ 10 Mr. Rada's admitted misconduct falls into four categories:

- a. Soliciting and obtaining funds from individuals for the stated purpose of investment in two issuers, when in fact a significant portion of the money raised was then paid to Mr. Rada by the issuers, without the knowledge and consent of the individuals who provided the funds, contrary to Dealer Member 29.1.

The total funds raised by Mr. Rada to which this admission relates is approximately \$205,000. Of this, Mr. Rada admits to being the beneficiary of more than \$175,000. Mr. Rada has paid \$17,000 to the individuals from whom he raised this money.

- b. Facilitating participation in off book transactions without the knowledge and consent of his employer, contrary to Dealer – Member 29.1;
- c. Issuing a personal cheque to an individual in repayment of a loan made to an issuer that Mr. Rada guaranteed on a personal bank account that Mr. Rada knew or ought to have known had been closed two months earlier, contrary to Dealer Member Rule 29.1; and
- d. Failing to cooperate with Staff's investigation, contrary to Dealer Member Rule 19.5. Mr. Rada refused to produce banking records when asked by Staff to do so and failed to attend an interview with Staff scheduled for August 25, 2010 although he attended two other interviews.

¶ 11 Staff submitted before us that the conduct described in paragraph 10(a) above was akin to misappropriation of funds. We agree that the basic dishonesty of the conduct is comparable to misappropriation and that it is appropriate to look for guidance to authorities which consider misappropriation. We accept that a permanent ban and a substantial fine are within the reasonable range of penalty for this conduct, given its scope and dishonesty.

¶ 12 The remaining misconduct is also serious. It warrants an increase in the amount of the fine. Given that our task is to determine whether the agreed upon penalty is within the reasonable range, rather than to determine the correct penalty, little is to be gained by trying to quantify precisely how this remaining misconduct should affect the amount of the fine.

¶ 13 We are satisfied that the agreed upon penalty is within the reasonable range for the misconduct admitted, having regard for the settlement process and the fact the parties have agreed. In reaching this conclusion we have considered both IIROC's Guidelines and the penalties imposed in previous decisions referred to us by Staff. These authorities reinforce our conclusion.

Conclusion

¶ 14 For these reasons set out above, we accept the Settlement Agreement as presented.

Dated at Vancouver, BC this 29th day of April, 2011.

Catharine Esson, Chair

Dave Pearson

Mike Johnson

*** * * SETTLEMENT AGREEMENT * * ***

I. INTRODUCTION

1. IIROC Enforcement Staff and the Respondent, Marcel Anil Rada (Respondent) consent and agree to the settlement of this matter by way of this settlement agreement ("the Settlement Agreement").
2. The Enforcement Department of IIROC has conducted an investigation ("the Investigation") into the conduct of Marcel Anil Rada.
3. On June 1, 2008, IIROC consolidated the regulatory and enforcement functions of the Investment Dealers Association of Canada and Market Regulation Services Inc. Pursuant to the Administrative and Regulatory Services Agreement between IDA and IIROC, effective June 1, 2008, the IDA has retained IIROC to provide services for IDA to carry out its regulatory functions.
4. The Respondent consents to be subject to the jurisdiction of IIROC.
5. The Investigation discloses matters for which the Respondent may be disciplined by a hearing panel appointed pursuant to IIROC Transitional Rule No.1, Schedule C.1, Part C ("the Hearing Panel").

II. JOINT SETTLEMENT RECOMMENDATION

6. Staff and the Respondent jointly recommend that the Hearing Panel accept this Settlement Agreement.
7. The Respondent admits to the following contraventions of IIROC Rules, Guidelines, IDA By-Laws, Regulations or Policies:
 - a) From January 2007 to March 2007, the Respondent solicited and obtained monies for the stated purposes of investments in Ialta Industries Ltd. ("Ialta"), which investments were off-book transactions conducted without the knowledge or consent of his employer, when in fact he was the primary beneficiary of the money raised, contrary to Dealer Member Rule 29.1 (then IDA By-law 29.1).
 - b) On or about June 1, 2007, the Respondent solicited and obtained monies from JB for the stated purpose of an investment in Montrose Exploration Ltd. ("Montrose"), which investment was off-book and without the knowledge or consent of his employer, when in fact he was the primary beneficiary of the money raised, and once he became the President of Montrose in November 2007, he failed to cause Montrose to issue the shares to JB pursuant to that investment, contrary to Dealer Member Rule 29.1 (then IDA By-law 29.1).
 - c) On or about August 24, 2007, the Respondent facilitated the participation in an off-book transaction on behalf of Montrose without the knowledge or consent of his employer, contrary to Dealer Member Rule 29.1 (then IDA By-law 29.1).
 - d) On or about November 5, 2007, the Respondent issued a personal cheque for \$30,000 to JB in repayment of a loan to Montrose on a bank account that the Respondent knew or ought to have known had been closed two months earlier, contrary to Dealer Member Rule 29.1 (then IDA By-law 29.1).
 - e) From November 14, 2008 to August 25, 2010, the Respondent failed to co-operate with Staff's investigation into the matters outlined in Counts 1, 2, 3 and 4 herein, contrary to Dealer Member Rule 19.5 in that he refused to produce banking records when asked by Staff to do so and he failed to attend an interview with Staff scheduled for August 25, 2010.
8. Staff and the Respondent agrees to the following terms of settlement:

Where the Respondent is/was an Approved Person:

 - a) a permanent prohibition against re-approval in all capacities; and
 - b) a fine in the amount of \$75,000
9. The Respondent agrees to pay costs to IIROC in the amount of \$10,000.

III. STATEMENT OF FACTS

(i) Acknowledgment

10. Staff and the Respondent agree with the facts set out in this Section III and acknowledge that the terms of the settlement contained in this Settlement Agreement are based upon those specific facts.

(ii) Factual Background

THE RESPONDENT

11. The Respondent commenced his employment in the securities industry in 1992. He worked at various Member firms before joining Jennings Capital Inc. ("Jennings") in November 2004 where he was employed until October 11, 2006. The Respondent was then employed by Wolverton Securities Ltd. ("Wolverton") from October 19, 2006 to March 28, 2007. He was subsequently employed by Global Securities Corporation ("Global") from April 3, 2007 to December 21, 2007 when he voluntarily resigned. The Respondent is not currently employed in a registered capacity in the securities industry.
12. The Respondent does not have a previous disciplinary history.
13. These matters came to IIROC's attention as the result of complaints filed about the Respondent with both Wolverton and Global.

IALTA

14. Ialta's shares were listed on the CNQ Exchange. On January 9, 2007, the British Columbia Securities Commission ("BCSC") issued a cease trade order against Ialta for failing to file comparative financial statements for the financial year ended August 31, 2006 and a Form 51-102F1 Management's Discussion and Analysis for the period ended August 31, 2006. Ialta could not resume trading until it filed all the required records in accordance with the *Securities Act*.
15. The Respondent became involved in raising monies for Ialta for the stated purpose of paying for a financial audit, purchasing a property and paying legal fees in order to become re-listed on the CNQ Exchange.
16. Ialta's share never became relisted.

JB

17. JB was the Respondent's former client at a previous firm. He was not his client while at Wolverton.
18. In January 2007, the Respondent approached JB about investing in Ialta after which JB invested the following amounts in Ialta (collectively, the "JB Ialta Investment"):

- \$ 50,000 on February 6, 2007;
- \$ 75,000 on February 9, 2007; and
- \$ 25,000 on March 6, 2007.

TOTAL: \$150,000

19. The JB Ialta Investment was in the form of bridge loans and was evidenced by promissory notes issued by Ialta. Interest was at a rate of 3% per month. The third promissory note included a "50% stock bonus payable at maturity." The maturity date was stated on each promissory note as: "On the date that is seven business days after the Company's common shares resume trading on the CNQ". These transactions were all conducted through the Respondent.

20. JB sent a letter to Wolverton dated August 14, 2007 (the "Letter") in respect of, *inter alia*, the JB Ialta Investment which stated that he had been trying to contact the Respondent for five weeks but his calls were not returned. He wanted to know what was happening to his investments and "Marcel Rada is the person who sold me these investments".
21. On September 3, 2008, JB's lawyer issued a demand letter to Ialta, its directors and the Respondent for repayment of the JB Ialta Investment plus accumulated interest. The demand letter stated that JB was induced to make the JB Ialta Investment based upon the representations of the Respondent.
22. JB has not received repayment of his investment in Ialta.

MM

23. MM was the Respondent's client at Wolverton. In January 2007, the Respondent attended at MM's office and asked MM to invest in Ialta. The Respondent advised MM that it would be a "good investment". The Respondent further advised MM that Ialta's shares would be listed "within a month". At this meeting, MM gave the Respondent a cheque for \$5,000 payable to Ialta.
24. MM sent a letter dated November 16, 2007 to Wolverton in which he described his investment in Ialta. He was concerned that this investment never appeared on his Wolverton statements. He stated further that he had asked the Respondent for the paperwork in respect of the Ialta investment and while the Respondent's promised to provide same, he never did so. MM asked Wolverton if it was aware of this investment and if it had copies of the related paperwork.
25. MM has not had his Ialta investment returned back to him.

EC

26. In January 2007, EC, who was a former client of the Respondent, "ran into" the Respondent. At that time, the Respondent advised EC that he was employed by Wolverton and was working on a number of investment opportunities.
27. Shortly after this meeting, the Respondent contacted EC and arranged a subsequent meeting. At that subsequent meeting, EC agreed to open an account at Wolverton and signed the account opening documents. At that time, the Respondent recommended an investment in Ialta which was essentially a short-term loan to fund the recapitalization of the company that had been de-listed and would be shortly be re-listed as a mining company.
28. On January 31, 2007 EC provided the Respondent with a cheque for \$5,000 payable to Wolverton and another cheque for \$25,000 payable to Ialta. The Respondent provided EC with a promissory note from Ialta which stated that the investment was payable within seven days of Ialta being re-listed.
29. Approximately one month later, EC received a call from the Respondent who indicated that he had decided to move to Global. He stated that the re-listing of Ialta was proceeding as planned.
30. EC and the Respondent exchanged subsequent telephone calls in which the Respondent provided detailed updates in respect of Ialta, including the fact that things were proceeding much slower than anticipated.
31. Upon EC's return from an extended vacation in August 2007, he received notice from Wolverton that his account had been cancelled. EC immediately contacted the Respondent who assured EC that his investment in Ialta was secure. At that time, the Respondent discussed another investment opportunity which EC declined to participate in.
32. EC wrote a complaint letter dated February 5, 2008 to Wolverton in which he outlined the history of his Ialta investment. EC asked Wolverton about the status of this investment as his attempts to contact the Respondent had been fruitless.
33. On or about June 23, 2008, EC advised Staff in a telephone conversation that the Respondent had made one payment to him of approximately \$12,000.

Ialta Cash Flow

34. Between January and March 2007, \$256,000 was deposited into Ialta's bank account at the Bank of Montreal. During that same period, \$156,650 (or 61% of the deposits) was disbursed from Ialta's bank account to the Respondent by cheque or bank draft.
35. The total collected by the Respondent from JB, MM and EC for Ialta was \$180,000. Many of the disbursements from Ialta to the Respondent were made on the same day or the day after monies were deposited (including deposits from JB, MM and EC) into Ialta's bank account.
36. MK, the president of Ialta in early 2007, confirmed that it was the Respondent who was "driving" the fundraising for Ialta. The Respondent was, in effect, the sole person involved in raising monies for the company. MK also advised Staff that the Respondent was to receive a 20% commission on any monies raised for Ialta, although there are no documents to confirm this.
37. MK also stated that any time the Respondent brought in money to Ialta, he demanded immediate payment of his fees.
38. The Respondent advised Staff that he did not receive any fees from Ialta during his employment at Wolverton for the investments by JB, MM and EC. He claimed that the \$156,650 disbursed to him from Ialta was for work that he performed for Ialta during a brief 7 day unlicensed period prior to joining Wolverton. The Respondent stated that he invoiced Ialta for this work but did not provide Staff with copies of same.

Wolverton's Knowledge of Ialta

39. Wolverton's Policy and Procedures Manual, dated November 2006, states the following regarding Outside Business & Directorships:

All outside business activity and directorships must be disclosed to Senior Management and where applicable, on the registrants' application to the IDA. It is prohibited for any registrant to conduct securities related business outside Wolverton except in the case of insurance business.

All outside directorships must be reported to Senior Management for review and approval. All outside directorships must be registered with the IDA. Please see the Research Department's policy of dealing with this in **Section 12**.
40. On or about October 20, 2006, the Respondent executed a Wolverton Annual Employee Survey in which he declared that his only outside business activity was in respect of his "inactive" personal holding company, Bengal Capital Corp.
41. On or about February 26, 2007 Wolverton's Chief Compliance Officer ("CCO") spoke with an individual who made certain accusations against the Respondent and in particular, in respect of the Respondent's relationship with Ialta.
42. Shortly following that conversation, Wolverton's CCO and the Senior Vice-President of Sales ("SVP") met with the Respondent who advised that he had no outside business interests or dealings that had not previously been declared to Wolverton and in particular, he had no business dealings with Ialta.
43. The Respondent further advised Wolverton that he had previously done work for Ialta in 2005 when he was employed at Jennings. He had assisted with Ialta's reorganization and introducing Ialta to people. He received a fee for his work which Jennings had approved.
44. The CCO at Jennings advised Staff that Jennings had no record of the Respondent being involved in any on-book financing activity in relation to Ialta and further, that the Respondent was not authorized for any outside business activities while the Respondent was employed by Jennings.

45. The Respondent further advised Wolverton's CCO and SVP that he was not brokering any deals outside of Wolverton, which was an assurance that the Respondent had provided on subsequent occasions prior to his departure from Wolverton.
46. In the latter part of February 2007, the Respondent contacted Wolverton's Corporate Finance Manager ("CFM") to ask if she would draft a finder's fee agreement in respect of certain work that the Respondent had done for Ialta prior to his employment with Wolverton. While the CFM completed an initial draft, it was never finalized or executed.
47. Wolverton confirmed that the Respondent was not approved for any outside business activities other than what was noted on his October 2006 Annual Employee Survey.
48. In a November 23, 2007 letter to JB, Wolverton stated that JB was not a client of Wolverton and his JB Ialta Investment was not under the auspices of Wolverton.
49. In a January 4, 2008 letter to MM, Wolverton advised that it was not aware that the Respondent sold the Ialta investment to MM.
50. In a June 3, 2008 letter to EC, Wolverton stated that it was in no way involved with his Ialta investment, nor was it approved or endorsed by Wolverton.

Montrose

51. In May 2007 while employed at Global, the Respondent contacted a lawyer and provided instructions for the incorporation of Montrose. Montrose was incorporated pursuant to the *Business Corporations Act (British Columbia)* on May 9, 2007. The Respondent required copies of the incorporation documents immediately in order to open bank accounts for Montrose. At the time of incorporation, the Respondent was not an officer or director of Montrose.
52. On or about June 1, 2007, while the Respondent was employed at Global, the Respondent solicited an investment from JB in Montrose. JB was not a Global client. JB provided the Respondent a cheque for \$25,000 payable to Montrose. At that time, JB also executed a Private Issuer Subscription Agreement for 500,000 shares of Montrose at \$0.05 per share. On that Agreement, JB checked off that he was an accredited investor. This investment was for the purpose of Montrose acquiring a mining company.
53. On May 31, 2007, the balance in the Montrose corporate bank account at CIBC was \$234.18. On June 1, 2007, JB's \$25,000 cheque (for the private placement shares) was deposited into the corporate account. On June 1, 2007, two cheques were issued from that account to the Respondent in the amounts of \$17,000 and \$3,100 respectively. The two cheques to the Respondent were deposited into his personal bank account at the National Bank.
54. The Respondent stated that he did not receive any commission or fees for introducing JB to Montrose. His explanation was that he had previously loaned the principal of Montrose monies and the payments from the Montrose account were repayments of that personal loan.
55. On or about August 24, 2007, pursuant to another solicitation from the Respondent, JB provided the Respondent a bank draft for \$25,000 as a short term loan to Montrose. The bonus for lending these monies was 250,000 shares of Montrose and \$2,500. The Respondent personally guaranteed this loan. This loan was evidenced by a Term Sheet dated August 24, 2007. The loan was due on August 31, 2007 and repayable by bank draft or certified cheque. JB's bank draft was deposited to the Montrose corporate bank account at CIBC.
56. The Letter that JB sent to Wolverton also included JB's complaint about the Respondent in respect of his investment in Montrose. JB was concerned because he had been trying unsuccessfully for five weeks to contact the Respondent. Wolverton forwarded the Letter to Global.
57. Global responded to JB and stated that the Respondent believed that JB's investment in Montrose occurred prior to May 31, 2007. Global took no further action as it was unable to determine what was at issue.

58. On or about September 13, 2007, Montrose issued a cheque for \$30,000 payable to JB. That cheque was returned for non-sufficient funds. On or about November 5, 2007, the Respondent issued a personal cheque to JB from an account at the National Bank of Canada for \$30,000 to JB. That cheque was also returned for non-sufficient funds. JB learned that the account on which the second cheque was written had been closed two months earlier.
59. The Respondent became the president of Montrose in November 2007.
60. JB received partial repayment of his short-term loan to Montrose. On November 8, 2007, the Respondent gave JB a bank draft for \$4,000. The source of the \$4,000 was the Respondent's personal bank account at CIBC.
61. On or about November 21, 2007, the Respondent contacted Montrose's lawyer and instructed him to prepare subscriptions and share certificates for 15 new shareholders of Montrose. Based on those instructions, the lawyer prepared a Director's Resolution for Montrose which allotted shares to 15 named subscribers. JB was not on that list. However, the Respondent knew that pursuant to JB's initial \$25,000 investment in Montrose, that JB was entitled to 500,000 shares plus an additional 250,000 bonus shares for participating in the short-term loan described in paragraph 45 herein.
62. On or about February 13, 2008, JB sent the Respondent an e-mail which confirmed that he had not yet received his shares, nor had he had his money returned. He demanded a full accounting and the return of his money and shares in Montrose.
63. On June 28, 2008, the Respondent deposited \$1,000 directly to JB's bank account.
64. On or about September 15, 2008, JB commenced a law suit in British Columbia Supreme Court against Montrose and the Respondent in respect of the matters described herein.
65. From May 17, 2007 to November 26, 2007, \$538,460 was deposited to Montrose's CIBC corporate bank account, including the \$50,000 from JB. During the same period, \$242,605 (45.1%) was disbursed from that same account to the Respondent.

Global's Knowledge of Montrose

66. Global was unaware of and did not provide authority for the Respondent to engage in outside business activities, and in particular, not with Montrose. Further, Global did not receive any remuneration from Montrose as a result of services provided by the Respondent.
67. Global's Policies and Procedures Manual states the following with respect to Full-Time Requirement:

An IA must at all times be actively engaged in the securities business and the major portion of the IA's time must be devoted to Global's business. An IA may continue in another gainful occupation only if the IA is in a remote area and all securities commissions having jurisdiction have consented to the IA working less than full time with Global. In these circumstances, Global will be required to supervise the IA to ensure that continuous service to Global's clients is maintained and that no potential conflicts of interest arise. Apart from these circumstances, no IA may continue in another gainful occupation unless otherwise consented to by Global's UDP and unless it is fully disclosed to, and approved by, the IDA and applicable Securities Commissions.

FAILURE TO COOPERATE

68. Pursuant to Dealer Member Rule 20.7(1), IIROC retains jurisdiction over Approved Persons for a period of five (5) years from the date on which the Approved Person ceased to be an Approved Person, in this case, December 21, 2007.
69. On or about June 24, 2008, Staff advised the Respondent by letter that he was under investigation in relation to the matters outlined in this Notice of Hearing.

70. On or about November 14, 2008, during the course of its investigation into these matters, Staff wrote to the Respondent and requested that he provide banking information and documentation in respect of bank accounts in the Respondent's name at three different financial institutions. The Respondent was required to provide this information by no later than November 28, 2008.
71. The Respondent did not provide any of the requested information or documentation by the deadline, so on December 4, 2008, Staff once again wrote to the Respondent, requesting that the information be provided by no later than December 8, 2008. Staff warned the Respondent that failure to comply with this request may result in disciplinary proceedings being initiated against him.
72. On December 4, 2008 the Respondent telephoned Staff and advised that he had ordered the requested information from the financial institutions and that he would provide same to Staff by December 31, 2008.
73. The Respondent did not provide the information and documentation to Staff by December 31, 2008, nor did he contact Staff to explain why he had not done so.
74. On January 14, 2009, Staff attempted to telephone the Respondent but the message indicated that the voice mail box was full.
75. On January 15, 2009, Staff sent an e-mail to the Respondent outlining the history of Staff's request. Staff advised the Respondent that if it did not hear from the Respondent on or before January 30, 2009, Staff would conclude that the Respondent was avoiding contact with IIROC and it would, without further notification, commence disciplinary proceedings against him for failure to cooperate with the investigation.
76. Staff followed up the January 15, 2009 e-mail to the Respondent with a letter dated January 16, 2009 which contained the same information.
77. On January 29, 2009, the Respondent telephoned Staff and advised that he was not in a position to provide his banking records to Staff because he had not made a concerted effort to request or obtain same from the financial institutions and that he was not willing to provide these documents to Staff as he considers them to be private. Staff confirmed the Respondent's position in a letter to him dated February 2, 2009.
78. Because the Respondent did not comply with Staff's requests to provide his banking records, on January 29, 2009 Staff requested the assistance of the BCSC in obtaining the Respondent's banking records. In accordance with Staff's request, the BCSC sent Section 144 *Securities Act* Demands for Production to the National Bank of Canada, HSBC, CIBC, BMO and Vancouver City Savings Credit Union. These financial institutions complied with the Demands for Production and provided the requested documents to Staff in the normal course.
79. On February 4, 2009, the Respondent e-mailed staff and asked Staff to contact his lawyer in order to discuss this matter. The Respondent provided his lawyer's name, law firm and telephone number.
80. On February 11, 2009, Staff had a telephone conversation with the lawyer named in the Respondent's February 4, 2009 e-mail. The lawyer advised Staff that he would check with the Respondent and would contact Staff to advise if the Respondent would provide the requested information.
81. By March 10, 2009, Staff had not heard from the lawyer, so Staff wrote to the lawyer to get an update on the information and documents request. On March 19, 2009, the lawyer responded to Staff by letter which stated that, to date, he had not been retained by the Respondent and he did not yet have instructions from him.
82. The Respondent attended interviews with Staff on October 28, 2008 and July 9, 2009.
83. The Respondent was asked to provide further documents to Staff and Staff also required the Respondent to attend a further interview on August 25, 2010 at 10:00 am. The Respondent did not attend that interview nor did he make any contact with Staff to explain why he could not attend or to re-schedule the interview.

IV. TERMS OF SETTLEMENT

84. This settlement is agreed upon in accordance with IIROC Dealer Member Rules 20.35 to 20.40, inclusive and Rule 15 of the Dealer Member Rules of Practice and Procedure.
85. The Settlement Agreement is subject to acceptance by the Hearing Panel.
86. The Settlement Agreement shall become effective and binding upon the Respondent and Staff as of the date of its acceptance by the Hearing Panel.
87. The Settlement Agreement will be presented to the Hearing Panel at a hearing ("the Settlement Hearing") for approval. Following the conclusion of the Settlement Hearing, the Hearing Panel may either accept or reject the Settlement Agreement.
88. If the Hearing Panel accepts the Settlement Agreement, the Respondent waives his/her/its right under IIROC rules and any applicable legislation to a disciplinary hearing, review or appeal.
89. If the Hearing Panel rejects the Settlement Agreement, Staff and the Respondent may enter into another settlement agreement; or Staff may proceed to a disciplinary hearing in relation to the matters disclosed in the Investigation.
90. The Settlement Agreement will become available to the public upon its acceptance by the Hearing Panel.
91. Staff and the Respondent agree that if the Hearing Panel accepts the Settlement Agreement, they, or anyone on their behalf, will not make any public statements inconsistent with the Settlement Agreement.
92. Unless otherwise stated, any monetary penalties and costs imposed upon the Respondent are payable immediately upon the effective date of the Settlement Agreement.
93. Unless otherwise stated, any suspensions, bars, expulsions, restrictions or other terms of the Settlement Agreement shall commence on the effective date of the Settlement Agreement.

AGREED TO by the Respondent at the City of Vancouver in the Province of British Columbia, this 14th day of April, 2011.

Christopher Robillard
Witness

Marcel Rada
Respondent

AGREED TO by Staff at the City of Vancouver in the Province of British Columbia, this 14th day of April, 2011.

Wietzke Gerber
Witness

Barbara Lohmann
Barbara lohmann
Senior Enforcement Counsel on behalf of Staff of
the Investment Industry Regulatory Organization of
Canada

ACCEPTED at the City of Vancouver in the Province of British Columbia, this 18th day of April, 2011, by the following Hearing Panel:

Per: **Catharine Esson**
Panel Chair
Per: **Mike Johnson**
Panel Member
Per: **Dave Pearson**
Panel Member

APPENDIX 63

From: Miranda Spence
Sent: November-22-17 11:22 AM
To: Timothy Jones
Subject: FW: 1092545 BC Ltd

From: Marcel Rada [mailto:bengalcapitalcorp@gmail.com]
Sent: November-22-17 10:50 AM
To: Miranda Spence <mspence@airdberlis.com>
Subject: 1092545 BC Ltd

WITHOUT PREJUDICE

1092545 BC Ltd . is insolvent and has a large amount of debt . There is no guarantee that the mining permits will be granted in a timely mannner . Or that 1092545 will complete a deal with Century Energy Ltd.

On behalf of 1092545 BC Ltd

Here are three repayment options to satisfy any and all claims by Crystal Wealth

1) on or before January 30 2018
\$12,500.00 USD

2) on or before April 30 2018
\$25,000.00 USD

3) on or before July 31 2018
\$37,500.00 USD

If one of these options is not acceptable
1092545 BC Ltd will be forced into dissolution
It has no cash or assets. Only debt

--

Marcel Rada
Bengal Capital Corp.
604-790-8990
bengalcapitalcorp@gmail.com

"creating value through ideas "

From: Marcel Rada <bengalcapitalcorp@gmail.com>
Sent: November-21-17 8:47 PM
To: Miranda Spence
Cc: Knight, Jason; Mark van Zandvoort; Steve Graff; Timothy Jones; bruce.bando@ca.gt.com
Subject: Re: 1092545 BC Ltd. (the "Debtor") obligation to Crystal Wealth Management Systems Limited ("Crystal Wealth")
Attachments: image001.png

I'll have it to you tomorrow I had an emergency to deal with today

On Tue, Nov 21, 2017 at 5:33 PM Miranda Spence <mspence@airdberlis.com> wrote:

Marcel,

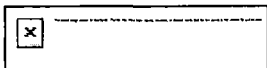
We did not receive a payment plan from you today, as promised when we spoke last week. As indicated, we will continue enforcement of the Note.

Yours truly,

Miranda Spence

T 416.865.3414
F 416.863.1515
E mspence@airdberlis.com

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | airdberlis.com



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If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: Miranda Spence
Sent: November-15-17 2:35 PM

To: 'bengalcapitalcorp@gmail.com' <bengalcapitalcorp@gmail.com>
Cc: Steve Graff <sgraff@airdberlis.com>; Mark van Zandvoort <mvanzandvoort@airdberlis.com>; Timothy Jones <tjones@airdberlis.com>; bruce.bando@ca.gt.com; Knight, Jason <Jason.Knight@ca.gt.com>

Subject: FW: 1092545 BC Ltd. (the "Debtor") obligation to Crystal Wealth Management Systems Limited ("Crystal Wealth")

Marcel,

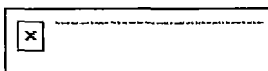
Further to my email below, we have not heard from you regarding our requests. Today is the deadline for your proposal to repay the debt to Crystal Wealth. If we do not hear from you today, we intend to pursue our remedies as set out in our demand letter.

Regards,

Miranda Spence

T 416.865.3414
 F 416.863.1515
 E mspence@airdberlis.com

Aird & Berlis LLP | Lawyers
 Brookfield Place, 181 Bay Street, Suite 1800
 Toronto, Canada M5J 2T9 | airdberlis.com



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From: Miranda Spence
Sent: October-30-17 3:59 PM
To: 'bengalcapitalcorp@gmail.com' <bengalcapitalcorp@gmail.com>
Cc: Steve Graff <sgraff@airdberlis.com>; Mark van Zandvoort <mvanzandvoort@airdberlis.com>; Timothy Jones <tjones@airdberlis.com>; bruce.bando@ca.gt.com; Knight, Jason <Jason.Knight@ca.gt.com>
Subject: 1092545 BC Ltd. (the "Debtor") obligation to Crystal Wealth Management Systems Limited ("Crystal Wealth")

Marcel,

Thank you for the call today. As discussed, you advised us that you are currently awaiting certain permits from the Guyanese government, and that the receipt of these permits will affect how the Debtor repays its obligations to Crystal Wealth pursuant to the promissory note dated November 4, 2016 (the "Note"). We would appreciate receiving documentary confirmation regarding the status of these permits, by the end of this week.

Please also provide us with the Debtor's proposal to repay the debt to Crystal Wealth by no later than November 15, 2017. We reserve the right to continue enforcement of the Note if we do not receive a proposal by that date.

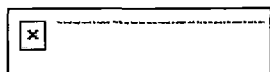
Finally, please provide us with confirmation as to the status of the acquisition of the Debtor by Century Energy Ltd.

Regards,

Miranda Spence

T 416.865.3414
F 416.863.1515
E mspence@airdberlis.com

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | airdberlis.com



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--
Marcel Rada
Bengal Capital Corp.
604-790-8990
bengalcapitalcorp@gmail.com

"creating value through ideas "

APPENDIX 64

Timothy Jones

From: Edward L. Mayerhofer <elm@mortonlaw.ca>
Sent: November-22-17 6:22 PM
To: Timothy Jones
Cc: Steve Graff; Miranda Spence; 'Bando, Bruce'; 'Knight, Jason'
Subject: RE: Trust Account Funds securing 1092545 BC Ltd's arrangements with the Crystal Wealth Group

Mr. Jones:

Further to your email below and attachments, please be advised that we are not, and have not previously been, counsel to 1092545 B.C. Ltd. We do not hold any funds in trust for that entity.

Regards,
 Edward L. Mayerhofer*
 Partner

Direct: 604.331.9543 | Phone: 604.681.1194 Ext: 235
 Fax: 604.681.9652 | elm@mortonlaw.ca
 1200 - 750 West Pender Street, Vancouver, British Columbia
 Canada, V6C 2T8
 Website: www.mortonlaw.ca

*Operating through a Personal Law Corporation



MORTON LAW LLP
 CORPORATE AND SECURITIES LAWYERS

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From: Timothy Jones [mailto:tjones@airdberlis.com]
Sent: November-22-17 11:35 AM
To: Edward L. Mayerhofer
Cc: Steve Graff; Miranda Spence; 'Bando, Bruce'; 'Knight, Jason'
Subject: Trust Account Funds securing 1092545 BC Ltd's arrangements with the Crystal Wealth Group
Importance: High

Mr. Mayerhofer,

Please see the attached letter and its enclosures.

We would appreciate your prompt attention and response, as this correspondence concerns monies held in trust by your firm which have been offered as security for lending arrangements entered into by 1092545 B.C. Ltd as borrower.

Kind regards,

Timothy Jones

T 416.865.3086
F 416.863.1515
E tjones@airdberlis.com

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | airdberlis.com

AIRD BERLIS

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AIRD BERLIS

Timothy Jones
 Direct: 416.865.3086
 E-mail: tjones@airdberlis.com

November 22, 2017

BY EMAIL

Morton Law LLC
 1200-750 West Pender Street
 Vancouver, BC
 V6C 2T7

ATTN: Mr. Ed Mayerhofer (elm@mortonlaw.ca)

Mr. Mayerhofer:

**Re: Receivership of Crystal Wealth Group, Ontario Superior Court of Justice
 Court File No. CV-17-1179-00CL**

AND RE: 1092545 B.C. Ltd.

Mr. Mayerhofer,

We are the lawyers for Grant Thornton Limited in its capacity as the Court-appointed Receiver and Manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and properties of CWMSL and certain additional persons and entities, including 15 proprietary open-ended mutual fund trusts created and managed by the Company (individually or collectively, the "**Crystal Wealth Group**"). The Receiver was so appointed pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on April 26, 2017 (the "**Appointment Order**").

The Court has expressly empowered and authorized the Receiver to, amongst other things: receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group; to exercise all remedies of Crystal Wealth in collecting such monies; and to initiate, prosecute and continue the prosecution of any and all proceedings instituted with respect to the Crystal Wealth Group. A copy of the Appointment Order is attached hereto, and the Receiver's website in respect of this proceeding is available at www.GrantThornton.ca/CrystalWealth.

We refer to a promissory note made between 1092545 B.C. Ltd., as borrower ("**109**"), and Crystal Wealth Management System Limited, as lender, dated November 4, 2016 (the "**Promissory Note**"). A copy of the Promissory Note is enclosed.

The Promissory Note provides that it is secured by capital held in a trust account with your office. As at the date of the Promissory Note, the balance of such trust account was purportedly \$250,000 USD. The Promissory Note provides that if 109 defaults in payment as required under this note, such capital will be immediately provided to the Lender.

You were previously copied on a demand letter from our office, dated October 26, 2017, sent to 109 in connection with the Promissory Note. Mr. Marcel Rada, President of 109, has told us that he is unable to make the requested payments.

November 22, 2017
Page 2

Accordingly, on behalf of the Receiver, we request that you confirm to us the current balance of the Morton Law trust account held for 109.

We would appreciate your immediate attention to this matter, as the Receiver is in the process of reporting to the Court on its recovery options in respect of the Promissory Note.

Yours truly,

AIRD & BERLIS LLP



Timothy Jones

TJ/cd

CC: Grant Thornton Limited

31029323.1

AIRD BERLIS

PROMISSORY NOTE

Borrower: 1092545 BC Ltd. 3801 St. Georges Avenue, North Vancouver, BC V7N

Lender: Crystal Wealth Management System Limited, 3385 Harvester Road,
Burlington ON L7N 3N2

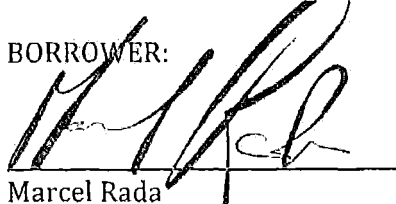
1. FOR THE VALUE RECEIVED, The Borrower promises to pay the Lender at such address as may be provided in writing to the Borrower, the principal sum of \$125,000 USD, with interest payable on the unpaid principal at the rate of 10% for the term of the loan. The Lender will also receive a share bonus of 20% of \$125,000 USD in shares of Century Energy Ltd. in and when Century Energy's acquisition of 1092545 BC Ltd. While the transaction is subject to market conditions, the projected vend in price \$0.20/share as of the date of this promissory note
2. This note will be repaid in full earlier of 90 days of the date of the promissory note, or when Century Energy Ltd. receives TSX.V approval to advance funds to 1092545 BC Ltd.
3. All costs, expenses and expenditures including, and without limitation, the complete legal costs incurred by the Lender in enforcing this Note as a result of any default by the Borrower, will be added to the principal then outstanding and will immediately be paid by the Borrower.
4. The note is secured by the trust account deposit and the account is held by Morton Law LLC, 1200-750 West Pender Street, Vancouver, BC, V6C 2T8. Tel. 604-681-1194. Contacts at Morton Law are listed below:
 - a. Lawyer: Ed Mayerhofer
 - b. Legal Assistant to Ed Mayerhofer, Karen Cheng
5. The borrower grants to the Lender security interest in the Security until this Note is paid in full. The Lender and the total of principal and interest amounts will identified in the Direction to Pay. The Borrower agrees not to borrow more than \$175,000 in total against the capital held at the trust account with Morton Law. The current balance of the Morton Law trust account held for the Borrower is \$250,000 USD.
6. The Borrower grants to the Lender a security interest in the Security until this Note is paid in full. The Lender will be listed as a lender on the title of the Security whether or not the Lender elects to perfect the security interest in the Security.
7. If the Borrower defaults in payment as required under this Note, the Security will be immediately provided to the lender and the Lender is granted all rights of repossession as a secured party.
8. If any term, covenant, condition or provision of this Note is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties'

intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provision of this Note will no way be affected, impaired or invalidated as a result.

9. This Note will be construed in accordance with and governed by the laws of the Province of British Columbia.
10. This Note will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the Borrower and the Lender. The Borrower waives presentment for payment, notice of non-payment, protest and notice of protest

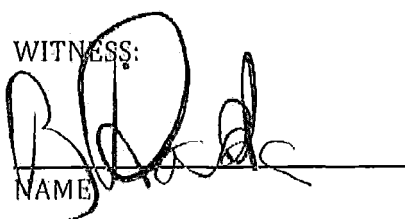
WITNESS WHEREOF the Borrower has duly affixed their signature under seal on this 4th day of November, 2016.

BORROWER:



Marcel Rada
President
1092545 BC Ltd.
(604) 790-8990

WITNESS:



WITNESS DETAILS:

Name: Beverly Rada

Address: 3801 St. Georges Ave

North Vancouver BC

Phone: (604)-985-4843

LENDER:



Al Housego
Crystal Wealth Management System Limited
Portfolio Manager
(250) 306-0256

APPENDIX**WIRE INSTRUCTIONS, BORROWER:**

1092545 BC Ltd.

Wire instructions are as follows

Beneficiary: 1092545 BC Ltd

3801 St. Georges Ave

North Vancouver BC Canada V7N 1W3

Beneficiary Bank: TD Canada Trust

1055 Dunsmuir Street, Vancouver, BC, V7X 1P3, CANADA

Branch no. 02160

Account no. 7311119

Institution no. 004

Swiftcode: TDOMCATTOR

WIRE INSTRUCTIONS, LENDER:

APPENDIX 65

Current Projects:

Parke on Covington – 136-unit apartment complex in Decatur, GA acquired in November 2016 for \$3.6 million (acquisition price plus closing and financing costs). Total renovation budget is \$1.1 million and the property has an after repaired appraised value (CBRE October 2016) of \$6.46 million, or \$1.7 million in equity. However, recent comps support a stabilized value in the \$7 million range. Construction is approximately 85% complete. Upon completion, 87 of the 136 units will be fully renovated to ARIAM Partners' standard, which includes white shaker cabinets, granite countertops, black appliances, hard surface flooring, gray paint and other ARIAM standard, modern look, higher-end finishes. Due to our higher finish level, we are exceeding underwritten and appraised rents by \$127 on average, or 19.3%, which further supports the higher value mentioned above. When we acquired the project in early November, the property was reportedly 63% occupied. However, due to the poor management of the prior owner, many of these tenants were unqualified and undesired and as such, we experienced three months of negative absorption. Our occupancy bottomed out at 47% before the upward trend started in January of this year. The property is currently 82% leased.

38FiftyNine fka Wynhollow – 118-unit apartment complex in Decatur, GA acquired in June 2016 for \$2.6 million (acquisition price plus closing and financing costs). Total renovation costs are \$2.3 million. The property has an after repaired appraised value (CBRE June 2016) of \$6.2 million, or \$1.4 million in equity. However, recent comps support a stabilized value in the \$7 million range. Due to issues with contractors, delays in permitting from the county and major foundation issues in several buildings, construction is running behind schedule by approximately nine months. However, we have resolved the aforementioned issues and are now progressing through construction rapidly. We are approximately 65% done with the rehab. When we acquired the property, there were 76 down units that needed to be fully gutted, re-wired, re-plumbed, re-drywalled, etc. As such, 76 of the 118 units will be 100% brand new and renovated to ARIAM Partners' standard. Due to our higher finish level, we are exceeding underwritten and appraised rents by approximately 5.3%. The increase in rent when capped at a conservative 7% rate would add an incremental \$700k in value. The property is approximately 94% leased today when excluding the units still under construction.

Montevallo Gardens – 168-unit apartment complex in Birmingham, AL acquired in September 2016 for \$1.95 million (acquisition price plus closing and financing costs). The property was 100% vacant when we acquired it and due to years of theft and vandalism required a complete overhaul of all electrical, plumbing, mechanical systems, windows, doors, etc. As such, the total renovation costs are roughly \$3.7 million. Once complete, we'll have a brand-new property except for the existing building structures. The property has an after repaired appraised value of \$9.5 million, leaving approximately \$3.8 million in equity. We are currently punching out the first two buildings (20 total units) and will have them ready for occupancy in the next two weeks pending final city approvals. Another 36 units will be delivered in blocks of six over the next 30 days for a total of 56 units, which will complete Phase I of III of the rehab. Phase II is currently underway and is approximately 50% complete. Phase III has not yet commenced. The property currently backs up to a 550-unit public housing complex known as Loveman Village. The city is in the process of vacating the property and once vacated, they will demolish the entire complex. They have partnered with a local private developer with plans to construct an \$80 million mixed-use development. The public housing complex brought gangs and crime to the area and was a major cause of Montevallo's distressed state. However, it created an opportunity for us to buy the asset well below market in a transitional area. The \$80 million development will bring a more affluent working class

demographic to the area. The project along with UAB's westward expansion will completely transform the entire area, and we are renovating Montevallo to a standard that ties into this ongoing gentrification. The \$9.5 million appraised value does not take into account the neighborhoods future look. Also, it does not consider the excess land that we own as part of the overall site. We believe this land is accretive as it could be sold or ground leased to a retailer once the redevelopment of Loveman Village is complete, unlocking unaccounted for value.

Kings Manor Aka Baby Montevallo – Kings Manor is a 42-unit apartment complex contiguous with Montevallo Gardens. We acquired the asset in March 2017 to protect our investment in Montevallo. The property was 100% leased when we bought it to tenants paying just \$225 per month in rent. We immediately began de-leasing the property in order to commence renovations and bring the rents up to current market levels. We are down to eight tenants and have commenced renovations and expect to be fully complete within the next 90-days.

Alexandria Landing – A 472-unit apartment complex located in Atlanta, GA, directly across the highway from the world's busiest airport. The property was 80% occupied when we acquired it. However, due to the former owner's management style and leasing standards, many of these tenants are unqualified, pay late, cause trouble, and are otherwise not suitable for ARIAM standard apartments. We've begun the eviction process on many of these residents. We expect occupancy to bottom in the 60% range. We have commenced our \$1.5 million renovation, which entails renovating 81 down and vacant units and addressing exterior deferred maintenance. Our renovation budget plus acquisition costs provide a total basis of approximately \$16 million. The after repaired appraised value obtained for the purchase valued the asset at \$23.3 million. However, the appraiser used a cap rate of 7.5% with the argument that stabilization occurred in the future. Although I contested that it is not an appraisers job to predict market conditions, that argument only resulted in a 25 bps reduction in cap rate from 7.75%. Using the appraiser's property pro forma NOI and applying a market cap rate today of 7% would yield a value of \$25 million.

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APPENDIX 66

Crystal Wealth Management System Limited
NFL Participation Agreements
As at October 31, 2017

All values are represented in USD

NFL Participation Agreement	Balance	Earned Fee	Xynergy's Fees	Total
Player 1	\$ 159,000.00	\$ 41,968.37	\$ (20,984.19)	\$ 179,984.19
Player 2	159,000.00	34,196.45	(17,098.23)	176,098.23
Player 3	143,100.00	30,776.80	(15,388.40)	158,488.40
Player 4	162,000.00	36,920.29	(18,460.15)	180,460.15
Player 5	238,500.00	62,952.55	(31,476.28)	269,976.28
Player 6	121,900.00	24,355.25	(12,177.63)	134,077.63
Player 7	148,400.00	31,916.68	(15,958.34)	164,358.34
Player 8	233,200.00	61,553.61	(30,776.81)	263,976.81
Player 9	106,000.00	22,344.27	(11,172.14)	117,172.14
Player 10	162,000.00	42,166.33	(21,083.17)	183,083.17
Player 11	243,000.00	63,249.50	(31,624.75)	274,624.75
Player 12	212,000.00	29,662.83	(14,831.42)	226,831.42
Player 13	159,000.00	41,968.37	(20,984.19)	179,984.19
Player 14	159,000.00	39,248.20	(19,624.10)	178,624.10
Player 15	79,500.00	18,361.16	(9,180.58)	88,680.58
Player 16	79,500.00	20,984.18	(10,492.09)	89,992.09
Player 17	79,500.00	16,758.20	(8,379.10)	87,879.10
Player 18	86,400.00	22,488.71	(11,244.36)	97,644.36
Player 19	148,400.00	36,631.65	(18,315.83)	166,715.83
Player 20	41,340.00	10,204.53	(5,102.27)	46,442.27
Player 21	135,000.00	29,859.57	(14,929.79)	149,929.79
Player 22	106,000.00	27,978.91	(13,989.46)	119,989.46
Total	\$ 3,161,740.00	\$ 746,546.41	\$ (373,273.21)	\$ 3,535,013.21

APPENDIX 67

CONFIDENTIAL OFFERING MEMORANDUM

November 21, 2016

Continuous Offering

This Confidential Offering Memorandum constitutes a private offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Confidential Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus, advertisement or public offering of the securities referred to herein. No securities commission or similar regulatory authority has reviewed this Confidential Offering Memorandum or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. Persons who will be acquiring securities pursuant to this Confidential Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada.

The securities offered hereunder will be issued under exemptions from the prospectus requirements of applicable securities laws and will be subject to certain resale restrictions. This Confidential Offering Memorandum is confidential. By their acceptance hereof, prospective subscribers agree that they will not transmit, reproduce or make available to anyone this Confidential Offering Memorandum or any information contained herein.

CRYSTAL WEALTH MEDICAL STRATEGY (Previously, "Crystal Wealth Medical Income Fund")

Investment Objective:	The investment objective of the Crystal Wealth Medical Strategy (the Fund) is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in U.S. medical receivables factoring facilities contracts (MRFFCs).
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	Based on the investment objective and strategy, as well as past experience, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be low.
Suitability:	The Fund is suitable for anyone with greater than a one year investment horizon; however suitability must always take into account the investor's particular circumstances.

TABLE OF CONTENTS

Item 1	Use of Proceeds	1
Item 2	Business of The Fund	1
2.1	Legal Structure	1
2.2	Our Business.....	1
	Investment Objective.....	1
	Investment Strategy	1
	Investment Restrictions	5
	Investment Process	5
	Investments in Other Funds Managed by Crystal Wealth.....	5
	Trustee, Manager, Portfolio Advisor and Promoter	6
	Fiscal Year.....	6
	Auditor.....	6
	Custodian.....	6
	Prime Broker	6
	Registrar	7
	Fund Accountant	7
2.3	Material Agreements	7
	Master Declaration of Trust.....	7
	Master Management Agreement	7
	Custodian Agreement.....	8
	Securityholder Services Agreement	8
Item 3	Directors, Management, Promoters and Principal Holders	8
3.1	Principal Holders.....	8
3.2	Experience of the Manager and Lead Portfolio Strategist.....	8
3.3	Interests of Management and Conflicts of Interest.....	9
3.4	Penalties, Sanctions and Bankruptcy.....	9
Item 4	Securities Offered	10
4.1	Terms of Securities.....	10
	Units	10
	Offering Price	10
4.2	Computation of Net Asset Values	10
4.3	Redemption of Units	12
4.4	Systematic Withdrawal Plans	13
4.5	Distributions	13

4.6	Short Term Trading Fee	13
4.7	Restriction on Non-Resident Unitholders	13
4.8	Fees and Expenses	14
4.9	Subscription Procedure.....	14
	Continuous Offering.....	14
	Additional Investments.....	15
	Pre-authorized Chequing Plan.....	15
Item 5	Certain Canadian Federal Income Tax Considerations.....	16
5.1	Disclaimer.....	16
5.2	Summary of Certain Canadian Federal Income Tax Considerations	16
5.3	Eligibility for Investment	19
Item 6	Compensation Paid to Dealers	20
6.1	Sales Charge	20
6.2	Trailer Fees	20
Item 7	Risk Factors.....	20
7.1	Issuer Risks.....	20
7.2	Investment and Market Risks	21
Item 8	Reporting to Unitholders.....	23
Item 9	Other Disclosures.....	23
9.1	Forward Looking Information.....	23
9.2	Anti Money-Laundering Legislation.....	24
9.3	Collection of Personal Information	24
9.4	FATCA	24
9.5	Restrictions on Transfer and Resale	25
9.6	Language of Documents.....	25
Item 10	Purchasers' Rights	25
10.1	Understanding your Rights.....	25
10.2	Two Day Cancellation Right.....	25

10.3	Statutory and Contractual Rights of Action in the Event of a Misrepresentation	25
10.4	General	29
Item 11	Financial Statements	29

Item 1 Use of Proceeds

The Fund will invest the net proceeds from the issue of Units in accordance with its investment objectives and strategies set out herein. See Item 2.2, Our Business. The net proceeds of this offering cannot be determined because Units are being offered on a continuous basis and there is no minimum offering. Sales commissions will vary depending on the fee negotiated by you with your dealer. See Item 6, Compensation Paid to Dealers. Because Units are offered on a continuous basis, other offering costs are treated as fees and expenses of the Fund. See Item 4.8, Fees and Expenses.

Item 2 Business of The Fund

2.1 Legal Structure

The Fund is an open-ended mutual fund trust formed under the laws of the Province of Ontario as of January 22, 2010 [as “Crystal Enlightened Growth Fund” and renamed and investment objective materially changed to “Crystal Wealth Medical Income Fund” on October 3, 2013] under a master declaration of trust (such document, as amended and restated December 17, 2007, and as it may be further amended from time to time is called the **Declaration of Trust** in this Offering Memorandum). Crystal Wealth Management System Limited (**Crystal Wealth** or the **Manager**) is the trustee and manager of the Fund.

2.2 Our Business

Investment Objective

The investment objective of the Fund is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in U.S. medical receivables factoring facilities contracts (**MRFFCs**).

Investment Strategy

To achieve the Fund’s investment objective, it is intended that the Fund will purchase existing MRFFCs with a minimum initial term of one year and a maximum term of three years.

MRFFCs are financing structures designed to assist health care clinics, hospitals, doctors and other health-care practitioners (Medical Providers) in the United States and/or its territories to meet their immediate cash flow needs while awaiting collection of receivables for medical services that they have performed. The following is an outline of a typical schedule for U.S. patient treatment:

Treatment Day

- Patient goes to Medical Provider for treatment
- Medical Provider performs their service
- If the patient has no health insurance, the Medical Provider is paid directly by the patient
- If the patient has health insurance, the patient pays the Medical Provider for a small portion of the treatment, the co-pay amount, and the Medical Provider bills the patient’s health insurance provider, such as Medicare, Medicaid, Blue Cross/Blue Shield, (the **Payor**) for the balance (the **Receivable**)

Treatment Day Plus 60 – 180 Days

- The Payor pays the Medical Provider for the service (minus the co-pay amount) based on a pre-established rate matrix.

Since the majority of patients who seek medical treatment have health insurance of some kind, the Medical Provider has to wait, on average, 60-120 days to receive payment for its services. In reality, because of the extent and complexity of the documentation and other demands of the Payor to pay the Receivable, Medical Providers often have to wait for even longer periods of time, as long as 180 days, to receive payment. If the submissions to the Payor are incomplete or inaccurate in any way, valuable employee time must be spent making corrections before payment will be issued. While waiting for the Payor to pay the Receivable, the Medical Provider needs working capital to continue its operations, and if it is trying to grow its business, the Medical Provider has to invest even more capital in expansion of space, personnel, equipment and supplies. Therefore, the Medical Provider needs a source of financing.

Banks and other traditional lending institutions are hesitant to extend traditional types of credit to Medical Providers using these Receivables as collateral because of the sophisticated knowledge and monitoring required to ensure the Payor pays the correct amount of the Receivable within acceptable time limits. There are hundreds of different Payors, each with their own billing systems and payment standards and practices. Medical Providers are also required to comply with the regulations imposed by the U.S. government. Collecting the Receivables can be time-consuming and expensive, requiring employees with specialized knowledge and skills who must be continuously trained on the vagaries of this fragmented market. Traditional lenders are not willing to invest time and resources to be able to effectively perform due diligence and monitor the specialized requirements of the medical receivables field.

Medical Providers thus lack access to traditional financing, creating an opportunity for companies like Xynergy Medical Capital LLC (XMC) who have the expertise to evaluate and monitor the Receivables. The specialized knowledge and skills required and the fragmentation of this financing market also results in the potential for attractive returns on investment for XMC and the Fund.

XMC relieves the immediate cash flow needs of Medical Providers by purchasing their Receivables and charging a factoring fee for administration. XMC and the Medical Provider enter into a contract (the MRFFC) whereby XMC purchases qualifying Receivables from the Medical Provider so that the Payors then pay XMC. XMC pays the Medical Provider an amount less than the face value of the Receivables to cover its fees and any potential shortfalls in case the Payors pay less than the invoiced amount for the specified treatment. The MRFFC is not a one-time purchase of Receivables, but rather an ongoing commitment to buy new Receivables to replace those that get paid out. To that extent, the program operates similar to line of credit, with XMC continually monitoring the collateralized Receivables to ensure that they more than cover the amounts advanced to the Medical Provider. A key additional benefit to the Medical Provider is that XMC assumes responsibility for administration of the collection process, including time-consuming communications with the Payors, freeing staff to focus on provision of medical services.

Receivables Screening Process

In screening process undertaken by XMC is as follows. Medical Providers are carefully selected based on the following:

- the Medical Provider must be properly licensed to practice
- the Medical Provider must demonstrate credit-worthiness as determined by assessments of credit reports, past receivables financing history, bank references and bank statements and proof of transaction history, financial statements, accounting firm comments and similar information

XMC requires that the Medical Provider agree to all of the following terms:

- allow all of its Receivables, both existing and future, to be collateralized and assigned to XMC
- execute a guarantee ensuring payment on all Receivables purchased
- agree to grant XMC a UCC- 1 filing (similar to a personal property security filing) against all assets (including Receivables) owned by the Medical Provider other than those assets which have a prior specific financing charge.

Once a Medical Provider has met the criteria and agreed to the requirements, XMC selects the Receivables for purchase. The first screening restricts the type of Payor to the following:

- a top-tier commercial insurance carrier;
- an approved HMO;
- an approved government agency;
- an approved skilled nursing facility, self-insured employer or other entity which meets XMC's financial requirements.

XMC then collects detailed information regarding the Medical Provider's billing and collection practices and actual outcomes for the previous one to three years, looking specifically at:

- monthly receivables amount;
- amounts billed and collected from the various Payors;
- amount of claims not paid or denied;
- average payment turn-around time;
- classification of claims between insured and uninsured;
- number of workers compensation and personal injury claims;
- ratio of billed to collected Receivables;
- audit of existing outstanding Receivables; and
- interviews with personnel regarding verification and follow up procedures.

XMC performs a statistical analysis on this data to calculate ratios and values. The results of these analyses are used to determine which of the Receivables will be purchased, the expected "net realizable amount" (amount likely to be collected) for each, how quickly each can be collected, and what discount rate will be applied. The analysis contemplates that only Receivables with the best likelihood of payment will be selected for purchase. In addition, it enables the Company to adjust the discount rate according to the age of the Receivable and its likelihood of payment.

For each Receivable actually purchased, its net realizable amount is calculated and XMC then advances the agreed upon amount of down payment for the batch of eligible Receivables to the Medical Provider. Upon payment from the Payor, the factoring fee is applied and the remainder of the purchase price is paid to the Medical Provider. After the initial purchase, new Receivables are typically purchased from the provider and secured weekly as existing Receivables are collected.

On an ongoing basis, XMC will present the Manager on a right of first refusal basis all MRFFCs worth more than \$150,000 USD in estimated outstanding Receivables for potential purchase by the Fund. If the Manager decides to buy the MRFFC from XMC, the MRFFC will be sold and assigned to the Fund and the Medical Provider will acknowledge and agree to make all future payments of Receivables on account of the Fund, and Payors will be notified to redirect all future payments of Receivables to a new account controlled by XMC on behalf of the Fund. XMC will continue to service and administer the MRFFC and will retain a portion of the factoring fee charged to the Medical Provider for its services. The Fund will not pay XMC a fee in addition to that factoring fee.

Insurance Carrier Mix

In order to minimize the risk arising from the possible insolvency of an insurance carrier, XMC and the Manager will try to stay within the following restrictions on the mix at any given time of outstanding Receivables purchased from any one Medical Provider and on the overall mix of Receivables in all MRFFCs:

- XMC generally will not purchase any Receivables owing from an insurance carrier that is not nationally recognized or known to be reliable unless it is covered by XMC's credit insurance policy.
- XMC will aim to have no more than 15% of total asset value in the aggregate of such Receivables with any one Payor, other than Medicare or Medicaid.
- XMC will not purchase any Receivables that are under a personal injury claim and will only purchase Receivables covered under Workman's Compensation in special circumstances. XMC will also not purchase any dental receivables unless they are covered by Medicare or Medicaid.

Ineligible Receivables

There are several types of Receivables which, generally, XMC will not purchase. Even though XMC has not purchased these receivables from the Medical Provider, it still requires the collateralization of those ineligible Receivables as a means of further reducing its risk. Once an MRFFC is entered into, all Receivables of the Medical Provider will flow through a jointly named bank account controlled by XMC. In the event of an eligible Receivable not being collected for some reason, XMC can hold back payment on ineligible Receivables to cover the shortfall.

The Manager may, at its discretion, invest in other income-generating securities in order to try to maintain some liquidity of the Fund or to diversify the investment portfolio. These investments may include individual securities such as exchange-traded funds, bonds, T-Bills or other mutual funds managed by Crystal Wealth. The Manager will attempt to maintain sufficient cash and cash equivalents ("Cash Equivalents") such as a line of credit, treasury bills and other money market instruments to fund redemption requests for Units representing up to 5% of the Fund's net assets at all times.

Line of Credit

The Manager may establish a line of credit secured against the assets of the Fund that does not exceed an amount equal to 20% of the net assets of the Fund. This line of credit has two potential uses:

- (i) To provide liquidity in the event of Unitholder redemptions. It is the intention of the Manager to keep the Fund as close to fully invested as possible at all times. There is no established secondary market for the MRFFCs so there is relatively little immediate liquidity in the Fund for the Manager to meet unexpected redemption requests. The line of credit could be used to fund these redemptions and would be paid down as MRFFCs matured within the portfolio or as new investors put money into the Fund.
- (ii) To smooth the timing differences between deal flow (potential MRFFC investments) and cash availability in the Fund. The Manager will attempt to ladder the Fund's investment portfolio such that investments are maturing on a regular basis. However, there will be times when new investment opportunities are available for a limited time, but the Fund does not have available cash to invest in them at that time. Rather than miss these

opportunities, the Manager may temporarily draw upon the line of credit to invest in these new investments and pay down the line of credit as existing MRFFCs mature within the portfolio or new subscriptions are made in the Fund.

There is no guarantee that the Manager will be able to successfully secure a line of credit for the Fund and investors should not rely on there being a line of credit in place when determining whether to purchase units of the fund.

Exchange-traded Canadian Dollar futures contracts will be used by the Manager to hedge against the USD currency exposure inherent in the MRFFC investments.

Please see "Risk Factors" below for a discussion of risks associated with the types of investments held in the Fund's portfolio.

Investment Restrictions

Securities legislation imposes several restrictions on the Fund including the following: (a) the Fund is prohibited from acquiring 20% or more (alone or together with any related mutual fund) of the voting securities of an issuer and (b) the Fund cannot invest in issuers of which the Manager or its associates own a significant interest (>10% voting securities). The Manager has received regulatory relief from the Ontario Securities Commission which permits the Fund to invest in underlying Crystal Wealth funds in excess of these limits.

The Fund does not engage in short sales or in securities lending.

Investment Process

The Manager will continuously monitor and adjust the Fund's asset mix and its risk and reward profile in the context of the state of the economy and the conditions in the financial markets.

The Manager may, at its discretion, invest in other securities in order to maintain the liquidity of the Fund or to further diversify the investment portfolio of the Fund. The Manager will, at all times, select investments to include in the portfolio which assist in meeting the investment objective of the Fund.

Investments in Other Funds Managed by Crystal Wealth

The Manager has obtained certain regulatory relief under which the assets of the Fund may be invested in units of other mutual funds managed by Crystal Wealth (an **Underlying Crystal Wealth Fund**). No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of the Underlying Crystal Wealth Fund, and no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would be a duplicate fee payable by the Underlying Crystal Wealth Fund for the same service. Specifically, any management fees charged to the Underlying Crystal Wealth Fund attributable to the assets of the Fund that are invested in the Underlying Crystal Wealth Fund and the HST payable thereon will be rebated back to the Fund at the end of each month in the form of a management fee rebate that will be reinvested in additional units of the Underlying Crystal Wealth Fund on behalf of the Fund.

The proportion of the Fund's assets invested in an Underlying Crystal Wealth Fund will be at the discretion of the Manager and consistent with the investment objectives of the Fund. The Fund is permitted to invest up to 100% of its assets in any one or a combination of Underlying Crystal Wealth

Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Prime Broker

The prime broker of the Fund is Interactive Brokers Canada Inc., a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 1800 McGill College Avenue, Suite 2106, Montreal, Quebec, H3A 3J6.

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services (IFDS), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

Fund Accountant

Fund accounting services are provided by The Investment Administration Solution Inc. (IAS), 400-330 Bay St., Toronto, Ontario, M5H 2S8.

2.3 Material Agreements*Master Declaration of Trust*

The following constitutes a summary of the general provisions of the Declaration of Trust. The Declaration of Trust sets out the powers and duties of the manager and the trustee of the Fund, the attributes of the Units, procedures for the purchase, exchange and redemption of Units, recordkeeping, calculation of the Fund's income and other administrative procedures. It also contains provisions for the selection of a successor trustee if Crystal Wealth should resign. Specific provisions of the Declaration of Trust dealing with series of Units and the rights of Unitholders are discussed under Item 4.1, Units.

The Declaration of Trust provides that the Fund or a series of Units of the Fund may be terminated on reasonable notice to investors and the subsequent distribution of the Fund's or series' net assets to investors.

The Declaration of Trust provides the trustee with a right of indemnification in carrying out its duties under the Declaration of Trust, provided that the trustee does not breach its standard of care.

Master Management Agreement

Crystal Wealth has entered into a Master Management Agreement dated as of April 12, 2007 and as amended from time to time by the parties (the **Management Agreement**) to facilitate the administration and portfolio management of the Fund. Under the Management Agreement, the Manager is responsible for providing directly, or for arranging other persons or companies to provide, administration of the Fund, investment portfolio advisory services, distribution services for the promotion and sale of the Fund's Units and other operational services. The Management Agreement contains a schedule of the management fee rates and sets out the operating expense reimbursement arrangements where applicable. The Fund pays the Manager an annual management fee of 2.0% of the average assets under management ("AUM") of Series A units of the Fund plus HST and an annual management fee of 1.0% of the AUM of Series F units of the Fund plus HST.

The Management Agreement will continue in effect unless and until terminated with respect to the Fund on at least 60 days' prior written notice. The Management Agreement may be terminated immediately upon written notice if any party is in breach of its terms and the breach has continued for at least 30 days without being remedied.

Under the Management Agreement, the Manager and its agents are not liable for any loss sustained by reason of the adoption or implementation of any investment policy or the purchase, sale or retention of any portfolio investment on behalf of the Fund. However, this limitation of liability does not protect the Manager against any liability to the Fund or Unitholders by reason of wilful misfeasance, bad faith or negligence in the performance of its duties under the Management Agreement.

Medical Receivables Purchase and Administration Agreement

The Fund has entered into a Medical Receivables Purchase and Administration Agreement with XMC dated October 4, 2013. XMC will not receive a fee from the Fund for its services, as it will earn its compensation by withholding a portion of the factoring fee being charged to the Medical Provider. In other words, when the Fund purchases an MRFFC from XMC, the agreement will stipulate how much of the contractual factoring fee will flow to the Fund and how much will be retained by XMC. The Fund currently intends to purchase the majority of its MRFFCs from XMC. XMC will evaluate and propose all MRFF Contracts that it or its Affiliate(s) will have entered into or will enter into during the term hereof for the Fund that exceed US\$150,000 in projected balance of outstanding receivables and will present such opportunities to the Fund on a right of first refusal. The Fund will then be entitled (but not obligated) to purchase the MRFFCs. XMC will administer and service the MRFFCs purchased by the Fund. The Agreement may be terminated by the Fund if XMC acts unlawfully, dishonestly, in bad faith or is grossly negligent with respect to its business or if XMC materially breaches the agreement and that breach is not remedied within 30 days after written notice of the breach. The Agreement may also be terminated by either party may terminate this Agreement at any time for any reason whatsoever with the following notice periods based on length of time this Agreement has been in existence:

- upon 90 days written notice during the first year;
- upon 180 days written notice during the second year; and
- upon 270 days written notice during the third and subsequent years.

Custodian Agreement

The Manager entered into a custodian services agreement with NBCN on July 26, 2004, under which NBCN will act as custodian of the assets of the Fund. For its services, NBCN receives a fee agreed to from time to time by NBCN and the Manager.

Securityholder Services Agreement

The Manager entered into a securityholder services agreement with IFDS on February 17, 2004 to have IFDS act as registrar, transfer agent, order processing and distribution disbursement agent and to perform certain administrative, trust accounting and other services with respect to the Fund. For its services, IFDS receives a fee agreed to from time to time by IFDS and the Manager.

Item 3 Directors, Management, Promoters and Principal Holders

3.1 *Principal Holders*

As of the date of this Offering Memorandum, no person directly or indirectly beneficially owns or controls 10% or more of any series of Unit other than ACM Income Fund which holds approximately 15% of the Series A Units as of the date of this Offering Memorandum. The ACM Income Fund is an investment fund managed by the Manager.

3.2 *Experience of the Manager and Lead Portfolio Strategist*

The principal of the Manager and the lead portfolio strategist is Clayton Smith, who has a broad background of investment and financing experience. Mr. Smith founded the Manager in 1998 and has been President and Chief Executive Officer since its creation. Prior to that, Mr. Smith was a financial planner for 4 years. Before entering the financial services industry, Mr. Smith served as an officer in the Canadian Armed Forces after attending Royal Military College.

3.3 *Interests of Management and Conflicts of Interest*

As stated, the Manager is engaged in activities as an investment fund manager, portfolio manager, distributor and promoter of Crystal Wealth investment funds and as an exempt market dealer. The Manager and its principals do not devote their time exclusively to the affairs of the Fund and they perform services for other persons and entities including other Crystal Wealth investment funds. The Manager is entitled to receive management and administrative services fees from Crystal Wealth investment funds and other client portfolios. From time to time, investment opportunities and transaction participation may have to be allocated among the investment funds and other client portfolios for which the Manager has responsibility. If this were to occur, the Manager will make the appropriate allocations in accordance with its written policies and in a manner which it considers to achieve a fair and equitable result for all affected client portfolios.

In its capacity as an exempt market dealer, the Manager and its dealing representatives may distribute units of the Fund and of other investment funds and pooled investment vehicles managed or sponsored by the Manager. Dealing representatives of the Manager are permitted to charge or receive an up-front placement fee for such distribution, to be negotiated with the investor, but not to exceed 5% of the total subscription amount. If the dealing representative and the investor agree to a placement fee, such fee is deducted and paid to the dealing representative and only the net amount is invested in the Fund. The Manager receives no separate placement fees but does receive a management fee which is charged to the Fund.

In its capacity as a portfolio manager, the Manager may manage the investment portfolios of clients on a discretionary basis, and in so doing may select the Fund or other Crystal Wealth investment funds for such managed accounts.

As described under "Our Business -- Investments in Other Funds Managed by Crystal Wealth", the Fund may invest in other Funds of which the Manager is the trustee and manager, although there is no duplication of management fees.

Due to the relationships described above, **the Fund may be considered to be a related or connected issuer of the Manager under applicable securities legislation.**

Additional information as to real and potential conflicts of interest, and the Manager's policies and procedures for addressing them, including the Manager's co-investment, personal trading, portfolio valuation, brokerage (order flow) allocation and soft dollar policies, are available by contacting the Manager.

3.4 *Penalties, Sanctions and Bankruptcy*

No director or senior officer or control person of Crystal Wealth or person holding a sufficient number of Units of the Fund to affect materially the control of the Fund has, in the last 10 years, been declared bankrupt or been subject to any penalties or sanctions imposed by a court or regulatory authority or been a director, senior officer or control person of any issuer that has been subject to any penalties or sanctions imposed by a court or by a regulatory authority while the director, officer or control person was a director, officer or control person of such issuer.

Item 4 Securities Offered

4.1 *Terms of Securities*

The securities being offered under this Offering Memorandum are Series A and Series F units of the Fund.

Units

An investment in the Fund is represented by Units. The Fund is permitted to have an unlimited number of series of Units and is authorized to issue an unlimited number of Units of each series. All series of Units of the Fund will be invested in the same portfolio of assets. To date, the Fund has created two series of Units – Class A and Class F.

At a meeting of Unitholders, each Unitholder will have one vote for each dollar value of all Units owned by such Unitholder as determined based on the series net asset value per Unit at the close of business on the record date for voting for such meeting, with no voting rights being attributed to portions of a dollar of such value. Unitholders have limited voting rights.

Unitholders are also entitled to participate pro rata based on the Units held by them in distributions made out of the Fund (other than Management Fee Distributions, as described herein) and, on liquidation of its net assets (on a series by series basis). No certificates are issued by the Fund to represent the outstanding Units. Each Unit is transferable only in accordance with Declaration of Trust and subject to securities legislation, is not subject to future calls or assessments, and entitles the holder to rights of redemption.

Offering Price

The price of the Units of the Fund is an amount equal to the net asset value per Unit (**NAVPU**) determined from time to time. Currently, the NAVPU will be determined weekly, on the last business day of each week (each, a **Valuation Date**).

The NAVPU will also be determined on the last business day of each month and on any other day as the Manager in its discretion determines, but these dates will not be considered Valuation Dates for the purposes of Unitholder transactions.

4.2 *Computation of Net Asset Values*

The net asset value of the Fund (the **NAV**) and the net asset value per unit (**NAVPU**) will be calculated by the Manager or its agent in Canadian dollars on each Valuation Date by taking the value of all assets less the liabilities of the Fund.

In calculating the NAV of the Fund at any time:

- (a) the value of cash, promissory notes, receivables, prepaid expenses, dividends and interest declared or accrued but not yet received, will be deemed to be the face value thereof unless the Manager or its agent considers otherwise;
- (b) the value of treasury bills and other money market instruments will be the cost of such instruments plus the accrued interest up to and including the Valuation Date;

- (c) the value of MRFFCs will be the outstanding principal amount of the contract plus the accrued contract fees up to and including the Valuation Date;
- (d) the value of any other securities for which there is a published market will be the closing market price for such securities (or if there is no closing price the average of the closing bid and ask prices) on the Valuation Date; provided that if in the opinion of the Manager or its agent, such price does not properly reflect the price which would be received by the Fund upon disposal of the securities, the Manager or its agent may place such value upon such securities as appears to the Manager or its agent to most closely reflect the fair value of such securities;
- (e) the value of any other property for which a current third party valuation is available will be the value as determined by the third party valuator;
- (f) the value of all other property will be the value that the Manager or its agent determines in its reasonable discretion most accurately reflects its fair value;
- (g) the value of any asset measured in a foreign currency will be calculated by converting the value in the foreign currency into Canadian dollars using the rate of exchange current on the Valuation Date as determined by the Manager or its agent;
- (h) each transaction of purchase or sale of portfolio securities effected by the Fund will be reflected in the computation of the NAV not later than the first computation of such NAV made after the date on which such transaction becomes binding;
- (i) the issue or redemption of Units of the Fund will be reflected in the computation of the NAV no later than the next computation of such NAV made after the time as at which a NAVPU is determined for the purpose of the issue or redemption of the Units of the Fund; and
- (j) liabilities include only those expenses paid or payable by the Fund, including accrued contingent liabilities and management fees where they are known.

The NAVPU will be the NAV of the portfolio assets of the Fund attributable to the series divided by the number of Units of the series outstanding on the relevant Valuation Date.

A NAV will not be calculated if redemptions have been suspended by the Manager.

The value given to any pooled fund investments held by the Fund on a Valuation Date, including an Underlying Crystal Wealth Fund, is derived from the most recent net asset value information available to Crystal Wealth on that Valuation Date. Often, the only valuation information available is an estimate of the net asset value of the applicable pooled fund as of the Valuation Date, which in turn is based on estimated values of the pooled fund's underlying investments. These underlying investments may be difficult to value, as they may be illiquid and may trade infrequently or not at all. In some cases, subsequent information provided by the pooled fund may show an actual value that is different from the estimated value previously provided. No adjustment will be made to the number of Units purchased or redeemed by an investor in the Fund because of the use of estimated values in determining the net asset value of the Fund and the net asset value of each series of Units of the Fund.

4.3 *Redemption of Units*

A Unitholder may, upon request to the Manager in a manner and form acceptable to the Manager, redeem a portion or all of its Units at a redemption price equal to the NAVPU on the Valuation Date next following the date on which the request for redemption is received by the Manager, less any accrued and applicable fees and taxes. If the request is received by the Manager prior to 4:00 p.m. ET, on a Valuation Date, the redemption will be processed on that Valuation Date. Proceeds of redemption will be paid within three Business Days from such date either by cheque or electronic payment, as the Unitholder requests. No interest will be paid to the Unitholder on account of any delay in forwarding the proceeds of redemption to the Unitholder. If Units were purchased by cheque and then redeemed within seven business days of the purchase, the Fund may hold the redemption proceeds until the purchase cheque has cleared, which may take up to 10 business days for cheques drawn on a Canadian chartered bank and up to 45 business days for all other cheques.

The Manager has the right to cause redemptions of Units to be suspended for the whole or any part of a period during which normal trading is suspended on any exchange or market on which securities representing more than 50% by value or underlying market exposure of the total assets of the Fund are traded. Any redemptions that would otherwise have taken place during the period of suspension will be effected at the close of business on the Valuation Date immediately following the termination of suspension unless, prior to that date, a Unitholder has withdrawn his or her redemption order.

The Manager has the right to cause redemptions of Units to be suspended if it receives redemption requests for Units representing more than the sum of amounts immediately available under the Fund's lines of credit, if any, and any cash on hand, treasury bills, bankers acceptances and other money market instruments (**Cash Equivalents**) that the Fund owns on any given Valuation Date. The purpose of this right is to safeguard against illiquidity in the Fund, and is in place to protect Unitholders who are not redeeming Units from the Fund. Without this right, the Manager could be forced to liquidate a portion of the Fund's portfolio at what could potentially be a reduced value. This right gives the Manager the ability to wait for new subscription proceeds to fund the redemptions; wait for a portion of the portfolio to mature; or effect an orderly sale of a portion of the portfolio. It is the Manager's intention to attempt to maintain a laddered structure to the Fund's portfolio with a portion of the portfolio maturing each month. Any redemptions that would otherwise have taken place during the period of suspension will be effected at the close of business on the Valuation Date immediately following the termination of suspension unless, prior to that date, a Unitholder has withdrawn his or her redemption request.

The Manager may, at any time and from time to time, by giving ten business days prior written notice to Unitholders, redeem all or any portion of the outstanding Units of a series on the next Valuation Date for a redemption price per Unit equal to the NAVPU for Units of that series calculated for such day. Among other reasons, the Manager could exercise this right if a particular series has so few Units outstanding that the Manager in its discretion deems it uneconomic to continue to offer the series. Alternatively, the Manager could exercise this right of redemption for tax purposes.

The Manager is also entitled to require the redemption of all or any part of the Units held by a Unitholder at any time in its discretion.

The Manager is entitled to require the redemption of all of the Units held by a Unitholder at any time that the Unitholder's account falls below \$5,000 in market value. Prior to exercising this right of redemption, the Manager will provide the Unitholder with 10 business days' prior notice to allow such Unitholder an opportunity to increase the value of its account to \$5,000 by purchasing more Units of the Fund.

4.4 *Systematic Withdrawal Plans*

Unitholders may make regular redemptions through a Systematic Withdrawal Plan (SWP). Once a SWP is authorized, the Manager will make automatic redemptions from the Unitholder's account according to the schedule chosen by the Unitholder. SWPs are available monthly or quarterly on any Friday of the month. If the selected Friday is not a business day, the SWP will be run on the Valuation Date immediately preceding it. In addition, all of the conditions, features, fees and charges discussed elsewhere in this Offering Memorandum apply to Units redeemed under the SWP program.

4.5 *Distributions*

The Fund intends to distribute to Unitholders in each taxation year such portion of its net income, including net realized capital gains, as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each taxation year. Distributions will be made monthly on the last Friday of the month. If the last Friday of the month is not a Business Day, the distribution will be made on the Valuation Date immediately preceding it. In December of each year, the distribution will take place on a date between December 15 and December 31 to be determined by the Manager. The Manager may, at its discretion, decide to distribute to Unitholders a portion of its net income, including net realized capital gains, at other times during the year as well.

The Fund shall deduct or withhold from any distribution to a Unitholder who is, or is deemed to be, a non-resident of Canada for purposes of the Tax Act, or is a partnership that is not a "Canadian partnership" within the meaning of the Tax Act, any taxes or other amounts required to be deducted or withheld therefrom by the Fund under the Tax Act or any other applicable tax legislation. The Fund shall remit such deducted or withheld taxes or other amounts to the appropriate tax authority on behalf of the Unitholder. Any such taxes or other amounts remitted by the Fund shall be considered to have been paid by the Fund to the Unitholder in satisfaction of any distribution to the Unitholder by the Fund.

All distributions made by the Fund to each series of Units will be automatically reinvested in additional Units of the same series at the NAVPU thereof unless a Unitholder elects to receive his or her distribution in cash.

4.6 *Short Term Trading Fee*

In order to protect the interests of the majority of Unitholders of the Fund and to discourage short term trading in the Fund, Unitholders may be subject to a short-term trading fee. If a Unitholder redeems Units within 180 days of such Units having been acquired, the Fund may deduct and retain for the benefit of the remaining Unitholders 5% of the value of the Units redeemed.

4.7 *Restriction on Non-Resident Unitholders*

In order to ensure that the Fund qualifies as a "mutual fund trust" within the meaning of the Tax Act at all times, the Manager has the right, in accordance with the Declaration of Trust governing the Fund, not to accept a subscription for Units from, or issue or register a transfer of Units to, a Unitholder who is, or is deemed to be, a non-resident of Canada for purposes of the Tax Act, or is a partnership that is not a "Canadian partnership" within the meaning of the Tax Act. In addition, under certain circumstances, the Manager may require that such a Unitholder redeem its Units.

4.8 Fees and Expenses

Management Fee: The Manager is entitled to charge the Series A Units of the Fund a management fee at a maximum annual rate of 2% plus HST and the Series F Units of the Fund a management fee at a maximum annual rate of 1% plus HST. The base Trailer Fee on Series A Units (as described in Item 6) is paid by the Manager from out of this management fee. The management fee accrues daily and is payable monthly in arrears.

Trustee Fees: Crystal Wealth acts as trustee for the Fund and has chosen not to accept any compensation from the Fund for this service.

Management Fee Distributions: The Manager may, in its sole and absolute discretion, rebate part of its management fee to select Unitholders, effectively reducing the management fee that those Unitholders are paying. The amount of the reduction is distributed by the Fund (the **Management Fee Distribution**) to the investor for whose benefit the fees were reduced. Where applicable, Management Fee Distributions will be calculated on each business day and distributed on a regular basis by the Fund to the applicable investor, generally, first out of the net income of the Fund, including net realized capital gains of the Fund, and then as a return of capital. All Management Fee Distributions will be reinvested in additional Units of the same series of Units of the Fund unless otherwise requested. The amount of the Management Fee Distribution will generally be treated for purposes of the Tax Act as income, capital gains or return of capital to the Unitholder receiving it.

Operating Expenses: The ongoing expenses of the Fund will be borne by the Fund, including without limitation, trustee fees, the fees and expenses of legal counsel and the Fund's auditors, communications to Unitholders, custodial arrangements, fund accounting fees, registrar and transfer agency fees, administration and recordkeeping, interest, brokerage fees, regulatory fees and taxes of all kinds to which the Fund is or might be subject to. The Fund is required to pay harmonized sales tax (**HST**) on the management fee and most of the other fees and expenses which it pays.

4.9 Subscription Procedure

Continuous Offering

Units of the Fund are offered on a continuous basis under this Offering Memorandum. This offering is being conducted pursuant to the prospectus exemption available under Section 2.3 (accredited investor) (the **Accredited Investor Exemption**) and Section 2.10 (minimum amount - \$150,000) (the **\$150,000 Exemption**) of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).

The Manager may from time to time establish minimum initial investment amounts and minimum additional investment amounts. The Manager may in its discretion waive such minimum requirements on a temporary basis or on a case by case basis.

The Manager reserves the right to accept or reject subscriptions, to change the minimum amounts for investments in the Fund and to discontinue the offering of Units of the Fund at any time and from time to time. Any monies received with rejected subscriptions will be refunded within two business days, without interest or deduction.

Subscriptions may be placed by investors either directly with the Manager or through registered dealers or entities that are exempt from dealer registration. Prospective investors who wish to subscribe for Units must complete, execute and deliver the Subscription Agreement that accompanies this Offering Memorandum to the Manager or their dealer (as appropriate) and tender the subscription amount in a

manner acceptable to the Manager. Units will be issued at the NAVPU on the Valuation Date next following receipt by the Manager of a subscription request (unless received on a Valuation Date prior to 4:00 p.m. E.T., in which case the Units will be issued on such Valuation Date). All subscriptions for Units of the Fund must be forwarded by dealers, without charge, the same day that they are received, to the Manager on behalf of the Fund.

A subscriber has the right to cancel the subscription by sending written notice of cancellation before midnight of the second business day after the subscriber signs the Subscription Agreement. Any subscription proceeds received will be held in trust for that period, and will be promptly returned to the subscriber without interest or deduction if the subscriber exercises his or her cancellation rights.

Additional Investments

Additional investments in the Fund are generally permitted in any amount, subject to any minimum holding prescribed from time to time by the Manager. Each additional investment can only be made pursuant to a prospectus exemption which is available at the time of the additional investment. For example, investors purchasing in reliance on the Accredited Investor exemption will be requested to represent that they continue to qualify as Accredited Investors at the time of each additional investment. Non accredited investors are able to make additional investments of any amount (subject to minimums prescribed by the Manager) provided that the investor is holding Units of the Fund with an acquisition cost or net asset value of \$150,000 or more.

At the time of making each additional investment in the Fund, each investor will be deemed to have repeated to the Fund the covenants and representations contained in the Subscription Agreement, delivered by the investor to the Fund at the time of the initial purchase.

The Manager reserves the right to change the minimum amount for additional investments in the Fund at any time and from time to time.

Following each purchase of Units, investors will receive written confirmation indicating details of the purchase transaction, including the dollar amount of the purchase order, the net asset value per unit and the number of Units purchased. For additional investments, the written confirmation will indicate the cumulative total of all Units held by the investor.

Pre-authorized Chequing Plan

Provided a Unitholder continues to have the status of an "accredited investor" or otherwise meets the prescribed investment qualifications, Unitholders may make regular purchases through a Pre-authorized Chequing Plan (PAC). Where the Unitholder is an individual investor relying on the Accredited Investor exemption, further arrangements, including the continued or ongoing provision of the prescribed risk acknowledgement form, may be required in order to comply with such exemption. Once a PAC is authorized, the Manager will make automatic withdrawals from the Unitholder's bank account according to the schedule chosen by the Unitholder and invest this sum in Units of the Fund. PAC withdrawals can be made monthly or quarterly, on any Friday in the month or quarter. If the chosen Friday is not a business day, the PAC will run on the next Valuation Date thereafter. In addition, all of the conditions, features, fees and charges discussed elsewhere in this Offering Memorandum apply to Units purchased under the PAC program.

Item 5 Certain Canadian Federal Income Tax Considerations

5.1 Disclaimer

An investment in Units of the Fund may give rise to tax consequences for Unitholders under the Tax Act and any applicable provincial, territorial, local or foreign tax laws. Prospective Unitholders are urged to consult with their own tax advisors with respect to the tax consequences of investing in Units of the Fund under the Tax Act and any applicable provincial, territorial, local or foreign tax laws based on their own particular circumstances.

5.2 Summary of Certain Canadian Federal Income Tax Considerations

The following is, as of the date of this Offering Memorandum, a general summary of certain Canadian federal income tax considerations generally applicable under the Tax Act to the Fund and Unitholders who at all relevant times, for purposes of the Tax Act, (i) are the beneficial owners of the Units, (ii) are individuals (other than trusts) resident in Canada, (iii) hold their Units as capital property, and (iv) deal at arm's length and are not affiliated with the Fund and its affiliates. Generally, Units will be considered to be capital property to the Unitholder thereof for purposes of the Tax Act provided that they are not held in the course of carrying on a business and have not been acquired in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their Units, and any other "Canadian security" (as defined in the Tax Act) owned by such Unitholders in the taxation year in which the election is made, and in all subsequent taxation years, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors regarding the potential application and consequences of this election in their particular circumstances.

This summary is not applicable to a Unitholder that has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units. Such Unitholders should consult their own tax advisors.

This summary is based on provisions of the Tax Act in force on the date of this Offering Memorandum and the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") publicly available prior to the date of this Offering Memorandum. This summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Offering Memorandum (the "Tax Proposals") and assumes that the Tax Proposals will be enacted in their current form. There can be no assurance that any Tax Proposals will be enacted in their current form or at all. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in law whether by legislative, governmental, or judicial decision or action, or changes in the administrative policies and assessing practices of the CRA. In addition, this summary does not take into account any other federal or any provincial, territorial, local or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is based on the assumption that the Fund is and will continue to qualify at all times as a mutual fund trust for purposes of the Tax Act. This summary is also based on the assumption that the Fund has not been established or will not be maintained primarily for the benefit of non-residents of Canada for purposes of the Tax Act. If the Fund were not to qualify as a mutual fund trust under the Tax Act, then the Canadian federal income tax considerations would be materially different from those described herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding, or disposing of Units will vary depending on the Unitholder's particular circumstances, including the provinces in which the Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser of Units. Prospective Unitholders should consult their own tax advisors for advice with respect to the tax consequences to them of an investment in Units, based on their particular circumstances.

Status of the Fund

To qualify as a mutual fund trust for purposes of the Tax Act (i) the Fund must be a Canadian resident "unit trust" for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its fund in property (other than real property or an interest in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in an immovable) that is capital property of the Fund or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of Units. The Fund must also not be established or maintained primarily for the benefit of non-residents of Canada in order to qualify as a mutual fund trust for purposes of the Tax Act. The Manager intends to ensure that the Fund will continue to qualify as a mutual fund trust at all times for purposes of the Tax Act.

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the particular year, including net realized taxable capital gains, less the portion thereof that it claims in respect of amounts paid or payable to Unitholders in the year. It is the Fund's intention to make distributions payable to Unitholders in such amounts in each taxation year and to deduct such amounts in computing its income in each taxation year as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each taxation year other than such tax on net realized capital gains that will be recoverable by the Fund in respect of such taxation year by reason of the capital gains refund mechanism under the Tax Act.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income, in accordance with the detailed rules under the Tax Act. The Fund may generally deduct the costs and expenses paid by the Fund in respect of the offering of its Units and not reimbursed at a rate of 20% per year, pro-rated where the Fund's taxation year is less than 365 days. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with detailed rules and limitations in the Tax Act.

In determining the income of the Fund, gains or losses realized upon the disposition or deemed disposition of a security will constitute capital gains or losses of the Fund in the taxation year in which realized unless the Fund is considered to be trading or dealing in such securities or otherwise carrying on an investment business of buying and selling securities or the Fund has acquired such securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Fund intends to purchase and will purchase securities with the objective of earning income over the life of the Fund and will take the position that gains and losses realized on the disposition or deemed disposition thereof are capital gains and capital losses.

Upon the actual or deemed disposition of a security, the Fund will realize a capital gain (or capital loss) to the extent the proceeds of disposition exceed (or are less than) the adjusted cost base of such security immediately before such disposition and any reasonable costs of disposition. One-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Fund in a taxation year must be included in computing the Fund’s income for the year, and one-half of the amount of any capital loss (an “**allowable capital loss**”) realized by the Fund in a taxation year must be deducted against capital gains realized by the Fund in that taxation year. Allowable capital losses for a taxation year in excess of taxable capital gains in that year may be carried back and deducted by the Fund in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net realized taxable capital gains of the Fund in accordance with the provisions of the Tax Act.

The Fund will be entitled, for each taxation year throughout which it is a mutual fund trust, to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of its Units during the year (“**capital gains refund**”). The capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of securities in connection with a redemption of Units.

Taxation of Unitholders

Unitholders will generally be required to include, in computing their income for a taxation year, the amount of the Fund’s net income for the taxation year of the Fund ending in, or coincidentally with, the Unitholders’ taxation year, including net realizable taxable capital gains, paid or payable to them (including by way of a Management Fee Distribution), whether or not reinvested in additional Units of the Fund or paid in cash or additional Units.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year in order to enable the Fund to utilize, in the taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. Such amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder’s income. However, the adjusted cost base (within the meaning of the Tax Act) of the Unitholder’s Units will be reduced by such amount (other than the non-taxable portion of the Fund’s net realized capital gains as discussed below).

Provided that appropriate designations are made by the Fund, such portion of (i) the taxable dividends received or deemed to be received by the Fund on shares of taxable Canadian corporations (as defined in the Tax Act), and (ii) the net realized taxable capital gains of the Fund, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply, including the enhanced gross-up and dividend tax credit rules in respect of dividends designated in accordance with the Tax Act as “eligible dividends” (as defined in the Tax Act).

The non-taxable portion of the Fund’s net realized capital gains, the taxable portion of which was designated in respect of a Unitholder in the year, that is paid or payable (whether in cash or additional Units) to the Unitholder in the taxation year will not be included in the Unitholder’s income for the year. Such amount, however, will generally reduce the adjusted cost base of the Unitholder’s Units. Any distributions by the Fund to a Unitholder by way of a return of capital will not be included in computing the Unitholder’s income but will reduce the Unitholder’s adjusted cost base of its Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to

be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain.

At the time a purchaser acquires Units of the Fund, the net asset value of the Units may reflect accrued income and capital gains and realized income and capital gains which have not been distributed. When and if such income and capital gains are distributed by the Fund to Unitholders, the income and the taxable portion of the capital gains will have to be included in the purchaser's income.

Any upfront sales charges paid by Unitholders on the acquisition of Units of the Fund are not deductible by Unitholders but can generally be added to the adjusted cost base of the Units purchased. In determining the adjusted cost base of Units for purposes of the Tax Act, the cost of newly-acquired Units must be averaged with the adjusted cost base of all other Units of the Fund held by the Unitholder as capital property at such time. The cost of Units acquired as a distribution of income or capital gains from the Fund will generally be equal to the amount of the distribution. Any additional Units acquired by a Unitholder on the reinvestment of distributions will generally have a cost equal to the amount reinvested.

Upon the actual or deemed disposition of a Unit, including the redemption of a Unit by the Fund, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit exceed (or are less than) the adjusted cost base of the Unit to the Unitholder immediately before such disposition and any reasonable costs of disposition. Under the Tax Act, one-half of any capital gain ("**taxable capital gain**") realized is generally included in a Unitholder's income and one-half of any capital loss ("**allowable capital loss**") realized must be deducted from taxable capital gains in accordance with the provisions of the Tax Act. Allowable capital losses realized in a particular taxation year in excess of taxable capital gains realized in that year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the rules in the Tax Act.

In general terms, net income of the Fund paid or payable to a Unitholder that is designated as taxable dividends from Canadian corporations or as net realized taxable capital gains as well as taxable capital gains realized by a Unitholder on a disposition or deemed disposition of its Units may increase the Unitholder's liability for alternative minimum tax.

Unitholders will be advised each year of the amount of net income, taxable dividends from taxable Canadian corporations, net realized capital gains and returns of capital paid or payable to them.

5.3 Eligibility for Investment

Provided that the Fund continues to qualify as a mutual fund trust at all times for purposes of the Tax Act, Units of the Fund should be qualified investments for a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a deferred profit sharing plan, a registered education savings plans, a registered disability savings plan and a tax-free savings account ("**TFSA**"). .

Notwithstanding the foregoing, the annuitant of a RRSP or RRIF or the holder of a TFSA will be subject to a penalty tax if Units of the Fund are held in a RRSP, RRIF or TFSA, as the case may be, and are a "prohibited investment" for such RRSP, RRIF or TFSA under the Tax Act. Units of the Fund will not be a prohibited investment for a RRSP, RRIF or TFSA provided the annuitant or holder, as the case may be, deal's at arm's length with the Fund for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Fund. In addition, Units of the Fund will generally not be a prohibited investment if such Units are "excluded property" as defined in the Tax Act. Unitholders should consult their own tax advisors as to whether Units of the Fund will be a prohibited investment in their particular circumstances.

Item 6 Compensation Paid to Dealers

6.1 Sales Charge

Registered dealers (each, a **Dealer**), whose dealing representatives sell Series A Units of the Fund may, with the agreement of the investor, charge an up-front fee to investors of up to 5% of the total subscription amount. As described under Item 3.3 Interests of Management and Conflicts of Interest, although a placement fee may be charged by a dealing representative of the Manager, the Manager itself does not charge or receive a separate placement fee.

6.2 Trailer Fees

The Manager will pay a monthly fee (the **Trailer Fee**) to Dealers to compensate the Dealers for ongoing services to their clients in respect of an investment in Series A Units of the Fund. The Trailer Fee is calculated based upon a percentage of the average daily value of the Series A Units of the Fund held by the clients of the Dealers. The Trailer Fee will be paid at a rate of up to 1.0% per annum.

Item 7 Risk Factors

An investment in the Fund involves certain risks. Investors should consider the following risk factors before investing.

7.1 Issuer Risks

General. Although the Fund intends to invest in a diversified portfolio of investments designed to mitigate short-term risk, investing in the Fund entails certain risks and is only suitable for investors who understand and are capable of bearing the risks of an investment in the Fund. All investments in securities and other financial instruments risk the loss of invested capital. There is no assurance that the Fund will achieve its overall investment objective. Prospective investors should carefully consider the following risk factors, which do not purport to be a complete list of the potential risks and conflicts of interest involved in an investment in the Fund. The NAVPU will vary directly with the market value and return of the investment portfolio of the Fund.

Reliance on Crystal Wealth. The Fund will be dependent on the knowledge and expertise of Crystal Wealth for investment advisory and portfolio management services. There is no certainty that the persons who are currently officers and directors of Crystal Wealth will continue to be officers and directors of Crystal Wealth.

Potential Conflicts of Interest. The Manager may also act in the same or similar capacities in respect of other entities. In that event, it may have responsibility for the management of the assets of other entities at the same time as it is managing the Fund's portfolio and may use the same or different information and trading strategies obtained, produced or utilized in managing the portfolio of the Fund. See Item 3, Directors, Management, Promoters and Principal Holders – Interests of Management and Conflicts of Interest.

No involvement by Unaffiliated Selling Agent or Other Professional Representing Unitholders. No securities dealer or selling agent unaffiliated with the Manager was involved with or has made any review or investigation of the terms of this offering, the structure of the Fund or the background or history of the Manager and its principal. No legal counsel, investment dealer, accounting firm or other professional advisor acting on behalf of Unitholders has reviewed the terms of this offering. Consequently,

prospective investors are advised to consult their own legal, tax or financial advisors in connection with the purchase of Units.

Unitholder Liability. Because of uncertainties in the law relating to trusts such as the Fund, there is a risk that a Unitholder could be held personally liable for obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the Fund's operations will be conducted in such a way as to minimize any such risk. In particular, the Manager will follow the investment strategy and process of the Fund and will use its best efforts to avoid such liability being placed upon the Unitholders. Based upon these measures being adhered to by the Fund, it is considered by the Manager that the risk of Unitholder liability is remote in the circumstances.

7.2 Investment and Market Risks

Market and Economic Conditions The market value of the Fund's investments will rise and fall based on developments in the broader equity and fixed income markets. Market values will also vary with changes in general economic and financial conditions. Fluctuations in the market values of such investments can occur for a number of reasons beyond the control of the Manager. Performance of the Fund will be affected by various factors including fluctuations in interest rates, business and consumer demand, general economic conditions and cycles, foreign and domestic political developments, competition, imposition of tariffs, duties or other taxes and government regulation, as applicable. Fluctuations in the exchange rates between the Canadian dollar and other currencies in which direct and indirect investments of the Fund are denominated will affect the value of Units when expressed in Canadian dollars.

Performance and Marketability of Underlying Securities. There is no market in which some of the securities held by the Fund can be sold and, accordingly, there is no assurance that the securities acquired by the Fund can be sold for the values used to calculate the NAVPU.

Leverage. The Fund may directly or indirectly make use of leveraged investments. The use of leverage can magnify gains but may also increase the Fund's exposure to the risk of losing its capital.

No Guaranteed Return. There is no guarantee that an investment in Units will earn any positive return in the short or long term.

Insolvency of a Medical Provider. If a Medical Provider becomes insolvent, there is a possibility that the collection of unpaid receivables will not be sufficient to cover the outstanding principal balance plus fees and if the Medical Provider is insolvent, it would be difficult for the Fund to collect the remaining balance from the Medical Provider.

Insolvency of a Payor. If a Payor of the Medical Provider becomes insolvent before paying a receivable that the Fund owns, there is a possibility that the Fund may not collect the full amount it is owed.

Changes in the U.S. Healthcare Industry. The ongoing profitability of the Fund is dependent upon certain practices and norms existing within the U.S. healthcare industry. Any changes in the way Medical Providers bill or are paid by patients or Debtors might make the need for the Fund's type of financing structure less attractive and hence make it difficult for the Fund to reinvest its capital at the same rates of return on investment.

Reliance on XMC. The Fund will be dependent on the knowledge and expertise of XMC and its officers and employees for sourcing and servicing the MRFFCs in which it invests. Initially, XMC will be the only factoring and servicing company with which the Fund will deal, and as such, the Fund's ability to source new deals in which to invest and to service the deals in which it has invested would be negatively

impacted if XMC were to cease operations. Further, there is no certainty that the persons who are currently officers, directors or employees of XMC will continue to be officers, directors or employees of XMC.

More Attractive Sources of Capital. Should an environment develop in which commercial receivables collection companies can readily obtain capital on terms and conditions substantially more beneficial than capital provided by the Fund, there would be a danger that the future sale of the Fund's Units would be limited. This wouldn't have an impact on the existing investments of the Fund, but would limit the ability of the Fund to reinvest its assets at similar rates of return.

Regulation of the Factoring Industry. The factoring industry in the United States is not currently regulated. If it were to become regulated, there is a chance that the amount of fees able to be charged to the Medical Providers would be restricted or an upper limit be imposed. If that were to happen, it wouldn't have an impact on the existing investments of the Fund, but would limit the ability of the Fund to reinvest its assets at similar rates of return.

Fraud. There is the risk that either XMC or a Medical Provider may commit fraud, resulting in a loss of Fund assets. The Manager attempts to mitigate this risk through extensive due diligence and monitoring, but the risk of fraud can never be entirely eliminated.

Foreign Exchange Risk. The Fund's investments are valued in USD. Accordingly, investors in the Fund may incur foreign currency exposures that may have a positive or negative impact on the value of their investment. Crystal Wealth may, from time to time and in its sole discretion, use exchange-traded derivatives to hedge the currencies to which the Fund is exposed.

Exchange-traded Futures Contracts. The Fund may purchase and sell currency futures contracts or enter into other derivative transactions. Such transactions will only be used for hedging the Fund's exposure to the USD based MRFFCs. Use of derivative instruments in general presents additional risks. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Fund from achieving the intended hedge effect or expose the Fund to the risk of loss. In addition, derivative instruments may not be liquid in all circumstances, so that in volatile markets the Fund may not be able to close out a position without incurring a loss.

As the Manager has restricted the Fund's investment in derivatives to include only exchange-traded contracts, there is no counterparty risk. Furthermore, the exchanges on which the derivative contracts are traded may set daily trading limits, preventing the Fund from closing out a particular contract. If an exchange halts trading in any particular derivative contract, the Fund may not be able to close out its position in that contract.

Redemption Risk: Substantial redemptions of Units could require the Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions. Such actions could adversely affect the value of the Units redeemed and of the Units that remain outstanding. In accordance with section 4.1, Terms of Securities, the Manager has the right to suspend redemptions in several circumstances as described therein. If the Manager were to exercise this right, Unitholders would not be able to redeem their Units until the suspension is lifted.

Legal, Tax and Regulatory Risks. Legal, tax and regulatory changes or events may occur that could adversely affect the Fund or the Unitholders. In particular, if the Fund experiences a "trust loss restriction event" the Fund (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Fund's net income and net realized capital gains, if any, at such time to

Unitholders so that the Fund would not be liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses, inability to carry-forward capital losses, and restrictions on its ability to carry forward non-capital losses. Generally, the Fund would be subject to a loss restriction event if a person becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the Fund, as those terms are defined in the Tax Act. Generally, a person would be a majority-interest beneficiary of the Fund if it, together with persons and partnerships with whom it is affiliated for purposes of the Tax Act, owns more than 50% of the units of the Fund. The loss restriction event rules include relieving measures for trusts that meet certain conditions.

Marketability of Units. There is currently no secondary market through which the Units may be sold nor is one expected to develop. Redemptions are permitted only as described herein and there are circumstances in which the Fund may suspend redemptions. Accordingly, Units of the Fund may not be appropriate for investors seeking greater liquidity than weekly. Also, Units are only transferable in limited circumstances with the approval of the Manager.

Net Asset Value and Estimated Values. A portion of the calculation of the net asset value of the Fund could be based on estimated values provided by underlying funds. These estimated values are, in turn, based on values attributed to the underlying investments held in such funds, which investments may be illiquid and may trade infrequently or not at all. No adjustments will be made to the number of Units purchased or redeemed by an investor in a Fund because of the use of estimated values in determining the net asset value of a Fund, even if the estimated values that are used in calculating such net asset value are subsequently determined to differ significantly from the final values eventually obtained in respect of the underlying funds.

Item 8 Reporting to Unitholders

If a Unitholder has purchased Units through a Dealer, the Dealer is obliged to provide the Unitholder with account statements regarding their investment in the Fund. Unitholders who have purchased the Fund directly from the Manager will receive an annual and semi-annual account statement showing the Units held by them and any transactions for the preceding period. Investors who purchase Units directly from the Manager will also receive confirmation of their trade from the Manager.

In addition, Unitholders will receive the applicable tax form(s) identifying the Unitholder's distributions (including income, taxable dividends from taxable Canadian corporations, taxable capital gains and returns of capital).

The fiscal year end of the Fund is December 31. Unitholders have the right to elect to receive audited annual financial statements and unaudited semi-annual financial statements. An election request will be sent out annually and the Unitholder's choice will remain in effect for the following year.

Item 9 Other Disclosures

9.1 Forward Looking Information

The foregoing disclosure of investment objectives and strategies may constitute "forward-looking information" for the purpose of Ontario securities legislation, as it contains statements of the intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Manager of the success of its investment strategies in certain market conditions, relying on the experience of the Manager's officers and employees and their knowledge of historical economic and

market trends. Investors are cautioned that the assumptions made by the Manager and the success of its investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Manager's intended strategies as well as its actual course of conduct. Investors are urged to read Item 7, Risk Factors, for a discussion of other factors that will impact the operations and success of the Fund.

9.2 *Anti Money-Laundering Legislation*

The Manager is required to comply with all applicable laws, regulations and administrative pronouncements concerning money laundering and other criminal activities (**Anti-Money Laundering Laws**), which includes implementing specific measures to detect and deter money laundering and financing of terrorist activity. Unitholders may be required to provide additional information regarding the Unitholder or their beneficial owner(s) or other information that the Manager deems necessary or advisable to ensure compliance with all Anti-Money Laundering Laws. Additional information is in the subscription agreement.

If the Manager is aware or suspects that a Unitholder is engaged in money laundering or if otherwise required by Anti-Money Laundering Laws, the Manager may undertake appropriate actions to ensure that the Fund or the Manager are in compliance with all such Anti-Money Laundering Laws. The Fund or the Manager may release confidential information about a Unitholder and, if applicable, any underlying beneficial owner(s), to governmental authorities. This reporting will not be a breach of privacy laws as it is required by law.

9.3 *Collection of Personal Information*

By subscribing for Units in the Funds, the Unitholder acknowledges that its name, residential address and telephone number and other specified information, including the number of Units it has purchased and the aggregate purchase price paid by the Unitholder, may be disclosed to Canadian securities regulatory authorities and other authorities governing the operations of the Fund and the Manager, and may therefore become available to the public in accordance with requirements of applicable Canadian laws. By subscribing for Units in the Funds, the Unitholder shall authorize such indirect collection of personal information.

9.4 *FATCA*

Under U.S. withholding tax and reporting requirements, commonly referred to as the Foreign Account Tax Compliance Act ("**FATCA**"), non-U.S. financial entities are required to collect information from their clients and directly or indirectly provide that information to the U.S. Internal Revenue Service (the "**IRS**") in order to avoid a 30% U.S. withholding tax on payments of U.S. source income and gross proceeds. Canada enacted Part XVIII ("**Part XVIII**") of the Tax Act and signed an Intergovernmental Agreement with the U.S. for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention to achieve the U.S. objectives of FATCA in a manner that is consistent with Canada's privacy and other laws. Unitholders will generally be required to provide to their financial advisor or dealer information related to their citizenship or residence for tax purposes and, if applicable, their U.S. federal tax identification number. If Unitholders do not provide that information or are identified as a U.S. citizen (including a U.S. citizen living in Canada) or a U.S. resident, details of the Unitholder's investment in the Fund will generally be reported to the CRA unless Units are held in a registered plan.

The CRA has agreed to provide the information to the IRS. If a Unitholder does not provide the information required to comply with obligations under Part XVIII, the Unitholder's Units may be

redeemed. Unitholders should consult with their own tax advisors regarding the possible implications of FATCA for them and their investments.

9.5 Restrictions on Transfer and Resale

Because the Units are offered on a private placement basis in reliance on prospectus exemptions, they are generally not transferable, are subject to regulatory resale restrictions and may only be transferred from one holder to another with the written consent of the Manager. Applicable securities laws provide that securities purchased under a prospectus exemption may not be resold except on expiry of statutory hold periods or otherwise in compliance with such laws. However, Units are redeemable at net asset value, as described under Item 4.3 Redemption of Units.

9.6 Language of Documents

By receiving this document, you hereby confirm that you have expressly requested that all documents evidencing or relating in any way to the sale of securities described herein (including for greater certainty any purchase confirmation or notice) be drawn up in the English language only. Par la reception de ce document, chaque investisseur confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Item 10 Purchasers' Rights

10.1 Understanding your Rights

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

10.2 Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Manager by midnight on the 2nd business day after you sign the agreement to buy the securities.

10.3 Statutory and Contractual Rights of Action in the Event of a Misrepresentation

Subscribers in British Columbia

If there is a misrepresentation in this Offering Memorandum, subscribers resident in British Columbia will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

All subscribers in British Columbia shall have these rights, regardless of whether the subscriber relies on the Accredited Investor Exemption or the \$150,000 Exemption.

Subscribers in Alberta

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Alberta will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

All subscribers in Alberta shall have these rights, regardless of whether the subscriber relies on the Accredited Investor Exemption or the \$150,000 Exemption.

Subscribers in Saskatchewan

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Saskatchewan will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Promoter and Trustee at the date of the Offering Memorandum or any amendment thereto, every person or company whose consent has been filed with the Offering Memorandum (but only with respect to reports, opinions or statements that have been made by them), every person who signs the Offering Memorandum or any amendment thereto, and every person or company that sells the securities on behalf of the Fund under the Offering Memorandum for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of one (1) year after learning of the misrepresentation and six (6) years after you signed the agreement to purchase the securities.

Subscribers in Manitoba

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Manitoba have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and two (2) years after you signed the agreement to purchase the securities.

Subscribers in Ontario

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Ontario will have a statutory right to sue the Fund:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

Subscribers in New Brunswick

If there is a misrepresentation in this Offering Memorandum, subscribers resident in New Brunswick will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

Subscribers in Nova Scotia

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Nova Scotia will have a statutory right to sue:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 120 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 120 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

Subscribers in Prince Edward Island, Yukon, Northwest Territories or Nunavut

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Prince Edward Island, Yukon, Northwest Territories or Nunavut will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

10.4 General

The foregoing summaries are subject to any express provisions of the securities legislation of each offering jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described herein are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

Item 11 Financial Statements

Completed financial statements for the Fund are available on the Manager's website www.crystalwealth.com and upon request from the Manager.

APPENDIX 68



CRYSTAL WEALTH

CRYSTAL WEALTH MEDICAL STRATEGY

OBJECTIVE

To generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in American health care receivables.

PROCESS

- Xynergy Medical Capital sources, initially underwrites and establishes medical receivables factoring contracts
- Crystal Wealth does secondary underwriting and analyzes portfolio fit
- The Strategy buys the pre-existing factoring contract from Xynergy Medical Capital and all rights are assigned to the Strategy
- Crystal Wealth hires Xynergy Medical Capital to administer the factoring contract

WHAT IS A MEDICAL RECEIVABLES FACTORING CONTRACT?

A Medical Receivables Factoring Contract acts like an operating line of credit. Doctors, clinics, small regional hospitals and other medical service providers (MSPs) in the United States often have to wait 3-12 months before being reimbursed for their services by insurance companies.

Xynergy Medical Capital analyzes the MSPs' receivables and determines which ones are guaranteed to pay. Xynergy then buys those receivables at a discount. Xynergy continuously buys new receivables as others are paid out, providing the MSP with needed cash flow while charging the MSP a fee for this service.

WHAT IS THE EXPECTED RETURN?

The Strategy is expected to return 7 – 10% annually, although this is not guaranteed.

IS THE STRATEGY RISKY?

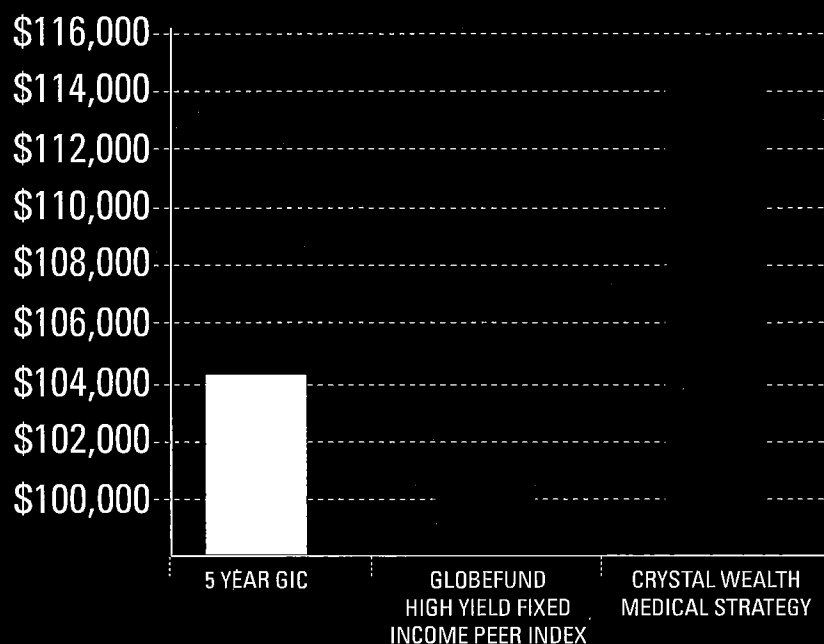
No. We believe the risks to investors are very minimal. The receivables that the Strategy purchases are for services that have already been provided so even if the MSP goes out of business, the receivable will still be paid. The obligors (insurance companies) of the medical receivables possess very high credit ratings. Examples of such insurance companies are Medicare, Blue Cross and Aetna.

Why are you settling for
a lower rate of return?

Growth of \$100,000

(October 2013 - December 2015)

Crystal Wealth Medical
Strategy vs. 5 Year GIC and
Globefund High Yield Fixed
Income Peer Index



WHY IS THIS STRATEGY THE IDEAL INVESTMENT?

Attribute	Ideal Investment	GICs	Bonds	Stocks	Crystal Wealth Medical Strategy
Return	Consistent & high				✓
Risk of loss/volatility	Low	✓			✓
Liquidity/access to money	Immediate		✓	✓	✓
Correlation to other traditional investments	Low	✓			✓
Diversification	High				✓

WHY IS THIS THE ONLY SUCH STRATEGY IN CANADA?

The medical receivables factoring business is a highly specialized field of business and there are only a handful of companies in the United States who specialize in this type of cash flow assistance. Crystal Wealth has established an exclusive relationship with one of those companies – Xynergy Medical Capital. The Strategy is a unique investment opportunity managed by Crystal Wealth, whose specialty is alternative fixed income investments.

Disclaimer: Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the offering documents before investing. Mutual funds and other securities are not guaranteed, their value may change frequently and past performance may not be repeated. Mutual funds are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer.

APPENDIX 69

**Crystal Wealth Group
Schedule of Filed Claims**

NOTE: The Receiver has not allowed nor disallowed any of the Filed Claims listed in the table below.

Creditor	Amount of Claim	Type of Claim	Claim Subject	Claimed Entity/Individual
Bron Studios Inc.	\$ 11,164,457.00	Unsecured	Loans	Clayton Smith
Clayton Smith	1,094,129.31	Unsecured	Loans	CLJ Everest Ltd.
Bron Animation Inc.	1,087,998.00	Unsecured	Loans	Clayton Smith
BDO Canada LLP ¹	511,101.26	Unsecured	Services	CWMSL and all Funds
CLJ Everest Ltd.	425,689.47	Unsecured	Loans	CWMSL
Tim Johnston	324,387.82	Unsecured	Contractual Compensation	CWMSL
IPC Securities Corp.	298,190.65	Unsecured - Priority	Services	CW Mortgage Strategy
Lee-Ann Smith	225,000.00	Unsecured - Priority	Support	Clayton Smith
Clayton Smith	215,202.13	Unsecured	Loans	CWMSL
IFDS (Canada) Ltd.	183,225.18	Unsecured	Services	CWMSL
AI Housego	171,721.05	Unsecured	Contractual Compensation	CWMSL
NBCN Inc.	124,132.15	Unsecured	Services	CWMSL
Jeffrey Mushaluk	60,000.00	Unsecured	Contractual Compensation	CWMSL
Borden Ladner Gervais	58,865.37	Unsecured	Services	CWMSL, Clayton Smith
Joanne Bentley	53,950.00	Unsecured - Priority	Termination/Severance	Crystal Wealth Group
Shanine Dennill	42,265.00	Secured	Support	Clayton Smith
Edwin Scott Whale	37,485.00	Unsecured - Priority	Deferred Compensation	CWMSL
Sameer Azam	25,497.00	Unsecured - Priority	Contractual Compensation	CWMSL
Lee-Ann Smith	24,915.00	Unsecured - Priority	Support	Clayton Smith
Forward Motion Entertainment Corp.	21,913.39	Unsecured	Services	CW Media Strategy
Edwin Scott Whale	21,702.75	Unsecured - Priority	Contractual Compensation	CWMSL
Xerox Canada Ltd.	17,246.20	Unsecured	Rental	CWMSL
1150752 Ontario Ltd.	11,194.54	Unsecured	Loans	CLJ Everest Ltd.
Jillian Van Osch	9,204.30	Unsecured - Priority	Unpaid Wages	CWMSL
Jillian Van Osch	6,000.00	Unsecured - Priority	Demand Promissory Note	Clayton Smith
Gary Thomas David Allen	4,952.40	Unsecured	Demand Promissory Note	CWMSL
Fundserv Inc.	4,271.52	Unsecured	Services	CWMSL
Burlington Hydro Inc.	1,519.52	Unsecured	Hydro	CWMSL, Clayton Smith
MCM Compliance Solutions Inc.	918.13	Unsecured	Services	CWMSL
City of Burlington ²		Secured	Property Taxes	CLJ Everest Ltd.
Total	\$ 16,227,134.14			

1 - The amount claimed by BDO Canada LLP reflects the amounts claimed in the Initial BDO Claim.

2 - The City of Burlington did not include an amount on their claim.

APPENDIX 70

PROOF OF CLAIM

**PROOF OF CLAIM AGAINST CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED,
CLAYTON SMITH, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH
MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS
FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED
FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH
HIGH YIELD MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED BULLION FUND,
ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY
FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH
INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY,
CRYSTAL WEALTH RETIREMENT ONE FUND, CLJ EVEREST LTD., AND 1150752
ONTARIO LIMITED (INDIVIDUALLY AND COLLECTIVELY, THE "CRYSTAL WEALTH
GROUP") PURSUANT TO THE CLAIMS PROCEDURE ORDER DATED June 30, 2017**

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: BDO Canada LLP

2. Full Mailing Address of the Creditor (the original Creditor and not the Assignee):
3115 Harvester Road, Suite 400
Burlington, Ontario L7N 3N8

3. Telephone number: 905-639-9500

4. E-mail address: mvriend@bdo.ca

5. Facsimile number: 905-633-4939

6. Attention (Contact Person): Mike Vriend

7. Has the Claim been sold or assigned by the Creditor to another party [check (✓) one]?
 Yes: _____ No: X

B. PARTICULARS OF ASSIGNEE(S) (IF ANSWER TO QUESTION 7 IS YES):

8. Full Legal Name of Assignee(s): _____
 (If Claim has been assigned, insert full legal name of assignee(s) of Claim (if all or a portion of the Claim has been sold). If there is more than one assignee, please attach a separate sheet with the require information)

9. Full Mailing Address of Assignee(s):

10. Telephone number of Assignee(s): _____

11. E-mail address: _____

12. Facsimile number: _____

13. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, Mike Vriend

 [name of Creditor or Representative of the Creditor],

of Burlington, Ontario do hereby certify that:
 [City or Province]

(a) I [check (✓) one]

☐ am the Creditor of the Crystal Wealth Group; OR

☒ am _____ (state position or title) of
BDO Canada LLP (name of creditor);

(b) I have knowledge of all the circumstances connected with the Claim referred to below;

(c) See Schedule "A" attached [Insert the
 name(s) of the specific Crystal Wealth Group entity(ies) to which the Claim relates]
 was and still is indebted to the Creditor as follows:

(i) TOTAL CLAIM: \$ 180,796,337.73 CAD

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at April 26, 2017. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN\$1.3592/US\$1.00); and

D. NATURE OF CLAIM:

(check (✓) one and complete appropriate category)

☒ A. UNSECURED CLAIM OF \$ 180,796,337.73

That in respect of this debt, I do not hold any security and

(Check (✓) appropriate description)

☒ Regarding the amount of \$ 180,796,337.73, I do not claim a right to a priority.

☐ Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Bankruptcy and Insolvency Act (Canada) (the "BIA") or would claim such a priority if this Proof of Claim were being filed in accordance with that Act.

(Set out on an attached sheet details to support priority claim.)

☐ B. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold security valued at \$ _____ particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of Crystal Wealth Group entity/entities involved, name of any guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Crystal Wealth Group to the Creditor and estimated value of such security, and particulars of any interim period claim.)

This Proof of Claim must be received by the Receiver by no later than 5:00 p.m. (Toronto time) on August 3, 2017 ("Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

Grant Thornton Limited
in its capacity as Receiver and Manager of the Crystal Wealth Group

200 King Street West, 11th Floor
Toronto, Ontario M5H 3T4

Attention: Jason Knight
E-mail: jason.knight@ca.gt.com or crystalwealth@grantthornton.ca

F. FILING OF CLAIM:

Failure to file your Proof of Claim as directed by the Claims Bar Date will result in your Claim being barred and in you being prevented from making or enforcing a Claim against the Crystal Wealth Group. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a creditor in these proceedings.

G. EXCLUDED CLAIMS

Claims by creditors who are investors in the Crystal Wealth Group and whose claim derives from such investor's investment in the Crystal Wealth Group are Excluded Claims and no such person or entity needs to file any claim in respect thereof at this time. Please consult the Claims Procedure Order made on June 30, 2017 for details with respect to this and other exemptions.

Dated at Burlington this _____ day of August, 2017.

BDO CANADA LLP

Per: 

Signature of Creditor

Mike Vriend, CPA CA

SCHEDULE "A"

To the Amended Proof of Claim Of BDO Canada LLP

Invoices rendered by BDO Canada LLP	\$511,101.26
Invoices rendered by Blake, Cassels & Graydon LLP to BDO Canada LLP in connection with its representation in the OSC proceedings	\$285,236.47
Amount claimed in Court File No. CV-17-579357, proposed class action commenced by Anthony Whitehouse against BDO Canada LLP	\$175,000,000.00
Estimated legal fees for defence of Court File No. CV-17-579357, proposed class action commenced by Anthony Whitehouse against BDO Canada LLP	\$5,000,000.00
Total Amount Claimed:	\$180,796,337.73

Supporting Documents:

1. List and copies of invoices rendered by BDO to Crystal Wealth Group entities
2. Invoices rendered by Blakes to BDO [summary only, without narrative which may contain details subject to lawyer-client privilege]
3. Statement of Claim commenced by Anthony Whitehouse against BDO Canada LLP, Court File No. CV-17-579357
4. Appointment Letter Agreement between BDO and Crystal Wealth Management System Limited dated December 21, 2016, as signed and agreed to by Clayton Smith on behalf of Crystal Wealth Management System Limited on December 21, 2016

Crystal Wealth Proof of Claim

Crystal Wealth Group Entity	Total per	Invoice#s
<i>Absolute Sustainable Dividend Fund</i>	18,565.90	88856957
<i>Absolute Sustainable Property Fund</i>	31,142.80	88856991;88897630
<i>ACM Growth Fund</i>	18,565.90	88857115
<i>ACM Income Fund</i>	18,565.90	8857121
<i>Crystal Enlightened Bullion Fund</i>	20,841.72	88857363;88897628
<i>Crystal Enlightened Resource and Precious Metals Fund</i>	18,565.90	88857137
<i>Crystal Wealth Enlightened Factoring Strategy</i>	21,320.84	88897636
<i>Crystal Wealth Conscious Capital Strategy</i>	18,565.90	88857018
<i>Crystal Wealth Enlightened Factoring Strategy</i>	18,565.90	88857918
<i>Crystal Wealth Enlightened Hedge Fund</i>	27,788.96	88857047;88897637
<i>Crystal Wealth High Yield Mortgage Strategy</i>	25,393.36	88857370;88897631
<i>Crystal Wealth Infrastructure Strategy</i>	33,538.40	88857071;88897633
<i>Crystal Wealth Management System Limited</i>	17,967.00	88855798
<i>Crystal Wealth Media Strategy</i>	101,813.00	88857147;88897638;89028357
<i>Crystal Wealth Medical Strategy</i>	41,923.00	88857186;88897634
<i>Crystal Wealth Mortgage Strategy</i>	59,410.88	88857290;88897635
<i>Crystal Wealth Retirement One Fund</i>	18,565.90	88857380
Total of Claim	<u>\$ 511,101.26</u>	



Tel: 905-639-9500
 Fax: 905-633-4939
 www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
 3115 Harvester Road
 Suite 400
 Burlington Ontario L7N 3N8 Canada

March 31, 2017

Absolute Sustainable Dividend Fund
 3385 Harvester Road, Suite 200
 Burlington ON L7N 3N2

Attention: Mr. Clayton Smith

Invoice 88856957
 Electronic Banking Account No. 437272809975
 HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
 for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$15,500.00

Administration, technology and disbursement fee:	930.00
Our Fee	\$16,430.00
HST	2,135.90
Total	<u>\$18,565.90</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1858052-3

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 3115 Harvester Road
 Suite 400
 Burlington Ontario L7N 3N8 Canada

March 31, 2017

Absolute Sustainable Property Fund
 3385 Harvester Road, Suite 200
 Burlington ON L7N 3N2

Attention: Mr. Clayton Smith

Invoice **88856991**
 Electronic Banking Account No. **437272809983**
 HST Registration No. **131585366RT0043**

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
 for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. **\$15,500.00**

Administration, technology and disbursement fee:

	930.00
Our Fee	\$16,430.00
HST	2,135.90
Total	\$18,565.90

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1858056-3

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 3115 Harvester Road
 Suite 400
 Burlington Ontario L7N 3N8 Canada

April 26, 2017

Absolute Sustainable Property Fund
 3385 Harvester Road, Suite 200
 Burlington ON L7N 3N2

Attention: Mr. Clayton Smith

Invoice 88897630
 Electronic Banking Account No. 437272809983
 HST Registration No. 131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017 \$10,500.00

Administration, technology and disbursement fee:	630.00
Our Fee	\$11,130.00
HST	1,446.90
Total	<u>\$12,576.90</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1858056-4

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Fax: 905-633-4939
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3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

ACM Growth Fund
3385 Harvester Road, Suite 200
Burlington ON L7N 3N2

Attention: Mr. Clayton Smith

Invoice 88857115

Electronic Banking Account No. 437271898383

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$15,500.00

Administration, technology and disbursement fee: 930.00

Our Fee	\$16,430.00
HST	2,135.90
Total	\$18,565.90

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-8843379-3

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3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

ACM Income Fund
3385 Harvester Road, Suite 200
Burlington ON L7N 3N2

Attention: Mr. Clayton Smith

Invoice 88857121
Electronic Banking Account No. 437271898391
HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$15,500.00

Administration, technology and disbursement fee:

	930.00
Our Fee	\$16,430.00
HST	2,135.90
Total	<u>\$18,565.90</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-8843381-3

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3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Enlightened Bullion Fund
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88857363

Electronic Banking Account No. 437272465364

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$15,500.00

Administration, technology and disbursement fee:

	930.00
Our Fee	\$16,430.00
HST	2,135.90
Total	<u>\$18,565.90</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-326246-3

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3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Enlightened Bullion Fund
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88897628

Electronic Banking Account No. 437272465364

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoice for audit work performed to April 26, 2017

\$1,900.00

Administration, technology and disbursement fee:

114.00

Our Fee \$2,014.00

HST 261.82

Total \$2,275.82

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-326246-4

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www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Enlightened Resource and Precious Metals Fund
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88857137

Electronic Banking Account No. 437270498342

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$15,500.00

Administration, technology and disbursement fee:

	930.00
Our Fee	\$16,430.00
HST	2,135.90
Total	<u>\$18,565.90</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-5929-3

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Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Enlightened Factoring Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88897636

Electronic Banking Account No. 437271087664

HST Registration No. 131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017

\$17,800.00

Administration, technology and disbursement fee:

	1,068.00
Our Fee	\$18,868.00
HST	2,452.84
Total	<u>\$21,320.84</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-99003-4

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1115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Conscious Capital Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice **88857018**

Electronic Banking Account No. **437272809991**

HST Registration No. **131585366RT0043**

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. **\$15,500.00**

Administration, technology and disbursement fee: **930.00**

Our Fee	\$16,430.00
HST	2,135.90
Total	\$18,565.90

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1858065-3

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International BDO network of independent member firms

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BDO Canada s.r.l./S.E.N.C.R.L./LLP
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 Suite 400
 Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Enlightened Factoring Strategy
 c/o Crystal Wealth Management System
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice **88857918**

Electronic Banking Account No. **437271087664**

HST Registration No. **131585366RT0043**

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
 for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. **\$15,500.00**

Administration, technology and disbursement fee: **930.00**

Our Fee	\$16,430.00
HST	2,135.90
Total	\$18,565.90

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-99003-3

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March 31, 2017

Crystal Wealth Enlightened Hedge Fund
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88857047

Electronic Banking Account No. 437272810171

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$15,500.00

Administration, technology and disbursement fee:

	930.00
Our Fee	\$16,430.00
HST	2,135.90
Total	<u>\$18,565.90</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1862217-3

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 www.bdo.ca

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 Suite 400
 Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Enlightened Hedge Fund
 c/o Crystal Wealth Management System
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice **88897637**

Electronic Banking Account No. 437272810171

HST Registration No. 131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017

\$7,700.00

Administration, technology and disbursement fee:

	462.00
Our Fee	\$8,162.00
HST	1,061.06
Total	\$9,223.06

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1862217-4

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Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth High Yield Mortgage Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88857370

Electronic Banking Account No. 437272448741

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$15,500.00

Administration, technology and disbursement fee:

	930.00
Our Fee	\$16,430.00
HST	2,135.90
Total	<u>\$18,565.90</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-313817-3

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 Burlington Ontario L7N 3H8 Canada

April 26, 2017

Crystal Wealth High Yield Mortgage Strategy
 c/o Crystal Wealth Management System
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88897631

Electronic Banking Account No. 437272448741

HST Registration No. 131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017 \$5,700.00

Administration, technology and disbursement fee:

	342.00
Our Fee	\$6,042.00
HST	785.46
Total	<u>\$6,827.46</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-313B17-4

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Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Infrastructure Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88857071

Electronic Banking Account No. 437272809959

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$15,500.00

Administration, technology and disbursement fee:

	930.00
Our Fee	\$16,430.00
HST	2,135.90
Total	<u>\$18,565.90</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1856484-3

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 Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Infrastructure Strategy
 c/o Crystal Wealth Management System
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88897633

Electronic Banking Account No. 437272809959

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoice for audit work performed to April 26, 2017

\$12,500.00

Administration, technology and disbursement fee:

750.00

Our Fee \$13,250.00

HST 1,722.50

Total \$14,972.50

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1856484-4

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 Burlington Ontario L7N 3H8 Canada

March 31, 2017

Crystal Wealth Management System Limited
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88855798
 Electronic Banking Account No. 437271100574
 HST Registration No. 131585366RT0043

For Professional Services

Interim billing for audit services rendered in connection with the December 31,
 2016 year end.

Administration, technology and disbursement fee:

	\$15,000.00
	<u>900.00</u>
Our Fee	\$15,900.00
HST	<u>2,067.00</u>
Total	<u>\$17,967.00</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7326-440664-3

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 Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Media Strategy
 c/o Crystal Wealth Management System
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88857147

Electronic Banking Account No. 437271219622

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
 for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$45,000.00

Administration, technology and disbursement fee:

	2,700.00
Our Fee	\$47,700.00
HST	6,201.00
Total	<u>\$53,901.00</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-78614-3

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 Suite 400
 Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Media Strategy
 c/o Crystal Wealth Management System
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice **88897638**

Electronic Banking Account No. 437271219622

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoice for audit work performed to April 26, 2017

\$15,800.00

Administration, technology and disbursement fee:

	948.00
Our Fee	\$16,748.00
HST	2,177.24
Total	<u>\$18,925.24</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-78614-4

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 3115 Harvester Road
 Suite 400
 Burlington Ontario L7N 3N8 Canada

June 30, 2017

Crystal Wealth Media Strategy
 c/o Crystal Wealth Management System
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 89028357

Electronic Banking Account No. 437271219622

HST Registration No. 131585366RT0043

For Professional Services

Time charges for Carmen Macoretta regarding the CW-Media Fund. Meetings
 with OSC, Blakes and "Grants".

\$24,200.00

Administration, technology and disbursement fee:

1,452.00

Our Fee \$25,652.00

HST 3,334.76

Total \$28,986.76

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-78614-6

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Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Medical Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88857186

Electronic Banking Account No. 437271087656

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$15,500.00

Administration, technology and disbursement fee:

	930.00
Our Fee	\$16,430.00
HST	2,135.90
Total	<u>\$18,565.90</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-99002-3

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 Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Medical Strategy
 c/o Crystal Wealth Management System
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88897634

Electronic Banking Account No. 437271087656

HST Registration No. 131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017 \$19,500.00

Administration, technology and disbursement fee:

	<u>1,170.00</u>
Our Fee	\$20,670.00
HST	<u>2,687.10</u>
Total	<u>\$23,357.10</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-99002-4

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 Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Mortgage Strategy
 c/o Crystal Wealth Management System
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88857290

Electronic Banking Account No. 437270260718

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
 for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$35,000.00

Administration, technology and disbursement fee:

	2,100.00
Our Fee	\$37,100.00
HST	4,823.00
Total	<u>\$41,923.00</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-763573438-3

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 3115 Harvester Road
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 Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Mortgage Strategy
 c/o Crystal Wealth Management System
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88897635

Electronic Banking Account No. 437270260718

HST Registration No. 131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017 \$14,600.00

Administration, technology and disbursement fee:

	876.00
Our Fee	\$15,476.00
HST	2,011.88
Total	\$17,487.88

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-763573438-4

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 Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Retirement One Fund
 c/o Crystal Wealth Management System
 192 Plains Road East
 Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice 88857380

Electronic Banking Account No. 437272448709

HST Registration No. 131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements
 for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return. \$15,500.00

Administration, technology and disbursement fee:

	930.00
Our Fee	\$16,430.00
HST	2,135.90
Total	<u>\$18,565.90</u>

Accounts are due when rendered

Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-313811-3

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INVOICES RENDERED TO BDO TO THE PERIOD ENDING JULY 31, 2017

Period Ending	Fees	Disb. Subject to HST	Disb. Not Subject to HST	Subtotal	HST	Total
December 31, 2016	\$34,313.00	\$58.31	\$0.00	\$34,371.31	\$4,468.27	\$38,839.58
January 31, 2017	\$79,176.00	\$304.41	\$0.00	\$79,480.41	\$10,332.45	\$89,812.86
March 31, 2017	\$7,743.50	\$161.05	\$0.00	\$7,904.55	\$1,027.60	\$8,932.15
April 30, 2017	\$24,983.00	\$2,592.82	\$0.00	\$27,575.82	\$3,584.86	\$31,160.68
May 31, 2017	\$7,688.00	\$0.00	\$0.00	\$7,688.00	\$999.44	\$8,687.44
June 30, 2017	\$11,540.50	\$0.00	\$0.00	\$11,540.50	\$1,500.27	\$13,040.77
July 31, 2017	-	\$0.00	\$0.00	\$0.00		\$26,962.99
Estimated Fees to Conclusion of Representation	\$60,000.00	\$0.00	\$0.00	\$60,000.00	\$7,800.00	\$67,800.00
Totals:	\$225,444.00	\$3,116.59	\$0.00	\$228,560.59	\$29,712.89	\$285,236.47



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trade-mark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
 number(s) on cheque

December 31, 2016

BDO Canada LLP
 36 Toronto Street
 Suite 600
 Toronto, ON M5C 2C5
 Canada

Invoice:
 Billing Lawyer
 HST/GST No.:
 Client:
 Matter:

1953886
 Campbell, Nigel
 R119396778
 00069170
 000040

Attention: Paul Swanson
 General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
 during the period ended December 31, 2016, as follows:

	Total Fees	\$ 34,313.00
<u>Taxable Disbursement(s)</u>		
Courier	\$ 10.56	
Duplicating	47.75	
		\$ 58.31
	Harmonized Sales Tax (13.0%)	4,468.27
TOTAL DUE IN CANADIAN CURRENCY		\$ 38,839.58 CAD



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
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February 13, 2017

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice: 1960146
Billing Lawyer: Campbell, Nigel
HST/GST No.: R119396778
Client: 00069170
Matter: 000040

Attention: Paul Swanson
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended January 31, 2017, as follows:

	Total Fees	\$ 79,176.00
Taxable Disbursement(s)		
Courier	\$ 10.56	
Duplicating	293.85	
		\$ 304.41
	Harmonized Sales Tax (13.0%)	10,332.45
TOTAL DUE IN CANADIAN CURRENCY		\$ 89,812.86 CAD



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Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

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April 24, 2017

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice:
Billing Lawyer
HST/GST No.:
Client:
Matter:

1972296
Campbell, Nigel
R119396778
00069170
000040

Attention: Paul Swanson
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended March 31, 2017, as follows:

	Total Fees	\$ 7,743.50
Taxable Disbursement(s)		
Duplicating	\$ 161.05	
		\$ 161.05
	Harmonized Sales Tax (13.0%)	1,027.60
TOTAL DUE IN CANADIAN CURRENCY		\$ 8,932.15 CAD





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Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

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May 26, 2017

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice:
Billing Lawyer
HST/GST No.:
Client:
Matter:

1979284
Campbell, Nigel
R119396778
00069170
000040

Attention: Paul Swanson
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended April 30, 2017, as follows:

	Total Fees	\$ 24,983.00
Taxable Disbursement(s)		
Courier	\$ 21.12	
Duplicating	2,571.70	
		<u>\$ 2,592.82</u>
	Harmonized Sales Tax (13.0%)	<u>3,584.86</u>
TOTAL DUE IN CANADIAN CURRENCY		\$ 31,160.68 CAD



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Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
number(s) on cheque

June 21, 2017

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice:
Billing Lawyer
HST/GST No.:
Client:
Matter:

1983878
Campbell, Nigel
R119396778
00069170
000040

Attention: Paul Swanson
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended May 31, 2017, as follows:

Total Fees	\$ 7,688.00
Harmonized Sales Tax (13.0%)	999.44
TOTAL DUE IN CANADIAN CURRENCY	\$ 8,687.44 CAD



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

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Please write invoice
number(s) on cheque

July 26, 2017

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice:
Billing Lawyer
HST/GST No.:
Client:
Matter:

1990690
Campbell, Nigel
R119396778
00069170
000040

Attention: Paul Swanson
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended June 30, 2017, as follows:

Total Fees	\$ 11,540.50
Harmonized Sales Tax (13.0%)	1,500.27
TOTAL DUE IN CANADIAN CURRENCY	\$ 13,040.77 CAD



Blake, Cassels & Graydon LLP
 Barristers & Solicitors
 Patent & Trade-mark Agents
 199 Bay Street
 Suite 4000, Commerce Court West
 Toronto ON M5L 1A9 Canada
 Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
 number(s) on cheque

August 10, 2017

BDO Canada LLP
 36 Toronto Street
 Suite 600
 Toronto, ON M5C 2C5
 Canada

Invoice:
 Billing Lawyer
 HST/GST No.:
 Client:
 Matter:

1993773
 Campbell, Nigel
 R119396778
 00069170
 000040

Attention: Paul Swanson
 General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
 during the period ended July 31, 2017, as follows:

	Total Fees	\$ 23,574.00
Taxable Disbursement(s)		
Courier	\$ 7.50	
Duplicating	279.55	
		\$ 287.05
	Harmonized Sales Tax (13.0%)	3,101.94
TOTAL DUE IN CANADIAN CURRENCY		\$ 26,962.99 CAD

RD.

Court File No. CV-17-579357-0

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

(Court Seal)

ANTHONY WHITEHOUSE

Plaintiff

- and -

BDO CANADA LLP

Defendant

Proceeding under the *Class Proceeding Act, 1992*

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

-2-

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date July 20, 2017

Issued by

Dale Skinnell

Local Registrar

Address of
court office: Superior Court of Justice
330 University Avenue, 7th Floor
Toronto ON M5G 1R7

TO: BDO Canada LLP
36 Toronto Street
No. 600
Toronto ON M5C 2C5

CLAIM

1. The Plaintiff claims:

- (a) an order certifying this proceeding as a class proceeding and appointing Anthony Whitehouse ("Tony") as representative Plaintiff on his own behalf and on behalf of a class (the "Class") consisting of each and every person who:
 - (i) became a client of Crystal Wealth Management System Ltd. ("Crystal Wealth") at any time from the inception of Crystal Wealth's operations through to April 7, 2017 (the "Class Period") and who was a client of Crystal Wealth on April 7, 2017, including, without limitation, those persons who filed claims in the receivership of Crystal Wealth, but excluding the Excluded Persons;
 - (ii) for purposes hereof, "Excluded Persons" means:
 - (1) any client of Crystal Wealth who did not invest in any of the Funds, as defined in paragraph 4 below, during the Class Period;
 - (2) the Defendant, BDO Canada LLP ("BDO");
 - (3) any partner or employee of BDO, and any member of the immediate family of any such partner or employee;
 - (4) any person who served as an officer or director of Crystal Wealth at any time, and any member of the immediate family of any such officer or director;

-4-

- (5) any person who acted as a Crystal Wealth investment advisor;
 - (6) Media House Capital (Canada) Corp. ("MHC");
 - (7) Bron Capital Partners Corp., Bron Studios Inc., Bron Animation Inc., Bron Media Corp., and Bron Developments Inc. (collectively, the "Bron Companies");
 - (8) Aaron Gilbert ("Gilbert");
 - (9) Stephen Thibault ("Thibault");
 - (10) Chrysalis Yoga Inc. ("Chrysalis Yoga");
 - (11) any other beneficial shareholders of Crystal Wealth, and members of their immediate families;
 - (12) any entity in respect of which any of the persons identified in (1) to (11) above has a direct or indirect controlling interest;
 - (13) any person who ultimately controls an entity that is an Excluded Person; and
 - (14) the legal representatives, heirs, successors and assignees of any Excluded Person.
- (b) a declaration that all of the audit opinions delivered by BDO with respect to the financial reporting of Crystal Wealth and all attestations delivered by BDO with respect to Crystal Wealth's Financial Statements (and Fund Statements) were given

-5-

for the purpose of allowing Crystal Wealth to continue to operate as an Exempt Market Dealer, Investment Fund Manager, Portfolio Manager and Commodity Trading Manager registered in Ontario pursuant to the *Securities Act* and Regulations and with the expectation and knowledge that the Ontario Securities Commission (the "OSC") would rely on BDO's opinion and the BDO Representations (as defined below) as the basis for: (i) OSC registration renewals; and (ii) continued, additional or new investment by members of the Class;

- (c) a declaration that BDO owed a duty of care to the Class;
- (d) a declaration that BDO breached the duty of care it owed to the Class by negligently performing its professional services and that such negligence caused the Class to suffer the damages claimed and described herein;
- (e) damages for negligence in the sum of \$150,000,000 or such further sum as this Honourable Court may find appropriate;
- (f) punitive damages of \$25,000,000;
- (g) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, s. 128;
- (h) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, s. 129;
- (i) costs of this action on a substantial indemnity basis, including any applicable taxes; and

-6-

- (j) such further and other relief this Honourable Court may deem just.

Background

The Parties and the Crystal Wealth Funds

2. The proposed Representative Plaintiff, Tony, is an individual residing in Mississauga, Ontario. Tony is 55 years old and is semi-retired. Tony invested his life savings in a number of mutual funds marketed and managed by Crystal Wealth and Clayton Smith ("Smith"). Tony's total investment was approximately \$1 million.
3. Tony invested in the following 5 Crystal Wealth funds:
 - (a) Crystal Wealth Mortgage Strategy;
 - (b) Crystal Wealth High Yield Mortgage Strategy;
 - (c) Crystal Wealth Infrastructure Strategy;
 - (d) Crystal Wealth Media Strategy; and
 - (e) Crystal Wealth Medical Strategy.
4. Crystal Wealth is an Ontario corporation based in Burlington and is registered with the OSC as an Exempt Market Dealer, Investment Fund Manager, Portfolio Manager and Commodity Trading Manager. Crystal Wealth operated 15 proprietary investment funds. Of these, the following 10 mutual funds were audited by the defendant, BDO:
 - (a) Crystal Wealth Mortgage Strategy;

-7-

- (b) Crystal Enlightened Resource and Precious Metals Fund;
 - (c) Crystal Wealth Enlightened Factoring Strategy;
 - (d) Crystal Wealth Medical Strategy;
 - (e) Crystal Enlightened Bullion Fund;
 - (f) Crystal Wealth Media Strategy (the "Media Fund");
 - (g) Crystal Wealth High Yield Mortgage Strategy;
 - (h) ACM Income Fund;
 - (i) ACM Growth Fund; and
 - (j) Crystal Wealth Retirement One Fund (collectively the "Funds").
5. The Funds were structured as open-ended mutual fund trusts that were distributed to investors on an exempt basis, pursuant to Offering Memorandums. Crystal Wealth was the Investment Fund Manager of the Funds.
6. Generally, the Funds contained one or more of the following types of investments:
- (a) cash and money market securities held with National Bank Correspondent Network ("NBCN") and Interactive Brokers Canada Inc.;
 - (b) investments where the underlying security is held and recorded by NBCN; and
 - (c) investments neither held nor recorded by NBCN but rather administered by Crystal Wealth or a third party ("Off Book Assets").

-8-

7. The Defendant, BDO, audited each of the Funds. Each year, the Funds released financial statements (collectively, the "Financial Statements") and audit reports (from BDO) representing that the financial statements presented fairly, in all material respects, the financial position of each Fund and that their financial performance and cash flows were in accordance with Generally Accepted Accounting Procedures ("GAAP") or International Financial Reporting Standards ("IFRS") as applicable.
8. Tony read the Financial Statements and the accompanying audit reports. He used the Financial Statements and audit reports to fairly value his investments, assess the performance of the Funds, and make decisions about investment in the Funds.

The OSC Freezes the Funds

9. On April 7, 2017, the OSC issued an order against Smith, Crystal Wealth, the Funds and certain other persons ("The Temporary Order"), which prohibited all trading including redemptions, distributions, and acquisitions of securities in the Funds. In short, the Temporary Order froze the Funds and their assets.
10. Subsequently, pursuant to an Order of the Ontario Superior Court issued April 26, 2017, Grant Thornton LLP ("Grant Thornton") was appointed receiver of all of the assets, undertakings and properties of Crystal Wealth and the Funds (the "Appointment Order"). Pursuant to the Appointment Order and as of the date of this claim, monies held in the Funds cannot be traded or redeemed by investors, including Tony.

-9-

11. These two orders resulted from an ongoing investigation by OSC Staff into breaches of securities laws by Crystal Wealth and Smith. The investigation focused in particular on improper activities associated with the Media Fund.
12. As described further below, the OSC investigation has revealed that Crystal Wealth, Smith, and others were involved in a scheme by which monies were improperly diverted from the Media Fund to enrich Smith, Crystal Wealth, and others.
13. As described further, below, Grant Thornton's investigation, subsequent to its appointment as receiver, indicates that Crystal Wealth's record-keeping is seriously deficient such that it is not even possible to identify Crystal Wealth's assets, liabilities or creditors from existing documentation.

The Media Fund Scheme

14. The Media Fund was purportedly the largest of the Funds – it supposedly had the most assets under management.
15. In the Offering Memorandum and the Strategy Overview of the Media Fund, Smith and Crystal Wealth represented to Tony (and the other investors in the Funds) that the Media Fund functioned as follows:
 - (a) MHC would enter into a loan agreement with a film production company;
 - (b) MHC would then sell that loan to the Media Fund;
 - (c) The Media Fund then owned the loan and recorded it as an asset in its financial reporting.

-10-

16. The profitability of the Media Fund was driven in large part by the validity and collectability of the loans. If the loans were either invalid or uncollectable, the Fund would lose money and would have to write-down its assets and net asset value ("NAV").
17. Crystal Wealth and Smith held out MHC to investors as being (i) independent from Crystal Wealth and (ii) in the business of making loans to film production companies with a portfolio of existing loans that Crystal Wealth could purchase.
18. In reality, none of this was true. MHC did not have a stable of loans to production companies. It would only enter into loans with production companies when the Media Fund had already agreed to purchase those loans. Accordingly, the loan transactions were simultaneous - MHC would enter the loan with the production company and simultaneously sell the loan to the Media Fund.
19. At times, MHC played no role at all and the Media Fund made loans directly to the production companies (contrary to the process described above and in the Media Fund's financial disclosures).
20. MHC was paid a fee, which initially was 10% of the loan amount. Over time, MHC began to remit part of this fee back to Smith and Crystal Wealth. It kept 7% of the loan amount and remitted 3% back to Smith and/or Crystal Wealth.
21. Gilbert, Thibault and Smith together directed this flow of funds.

-11-

Gilbert and Thibault were both the Borrower and the Lender

22. The Media Fund purchased loans from MHC pursuant to a Production Loan Administration Agreement effective August 12, 2011. The Media Fund purchased approximately 24 loans from MHC.
23. Smith primarily dealt with two individuals at MHC, Gilbert and Thibault, with respect to the Media Fund.
24. In addition to having an executive role at MHC, Gilbert is the president and a director of Bron Studios and is a director of Bron Animation – two film production companies. He is also listed as the producer or executive producer of the majority of film productions for which the Media Fund purchased loans and he benefited from those loans.
25. This means that when MHC was making loans to these film production companies, Gilbert was representing both the borrower (acting on behalf of the film production company) and the lender (acting on behalf of MHC). This relationship and obvious conflict of interest was not disclosed to investors but should have been apparent to BDO.
26. Thibault is an employee of MHC, former VP-finance of MHC, and is an Executive Vice President of Bron Media. Given his roles, Thibault was also representing both the borrower and the lender in connection with loans to film production companies. Again, this conflict of interest was not disclosed to investors but should have been apparent to BDO.
27. Many of the films produced by the Bron Companies were commercial failures with no prospect of generating enough revenue to repay the loans.

-12-

28. The validity and collectability of the loans was critical to the Media Fund's performance. To the extent that the loans were invalid, illegitimate, fabricated or uncollectable, the Media Fund's assets would need to be written down. This would affect the NAV of the Media Fund and the pricing of its units. It would also affect the NAV of the other Funds, because there was significant inter-fund investment in the Media Fund.
29. Accordingly, in the course of its audits of the Media Fund, BDO should have assessed their legitimacy and collectability.
30. In reality, the loans to the Bron Companies were worthless and uncollectable. Gilbert, Thibault and Smith misappropriated the majority of the loan proceeds.

Self-Dealing and Misappropriation of Investors' Money

31. Smith misappropriated money from the Media Fund with the assistance of MHC, the Bron Companies, Thibault and Gilbert.
32. He also received undisclosed fees from MHC, Thibault and Gilbert (3% of any loans as described above).
33. He also received significant payments (in excess of \$1 million) from the Bron Companies.
34. At least \$9,634,200 from the fund was improperly diverted into and through the accounts of MHC and the Bron Companies and into bank accounts held by Smith or by companies he controlled.

-13-

35. Smith used the misappropriated money for his own purposes. Some of it was used to buy a multi-million dollar luxury home near Toronto. Other investor money was used by Smith and his then-girlfriend to found and fund a yoga studio, Chrysalis Yoga.
36. Thibault, Gilbert, MHC, and the Bron Companies also received investor funds.
37. As the scheme began to unravel (when it became more and more apparent that the loans would not be repaid), Smith began to use funds from new investors to satisfy redemption requests from older investors. In short, he began running a Ponzi scheme. He did this to attempt to lure new investors to the Funds (or in the hopes of keeping existing investors from withdrawing their money), so that he and the Defendants could continue to misappropriate investor funds.
38. BDO turned a blind eye to all of this.
39. Subsequent to the receivership, Grant Thornton has been unable to obtain enough information to fully understand and support the value of the loans underlying the Media Fund. The documents simply do not exist.

Problems not Limited to the Media Fund.

40. The Media Fund Scheme described above impacted each and every other Fund due to the significant amount of inter-fund investment amongst the Crystal Wealth Funds. In fact, the Media Fund was the single largest recipient of inter-fund investment by the other Funds. Many of those inter-fund investments were made to create liquidity in the Media Fund to, among other things, fund redemptions by investors. As a result, the inaccurate valuation of the Media Fund rendered inaccurate the value of every other Fund.

-14-

41. The assets of each of the Funds were materially overstated during the Class Period. In particular, to the extent that a Fund held Off-Book Assets, the value of those assets was overstated in Crystal Wealth's financial reporting.
42. Moreover, many assets are simply non-existent. Though the Crystal Wealth Funds purportedly had assets under management ("AUM") of \$177 million as at January 1, 2017, OSC staff could only find \$49 million worth of cash and investments, \$22 million of which were inter-fund investments in other Crystal Wealth Funds.
43. Grant Thornton has also concluded in its review of Crystal Wealth's records that the documentation supporting the purported value of the funds is seriously deficient, particularly with respect to the Off-Book Assets.
44. Indeed, Grant Thornton has been unable to identify all of the creditors of Crystal Wealth or the Funds from existing documentation.

The Claim

45. BDO was engaged by Crystal Wealth to audit each of the Funds.
46. Crystal Wealth was required to file audited financial statements with the OSC pursuant to s. 21.10(3) of the *Securities Act*, National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (ss. 12.10, 12.14, 12.3 and 12.14), and National Instrument 81-106 – *Investment Fund Continuous Disclosure* (ss. 2.1 and 2.2).
47. Accordingly, BDO was conducting its audits for two purposes: (i) to ensure that Crystal Wealth complied with Ontario's securities laws such that it could continue to offer and redeem units in the Funds; and (ii) to allow investors in the Funds to assess the

-15-

performance of the Funds and fairly value and/or evaluate their investments and to make investment decisions.

48. BDO knew that the OSC would rely on its audits in making decisions about Crystal Wealth and its ability to offer securities to the public.
49. In addition, BDO knew that investors were relying on its audits in purchasing units in the Funds and making decisions in respect of their investments. Indeed, BDO specifically addressed each of its audit reports to the "Unitholders" of the particular fund that it was auditing. Accordingly, BDO intended that the Unitholders receive each audit report and rely on it in making investment decisions.

The Duty to the Class

50. BDO knew and intended for the Class to receive and rely on its audit reports. As part of its audits of the Funds, BDO had access to the individual names and number of units held by each investor of the Funds through the Funds Unit Holder Listing. BDO was aware of the exact amounts held by each investor and in which of the Funds each of the investors had invested.
51. At all material times BDO knew or ought to have known:
 - (a) the identities and contact information of Crystal Wealth's investors;
 - (b) that some or all of the Class Members knew that BDO was the auditor of the Funds;
 - (c) that its audits would be relied upon by Class Members;
 - (d) the holdings in some or all of the Class Members' accounts; and

-16-

- (c) that the purpose of the its audits was, in part, to enable Crystal Wealth to receive and hold cash and securities owned by the Class Members.

52. At all material times, BDO owed a duty to the Class to:

- (i) audit the financial statements of each Fund in accordance with generally accepted auditing standards ("GAAS");
- (ii) ensure that the financial statements of each Fund presented fairly, in all material respects, the financial position of the Fund and its financial performance and its cash flows for the year in question in accordance with Generally Accepted Accounting Principles ("GAAP") or International Financial Reporting Standards ("IFRS") as applicable;
- (iii) issue audit reports on Crystal Wealth's financial statements for delivery to, *inter alia*, the OSC; and
- (iv) identify any material misstatements in Crystal Wealth's financial reporting or material weaknesses in Crystal Wealth's internal controls.

53. To the extent that the Funds held Off-Book Assets or non-traditional/illiquid assets, a GAAS-compliant audit required BDO to obtain substantial evidence that the assets (i) actually existed and (ii) were fairly valued.

54. Furthermore, a GAAS-compliant audit required BDO to employ measures to obtain evidence and reasonable assurance that the loans in the Media Funds were (i) legitimate; (ii) enforceable; (iii) collectable; and (iv) did not constitute related party transactions.

-17-

55. Similarly, a GAAS-compliant audit required BDO to employ measures to obtain reasonable assurance that Smith was not misappropriating investor money from the Funds.
56. The Plaintiff pleads and relies upon the Ontario Business Corporations Act (the "OBCA") and, in particular, sections 149, 151, 152, 153, 155, 158 and 159. In addition the Plaintiff pleads and relies upon the regulations promulgated under the *OBCA* and, in particular, Regulation 62, sections 40, 41 and 42. The Plaintiff further pleads and relies upon sections 19, 21.10, 122 and 143 of the *Securities Act* and National Instruments 31-103 and 81-106.
57. BDO knew or ought to have known, the requirements of the *Securities Act* and the associated regulations and National Instruments applicable to the conduct of Crystal Wealth's business. BDO had an obligation conduct a competent and thorough audit in accordance with GAAS. BDO was required to report any material misstatements or omissions contained in any material filed with the OSC.

BDO Breaches Its Duty to the Class

58. Contrary to its duties, BDO did not conduct its audits of the Funds in accordance with GAAS and/or GAAP/IFRS.
59. Among other things:
 - (a) BDO did not obtain reasonable assurance about whether the financial statements were free from material misstatement, as it was required to do;
 - (b) BDO did not obtain appropriate and sufficient evidence that the assets of the Funds actually existed and were fairly valued;

-18-

- (c) BDO did not conduct a sufficient review of the underlying documentation associated with the assets of the Funds;
- (d) BDO's audit of the Media fund lacks support for at least \$4.5 million in reported value;
- (e) BDO did not appropriately account for the value (or lack thereof) of the Off-Book Assets;
- (f) BDO relied on emails from MHC to confirm the value and collectability of the loans in the Media Fund, rather than independently confirming same through its own review;
- (g) BDO failed to discover that there was insufficient documentation to support the value of the Media Fund;
- (h) BDO failed to identify Crystal Wealth's poor record-keeping and internal controls; and
- (i) BDO did not identify that the Funds were significantly over-valued.

60. As a result of its negligent audit of Crystal Wealth and the Funds, BDO did not discover:

- (a) that Crystal Wealth's financial record-keeping was deficient and potentially inaccurate;
- (b) that the governance and management of the Funds, especially with respect to Off-Book Assets, was contrary to Ontario's securities laws and in breach of Crystal Wealth's fiduciary duties to the Class;

-19-

- (c) that there were little or no internal tracking mechanisms in place at Crystal Wealth with respect to Off-Book Assets in the Funds;
 - (d) there was little to no evidence to support the existence and value of the Off-Book Assets;
 - (e) that the Net Asset Value of the Funds was materially overstated;
 - (f) that the underlying loan assets in the Media Fund had little or no value;
 - (g) that the loans in the Media Fund were transacted with related parties;
 - (h) that the Funds and Crystal Wealth were undercapitalized or insolvent; and
 - (i) that Smith and others were improperly diverting investors' money to themselves.
61. BDO knew or ought to have known the facts alleged above. BDO owed the Class a continuing duty of care to diligently investigate, uncover, and disclose any misstatements or omissions in the Funds' financial statements and in any material filed with the OSC.
62. At all material times BDO knew or ought to have known that the Class would suffer damage if BDO breached any of the duties it owed to the class.
63. Members of the class would not have invested in the Funds if they had known that ;
- (a) that Crystal Wealth's financial record-keeping was deficient and potentially inaccurate;

-20-

- (b) that the governance and management of the Funds, especially with respect to Off-Book Assets, was contrary to Ontario's securities laws and in breach of Crystal Wealth's fiduciary duties to the Class;
 - (c) that there were little or no internal tracking mechanisms in place at Crystal Wealth with respect to Off-Book Assets in the Funds;
 - (d) that there was little or no evidence to support the existence and value of the Off-Book Assets;
 - (e) that the loans in the Media Fund were transacted between related parties;
 - (f) that the Net Asset Value of the Funds was materially overstated;
 - (g) that the underlying loan assets in the Media Fund had little or no value;
 - (h) that the Funds and Crystal Wealth were undercapitalized or insolvent; and
 - (i) that Smith and others were improperly diverting investors' money to themselves.
64. BDO repeatedly represented to Crystal Wealth, Class Members, and to the OSC that:
- (a) The audit evidence obtained by BDO with regard to each of the Funds was sufficient and appropriate to provide a basis for BDO's audit opinion;
 - (b) The financial statements of each Fund were free from material misstatement;
 - (c) The financial statements of the Funds presented fairly, in all material respects, the financial position of each Fund and each Fund's financial performance in accordance with IFRS or GAAP, as applicable; and

-21-

(d) That BDO's audit was conducted in accordance with GAAS.

65. More particularly, BDO filed a series of audit reports with the OSC between April 1, 2007 and December 31, 2015 that contained the representations set out above. These audit reports were addressed to the unit-holders of each of the Funds.

66. The representations set out in paragraph 61 above were untrue, and were made in breach of BDO's duty to the Class. The Class members relied on these representations to their detriment in investing in each Fund.

Negligence

67. As outlined above, the Class alleges that:

- (a) BDO owed a duty of care to the Class in connection with the preparation of the Audit Reports;
- (b) BDO was retained in whole or in part for the specific purpose of preparing the Audit reports such that Crystal Wealth could operate and continue to operate;
- (c) BDO knew or ought to have known that the purpose, or at a minimum one of the core purposes, of the Audit reports was to protect the interests of the Class Members;
- (d) BDO did not prepare the Audit Reports in accordance with GAAS and/or IFRS and the standard of care that it owed to Class Members;
- (e) BDO did not conduct GAAS-compliant audits of the Funds

-22-

- (f) but for BDO's failure to properly prepare the Audit Reports the Class would not have invested with Crystal Wealth or would have ceased to do business with Crystal Wealth;
- (g) BDO knew:
 - (i) that Crystal Wealth had clients;
 - (ii) the identify of some or all of Crystal Wealth's clients;
 - (iii) the number or approximate number of Crystal Wealth's clients;
 - (iv) that Crystal Wealth's ability to operate was dependant, in whole or in part, on the preparation of accurate Audit Reports; and
 - (v) that the Audit Reports were prepared, in whole or in part, to allow Crystal Wealth to operate and to take funds from the Class; and

68. Accordingly, the Class claims that BDO negligently performed its professional duties.

Damages

69. The Plaintiff states that if the BDO had complied with the duties it owed to the Class to investigate, detect, and report any Deficiencies as well as material misstatements and omissions in the Audit Reports, Crystal Wealth would not have been able to renew its registrations, thereby:

-23-

- (i) minimizing and/or avoiding further losses on the part of the existing Crystal Wealth clients including Tony and other similarly situated members of the Class; and/or
 - (ii) Preventing Crystal Wealth from incurring increased liability to the Class.
- 70. The Plaintiff states that, if BDO had complied with its duties, BDO or the OSC would have discovered the Media Fund Scheme and the misappropriation of investor funds sooner than they did. If these improprieties had been discovered earlier, losses to investors would have been reduced or avoided.
- 71. The Plaintiff states that if BDO had complied with its duties, the Class Members would have:
 - (i) minimized or reduced their own losses by altering their investment profile, including by redeeming their investments; and/or
 - (ii) would not have invested or made further investments in the Funds.
- 72. The Plaintiff proposes that this action be tried at Toronto.

-24-

July 20, 2017

Wardle Daley Bernstein Bieber LLP
2104-401 Bay Street
P.O. Box 21
Toronto ON M5H 2Y4

Simon Bieher LSUC# 56219Q
Tel: (416) 351-2791
Fax: (416) 351-9196

Michael Finley LSUC# 65496C
Tel: (416) 351-2783
Fax: (416) 351-9196

Lawyers for the Plaintiff
Tony Whitehouse

TONY WHITEHOUSE and BDO CANADA LLP
Plaintiff Defendant

Court File No.

(v)

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

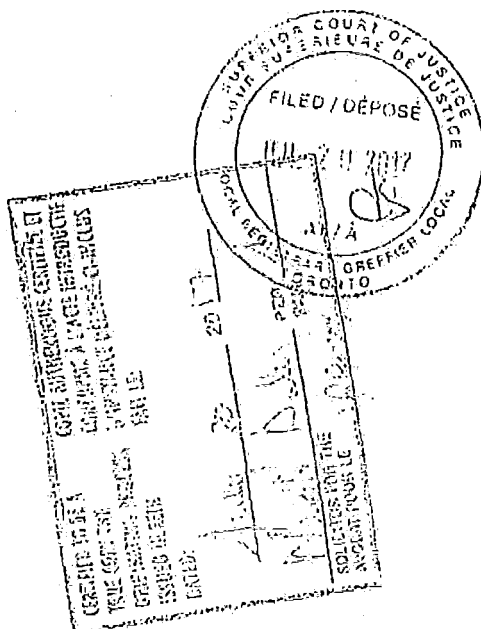
STATEMENT OF CLAIM

Wardle Daley Bernstein Bieber LLP
2104-401 Bay Street
P.O. Box 21
Toronto ON M5H 2Y4

Simon Bieber LSUC# 56219Q
Tel: (416) 351-2791
Fax: (416) 351-9196

Michael Finley LSUC# 65496C
Tel: (416) 351-2783
Fax: (416) 351-9196

Lawyers for the Plaintiff
Tony Whitehouse





Tel: 905 639 9500
 Fax: 905 633 4939
 Toll-Free: 888 236 2383
 www.bdo.ca

BDO Canada LLP
 3115 Harvester Road, Suite 400
 Burlington ON L7N 3N8 Canada

**PLEASE SIGN
 AND RETURN**

December 21, 2016

Mr. Clayton Smith
 Crystal Wealth Management System Limited
 192 Plains Rd. E
 Burlington, Ontario
 L7T 2C3

Dear Mr. Smith:

We understand that you wish to appoint us as the auditors of Crystal Wealth Management System Limited commencing with its fiscal year ended December 31, 2016.

We are pleased to accept appointment as your auditors subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Mike Vriend, CPA, CA will be the Engagement Partner for all assurance work we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of Services.

Our Role as Auditors

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements prepared in accordance with the financial reporting framework specified in subsection 3.2(3)(a) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for financial statements delivered by registrants are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall financial statement presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, whether by fraud or



error, may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to your preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal controls. However, we will communicate to you concerning any significant deficiencies in internal controls relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate matters required by professional standards, to the extent that such matters come to our attention, to you, those charged with governance and/or the board of directors.

Reporting

Our audit will be conducted on the basis that the financial statements have been prepared in accordance with the financial reporting framework specified in subsection 3.2(3)(a) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for financial statements delivered by registrants.

Our independent auditor's report will be substantially in the form set out in Canadian Auditing Standard (CAS) 700. The form and content of our report may need to be amended in the light of our audit findings. If we are unable to issue or decline to issue an audit report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

Role of Management and Those Charged with Governance

You acknowledge and understand that you have responsibility for:

- (a) the preparation and fair presentation of the financial statements in accordance with the financial reporting framework specified in subsection 3.2(3)(a) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for financial statements delivered by registrants. The audit of the financial statements does not relieve you of your responsibilities;
- (b) such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- (c) providing us with:
 - access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that we may request for the purpose of the audit;



- unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence;
- financial and non-financial information (other information) that will be included in document(s) containing financial statements and our audit report thereon prior to the date of our auditor's report. If it is not possible to provide all the other information prior to the date of our auditor's report, you are responsible for provision of such other information as soon as practicable; and
- written confirmation concerning representations made to us in connection with the audit. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim an audit opinion.

Communication with the Securities Regulators

If the financial statements, supporting schedules and our audit thereon are included in a document required by securities legislation, they may be subject to review and comment by the staff of a securities regulator and to their interpretation of the applicable rules and regulations. This may involve discussions and communications with them, and/or the submission of supplemental data in connection with their review. You agree to inform us of any discussion, communication or submission which may have bearing on the financial statements, schedules and other financial data in the filings and furnish us with copies of related written communications. If we are involved in such communications with the staff of a securities regulator, we will inform you and provide you with copies of the relevant communications.

Financial Statement Services

We will obtain your approval, if during the course of our engagement we:

- (a) prepare or change a journal entry; or
- (b) prepare or change an account code or a classification for a transaction.

As agreed, we will provide assistance in the preparation of the financial statements.

These services create a threat to our independence. We, therefore, require that the following safeguards be put into place:

- that you create the source data for all accounting entries;
- that you develop any underlying assumptions for the accounting treatment and measurement of entries; and
- that you review and approve the draft financial statements, including the notes to the financial statements.

Tax Services

In addition to the assurance services discussed above, we may be requested by you to prepare corporate tax returns. The returns will be prepared based upon the information supplied by you. We will not audit, review or otherwise attempt to verify the accuracy or completeness of such information. We will utilize the information you have already provided to our assurance



engagement team to the extent that the material is available and relevant to the preparation of the returns. It may be necessary for us to request further information.

Regardless of any tax return preparation services we provide to you, you will remain responsible for filing your tax returns with the appropriate authorities on a timely basis.

Your returns are, of course, subject to review by the taxation authorities. Any items reassessed against you by the taxation authorities are subject to certain rights of appeal. In the event of any tax audit, we will be available to represent you for a mutually agreed upon fee.

We will discuss with you any filing positions which, if taken, have the potential to give rise to a material adverse assessment or reassessment by the taxing authorities. If such an assessment or reassessment occurs, any additional tax that arises will be your responsibility. In addition, we cannot be responsible for interest and penalties assessed against you in connection with your income tax affairs. Therefore, should any interest or penalty be assessed, they shall be your responsibility.

Our audit is conducted primarily to enable us to express an opinion on the financial statements. Accordingly, the audit process is not designed to provide us with a full understanding of your tax situation and in particular, to allow us to determine whether the organization has specific tax compliance issues. We will, however, provide advice on an ongoing basis on general income tax matters as requested by you. A separate engagement letter may be issued for significant tax projects. To the extent that tax services requested by you are not covered by a separate engagement letter, the terms of this Agreement shall apply to the tax services.

Additional Services

We are available to provide a wide range of services beyond those outlined in this Agreement. To the extent that any additional services that we provide to you that are not provided under a separate written engagement agreement, the provisions of this Agreement will apply to the services.

Standard Terms and Conditions

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. The Standard Terms and Conditions include clauses that limit our professional liability.

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.



It is a pleasure for us to be of service and we look forward to many future years of association with you.

Yours truly,

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:
Crystal Wealth Management System Limited

A handwritten signature in black ink, appearing to read "Clayton Smith", written over a horizontal line.

Clayton Smith, CEO

DEC-31, 2016

Date



Appendix 1 **Standard Terms and Conditions**

1. Overview and Interpretation

- 1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services. To the extent that any of the provisions of the accompanying Engagement Letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.
- 1.2 In this agreement, the following words and expressions have the meanings set out below:
- This Agreement** - these Standard Terms and Conditions, the letter to which they are attached, and any supporting schedules or other appendices to the letter
- Services** - the services provided or to be provided under this Agreement
- We, us, our, BDO** - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario
- You, your** - the party or parties contracting with BDO under this agreement, including the party's or parties' management and those charged with corporate governance. You and your does not include BDO, its affiliates or BDO Member Firms
- BDO Member Firm or Firms** - any firm or firms that form part of the International network of independent firms that are members of BDO International Limited
- Confidential Information** - information that contains identifying features that can be attributed to you or individual personnel

2. BDO Network and Sole Recourse

- 2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.
- 2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.
- 2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above as if they were a party to this agreement.



3. *Respective Responsibilities*

- 3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.
- 3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

4. *Working Papers and Deliverables*

- 4.1 **Ownership** - Any documents prepared by us or for us in connection with Services belong solely to us.
- 4.2 **Oral advice and draft deliverables** - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.
- 4.3 **Translated documents** - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.
- 4.4 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any third party other than you and any party to whom the assurance report is addressed. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.
- 4.5 **Consent to use the Report** - If we are requested to consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document, we will consider, at the relevant time, providing consent and any conditions applicable to our consent. Our consent must be in writing. In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information is materially inconsistent with the related financial statements. We will require adequate notice of the request for consent to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost.

5. *Confidentiality*

- 5.1 We agree to use Confidential Information provided by you only in relation to the services in connection with which the information is provided and we will not disclose the information, except where required by law, regulation or professional obligation. We may, however, give Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing services.
- 5.2 BDO shall be entitled to include a description of services we render to or for you in marketing and research materials and disclose such information to third parties, provided that all such Information will be made anonymous and not associated with you. Additionally, we may analyze information on an industry or sector basis for internal



purposes or to provide industry/sector wide information to our clients or potential clients. You consent to our using information obtained from you in this way provided that the outputs therefrom will not contain any identifying features that can be attributed to you.

6. Independence

- 6.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our services. We will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence. Further, we will confirm our independence in writing.

7. Offers of Employment

- 7.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.

8. Professional and Regulatory Oversight

- 8.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.
- 8.2 Certain regulatory bodies may also have the right to conduct investigations of you, including the services provided by us. To the extent practicable and permitted by law, we will advise you of any such investigation request or order prior to providing our working papers.
- 8.3 You agree to reimburse us for our time and expenses, including reasonable legal fees, incurred in responding to any investigation that is requested or authorized by you or investigations of you undertaken under government regulation or authority, court order or other legal process.

9. Privacy and Consents

- 9.1 You agree we will have access to all personal information in your custody that we require to complete our engagement. We may collect, use, transfer, store, or process such information disclosed by you of a personal nature (personal information). Our services are provided on the understanding that:
 - you have obtained any consents for collection, use and disclosure to us of personal information required under all applicable privacy legislation; and



- we will hold all personal information in compliance with our Privacy Statement.

10. Electronic Communications

- 10.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.
- 10.2 Unless BDO is otherwise advised in writing, by executing this agreement you provide BDO with consent to communicate with you electronically, including sending newsletters, publications, announcements, invitations and other news and alerts.

11. Limitation of Liability

- 11.1 In any dispute, action, claim, demand for losses or damages arising out of the services performed by BDO pursuant to this engagement, BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator as a result of the dispute resolution procedures, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.
- 11.2 Our liability shall be restricted to damages of a direct and compensatory nature and shall not include indirect, consequential, aggravated or punitive damages, or damages for loss of profits or expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 11.3 You agree that BDO shall not be liable to you for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount no more than the higher of:
 - three times the fees paid by you to BDO in the twelve months preceding the incident giving rise to the claim; and
 - \$25,000.
- 11.4 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 11.5 You agree claims or actions relating to the delivery of services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.

12. Indemnity

- 12.1 To the fullest extent permitted by applicable law and professional regulations, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors'



fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:

- a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest
- the services performed by BDO pursuant to this Agreement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the gross negligence of BDO. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by your company, failing which, the matter may be referred to dispute resolution in accordance with the terms of this letter.

13. Alternative Dispute Resolution

- 13.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this agreement or the services provided hereunder through good faith negotiations.
- 13.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation pursuant to the National Mediation rules of the ADR Institute of Canada Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as the parties mutually agree upon shall be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada Inc. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the National Arbitration Rules.

14. Limitation Period

- 14.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any such claim and in any event no later than two years after the completion of the relevant services. The parties to this Agreement agree that the limitation period established by any limitations act and/or any other applicable legislation shall be considered not to apply (to the extent permitted by law).

15. Québec Personnel

- 15.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. The provisions in Subsection 13.2 and Sections 11 (Limitation of Liability) and 14 (Limitation Period) shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.



16. Termination

- 16.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).
- 16.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all services performed up to the date of termination, including services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

17. Fees and Billings

- 17.1 Our estimated fee is based on an assumed level of quality of your accounting records, the agreed upon level of preparation and assistance from your personnel and adherence to the agreed-upon timetable. Our estimated fee also assumes that your financial statements are in accordance with the applicable financial reporting framework and that there are no significant new or changed accounting policies or issues or internal control or other reporting issues. We will inform you on a timely basis if these factors are not in place.
- 17.2 Should our assumptions with respect to the quality of your accounting records be incorrect or should the conditions of the records, degree of cooperation, results of audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.
- 17.3 Our professional fees will be based on our regular billing rates which depend on the means by which and by whom our services are provided. We also will bill you for our out-of-pocket expenses, our administrative charge (described below), and applicable Harmonized Sales Tax, Goods and Services Tax and Provincial Sales Tax.
- 17.4 Our administrative charge is calculated as a percentage of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure, telephone charges, photocopying and some support staff time costs.
- 17.5 Our accounts are due when rendered. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

18. Governing Laws

- 18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of the province or territory in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

19. Entire Agreement and Survival

- 19.1 This Agreement sets forth the entire agreement between the parties with respect to the subject matter herein, superseding all prior agreements, negotiations or understandings, whether oral or written, with respect to such subject matter. It is understood that this



letter will not be superseded by any contract with us for other specific services that are not of the same scope as the Services contemplated in this Agreement, unless the other contract explicitly references this Agreement and an intent to supersede it.

- 19.2 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

20. Force Majeure

- 20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

21. Assignment

- 21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

22. Severability

- 22.1 If a court or regulator with proper jurisdiction determines that a provision of this Agreement is invalid, then the provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of this Agreement will remain effective.

APPENDIX 71

From: ROGERS, LINC <LINC.ROGERS@blakes.com>
Sent: November-23-17 6:36 PM
To: Mark van Zandvoort
Cc: CAMPBELL, NIGEL; Steve Graff
Subject: Re: re Crystal Wealth Group/BDO Canada LLP
Attachments: image001.png; image72c77e.GIF

Mark,

Thank you for your email. As you know we don't believe there is any basis for surprise or disappointment as are client's position has been reasonable in all respects. In any event, we can confirm on behalf of BDO that the terms set out below are accepted by BDO. In short, we have a deal.

Thank you for your efforts in bringing this matter to resolution.

Linc A. Rogers
 Partner
 Dir: 1-416-863-4168
 E-mail: linc.rogers@blakes.com<mailto:linc.rogers@blakes.com>

On Nov 23, 2017, at 3:10 PM, Mark van Zandvoort
 <mvanzandvoort@airdberlis.com<mailto:mvanzandvoort@airdberlis.com>> wrote:

Linc/Nigel,

We were surprised and disappointed to receive your proposed changes to the proposal yesterday, which you had not suggested or communicated to us in our prior and recent discussions, and which would: (i) permit the proposed \$1 million defence fund reserve to be utilized for other purposes by BDO Canada LLP ("BDO"); and (ii) allow BDO to advance claims against Crystal Wealth Group entities, including seeking leave to add Crystal Wealth Group entities as defendants/third party defendants to proceedings which have, or may in the future be commenced against BDO by third parties. The Receiver will not agree to such terms. The Receiver will agree to the following with respect to fully and finally resolving the BDO Proof of Claim, as amended on August 23, 2017 (the "Amended BDO Claim"), which was submitted by BDO arising from the Creditor Claims Procedure Order, and for greater certainty, to fully and finally resolve any and all claims (whether for contribution and indemnity or otherwise) which BDO may now or in the future have as against any entity in the Crystal Wealth Group – please confirm by the end of the day today whether BDO is in agreement:

1. The Receiver will agree to reserve \$511,101.26 (the "BDO Invoice Claim") on account of the invoices rendered by BDO, as reflected in row 1 of the table set out in Schedule "A" to the Amended BDO Claim, and as allocated to the Crystal Wealth Funds and Crystal Wealth Management System Limited as per page 8 of the Amended BDO Claim (attached). The sole exception to this allocation is that the amount of \$36,553 allocated by BDO to Crystal Wealth Management System Limited and the Retirement One Fund have been allocated to each of the Crystal Wealth Funds based on each Funds' respective portion of the total NAV as at April 20, 2017. The Receiver shall be deemed to have admitted and allowed this portion of the BDO Amended Claim, and shall not assert any set-off or otherwise clawback this portion of the Amended BDO Claim. The admission and allowance of the BDO Invoice Claim by the Receiver is agreed by BDO as being done by the Receiver without any admission by the Receiver that any Crystal Wealth Group entity has liability for the BDO Invoice Claim, and in order to permit interim distributions to investors to proceed as proposed in the spreadsheet (attached) on the Second Report motion, and shall not be deemed an acknowledgement by the Receiver as to the adequacy of the services provided by BDO to the Crystal Wealth Funds and to Crystal

Wealth Management System Limited, including for the services provided with respect to the invoices subject of the BDO Invoice Claim;

2. The Receiver will agree to reserve \$285,236.47 (the "Blakes Fees' Claim") on account of the invoices rendered by Blake, Cassels & Graydon LLP ("Blakes"), as set out in row 2 of Schedule "A" to the Amended BDO Claim. As you know, we attended at your offices on November 21, 2017 to review your accounts to date in connection with this aspect of the Amended Claim. The Receiver is agreeable to reserving \$285,236.47 on account of the invoices rendered by Blakes, in full and final satisfaction of this portion of the Amended BDO Claim, regardless of whether further costs (legal or otherwise) are incurred by BDO moving forward with respect to this claim. The Receiver shall be deemed to have admitted and allowed this portion of the BDO Amended Claim, and shall not assert any set-off or otherwise clawback this portion of the Amended BDO Claim. The admission and allowance of this claim by the Receiver is similarly deemed to be agreed upon by BDO as being done by the Receiver without admission by the Receiver that any Crystal Wealth Group entity has liability for the Blakes Fees' Claim and in order to permit interim distributions to investors to proceed;

3. BDO will be deemed to immediately abandon, with prejudice, all indemnity claims with respect to or arising from the action (CV-17-579357) commenced by Mr. Whitehouse, except as expressly permitted herein. In this regard, and as the sole exception to the foregoing, the Receiver shall reserve \$1 million for BDO's defence costs claim. In so reserving this amount, there shall be no acknowledgement by the Receiver of BDO's entitlement to this amount, and the Receiver shall be permitted to reserve its rights to deny this claim/have BDO's claim to the \$1 million indemnity for defence funds determined by the Court if it wishes to do so;

4. No further claims, or amendments to claims, of any nature or kind, and in any proceeding or forum, shall be permitted to be made by BDO as against any Crystal Wealth Group entity, including, without limitation, as against any of the Crystal Wealth Funds or against Crystal Wealth Management System Limited. The sole exception to the foregoing is that BDO may defend any Ontario Superior Court of Justice action (the "Receiver Action") commenced by the Receiver as against BDO, and as part of BDO's defence to the Receiver Action, BDO shall be permitted to allege contributory negligence as against the Crystal Wealth Group entities, or any of them, should BDO elect to do so;

5. The Receiver shall not provide a release to BDO. As indicated, however, the Receiver will not assert a set-off or clawback as against the BDO Invoice Claim and Blakes Fees' Claim as per paragraphs 1 and 2 above;

6. In a future motion to the Court, and as soon as reasonably practicable, the Receiver will request approval of a distribution to BDO on account of the BDO Invoice Claim and the Blakes Fees' Claim, to the extent that the applicable Crystal Wealth Group entities have the necessary funds to make such distributions, without providing preferential treatment to BDO as compared to other creditors of the same class. The Receiver has allocated responsibility for the contemplated payment among the relevant Crystal Wealth Group entities. Based on this allocation methodology, as is reflected in the Proposed Interim Distribution spreadsheet attached, there is sufficient funds to currently pay out \$431,505.73 of the BDO Invoice Claim/Blakes Fees' Claim in the total sum of \$796,337.73. The shortfall is due to the lack of funds available in the Crystal Wealth Enlightened Factoring Strategy and the Crystal Wealth Conscious Capital Strategy funds. We are optimistic that additional funds will be available to make up a portion, or all, of the shortfall, such that an amount between \$431,505.73 and (possibly all of the) \$796,337.73 would be available for distribution to BDO on a future motion brought by the Receiver; and

7. It is agreed that this proposal is made by the Receiver in the interest of all stakeholders, in order to enable the Receiver to proceed in an expeditious manner to seek Court approval of the Proposed Distributions (as set out in the spreadsheet, attached) to investors on the Second Report motion, with BDO's consent, and with a commitment by BDO that it will not later seek recovery of the quantum of the Proposed Distributions from investors, Crystal Wealth Management System Limited, any of the Crystal Wealth Funds, or any other person or entity, and is without prejudice to the rights of the investors and Crystal Wealth Management System Limited and the Crystal Wealth Funds opposite BDO, other than as set out in 1 and 2 above.

Please confirm by the end of the day today if the above terms are agreeable to BDO, and by your return email, we shall have confirmation of BDO's binding agreement to the terms set out above, the terms of which shall be sought for approval by the Court at the motion for approval of the Second Report.

We look forward to hearing from you today.
Mark van Zandvoort

T 416.865.4742
F 416.863.1515
E mvanzandvoort@airdberlis.com<<mailto:mvanzandvoort@airdberlis.com>>

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | [airdberlis.com](http://www.airdberlis.com)<<http://www.airdberlis.com/>>

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<Crystal Wealth - Investor Interim Distribution as at November 15, 2017.pdf>
<Amended BDO Claim - Page 8.pdf>

[cid:image72c77e.GIF@ce8af4ee.438e46d9]

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Toronto ON M5L 1A9
Tel: 416-863-2400 Fax: 416-863-2653
[blakes.com](http://www.blakes.com)<<http://www.blakes.com>> | Twitter<<http://twitter.com/BlakesLaw/>> |
Unsubscribe<<http://www.blakes.com/English/Resources/Bulletins/Pages/unsubscribe.aspx>>

Blake, Cassels & Graydon LLP | Barristers & Solicitors | Patent & Trade-mark Agents
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APPENDIX 72



Purpose and Background Information

The purpose of this letter is to provide preliminary information on Crystal Wealth Management System Limited (the “**Company**”), and more specifically in regards to 10 proprietary open-ended mutual fund trusts created and managed by the Company (collectively, the “**Crystal Wealth Funds**”). This solicitation letter is being sent to parties interested in assessing whether they wish to proceed with a more detailed review of the matters discussed in this letter with a view to ultimately purchasing certain Crystal Wealth Funds or investments contained therein (a “**Prospective Purchaser**”) and/or assuming the management of (a “**Prospective Manager**”) certain Crystal Wealth Funds.

Pursuant to an Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) issued on April 26, 2017 (the “**Appointment Order**”), Grant Thornton Limited became the receiver and manager (in such capacities, the “**Receiver**”) of all of the assets, undertakings and properties of the Company and of the Crystal Wealth Funds.

The Sales Process pursuant to which this solicitation letter is being issued was authorized by the Court on June 30, 2017, which Order can be accessed on the Receiver’s Case Website: www.grantthornton.ca/crystalwealth. Additional information concerning the Sales Process can be found in the Receiver’s First Report to Court dated June 22, 2017 (the “**First Report**”), which can also be found on the Receiver’s Case Website.

The Crystal Wealth Funds

Crystal Wealth Management System Limited is a discretionary portfolio management firm established in 1998. Prior to the receivership proceedings, the Company was registered with the Canadian Securities Administrators as a portfolio manager, investment fund manager, commodity trading manager and exempt market dealer.

The Company was also registered with the Ontario Securities Commission and managed 15 proprietary investment funds. One fund was retired earlier this year, prior to the receivership proceedings. Four other funds are not part of this Sales Process as the investments in these four funds have been monetized into cash by the Receiver.

The Crystal Wealth Funds consist of various strategic funds including, but not limited to: equity, income, resource and precious metals, and alternative investment funds.

All enquiries regarding this sale process should be directed to the Receiver:

Grant Thornton Limited

Attention:
Jason Knight, CPA, CA
Manager

T: 416.369.7017

F: 416.360.4949

E: Jason.Knight@ca.gt.com

200 King Street West, 14th Floor
Toronto, ON M5H 3T4

Website: www.GrantThornton.ca

A Confidential Information Memorandum will be issued following execution of a confidentiality agreement.

Appendix A provides background and outlines the investment objective for each of the Crystal Wealth Funds.

Appendix B is a summary of the Crystal Wealth Funds' holdings in general based on information provided by the Company.

Next Steps

Enclosed with this solicitation letter is a confidentiality agreement ("CA"). To further participate in this Sales Process, the CA must be executed and returned to the Receiver. Any Prospective Purchasers and/or Prospective Manager who executes and returns the CA will be provided, upon a request to the Receiver, with a confidential information memorandum describing the purchase and/or management opportunity and will be granted access to an electronic data room containing confidential information to perform due diligence.

All communications and inquiries regarding this letter, the Sales Process, or the Crystal Wealth Funds should be directed to the Receiver by contacting: **Jason Knight, Jason.Knight@ca.gt.com, Tel: 1 416 369 7017.**

Process for Submission of Letters of Intent and Offers

As is detailed below, Prospective Purchasers and/or Prospective Managers must submit all Purchase Offers and Management Offers, respectively, by no later than **5PM Eastern Standard Time ("EST") on August 10, 2017** (the "Offer Deadline").

Purchase Offers: Prospective Purchasers must submit a binding offer to purchase the investment(s) contained within one or more of the Crystal Wealth Funds (a "**Purchase Offer**") by the Offer Deadline, which must include:

- i. the identity, contact information, and disclosure of the principal(s) of the Prospective Purchaser;
- ii. a list and description of the Crystal Wealth Fund(s) and investments to be included in a purchase;
- iii. an indication of the proposed purchase price or financial terms of such sale;
- iv. an acknowledgement that the sale will be made on an "as is, where is" basis and that the Prospective Purchaser will be bound by the terms of the Sales Process as described in the First Report;

All enquiries regarding this sale process should be directed to the Receiver:

Grant Thornton Limited

Attention:

Jason Knight, CPA, CA

Manager

T 416.369.7017

F 416.360.4949

E Jason.Knight@ca.gt.com

200 King Street West, 11th Floor
Toronto, ON M5H 3T4

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- v. details related to any regulatory approvals required to close the proposed transaction; and
- vi. such other information requested by the Receiver.

Management Offers: Prospective Managers will be required to submit a binding offer to assume and manage one or more of the Crystal Wealth Funds (a “**Management Offer**”) by the Offer Deadline, which must include:

- i. the identity, contact information, and disclosure of principal(s) of the Prospective Manager;
- ii. a list and description of the Crystal Wealth Fund(s) and the investments which the Prospective Manager has an interest in assuming;
- iii. a list of the qualifications and experience in managing mutual funds and investments and a listing of the portfolio manager(s), proposed for the Crystal Wealth Fund(s);
- iv. a description of the proposed fees to be imposed on the investors of the applicable Crystal Wealth Funds;
- v. a copy of the most recent audited financial statements of the Prospective Manager;
- vi. an indication of the proposed purchase price or financial terms of such offer;
- vii. an acknowledgement that the transfer will be made on an “as is, where is” basis and that the Prospective Manager will be bound by the terms of the Sales Process as described in the First Report;
- viii. details related to any regulatory approvals required to close the proposed transaction; and
- ix. such other information requested by the Receiver.

All Purchase Offers and Management Offers must meet the following criteria in order to qualify for consideration:

- i. the offer is received by the Offer Deadline;

All enquiries regarding this sale process should be directed to the Receiver:

Grant Thornton Limited

Attention:
Jason Knight, CPA, CA
Manager
T - 416.369.7017
F - 416.360.4949
E - Jason.Knight@ea.gt.com

200 King Street West, 11th Floor
Toronto, ON M5H 3T4

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- ii. the offer contains a letter stating that the Purchase/Management Offer is irrevocable and open for acceptance until at least five business days after the Offer Deadline;
- iii. the Purchase/Management Offer includes proof of the Prospective Purchaser's/Manager's financial wherewithal and ability to close the transaction and is not conditional upon financing;
- iv. the Purchase/Management Offer includes an acknowledgement that the Prospective Purchaser/Manager has (a) relied solely upon its own independent review of any documents and assets to be acquired and/or assumed in making its offer; and (b) not relied upon any representations or warranties whatsoever regarding the property of the Crystal Wealth Group (as such term is defined in the Appointment Order);
- v. the Purchase/Management Offer shall not contain any material conditions to closing other than approval by the Ontario Superior Court of Justice (Commercial List);
- vi. the Purchase/Management Offer shall acknowledge that, at the Receiver's sole discretion, the Receiver may require that a definitive agreement be entered into, in a form prepared by the Receiver and agreed to by the Receiver and the Prospective Purchaser/Manager, in order to effect the transaction contemplated by the Purchase/Management Offer, if accepted by the Receiver;
- vii. the Purchase/Management Offer shall not contain a break-fee or any type of compensation to the Prospective Purchaser/Manager if the Offer is rejected by the Receiver;
- viii. the Receiver must believe the transaction will close on or prior to five days after Court approval of the transaction; and
- ix. as appropriate, the Purchase Offer shall include a deposit equal to 10% of the purchase price of the assets(s), and in the case of a Management Offer, a deposit equal to 10% of the purchase price.

****The Receiver shall be under no obligation to accept the highest offer, and shall be under no obligation to accept any Purchase or Management Offer if the Receiver determines that no suitable offers has been received.**

Notice and Disclaimer

This document and the contents of it do not, and are not intended to constitute an offer for sale or an invitation to treat offers to purchase any company, its shares other securities or assets. For the avoidance of doubt there is no intention to create a legal relationship and such relationship will not

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come into existence unless and until a formal written contract, reviewed by lawyers for each of the parties, has been entered into. The information herein has been provided to Grant Thornton Limited as Court-appointed receiver and manager of the Crystal Wealth Group and the contents are not to be relied upon by Prospective Purchasers or Prospective Managers as an inducement to enter into a formal agreement of purchase and sale. All Prospective Purchasers or Prospective Managers must carry out their own due diligence in respect of the matters referred to and satisfy themselves as to the accuracy of all matters. While care is taken in the preparation of this document and the information contained in it, the Receiver hereby gives you notice that the Receiver cannot and does not accept any responsibility and/or liability for any loss or damage of whatsoever nature that may occur by reliance on it and howsoever arising. Any disputes or claims arising under or in connection with this document shall be subject to the jurisdiction of the Ontario Superior Court of Justice (Commercial List).

29862652.2

All enquiries regarding this sale process should be directed to the Receiver:

Grant Thornton Limited

Attention:
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Manager

T: 416.369.7017

F: 416.360.4949

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Crystal Wealth Management System Limited



Appendix A – Investment Objectives

Crystal Wealth Funds
Investment Objectives¹

Fund	Strategy Type	Launch Date	Investment Objective
Crystal Wealth Mortgage Strategy	Income	April 12, 2007	To generate a consistently high level of interest income with no downside volatility by investing primarily in first and second Canadian residential mortgages.
Crystal Enlightened Resource & Precious Metals Fund	Resource and Precious Metals	August 14, 2009	To generate positive absolute annual returns by investing primarily in resource and precious metals securities globally.
Crystal Wealth Enlightened Factoring Strategy	Income	January 22, 2010	The investment objective of the Strategy is to provide a moderate level of current income and some long-term capital appreciation while seeking to protect against downside risk and negative effects from inflation by investing primarily in income-generating securities including bonds and mortgages, as well as mutual funds and exchange traded funds that invest in, or track the performance of, income-generating securities.
Crystal Wealth Medical Strategy	Income	January 22, 2010 (Renamed and investment objective materially changed to present October 3, 2013)	To generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in American health care receivables.
Crystal Wealth Enlightened Bullion Fund	Alternative Strategies	July 3, 2015	The investment objective of the Crystal Enlightened Bullion Fund is to provide investors with the opportunity to invest in gold and possibly silver bullion in a convenient way while simultaneously earning a yield on their bullion holdings.
Crystal Wealth Media Strategy	Income	September 2, 2011	To generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in debt obligations of motion pictures and series television productions.
Crystal Wealth High Yield Mortgage Strategy	Income	January 23, 2015	The investment objective of the Crystal High Yield Mortgage Strategy (the Fund) is to generate a consistently high level of interest income while focusing on preservation of capital by investing primarily in residential 2nd mortgages in Canada.
Crystal Wealth Infrastructure Strategy	Income	May 6, 2016	To generate a consistently high level of interest income along with long-term growth potential while focusing on preservation of capital by investing primarily in debt instruments of infrastructure projects and companies.
Crystal Wealth Enlightened Hedge Fund	Alternative Strategies	February 26, 2016	The investment objective of the Crystal Wealth Enlightened Hedge Fund (the Fund) is to generate consistently positive annual returns regardless of the directional movement in equity, interest rate or currency markets.
Crystal Wealth Conscious Capital Strategy		27-May-16	The investment objective of the Crystal Wealth Conscious Capital Strategy (the Fund) is long term capital growth through investment in companies that are making a positive change in the world.
ACM Income Fund	Income	July 4, 2014	The investment objective of the ACM Income Fund is to provide a consistent level of current income while protecting against loss of capital.
ACM Growth Fund	Equity	July 4, 2014	The investment objective of the ACM Growth Fund is to provide long term capital appreciation while minimizing the risk of loss of capital.
Absolute Sustainable Dividend Fund	Alternative Strategies	February 5, 2016	The investment objective of the Absolute Sustainable Dividend Fund (the "Fund") is to generate long term capital appreciation while focusing on preservation of capital by combining sustainable, responsible and values-based investing principles. The Fund primarily invests in a diversified portfolio of Canadian & global dividend-paying public companies.
Absolute Sustainable Property Fund	Alternative Strategies	February 5, 2016	The investment objective of the Absolute Sustainable Property Fund (the "Fund") is to generate a consistently reasonable level of income while focusing on preservation of capital by investing primarily in real properties, participating in the residential and commercial real estate sector while adhering to sustainable, responsible and values-based principles.

1 - Information obtained from Offering Memorandums for each of the Crystal Wealth Funds accessed from the Company's website at <http://crystalwealth.com/>

Crystal Wealth Management System Limited

Appendix B – Investment Summary



Crystal Wealth Funds
Investment Summary
As at April 20, 2017

Fund	Cash & MM ¹	On-Book Assets							Off-Book Assets							Accruals	
		Inter-fund Investments	Gold Contracts	Equities & Warrants	Private Equities & Warrants	Convertible Debentures	USD Futures	External Mutual Funds	Residential Mortgages	Commercial Loans	Factoring Contracts	Medical Factoring Contracts	US Real Estate LP Units	Media Loans	Other Loans	Interest	Other
Crystal Wealth Mortgage Strategy	X	X						X	X	X						X	X
Crystal Enlightened Resource & Precious Metals Fund	X	X		X		X	X									X	X
Crystal Wealth Enlightened Factoring Strategy	X	X	X	X		X	X	X		X	X		X			X	X
Crystal Wealth Medical Strategy	X	X		X			X	X				X				X	X
Crystal Wealth Enlightened Bullion Fund	X		X														X
Crystal Wealth Media Strategy	X	X					X	X						X		X	X
Crystal Wealth High Yield Mortgage Strategy	X	X							X	X					X	X	X
Crystal Wealth Infrastructure Strategy	X					X				X						X	
Crystal Wealth Enlightened Hedge Fund	X		X	X				X			X		X		X	X	X
Crystal Wealth Conscious Capital Strategy	X				X										X	X	
ACM Income Fund	X	X						X									X
ACM Growth Fund	X	X		X				X									X
Absolute Sustainable Dividend Fund	X	X		X													X
Absolute Sustainable Property Fund	X								X	X						X	X

APPENDIX 73

Court File No. CV-17-11779-00CL

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

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

**CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD.,
1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH
MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE AND PRECIOUS METALS
FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED
FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH
YIELD MORTGAGE FUND, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE
SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL
WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY,
CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE
FUND, and CHRYSALIS YOGA INC.**

Respondents

**APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT R.S.O. 1990, c. S.5, AS
AMENDED**

AFFIDAVIT OF JONATHAN KRIEGER

**I, JONATHAN KRIEGER, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY as follows:**

1. I am a Senior Vice President of Grant Thornton Limited, ("GTL") which was appointed as receiver and manager ("Receiver") without security, of all the assets, undertakings and properties of each of the Respondents (collectively, "Crystal Wealth"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe such to be true.

2. Attached and marked as Exhibit "A" to this my affidavit are summary billing setting out the fees and disbursements of GTL incurred in its role as Receiver of Crystal Wealth from June 1, 2017 to September 30, 2017, in the amount of \$385,280.07, disbursements of \$4,089.28 and HST of \$50,618.02 for a total of \$439,987.37. The average hourly rate is \$360.69. Attached and marked as Exhibit "B" to this my affidavit are detailed billings by individual and date of services rendered.

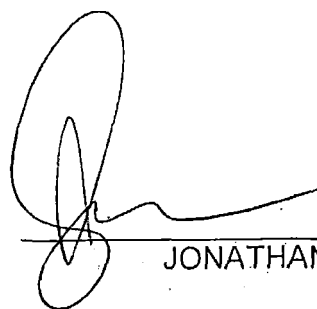
3. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

4. This affidavit is sworn in connection with the approval of the fees and disbursements of GTL and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 17th day of November, 2017.



Commissioner for Taking Affidavits, etc.



JONATHAN KRIEGER

David Lawrence Goldband, a Commissioner, etc.,
Province of Ontario, for Grant Thornton Limited.
Expires April 1, 2019.

Exhibit "A" to the Affidavit of Jonathan Krieger,
sworn before me this 17th day of November, 2017.



Commissioner for Taking Affidavits, etc.

David Lawrence Goldband, a Commissioner, etc.,
Province of Ontario, for Grant Thornton Limited.
Expires April 1, 2019.

Crystal Walth Management System Limited

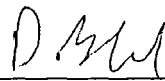
Summary of Fees of the Receiver

For the period from June 1, 2017 to September 30, 2017

Period	Hours	Fees	Disbursements	Subtotal	HST	Total
June 1, 2017 to August 31, 2017	930.37	\$ 333,747.38	\$ 1,798.37	\$ 335,545.75	\$ 43,620.95	\$ 379,166.70
September 1, 2017 to September 30, 2017	137.80	\$ 51,532.69	\$ 2,290.91	\$ 53,823.60	\$ 6,997.07	\$ 60,820.67
Total	1068.17	\$ 385,280.07	4,089.28	389,369.35	50,618.02	\$ 439,987.37

Average hourly rate 360.69

Exhibit "B" to the Affidavit of Jonathan Krieger,
sworn before me this 17th day of November, 2017.



Commissioner for Taking Affidavits, etc.

David Lawrence Goldband, a Commissioner, etc.,
Province of Ontario, for Grant Thornton Limited.
Expires April 1, 2019.

Court File No. CV-17-11779-00CL

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

**CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ
EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA
STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL
ENLIGHTENED RESOURCE AND PRECIOUS METALS FUND, CRYSTAL
WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED
FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND,
CRYSTAL WEALTH HIGH YIELD MORTGAGE FUND, CRYSTAL
ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND,
ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH
ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE
STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY,
CRYSTAL WEALTH RETIREMENT ONE FUND, and CHRYSALIS YOGA INC.**

Respondents

**APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

BILL OF COSTS

**BN 12738 4717 RT0001
Client #225805
Invoice#LSON-3601**

To professional services rendered as Court-Appointed Receiver and Manager of the
Respondents for the period from June 1, 2017 to August 31, 2017.

<u>Date</u>	<u>Description</u>	<u>Hours</u>
June 1, 2017	<u>Bruce Bando</u> Correspondence and conference call with Pond; Call with counsel re: operational agreements and forward thereafter; Review of Xynergy weekly report and discussion thereof; Investor correspondence issues; Discussions on website modifications; Review Notice of Motion from potential representative counsel; Review Factum of C. Smith; Conference call with counsel thereof; Report matters and discussions thereof.	6.20 hours
June 1, 2017	<u>Jason Knight</u> Compiling documents related to factoring contracts, summarizing same, and providing documents to counsel for review; Compiling documents for US Real Estate Loan and having discussion re: same; Drafting email to Broker re: Listing Agreement; Correspondence with landscaping company re: maintenance of Mount Nemo Property; Reviewing, compiling, and uploading documents with respect to the commercial loans in the high yield mortgage fund; Compiling documents related to the commercial loans and summarizing same, and providing documents to counsel for review; Discussion with counsel re: documents and review; Conference call with Squire re: mortgages and other matters; Review weekly information provided on mortgages; Compiling and summarizing documents related to mortgage fund for counsel review; Compiling documents related to the US Real Estate LP and summarizing same; Provide documents to counsel for review and having a call re: same; Reviewing information provided by Xynergy Capital; Review and responding to correspondence from investors; Reviewing Notice of Motion and Factum issued by C. Smith to the Receiver and counsel; Conference call with counsel to discuss materials served by C. Smith among other items; Reviewing notice of motion served by A. Crawley re: representative counsel application; Drafting First Report of the Receiver.	11.40 hours
June 1, 2017	<u>Jonathan Krieger</u> Review of materials filed by C. Smith, and by A. Crawley; Call with counsel re: discussion of court report, court relief; Correspondence with counsel thereto; Call re: representative counsel considerations.	2.55 hours
June 1, 2017	<u>Joseph Kim</u> Return investor, lawyers, and IA's calls.	4.00 hours

June 2, 2017	<u>Jason Knight</u>	Correspondence with landscaping company re: maintenance of Mount Nemo Property; Drafting email to company; Call with gold contract provider re: gold contracts with Bullion Fund; Responding to email from Forward Motion Entertainment; Correspondence with third party re: mortgages currently being held with them and the potential purchase of same; Reviewing materials served by C. Smith; Preparing for and attending Court; Drafting First Report of the Receiver; Responding to correspondence from counsel re: Media Fund documents; Correspondence with counsel re: various items; Drafting Receiver's First Report.	6.30 hours
June 2, 2017	<u>Jonathan Krieger</u>	Call with counsel; Correspondence with counsel; Attendance in court re: materials from C. Smith; Correspondence with team re: website updates.	1.40 hours
June 2, 2017	<u>Joseph Kim</u>	Return investor calls.	4.00 hours
June 3, 2017	<u>Jason Knight</u>	Drafting fund overview and investments detail section of the Receiver's First Report; Reviewing agreement provided by property maintenance company for 5043 Mount Nemo.	3.70 hours
June 4, 2017	<u>Jason Knight</u>	Reviewing gold contracts and summarizing same for review to be performed by A&B related to Bullion Fund; Uploading documents to Dropbox; Reviewing correspondence; Drafting the Receiver's First Report; Drafting correspondence to counsel re: gold contracts.	7.00 hours
June 5, 2017	<u>Jason Knight</u>	Reviewing and executing contract and sending same to maintenance company; Discussion with counsel re: gold contracts; Preparing for and conducting conference call with third party provider re: medical factoring contracts; Reviewing and coding invoices for payment; Reviewing mail received; Reviewing correspondence received from investors; Drafting Receiver's First Report; Reviewing and assisting in drafting confidential information memorandum and solicitation letter for the Sales Process.	8.50 hours

June 5, 2017	<u>Joseph Kim</u>	Returning investor calls; Update R&D; Draft solicitation Letter; Draft CIM.	9.50 hours
June 5, 2017	<u>Rosa Wilford</u>	Review internal email instructions re: Banking, complete cheque requisition forms, prepare and issue cheque and general banking administration.	0.25 hours
June 6, 2017	<u>Bruce Bando</u>	Reviewing bank transactions with respect to Chrysalis Yoga and transfer of funds to same; Reviewing G/L to locate transactions since Appointment Order; Discussion with counsel to Lee Ann Smith; Correspondence thereof and forward to counsel; Correspondence with counsel of Clayton Smith receivership; Property matters; Prepare for and attend conference call with agent; Discussion thereafter; Various investor and investment advisor matters; Freeway matters; Various correspondence with BDO; NBCN matters and discussion with counsel thereof; Internal meeting on report and various discussions same; Internal meeting on fund transfers; Correspondence with prospective purchaser; Correspondence with counsel on website matters.	6.60 hours
June 6, 2017	<u>Jason Knight</u>	Reviewing correspondence from Broker re; Listing Agreement; Phone call with Broker to discuss Listing Agreement changes; Correspondence with property maintenance company; Reviewing correspondence and proposal from Gold Seller re: gold contracts held in this fund; Reviewing correspondence from CAM re: access to administered portals for media loans; Drafting Receiver's First Report and developing appendices for same; Reviewing structure of First Report internally; Revising structure based on comments; Reviewing various correspondence from counsel, interested parties in the Sales Process and internal; Reviewing correspondence from counsel re: redacted copies of the Application Record Volumes; Reviewing Affidavits and appendices contained therein filed by the OSC and incorporating same into the Receiver's First Report; Internal meetings and discussions re: various items.	10.70 hours
June 6, 2017	<u>Jonathan Krieger</u>	Meeting with team to review status of report, discussion of inclusions; Review of correspondence from counsel re: proposed responses; Correspondence from investors.	0.90 hours

June 6, 2017	<u>Joseph Kim</u>	Return investor calls; Call and draft email to Xerox to request equipment contract; Call and draft email to Quickbooks for License renewal; Update R&D.	6.00 hours
June 6, 2017	<u>Rosa Wilford</u>	Reconcile May 2017 bank statements; Complete cheque requisition forms, prepare and issue cheques and general banking administration.	1.30 hours
June 7, 2017	<u>Bruce Bando</u>	Prepare for and attend conference call with Xynergy and discussions thereafter; Notice of Termination matters; Review correspondence to OOM counsel; Attend conference call with BDO and various correspondence with counsel thereafter; Internal discussions re: Report; Various correspondence with Pond; Internal discussions on fund analysis; Various investor matters; Discussion with US attorney; Internal discussion on Squire; Correspondence with NBCN re: Squire deposits; Stock option matters with counsel; Draft update to investors; Correspondence with independent advisor.	6.60 hours
June 7, 2017	<u>Jason Knight</u>	Correspondence with Broker and property maintenance company re: Mount Nemo; Reviewing mortgage documents provided by administrator; Call with administrator and drafting wire instructions to same requesting transfer of funds to NBCN; Conference call with third party re: potential purchase of assets contained within the fund; Provide instructions to upload the redacted Application Record to the case website; Conference call with CW auditors re: 2016 audit, fees, findings with respect to CW, as well as other various matters; Call with investor re: update on proceedings; Drafting email to OOM Energy Group counsel re: loans made to OOM and the request for certain documents be provided; Drafting email to investor; Call with CW's auditors re: requested information.	1.00 hours
June 7, 2017	<u>Jonathan Krieger</u>	Correspondence with team and discussions re: matters related to BDO position; Correspondence with counsel thereto; Correspondence with team re: matters related to Mt. Nemo property.	0.50 hours

June 7, 2017	<u>Joseph Kim</u>	
	Return investor calls; Update fund summary as at April 20; Consolidate transaction history for each fund; Review Freeway Intranet website; Call agents re: Mt. Nemo; Preparation of cheque requisition; Obtain quotes from lawn maintenance providers.	8.00 hours
June 7, 2017	<u>Mandi Quirk</u>	
	Post documents to case website.	0.40 hours
June 8, 2017	<u>Bruce Bando</u>	
	Conference call with counsel on various outstanding matters; Amend notice to investors; Various correspondence with counsel and OSC; Various correspondence and discussion re: OOM loans; Correspondence with Media House; Various correspondence with Xynergy; Correspondence with NBCN; Correspondence with Pond; Correspondence investors; Correspondence with unsecured creditors; Review of report and discussions thereof; Correspondence with prospective purchaser.	5.30 hours
June 8, 2017	<u>Jason Knight</u>	
	Finalizing Listing Agreement and sending same to Broker; Reviewing report received from mortgage administrators; Responding to correspondence from C. Smith; Discussion with counsel re: correspondence received; Drafting and finalizing first draft of Receiver's First Report; Compiling appendices for Receiver's First Report and formatting same; Drafting CIM for SISP.	5.45 hours
June 8, 2017	<u>Jonathan Krieger</u>	
	Review and comment on communication to investors; Correspondence with team re: court report; Correspondence from counsel.	1.10 hours
June 8, 2017	<u>Joseph Kim</u>	
	Return investor calls; Meeting with J. Knight on combined transaction history; Discussion re: Mt. Nemo with service providers.	5.00 hours

June 9, 2017	<u>Bruce Bando</u>	• Prepare for and attend conference call with OSC; Review and amend report; Various correspondence with Pond and counsel and review of documents thereof; Finalize and post Notice to Investors; Prepare for and attend call with Blakes; Correspondence with Plains Road landlord; Review Motion material from A. Crawley, internal discussion and discussions with counsel; Discussion with former investment advisor; Internal discussion on securities; Correspondence with Xynergy; Conference call with counsel on Pond and correspondence thereafter; Correspondence with US counsel; Investor matters.	7.10 hours
June 9, 2017	<u>Jason Knight</u>	• Reviewing motion materials filed by A. Crawley; Review various correspondence received.	0.90 hours
June 9, 2017	<u>Jonathan Krieger</u>	• Review of motion record from A. Crawley; Correspondence with counsel; Call with CF team re: matters related to investment disposition.	1.40 hours
June 9, 2017	<u>Joseph Kim</u>	• Return investor calls; Send notice to investors; Discussions with service providers re: Mt. Nemo.	5.00 hours
June 9, 2017	<u>Michelle Alphonso</u>	• Prepare Capital IQ analysis.	4.00 hours
June 10, 2017	<u>Bruce Bando</u>	• Various correspondence and discussions to locate and finalize maintenance of property; Various correspondence regarding the site visit; Deal with investor matters; Correspondence with former investment advisor; Review and amend report	6.50 hours
June 11, 2017	<u>Bruce Bando</u>	• Continue review and amending the report; Internal discussion on investor matters; Internal discussion regarding marketable securities with CF team.	6.50 hours

June 11, 2017	<u>Jonathan Krieger</u>	Review and comment on draft report to Court; Discussions and correspondence with team re: report and proposed Sales Process, monetization strategy; Correspondence with investor re: status of investment and response thereto.	2.70 hours
June 12, 2017	<u>Bruce Bando</u>	Review and amend report and various discussions thereof; Various discussions and correspondence re: monetization strategies; Various correspondence and discussions with counsel re: BDO meeting, provider contracts and go forward position, back up of records; Correspondence with OSC on motion; Internal discussion on Media Fund and correspondence with counsel re: same; NBCN matters; Investor inquiries matters; Correspondence with former investment advisor; Correspondence with Media House.	6.60 hours
June 12, 2017	<u>Jason Knight</u>	Reviewing renewal forms provided by Spectrum; Conference call with Spectrum to discuss renewals and strategy for same going forward; Correspondence re: proposed sale of marketable securities; Review changes made to report and internal comments re: same; Revising report.	5.40 hours
June 12, 2017	<u>Jonathan Krieger</u>	Review of documents re: monetization strategy; Correspondence with team re: report; Review of correspondence from counsel; Calls from parties interested in portfolio.	1.30 hours
June 12, 2017	<u>Joseph Kim</u>	Return investor calls; Contact NBCN; Calls with independent advisors.	2.00 hours
June 12, 2017	<u>Mandi Quirk</u>	Complete payroll, draft cheque requisitions, print support, and draft CRA remittance with associated requisitions for monthly filing.	0.40 hours

June 13, 2017

Bruce Bando

- Prepare for and attend meeting at A & B; Conference call with Media House and discussion thereafter; Various discussions re: report; Various investor matters and discussions with counsel and internal meeting re: same; Correspondence and conference call with prospective purchasers; Discussion with counsel on OOM loan.

7.20 hours

June 13, 2017

Jason Knight

- Reviewing and approving invoices for payment; Reviewing correspondence and agreements reviewed by counsel with respect to Squire Mortgages; Making changes to report and conducting internal discussions regarding comments and proposed changes; Distributing report to counsel for review and comment; Review of correspondence from investor; Meeting with third party re: management of Media Fund; Correspondence re: marketable securities analysis; Drafting CIM for Sales Process; Conference call with Media House Capital re: Bron Studios media loans and repayment of same.

7.15 hours

June 13, 2017

Joseph Kim

- Return investor calls; Meeting with J. Knight and B. Bando; Summarize holdings as at April 20, 2017; Add account numbers to report prepared by Corporate Finance; Process insurance payment.

6.50 hours

June 14, 2017

Bruce Bando

- Internal meeting to review and take action on outstanding items; Various correspondence with counsel on investor and investment matters; Various investor matters and review of draft correspondence thereof; Pond matters with counsel; Books and records matters; Correspondence with prospective purchaser; Squire mortgage matters; Spectrum renewals correspondence.

4.20 hours

June 14, 2017

Jason Knight

- Correspondence with Broker; Review invoices to be paid; Correspondence with Frontline re: request for funds and weekly reporting; Obtaining documents with respect to Imaginea project loan to OOM Energy; Drafting correspondence to Squire re: purchase of two remaining mortgages administered by same; Internal meeting to discuss outstanding items; Drafting correspondence to investors; Reviewing and approving invoices for payment; Reviewing mail received re: NBCN; Reviewing various requests and correspondence from NBCN re: various funds; Correspondence with previous employee re: payroll information; Reviewing email information to obtain contact regarding OOM Energy Loans; Internal discussions.

6.05 hours

June 14, 2017

Jonathan Krieger

- Discussion with team re: report to court; Correspondence re: matters related to realization strategy; Correspondence from interested parties; Call from lawyer re: interest of their client.

0.90 hours

June 14, 2017

Joseph Kim

- Return investor/advisor calls; Meeting to review outstanding items; Complete forms for insurance and hydro; Contact Cogeco and Xerox for equipment pick up and cancellation.

6.00 hours

June 15, 2017

Bruce Bando

- Develop questions, prepare for and attend meeting with BDO and discussion with counsel thereafter; Conference call with counsel to prospective purchaser; Attend meeting with previous independent advisor; Email matters with counsel; Investor matters and correspondence with counsel; Various discussions internally and with NBCN regarding selling of securities; Discussion with CFO of Pond; Prepare for and attend meeting with cofounder of Pond; Correspondence with prospective purchaser.

6.00 hours

June 15, 2017

Jason Knight

- Drafting US Real Estate LP organization chart based on Subscription Agreements; Correspondence with CAM re: collection received from film loan; Call with Squire re: purchase of mortgages and required information from counsel; Drafting US Real Estate LP organization chart based on Subscription Agreements; Correspondence with NBCN re: liquidation of securities; Preparing questions for meeting with BDO re processes and other matters; Correspondence with US Real Estate LP principals; Correspondence with Interactive Brokers to develop trade strategy for holdings at same; Drafting SISP; Discussions internally re: market value of securities as at Appointment Date; Reviewing mail received and dealing with same accordingly; Reviewing and debriefing materials provided by BDO during the meeting; Employee matters.

7.70 hours

June 15, 2017

Jonathan Krieger

- Discussions and correspondence with team re: realization strategy; Meeting with Samir Asam re: portfolio; Meeting with Pond Technologies re: company and go forward considerations; Call from parties re: matters related to interest in portfolio; Review of correspondence from NBCN.

2.30 hours

June 15, 2017

Joseph Kim

- Return investor/ advisor calls; Call with landlord for 192 Plains Road East property.

4.00 hours

June 16, 2017

Bruce Bando

- Review, internal discussion with and execution of Pallside acknowledgement; Review of documentation and internal discussion re: Xynergy; Various NBCN and investment matters; Review and amend BetterU stock option documentation; Review Frontline report and discussion re: same; Discussion on SISP; Discussion with counsel on specific investment matters.

3.70 hours

June 16, 2017

Jason Knight

- Discussion internally and with service provider re: potential purchase of medical factoring account; Review documentations regarding potential account transaction; Correspondence with third party providers re: reporting and other various items; Review responses received from GoDaddy re: email backup; Correspondence with landlord; Reviewing and approving invoices for payment; Internal discussions.

5.70 hours

June 16, 2017	<u>Jonathan Krieger</u>	Review of correspondence re: Pond loans; Discussion with team re: listing of property; Correspondence with team and discussion re: realization of portfolio; Correspondence with parties interested in portfolio; Correspondence from counsel.	1.30 hours
June 16, 2017	<u>Joseph Kim</u>	Return investor calls.	2.50 hours
June 19, 2017	<u>Bruce Bando</u>	Conference call with prospective purchaser; Investment matters and realization of securities; Discussion on background check of potential consultant to the Media Fund and discussion with counsel re: same; Review various correspondence related to the Media Fund; Review and approve payments; Report matters and discussion with counsel re: same; E-Service matters; Correspondence with prospective purchaser; Correspondence with Pallisade; Investor matters; Conference call with counsel re: report and other outstanding items.	5.60 hours
June 19, 2017	<u>Jason Knight</u>	Discussion with Broker re: schedule to list Mount Nemo; Correspondence with US Real Estate LP General Partner; Reviewing documentation provided for Media Fund and discussing next steps re: same internally; Phone conversation with counsel re: correspondence received from MHC and Freeway; Discussing mortgage offer with Squire; Review information provided and forwarding same to counsel to prepare final documents; Reviewing offer presented by Xynergy re: Medical Factoring Contract and drafting correspondence re: same; Internal discussions re: report and other various matters; Conference call with counsel re: review of report and suggestions re: same; Drafting and reviewing Confidential Information Memorandum for Sales Process.	7.20 hours
June 19, 2017	<u>Jonathan Krieger</u>	Discussion with team re: matters related to asset realization strategy; Call with McMillan re: proposed manager; Correspondence with counsel re: matters related to management of Media Fund; Correspondence from investor; Conference call with counsel re: considerations in report and areas to include.	2.10 hours

June 19, 2017	<u>Joseph Kim</u>	Return Investor calls; Schedule with Xerox for pickup of photocopier; Schedule regarding June 23 meeting to provide quote; Call regarding update on Mt. Nemo; Cheque requisitions for CLJ and CW regarding security expenses.	4.00 hours
June 19, 2017	<u>Rania Erian</u>	Preparation of cheques, post entries.	0.40 hours
June 20, 2017	<u>Bruce Bando</u>	Books and records matters; Inter fund transfer matters and discussions; Quiver correspondence and internal discussions with counsel; Correspondence with investor; Correspondence with prospective purchaser; Conference call with counsel on report; Various discussions and meetings regarding the report to include review and amending of same and then sending to counsel.	7.00 hours
June 20, 2017	<u>Jason Knight</u>	Drafting correspondence to Frontline; Discussion with Solid Holdings re: Gold Contract between same and the Bullion Fund; Correspondence with Xynergy re: purchase of Medical Factoring Contract and discussing same internally; Searching and reviewing email backups of Crystal Wealth employees for information re: litigation and documentation of investments; Reviewing marketable security disposition reports from NBCN and Interactive Brokers and compiling same into tracking sheet; Reviewing blackline draft report provided by counsel; Internal discussions and review of blackline report; Revising blackline report and making adjustments to same for comments received; Compiling appendices for report; Discussion with NBCN re: redemption of mutual funds.	11.15 hours
June 20, 2017	<u>Jonathan Krieger</u>	Discussion with team re: inclusions in report; Review of amendments from counsel; Team meeting re: completion of report, discussion of email retrieval for company.	1.20 hours
June 20, 2017	<u>Joseph Kim</u>	Tend to investor calls and correspondence.	5.50 hours
June 20, 2017	<u>Rania Erian</u>	General banking administration.	0.40 hours

June 21, 2017

Jason Knight

- Phone conversation with Frontline re: update on collections and Factoring Contracts; Reviewing Factoring Contract listing provided by Frontline; Preparing summary of External Mutual Funds to be redeemed by NBCN and directing NBCN to perform redemptions of same; Revising report and incorporating comments from counsel's review; Phone conversation with investor; Reviewing and revising report for finalization; Revising and compiling appendices; Correspondence with counsel re: report; Preparing updated SRD for report as at May 31, 2017.

10.95 hours

June 21, 2017

Jonathan Krieger

- Review of amendments to report; Call with counsel; Correspondence with counsel; Review of appendices to report; Finalize report.

1.90 hours

June 21, 2017

Joseph Kim

- Return investor calls; contact service providers for quotes re: Mt. Nemo; Contact Cogeco regarding equipment on property to be returned.

4.00 hours

June 22, 2017

Bruce Bando

- Continue with amending and finalizing the report to include internal discussions and discussions with counsel; Various correspondence with NBCN re: investor and deposit matters; Review of Squire sale documents, execute and discussions thereof; Correspondence and conference call with Quiver; E-Service matters; Correspondence with counsel on upcoming motion; Correspondence with Pond; Discussions and correspondence with potential purchasers; Review Mt. Nemo contract; Discussion on status of listing.

6.22 hours

June 22, 2017

Jason Knight

- Correspondence; Internal discussions re: Mt. Nemo service agreement; Reviewing results and notes from discussions with Frontline re: Factoring Fund; Conference call with Quiver re: proposal of services; Discussion with counsel re: changes required to Mortgage Offer documents; Amend documents and executing same; Deliver documents to Squire via email; Reviewing completed volume records of report to be served; Internal discussion re: report; Review of investor correspondence and replying to same; Internal correspondence re: assets located at the office Premises.

5.25 hours

June 22, 2017	<u>Jonathan Krieger</u>	Finalize Crystal Wealth First Report; Correspondence and discussions with team; Correspondence with counsel.	1.10 hours
June 22, 2017	<u>Joseph Kim</u>	Return investor calls; Send email to Mt. Nemo service provider with completed agreement form; Calls with 192 Plains Rd East broker.	2.50 hours
June 22, 2017	<u>Rosa Wilford</u>	Complete cheque requisitions form, issue cheques and general banking administration.	0.75 hours
June 23, 2017	<u>Bruce Bando</u>	Prepare for and attend Court; Various investor matters; Discussion with former investment advisor; Draft and finalize notice to investors; Review Quiver proposal, discussion and correspondence with Counsel re: draft agreement; E-Service matters; Various correspondence with IFDS and consideration of matter; Investor garnishment matters; Various internal discussion re: funds and monies and investigation thereof; Correspondence with Pond.	6.00 hours
June 23, 2017	<u>Jason Knight</u>	Reviewing bank transactions with respect to Chrysalis Yoga and transfer of funds to same; Reviewing G/L to locate transactions since Appointment Order; Finalizing mortgage documents and letters of direction re: sale of Squire Mortgages; Drafting email and delivering investor correspondence dated June 23, 2017; Updating marketable securities disposal workbook and summarizing the gain and loss of the dispositions thus far; Reviewing and approving invoices for payment; Internal discussions re: court hearing an status of marketable securities disposition; Responding to investor inquiries via email and telephone.	6.75 hours
June 23, 2017	<u>Jonathan Krieger</u>	Attendance in court re: CW motion; Correspondence with team re: fund monetization and correspondence with IFDS; Correspondence re: matters related to exchange considerations.	1.50 hours

June 23, 2017	<u>Joseph Kim</u>	Return an investor call; Identify furniture and fixtures that are not on the 192 Plains Road East lease agreement; Receive quote from Tert and Ross on furniture storage; Return 3 Cogeco modems; Confirm pick up of Xerox machine.	5.00 hours
June 23, 2017	<u>Rania Erian</u>	General banking administration.	0.20 hours
June 26, 2017	<u>Bruce Bando</u>	Review of books and records and analysis of inter fund transfers; Correspondence with IFDS and internal correspondence thereof; Various discussions and correspondence with counsel on Quiver draft agreement, review thereof followed by correspondence with Quiver; Various investor communication matters and discussions thereof; Various investment matters re: debentures and marketable securities; Discussions and conference call with counsel re: Factoring Fund; Discussions and conference call with counsel re: Bullion Fund; Xynergy matters; Prepare for and attend meeting with Pond followed by various discussions and correspondence thereof; Various correspondence with Invidiata.	7.40 hours
June 26, 2017	<u>Jason Knight</u>	Correspondence with investors re: various matters and questions; Discussion with General Partner re: US Real Estate LP; Reviewing and populating marketable securities dispositions on summary sheet; Obtaining price quotes for External Mutual Funds; Conference call with counsel re: Gold Contracts; Internal discussions re: various items and matters; Drafting agenda for discussion with US Real Estate LP General Partners and counsel for same; Reviewing investor communications drafted and revising same; Correspondence with investors re: address changes; Conference call with counsel re: Factoring Fund customers; Review information obtained from third party re: collections of invoices; Correspondence with Broker re: Mt Nemo Property and reviewing floor plans developed for same.	7.55 hours
June 26, 2017	<u>Jonathan Krieger</u>	Discussion with team re: Supplemental Report; Meeting with Pond group re: matters related to loan position, alternatives; Correspondence from counsel; Correspondence re: matters related to investor responses; Correspondence with team re: matters related to Fund holdings.	1.30 hours

June 26, 2017

Joseph Kim

- Return investor calls; Meeting to discuss status; Schedule time re: Mt. Nemo Service and also to allow for access to lockbox; Call with Tert and Ross to regarding storage and removal quote, and date and time for removal; Complete inter fund transaction matrix.

7.00 hours

June 26, 2017

Rosa Wilford

- Review banking reports and approve monthly estate balances; Review internal instructions re: payment of invoices; Complete cheque requisition forms, prepare and issue cheques and general banking administration; Correspondence with Bank, letter and general banking administration.

1.80 hours

June 27, 2017

Bruce Bando

- Various correspondence and conference call with Pond and discussion with counsel thereafter; Prepare for and attend meeting with prospective purchaser; Various correspondence with Quiver; Discussions and correspondence with counsel on Bullion Fund and counsel on MOU and changes thereto to underlying contracts; Correspondence re: representative counsel; Discussions and correspondence with counsel on Factoring Fund; Discussion counsel on OOM Energy loans; Correspondence with Spectrum; Correspondence with IFDS; Review of funds.

5.80 hours

June 27, 2017

Jason Knight

- Correspondence with US Real Estate LP General Partners; Correspondence with investors re: various items and updated on Receivership; Correspondence with counsel re: OOM Energy Loans; Updating sale of marketable securities listing and formatting same; Discussion with counsel re: review of Gold Contracts and providing instructions re: same; Discussion with Pond re: loan and term sheet; Drafting Sales Process CIM; Review letter to Frontline.

5.20 hours

June 27, 2017

Jonathan Krieger

- Meeting with potential acquirer of funds; Correspondence with counsel re: matters related to upcoming court attendance; Correspondence from CMB; Correspondence with counsel re: Supplemental Report; Correspondence re: matters related to strategy of fund monetization; Correspondence re: matters related to investors' concerns with comingling; Call from investor; Correspondence with counsel for investor; Correspondence with counsel re: responses required to parties involved in funds; Correspondence and discussions re: matters related to terms of Quiver MOU; Review and comments on same; Correspondence re: matters related to Pond loans.

2.20 hours

June 27, 2017

Rosa Wilford

- Review internal instructions re: Banking, correspondence with Bank, review print screens, complete cheque requisition forms, prepare and issue cheque and general banking administration; Follow up email with Bank.

0.60 hours

June 28, 2017

Bruce Bando

- Various correspondence to finalize MOU, transition, drafting of communications and conference call re: same; Various correspondence with counsel; Discussions re: review of fund statements; Correspondence with Media House and CAM's; Conference call with Spectrum and correspondence thereof; Draft First Report Supplement, amend and finalize to include various correspondence with counsel; Various investor matters; Securities monetization.

5.40 hours

June 28, 2017

Jason Knight

- Compiling and uploading documents to Dropbox for Quiver; Provide access to Quiver; Reviewing and approving invoices for pool maintenance; Correspondence internal re: cash transfers and activity in NBCN; Drafting, reviewing, and revising CIM and Solicitation Letter for Sales Process; Responding to correspondence received from investors re: various items; Reviewing Supplement to the First Report and noting changes.

6.25 hours

June 28, 2017

Jonathan Krieger

- Correspondence re: matters related to Pond loans; Correspondence and discussion with team re: Quiver MOU; Correspondence with counsel re: CMB position; Correspondence with OSC; Review of documentation re: monetization; Correspondence re: matters related to IFDS reporting; Review of documentation from CMB.

1.20 hours

June 28, 2017	<u>Mandi Quirk</u>	• Post creditor updates / documents to website.	0.50 hours
June 28, 2017	<u>Rosa Wilford</u>	• Review internal email instructions; re: wire transfer; Draft letter to Bank; complete cheque requisition forms, email correspondences to and from Bank for authorization of transfer, posting entries, email wire confirmation to Group.	0.50 hours
June 29, 2017	<u>Arsheel Muhit</u>	• Internal meeting to discuss file.	0.75 hours
June 29, 2017	<u>Bruce Bando</u>	• Banking matters; Finalization and issuance of Supplement Report and various correspondence with counsel thereof; Review materials from A. Crawley and review company files; Review Receiver's Factum and Book of Authorities; Investor communication matters and internal planning meeting thereof; Discussions and matters re: Quiver; Discussions and status review of Factoring Fund; Conference call re: US LP; Status of monetization; Review T. Johnston unsworn affidavit.	6.70 hours
June 29, 2017	<u>Jason Knight</u>	• Correspondence with bookkeeper re: preparing of requested documents; Correspondence with contractors re: removal of assets from 192 Plains Road East; Discussion internally re: scheduled June 30 hearing and preparation for same; Drafting letter to landlord re: vacancy of 192 Plains Road East; Drafting letter to insurance brokers re: 192 Plains Road East; Conference call with counsel for US Real Estate LP and reviewing information provided by same; Drafting responses to investor inquiries; Correspondence with investors via telephone re: various items; Drafting letters re: film loans for Quiver to distribute and reviewing same internally.	5.70 hours
June 29, 2017	<u>Jonathan Krieger</u>	• Finalize and sign off on Supplemental report to Court; Correspondence from counsel; Review of Factum and BOA; Correspondence with team re: responses to investors; Correspondence re: matters related to CMB position; Correspondence from Sharia investor counsel re: concerns with representative counsel; Team meeting re: claims process and sales process; Discussion re: Mt. Nemo property listing.	1.70 hours

June 29, 2017	<u>Mandi Quirk</u>	Draft cancellation and new ownership letters re utilities, finalize, send via email; Send via mail.	0.80 hours
June 29, 2017	<u>Rania Erian</u>	Facilitate general banking administration.	0.10 hours
June 29, 2017	<u>Rosa Wilford</u>	Cheque Processing; Complete receipt requisition forms and post entries. Complete cheque requisition forms, re: payment of invoices; prepare and issue cheque and email; General banking administration.	1.30 hours
June 30, 2017	<u>Arsheel Muhit</u>	Review status of the various funds.	3.00 hours
June 30, 2017	<u>Bruce Bando</u>	Prepare for and attend Court to include discussions with counsel before and after Court; Discussions on investor inquiry and review of database thereof; E-Service matters; Various correspondence with counsel on next steps; Medical Fund matters; Factoring communication matters; Frontline customer matters to include conference call with counsel; Internal discussions on status; Correspondence with Invidiata.	6.40 hours
June 30, 2017	<u>Jason Knight</u>	Onsite at Mount Nemo Property; Reviewing property matters taking pictures of same; Discussion with counsel re: Frontline A/R and draft letter provided to the Receiver; Compiling letters re: films loans and sending same to Quiver; General correspondence with Quiver; Onsite at 192 Plains Road; Packing up telephone system belonging to CW; Reviewing premises to ensure all items and documents have been removed; Discussion with landlord and touring premises with same.	5.90 hours
June 30, 2017	<u>Jonathan Krieger</u>	Attendance in Court; Discussions with counsel re: same.	2.00 hours
June 30, 2017	<u>Mandi Quirk</u>	Analysis of workbook to reconcile market value and fund units owned by investor.	2.20 hours

July 1, 2017	<u>Jason Knight</u>	Drafting Creditor Claims Procedure documents and circulating same internally for review.	1.60 hours
July 4, 2017	<u>Arsheel Muhit</u>	Reviewing the FAQ document; Reviewing investor emails; Strategizing over response plan for investor emails and calls going forward.	2.00 hours
July 4, 2017	<u>Bruce Bando</u>	Various correspondence with counsel re: Gold contracts and Factoring matters; Review and amend Claims Process materials to include assembling creditors list and addresses; Prepare for and attend meeting at the OSC and discussions thereafter; Review Xynergy offer and draft agreement followed by correspondence to counsel; Review draft correspondence re: Onstar; Review correspondence from Pond and reply; Correspondence with Quiver on information; Correspondence with Invidiata.	7.40 hours
July 4, 2017	<u>Jonathan Krieger</u>	Preparation for and attendance at meeting at OSC; Correspondence with counsel re: responses to parties required, proposed letter to C. Smith; Correspondence with team re: claims process and sales process documents and timeline; Correspondence with team and discussion re: responses to queries; Correspondence re: matters related to identity of investors; Correspondence re: matters related to Media Fund and action plan of Quiver.	3.40 hours
July 5, 2017	<u>Arsheel Muhit</u>	Responding to investor call.	0.25 hours
July 5, 2017	<u>Bruce Bando</u>	Review, amend and then forward draft bill of sale re: Xynergy; Correspondence with prospective purchasers; Discussion with counsel re: Onstar; To all matters pertaining to the notification and mailing to creditors regarding the Claims Process; E-Service matters on today's endorsement and discussions thereof; Conference call with OSC; Review and amend Sales Process documents; Correspondence with Quiver.	7.00 hours

July 5, 2017	<u>Jonathan Krieger</u>	
	Review of information re: Notice in Globe and Mail; Correspondence with team thereto; Correspondence re: matters related to notice to creditors; Correspondence with team re: sales process; Correspondence with counsel re: response from C. Smith and response required thereto; Correspondence re: matters related to Quiver review; Correspondence re: Court Endorsement re: representative counsel motion; Correspondence and call with OSC re: matters related to registration.	1.90 hours
July 5, 2017	<u>Rania Erian</u>	
	Compile the Claims Procedure package and mail to creditors; Enter creditors into database; Prepare affidavit of mailing; Organize to have the notice published into the Globe and Mail.	1.00 hours
July 5, 2017	<u>Rania Erian</u>	
	Deposit at bank.	0.10 hours
July 5, 2017	<u>Rosa Wilford</u>	
	Cheque Processing; Complete receipt requisition forms and post entries. Complete cheque requisition forms, re: payment of invoices; prepare and issue cheque and email; General banking administration.	1.00 hours
July 6, 2017	<u>Arsheel Muhit</u>	
	Internal meeting to discuss strategy for investor calls and emails; Reviewing investor voicemails, documenting information on investor tracker; Corresponding with investors via phone and email re. June 30 Court Order, update on funds, general questions about Receivership Proceedings.	5.50 hours
July 6, 2017	<u>Bruce Bando</u>	
	Claims matters and correspondence thereof; Various correspondence and discussions with counsel including review of reporting and amending agreement re: Geodata; Meeting to discuss various investor calls and amend correspondence thereof; Review and amend Notice to Investors; Review letter re: Frontline and forward same; Correspondence with Invidiata.	5.70 hours

July 6, 2017	<u>Jonathan Krieger</u>	Correspondence with team and review of documents related to claims process; Correspondence re: matters related to sales process; Review of documents and discussions re: matters related to investor communications; Meeting with interested party in portfolio and discussion re: same.	1.10 hours
July 6, 2017	<u>Rosa Wilford</u>	Reconcile June 2017 bank statements.	0.95 hours
July 7, 2017	<u>Arsheel Muhit</u>	Correspond with investors re June 30 court order, update on funds; Preparing and sending notice to investors; Internal meeting with B. Bando to discuss certain investor emails/calls.	5.00 hours
July 7, 2017	<u>Bruce Bando</u>	Correspondence with NBC re: incoming deposit; Various investor matters to include discussions and correspondence; Numerous correspondence with Xynergy and counsel re: Bill of Sale and issues; Notice to Investor matters; Correspondence with prospective purchasers; Sales Process documents.	3.70 hours
July 7, 2017	<u>Jonathan Krieger</u>	Discussions with team and review of documents re: investor communication.	0.50 hours
July 7, 2017	<u>Rosa Wilford</u>	Reconcile June 2017 bank statements.	0.50 hours
July 9, 2017	<u>Arsheel Muhit</u>	Responding to investor emails re status of investors, latest notice sent to investors and first report of the Receiver.	1.00 hours
July 9, 2017	<u>Bruce Bando</u>	Sales Process documents and correspondence with counsel; Investor matters.	1.50 hours
July 10, 2017	<u>Arsheel Muhit</u>	Responding to investor calls and emails re status of investments, interim distributions and claims process.	1.00 hours

July 10, 2017

Bruce Bando

- Continue with Sales Process documents to include various internal discussions and correspondence with counsel; Correspondence with Quiver; Various correspondence with counsel; Various correspondence with Xynergy and conclude sale of Geodata; Investor inquiries; Correspondence OSC; Correspondence with prospective purchaser; Various correspondence with Invidiata and execute MLS Agreement.

6.70 hours

July 10, 2017

Jason Knight

- Correspondence with property maintenance company re: Mount Nemo Property; Correspondence with broker and conference call with same to discuss MLS Listing Agreement for Mount Nemo Property; Revising MLS Listing Agreement and providing same to broker; Review weekly reporting provided by Frontline; Drafting correspondence to Frontline re: debtor letters; Reviewing correspondence received from Frontline re: Zomongo and having internal discussions re: same; Reviewing and revising Bill of Sale with respect to GeodataPR Medical Factoring Receivable; Internal discussions re: same; Compiling data and documentation to including in Sales Process data room; Creating data room and uploading information to same; Reviewing and revising correspondence to investors; Drafting confidentiality agreement for Sale Process; Making revisions to CIM; Reviewing and approving invoices for payment; Discussion with security company re: 192 Plains Road Premises; Internal discussions re: various items and updates; Drafting correspondence to advisors.

8.55 hours

July 10, 2017

Jonathan Krieger

- Correspondence with team re: sales process; Review of documentation thereto; Correspondence re: matters related to property listing; Correspondence re: matters related to claims, notice.

0.60 hours

July 10, 2017

Rosa Wilford

- Review internal instructions; re: Banking, wire transfer; Review ledger reports, draft letter to Bank; complete requisition forms, email correspondences to and from Bank for authorization of transfer, posting entries, email wire confirmation to Group and general banking administration.

0.75 hours

July 11, 2017	<u>Arsheel Muhit</u>	Internal meeting to discuss investor calls and emails; Corresponding with investors re status of investments, interim distributions and general inquiries.	4.25 hours
July 11, 2017	<u>Bruce Bando</u>	Internal meeting on investor communications; Sales Process matters and correspondence and discussion with counsel; Investor advisor matters re: PoC; Discussion investment advisor; Correspondence with BDO; Calls to CRA; Investor database matters; Various correspondence with Invidiata.	4.40 hours
July 11, 2017	<u>Jason Knight</u>	Discussion with NBC re: the location of Gold Certificates and compiling information requested by same; Correspondence with investors; Internal meetings re: items outstanding and responses to be sent to inquiries received from various parties; Discussion with investment advisor re: Claims Process and the filing of Proof of Claim; Drafting and distributing correspondence re: Claims Process to other Registered Representatives of Crystal Wealth; Responding to requests from investors re: information and updates on proceedings.	6.60 hours
July 11, 2017	<u>Jonathan Krieger</u>	Correspondence with team re: sales process; claims process; Review of correspondence from counsel; Call from investor.	1.20 hours
July 11, 2017	<u>Rosa Wilford</u>	Complete receipt requisition forms and post entries, complete cheque requisitions forms, prepare and issue cheques, and general banking administration.	1.25 hours
July 12, 2017	<u>Arsheel Muhit</u>	Correspond with investors re status of investments, and general inquiries.	1.50 hours

July 12, 2017

Bruce Bando

- To all matters to finalize documents to launch Sales Process to include various internal discussions and correspondence with counsel; Assist in email communications to prospective purchasers to include CA and CIM matters as well as data room; Various correspondence with Quiver; Tend to issues regarding investment advisors and the claims process; Various correspondence with Invidiata and review of marketing materials and MLS.

5.50 hours

July 12, 2017

Jason Knight

- Correspondence with Quiver re: Media Fund collectible proceeds and access to information; Reviewing correspondence and listing from Broker; Internal discussions re: Sales Process documents; Reviewing documents and making recommended changes to same; Circulating documents for review by counsel; Compiling appendices and preparing final copy to distributed; Drafting correspondence to interested parties; Updating data room and adding users to same; Reviewing interested party listing and discussing same internally to ensure all parties are captured; Correspondence with registered representatives; Reviewing responses sent to investors; Reviewing executed confidentiality agreements.

5.55 hours

July 12, 2017

Rosa Wilford

- Review internal banking instructions: Complete cheque requisition forms, prepare and issue cheque and general banking administration.

0.25 hours

July 13, 2017

Arsheel Muhit

- Correspond with investors re status of investments, interim distributions and general inquiries.

3.75 hours

July 13, 2017

Bruce Bando

- Various correspondence with prospective purchasers; Discussion OSC and internal planning thereof; Discussion and correspondence with prospective purchaser of warrants; Discussion with CRA; Various correspondence with Quiver and review thereof; Correspondence with NBCN.

3.90 hours

July 13, 2017

Jason Knight

- Correspondence with Quiver re: Media Fund (sale of titles and sales agents; Review correspondence; Correspondence with property Maintenance Company re: Mount Nemo Property; Correspondence re: sale of GeodataPR balance; Correspondence with Prospective Purchasers/Managers re: Sales Process; Administering data room and providing access to same for individuals submitting confidentiality agreements; Reviewing and filing confidentiality agreements; Updating marketable securities disposition tracker for sale activity undertaken by NBCN; Updating warrant expiry tracker and obtaining updated quotes for same to determine "In the Money" warrants; Correspondence with NBCN re; additional information required for warrants held by Crystal Wealth; Reviewing and responding to various investor correspondence.

5.50 hours

July 13, 2017

Jonathan Krieger

- Review of matters re: sales process; Correspondence with team thereto; Discussion with team re: monetization of portfolio.

0.30 hours

July 13, 2017

Rosa Wilford

- Banking Process: Complete cheque requisition form, prepare and issue cheque and general banking administration.

0.25 hours

July 14, 2017

Arsheel Muhit

- Correspond with investors re status of investments, and general inquiries.

2.50 hours

July 14, 2017

Bruce Bando

- Correspondence with NBCN; CW website matters and back up thereof; Various correspondence with prospective purchasers and NDA matters; Conference call with Quiver; Discussion with prospective purchaser; Assemble materials, draft response to the OSC and discussions thereof; Correspondence with MHC; Various investor correspondence and response thereof; Stat Dec matters; Various correspondence with counsel.

4.50 hours

July 14, 2017

Jason Knight

- Correspondence with HSBC re: GIC held by the Mortgage Fund; Conference call with Quiver re: updates; Review report received by Quiver on progress on Media Fund thus far; Compiling information requested by the OSC re: Receiver's First Report and drafting response to same; Reviewing confidentiality agreements received and providing additional information to Prospective Purchasers/Managers; Administering data room and providing access to same; Correspondence with Prospective Purchasers/Managers re: Sales Process and conducting conference calls with same; Reviewing information received with respect to Warrants from NBCN; Provide directions to NBCN re: Warrants; Reviewing responses drafted to investors re: various inquiries; Phone conversation with investor re: investments in the Crystal Wealth Funds; Correspondence with counsel re: various issues and items to be resolved; Correspondence with Registered Representatives re: Claims Procedure Order.

5.90 hours

July 14, 2017

Jonathan Krieger

- Call from investor; Call from interested party; Call from OSC; Call with team re: data room; Response to investor query.

0.50 hours

July 14, 2017

Mandi Quirk

- Save documents from CW website to server re Quartz Strategies & Sapphire Funds.

1.20 hours

July 17, 2017

Arsheel Muhit

- Correspond with investors re: fund update, interim distributions and general inquiries re proceedings.

1.75 hours

July 17, 2017

Bruce Bando

- Correspondence counsel on statutory declaration matters; Various correspondence and discussion with prospective purchasers; Correspondence with Quiver; Correspondence stock options to include correspondence with counsel; Review Pond offer, correspondence with Pond and correspondence with counsel; Review and amend draft response to the OSC; Various internal discussions on data room and requests from prospective purchasers.

4.20 hours

July 17, 2017

Jason Knight

- Reviewing Confidentiality Agreement with changes submitted by Prospective Purchaser and incorporating counsel's comments into same; Conference call with external investment advisor re: updates on proceedings and questions regarding same; Correspondence with creditors and investors and providing information to same; Compiling information to respond to OSC's request regarding the Receiver's First Report; Responding to investor emails received; Internal discussions re: various items; Correspondence with NCBN re: Gold Certificate documentation; Conference call with interested purchaser re: sales process; Adjusting mortgage reporting documentation provided by Spectrum and uploading same to the data room per prospective purchaser/manager request.

6.75 hours

July 17, 2017

Rosa Wilford

- General banking administration.

1.20 hours

July 18, 2017

Arsheel Muhit

- Correspond to NBCN re deceased investor and beneficiary assignment and re non CW investor who's account is frozen; corresponding with investors re general inquiries, status update.

3.00 hours

July 18, 2017

Bruce Bando

- Investor inquiries to include discussions and review and amending responses; TFSA matter with NBCN; Conference call with OSC; Conference call with counsel on various outstanding matters; Review of Pond proposal, draft response and forward to counsel; Correspondence with counsel re: BDO; Tend to various sales process questions and discussions thereof; Correspondence with prospective purchaser.

4.00 hours

July 18, 2017	<u>Jason Knight</u>	Reviewing report provided by Quiver; Correspondence with property maintenance company re: maintenance of Mount Nemo Property; Reviewing correspondence; Drafting responses to investor; Reviewing monthly statements provided by registered representative and filing same; Conducting calls with numerous investors re: Sales Process and other matters with respect to the proceedings; Calls with parties interested in the Sales Process re: various items; Drafting email to potential purchaser to address various questions posed; Discussion with counsel re: assignability of Pond Loan and the participation agreements for same; Drafting correspondence to registered representatives re: investor communications; Drafting email to Chrysalis Yoga's counsel re: required documentation; Reviewing revised confidentiality agreement received from interested bidder; Reviewing and approving invoices for payment.	7.65 hours
July 18, 2017	<u>Jonathan Krieger</u>	Correspondence re: matters related to Mt. Nemo property; Conference call with OSC re: considerations around registrations.	0.60 hours
July 18, 2017	<u>Rosa Wilford</u>	Complete cheque requisition form, prepare and issue cheque and general banking administration.	0.25 hours
July 19, 2017	<u>Arsheel Muhit</u>	Investor calls and emails.	1.00 hours
July 19, 2017	<u>Bruce Bando</u>	Correspondence with Pond and correspondence thereof with counsel; Specific investor inquiries and discussion thereof; OSC response matters and discussions thereof; Sales process matters including status and next steps; A. Housego matters; Correspondence with counsel and discussion re: creditor claims.	2.80 hours

July 19, 2017

Jason Knight

- Drafting correspondence to investor re: various items; Internal meeting to discuss assignment of outstanding items to be addressed; Revising and adding to response re: OSC requests; Responding to interested parties re: Sales Process; Correspondence with interested party re: CA; Correspondence with third party providers re: Sales Process and additional information required for same; Investigating possible additional funds interested in the Sales Process; Administering and updating data room; Reviewing Proof of Claims received from registered representatives; Reviewing correspondence received from Broker re: Mount Nemo Property open house.

6.90 hours

July 19, 2017

Jonathan Krieger

- Review of proposed responses to queries; Meeting with team re: investor communications; Correspondence with team re: matters related to sales process and considerations of contact with other advisors.

1.10 hours

July 19, 2017

Rosa Wilford

- Complete cheque requisition forms, prepare and issue cheques, review ledger, respond to enquiries and general banking administration.

1.50 hours

July 20, 2017

Bruce Bando

- Tend to various investor matters and inquiries thereof; Various correspondence with Pond, review data room documents and correspondence with counsel; Review and amend OSC response and discussions thereof; Spectrum matters; Various correspondence and discussions re: Sales Process and specific questions from prospective purchasers; Statutory declaration matters and discussion counsel.

4.50 hours

July 20, 2017

Jason Knight

- Reviewing October mortgage renewals provided by Spectrum and holding discussion with Spectrum re: same; Drafting request listing regarding documentation required with respect to mortgages from interested parties; Internal discussions with transactions group re: researching and compiling additional interested party listing; Revising correspondence to interested purchaser re: questions provided; Revising and finalizing communication to the OSC re: July 10, 2017 request; Correspondence with NBCN re: warrants and other items to resolve; Correspondence with creditors re: submitted Proof of Claims; Correspondence with Smith re: Statutory Declaration.

6.60 hours

July 20, 2017	<u>Jonathan Krieger</u>	Review of statutory declaration; Comments and send correspondence to OSC re: response to queries; Correspondence with team re: sales process.	0.90 hours
July 20, 2017	<u>Mandi Quirk</u>	Review and store data room HTML documents to server.	2.50 hours
July 20, 2017	<u>Rosa Wilford</u>	Process cheques received for deposit, posting entries, complete cheque requisition forms, prepare and issue cheque and general banking administration.	3.45 hours
July 21, 2017	<u>Arsheel Muhit</u>	Internal team meeting to discuss status of file.	0.50 hours
July 21, 2017	<u>Bruce Bando</u>	Various correspondence with Quiver; Correspondence with counsel on stock option matter; Various specific investor matters; Independent advisor matters re: claims and discussion with counsel; Sales Process matters to include expanded list discussion and correspondence with prospective purchasers; Draft correspondence with C. Smith.	4.00 hours
July 21, 2017	<u>Jason Knight</u>	Reviewing discharge documents provided by Spectrum with respect to paid out mortgage; Correspondence with Spectrum; Correspondence with property Maintenance Company and broker re: sale of Mount Nemo Crescent; Reviewing additional prospective managers and purchasers listing provided by transactions; Performing research on selected entities and obtaining contact information for same; Conference call with counsel re: various items to be addressed; Internal meeting and discussions re: outstanding items and administrative requests; Responding to correspondence from investors and conducting calls with same; Reviewing mail received; Reviewing and approving invoices for payment; Preparing investor distribution worksheet and reviewing same internally.	5.55 hours

July 21, 2017	<u>Jonathan Krieger</u>	Correspondence with team re: matters related to sales process; Correspondence re: statutory declaration; Call from and discussion with investor representative re: considerations re: reporting from NBCN.	0.80 hours
July 21, 2017	<u>Rania Erian</u>	Deposit at bank.	0.10 hours
July 21, 2017	<u>Rosa Wilford</u>	Process cheques received for deposit, posting entries, complete cheque requisition forms, prepare and issue cheques and general banking administration.	3.20 hours
July 24, 2017	<u>Arsheel Muhit</u>	Work on requests for NBCN regarding investor account details and forms outstanding; responding to investor inquiries re status of investments, interim distributions and sales/claims process.	3.25 hours
July 24, 2017	<u>Jason Knight</u>	Preparing for and attending conference call with interested purchaser re: Pond Loan; Correspondence with NBCN re: outstanding items; Administering data room access and users; Responding to investor phone call re: various items with respect to the Proceedings and the Sales Process; Drafting email to Spectrum re: fee structure of mortgage portfolio and insurance re: same; Reviewing documents provided by Spectrum; Drafting correspondence re: discharge and payout of mortgage.	3.75 hours
July 24, 2017	<u>Rosa Wilford</u>	Review email instructions from Bank; re cheque verification, review ledger and respond to email; General banking administration.	0.25 hours
July 25, 2017	<u>Arsheel Muhit</u>	Respond to investor inquiries re status of investments and sales/claims process.	0.50 hours

July 25, 2017	<u>Jason Knight</u>	Locating contact information for additional potential managers and purchasers for Sales Process; Drafting emails and distributing Solicitation Letter and Confidentiality Agreement to additional parties to participate in the Sales Process; Call with investor re: general updates on the Receivership and the investments in the funds; Reviewing claims received; Drafting responses to investors re: various inquiries; Uploading additional documents to data room and administering same; Correspondence with interested parties and responding to questions regarding the Sales Process.	4.40 hours
July 25, 2017	<u>Rosa Wilford</u>	General banking administration.	0.40 hours
July 26, 2017	<u>Arsheel Muhit</u>	Contact investors re TFSA account details as requested by NBCN; correspondence with investors re status of account and receiver's first report.	1.00 hours
July 26, 2017	<u>Jason Knight</u>	Conference call with Squire regarding mortgage strategy and questions re: same; Reviewing proposal re: media loans received; Preparing for and attending internal conference call with counsel to discuss proposal and next steps; Phone conversations with investors and responding to email received from same; Reviewing information received with respect to the Sales Process and uploading same into the data room; General administration of the data room; Correspondence with NCBN; Internal meetings to discuss outstanding items; Correspondence with investment publications re: advertising the Sales Process in same; Drafting sales process advertisement and providing same to publication contacts.	3.50 hours
July 27, 2017	<u>Arsheel Muhit</u>	Correspond with investors re. NBCN request for info.	0.50 hours

July 27, 2017	<u>Jason Knight</u>	Preparing for and attending call with Frontline re: Factoring Fund; Correspondence with Spectrum re: information and documentation being provided; Reviewing mortgage documents received and uploading same to the data room; Revising publication notice; Correspondence with NBCN; Reviewing claims received and filing same on network; Drafting email response to various investor inquiries; Drafting responses and providing requested information to parties interested in the Sales Process; Internal discussions and meetings.	4.40 hours
July 28, 2017	<u>Arsheel Muhit</u>	Respond to investor calls and emails re status of investments, First Report, general inquiries.	2.00 hours
July 28, 2017	<u>Jason Knight</u>	Reviewing mortgage security documents provided by Spectrum and uploading same to the data room; Discussion with investor re: update on proceedings; Responding to inquiries from prospective managers/bidders re: Sales Process; Administering data room; Correspondence with NBCN; Internal discussions and meetings re: various items.	2.00 hours
July 28, 2017	<u>Jonathan Krieger</u>	Correspondence re: matters related to statutory declaration; Correspondence with counsel and team thereto.	0.30 hours
July 31, 2017	<u>Arsheel Muhit</u>	Respond to investor calls re status update, interim distributions and First Report; drafting FAQ document.	2.00 hours
July 31, 2017	<u>Bruce Bando</u>	Review of numerous correspondence relating to the Sales Process, Claims Process, fund and investor matters; Discussion with counsel on Pond matters; Correspondence with OSC; Various internal discussions on questions from prospective purchasers and investor inquiries; Correspondence with Quiver.	6.00 hours

July 31, 2017	<u>Jason Knight</u>	Responding to investor emails and phone calls; Discussions internally re: items to be completed; Administering data room; Responding to numerous questions and requests re: Sales Process; Conference call with Prospective Manager re: submission of bids.	2.75 hours
July 31, 2017	<u>Rosa Wilford</u>	General banking administration.	0.20 hours
August 1, 2017	<u>Arsheel Muhit</u>	Draft a FAQ document with common questions from investors; corresponding with investors re status update and general inquiries.	3.25 hours
August 1, 2017	<u>Bruce Bando</u>	Review Quiver weekly report and conduct conference call re: same; Correspondences Quiver; Correspondence with prospective purchasers; Correspondence with OSC and discussions thereof re: request; Various matters pertaining to the Sales Process and Claims Process; Various correspondence with counsel; Various correspondence with Invidiata.	4.30 hours
August 1, 2017	<u>Jason Knight</u>	Preparing payment for Quiver Capital; Conference call with Quiver Capital re: July 31, 2017 reporting received; Administer data room; Review correspondence received from interested purchasers and responding to same; Conduct phone conversations with interested purchasers; Correspondence with investors and responding to emails received; Reviewing and filing claims received from creditors.	2.60 hours
August 1, 2017	<u>Jeff Hayden</u>	Set up data for acquisition and processing.	0.20 hours
August 1, 2017	<u>Mandi Quirk</u>	Transfer backup emails to disk drive and set up file for data merge to Intella software.	1.00 hours

August 1, 2017	<u>Rosa Wilford</u>	Review internal email instructions re Banking wire transfer; Draft letter to Bank; Complete cheque requisition forms, email correspondences to and from Bank for authorization of transfer, posting entries, email wire confirmation to team and general banking administration; Complete cheque requisition forms, prepare and issue cheques; General banking administration.	1.60 hours
August 2, 2017	<u>Arsheel Muhit</u>	Prepare cheque requisition for two outstanding invoices; Corresponding with NBCN re investor inquiries and requests; Corresponding with investors re status update and general inquiries.	4.25 hours
August 2, 2017	<u>Bruce Bando</u>	Various correspondence with prospective purchasers; correspondence with creditor and review of files thereof; OSC matters, review and search emails and discussions with counsel thereof; Investor matters; Pond matters and correspondence with counsel thereof.	3.10 hours
August 2, 2017	<u>Jason Knight</u>	Correspondence with investors re: various items; Administering data room; Correspondence with interested parties re: Sales Process; Correspondence re: advertisement in CFA magazine.	1.80 hours
August 2, 2017	<u>Rosa Wilford</u>	Complete cheque requisition forms, prepare and issue cheques and general banking administration.	0.70 hours
August 3, 2017	<u>Arsheel Muhit</u>	Correspond re outstanding investor matters.	1.00 hours
August 3, 2017	<u>Bruce Bando</u>	Various correspondence relating to prospective purchasers and conference call with counsel thereof; OSC matters to include discussion with counsel and correspondence OSC; Review draft Pond agreement and discussion with counsel.	2.50 hours
August 3, 2017	<u>Jason Knight</u>	Reviewing and filing claims received from creditors; Drafting correspondence.	1.80 hours

August 3, 2017	<u>Jonathan Krieger</u>	Correspondence re: matters related to OSC request; Correspondence re: queries from sales process; Review of documentation and correspondence from interested parties.	0.50 hours
August 3, 2017	<u>Rosa Wilford</u>	Process cheques received for deposit, posting entries, complete cheque requisition forms, prepare and issue cheques and general banking administration.	0.60 hours
August 4, 2017	<u>Arsheel Muhit</u>	Correspond with investors re account information requested by NBCN; adding prospective buyers to the data room.	3.75 hours
August 4, 2017	<u>Bruce Bando</u>	Review and summarize claims; Conference call with counsel re: same; Various correspondence with OSC; Various correspondence with prospective purchaser and internal discussion re: new interested parties; Correspondence with Quiver; Discussion with counsel response to prospective purchaser; Review Pond Amending Agreement and discussion with counsel thereof; Review Pond loan and interest worksheet.	4.00 hours
August 4, 2017	<u>Jonathan Krieger</u>	Call with counsel re: matters related to claims adjudication; Call with OSC and correspondence with OSC; Correspondence with team re: claims, access to data.	0.90 hours
August 4, 2017	<u>Rania Erian</u>	General banking administration.	0.10 hours
August 5, 2017	<u>Jonathan Krieger</u>	Review of investment summaries; Correspondence from and to investor; Correspondence with team re: clarifications.	0.50 hours
August 7, 2017	<u>Bruce Bando</u>	Search and prepare investigative summary re: emails.	1.50 hours
August 8, 2017	<u>Arsheel Muhit</u>	Correspond with NBCN re investor matters; responding to investor inquiries.	1.00 hours

August 8, 2017	<u>Bruce Bando</u>	Prepare for and attend meeting at the OSC; Various discussions, meeting and correspondence re: email search request from the OSC and review preliminary results; Various investor matters; Various discussions and correspondence with prospective purchasers; Conference call with counsel; Review Pond Amending Agreement and correspondence with Pond.	7.00 hours
August 8, 2017	<u>Jason Knight</u>	Administering data room; Reviewing documents provided by third party administrators and uploading same to the data; Reviewing proof of claims received and uploading same to counsel's Dropbox; Providing access to the data room to interested purchasers; Correspondence and planning internally re: outstanding items; Correspondence with interested purchasers re: Sales Process; Reviewing and revising responses to investors via email.	4.30 hours
August 8, 2017	<u>Jeff Hayden</u>	Discuss email review with Bruce Bando and Mandi Quirk.	0.30 hours
August 8, 2017	<u>Jonathan Krieger</u>	Review of initial summary of document review; Meeting at OSC re: document review; Correspondence with team re: review of documents and filtering; Correspondence with interested parties re: matters related to sale process.	1.50 hours
August 8, 2017	<u>Mandi Quirk</u>	Key word searches with Intella for OSC, continue to update searches and key words.	5.00 hours
August 8, 2017	<u>Rania Erian</u>	General banking administration.	0.20 hours
August 9, 2017	<u>Arsheel Muhit</u>	Respond to investor calls and emails re status updates on claims process and general matters.	3.00 hours

August 9, 2017

Bruce Bando

- Various review and discussion re: request from OSC; Review, amend and discuss correspondence to investor; Prepare for and attend conference call with Pond to include discussion with counsel before and after the call; Preliminary review of offers; Correspondence and discussion with Spectrum on default mortgages; Review financial model for the Dividend Fund and discussions thereof; Discussion with S. Azam; Correspondence with Quiver and discussion with counsel thereof; Review and comment on amendment to the Pond agreement.

7.40 hours

August 9, 2017

Jason Knight

- Drafting correspondence to investor emails; Responding to investor phone calls; Correspondence internally; Review calculation for the Pond Loan interested and discussing same internally; Responding to interested party correspondence and questions re: Sales Process; Administering the data room and uploading additional information; Reviewing management and purchase offers received and filing same.

2.70 hours

August 9, 2017

Jeff Hayden

- Discuss email review with Bruce Bando and Mandi Quirk re: client response and questions; Review of software documentation and develop workaround to respond to client needs.

4.30 hours

August 9, 2017

Jonathan Krieger

- Correspondence with team re: sales process, Correspondence from interested parties; Correspondence re: matters related to claims and investor queries; Correspondence re: document review and filtering.

1.30 hours

August 9, 2017

Mandi Quirk

- Continue Key Word searches by employee and tag line.

7.00 hours

August 10, 2017

Arsheel Muhit

- Correspond with NBCN regarding specific investor, other investor matters; Corresponding with investors re status updates on funds and claims process.

4.50 hours

August 10, 2017	<u>Bruce Bando</u>	Numerous discussions with Spectrum on mortgages in default, next steps, review of documentation and discussion and correspondence with real estate legal counsel; Various correspondence and discussions regarding receipt of offers to include that with counsel; Various investor correspondence matters; Continue with OSC request and various internal discussions thereof; Correspondence with NBCN.	7.30 hours
August 10, 2017	<u>Jason Knight</u>	Reviewing correspondence from Broker re: sale efforts; Discussion with property Maintenance Company re: latest invoice; Review invoices and approving same for payment; Correspondence with insurance agent re: insurance coverage; Drafting correspondence to investor emails; Phone conversations with investors; Conference call with Pond re: the interest calculation on the Pond Loan; Recalculating interest calculation on the Pond Loan and verify historical payments on same; Reviewing offers received and filing same; Correspondence with interested purchasers and managers re: sales process; Conference call with interested manager and third party fund administrator.	4.00 hours
August 10, 2017	<u>Mandi Quirk</u>	Continue Key Word searches by employee and tag line.	8.00 hours
August 10, 2017	<u>Rosa Wilford</u>	Follow internal instructions; Review account details, complete cheque requisition forms, prepare and issue cheques, correspondences with Bank, review print screens for incoming wire, prepare receipt requisitions, posting entries, email team and general banking administration.	0.75 hours
August 11, 2017	<u>Arsheel Muhit</u>	Correspond with NBCN re investor matters; corresponding with investors re status updates on funds and claims process.	6.25 hours
August 11, 2017	<u>Bruce Bando</u>	Various discussion and review of search information from OSC to include discussion and correspondence with OSC; Various discussions and correspondence re: Pond to include review of supporting calculations, drafts of amendment, correspondence with counsel and execution thereof; Default mortgage matters; Review and summarize offers received.	6.10 hours

August 11, 2017	<u>Jason Knight</u>	Review correspondence received from broker; Review and approving invoices re: insurance for payment; Correspondence with Quiver re: Media Fund and required documentation with respect to specific productions; Internal discussions re: Media Fund and W8 forms; Reviewing revised Pond Loan schedule and performing recalculations on same; Internal discussions re: Pond Loan; Correspondence with investors and discussions internally re: investor inquiries; Discussion with interested purchasers re: Sales Process and documents provided.	2.45 hours
August 11, 2017	<u>Jonathan Krieger</u>	Review of offer summary and discussion thereto with team; Correspondence with team re: summary of information for OSC, review thereto.	1.10 hours
August 11, 2017	<u>Mandi Quirk</u>	Finalize searches, review with B. Bando, export all files by employee to USB's.	3.00 hours
August 14, 2017	<u>Arsheel Muhit</u>	Correspond with investors re status of claims and sales process and general inquiries; corresponding with NBCN re investor matters; corresponding with Cogeco to cancel services/receive final billing.	4.00 hours
August 14, 2017	<u>Bruce Bando</u>	Assemble analysis of funds available for distribution for each fund and internal discussion re: same; Sales and offer matters to include internal discussion and discussion with counsel; Individual investor matters to include amending responses; Discussion with Quiver.	4.90 hours
August 14, 2017	<u>Jason Knight</u>	Internal meeting to discuss preliminary distribution model and assumptions used in same; Conference call with counsel re: Sales Process; Internal discussions re: Sales Process and offers received; General correspondence with investors re: proceedings.	2.10 hours
August 14, 2017	<u>Jonathan Krieger</u>	Call with two offeror re: clarification; Discussion with team, review of implications to investors.	0.30 hours

August 14, 2017	<u>Rosa Wilford</u>	Process cheques received for deposit, posting entries, complete cheque requisition forms, prepare and issue cheques and general banking administration.	2.00 hours
August 15, 2017	<u>Arsheel Muhit</u>	Correspond with advisor at RBC re status of CW; correspond with investors re general inquiries.	3.50 hours
August 15, 2017	<u>Bruce Bando</u>	Frontline Factoring demand letters and organization thereof; Discussion with OSC on information provided; Various correspondence and conference call on Sales Process; Various investor matters; Correspondence and discussions with Spectrum on mortgages in default to include review of materials and resolution thereof; Review reporting from Quiver and attend meeting with them; Discussion and correspondence re: trades; Draft list of questions regarding some of the offers received.	6.50 hours
August 15, 2017	<u>Jason Knight</u>	Drafting correspondence to questions re: Sales Process; Reviewing correspondence received from investors; Updating marketable securities sale workbook; Discussion with investor re: correspondence sent and various questions with respect to the proceedings.	1.75 hours
August 15, 2017	<u>Jonathan Krieger</u>	Meeting with Quiver re: portfolio; Correspondence with counsel re: offers, claims process; Call with counsel re: offers, go forward plan; Correspondence with team re: access to documents; Review of draft letter to offerors.	1.70 hours
August 15, 2017	<u>Rania Erian</u>	Deposit at bank.	0.10 hours
August 16, 2017	<u>Arsheel Muhit</u>	Respond to NBCN re: requests to address investor matters.	3.00 hours
August 16, 2017	<u>Bruce Bando</u>	Correspondence with Quiver; Correspondence with counsel and review thereof; Various correspondence with offerors; Review files and correspondence with Spectrum on two mortgages.	2.00 hours

August 16, 2017	<u>Jason Knight</u>	Meeting re: investor alternatives; Drafting response to email from wealth adviser; Phone conversation with investors re: update on proceedings; Correspondence with interested parties re: Sales Process.	2.10 hours
August 16, 2017	<u>Jonathan Krieger</u>	Correspondence re: matters related to investor claims; Discussion with team re: offers; Review and comment on corr. to offerors; Correspondence from counsel thereto.	1.10 hours
August 16, 2017	<u>Rosa Wilford</u>	Review estate bank account and reconcile July statement.	0.90 hours
August 17, 2017	<u>Arsheel Muhit</u>	Correspondence with advisor at RBC re status of Crystal Wealth; correspondence with investors re general inquiries.	2.75 hours
August 17, 2017	<u>Bruce Bando</u>	Various correspondence with Spectrum on specific default mortgages, review of information and provide directions; Sales Process matters re: review of responses, discussions with counsel and draft correspondence to all Offerors; Draft Notice to Investors.	4.70 hours
August 17, 2017	<u>Jason Knight</u>	Correspondence re: NBCN matters; Draft communication to unsuccessful Sales Process bids; Reviewing and revising investor update; Send communication to prospective bidders and managers re: bid extension; General correspondence and internal meetings.	1.90 hours
August 17, 2017	<u>Jonathan Krieger</u>	Review of correspondence from bidder re: clarifications of offer; Review of correspondence Re: claims and considerations re: holdback; Correspondence re: matters related to actions on offers.	0.90 hours
August 17, 2017	<u>Rosa Wilford</u>	Complete cheque requisition forms, prepare and issue cheque and general banking administration.	0.25 hours

August 18, 2017	<u>Arsheel Muhit</u>	Draft email re notice to investors; Corresponding with investors re status updates, notice and general inquiries; corresponding with NBCN regarding investor matters.	4.00 hours
August 18, 2017	<u>Bruce Bando</u>	Finalize Notice to Investors and email distribution thereof; Specific investor matters; Sales Process matters to include correspondence with prospective purchasers re: extension of irrevocable date; Review and amend FAQ; Review report from Quiver.	2.70 hours
August 18, 2017	<u>Jason Knight</u>	Reviewing reporting received from Frontline; Provide wire instructions for payment to be sent to NBCN; Phone conversation with investor; Reviewing and revising FAQ draft document.	2.75 hours
August 18, 2017	<u>Rania Erian</u>	General banking administration.	0.20 hours
August 18, 2017	<u>Rosa Wilford</u>	Review banking reports and approve monthly estate balances.	0.90 hours
August 21, 2017	<u>Arsheel Muhit</u>	Correspond with investors re August 18 update clarification, status of sales process and next steps.	3.25 hours
August 21, 2017	<u>Bruce Bando</u>	Correspondence with prospective purchaser and conference call re: same; Review offers and subsequent correspondence with prospective purchasers; Consider next steps, discussion and correspondence with counsel re: same; Correspondence with Pond and review information; Review and finalize FAQ.	3.30 hours
August 21, 2017	<u>Jason Knight</u>	Conference call with bidder re: Pond Loan and offer for same; Review correspondence reviewed by A&B re: investor question; Drafting correspondence to Spectrum.	1.90 hours

August 21, 2017	<u>Rosa Wilford</u>	Complete cheque requisition forms, prepare and issue cheque and general banking administration.	0.25 hours
August 22, 2017	<u>Arsheel Muhit</u>	Compare IFDS investor listing.	1.25 hours
August 22, 2017	<u>Bruce Bando</u>	Correspondence from Pond and review thereof; Various correspondence with prospective purchaser; Correspondence with Quiver; Prepare for and attend conference call with counsel on offers; Consider offers and assemble analysis for discussion with prospective purchasers.	4.30 hours
August 22, 2017	<u>Jason Knight</u>	Conference call with counsel to discuss Sales Process and next steps; Internal correspondence re: various items and investor communications.	1.40 hours
August 23, 2017	<u>Arsheel Muhit</u>	Address matters re: cellphone account of Crystal Wealth; Corresponding with investors re status of file, notice to investors dated August 18.	2.25 hours
August 23, 2017	<u>Bruce Bando</u>	Review IP security agreement re: Pond, discussion with Counsel and correspondence with Pond; Discussions with prospective purchasers; Discussions with counsel on sales process matters; Correspondence with Spectrum on payout; Conference call with OSC followed by correspondence; Correspondence with counsel for response to Home Trust.	4.20 hours
August 23, 2017	<u>Jason Knight</u>	Internal discussion and analysis re: Sales Process; Phone conversation with investor and providing information to same; Preparing correspondence to external investment advisor re: client listing; Reviewing invoices and notices received and discussing same internally.	1.20 hours
August 23, 2017	<u>Jonathan Krieger</u>	Conference call with OSC re: update, queries re: sales process and action items.	0.60 hours

August 23, 2017	<u>Rania Erian</u>	
	• General banking administration.	0.10 hours
August 23, 2017	<u>Rosa Wilford</u>	
	• Process cheques received for deposit, posting entries, complete cheque requisition forms, prepare and issue cheques and general banking administration.	1.00 hours
August 24, 2017	<u>Bruce Bando</u>	
	• Correspondence with OSC and investigate request; Correspondence with NBCN; Sales Process matters to include conference call with counsel; Review amended proof of claim from BDO and discussion with counsel.	2.50 hours
August 24, 2017	<u>Jason Knight</u>	
	• Reviewing revised claim received from BDO and discussing same internally.	1.50 hours
August 24, 2017	<u>Jonathan Krieger</u>	
	• Discussion and correspondence with team re: matters related to claims process.	0.50 hours
August 24, 2017	<u>Rania Erian</u>	
	• General banking administration.	0.10 hours
August 24, 2017	<u>Rosa Wilford</u>	
	• Review ledger and respond to queries; Complete cheque requisition forms, prepare and issue cheque and general banking administration.	0.50 hours
August 25, 2017	<u>Arsheel Muhit</u>	
	• Correspond with investors re status of file.	1.75 hours
August 25, 2017	<u>Bruce Bando</u>	
	• Sales Process matters to include correspondence with prospective purchasers and review of same, correspondence with service providers and conference call with prospective purchaser; Correspondence with NBCN; Correspondence with counsel and correspondence with Blakes/BDO.	2.80 hours

August 25, 2017	<u>Jason Knight</u>	
	• Reviewing response drafted by counsel re: BDO Revised Claim; Prepare for and attending conference call with Potential Manager; Reviewing drafted correspondence to investors.	1.25 hours
August 25, 2017	<u>Jonathan Krieger</u>	
	• Discussions with team re: matters related to offers presented; Correspondence with team re: claims.	0.40 hours
August 25, 2017	<u>Rania Erian</u>	
	• General banking administration.	0.10 hours
August 25, 2017	<u>Rosa Wilford</u>	
	• Review internal email instructions re Banking wire transfer; Draft letter to Bank; Complete cheque requisition forms, email correspondences to and from Bank for authorization of transfer, posting entries, email wire confirmation to team and general banking administration.	0.50 hours
August 28, 2017	<u>Arsheel Muhit</u>	
	• Respond to investor calls and email; Corresponding with Burlington Hydro re. Mount Nemo property; corresponding with NBCN re investor matters.	3.50 hours
August 28, 2017	<u>Bruce Bando</u>	
	• Discussion with counsel on general contract review; Correspondence with OSC re: request and internal correspondence thereof; Correspondence with Quiver; Review of offer, clarification documents and discussion thereof; Matters re: Smith statutory declaration; Various correspondence with Blakes; Correspondence with NBCN; Inquiry from investor.	3.40 hours
August 28, 2017	<u>Jason Knight</u>	
	• Filing correspondence received; Reviewing A&B correspondence re: claims process; Responding to interested parties re: Sakes Process; Internal discussions re: SISP.	2.40 hours
August 28, 2017	<u>Rania Erian</u>	
	• Prepare legal documents.	4.90 hours

August 28, 2017	<u>Rosa Wilford</u>	Review internal email instructions re Banking wire transfer; Draft letter to Bank; Complete cheque requisition forms, email correspondences to and from Bank for authorization of transfer, posting entries, email wire confirmation to team and general banking administration.	0.60 hours
August 29, 2017	<u>Arsheel Muhit</u>	Responding to investor calls and emails.	0.50 hours
August 29, 2017	<u>Bruce Bando</u>	Various correspondence with Blakes and forward to counsel; Various internal discussion on offers; Prepare for and attend conference call with counsel on offers; Various correspondence with Spectrum on mortgage payouts.	3.30 hours
August 29, 2017	<u>Jason Knight</u>	Reviewing responses to questions posed by interested managers and summarize same; Internal discussion re: offers received and implications of same; Conference call with counsel re: Sales Process and regulatory issues likely to be encountered.	4.25 hours
August 29, 2017	<u>Rosa Wilford</u>	General banking administration.	0.10 hours
August 30, 2017	<u>Bruce Bando</u>	Various correspondence with Spectrum and execute discharge; Correspondence with NBCN; Discussion and correspondence with OSC followed by internal discussions thereof; Correspondence with investors; Correspondence with counsel and review thereof; Correspondence with Invidiata and execute amendment to the listing agreement.	3.70 hours
August 30, 2017	<u>Jason Knight</u>	Reviewing correspondence received from counsel and various others; Internal discussions re: various items.	1.50 hours
August 30, 2017	<u>Jonathan Krieger</u>	Debrief with team re: status of offers, proposed action plan moving forward.	0.80 hours

August 31, 2017

Bruce Bando

- Internal discussion and review of latest reporting from Frontline; Correspondence with Quiver; Various correspondence and conference call with counsel on next steps in the sales process; Draft communication to prospective purchasers; Investor matters; Correspondence with NBCN; Correspondence with OSC.

3.55 hours

August 31, 2017

Jason Knight

- Drafting management offer comparison; Phone conversation with investor and responding to various questions; Internal call to discuss various items and email received re: Mortgage Fund, Factoring Fund, Hedge Fund, among others; Conference call with counsel re: SISP and management offers received.

5.00 hours

August 31, 2017

Rosa Wilford

- Review and respond to CRA letter, phone call, email team and general banking administration.

0.50 hours

Total Time Summary

J. Krieger, Sr. Vice President	57.85	hours @	\$	575.00	\$	33,263.75
B. Bando, Vice President	299.87	hours @	\$	495.00	\$	148,435.65
M. Alphonso, Senior Manager	4.00	hours @	\$	400.00	\$	1,600.00
J. Knight, Manager	297.45	hours @	\$	275.00	\$	81,798.75
R. Wilford, Manager	33.05	hours @	\$	250.00	\$	8,262.50
J. Hayden, Senior Associate	4.80	hours @	\$	215.00	\$	1,032.00
A. Muhit, Sr. Associate	102.75	hours @	\$	200.00	\$	20,550.00
J. Kim, Sr. Associate	90.50	hours @	\$	200.00	\$	18,100.00
M. Quirk, Associate	32.00	hours @	\$	120.00	\$	3,840.00
R. Erian, Analyst	8.10	hours @	\$	120.00	\$	972.00
	<u>930.37</u>				\$	<u>317,854.65</u>
5% Technology and Administration Fees					\$	<u>15,892.73</u>
					\$	<u>333,747.38</u>
Disbursements						
Upgrade to Dropbox					\$	114.16
QuickBook renewal fee					\$	202.00
Courier					\$	1,128.18
Travel					\$	354.03
					\$	<u>1,798.37</u>
Subtotal					\$	335,545.75
HST (13%)					\$	<u>43,620.95</u>
Total					\$	<u>379,166.70</u>



Court File No. CV-17-11779-00CL

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

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

**CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ
EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA
STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL
ENLIGHTENED RESOURCE AND PRECIOUS METALS FUND, CRYSTAL
WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED
FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND,
CRYSTAL WEALTH HIGH YIELD MORTGAGE FUND, CRYSTAL
ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND,
ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH
ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE
STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY,
CRYSTAL WEALTH RETIREMENT ONE FUND, and CHRYSALIS YOGA INC.**

Respondents

**APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

BILL OF COSTS

**BN 12738 4717 RT0001
Client #225805
Invoice#LSON-3798**

To professional services as Receiver rendered for the period from September 1, 2017 to September 30, 2017.

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

Date	Full Name	Time	Detail
September 1, 2017	Bruce Bando	2.80	Sales Process matters to include various correspondence prospective purchasers/managers and responses thereof, correspondence with Counsel and internal discussions; Correspondence with OSC; Correspondence with NBCN; Correspondence with Spectrum; Correspondence with Quiver.
September 1, 2017	Jason Knight	1.40	Revising rejection letters and sending same to unsuccessful Sales Process bidders; Drafting response for extensions certain Sales Process bidders; Calls with unsuccessful bidders; Internal discussions re: various items; Drafting correspondence to C. Smith re: statutory declaration.
September 1, 2017	Jonathan Krieger	0.30	Review of documentation re: matters related to sales process and communication to bidders.
September 5, 2017	Bruce Bando	2.10	Correspondence with Fintage; Correspondence with counsel to Pond and review agreement; Various correspondence with prospective purchasers and various correspondence and discussions with Counsel re: same; Various correspondence with Invidiata; Internal discussions.
September 5, 2017	Jason Knight	1.40	Correspondence with investor re: update on Sales Process and other various matters; Internal discussions re: various matters; Correspondence with third party administrators; Correspondence re: books and records.
September 5, 2017	Jonathan Krieger	0.30	Correspondence re: matters related to sales process; Correspondence with team re: considerations with offers.
September 5, 2017	Mandi Quirk	3.00	Perform Intella key word searched requested by the OSC; Review searches. Export files; Export reports.

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September 5, 2017	Rosa Wilford	1.00	Review internal email instructions re Banking wire transfer; Draft letter to Bank; Complete cheque requisition forms, email correspondences to and from Bank for authorization of transfer, posting entries, email wire confirmation to team; Review internal email instructions, complete cheque requisition forms, prepare and issue cheques and general banking administration.
September 6, 2017	Bruce Bando	2.00	Prospective purchaser matters and discussions thereof; Review of investor files, correspondence with OSC and forward same to them; Discussion on status of OSC request; Review Pond security agreement and comments to Counsel; Correspondence with Spectrum and review thereof.
September 6, 2017	Jason Knight	1.00	Conference call with bidder re: agreement required an additional terms of deal; Correspondence with Frontline re: Factoring and Hedge fund; Reviewing correspondence received.
September 6, 2017	Mandi Quirk	5.00	Perform Intella key word searched requested by the OSC; Review searches; Export files; Export reports; Scan to USB; Copy to the server.
September 6, 2017	Rosa Wilford	0.75	Banking process: complete cheque requisition forms, prepare and issue cheques; Review internal email instructions re Banking wire transfer; Draft letter to Bank; Complete cheque requisition forms, email correspondences to and from Bank for authorization of transfer, posting entries, email wire confirmation to team and general banking administration.
September 7, 2017	Bruce Bando	3.50	Various correspondence with prospective purchasers; Conference call with prospective purchaser; Correspondence with Spectrum; Correspondence with Quiver; Correspondence with Counsel re: BDO; Internal discussions on OSC request; Correspondence with Counsel on Pond and review of document; Internal correspondence on Clayton Smith matter.
September 7, 2017	Jason Knight	1.10	Correspondence with investors; Discussions internally re: various items.

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September 7, 2017	Rosa Wilford	0.50	Review internal email instructions re: Banking wire transfer; Draft letter to Bank; Complete cheque requisition forms, email correspondences to and from Bank for authorization of transfer, posting entries, email wire confirmation to team and general banking administration.
September 8, 2017	Arsheel Muhit	3.00	Responding to investor calls and emails re: status update to CW funds; Paying invoices for Tert & Ross and Union Gas.
September 8, 2017	Bruce Bando	2.80	Review correspondence from prospective purchaser; Conference call with Counsel re: BDO and sales process; Conference call with Enliven; Correspondence with Blakes; Correspondence with OSC; Correspondence with Counsel on various loans; Correspondence with NBCN; Internal discussion on OSC request.
September 8, 2017	Jason Knight	2.10	Internal discussions re: various items; Conference call with counsel re: BDO Claim; Conference call with third party fund administrator re: sales process; Phone conversation with investor re: various items and general update on the sales process.
September 8, 2017	Jonathan Krieger	0.50	Correspondence with team re: sales process status; Correspondence with OSC re: status.
September 8, 2017	Rosa Wilford	0.25	General banking administration.
September 10, 2017	Jason Knight	0.75	Uploading additional information to the Data Room for interested managers.
September 11, 2017	Arsheel Muhit	0.25	Responding to investor calls and emails.
September 11, 2017	Bruce Bando	0.80	Discussion with prospective purchaser questions; Discussions re: OSC request; Correspondence with investor.
September 11, 2017	Jason Knight	4.80	Locating documents and uploading same in response to requests from Potential Managers re: Sales Process; Call with Potential Manager re: Sales Process; Drafting request lists and correspondence to fund administrators; Reviewing OSC email search work to ensure completeness; Drafting inquiry and question listing to Quiver re: Sales Process; Internal discussions re: various items.

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September 11, 2017	Rosa Wilford	1.10	Process cheques received for deposit, posting entries, complete cheque requisition forms, prepare and issue cheques and general banking administration.
September 12, 2017	Arsheel Muhit	1.00	Responding to investor calls and emails re: status update, interim distributions.
September 12, 2017	Bruce Bando	4.10	Review and amend specific questions tracking sheet from a prospective purchaser; Prepare for and attend conference call with prospective purchaser to include correspondence thereafter, followed by correspondence with Counsel; Correspondence with NBCN; Review document request from OSC and send same; Various correspondence with Spectrum; Review and amend schedules for OSC conference call; Correspondence with another prospective purchaser.
September 12, 2017	Jason Knight	3.75	Preparing for and attending call with Potential Manager; Making minor changes to OSC email review; Internal discussions re: information provided in the data room; Correspondence with Potential Managers re: Sales Process and information contained in the data room; Administering data room and locating and uploading additional documentation requested; Documenting responses re: questions from Potential Manager; Phone conversation with investors re: various matters; Reviewing and approving invoices for payment re: Mount Nemo.
September 12, 2017	Jonathan Krieger	0.70	Correspondence from counsel and discussion, with team re: matters related to proposals; Review of proposal summary and comments thereto; Correspondence re: call with OSC.
September 12, 2017	Rosa Wilford	1.40	Process cheques received for deposit, posting entries, complete cheque requisition forms, prepare and issue cheques and general banking administration.
September 13, 2017	Arsheel Muhit	1.50	Responding to investor calls and emails re: status update, interim distribution; Updating master fund balance spreadsheet per J. Knight request.

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

September 13, 2017	Bruce Bando	4.60	Various correspondence with Counsel re: BDO; Review and amend information re: call with the OSC; Develop and send agenda; Various correspondence with Media Fund; Various correspondence with Spectrum and review reporting on certain loans; Review terms of offer from prospective purchaser; Discussion on F/X contracts; Prepare for and attend call with the OSC; Draft response to prospective purchaser; Update from Invidiata; Other matters.
September 13, 2017	Jason Knight	1.25	Updating interim distribution model and discussing same internally; Phone conversation with investor re: update on proceedings; Correspondence with other investors.
September 13, 2017	Jonathan Krieger	1.30	Correspondence re: matters related to claims; Correspondence re: matters related to process for bids; Participation in call with OSC.
September 14, 2017	Bruce Bando	3.20	Various correspondence and discussions with Counsel on prospective purchaser matters and requests; Conference call with prospective purchaser followed by various correspondence and further discussions; Correspondence with OSC; Various correspondence with Spectrum.
September 14, 2017	Jason Knight	2.25	Preparing for and attending call with Potential Manager; Drafting correspondence to Xynergy re: inquiries received from Potential Managers; Administering data room and uploading information to same; Reviewing information provided by various fund administrators.
September 14, 2017	Rosa Wilford	1.20	Reconcile August 2017 bank statements.
September 15, 2017	Arsheel Muhit	1.25	Corresponding with investors re: interim distribution and status of investment.
September 15, 2017	Bruce Bando	1.90	Various correspondence with prospective purchasers; Various correspondence with Counsel re: same; Various correspondence with Quiver; Correspondence with NBCN; Internal discussions.
September 15, 2017	Jason Knight	0.75	Phone conversation with investors; Reviewing correspondence from Potential Manager.

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

September 18, 2017	Arsheel Muhit	2.00	Corresponding with investors re: general updates and interim distribution; Paying invoices for utilities and landscaping.
September 18, 2017	Bruce Bando	1.50	Prepare for and attend call with Quiver; Discussion with Counsel thereafter; Correspondence with Counsel; Correspondence with Spectrum.
September 18, 2017	Jason Knight	2.25	Reviewing information provided and uploading same to the data room; Providing documentation to interested manager and documenting uploaded documents; Conference call with Quiver and counsel re: Sales Process and parties request for joint call re: administration of the Media Fund.
September 18, 2017	Rosa Wilford	0.50	General banking administration.
September 19, 2017	Arsheel Muhit	1.75	Corresponding with Burlington hydro re: hydro meter at Mt. Nemo property; Corresponding with investors.
September 19, 2017	Bruce Bando	1.60	Various internal discussions re: prospective purchaser questions and coordination of same; Review and amend response to investor; Correspondence re: loan documentation.
September 19, 2017	Jason Knight	2.25	Preparing for and attending conference call with potential manager; Correspondence with various third party administrators re: conference call times and coordination of calls with potential purchasers; Drafting correspondence to insurance carrier re: CW policies; Drafting correspondence to investors re: questions; Resolving issues as it relates to the Mount Nemo Property re: hydro.
September 19, 2017	Rosa Wilford	0.25	Review internal instructions re: payment of invoices; complete cheque requisition forms, prepare and issue cheque and general banking administration.
September 20, 2017	Arsheel Muhit	3.00	Conference call with Quiver and calls with investors re: status of funds.

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

September 20, 2017	Bruce Bando	4.50	Prepare for and attend all with Quiver and prospective purchaser; Discussion with Quiver thereafter; Discussion with the OSC; Correspondence and discussion with Counsel on OSC, BDO and other Sale Process matters; Review Notice of Action re: customer in Factoring Fund; Prepare for and attend call with Spectrum and prospective purchaser followed by various correspondence thereafter; Correspondence with Counsel on prospective purchaser counsel questions; Correspondence with Quiver on distribution agreement; Correspondence with Counsel on Factoring matters.
September 20, 2017	Rosa Wilford	0.10	General banking administration.
September 21, 2017	Arsheel Muhit	1.25	Investor calls and emails.
September 21, 2017	Bruce Bando	6.30	Various discussions and correspondence with NBCN; Conference call with NBCN and prospective purchaser; Various correspondence and discussion with prospective purchaser; Correspondence with Counsel on loan and factoring matters; Review draft notice of action and correspondence with Counsel; Review of and various correspondence with Counsel on OSC extension; Review of and correspondence with Quiver on specific film; Various correspondence and discussions with Spectrum on information requested by prospective purchasers; Correspondence with Spectrum on mortgage discharge; Correspondence with prospective purchaser; Correspondence with US Real Estate counsel; Various correspondence and discussion re: hydro box; Correspondence with Invidiata; Correspondence with agent.
September 21, 2017	Rosa Wilford	0.10	General banking administration.
September 22, 2017	Arsheel Muhit	0.50	Uploading documents to the data room for potential purchasers.

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

September 22, 2017	Bruce Bando	6.20	Redirection of mail matters; Correspondence and discussion with IFDS; Prepare for and attend call with IFDS and prospective purchaser; Various correspondence with prospective purchasers; Prepare for and attend call with Spectrum and prospective purchaser; Various correspondence with Spectrum; Investor database matters; Review Notice of Action and correspondence with Counsel; To all matters regarding information from Spectrum and Firmex postings; Various correspondence and discussion with Counsel; Review affidavit of OSC re: extension temporary order; Correspondence with NBCN; Discussion with US Real Estate; Correspondence with Invidiata.
September 23, 2017	Rania Erian	6.00	Work on legal documents; Investor matters.
September 25, 2017	Bruce Bando	4.50	Correspondence with NBCN; Correspondence and discussion with Counsel on US Real Estate; Various correspondence and discussion with prospective purchasers to include coordination of CW service providers in setting up calls, update tracking sheet and internal discussion; Correspondence with investors; Draft Notice to Investors; Quiver matters; Correspondence with Frontline Factoring; Begin review of draft agreement from prospective purchaser; Correspondence re: Housego interest in taking over management of certain funds.
September 26, 2017	Arsheel Muhit	3.00	Reviewing creditor claims packages submitted and updating tracker with notes on each claim; Tracking and organizing o/s calls and emails.
September 26, 2017	Bruce Bando	4.00	Various correspondence with IAS; Correspondence with IFDS; Prepare for and attend conference call with prospective purchaser; Internal correspondence and review of document for Firmex; Draft response to prospective purchaser re: Media Fund and discussion with Counsel; Correspondence with prospective purchaser re: US Real Estate NDA and discussion with Counsel re: same; Internal discussion on review of claims.
September 27, 2017	Arsheel Muhit	0.50	Internal discussion to determine best response to investors re: CW fund update and upcoming notice to investors.

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

September 27, 2017	Bruce Bando	2.80	Correspondence with investor; Discussion with Counsel and review response to prospective purchaser; Correspondence with Spectrum; Discussion with Counsel on sales process; Review Quiver amendment, execute and send; Conference call with Counsel on offer deadline and prospective purchaser concerns.
September 28, 2017	Arsheel Muhit	3.00	Responding to investor calls and emails re: status update - referred investors to upcoming notice to investors.
September 28, 2017	Bruce Bando	2.40	Correspondence with Quiver; Discussion with Counsel on Sales Process; Correspondence with Frontline; Various correspondence with prospective purchaser; Conference call with prospective purchaser; Correspondence with MHC counsel.
September 28, 2017	Jonathan Krieger	0.50	Review of correspondence and information re: sales process, considerations re: Media Fund; Call with S. Graff re: meeting.
September 28, 2017	Rosa Wilford	0.50	Review instructions from team; Draft letter and prepare Bank forms for new account. Correspondences with Bank, fax, provide incoming wire instructions, setup account estate, respond to emails and general banking administration.
September 29, 2017	Arsheel Muhit	1.00	Responding to investor calls and emails re: status update - referred investors to upcoming notice to investors.
September 29, 2017	Bruce Bando	2.90	Various investor matters; Correspondence with Frontline; Sales Process matters and review of meeting notes; Discussion with prospective purchaser; Discussion with Quiver; Review agreement of purchase and sales.

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.



Time Summary

J. Krieger, Sr. Vice President	3.60 hours @	\$575.00	per hour \$	2,070.00
B. Bando, Vice President	64.50 hours @	\$495.00	per hour \$	31,927.50
J. Knight, Manager	25.05 hours @	\$275.00	per hour \$	6,888.75
R. Wilford, Manager	7.65 hours @	\$250.00	per hour \$	1,912.50
A. Muhit, Senior Associate	23.00 hours @	\$200.00	per hour \$	4,600.00
M. Quirk, Senior Associate	8.00 hours @	\$120.00	per hour \$	960.00
R. Erian, Analyst	6.00 hours @	\$120.00	per hour \$	720.00
	<u>137.80</u>		\$	<u>49,078.75</u>
Technology and Administration			\$	<u>2,453.94</u>
			\$	<u>51,532.69</u>
Disbursements				
Mail redirection			\$	323.30
Forensic Consulting			\$	1,300.00
Courier			\$	24.38
Postage			\$	86.93
Title Search			\$	556.30
			\$	<u>2,290.91</u>
Subtotal time and disbursements			\$	53,823.60
HST			\$	6,997.07
Total Invoice			\$	<u>60,820.67</u>

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

INVOICE

SIFT Solutions Inc.
5385 Bird Cage Walk
Burlington, Ontario L7L3K5
Phone: [905.466.8107]

DATE:
INVOICE #
Customer ID

2017AUG31
2017-014
A202

BILL TO:

Grant Thornton LLP
200 King Street West 11th floor
Toronto, Ontario M5H 3T4

DESCRIPTION	AMOUNT
Forensic services for Crystal Wealth	\$1,300.00

OTHER COMMENTS

Forensic services for the collection, preservation and analysis of digital evidence
6.5 hours at \$200.00CDN + HST
2017AUG08-2017AUG09

Crystal Wealth
Case ID 225805-407627
Receivership - General

HST # 828 017 269 RT 0001

SUBTOTAL	\$1,300.00
HST RATE	13.000%
HST	\$169.00
OTHER	\$0.00
TOTAL	\$1,469.00

Make all checks payable to
SIFT Solutions Inc.

APPROVED**Entity**

Grant Thornton LLP

Print Name

Sandy Boucher

Office location

Toronto - Southern Ontario

Initial for approval

SB

Date

17-08-31

Business Unit

SOBU

Service Line

Advisory

G/L account code

142-00-1

G/L account desc

Work-In-Process

For Client WIP Disbursements Only

Client Name

Crystal Wealth

Client #

225805

Job #

407627

job #
open

Crystal Wealth	
Receivership - General	
Client Code	225805
Job Code	407627

Date	Hours	Task
2017AUG08	3.5	Intella preparation and monitoring.
2017AUG09	3.0	Intella preparation and monitoring. Phone and email support fro internal investigator.

Distribution Stamp: _Sage 300 ICT GL Smart Form
 Authorized By: Engram, Alana
 Date/Time: 9/7/2017 1:23:19 PM

Originator: Grant Thornton - Firm Wide Information
 ICT Company: GRTICT
 Vendor Number: SIF001
 Vendor Name: SIFT Solutions Inc.
 Currency: CAD
 Remit-To Location:
 Remit-To Name:
 Account Set: LLP
 Invoice Number: 2017-014
 Document Type: Invoice
 Document Total: 1,469.00
 Document Tax: 169.00
 Invoice Date: 8/31/2017
 Posting Date: 9/7/2017
 WIP Related: False

<u>Line Number</u>	<u>Destination</u>	<u>Route No</u>	<u>Description</u>	<u>G/L Account</u>	<u>Account Description</u>
	<u>Amount</u>	<u>Job Number</u>			
	1,300.00	407627	1 GRTSON 1 tor-Inv2017-014	142001	WIP Clearing

Distribution Total:: 1,300.00
 Tax:: 169.00
 Total:: 1,469.00
 Difference:: 0.00

Imported
 False

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE AND PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE FUND, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, and CHRYSALIS YOGA INC.

Respondents

Court File No. CV-17-11779-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF JONATHAN KRIEGER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, 181 Bay Street
Toronto, ON M5J 2T9

Steven L. Graff
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraft@airdberlis.com

Mark van Zandvoort
Tel: (416) 865-4742
Fax: (416) 863-1515
Email: mvanzandvoort@airdberlis.com

Kyle Plunkett
Tel: (416) 865-3406
Fax: (416) 863-1515
Email: kplunkett@airdberlis.com

Lawyers for the Court-Appointed Receiver

APPENDIX 74

Court File No. CV-17-11779-00CL

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND and CHRYSALIS YOGA INC.

Respondents

**APPLICATION UNDER SECTION 129 OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

**AFFIDAVIT OF MARK VAN ZANDVOORT
(sworn November 22, 2017)**

I, MARK VAN ZANDVOORT, of the City of Oakville, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacities, the "Receiver"), without security, of: (i) all of the assets, undertakings, and properties of each of the Respondents, except the Respondent, Chrysalis Yoga Inc. ("Chrysalis Yoga") (each of the Respondents except for Chrysalis Yoga being individually and collectively, the "Crystal Wealth Group"); and (ii) the account of the Respondent, Chrysalis Yoga, No. 87296 00518 10 at Bank of Nova Scotia (the "Chrysalis Account").

2. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Receiver, detailing its services rendered and disbursements incurred, namely:

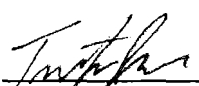
- (a) an account dated July 31, 2017 in the amount of \$212,910.14 in respect of the period from June 1 to July 31, 2017; and
- (b) an account dated October 11, 2017 in the amount of \$151,604.62 in respect of the period from July 31 to September 29, 2017.

(together, the "**Statements of Account**"). Attached hereto and marked as **Exhibit "A"** to this Affidavit are copies of the Statements of Account. The average hourly rate of Aird & Berlis LLP is \$420.00.

3. Attached hereto and marked as **Exhibit "B"** to this Affidavit is a chart detailing the lawyers, law clerks, librarian, and articling and summer students who have worked on this matter.

4. This Affidavit is made in support of a motion to, *inter alia*, approve the Statements of Accounts of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of)
 Toronto, in the Province of Ontario)
 this 22nd day of November, 2017)



 A commissioner, etc.

Timothy Jones



 MARK VAN ZANDVOORT

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF MARK VAN ZANDVOORT

Sworn before me

this 22nd day of November, 2017

A handwritten signature in cursive script, appearing to read "Timothy Jones", is written over a horizontal line.

Timothy Jones
Commissioner for taking Affidavits, etc

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
 Toronto, Ontario, Canada M5J 2T9
 T 416.863.1500 F 416.863.1515
 airdberlis.com

Grant Thornton Limited
 200 King Street West, 11th Floor
 Toronto, ON
 M5H 3T4

Attention: Mr. Jonathan Krieger

Account No.: 577994

PLEASE WRITE ACCOUNT NUMBERS
 ON THE BACK OF ALL CHEQUES

File No.: 25227/137794

October 11, 2017

Re: Receivership of Crystal Wealth Management System Limited, et al

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended September 29, 2017

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MES	31/07/17	\$395.00	1.10	\$434.50	Email to B. Bando regarding Pond loan amendment; Call with B. Bando regarding same; Review draft amendment agreement; Telephone call with M. Lewis; Review email from B. Bando proposing response to potential purchaser of Pond loan and discuss with S. Graff; Email to B. Bando providing proposed response
AEG	01/08/17	\$295.00	2.40	\$708.00	Engage in review of Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund factoring agreements; Discussion with S. Morris re PPSA searches re the same; Engage in review and email correspondence re PPSA search results re Factoring Strategy Fund and renewal of registrations for same
SLG	01/08/17	\$775.00	0.20	\$155.00	Telephone call with C. Weller re disclosure and privilege
SLG	01/08/17	\$775.00	0.30	\$232.50	Review comment on email to P. Cummings
SLG	01/08/17	\$775.00	0.30	\$232.50	Discussion with M. Spence re position on Pond Amendment and disclosure to prospective purchaser

AIRD & BERLIS LLP
 PAGE 2 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SRM	01/08/17	\$350.00	2.70	\$945.00	Discussion with A. Gebert re factoring fund security; Conduct prelims; Obtain profiles and PPSA searches for 12 portfolios; Review and prepare report re same; Emails regarding renewing PPSA registrations
MJVZ	01/08/17	\$425.00	0.20	\$85.00	Email to A. Gebert setting out instructions regarding Factoring Funds
MJVZ	01/08/17	\$425.00	0.10	\$42.50	Emails with A. Gebert
MJVZ	01/08/17	\$425.00	0.80	\$340.00	Meeting with A. Gebert; Emails with A. Gebert, S. Morris, and Receiver regarding registrations; Emails from C. Weiler and B. Bando
AEG	02/08/17	\$295.00	1.60	\$472.00	Various discussions with S. Morris and email correspondence re Factoring Fund registrations; Review draft Factoring Fund renewal and amending registrations; Engage in review of documentation re Hedge Fund factoring agreements; Email correspondence with S. Morris and M. van Zandvoort re the same
SLG	02/08/17	\$775.00	0.20	\$155.00	Review email draft to C. Weiler re review and search of emails; address protocol and privilege
SRM	02/08/17	\$350.00	1.30	\$455.00	Review emails and registrations and report on same; Review drafts; Review profile and report
CP	02/08/17	\$180.00	0.30	\$54.00	Prepare draft PPSA renewals and amendments changing secured party name to Crystal Wealth Enlightened Factoring Strategy
CP	02/08/17	\$180.00	0.10	\$18.00	Order corporate profile for Pond Technologies Inc.
MES	02/08/17	\$395.00	0.80	\$316.00	Review and consider revised Amended and Restated Loan Agreement provided by Pond counsel; Email to B. Bando and J. Knight regarding same
MJVZ	02/08/17	\$425.00	0.60	\$255.00	Various emails from and to S. Morris, A. Gebert, and C. Pugliese regarding Factoring Agreements and registrations - regarding Factoring/Hedge Fund

AIRD & BERLIS LLP
 PAGE 3 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	02/08/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding Sales Process
MJVZ	02/08/17	\$425.00	0.10	\$42.50	Emails with A. Gebert and S. Morris regarding Media Fund
MJVZ	02/08/17	\$425.00	0.70	\$297.50	Receive and review couriered claims package from L. Smith; Email copy of same to Receiver
MJVZ	02/08/17	\$425.00	0.10	\$42.50	Email from M. Spence regarding Pond
MJVZ	02/08/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding General Receivership Matters
MJVZ	02/08/17	\$425.00	0.10	\$42.50	Further conference call with B. Bando regarding General Receivership Matters
MJVZ	02/08/17	\$425.00	1.60	\$680.00	Review and consider proof of claims received to date in anticipation of conference call with Receiver
MJVZ	02/08/17	\$425.00	0.80	\$340.00	Review and consider OSC document request further to conference call with B. Bando; Prepare response and review of Privilege Protocol; Email same to S. Graff and emails with S. Graff regarding same
MJVZ	02/08/17	\$425.00	0.20	\$85.00	Emails from J. Knight and S. Graff regarding Sales Process
AEG	03/08/17	\$295.00	0.30	\$88.50	Engage in review of draft registrations re Factoring Fund
SLG	03/08/17	\$775.00	0.30	\$232.50	Discussion with M. Spence re aments to Pond loan and structure
SLG	03/08/17	\$775.00	0.30	\$232.50	Telephone call with S. Broten re [REDACTED]
SLG	03/08/17	\$775.00	0.20	\$155.00	Address status of offers and discussion with M. van Zandvoort; discuss protocol of privilege of OSC
SRM	03/08/17	\$350.00	0.10	\$35.00	Email regarding registration and searches for Pond Technologies
CP	03/08/17	\$180.00	0.20	\$36.00	Prepare revised renewals and amendments and circulate same

AIRD & BERLIS LLP
 PAGE 4 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MES	03/08/17	\$395.00	3.50	\$1,382.50	Telephone call with B. Bando regarding Pond agreement; Draft Amendment to Pond Loan Agreement; Discuss with S. Graff; Review PPSA searches and exchange emails with S. Morris regarding same; Email to B. Bando providing Amendment to Pond Loan Agreement
MJVZ	03/08/17	\$425.00	0.40	\$170.00	Carious emails and conference call with S. Graff regarding OSC document request
MJVZ	03/08/17	\$425.00	0.20	\$85.00	Emails with J. Wainwright, S. Graff, and J. Knight regarding sales process bid
MJVZ	03/08/17	\$425.00	0.10	\$42.50	Email to B. Bando regarding response to OSC document request
MJVZ	03/08/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding Creditor Claims and email to Receiver inquiring regarding status of same; Further emails with Receiver
MJVZ	03/08/17	\$425.00	0.30	\$127.50	Conference call with B. Bando, J. Wainwright and J. Knight regarding Sales Process regarding Mortgage Fund/High Yield
MJVZ	03/08/17	\$425.00	0.10	\$42.50	Emails from B. Bando and C. Weiler regarding OSC document request
MJVZ	03/08/17	\$425.00	0.40	\$170.00	Review of proposed Sales Agency Agreement and dictation regarding same
MJVZ	03/08/17	\$425.00	0.20	\$85.00	Review proposed registrations regarding Factoring Fund and emails with corporate clerk and A. Gebert regarding same
MJVZ	03/08/17	\$425.00	0.10	\$42.50	Email from C. Pugliese confirming amendments and renewals
MJVZ	03/08/17	\$425.00	0.10	\$42.50	Emails with J. Wainwright further to conference call regarding Sales Process regarding Mortgage Fund/High Yield
MJVZ	03/08/17	\$425.00	0.10	\$42.50	Email from S. Morris
MJVZ	03/08/17	\$425.00	0.20	\$85.00	Conference call with S. Graff
MJVZ	03/08/17	\$425.00	0.10	\$42.50	Emails from B. Bando, C. Weiler regarding OSC request

AIRD & BERLIS LLP
 PAGE 5 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	03/08/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding Factoring Fund
MJVZ	03/08/17	\$425.00	0.10	\$42.50	Email from M. Spence regarding Pond
MJVZ	03/08/17	\$425.00	0.20	\$85.00	Email from B. Bando and review investor letter in preparation for conference call
JAW	03/08/17	\$695.00	0.50	\$347.50	Review email; Telephone call with M. Van Zandvoort, J. Knight and B. Bando re: potential purchaser inquiry; Draft email response; Circulate response
AEG	04/08/17	\$295.00	1.20	\$354.00	Engage in review of factoring agreements re Factoring Fund
SLG	04/08/17	\$775.00	0.40	\$310.00	Discussion with J. Krieger; telephone call with M. Van Zandvoort re catch up; address credit claims
MES	04/08/17	\$395.00	1.20	\$474.00	Telephone calls with B. Bando regarding Pond loan amendment; Revise Pond loan amendment; Exchange emails with counsel for Pond; Receive and review emails re: scheduling call
MJVZ	04/08/17	\$425.00	0.20	\$85.00	Review email and attachment from B. Bando in preparation for conference call
MJVZ	04/08/17	\$425.00	0.50	\$212.50	Review debtor letters from B. Bando regarding Factoring Fund; Emails from S. Vaz regarding preparation of letters from receiver to debtor
MJVZ	04/08/17	\$425.00	0.70	\$297.50	Conference calls with J. Krieger, B. Bando and S. Graff
MJVZ	04/08/17	\$425.00	0.20	\$85.00	Follow-up conference call with B. Bando regarding Sales Process
MJVZ	04/08/17	\$425.00	0.10	\$42.50	Review email from B. Bando regarding Sales Process and email to B. Bando regarding same
MJVZ	04/08/17	\$425.00	0.10	\$42.50	Further emails with B. Bando regarding Sales Process
MJVZ	04/08/17	\$425.00	0.10	\$42.50	Emails with B. Bando and J. Knight regarding Proof of Claims

AIRD & BERLIS LLP
 PAGE 6 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	04/08/17	\$425.00	0.10	\$42.50	Emails from M. Spence, M. Lewis and B. Bando regarding Pond
AEG	07/08/17	\$295.00	1.80	\$531.00	Engage in review of factoring agreements re Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund; Engage in review of PPSA search results re the same; Prepare summary of same
MES	07/08/17	\$395.00	0.10	\$39.50	Receive and review email from M. Lewis regarding Pond loan amendment
AEG	08/08/17	\$295.00	2.70	\$796.50	Engage in review of factoring agreements re Crystal Wealth Enlightened Factoring Strategy and Crystal Wealth Enlightened Hedge Fund; Prepare summary of same; Discussion with M. Spence re preparation of IP Security Agreement re Pond
SLG	08/08/17	\$775.00	0.40	\$310.00	Telephone call with S. Monson and J. Sackman re deal, structure of commission, economic merits and details from TD
SRM	08/08/17	\$350.00	0.20	\$70.00	Order title searches in AB and BC
MES	08/08/17	\$395.00	1.40	\$553.00	Review revised Pond loan amendment; Discuss with S. Graff; Telephone call with counsel for Pond; Instruct A. Gebert regarding drafting IP security agreement for Pond
MJVZ	08/08/17	\$425.00	0.10	\$42.50	Email to A. Gebert regarding proof of claims
MJVZ	08/08/17	\$425.00	0.40	\$170.00	Review Debtor letters and email to J. Knight regarding Frontline and email from M. Spence regarding Pond
MJVZ	08/08/17	\$425.00	1.80	\$765.00	Drafting letters to debtors regarding Factoring arrangements and emails with J. Knight, S. Graff and B. Bando regarding same
MJVZ	08/08/17	\$425.00	0.10	\$42.50	Email to S. Graff regarding WEF regarding Media Fund
MJVZ	08/08/17	\$425.00	0.20	\$85.00	Email to Miller Thomson regarding Restoration Energy regarding Factoring/Hedge Fund

AIRD & BERLIS LLP
 PAGE 7 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	08/08/17	\$425.00	0.20	\$85.00	Emails with J. Knight and A. Gebert regarding additional proof of claims
MJVZ	08/08/17	\$425.00	0.10	\$42.50	Email to S. Morris regarding Zamongo mortgage and out of province parcel abstracts
MJVZ	08/08/17	\$425.00	0.10	\$42.50	Emails with D. Smits
MJVZ	08/08/17	\$425.00	0.50	\$212.50	Conference call with B. Bando, J. Knight and S. Graff regarding Media Fund
MJVZ	08/08/17	\$425.00	0.50	\$212.50	Review proposed Debt Security Exchange Agreement in anticipation of conference call with D. Smits regarding Hedge/Factoring Fund
MJVZ	08/08/17	\$425.00	0.30	\$127.50	Conference call with D. Smits regarding Restoration Energy regarding Hedge/Factoring Fund
AEG	09/08/17	\$295.00	3.80	\$1,121.00	Review factoring agreements, PPSA searches re Crystal Wealth Factoring Fund and Crystal Wealth Hedge Fund; Prepare review re the same; Various internal email correspondence re registrations and priority re the same
SLG	09/08/17	\$775.00	0.70	\$542.50	Telephone call with L. Leslie re bid submission; telephone call with B. Bando re Quiver and commission; telephone call with S. Brotman
SRM	09/08/17	\$350.00	0.60	\$210.00	Emails regarding priority and search summary; Review title searches and report
MES	09/08/17	\$395.00	2.40	\$948.00	Call with B. Bando; Call with B. Bando, Pond principals and counsel to discuss revisions to loan amendment; Revise Pond loan amendment; Discuss with B. Bando; Further telephone call with M. Lewis regarding proposed revisions; Discussion with A. Gebert regarding intellectual property security agreement; Further revise Pond loan amendment and exchange emails with B. Bando regarding same
MJVZ	09/08/17	\$425.00	0.10	\$42.50	Emails with B. Bando regarding Sales Process

AIRD & BERLIS LLP
 PAGE 8 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	09/08/17	\$425.00	1.50	\$637.50	Emails with A. Gebert and S. Morris regarding Factoring Agreements and security; Review summary and certain of the factoring agreements and further emails with A. Gebert and S. Morris instructing regarding next steps
MJVZ	09/08/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding letter to Debtors regarding Factoring/Hedge Funds
MJVZ	09/08/17	\$425.00	0.40	\$170.00	Revise letter to factoring agreement debtor and email same to S. Graff
MJVZ	09/08/17	\$425.00	0.10	\$42.50	Conference call with S. Graff
MJVZ	09/08/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding Sales Process; Emails with S. Graff regarding same
MJVZ	09/08/17	\$425.00	0.10	\$42.50	Emails with A. Gebert regarding Factoring/Hedge funds
AEG	10/08/17	\$295.00	0.10	\$29.50	Receive instruction from M. van Zandvoort re review of Media Fund tax credit security documentation and registrations;; Email correspondence re the same
SLG	10/08/17	\$775.00	0.30	\$232.50	Review emails re bid submissions and review amendment to Pond loan agreement
MES	10/08/17	\$395.00	0.50	\$197.50	Finalize and circulate revised Pond loan amendment to M. Lewis; Exchange emails with B. Bando regarding further revisions to amendment and schedules thereto; Receive and review further emails from M. Lewis and B. Bando
MJVZ	10/08/17	\$425.00	2.60	\$1,105.00	Review Frontline weekly report and prepare Debtor demand letters (14) and email same to J. Knight regarding Factoring/Hedge Fund
MJVZ	10/08/17	\$425.00	0.10	\$42.50	Conference call with M. Redinger regarding Sales Process
MJVZ	10/08/17	\$425.00	0.10	\$42.50	Email to J. Wainwright regarding Sales Process

AIRD & BERLIS LLP
 PAGE 9 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	10/08/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding Sales Process
MJVZ	10/08/17	\$425.00	0.10	\$42.50	Email to S. Monson regarding Media Fund
MJVZ	10/08/17	\$425.00	0.10	\$42.50	Email from M. Spence regarding Pond
MJVZ	10/08/17	\$425.00	0.20	\$85.00	Review email and attachments from S. Morris regarding mortgages regarding Factoring Fund
MJVZ	10/08/17	\$425.00	0.10	\$42.50	Emails with A. Gebert regarding Factoring Agreements regarding Factoring/Hedge Funds
MJVZ	10/08/17	\$425.00	0.30	\$127.50	Further conference call with M. Redinger regarding Sales Process; Conference call with B. Bando regarding same
MJVZ	10/08/17	\$425.00	0.20	\$85.00	Review email from C. Weiler and email to C. Weiler regarding letter to Home Trust
MJVZ	10/08/17	\$425.00	0.30	\$127.50	Conference call with S. Monson and S. Graff regarding Media Fund
MJVZ	10/08/17	\$425.00	0.20	\$85.00	Various emails from M. Lewis, M. Spence and B. Bando regarding Pond
MJVZ	10/08/17	\$425.00	0.20	\$85.00	Email to J. Knight and B. Bando regarding Bosse offer and preliminary review of same; Emails from J. Knight and B. Bando
MJVZ	10/08/17	\$425.00	0.20	\$85.00	Emails with A. Gebert regarding Factoring and Media Fund
AEG	11/08/17	\$295.00	0.20	\$59.00	Engage in review of Pond loan agreement re assignment provision; Email correspondence with M. Spence re the same
SLG	11/08/17	\$775.00	0.90	\$697.50	Revise letter to Frontline debtors; discussion with M. Van Zandvoort
SRM	11/08/17	\$350.00	0.10	\$35.00	Review emails regarding factoring media funds and next steps
MES	11/08/17	\$395.00	0.80	\$316.00	Receive and respond to emails from T. Masney, B. Bando, M. Lewis regarding finalizing loan amendment; Instruct A. Gebert regarding review of original loan and respond to question from B. Bando

AIRD & BERLIS LLP
PAGE 10 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	11/08/17	\$425.00	0.20	\$85.00	Various emails from M. Spence, B. Bando, M. Lewis and T. Masney regarding Pond
AEG	13/08/17	\$295.00	3.60	\$1,062.00	Engage in review of tax credit security re Media Fund loans; Engage in review of registrations re tax credit of Media Fund loans; Prepare summary re the same; Discussions with S. Morris re registrations re the same
SRM	13/08/17	\$350.00	3.90	\$1,365.00	Prepare search summary for Media Fund; Prepare search summary for Factoring Fund
MJVZ	13/08/17	\$425.00	0.20	\$85.00	Review emails from A. Gebert and S. Morris regarding Media Fund.
AEG	14/08/17	\$295.00	2.80	\$826.00	Review and revise summary re tax credits re media fund loans; Internal discussions with S. Morris re the same; Various internal discussions re valid security interest in tax credits; Review and revise summary re factoring agreements and registrations of same; Various discussions with M. van Zandvoort re security and registrations re Factoring and Hedge Fund and Media Loans; Review of and file organization re bids process
SLG	14/08/17	\$775.00	0.30	\$232.50	Discussion re offers and next steps
SLG	14/08/17	\$775.00	0.40	\$310.00	Update call with GTL on various issues re Quiver and offers
SRM	14/08/17	\$350.00	0.10	\$35.00	Discussion with A. Gebert regarding tax credits for Media Fund
MJVZ	14/08/17	\$425.00	0.40	\$170.00	Emails with A. Gebert regarding Factoring Fund; Review S. Morris search summary regarding same
MJVZ	14/08/17	\$425.00	0.10	\$42.50	Emails with S. Graff and B. Bando regarding sales process
MJVZ	14/08/17	\$425.00	0.20	\$85.00	Review offer summary sent by B. Bando
MJVZ	14/08/17	\$425.00	0.50	\$212.50	Conference call with B. Bando, J. Knight and S. Graff regarding Sales Process
MJVZ	14/08/17	\$425.00	0.10	\$42.50	Conference call with A. Gebert regarding Media Fund

AIRD & BERLIS LLP
 PAGE 11 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	14/08/17	\$425.00	0.10	\$42.50	Conference call with A. Gebert regarding Frontline
MJVZ	14/08/17	\$425.00	0.10	\$42.50	Email to J. Knight regarding Frontline
MJVZ	14/08/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding Sales process
MJVZ	14/08/17	\$425.00	0.20	\$85.00	Emails to J. Wainwright and to S. Graff and A. Gebert regarding bids received in Sales Process
SLG	15/08/17	\$775.00	1.00	\$775.00	Meeting with J. Wainwright and M. van Zandvoort on review of offers, approach, considerations and issues
SLG	15/08/17	\$775.00	1.10	\$852.50	Further meeting and call with J. Krieger, B. Bando, J. Wainwright and M. van Zandvoort; review offers; consider issues
SLG	15/08/17	\$775.00	0.10	\$77.50	Telephone call with B. Meyerowitz
SRM	15/08/17	\$350.00	0.10	\$35.00	Email to M. van Zandvoort re UCC filings for the Media Fund; Email from A. Gebert re Frontline Factoring
MJVZ	15/08/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding Sales Process offers
MJVZ	15/08/17	\$425.00	2.80	\$1,190.00	Review certain Sales Process bids and supporting documentation in anticipation for meetings with Receiver to further evaluate merits of offers
MJVZ	15/08/17	\$425.00	1.50	\$637.50	Meeting with S. Graff and J. Wainwright to discuss Sales Process offers; Conference call to B. Bando regarding same
MJVZ	15/08/17	\$425.00	0.30	\$127.50	Email to J. Knight regarding Crystal Wealth Funds; Review of summary provided by J. Knight regarding same in evaluating Sales Process
MJVZ	15/08/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding Frontline/Factoring and Hedge Funds
MJVZ	15/08/17	\$425.00	0.50	\$212.50	Conference call with B. Bando, J. Knight and S. Graff regarding Sales Process

AIRD & BERLIS LLP
PAGE 12 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	15/08/17	\$425.00	1.50	\$637.50	Meeting with S. Graff and conference call with S. Graff, J. Wainwright, B. Bando, and J. Krieger regarding Sales Process offers and next steps; Follow-up conference call with B. Bando
MJVZ	15/08/17	\$425.00	0.10	\$42.50	Email to J. Knight regarding Frontline
MJVZ	15/08/17	\$425.00	0.20	\$85.00	Review and consider email from B. Bando regarding proposed letter to certain offerors in the Sales Process
JAW	15/08/17	\$695.00	3.70	\$2,571.50	Review offer materials; Meeting with M. Van Zandvoort and S. Graff re: same; Conference call with M. Van Zandvoort, S. Graff and G. Thornton
KRC	16/08/17	\$615.00	0.70	\$430.50	Meeting with M. Spence; emails with M. Spence regarding IP issues
MES	16/08/17	\$395.00	1.30	\$513.50	Revise intellectual property security agreement; Consult with K. Clark re: same; Email to M. Lewis
MJVZ	16/08/17	\$425.00	2.20	\$935.00	Revise letter to be sent by Receiver to certain offerors in conjunction with review of relevant Sales Process documentation; Emails with J. Wainwright and S. Graff regarding same; Review J. Wainwright revisions to same; Review and implement S. Graff comments and conference call with S. Graff regarding same; Emails to Receiver attaching letter with recommended approach
MJVZ	16/08/17	\$425.00	0.30	\$127.50	Emails from B. Bando and J. Knight and with S. Graff and J. Wainwright regarding Sales Process
JAW	16/08/17	\$695.00	0.50	\$347.50	Review and revise draft letter to offerors; email to M. Van Zandvoort and S. Graff re: same; Review and respond to email re CIPF
SLG	17/08/17	\$775.00	0.20	\$155.00	Review notice to investors
SLG	17/08/17	\$775.00	1.20	\$930.00	Review emails from and to J. Leslie; telephone call with B. Bando re extension; review and extend revocable date; review answers to questions o [REDACTED]

AIRD & BERLIS LLP
PAGE 13 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	17/08/17	\$425.00	0.80	\$340.00	Email from Offeror; Draft responses to certain Offerors; Conference call with Receiver regarding same; Correspondence to Offerors regarding Sales Process
MJVZ	17/08/17	\$425.00	0.40	\$170.00	Receive and review notice to investors; Revise and blackline and emails with S. Graff and Receiver regarding same
MJVZ	17/08/17	\$425.00	2.20	\$935.00	Review of certain Offers received through Sales Process; Review additional information provided; Conference call with Receiver regarding same; Emails with J. Wainwright regarding same
MJVZ	17/08/17	\$425.00	0.20	\$85.00	Review Spectrum mortgage payout; Conference call with B. Bando regarding same
MJVZ	17/08/17	\$425.00	0.20	\$85.00	Emails with Receiver and A. Gebert regarding statutory declaration regarding Clayton Smith
MJVZ	17/08/17	\$425.00	0.20	\$85.00	Conference call with S. Graff and B. Bando regarding Sales Process
MJVZ	17/08/17	\$425.00	0.10	\$42.50	Email to S. Morris regarding Media Fund
MJVZ	17/08/17	\$425.00	0.10	\$42.50	Emails with J. Knight and A. Gebert regarding General Receivership matters
JAW	17/08/17	\$695.00	0.40	\$278.00	Review response provided by [REDACTED] Review and respond to M. van Zandvoort re: same
SLG	18/08/17	\$775.00	0.10	\$77.50	Review response to Everdeen
MJVZ	18/08/17	\$425.00	0.40	\$170.00	Receive and review proposed FAQ to investors and commerce revising same
MJVZ	18/08/17	\$425.00	0.20	\$85.00	Correspondence from Offeror and emails to Receiver regarding same; Emails from B. Bando regarding same
MJVZ	18/08/17	\$425.00	0.30	\$127.50	Emails with J. Wainwright regarding investor response and revise response
MJVZ	19/08/17	\$425.00	0.50	\$212.50	Revisions to proposed FAQ: Email revisions and blackline to S. Graff

AIRD & BERLIS LLP
 PAGE 14 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
KRC	20/08/17	\$615.00	0.90	\$553.50	Emails with A. Gebert and M. Spence regarding IP security agreement and IP searches; discussion with A. Gebert
AEG	20/08/17	\$295.00	0.80	\$236.00	Email correspondence with M. Spence, K. Clark re Security Agreement in IP; Review comments to Security Agreement in IP; Discussion with K. Clark re the same
SRM	20/08/17	\$350.00	0.10	\$35.00	Emails regarding IP security and searches
MES	20/08/17	\$395.00	0.30	\$118.50	Instruct A. Gebert re: revisions to Pond IP agreement; Exchange emails with A. Gebert and K. Clark re: same
KRC	21/08/17	\$615.00	0.60	\$369.00	Review IP searches; emails with M. Spence and A. Gebert
AEG	21/08/17	\$295.00	0.80	\$236.00	Revise IP Security Agreement
SLG	21/08/17	\$775.00	0.50	\$387.50	Telephone call with M. van Zandvoort; review emails; review second supplement
MES	21/08/17	\$395.00	0.40	\$158.00	Exchange emails with B. Bando re: potential Pond purchasers; Exchange emails with A. Gebert and K. Clark re: Pond IP security agreement
MJVZ	21/08/17	\$425.00	0.20	\$85.00	Email from S. Graff; Email revised investor response to J. Knight; Email to S. Graff regarding Receivership General
MJVZ	21/08/17	\$425.00	0.20	\$85.00	Emails from B. Bando regarding offers regarding Sales Process; Email from M. Spence regarding same
MJVZ	21/08/17	\$425.00	0.40	\$170.00	Emails with S. Graff and to J. Knight regarding proposed FAQ and conference call with B. Bando regarding Sales Process
AEG	22/08/17	\$295.00	0.20	\$59.00	Review CIPO search summary; Revisions to draft IP Security Agreement re Ponds
MES	22/08/17	\$395.00	0.60	\$237.00	Exchange emails with M. van Zandvoort and B. Bando; Telephone call with B. Bando, J. Knight, M. van Zandvoort and S. Graff re: offers received through sale process

AIRD & BERLIS LLP
PAGE 15 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	22/08/17	\$425.00	0.30	\$127.50	Emails with B. Bando regarding Sales Process; Review and consider amended Offer
MJVZ	22/08/17	\$425.00	0.30	\$127.50	Conference call with Receiver regarding Sales Process
KRC	23/08/17	\$615.00	0.30	\$184.50	Review USA IP search; emails with M. Spence and A. Gebert
MES	23/08/17	\$395.00	1.00	\$395.00	Exchange emails and telephone call with B. Bando re: Pond IP security agreement; Revise Pond IP security agreement and email to M. Lewis
MJVZ	23/08/17	\$425.00	0.50	\$212.50	Conference call with B. Bando and consider issues raised; Email to S. Graff and J. Wainwright regarding same; Emails from J. Wainwright and S. Graff
MJVZ	23/08/17	\$425.00	0.40	\$170.00	Email from Home Trust; Review approval and vesting order; Emails with Receiver and conference call with S. Graff; Email to Home Trust's counsel re CLJ Everest; Email to Receiver
MJVZ	23/08/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding Sales Process
MJVZ	23/08/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding Sales Process
MJVZ	23/08/17	\$425.00	0.20	\$85.00	Review and consider spreadsheet prepared regarding Sales Process as sent by Receiver
SLG	24/08/17	\$775.00	0.70	\$542.50	Telephone call with M. van Zandvoort and B. Bando re strategy and approach to sale; review email re assembly of team
MJVZ	24/08/17	\$425.00	2.00	\$850.00	Email from receiver and review attachments regarding Creditor Claims Procedure and Claims; Conference call with S. Graff and B. Bando regarding same
MJVZ	24/08/17	\$425.00	0.30	\$127.50	Emails with S. Graff, J. Wainwright and T. Fenton regarding Sales Process
JAW	24/08/17	\$695.00	0.20	\$139.00	Review and respond to M. Van Zandvoort re: Grant Thornton work plan

AIRD & BERLIS LLP
 PAGE 18 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
TB	25/08/17	\$250.00	0.50	\$125.00	Receive instructions re due diligence summaries
SC	25/08/17	\$250.00	0.60	\$150.00	Meeting with A. Gebert re: due diligence on funds
SC	25/08/17	\$250.00	0.10	\$25.00	Prepare for due diligence for A. Gebert; Sign up for Diligen software; Review of documents in filesite
AEG	25/08/17	\$295.00	3.80	\$1,121.00	Discussions with J. Merk re due diligence review for potential transaction; Discussion with Mark van Zandvoort re the same; Engage in review of underlying agreements of various Crystal Wealth funds; Discussions with R. Hines, T. Brent, N. Smith, S. Corregan and J. Waslowski re document review and preparation of due diligence summaries
RH	25/08/17	\$250.00	0.30	\$75.00	Receive instruction from A. Gebert re due diligence assignment
JKM	25/08/17	\$550.00	0.80	\$440.00	Telephone call with M. van Zandvoort re closing matters and reviewing contracts for consent; Email to S. Graff re court forced assignment of contracts; Telephone call with A. Gebert re contract reviews; Review contract summary template
NS	25/08/17	\$250.00	0.50	\$125.00	Receive instructions from A. Gebert for due diligence assignment re: sale of corporation under receivership
MJVZ	25/08/17	\$425.00	1.40	\$595.00	Consider Proof of Claims and draft response to Creditor; Email same to S. Graff for comments; Emails with S. Graff and receiver regarding same
MJVZ	25/08/17	\$425.00	0.20	\$85.00	Emails with T. Fenton and J. Merk regarding Sales Process
MJVZ	25/08/17	\$425.00	0.20	\$85.00	Conference call with J. Merk re Sales Process
MJVZ	25/08/17	\$425.00	0.20	\$85.00	Follow-up email to J. Merk regarding Sales Process and attaching bids
MJVZ	25/08/17	\$425.00	0.10	\$42.50	Conference call with A. Gebert

AIRD & BERLIS LLP
PAGE 17 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	25/08/17	\$425.00	1.40	\$595.00	Receive and consider supplementary responses from offeror; Email to J. Wainwright regarding same and voicemail from B. Bando regarding same
MJVZ	25/08/17	\$425.00	0.60	\$255.00	Various emails with A. Gebert, A. Bear, S. Graff and from B. Bando regarding Sales Process and transactional matters
JAW	25/08/17	\$695.00	0.20	\$139.00	Review [REDACTED] response; Review and respond to Mr. Van Zandvoort re: same
JW	25/08/17	\$250.00	0.50	\$125.00	Receive instruction re due diligence from A. Gebert
TB	26/08/17	\$250.00	4.10	\$1,025.00	Prepare due diligence summaries re assignment and change of control
SC	26/08/17	\$250.00	1.90	\$475.00	Due diligence for A. Gebert; Training for Diligen Software
SC	26/08/17	\$250.00	3.80	\$950.00	Due diligence for A. Gebert
AEG	26/08/17	\$295.00	0.50	\$147.50	Engage in review of draft due diligence summaries; Discussions with R. Hines, T. Brent, N. Smith, S. Corregan and J. Waslowski re document review and preparation of due diligence summaries; Email correspondence with J. Merk
RH	26/08/17	\$250.00	5.40	\$1,350.00	Review documents and create due diligence summary report for A. Gebert
RH	26/08/17	\$250.00	1.30	\$325.00	Review documents for A. Gebert; create due diligence summary reports
NS	26/08/17	\$250.00	5.30	\$1,325.00	Performed due diligence work using Diligen to summarize contracts of corporation in receivership for A. Gebert
TB	27/08/17	\$250.00	4.20	\$1,050.00	Review administration contracts and contracts with underlying assets as part of due diligence process
SC	27/08/17	\$250.00	2.40	\$600.00	Due diligence for A. Gebert
SC	27/08/17	\$250.00	0.20	\$50.00	Due diligence for A. Gebert

AIRD & BERLIS LLP
PAGE 18 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
AEG	27/08/17	\$295.00	1.30	\$383.50	Discussions with R. Hines, T. Brent, N. Smith, S. Corregan and J. Waslowski re document review and preparation of due diligence summaries; Email correspondence with J. Merk; Engage in review of Media Fund agreements and discussion with J. Waslowski re the same
RH	27/08/17	\$250.00	2.40	\$600.00	Receive instruction from A. Gebert re due diligence assignment; review documents and create due diligence summary report for A. Gebert
JKM	27/08/17	\$550.00	0.40	\$220.00	Review offer letters; Draft Closing Agenda; Review offer letters
JW	27/08/17	\$250.00	4.40	\$1,100.00	Email A. Gebert re due diligence; Review documents for due diligence
TB	28/08/17	\$250.00	2.50	\$625.00	Review administration contracts and contracts with underlying assets as part of due diligence process
SC	28/08/17	\$250.00	1.50	\$375.00	Due diligence for A. Gebert
AEG	28/08/17	\$295.00	1.30	\$383.50	Various discussions and email correspondence with articling students re due diligence; Call with B. Bando re document review; Discussions with J. Merk
SLG	28/08/17	\$775.00	0.30	\$232.50	Telephone call with J. Merk re receivership and contract assignment; review proof of claim and review stat dec issue for Clayton
RH	28/08/17	\$250.00	0.10	\$25.00	Email with A. Gebert re status of assignment
JKM	28/08/17	\$550.00	2.80	\$1,540.00	Review potential bid materials; Review 31-103 and 81-106/81-102 re OSC and regulatory application matters; Meeting with A. Gebert re consents and closing matters; Meeting with J. Wainwright re OSC and other regulatory matters received; Telephone call with S. Graff re court imposed assignment
SRM	28/08/17	\$350.00	0.10	\$35.00	Email to M. van Zandvoort re Media House registrations

AIRD & BERLIS LLP
PAGE 19 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
NS	28/08/17	\$250.00	3.00	\$750.00	Prepared contract summaries for due diligence of corporation under receivership for A. Gebert
MJVZ	28/08/17	\$425.00	0.20	\$85.00	Emails with J. Knight regarding Statutory Declaration
MJVZ	28/08/17	\$425.00	1.30	\$552.50	Draft comparison of offers received for consideration and discussion
MJVZ	28/08/17	\$425.00	0.10	\$42.50	Conference call with J. Merk regarding Sales Process
MJVZ	28/08/17	\$425.00	0.30	\$127.50	Conference call with B. Bando regarding Sales Process; Email to S. Graff, J. Merk and J. Wainwright regarding same; Emails with J. Merk; Emails with J. Wainwright regarding same; Follow-up call with B. Bando; Emails to GT and A&B regarding conference call
MJVZ	28/08/17	\$425.00	0.50	\$212.50	Review email from offeror counsel and consider same in light of applicable provisions of securities legislation; Email from B. Bando regarding same
MJVZ	28/08/17	\$425.00	0.20	\$85.00	Email from S. Morris; Review indebtedness for Supremacy and Electric Slide in connection with same
JAW	28/08/17	\$695.00	0.80	\$556.00	Meeting with J. Merk; Review emails re: outstanding matters
AEG	29/08/17	\$295.00	0.40	\$118.00	Discussions with J. Merk re due diligence and document review; Discussions and email correspondence with J. Waslowski re review of Media Fund agreements
SLG	29/08/17	\$775.00	0.70	\$542.50	Attend on conference call on offer and status and regulatory hurdles and attributes
JKM	29/08/17	\$550.00	2.90	\$1,595.00	Review Trust Deed re change of trustee and meeting; Meeting with J. Wainwright re same; Telephone call with B. Bando, S. Graff and others re regulatory matters affecting bid selection; Email to B. Bando re same
SRM	29/08/17	\$350.00	0.10	\$35.00	Email from M. van Zandvoort re timing of sale process and extending UCC filings

AIRD & BERLIS LLP
PAGE 20 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	29/08/17	\$425.00	1.20	\$510.00	Email from B. Bando; Emails to M. Garu regarding same; Review auditor letters as received and consideration of same; Preparation for conference call with GT and Receiver
MJVZ	29/08/17	\$425.00	1.20	\$510.00	Meeting with J. Merk and J. Wainwright and conference call with J. Merk, J. Wainwright, S. Graff, B. Bando and J. Knight
MJVZ	29/08/17	\$425.00	0.10	\$42.50	Emails with S. Graff regarding Sales Process
JAW	29/08/17	\$695.00	1.00	\$695.00	Meeting with Mark van Zandvoort and J. Merk; Conference call with client
JW	29/08/17	\$250.00	0.30	\$75.00	Receive instruction from A. Gebert; Email students and A. Gebert re diligence process; Telephone call with A. Gebert
SLG	30/08/17	\$775.00	0.90	\$697.50	Review [REDACTED] response to GTL questions on Management Assumption approach; Follow up; Call with M van Zandvoort; Emails from GTL responding to enquiries
SRM	30/08/17	\$350.00	0.40	\$140.00	Prepare and submit CA UCC continuations in connection with the Media Fund
MJVZ	30/08/17	\$425.00	0.60	\$255.00	Draft investor response and email same to S. Graff regarding Sales Process; Emails with S. Graff regarding same and email to Receiver regarding same
MJVZ	30/08/17	\$425.00	0.10	\$42.50	Email to S. Morris regarding registration regarding Media Fund
MJVZ	30/08/17	\$425.00	0.20	\$85.00	Emails and conference calls with S. Graff regarding Sales Process
MJVZ	30/08/17	\$425.00	0.10	\$42.50	Email from S. Morris re Media Fund
MJVZ	30/08/17	\$425.00	0.10	\$42.50	Email from J. Merk regarding Sales Process
MJVZ	30/08/17	\$425.00	0.10	\$42.50	Emails from B. Bando regarding Sales Process
JAW	30/08/17	\$695.00	0.20	\$139.00	Review J. Merk draft response; Provide comments re: same

AIRD & BERLIS LLP
 PAGE 21 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	31/08/17	\$775.00	1.10	\$852.50	Review emails to investors and investor rep; Emails to bidders; Conference call with B. Bando, J. Knight and M. van Zandvoort re: continuity of prices
RH	31/08/17	\$250.00	1.20	\$300.00	Review client contracts and documents for assignment, change of control, and insolvency provisions for A. Gebert
SRM	31/08/17	\$350.00	0.10	\$35.00	Email from CT re UCC Continuations
MES	31/08/17	\$395.00	0.20	\$79.00	Receive and review emails from J. Knight and S. O'Neill re: US Realty Fund
MJVZ	31/08/17	\$425.00	0.40	\$170.00	Review Factoring/Hedge Fund summaries regarding conference call with Receiver today
MJVZ	31/08/17	\$425.00	0.10	\$42.50	Review email from J. Knight in preparation for conference call regarding Sales Process
MJVZ	31/08/17	\$425.00	1.10	\$467.50	Conference call with B. Bando, J. Knight and S. Graff regarding Sales Process
MJVZ	31/08/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding Sales Process
MJVZ	31/08/17	\$425.00	1.70	\$722.50	Review Sales Process documents and correspondence to offerors prepared by B. Bando; Revisions to same and email revised drafts and blacklines to S. Graff; Further revisions to same and email S. Graff regarding same
TB	01/09/17	\$250.00	0.60	\$150.00	Review contracts in Media file for change of control and assignment provision; Prepare summary reports
AEG	01/09/17	\$295.00	0.20	\$59.00	Discussion with J. Waslowski re due diligence re Media Fund; Engage in review of due diligence summaries prepared re Factoring Fund
SLG	01/09/17	\$775.00	0.30	\$232.50	Telephone call with M. van Zandvoort; Review comments and communications
RH	01/09/17	\$250.00	3.90	\$975.00	Review client contracts and documents for assignment, change of control, and insolvency provisions for A. Gebert

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
NS	01/09/17	\$250.00	2.30	\$575.00	Preparation of due diligence contract summaries for A. Gebert
MJVZ	01/09/17	\$425.00	0.10	\$42.50	Email from S. Graff regarding Sales Process
MJVZ	01/09/17	\$425.00	0.50	\$212.50	Email to B. Bando setting out recommended approach and revisions to correspondence to be sent to Offerors in Sales Process
MJVZ	01/09/17	\$425.00	0.20	\$85.00	Review and consider update from Receiver regarding Media Fund
MJVZ	01/09/17	\$425.00	0.20	\$85.00	Review and consider response from Investors regarding Sales Process;
JW	01/09/17	\$250.00	0.70	\$175.00	Discussion with R. Hines, N. Smith and T. Brent re fund due diligence; Organise due diligence assignments; Telephone call with A. Gebert; Telephone call with R. Hines
JW	02/09/17	\$250.00	1.40	\$350.00	Review contracts for A. Gebert;
NS	03/09/17	\$250.00	2.50	\$625.00	Performed due diligence and created contract summaries for company in receivership for A. Gebert
JW	03/09/17	\$250.00	2.70	\$675.00	Review contracts for A. Gebert
TB	05/09/17	\$250.00	2.20	\$550.00	Review security agreements and promissory notes for Media House Capital (Canada) Corp
SLG	05/09/17	\$775.00	0.10	\$77.50	Telephone call with J. Leslie re: extension
RH	05/09/17	\$250.00	0.30	\$75.00	Review documents re assignment, change of control, and insolvency provisions for A. Gebert
MES	05/09/17	\$395.00	0.20	\$79.00	Receive and review email from M. Lewis providing revised IP Security Agreement; Exchange emails with A. Gebert regarding same
MJVZ	05/09/17	\$425.00	0.10	\$42.50	Emails from B. Bando regarding Sales Process
MJVZ	05/09/17	\$425.00	0.10	\$42.50	Emails from J. Leslie and S. Graff regarding Sales Process

AIRD & BERLIS LLP
PAGE 23 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	05/09/17	\$425.00	0.10	\$42.50	Email from C. Cusinato and B. Bando regarding Sales Process
MJVZ	05/09/17	\$425.00	0.10	\$42.50	Review emails from A. Davids and B. Bando regarding Sales Process
AEG	06/09/17	\$295.00	0.90	\$265.50	Email correspondence re due diligence review; Engage in review of comments to draft IP Security Agreement re Ponds; Email correspondence with M. Spence, client re the same
SLG	06/09/17	\$775.00	0.20	\$155.00	Telephone call with J. Leslie re extension of irrevocable period
MES	06/09/17	\$395.00	0.70	\$276.50	Exchange emails with A. Gebert and K. Clark regarding revisions to Pond IP Security Agreement; Review revisions and instruct A. Gebert regarding same; Email to B. Bando
MJVZ	06/09/17	\$425.00	0.10	\$42.50	Email to S. Graff regarding Sales Process
MJVZ	06/09/17	\$425.00	0.30	\$127.50	Receive and review sworn statutory declarations regarding C. Smith
JW	06/09/17	\$250.00	0.90	\$225.00	Review due diligence report for A. Gebert; Email A. Gebert
KRC	07/09/17	\$615.00	0.50	\$307.50	Review updated intellectual property schedule
SLG	07/09/17	\$775.00	1.00	\$775.00	Conference call with [REDACTED], J. Leslie, B. Bando and J. Knight and discuss next steps
SRM	07/09/17	\$350.00	0.50	\$175.00	Emails re UCC continuations; review UCC continuations and update records re same
MES	07/09/17	\$395.00	0.90	\$355.50	Receive and review email from B. Bando; Telephone call and exchange of emails with K. Clark regarding patent schedules to Pond IP Security Agreement; Exchange emails with B. Bando regarding same; Exchange emails with M. Lewis regarding same
MJVZ	07/09/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding Sales Process

AIRD & BERLIS LLP
 PAGE 24 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	07/09/17	\$425.00	0.30	\$127.50	Compare statutory declaration with original provided and reporting email to Receiver regarding same
MJVZ	07/09/17	\$425.00	0.20	\$85.00	Conference call with J. Knight regarding Media Fund
MJVZ	07/09/17	\$425.00	0.30	\$127.50	Review emails from B. Bando and offerors; Emails with S. Graff and B. Bando regarding same
MJVZ	07/09/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding Sales Process
SLG	08/09/17	\$775.00	0.30	\$232.50	Conference call with M. van Zandvoort re: BDO claim, reserves and interim distribution
MES	08/09/17	\$395.00	0.10	\$39.50	Receive and review email from B. Bando
MJVZ	08/09/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding Sales Process
MJVZ	08/09/17	\$425.00	0.40	\$170.00	Conference call with S. Graff, B. Bando, and J. Knight regarding Sales Process
MJVZ	08/09/17	\$425.00	0.20	\$85.00	Review emails from J. Knight regarding Frontline Factoring
MJVZ	08/09/17	\$425.00	0.20	\$85.00	Emails with J. Merk, J. Wainwright, S. Graff and B. Bando regarding conference call concerning Sales Process
MJVZ	08/09/17	\$425.00	0.10	\$42.50	Emails with creditor counsel
MJVZ	08/09/17	\$425.00	0.10	\$42.50	Review email from B. Bando regarding Mortgage Fund
MES	09/09/17	\$395.00	0.30	\$118.50	Receive executed IP security agreement from M. Lewis; Exchange emails with A. Gebert regarding same
MJVZ	10/09/17	\$425.00	0.10	\$42.50	Emails from J. Knight regarding Factoring Fund
AEG	11/09/17	\$295.00	0.50	\$147.50	Review and revise Notice of Security Interest in IP; Email correspondence with M. Spence re the same

AIRD & BERLIS LLP
 PAGE 25 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	11/09/17	\$775.00	0.50	\$387.50	Telephone call with M. van Zandvoort and L. Rogers re: distribution and claim and reserve and allocation of numbers
MES	11/09/17	\$395.00	0.40	\$158.00	Voicemail to B. Bando; Telephone call with B. Bando regarding loans; Exchange emails with A. Gebert regarding notice of IP security interest
MJVZ	11/09/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding Factoring Fund
MJVZ	11/09/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding Creditor Claims Procedure
MJVZ	11/09/17	\$425.00	0.50	\$212.50	Conference call with S. Graff and Creditor counsel regarding claims procedure
MJVZ	11/09/17	\$425.00	0.10	\$42.50	Email from creditor's counsel
MJVZ	11/09/17	\$425.00	0.40	\$170.00	Reporting email to Receiver regarding call with Creditor Counsel and review of Creditor claim in connection with same
AEG	12/09/17	\$295.00	0.60	\$177.00	Discussion with M. Spence re revisions to Notice of Security Interest in IP; Discussion with T. Jones re review of due diligence and preparation of disclosure schedules
SLG	12/09/17	\$775.00	0.60	\$465.00	Telephone call with M. van Zandvoort; Review email from [REDACTED] and consideration of BDO claim and interim distribution
TSJ	12/09/17	\$295.00	0.80	\$236.00	Receive instruction from A. Gebert; review contracts associated with various funds; summarize relevant aspects of same
MES	12/09/17	\$395.00	0.20	\$79.00	Review notice of IP security agreement and instruct A. Gebert regarding same
MJVZ	12/09/17	\$425.00	0.20	\$85.00	Conference call with B. Bando regarding Sales Process
MJVZ	12/09/17	\$425.00	0.20	\$85.00	Further conference call with B. Bando regarding Sales Process
MJVZ	12/09/17	\$425.00	0.30	\$127.50	Conference call with S. Graff regarding Creditor Claims and Sales Process

AIRD & BERLIS LLP
PAGE 26 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	12/09/17	\$425.00	0.20	\$85.00	Further conference call with S. Graff regarding Creditor Claims and Sales Process
MJVZ	12/09/17	\$425.00	0.30	\$127.50	Review and consider correspondence from Receiver and requests sent by offeror in Sales Process in anticipation of conference call with S. Graff and B. Bando concerning same
MJVZ	12/09/17	\$425.00	0.60	\$255.00	Prepare correspondence to Creditor Counsel in conjunction with review of Reports; Emails with S. Graff regarding same
MJVZ	12/09/17	\$425.00	0.10	\$42.50	Emails from Receiver and OSC regarding Sales Process
MJVZ	12/09/17	\$425.00	0.10	\$42.50	Emails with J. Wainwright regarding OSC correspondence and conference call
MJVZ	12/09/17	\$425.00	0.20	\$85.00	Conference call with B. Bando regarding Creditor Claims and Sales Process
MJVZ	12/09/17	\$425.00	0.50	\$212.50	Email to Receiver regarding Creditor Claims procedure and propose correspondence to creditor counsel regarding same
MJVZ	12/09/17	\$425.00	0.70	\$297.50	Review Sales Process analysis prepared and sent by Receiver and consult offer documents in connection with same; Email to S. Graff, J. Wainwright and J. Merk regarding same
TB	13/09/17	\$250.00	0.40	\$100.00	Update contract summaries for comments from T. Jones; Prepare contract summary for standard terms and conditions for Crystal Wealth Mortgage Strategy
AEG	13/09/17	\$295.00	0.40	\$118.00	Revisions to Notice of Security Interest in IP re Ponds; Email correspondence with M. Van Zandvoort re factoring fund review
SLG	13/09/17	\$775.00	0.30	\$232.50	Review emails to [REDACTED] in response to due diligence questions
SLG	13/09/17	\$775.00	1.00	\$775.00	Review comparison of [REDACTED] to [REDACTED] offer; Conference call with OSC on same

AIRD & BERLIS LLP
 PAGE 27 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
TSJ	13/09/17	\$295.00	2.00	\$590.00	Review contracts associated with various funds; summarize relevant aspects of same
TSJ	13/09/17	\$295.00	3.30	\$973.50	Receive instruction from M. Spence re: commercial loans; review package of commercial loan documentation held in various funds; draft email memorandum to M. Spence summarizing outstanding issues and informational deficiencies
JKM	13/09/17	\$550.00	0.20	\$110.00	Email to M. van Zandvoort re comments on GT Summary to OSC
MES	13/09/17	\$395.00	0.80	\$316.00	Instruct T. Jones regarding review of commercial loans; Exchange emails with T. Jones regarding same; Consider approach; Receive and review emails from J. Knight regarding US Realty Fund; Receive email from A. Gebert providing notice of IP security interest
MJVZ	13/09/17	\$425.00	0.10	\$42.50	Emails from J. Merk regarding Sales Process; Email to J. Merk
MJVZ	13/09/17	\$425.00	0.20	\$85.00	Email to B. Bando regarding Sales Process and email from B. Bando
MJVZ	13/09/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding Sales Process; Email to J. Wainwright regarding same
MJVZ	13/09/17	\$425.00	0.50	\$212.50	Receive and review offer summary and analysis in preparation for conference call with Receiver
MJVZ	13/09/17	\$425.00	0.20	\$85.00	Email to A. Gebert instructing regarding review of Factoring Agreements; Email from A. Gebert regarding same
MJVZ	13/09/17	\$425.00	0.40	\$170.00	Review and offer documentation as received by Receiver and correspondence from offeror regarding same regarding Sales Process
MJVZ	13/09/17	\$425.00	0.20	\$85.00	Email from B. Bando regarding Creditor Claims Procedure; Meeting with M. Spence and T. Jones regarding review of agreements

AIRD & BERLIS LLP
 PAGE 28 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	13/09/17	\$425.00	0.40	\$170.00	Prepare email to Creditor in claims procedure; Email to S. Graff regarding same
MJVZ	13/09/17	\$425.00	0.10	\$42.50	Review agenda for call as circulated by Receiver; Email to S. Graff and J. Wainwright regarding same regarding Sales Process
MJVZ	13/09/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding response to offeror; Email to S. Graff and to B. Bando regarding same
MJVZ	13/09/17	\$425.00	1.40	\$595.00	Meeting with S. Graff and J. Wainwright and conference call with Receiver and OSC representatives regarding Sales Process
MJVZ	13/09/17	\$425.00	0.10	\$42.50	Email to B. Bando regarding creditor claims procedure
MJVZ	13/09/17	\$425.00	0.10	\$42.50	Email statement of claim to OSC
MJVZ	13/09/17	\$425.00	0.20	\$85.00	Review and consider email from B. Bando regarding response to offeror
JAW	13/09/17	\$695.00	1.00	\$695.00	Telephone call with OSC staff; Meeting with M. Van Zandvoort, S. Graff and Grant Thornton
TSJ	14/09/17	\$295.00	0.20	\$59.00	Email to D. Badham re: commercial loan documentation
TSJ	14/09/17	\$295.00	0.80	\$236.00	Review contracts associated with various funds; summarize relevant aspects of same
SRM	14/09/17	\$350.00	0.30	\$105.00	Review UCC post renewal searches for Electric Slide and Supremacy
MES	14/09/17	\$395.00	0.10	\$39.50	Receive and review email from T. Jones regarding commercial loans
MJVZ	14/09/17	\$425.00	1.50	\$637.50	Prepare responses to offeror in conjunction with report review; Emails with S. Graff regarding same and to B. Bando regarding Sales Process
MJVZ	14/09/17	\$425.00	0.40	\$170.00	Further emails and conference call with B. Bando regarding Sales Process

AIRD & BERLIS LLP
PAGE 29 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	14/09/17	\$425.00	0.10	\$42.50	Further conference call with B. Bando regarding Sales Process
MJVZ	14/09/17	\$425.00	0.10	\$42.50	Email from T. Jones regarding Mortgage Fund
MJVZ	15/09/17	\$425.00	0.20	\$85.00	Various emails from and to B. Bando, Quiver and S. Graff regarding conference call
MES	17/09/17	\$395.00	0.10	\$39.50	Exchange emails with A. Gebert regarding notice of IP security interest
AEG	18/09/17	\$295.00	2.30	\$678.50	Review and consider factoring agreements re recourse provisions; Provide email summary of same to M. Van Zandvoort
SLG	18/09/17	\$775.00	0.50	\$387.50	Conference call with Grant Thornton and Quiver reps to discuss status of call with [REDACTED] and what should or should not be discussed
TSJ	18/09/17	\$295.00	0.20	\$59.00	Meeting with J. Merk & M. van Zandvoort re: contract review next steps
JKM	18/09/17	\$550.00	0.30	\$165.00	Meeting with M. van Zandvoort and T. Jones re OSC update
MES	18/09/17	\$395.00	0.40	\$158.00	Discussions with S. Graff regarding review of commercial loans; Exchange emails with T. Jones regarding same; Exchange emails with A. Gebert and K. Clark regarding Pond IP
MJVZ	18/09/17	\$425.00	0.10	\$42.50	Email to S. Graff regarding conference call with Quiver regarding Sales Process
MJVZ	18/09/17	\$425.00	0.10	\$42.50	Email from and to J. Merk regarding Sales Process
MJVZ	18/09/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding Sales Process
MJVZ	18/09/17	\$425.00	0.30	\$127.50	Preparation for and attendance at meeting with J. Merk and T. Jones regarding Sales Process
MJVZ	18/09/17	\$425.00	0.20	\$85.00	Review emails from B. Bando and J. Knight regarding Sales Process

AIRD & BERLIS LLP
 PAGE 30 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	18/09/17	\$425.00	0.10	\$42.50	Email from A. Gebert regarding Frontline
KRC	19/09/17	\$615.00	0.20	\$123.00	Emails with A. Gebert regarding recordal of security interest
TSJ	19/09/17	\$295.00	0.30	\$88.50	Receive instruction from Miranda Spence re: further review of commercial loans; review certain loan provisions
MES	19/09/17	\$395.00	0.60	\$237.00	Receive and review email from T. Jones; Office conference with T. Jones re: commercial loan review; Discuss registration of IP interest with K. Clark; Exchange emails with A. Gebert and K. Clark regarding Pond
MJVZ	19/09/17	\$425.00	1.40	\$595.00	Review Frontline summaries and breakdown of indebtedness; Email to Receiver requesting follow-up information from Frontline; Email from Receiver; Email to A. Gebert regarding same Re Factoring/Hedge Funds; Review of agreements regarding Factoring Indebtedness
MJVZ	19/09/17	\$425.00	0.10	\$42.50	Email from T. Jones regarding Mortgage Fund
KRC	20/09/17	\$615.00	0.40	\$246.00	Emails with S. Flaherty and M. Spence regarding recordal of USA and Canadian security interests
AEG	20/09/17	\$295.00	0.20	\$59.00	Review of Frontline reports and report on same to M. van Zandvoort; Review of email correspondence re Notice of Action against Lotus Environmental Ltd. re Factoring Fund
SLG	20/09/17	\$775.00	0.20	\$155.00	Telephone call with C. Weiler re: consent to extension of investigation order
SLG	20/09/17	\$775.00	0.60	\$465.00	Conference call with B. Bando and with M. van Zandvoort re: sales process; Issuing notice of action; Summarizing commercial loans
TSJ	20/09/17	\$295.00	1.80	\$531.00	Review and summarize commercial loan enforcement options; Email to M. Spence re: same

AIRD & BERLIS LLP
 PAGE 31 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MES	20/09/17	\$395.00	0.30	\$118.50	Exchange emails with A. Gebert, K. Clark, T. Jones regarding Pond and commercial loans
MJVZ	20/09/17	\$425.00	4.80	\$2,040.00	Review of Frontline Agreements in connection with enforcement; Conference call with Receiver and S. Graff regarding same; Preparation of pleading; Emails with Receiver regarding same; Emails with P. Williams regarding same
MJVZ	20/09/17	\$425.00	0.10	\$42.50	Email from counsel to Home Trust
MJVZ	20/09/17	\$425.00	0.10	\$42.50	Email to Receiver regarding Mount Nemo Property; Email from Receiver regarding same
MJVZ	20/09/17	\$425.00	0.10	\$42.50	Email to counsel to Home Trust
MJVZ	20/09/17	\$425.00	0.30	\$127.50	Emails with corporate searches regarding Factoring Debtors and review of reports received
MJVZ	20/09/17	\$425.00	0.10	\$42.50	Review email from Receiver regarding Frontline and Factoring Fund
MJVZ	20/09/17	\$425.00	0.40	\$170.00	Conference calls to and from offeror counsel regarding Sales Process; Emails with Receiver concerning same; Conference call with Receiver regarding same regarding Sales Process
IV	20/09/17	\$170.00	0.20	\$34.00	Obtained the Alberta profile report for Lotus Environmental Ltd.
IV	20/09/17	\$170.00	0.10	\$17.00	Obtained the prelim for Lotus Environmental Ltd.
AEG	21/09/17	\$295.00	0.20	\$59.00	Email correspondence with T. Jones, M. Spence re sales process; Review of email correspondence re Notice of Action re Factoring Fund
SLG	21/09/17	\$775.00	0.20	\$155.00	Addressing order to extend OSC order
TSJ	21/09/17	\$295.00	3.80	\$1,121.00	Emails with B. Bando, D. Badham; Receive and file new commercial loan documentation; Review same for completeness; Draft summary memo re: enforcement options; Email to D. Badham re: outstanding security documentation

AIRD & BERLIS LLP
 PAGE 32 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MES	21/09/17	\$395.00	0.60	\$237.00	Exchange emails with B. Bando regarding receipt of documents from Blakes and summary of commercial loans; Exchange of emails and discussions with T. Jones regarding summary of commercial loans and proposed actions to take
MJVZ	21/09/17	\$425.00	0.10	\$42.50	Email to J. Knight regarding Factoring Fund
MJVZ	21/09/17	\$425.00	0.20	\$85.00	Emails from D. Badham, T. Jones, and B. Bando regarding General Receivership Matter; discussion with M. Spence regarding same
MJVZ	21/09/17	\$425.00	1.20	\$510.00	Review of Factoring Agreements and Invoices received; Conference call with B. Bando [REDACTED] Knight regarding [REDACTED] Email [REDACTED] regarding Factoring Fund
MJVZ	21/09/17	\$425.00	0.20	\$85.00	Review emails from M. Spence, B. Bando, T. Jones and D. Badham regarding commercial loans regarding Mortgage Fund
MJVZ	21/09/17	\$425.00	0.30	\$127.50	Email from C. Weiler; Email to Receiver; Email from Receiver; Emails with S. Graff; Email to C. Weiler confirming Receiver consent to Extension Order
MJVZ	21/09/17	\$425.00	0.10	\$42.50	Emails from B. Bando, S. Monson and A. Davids regarding Media Fund
MJVZ	21/09/17	\$425.00	0.20	\$85.00	Emails with C. Weiler and S. Graff regarding Sales Process; Conference call with C. Weiler
MJVZ	21/09/17	\$425.00	0.10	\$42.50	Conference call with J. Wainwright regarding Sales Process
MJVZ	21/09/17	\$425.00	0.10	\$42.50	Conference calls to and from M. Cameron
MJVZ	21/09/17	\$425.00	0.70	\$297.50	Reporting email to Receiver regarding conference call with OSC; Receive and review and revise draft Extension Order from OSC; Emails with Receiver and OSC concerning same

AIRD & BERLIS LLP
PAGE 33 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	21/09/17	\$425.00	0.10	\$42.50	Email from creditor counsel
MJVZ	21/09/17	\$425.00	0.10	\$42.50	Email to S. Graff regarding creditor claims procedure
JAW	21/09/17	\$695.00	0.10	\$69.50	Telephone call with M. van Zandvoort re: OSC input
PW	21/09/17	\$180.00	0.60	\$108.00	[REDACTED]
TSJ	22/09/17	\$295.00	4.30	\$1,268.50	Review and revise draft memo; Telephone call with B. Bando; Finalize and circulate memo
MES	22/09/17	\$395.00	1.40	\$553.00	Telephone calls with T. Jones regarding review of commercial loans; Review and revise memo prepared by T. Jones; Telephone call with T. Jones and B. Bando re: summary of commercial loans; Exchange further emails with T. Jones regarding same and review final memo
MJVZ	22/09/17	\$425.00	0.60	\$255.00	Review correspondence from Frontline and Receiver in comparison to most recent breakdown of accounts; Email to Receiver regarding Frontline obtaining security documents from Frontline
MJVZ	22/09/17	\$425.00	0.10	\$42.50	Review emails from Receiver and creditor regarding Claims Procedure Process
MJVZ	22/09/17	\$425.00	0.90	\$382.50	Review factoring fund Debtor invoices and breakdown and prepare [REDACTED] Email same to Receiver for comments and approval; Obtain and review profile report of debtor in connection with same
MJVZ	22/09/17	\$425.00	0.10	\$42.50	Emails with client and expert
MJVZ	22/09/17	\$425.00	0.40	\$170.00	Receive and review weekly breakdown and payment summary; Amend [REDACTED] and email to Receiver in connection with same regarding Factoring Fund; Instruct M. Gugu and P. Williams regarding [REDACTED] Emails with Receiver regarding Frontline and Factoring Fund
MJVZ	22/09/17	\$425.00	0.10	\$42.50	Email from OSC attaching affidavit of M. Ho and Draft Extension Order; Email to OSC and Receiver

AIRD & BERLIS LLP
PAGE 34 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	22/09/17	\$425.00	0.20	\$85.00	Review of M. Ho affidavit as received from Staff of OSC today
MJVZ	22/09/17	\$425.00	0.10	\$42.50	Conference call and emails with T. Jones regarding Sales Process
MJVZ	22/09/17	\$425.00	0.10	\$42.50	Review email from T. Jones regarding Mortgage Fund
IV	22/09/17	\$170.00	0.20	\$34.00	Obtained the profile report for Accent Marketing
MES	25/09/17	\$395.00	1.50	\$592.50	Review correspondence from S. O'Neill regarding proposed sale of interest in 107 LP; Telephone call with B. Bando; Prepare correspondence to S. O'Neill and exchange emails with B. Bando regarding same; Email to S. O'Neill; Receive request from M. Lewis regarding revision to Notice; Consider and exchange emails with A. Gebert regarding same
MJVZ	25/09/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding US Real Estate LP and emails with M. Spence regarding same
MJVZ	25/09/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding Quiver arrangements regarding Media Fund
MJVZ	25/09/17	\$425.00	0.10	\$42.50	Receive [REDACTED] and email to M. Gugu regarding same regarding Factoring Fund
MJVZ	25/09/17	\$425.00	0.70	\$297.50	Email from Offeror Counsel attaching proposed agreement; Preliminary review of same and email to J. Merk and J. Wainwright regarding same; Conference call with S. Graff regarding same regarding Sales Process; Email from B. Bando regarding same
MJVZ	25/09/17	\$425.00	0.20	\$85.00	Emails from S. O'Neil, M. Spence and B. Bando regarding Sales Process
PW	25/09/17	\$180.00	0.60	\$108.00	[REDACTED]
AEG	26/09/17	\$295.00	0.70	\$206.50	Revisions to draft Notice of Security Interest re IP re Ponds; Receive instruction re case law research from M. van Zandvoort; Discussion re the same with T. Jones

AIRD & BERLIS LLP
 PAGE 35 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	26/09/17	\$775.00	0.80	\$620.00	Discussion with M. van Zandvoort on claims and BDO claim
TSJ	26/09/17	\$295.00	3.20	\$944.00	Receive instructions from M. van Zandvoort re: research memo; Telephone call with A. Gebert re: additional factual content for memo; Research law re: [REDACTED]
MES	26/09/17	\$395.00	0.20	\$79.00	Receive response from S. O'Neill; Telephone call with B. Bando regarding same
MJVZ	26/09/17	\$425.00	0.10	\$42.50	Email Receiver [REDACTED] Email to M. Gugu regarding same
MJVZ	26/09/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding Sales Process
MJVZ	26/09/17	\$425.00	3.20	\$1,360.00	Review email from potential bidder and Receiver comments; Conference call with B. Bando regarding same; Review data room and pertinent documentation in connection with same and propose and send response to Receiver; Emails with A. Gebert in connection with same
MJVZ	26/09/17	\$425.00	0.30	\$127.50	Conference call with S. Graff regarding Creditor Claims Procedure and Sales Process
MJVZ	26/09/17	\$425.00	0.20	\$85.00	Conference call with A. Gebert and T. Jones regarding Creditor Claims and emails with T. Jones in connection with same
MJVZ	26/09/17	\$425.00	0.60	\$255.00	Revise Notice to Investors; Email to S. Graff regarding same regarding General Receivership Matters; Conference call with S. Graff regarding same
SLG	27/09/17	\$775.00	0.90	\$697.50	Telephone call with J. Leslie; Email to J. Leslie; Email to Stikeman Elliot; Discussion with M. van Zandvoort; Conference call with B. Bando
TSJ	27/09/17	\$295.00	9.60	\$2,832.00	Research and draft memo re: issue related to creditor claim

AIRD & BERLIS LLP
 PAGE 36 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	27/09/17	\$425.00	0.30	\$127.50	Email to M. Gugu regarding Creditor Claims and in preparation for meeting with S. Graff in connection with same; Revise Claim chart
MJVZ	27/09/17	\$425.00	2.10	\$892.50	Draft Amendment to Memorandum of Understanding and email to S. Graff regarding same regarding Media Fund; Email to B. Bando concerning same
MJVZ	27/09/17	\$425.00	0.30	\$127.50	Conference call with B. Bando regarding Sales Process and Creditor Claims Procedure
MJVZ	27/09/17	\$425.00	0.20	\$85.00	Conference call and emails with T. Jones regarding Creditor Claims Procedure
MJVZ	27/09/17	\$425.00	0.30	\$127.50	Conference call with S. Graff regarding Sales Process
MJVZ	27/09/17	\$425.00	1.60	\$680.00	Emails with S. Graff, J. Wainwright, and J. Merk concerning meeting to discuss offer; Review proposed definitive agreement in preparation for meeting and further evaluation of same
MJVZ	27/09/17	\$425.00	0.20	\$85.00	Conference call with B. Bando regarding Sales Process
MJVZ	27/09/17	\$425.00	0.10	\$42.50	Emails with S. Graff and further conference call with B. Bando regarding Sales Process
MJVZ	27/09/17	\$425.00	2.70	\$1,147.50	Review and evaluation of creditor claims in preparation for meeting with S. Graff
MJVZ	27/09/17	\$425.00	0.50	\$212.50	Conference calls with S. Graff and B. Bando regarding Sales Process
MJVZ	27/09/17	\$425.00	0.20	\$85.00	Draft and send email to offeror; Revise email to further offeror and discussion with S. Graff regarding same; Emails with B. Bando regarding same and Sales Process
SLG	28/09/17	\$775.00	0.50	\$387.50	Meeting with J. Wainwright, J. Merk and M. van Zandvoort to review [REDACTED] and process; Consider approach and issues
SLG	28/09/17	\$775.00	1.00	\$775.00	Meeting with M. van Zandvoort re: review of claims; Review T. Jones memo [REDACTED]

AIRD & BERLIS LLP
 PAGE 37 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	28/09/17	\$775.00	1.40	\$1,085.00	Consider issues and next steps; Discussion with M. van Zandvoort; Review B. Bando offer and comments; Telephone call with J. Krieger
TSJ	28/09/17	\$295.00	3.80	\$1,121.00	Revise memo; Print and flag case law; Discuss same with S. Graff; Meeting with M. van Zandvoort and S. Graff; Discussion with M. van Zandvoort; Research additional case law; Email to S. Graff and M. van Zandvoort summarizing same
JKM	28/09/17	\$550.00	0.90	\$495.00	Review APA; Meeting with M. van Zandvoort, J. Wainwright and S. Graff re same
SRM	28/09/17	\$350.00	0.10	\$35.00	E-mail and review file re PPSA registration
MJVZ	28/09/17	\$425.00	1.70	\$722.50	Continue review and analysis of creditor claims in preparation for meeting with S. Graff regarding same; Preparation for meeting with J. Merk, S. Graff and J. Wainwright regarding Sales Process
MJVZ	28/09/17	\$425.00	0.80	\$340.00	Attendance at meeting with J. Merk, S. Graff and J. Wainwright regarding Sales Process
MJVZ	28/09/17	\$425.00	0.80	\$340.00	Email to Receiver concerning proposed draft agreement submitted by offer and comments concerning same; Email to J. Wainwright and J. Merk concerning same
MJVZ	28/09/17	\$425.00	1.50	\$637.50	Review memorandum concerning [REDACTED] and associated jurisprudence in preparation for meeting this afternoon regarding [REDACTED] Review additional jurisprudence concerning same and meet with T. Jones to provide instruction; Review supplementary memorandum of T. Jones
MJVZ	28/09/17	\$425.00	0.40	\$170.00	Email to B. Bando and from B. Bando regarding response to offeror; Conference call with B. Bando regarding same regarding Sales Process
MJVZ	28/09/17	\$425.00	0.20	\$85.00	Conference call and emails from B. Bando; Email to S. Graff, J. Merk, J. Wainwright and with A. Gebert regarding recovery of monies today for Media Fund

AIRD & BERLIS LLP
PAGE 38 OF ACCOUNT NO. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	28/09/17	\$425.00	1.30	\$552.50	Meeting with T. Jones and S. Graff to strategize concerning issues engaging Sales Process and Creditor Claims
MJVZ	28/09/17	\$425.00	0.30	\$127.50	Email to Receiver requesting meeting and setting out agenda for meeting; Email from B. Bando regarding same
MJVZ	28/09/17	\$425.00	0.80	\$340.00	Review proposed agreement received from potential bidder; Email to J. Wainwright and J. Merk regarding same; Prepare notes for meeting in connection with same
MJVZ	28/09/17	\$425.00	0.90	\$382.50	Review proposed agreement received from potential manager; Email to J. Wainwright and J. Merk regarding same and to B. Bando and J. Krieger regarding same
MJVZ	28/09/17	\$425.00	0.10	\$42.50	Email to creditor counsel
MJVZ	28/09/17	\$425.00	0.60	\$255.00	Conference call with S. Graff concerning agreements proposed today by offerors in Sales Process and next steps regarding Sales Process; Emails with J. Merk, S. Graff and J. Wainwright concerning same
JAW	28/09/17	\$695.00	1.40	\$973.00	Review [REDACTED] asset purchase agreement; Notes re: same; Meeting with J. Merk and M. van Zandvoort re: same
SLG	29/09/17	\$775.00	0.30	\$232.50	Review agenda and email with M. van Zandvoort
TSJ	29/09/17	\$295.00	0.60	\$177.00	Receive instructions from M. van Zandvoort re: research; Review memoranda of law
MJVZ	29/09/17	\$425.00	0.50	\$212.50	Emails with J. Knight regarding Factoring and Hedge Funds; Review documentation sent; Email to A. Geber regarding same
MJVZ	29/09/17	\$425.00	0.30	\$127.50	Conference call with T. Jones regarding preparation to be undertaken for Monday's meeting with Receiver re Creditor Claims; Review memo from S. D'Amico and email to T. Jones
MJVZ	29/09/17	\$425.00	1.80	\$765.00	Preparation for meeting with Receiver on Monday, October 2, 2017; Preparation of table concerning Funds in connection with same

AIRD & BERLIS LLP
PAGE 39 OF ACCOUNT No. 577994

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	29/09/17	\$425.00	1.00	\$425.00	Receive and review further proposed agreement from bidder and prepare summary notes for same in preparation of meeting with Receiver on Monday; Emails with S. Graff regarding Monday's meeting agenda and with Receiver in connection with same

TOTAL:	332.80	\$131,672.00
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Name	Hours	Rate	Value
Miranda E. Spence (MES)	24.40	\$395.00	\$9,638.00
Alyssa E. Gebert (AEG)	35.60	\$295.00	\$10,502.00
Steven L. Graff (SLG)	23.80	\$775.00	\$18,445.00
Shannon R. Morris (SRM)	10.80	\$350.00	\$3,780.00
Mark J. van Zandvoort (MJVZ)	114.90	\$425.00	\$48,832.50
Christina Pugliese (CP)	0.60	\$180.00	\$108.00
Jennifer A. Wainwright (JAW)	10.00	\$695.00	\$6,950.00
Kenneth R. Clark (KRC)	3.60	\$615.00	\$2,214.00
Tyler Brent (TB)	14.50	\$250.00	\$3,625.00
Shannon Corregan (SC)	10.50	\$250.00	\$2,625.00
Rebecca Hines (RH)	14.90	\$250.00	\$3,725.00
Jeffrey K. Merk (JKM)	8.30	\$550.00	\$4,565.00
Nicholas Smith (NS)	13.60	\$250.00	\$3,400.00
Jesse Waslowski (JW)	10.90	\$250.00	\$2,725.00
Timothy S. Jones (TSJ)	34.70	\$295.00	\$10,236.50
Ivone Vieira (IV)	0.50	\$170.00	\$85.00
Patrick Williams (PW)	1.20	\$180.00	\$216.00

OUR FEE	\$131,672.00
HST at 13%	\$17,117.36

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Search Under P.P.S.A.	\$33.00
Due Diligence	\$102.00
Registration Under P.P.S.A.	\$29.03
Agents Fees - Non Taxable	\$321.96
[REDACTED]	\$440.00
Government Fee Cyberbahn Account	\$14.00

Total Agency Costs	\$939.99
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AIRD & BERLIS LLP
PAGE 40 OF ACCOUNT No. 577994

Subject to HST

Conference Calls	\$24.32
Corporate Search	\$21.00
Service Provider Fee	\$233.00
Due Diligence	\$143.50
Long Distance Charges	\$29.80
Imaging/Scanning	\$25.00
Photocopies - Local	\$1,129.75
Taxi	\$31.41
Photocopies	\$2.75
BC On Line-Service Provider Fee	\$8.50
Binding and Tabs	\$10.50

Total Disbursements	\$1,659.53
HST at 13%	\$215.74

AMOUNT NOW DUE

\$151,604.62

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Steven L. Graff
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

30631574.2

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
 Toronto, Ontario, Canada M5J 2T9
 T 416.863.1500 F 416.863.1515
 airdberlis.com

Grant Thornton Limited
 200 King Street West, 11th Floor
 Toronto, ON
 M5H 3T4

Attention: Mr. Jonathan Krieger

Account No.: 571129

PLEASE WRITE ACCOUNT NUMBERS
 ON THE BACK OF ALL CHEQUES

File No.: 25227/137794

July 31, 2017

Re: Receivership of Crystal Wealth Management System Limited, et al

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended July 31, 2017

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
AEG	01/06/17	\$295.00	3.60	\$1,062.00	Email correspondence re Media Fund loan and security review; Review security documentation re Media Fund loans for each of Ginger and Rosa (Bomb) and The English Teacher projects; Revisions to Media Fund loan and security summary re the same; Review search summaries and revise loan and security summary with same
SLG	01/06/17	\$775.00	1.00	\$775.00	Conference call with M. van Zandvoort, J. Krieger, B. Bando, K. Knight; review materials from C. Smith; review materials from A. Crawley; prepare for 9:30 am appt (scheduling)
SRM	01/06/17	\$350.00	0.50	\$175.00	Review emails and certified PPSA searches; Review UCC search and email to agent re: termination; Emails from and to team
DLM	01/06/17	\$295.00	0.70	\$206.50	Search for case law considering motions to vary or discharge an order made under section 129 of the Ontario Securities Act; Email to M. van Zandvoort regarding results of research
KBP	01/06/17	\$395.00	2.00	\$790.00	Review and consider various supplier agreements; discussions with M. van Zandvoort; attend call with client to

AIRD & BERLIS LLP
PAGE 2 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					discuss terms of the supplier agreements; email exchange with B. Bando regarding same.
MES	01/06/17	\$395.00	1.50	\$592.50	Telephone call and exchange of emails with J. Knight re: commercial loans; continue review of commercial loan agreements
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding collections
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Conference call with B. Bando regarding Pond and contracts with administrator contracts
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Further conference calls with S. Graff regarding administrators
MJVZ	01/06/17	\$425.00	0.10	\$42.50	Conference call with K. Plunkett regarding administrator contracts
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Further conference call with K. Plunkett regarding administrator contracts
MJVZ	01/06/17	\$425.00	0.30	\$127.50	Receive and review emails from M. Meerstadt regarding Access to Reports and Portal; Forward same to S. Graff; Further correspondence regarding same
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Correspondence with S. Graff, M. Spence, and S. Morris regarding internal meetings and fund review; Instruct D. Saturno regarding same
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Receive and review and consider email from A. Gebert regarding security documents
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Email to S. Graff and M. Spence regarding response to Pond Biofuels; Further correspondence regarding same
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Email to B. Bando regarding suggested response to T. Masney
MJVZ	01/06/17	\$425.00	0.10	\$42.50	Email to K. Plunkett regarding CW service agreements

AIRD & BERLIS LLP
 PAGE 3 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Emails from B. Bando regarding agreements; Email to K. Plunkett regarding same
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Email from J. Knight regarding dropbox update; Correspondence with M. Spence regarding same
MJVZ	01/06/17	\$425.00	0.10	\$42.50	Further correspondence with B. Bando regarding service agreements
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Receive and review email from J. Spence; Email to J. Krieger and B. Bando regarding same
MJVZ	01/06/17	\$425.00	0.30	\$127.50	Conference call with B. Bando
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Receive and review email from S. Morris regarding PPSA/UCC Registrations
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Email from J. Knight regarding real estate documents
MJVZ	01/06/17	\$425.00	0.50	\$212.50	Various correspondence with M. Spence, A. Gebert, S. Morris and S. Graff regarding dropbox; Further correspondence with J. Knight regarding same and review of dropbox
MJVZ	01/06/17	\$425.00	0.10	\$42.50	Receive response from C. Weiler regarding Crystal wealth website
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Correspondence with S. Graff regarding timetable and next steps
MJVZ	01/06/17	\$425.00	1.00	\$425.00	Commence preparation of notice and motion and claims procedure order for first approval motion
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Receive and review email from A. Crawley regarding Notice of Motion; emails with S. Graff regarding same
MJVZ	01/06/17	\$425.00	0.10	\$42.50	Email J. Krieger and B. Bando regarding Crawley notice of motion
MJVZ	01/06/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding Crawley and Smith materials
MJVZ	01/06/17	\$425.00	0.10	\$42.50	Conference call with M. Spence regarding Commercial Loan review

AIRD & BERLIS LLP
 PAGE 4 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	01/06/17	\$425.00	0.50	\$212.50	Conference call with J. Krieger, B. Bando, and S. Graff regarding Crawley notice of motion and C. Smith notice of motion and factum
MJVZ	01/06/17	\$425.00	0.50	\$212.50	Receive email from C. Smith serving notice of motion and factum; Review same
MJVZ	01/06/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding Xynergy Medical factoring documents
MJVZ	01/06/17	\$425.00	0.50	\$212.50	Receive and review email from C. Weiler regarding C. Smith notice of motion and factum; Email to S. Graff regarding same; Email to C. Weiler and Y. Chisholm regarding same; Further correspondence regarding same and concerning motion attendance
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Reporting email to B. Bando regarding proposed motion
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Email with C. Weiler regarding Website and emails with B. Bando regarding same
MJVZ	01/06/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding Website
MJVZ	01/06/17	\$425.00	0.40	\$170.00	Emails with D. Muise regarding motion to set aside Order and review email from D. Muise regarding same; preliminary note up of relevant statutory provisions
MJVZ	01/06/17	\$425.00	0.40	\$170.00	Email to M. McCann regarding research for motion and review of annotated r. 37 regarding same
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Emails from and to A. Gebert regarding PPSA/UCC Registrations
MJVZ	01/06/17	\$425.00	0.10	\$42.50	Email to C. Smith regarding motion record status
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Conference call with S. Graff
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Email to J. Wainwright regarding NRD Form and conference call with B. Bando regarding same

AIRD & BERLIS LLP
 PAGE 5 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	01/06/17	\$425.00	1.60	\$680.00	Receive and review motion record from C. Smith and prepare notes for chambers appointment attendance in connection with same; emails to S. Graff and to J. Krieger and B. Bando regarding same
MJVZ	01/06/17	\$425.00	0.20	\$85.00	Email from A. Gebert regarding ongoing Media Fund Review and attaching revised documentation
SLG	02/06/17	\$775.00	1.50	\$1,162.50	Attend scheduling appt for rep counsel and C. Smith motion; discussion with M. van Zandvoort; review emails from C. Weiler
SRM	02/06/17	\$350.00	9.20	\$3,220.00	Downloading materials from dropbox; Reorganizing files; Meeting to discuss PPSA deficiencies; Reviewing materials
KBP	02/06/17	\$395.00	2.10	\$829.50	Review and consider service agreements with National Bank and Spectrum; discuss same with S. Graff; email to client regarding same
MES	02/06/17	\$395.00	0.20	\$79.00	Discussion with S. Graff and receive and review emails
MJVZ	02/06/17	\$425.00	0.90	\$382.50	Prepare submissions for court attendance
MJVZ	02/06/17	\$425.00	0.10	\$42.50	Emails with M. McCann regarding research for motion
MJVZ	02/06/17	\$425.00	0.40	\$170.00	Conference call with S. Graff regarding Court attendance
MJVZ	02/06/17	\$425.00	0.20	\$85.00	Emails with C. Weiler and from Y. Chisholm regarding court attendance
MJVZ	02/06/17	\$425.00	0.10	\$42.50	Conference call with B. Bando
MJVZ	02/06/17	\$425.00	1.80	\$765.00	Attend chambers appointment
MJVZ	02/06/17	\$425.00	0.10	\$42.50	Conference call with J. Knight regarding Media Fund
MJVZ	02/06/17	\$425.00	0.20	\$85.00	Conference call with K. Plunkett regarding service agreement review and email to K. Plunkett

AIRD & BERLIS LLP
PAGE 6 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	02/06/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding A. Crawley correspondence
MJVZ	02/06/17	\$425.00	0.10	\$42.50	Further conference call with S. Graff
MJVZ	02/06/17	\$425.00	0.50	\$212.50	Emails from A. Gebert and S. Morris and review media fund chart prepared in anticipation of meeting with S. Morris
MJVZ	02/06/17	\$425.00	0.10	\$42.50	Instruct D. Saturno to prepare documents for meeting regarding media fund
MJVZ	02/06/17	\$425.00	0.20	\$85.00	Instruct D. Saturno regarding preparation of letter to service list; review and revise same; serve letter with endorsement
MJVZ	02/06/17	\$425.00	0.10	\$42.50	Email to J. Krieger regarding court attendance
MJVZ	02/06/17	\$425.00	0.40	\$170.00	Meeting with S. Morris
MJVZ	02/06/17	\$425.00	0.20	\$85.00	Email from J. Knight regarding notice posted; Email to J. Knight regarding same
MJVZ	02/06/17	\$425.00	0.10	\$42.50	Email to J. Krieger and J. Knight enclosing June 2 endorsement
MJVZ	02/06/17	\$425.00	0.10	\$42.50	Email from A. Crawley
MJVZ	02/06/17	\$425.00	0.20	\$85.00	Review email from A. Davids regarding Dropbox; Email to S. Morris and A. Gebert regarding same
MJVZ	02/06/17	\$425.00	0.20	\$85.00	Email from J. Knight regarding website; email to S. Graff and to J. Knight regarding same in conjunction with review of e-service protocol
MJVZ	02/06/17	\$425.00	0.10	\$42.50	Email from A. Reiknecht
MJVZ	02/06/17	\$425.00	0.10	\$42.50	Emails from and to S. Morris
MJVZ	04/06/17	\$425.00	0.10	\$42.50	Email from C. Smith
MJVZ	04/06/17	\$425.00	0.20	\$85.00	Emails to and from S. Graff
MJVZ	04/06/17	\$425.00	0.10	\$42.50	Email to C. Smith; email to J. Krieger and B. Bando regarding same

AIRD & BERLIS LLP
 PAGE 7 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	04/06/17	\$425.00	0.20	\$85.00	Email from J. Knight and to J. Knight and email to S. Morris
MJVZ	04/06/17	\$425.00	0.10	\$42.50	Emails from K. Plunkett and B. Bando
MJVZ	04/06/17	\$425.00	0.20	\$85.00	Review IFDS listings and email to A. Reitknecht
SRM	05/06/17	\$350.00	2.50	\$875.00	Continue downloading and reviewing materials; Telephone call with J. Knight regarding gold contracts
MJVZ	05/06/17	\$425.00	0.10	\$42.50	Receive and review email from C. Weiler regarding counsel for Shanine Dennill; Instruct D. Saturno to update service list
MJVZ	05/06/17	\$425.00	0.10	\$42.50	Correspondence with S. Morris regarding Gold Contracts
MJVZ	05/06/17	\$425.00	0.10	\$42.50	Review email from C. Smith regarding redacting documents; Forward same to S. Graff
MJVZ	05/06/17	\$425.00	0.50	\$212.50	Conference call with S. Morris and J. Knight
MJVZ	05/06/17	\$425.00	0.10	\$42.50	Email from S. Morris regarding Gold Contract Summary; Email from J. Knight regarding same
MJVZ	05/06/17	\$425.00	0.80	\$340.00	Voicemail and email from J. Knight regarding mortgages; review mortgage fund in connection with same and attachments to J. Knight email; conference calls with S. Graff and with J. Knight
SLG	06/06/17	\$775.00	0.30	\$232.50	Review emails re redactions; telephone call with M. van Zandvoort
SLG	06/06/17	\$775.00	0.20	\$155.00	Email re M. van Zandvoort and discussion re purchase of mortgages
AEM	06/06/17	\$475.00	1.10	\$522.50	Telephone call with J. Wainwright and B. Bando regarding NRD access and filing notices of termination; Review notices of termination; Review firm's NRD record and report of registered and permitted individuals; Discussion and e-mails regarding filing matters with J. Wainwright; Download permanent

AIRD & BERLIS LLP
 PAGE 8 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					record reports of individuals in anticipation of filing notices of termination
SRM	06/06/17	\$350.00	0.20	\$70.00	Discussion with M. Spence re: summary; Reorganizing file
MES	06/06/17	\$395.00	4.20	\$1,659.00	Continue review of documentation regarding commercial loans
MJVZ	06/06/17	\$425.00	0.10	\$42.50	Receive and review email from M. Meerstadt
MJVZ	06/06/17	\$425.00	0.40	\$170.00	Receive email from A. McBain regarding notices of termination; Email J. Wainwright regarding same; draft letter to A. McBain and arrange to fax same and emails with D. Saturno regarding same
MJVZ	06/06/17	\$425.00	0.10	\$42.50	Correspondence with J. Knight regarding mortgages
MJVZ	06/06/17	\$425.00	0.10	\$42.50	Receive and review email from J. Wainwright regarding Change of Chief AFR
MJVZ	06/06/17	\$425.00	0.10	\$42.50	Reporting email to B. Bando regarding Change of NRD CAFR
MJVZ	06/06/17	\$425.00	0.20	\$85.00	Further correspondence with J. Knight regarding mortgages
MJVZ	06/06/17	\$425.00	0.60	\$255.00	Receive and review email from C. Smith; Email to S. Graff regarding same; emails with B. Bando regarding same; email to C. Smith and review prior correspondence regarding statutory declaration outstanding in connection with same
MJVZ	06/06/17	\$425.00	1.00	\$425.00	Correspondence with C. Weiler regarding redaction of exhibits in application record; obtain same and review of same and emails with D. Saturno and B. Bando regarding posting same to Case Website; review email from C. Weiler to C. Smith regarding same and email from C. Smith

AIRD & BERLIS LLP
 PAGE 9 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	06/06/17	\$425.00	0.20	\$85.00	Receive and review email and attached chain from B. Bando and BDO regarding Crystal Wealth Retirement One Fund; Email to S. Graff regarding same; Email to B. Bando regarding same
MJVZ	06/06/17	\$425.00	0.30	\$127.50	Receive and review email from B. Bando regarding Change of Chief AFR with attachments; further Email from B. Bando regarding Change of Chief AFR; Correspondence with J. Wainwright and A. Miatello regarding Change of NRD CAFR; Email from B. Bando regarding stock options grants to companies
MJVZ	06/06/17	\$425.00	0.10	\$42.50	Telephone call (voicemail) to W. Smith regarding representation; Further email regarding same
MJVZ	06/06/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding various receivership matters
MJVZ	06/06/17	\$425.00	0.20	\$85.00	Review email from B. Bando regarding L. Smith and G. Carpenter email and consideration of same
MJVZ	06/06/17	\$425.00	0.10	\$42.50	Receive email from W. Smith regarding representation
MJVZ	06/06/17	\$425.00	0.10	\$42.50	Emails from S. Morris and M. Spence regarding Summaries for Mutual Funds
JAW	06/06/17	\$695.00	0.80	\$556.00	Review M. Van Zandvoort email; Telephone call with A. Bain at OSC; Follow-up emails re: same; Telephone call with B. Bando; Conference call with B. Bando and A. Miatello; Internal discussion with A. Miatello re: NRD forms
SMA	07/06/17	\$525.00	0.60	\$315.00	Correspondence re option grant; Email J. Wainwright re same
SLG	07/06/17	\$775.00	0.40	\$310.00	Telephone call with C. Weiler with respect to counsel and emails re A. Crawley
AEM	07/06/17	\$475.00	1.20	\$570.00	File notices of termination of seven individuals through NRD; E-mail B. Bando regarding termination of individuals

AIRD & BERLIS LLP
 PAGE 10 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	07/06/17	\$425.00	0.10	\$42.50	Review email from A. Miatello regarding filed Notices of Termination
MJVZ	07/06/17	\$425.00	0.10	\$42.50	Review email from A. Miatello regarding terminated individuals' Form 33-109F4s
MJVZ	07/06/17	\$425.00	0.10	\$42.50	Review emails from C. Weiler and S. Graff regarding representative counsel; Email to S. Graff regarding same
MJVZ	07/06/17	\$425.00	0.10	\$42.50	Receive and review email from J. Knight regarding documents from C. Clydesdale
MJVZ	07/06/17	\$425.00	0.20	\$85.00	Email from B. Bando regarding Squire Purchase; Email to S. Graff regarding same
MJVZ	07/06/17	\$425.00	0.20	\$85.00	Email from S. Graff regarding solicitation; Instruct D. Saturno regarding same
MJVZ	07/06/17	\$425.00	0.20	\$85.00	Correspondence with B. Bando regarding Crystal Wealth and BDO
MJVZ	07/06/17	\$425.00	0.10	\$42.50	Review email from J. Wainwright regarding stock options
MJVZ	07/06/17	\$425.00	0.10	\$42.50	Email from Web Provider
JAW	07/06/17	\$695.00	0.30	\$208.50	Review B. Bando email; Email S. Altshuler re: same; Review and respond to miscellaneous emails; Email from S. Altshuler re: TSVX forms
AEG	08/06/17	\$295.00	1.90	\$560.50	Engage in review of Media Strategy loans and security documentation re loans to Welcome to Me, LLC; Various discussions with P. Pulnyev and S. Morris re outstanding searches; Instruct M. McCann re review and organization of documents
SLG	08/06/17	\$775.00	0.20	\$155.00	Telephone call with M. van Zandvoort re sale of mortgages
SLG	08/06/17	\$775.00	1.00	\$775.00	Conference call with C. Weiler re rep counsel whistle-blower and position of OSC on s.117 Order, info and cooperation of BDC and position of Blakes

AIRD & BERLIS LLP
 PAGE 11 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MM	08/06/17	\$250.00	0.40	\$100.00	Received instructions from A. Gebert re document organization into filesite
SRM	08/06/17	\$350.00	0.60	\$210.00	Discussion with A. Gebert re: assignment, status of file; Review of searches and profiles
PP	08/06/17	\$180.00	0.40	\$72.00	Obtained corporate profiles for Welcome Me, LLC, Lullaby Production, LLC, Unified Pictures, Inc. and Bron Studios USA Inc.; Reviewed same
PP	08/06/17	\$180.00	0.30	\$54.00	Submitted request for UCC searches to US agent against Welcome Me, LLC, Lullaby Production, LLC, Unified Pictures, Inc. and Bron studios USA Inc.
MES	08/06/17	\$395.00	1.20	\$474.00	Review correspondence from counsel for Craig Clydesdale; Exchange emails and telephone calls with J. Knight regarding status of Clydesdale loans; Review loan documentation; Call with counsel for Craig Clydesdale; Exchange further emails with M. van Zandvoort, B. Bando, J. Knight; Telephone call with S. Graff; Exchange emails with J. Knight regarding Cross Borden Real Estate Investment
MJVZ	08/06/17	\$425.00	0.10	\$42.50	Email from S. Graff regarding Squire Purchase of CWMS mortgages
MJVZ	08/06/17	\$425.00	0.10	\$42.50	Email to S. Graff regarding Squire Purchase of CWMS
MJVZ	08/06/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding Squire
MJVZ	08/06/17	\$425.00	0.10	\$42.50	Email to J. Knight and B. Bando regarding updated Service List
MJVZ	08/06/17	\$425.00	0.40	\$170.00	Conference call with J. Krieger and B. Bando regarding various receivership matters
MJVZ	08/06/17	\$425.00	0.40	\$170.00	Email to S. Graff regarding call with J. Krieger and B. Bando on various receivership matters; Conference call with S. Graff regarding same

AIRD & BERLIS LLP
 PAGE 12 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	08/06/17	\$425.00	0.10	\$42.50	Review email from J. Knight to C. Smith regarding contacting investor; Review response regarding same
MJVZ	08/06/17	\$425.00	0.30	\$127.50	Email to N. Campbell regarding BDO representation; Email to B. Bando and J. Knight regarding same
MJVZ	08/06/17	\$425.00	0.20	\$85.00	Email to A&B team regarding update meeting; Receive responses regarding same regarding Media Fund
MJVZ	08/06/17	\$425.00	0.20	\$85.00	Email to R. Hooke regarding Squire Purchase of CWMS Mortgages
MJVZ	08/06/17	\$425.00	0.30	\$127.50	Telephone call with N. Campbell regarding BDO representation
MJVZ	08/06/17	\$425.00	0.10	\$42.50	Email to S. Graff regarding conference call with N. Campbell
MJVZ	08/06/17	\$425.00	0.10	\$42.50	Correspondence with B. Bando, J. Knight and J. Krieger regarding call from counsel
MJVZ	08/06/17	\$425.00	0.20	\$85.00	Review email from B. McKenzie regarding OOM Energy; Receive instruction regarding same; Discussion with M. Spence regarding same; Review email from M. Spence regarding same; further emails with M. Spence and J. Knight regarding same
MJVZ	08/06/17	\$425.00	0.30	\$127.50	Draft response to L. Smith regarding Crystal Wealth; Email to S. Graff regarding same
MJVZ	08/06/17	\$425.00	0.30	\$127.50	Email to C. Weiler and emails with B. Bando regarding same
MJVZ	08/06/17	\$425.00	0.20	\$85.00	Further correspondence with C. Weiler
MJVZ	08/06/17	\$425.00	0.80	\$340.00	Receive and review email from B. Bando regarding Notice to Investors; Revise same; Email to S. Graff regarding same with blackline
MJVZ	08/06/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding A. Storelli; emails with M. Spence and J. Knight regarding same

AIRD & BERLIS LLP
 PAGE 13 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	08/06/17	\$425.00	0.10	\$42.50	Receive and review emails from A. Gebert and P. Pulnyev regarding searches
MJVZ	08/06/17	\$425.00	0.40	\$170.00	Further conference call with S. Graff regarding notice and revise notice and email same with blackline to B. Bando
SMA	09/06/17	\$525.00	0.20	\$105.00	Email B. Bando re TSXV forms; Discussion with J. Wainwright re same
AEG	09/06/17	\$295.00	3.50	\$1,032.50	Meeting with M. Van Zandvoort, S. Morris, M. Spence re loan and security review of Media Fund loans; Engage in review of sales analysis documents provided by A. Davids re Media Fund loans; Discussions with M. Van Zandvoort and S. Graff re the same
SLG	09/06/17	\$775.00	1.00	\$775.00	Telephone call with C. Weiler re issues on rep counsel, monetization of liquid securities; discussion with Quiver re advisory role and collection
SLG	09/06/17	\$775.00	0.90	\$697.50	Conference call re Whistle blower, etc. and meet to discuss portfolio management
SLG	09/06/17	\$775.00	0.30	\$232.50	Address recent notice to investors; address ex spouse claim
MM	09/06/17	\$250.00	4.30	\$1,075.00	Pulled files from drop box and inserted into filesite as per A. Gebert
SRM	09/06/17	\$350.00	0.80	\$280.00	Begin review of gold contracts and preparing a summary of same; Attend status meeting
PP.	09/06/17	\$180.00	1.20	\$216.00	Obtained UCC searches against Welcome to Me, LLC, Lullaby Production, LLC et al; Reviewed summarized and reported on same
MES	09/06/17	\$395.00	3.00	\$1,185.00	Receive and review request regarding Pond loans; review PPSA search and security requirements; A&B meeting re: status of loan documents; Further review of Pond documents and draft postponement regarding interest payments; Discuss with S. Graff; Exchange emails with B. Bando;

AIRD & BERLIS LLP
 PAGE 14 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Telephone call with B. Bando and S. Graff re: extension of Pond interest payments and terms of same; Draft proposed email from GT to Pond and send to B. Bando
MJVZ	09/06/17	\$425.00	0.20	\$85.00	Email from B. Bando regarding proposals to amounts owing; Email regarding same to M. Spence
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Email from M. Spence regarding St. Mary's Cement
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Conference call with S. Graff
MJVZ	09/06/17	\$425.00	0.50	\$212.50	Conference call with S. Graff, B. Bando and J. Krieger, and OSC representatives
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Email to N. Campbell regarding conference call; Email B. Bando regarding same
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Email from S. Altshuler regarding TSXV
MJVZ	09/06/17	\$425.00	0.40	\$170.00	Conference call with B. Bando and J. Krieger
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding sale of marketable securities
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding Notice to Investors
MJVZ	09/06/17	\$425.00	0.20	\$85.00	Email to J. Krieger and B. Bando regarding liquidating Exchange Traded Securities/Derivatives held by CW
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Review email from M. Spence regarding security position
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Email from C. Weiler
MJVZ	09/06/17	\$425.00	0.20	\$85.00	Email from B. Bando regarding M. Greenberg email and prepare response to same; conference call with S. Graff regarding same and email response to B. Bando
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Email to G. Carpenter and email to B. Bando regarding same

AIRD & BERLIS LLP
 PAGE 15 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	09/06/17	\$425.00	0.20	\$85.00	Review email from A. Gebert to A. Davids and email concerning Media Fund with attachments
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Emails from M. Spence regarding Loans
MJVZ	09/06/17	\$425.00	0.30	\$127.50	Conference call with N. Campbell, Receiver, and S. Graff
MJVZ	09/06/17	\$425.00	0.60	\$255.00	Receive email from C. Singh enclosing motion record; Review same in preparation for meeting with S. Graff; email to J. Krieger and B. Bando regarding same
MJVZ	09/06/17	\$425.00	0.30	\$127.50	Meeting with A. Gebert and S. Graff regarding media fund
MJVZ	09/06/17	\$425.00	0.40	\$170.00	Meet with S. Graff regarding A. Crawley motion record and conference call with OSC and S. Graff
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Emails with S. Graff and B. Bando regarding Media Fund meeting Tuesday, June 13, 2017
MJVZ	09/06/17	\$425.00	0.20	\$85.00	Conference call with S. Graff and Receiver regarding various receivership matters
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Emails and meet with M. Spence regarding rep counsel motion
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Further email to B. Bando and J. Krieger regarding sale of exchange traded securities/derivatives
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Emails from B. Bando regarding Loans and M. Greenberg response
MJVZ	09/06/17	\$425.00	0.10	\$42.50	Email to A. Crawley and email to B. Bando and J. Krieger
MJVZ	11/06/17	\$425.00	0.10	\$42.50	Emails from B. Bando and S. Graff regarding media fund meeting
AEG	12/06/17	\$295.00	0.40	\$118.00	Engage in review and organization of documents received from Davoli Davids, LLP re Media Fund

AIRD & BERLIS LLP
 PAGE 16 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	12/06/17	\$775.00	0.40	\$310.00	Email with B. Bando and M. van Zandvoort
SLG	12/06/17	\$775.00	0.20	\$155.00	Discussion re attendance at Blakes
RTH	12/06/17	\$695.00	0.50	\$347.50	Review documents; Telephone call to M. van Zandvoort; Telephone call from M. van Zandvoort; Telephone call to M. van Zandvoort re transfer of charge documents
SRM	12/06/17	\$350.00	1.40	\$490.00	Review email regarding additional searches; Order searches; Continue review of gold contracts and prepare summary report of same
KBP	12/06/17	\$395.00	1.00	\$395.00	Review and consider emails from B. Brando regarding contracts; review and consider emails from M. van Zandvoort; draft responding emails to client regarding scope of contracts and collateral.
PP	12/06/17	\$180.00	0.20	\$36.00	Ordered Ontario PPSA search against Crystal Wealth; Obtained results; Reviewed and reported on same
MES	12/06/17	\$395.00	0.60	\$237.00	Receive and review emails from M. van Zandvoort, B. Bando, S. Graff, N. Campbell re: questioning of BDO, First Receiver's Report
MJVZ	12/06/17	\$425.00	0.30	\$127.50	Email from N. Campbell; email to B. Bando regarding same; email from B. Bando; email response to N. Campbell; further email from N. Campbell; email to B. Bando regarding same and email from S. Graff regarding same; Email to D Saturno regarding meeting on Thursday, June 15, 2017; email from B. Bando regarding inquiries for meeting on Thursday and email to B. Bando and N. Campbell concerning same
MJVZ	12/06/17	\$425.00	0.10	\$42.50	Emails from B. Bando regarding NBCN and service providers email from K. Plunkett regarding same
MJVZ	12/06/17	\$425.00	0.20	\$85.00	Email to R. Hooke regarding Squire mortgages

AIRD & BERLIS LLP
 PAGE 17 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	12/06/17	\$425.00	0.10	\$42.50	Review correspondence from A. Crawley with attached affidavits and instruct D. Saturno regarding updating records
MJVZ	12/06/17	\$425.00	0.10	\$42.50	Conference call with C. Weiler and J. Tan
MJVZ	12/06/17	\$425.00	0.10	\$42.50	Email to B. Bando regarding CW email accounts
MJVZ	12/06/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding first draft of report and email to A&B team regarding same
MJVZ	12/06/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding email accounts; email to B. Bando
MJVZ	12/06/17	\$425.00	0.10	\$42.50	Conference call to C. Weiler
MJVZ	12/06/17	\$425.00	0.30	\$127.50	Conference call with R. Hooke regarding Squire mortgages; email R. Hooke Appointment Order; emails with docs pro regarding draft sale documents
MJVZ	12/06/17	\$425.00	0.20	\$85.00	Various emails from and to A. Gebert, S. Graff, and B. Bando regarding Media Fund
MJVZ	12/06/17	\$425.00	0.20	\$85.00	Email from D. Badham regarding documentation from BDO and emails with B. Bando regarding same; email to D. Badham regarding same
MJVZ	12/06/17	\$425.00	0.40	\$170.00	Preparation for meeting with GT tomorrow morning
KC	13/06/17	\$300.00	2.90	\$870.00	Receive instructions from R. Hooke; subsearch title re 1143 Leonard Lake Road 1, Bracebridge; receipt and review of Order; draft Application to Register Court Order re 1143 Leonard Lake Road 1, Bracebridge; draft Transfer of Charge; draft Acknowledgement and Direction re Transfer of Charge; subsearch title re 1 Ashton Street, Cambridge; draft Application to Register Court Order re 1 Ashton Street, Cambridge; draft Transfer of Charge; draft Acknowledgement and Direction re Transfer of Charge ; correspond with M. van Zandvoort;

AIRD & BERLIS LLP
PAGE 18 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					correspond with B. Bando; J. Knight and J. Krieger
AEG	13/06/17	\$295.00	3.50	\$1,032.50	Meeting with Quiver Capital, client, S. Graff and M. van Zandvoort re Media Fund; Discussion with M. van Zandvoort re preparation of draft first report; Review draft first report re Media Fund
SLG	13/06/17	\$775.00	2.00	\$1,550.00	Meeting with Quiver and GTL to discuss approach to Media Fund and best opportunity to maximize recovery
SLG	13/06/17	\$775.00	0.80	\$620.00	Discussion with M. van Zandvoort re status and review of matter and next steps
RTH	13/06/17	\$695.00	0.40	\$278.00	Email from M. van Zandvoort; Instructions to clerk; Review documents
SRM	13/06/17	\$350.00	0.80	\$280.00	Continue review of gold contracts and summary of same
MES	13/06/17	\$395.00	0.60	\$237.00	Receive and review emails from M. van Zandvoort; Receive and review email from counsel for Craig Clydesdale and email to B. Bando and J. Knight; Further exchange of emails with J. Knight; Receive emails from M. van Zandvoort re: First Report
MJVZ	13/06/17	\$425.00	0.80	\$340.00	Various emails with S. Graff and A. Gebert regarding Media Fund meeting and preparation for meeting
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Email from C. Weiler regarding communication from P. Cummings
MJVZ	13/06/17	\$425.00	0.30	\$127.50	Emails and telephone call with B. Bando regarding P. Cummings email and email to C. Weiler regarding same
MJVZ	13/06/17	\$425.00	2.10	\$892.50	Attend meeting regarding Media Fund
MJVZ	13/06/17	\$425.00	0.30	\$127.50	Email from R. Hooke regarding offer and registration documents; emails with K. Connell regarding same and telephone calls with K. Connell and B. Bando regarding same

AIRD & BERLIS LLP
 PAGE 19 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	13/06/17	\$425.00	0.20	\$85.00	Review email from A. Davids and conference call with B. Bando regarding same; email to A. Gebert and S. Graff regarding same
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Further conference call with S. Graff regarding draft first report
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Emails from and to D. Badham regarding BDO's knowledge/process flow documents
MJVZ	13/06/17	\$425.00	0.20	\$85.00	Email from A. Gebert regarding next steps and meeting with A. Gebert regarding Media Fund
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Email to C. Weiler regarding response to P. Cummings; Email to B. Bando regarding same
MJVZ	13/06/17	\$425.00	0.20	\$85.00	Email from A. Davids regarding Welcome to Me; Review and consider same and conference call with B. Bando regarding same; email to S. Graff and A. Gebert regarding same
MJVZ	13/06/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding various matters arising from meeting this morning
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Conference call with J. Tan
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Conference call and emails with C. Bando regarding OOM Energy
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Further conference call with J. Tan
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Email from J. Knight attaching draft first report
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Conference call with S. Morris regarding review of draft first report
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Email to S. Morris, K. Plunkett, M. Spence, A. Gebert, and S. Graff regarding draft First Report
MJVZ	13/06/17	\$425.00	6.10	\$2,592.50	Review and revise draft first report; email to S. Morris, K. Plunkett, M. Spence, A. Gebert, and S. Graff attaching draft report and blackline

AIRD & BERLIS LLP
 PAGE 20 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Email from M. Spence regarding C. Clydesdale
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Meeting with M. Spence regarding US Real Estate LPs and email from M. Spence regarding same; email from J. Knight regarding same
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Emails to A. Gebert regarding review of first report regarding Media Fund
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Emails with K. Plunkett regarding review of draft first report regarding Factoring and Medical Factoring funds
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Emails with S. Morris regarding review of first report regarding Gold Contracts
MJVZ	13/06/17	\$425.00	0.10	\$42.50	Emails with A. Miatello and J. Wainwright regarding registered individual termination filing
MJVZ	13/06/17	\$425.00	0.20	\$85.00	Emails with S. Graff regarding draft first report
AEG	14/06/17	\$295.00	1.90	\$560.50	Engage in review and revisions to draft first report of the Receiver re Media Fund; Review waterfall provisions in CAMAs re Media Fund and report on same to M. van Zandvoort and S. Graff
SLG	14/06/17	\$775.00	2.00	\$1,550.00	Telephone call with M. van Zandvoort; consider other listings and reports
SRM	14/06/17	\$350.00	3.10	\$1,085.00	Review receiver report and provide comments re: same; Conduct preliminary searches and additional PPSA searches
MES	14/06/17	\$395.00	4.20	\$1,659.00	Review documentation provided re: Pond loans and provide comments to B. Bando; Review draft First Report as it relates to Pond loans and provide comments; Exchange emails with J. Knight re: OOM energy loans and US Realty Fund; Draft proposed Claims Procedure Order

AIRD & BERLIS LLP
 PAGE 21 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	14/06/17	\$425.00	0.30	\$127.50	Email from B. Bando regarding Palisade Resources Name Change; Review same; Emails with S. Graff regarding same; Email to B. Bando regarding same
MJVZ	14/06/17	\$425.00	0.20	\$85.00	Email from B. Bando regarding FN Walton debenture re-registration; Review same; Emails to and from J. Wainwright regarding same; Email to J. Merk regarding same
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding Squire Purchase of CWMS Mortgages
MJVZ	14/06/17	\$425.00	0.20	\$85.00	Emails from A. Gebert regarding Draft Receiver's First Report; Email to A. Gebert regarding same; further email from A. Gebert regarding CAM statements
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Email to B. Bando regarding CW Email Accounts/Go-Daddy
MJVZ	14/06/17	\$425.00	0.20	\$85.00	Email from B. Bando regarding Pond and conference call with B. Bando regarding same; Email to M. Spence regarding same; Receive email from M. Spence regarding Pond and CW secured position
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Instruct D. Saturno regarding preparation of draft Fee Affidavit
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Email from S. Morris regarding Draft Receiver's First Report
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding email to GoDaddy
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding OOM Energy Group contacts; email from M. Spence regarding same
MJVZ	14/06/17	\$425.00	0.20	\$85.00	Email from B. Meyerowitz regarding proposal; and review of same conference call with B. Bando regarding same

AIRD & BERLIS LLP
 PAGE 22 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	14/06/17	\$425.00	0.20	\$85.00	Instruct D. Saturno regarding preparation of Draft Order and emails with J. Nemers regarding same
MJVZ	14/06/17	\$425.00	1.50	\$637.50	Draft Notice of Motion
MJVZ	14/06/17	\$425.00	0.20	\$85.00	Meet with M. Spence and conference call with M. Spence regarding preparation of draft Claims Procedure Order; email from M. Spence attaching same
MJVZ	14/06/17	\$425.00	0.40	\$170.00	Email to S. Morris regarding first report; Email from S. Morris regarding same; further email from S. Morris and preliminary review of revisions to report
MJVZ	14/06/17	\$425.00	0.20	\$85.00	Email to S. Graff regarding draft response to P. Cummings; Email from S. Graff regarding same
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Email to S. Graff regarding Quiver
MJVZ	14/06/17	\$425.00	0.20	\$85.00	Emails with S. Graff regarding Crystal Wealth Factoring fund
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Conference call with J. Tan
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Further conference call with J. Tan
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Conference call with S. Graff
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Conference call with M. Spence regarding Claims Procedure Order
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Conference call with B. Bando re BDO meeting
MJVZ	14/06/17	\$425.00	0.10	\$42.50	Conference call with S. Morris regarding revisions to First Report
JAW	14/06/17	\$695.00	0.10	\$69.50	Review and respond to M. Van Zandvoort email re: debentures
AEG	15/06/17	\$295.00	0.70	\$206.50	Review and organization of materials received from Davids LLP re Media Fund
SLG	15/06/17	\$775.00	0.90	\$697.50	Lengthy telephone call with C. Weiler re rep counsel issues

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	15/06/17	\$775.00	0.30	\$232.50	Discussion with M. Spence re Interview of BDO as Blakes
SRM	15/06/17	\$350.00	0.70	\$245.00	Further revise first report and continue summary of gold contracts
MES	15/06/17	\$395.00	2.10	\$829.50	Attend meeting at Blakes with B. Bando and J. Knight to interview BDO; Discussion with S. Graff re: same; Receive and respond to emails from J. Knight and M. van Zandvoort
MJVZ	15/06/17	\$425.00	0.10	\$42.50	Email from J. Merk regarding FN Walton debenture re-registration
MJVZ	15/06/17	\$425.00	0.10	\$42.50	Email to and from A. Gebert regarding dropbox review
MJVZ	15/06/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding CW Email Accounts/Go-Daddy
MJVZ	15/06/17	\$425.00	0.20	\$85.00	Email from and to B. Bando regarding Court on June 23; Email to B. Bando regarding same; email to S. Graff regarding same
MJVZ	15/06/17	\$425.00	0.20	\$85.00	Conference call with S. Graff
MJVZ	15/06/17	\$425.00	0.10	\$42.50	Conference call with J. Merk
MJVZ	15/06/17	\$425.00	0.10	\$42.50	Email from M. Spence regarding PPSA Registrations
MJVZ	15/06/17	\$425.00	0.10	\$42.50	Email from J. Merk regarding FN Walton
MJVZ	15/06/17	\$425.00	0.10	\$42.50	Emails from M. Spence and J. Knight regarding OOM Energy
MJVZ	15/06/17	\$425.00	0.40	\$170.00	Emails with S. Morris regarding Factoring Admin Agreement and review of same; Emails with B. Bando regarding response to P. Cummings
MJVZ	15/06/17	\$425.00	0.10	\$42.50	Email from M. Spence and J. Dyck
MJVZ	15/06/17	\$425.00	0.10	\$42.50	Emails from C. Weiler and S. Graff and to S. Graff
MJVZ	15/06/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding Go-Daddy Response

AIRD & BERLIS LLP
 PAGE 24 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	15/06/17	\$425.00	0.10	\$42.50	Email from J. Merk regarding FN Walton debenture re-registration A/C
SLG	16/06/17	\$775.00	2.80	\$2,170.00	Review and revise report of Receiver; consider issues; discussion with M. van Zandvoort; review Quiver summary and proposal
SRM	16/06/17	\$350.00	0.20	\$70.00	Email and review of file regarding factoring agreement
MES	16/06/17	\$395.00	0.20	\$79.00	Exchange emails with J. Knight re: US Realty and Pond
MJVZ	16/06/17	\$425.00	0.10	\$42.50	Emails from B. Cowper-Smith
MJVZ	16/06/17	\$425.00	0.10	\$42.50	Emails with S. Morris regarding Factoring Fund
MJVZ	16/06/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding organizational chart
MJVZ	17/06/17	\$425.00	0.20	\$85.00	Emails and conference call with S. Graff regarding draft 1st report
MJVZ	17/06/17	\$425.00	0.50	\$212.50	Review certain factoring contracts and emails with B. Bando regarding same; emails from B. Bando and J. Knight regarding same.
MJVZ	17/06/17	\$425.00	0.10	\$42.50	Email to D. Hewer regarding completion of Fee Affidavit
MJVZ	17/06/17	\$425.00	0.10	\$42.50	Emails with M. Spence regarding US Real Estate LPs
MJVZ	17/06/17	\$425.00	0.10	\$42.50	Update service list and email same to B. Bando
MJVZ	17/06/17	\$425.00	0.10	\$42.50	Email to B. Cowper-Smith; email from B. Cowper-Smith
MJVZ	18/06/17	\$425.00	0.10	\$42.50	Emails from S. Graff and B. Bando regarding draft First Report
AEG	19/06/17	\$295.00	0.90	\$265.50	Telephone call with client, M. Spence re Media Fund; Engage in review of agreements and payout statements received from Davoli Davids, LLP re Media Fund; Review of correspondence between client and Media House

AIRD & BERLIS LLP
PAGE 25 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	19/06/17	\$775.00	2.80	\$2,170.00	Conference call with J. Krieger, B. Bando, J. Knight and M. van Zandvoort; finish reading report; discuss issues re rep counsel, Media Fund, timing, etc.
DH	19/06/17	\$200.00	0.30	\$60.00	Emails to and from M. van Zandvoort; Review affidavit and accounts
MES	19/06/17	\$395.00	5.70	\$2,251.50	Meet with S. Graff to discuss first receiver's report; Exchange emails with B. Bando; Telephone call with A. Gebert, B. Bando, J. Knight regarding Media Fund and Media House requests; Discuss with S. Graff; Revise first receiver's report; Telephone call with S. Graff and M. van Zandvoort regarding same
MJVZ	19/06/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding Frontline Factoring update
MJVZ	19/06/17	\$425.00	0.10	\$42.50	Emails with S. Graff regarding draft first report
MJVZ	19/06/17	\$425.00	0.10	\$42.50	Email from C. Smith and email to S. Graff regarding same
MJVZ	19/06/17	\$425.00	0.10	\$42.50	Email from A. Davids regarding media fund
MJVZ	19/06/17	\$425.00	0.70	\$297.50	Conference call with S. Graff regarding draft first report
MJVZ	19/06/17	\$425.00	0.10	\$42.50	Emails from and to B. Bando, J. Krieger, and J. Knight regarding conference call to discuss draft first report
MJVZ	19/06/17	\$425.00	1.10	\$467.50	Conference call with S. Graff, J. Krieger, B. Bando, and J. Knight regarding draft first report
MJVZ	19/06/17	\$425.00	0.50	\$212.50	Emails from M. Spence regarding US Real Estate LPs and attaching blackline to first report and preliminary review of same and conference call and emails with S. Graff regarding same
AEG	20/06/17	\$295.00	0.30	\$88.50	Engage in review of agreements and payout statements received from Davoli Davids, LLP re Media Fund; Revisions to draft first report re the same

AIRD & BERLIS LLP
PAGE 26 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	20/06/17	\$775.00	3.10	\$2,402.50	Review and revise GTL Report; conference call with B. Bando, J. Knight and M. van Zandvoort to discuss issues
SLG	20/06/17	\$775.00	0.20	\$155.00	Telephone call with B. Meyerowitz re mandate
SLG	20/06/17	\$775.00	0.30	\$232.50	Address Notice of Charge and Power of Sale and other issues
KBP	20/06/17	\$395.00	0.70	\$276.50	Review and mark-up draft receiver's report; email exchange with team regarding same.
MES	20/06/17	\$395.00	0.40	\$158.00	Discussions with S. Graff; Review emails regarding First Report; Review blackline
MJVZ	20/06/17	\$425.00	2.30	\$977.50	Review S. Graff and M. Spence comments on draft first report; revise draft report in anticipation of meeting with S. Graff this morning
MJVZ	20/06/17	\$425.00	1.30	\$552.50	Meeting with S. Graff to receive comments on draft first report
MJVZ	20/06/17	\$425.00	1.30	\$552.50	Revise draft first report further to meeting with S. Graff; email revised draft report and blackline with comments to J. Krieger, B. Bando, and J. Knight
MJVZ	20/06/17	\$425.00	0.20	\$85.00	Emails with K. Plunkett and A. Gebert regarding revisions to first report and implement same
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Emails with S. Moniz regarding preparation of fee affidavit
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Email to C. Smith and to B. Bando, J. Krieger and J. Knight
MJVZ	20/06/17	\$425.00	0.20	\$85.00	Revise draft notice of motion
MJVZ	20/06/17	\$425.00	0.80	\$340.00	Review and revise Claims Procedure Order and email D. Saturno instructing regarding circulation of blackline
MJVZ	20/06/17	\$425.00	0.30	\$127.50	Draft Order approving first report
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Review email from J. Knight regarding Squire mortgages

AIRD & BERLIS LLP
 PAGE 27 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	20/06/17	\$425.00	0.40	\$170.00	Revise notice of motion; email draft notice of motion and Orders to S. Graff for comments; instruct D. Saturno regarding quality control of party names
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Emails with B. Bando regarding response to P. Cummings
MJVZ	20/06/17	\$425.00	0.60	\$255.00	Conference call with S. Graff and B. Bando regarding first report materials
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Further conference call with B. Bando regarding first report materials and email to S. Graff regarding same
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Emails with J. Knight regarding M. McCready letter
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Emails with B. Bando regarding Fee Affidavits
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Email to S. Moniz instructing regarding revisions to fee affidavit and conference call with S. Graff regarding same
MJVZ	20/06/17	\$425.00	0.20	\$85.00	Receive and review Notice of Sale Under Charge and email same to Receiver and email to S. Graff regarding same
MJVZ	20/06/17	\$425.00	0.40	\$170.00	Prepare letter to counsel to Home Trust Company and emails with Receiver regarding same; email letter to M. Tamminga at Gowlings
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding Claims Procedure Order
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Email from J. Knight attaching draft report and emails with S. Graff regarding same
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Email from A. Davids regarding Media Fund
MJVZ	20/06/17	\$425.00	0.10	\$42.50	Emails from B. Meyerowitz and B. Bando regarding Media Fund
IEA	21/06/17	\$495.00	0.60	\$297.00	Discussions with M. van Zandvoort re the motion materials

AIRD & BERLIS LLP
 PAGE 28 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
AB	21/06/17	\$305.00	0.10	\$30.50	Email correspondence with M van Zandvoort regarding Bank of Canada spot rate
KC	21/06/17	\$300.00	0.70	\$210.00	Review correspondence from J. Knight and D. Chornaby; amend Mortgage Offer re 1 Ashton Street, Cambridge; attend to registration of Court Order re 1 Ashton Street, Cambridge; amend Transfer of Charge re 1 Ashton Street, Cambridge; message Transfer of Charge to T. Parkinson re 1 Ashton Street, Cambridge
AEG	21/06/17	\$295.00	0.30	\$88.50	Email correspondence with M. van Zandvoort re draft first report re Media Fund
SLG	21/06/17	\$775.00	2.20	\$1,705.00	Final review of Report of GTL; telephone call with M. van Zandvoort
RTH	21/06/17	\$695.00	0.10	\$69.50	Discussion with clerk re transfer of mortgages
MJVZ	21/06/17	\$425.00	5.60	\$2,380.00	Review revised report as received from Receiver and revise same; conference call with S. Graff regarding same to discuss and implement further revisions as per S. Graff comments received; emails with S. Graff and A. Gebert regarding same and email revised report to Receiver
MJVZ	21/06/17	\$425.00	1.20	\$510.00	Revise draft notice of motion, claims procedure order and draft order
MJVZ	21/06/17	\$425.00	0.80	\$340.00	Various emails and telephone calls with E. Balktois and D. Saturno regarding preparation of fee affidavit and review of same
MJVZ	21/06/17	\$425.00	1.20	\$510.00	Preparation of motion record, service letters, and instructions to D. Saturno regarding preparation of confidential appendices and service and filing of record tomorrow
MJVZ	21/06/17	\$425.00	0.20	\$85.00	Conference call with J. Krieger and B. Bando

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	21/06/17	\$425.00	0.30	\$127.50	Conference call with I. Aversa regarding motion preparation; conference call with J. Nemers regarding same
MJVZ	21/06/17	\$425.00	0.10	\$42.50	Conference call with J. Knight
MJVZ	21/06/17	\$425.00	3.10	\$1,317.50	Receive and review appendices and revised report as sent by J. Knight; emails to J. Knight providing further comments and with J. Krieger and continued preparation of motion record and final revisions to notice of motion and draft orders and emails with S. Graff regarding same
KC	22/06/17	\$300.00	0.80	\$240.00	Review correspondence from J. Knight and D. Chornaby; amend Mortgage Offer re 1143 Leonard Lake Road, Muskoka Lakes; attend to registration of Court Order re 1143 Leonard Lake Road, Muskoka Lakes; amend Transfer of Charge re 1143 Leonard Lake Road, Muskoka Lakes; message Transfer of Charge to T. Parkinson re 1143 Leonard Lake Road, Muskoka Lakes; correspond with J. Knight and provided amended documents re 1143 Leonard Lake Road, Muskoka Lakes and 1 Ashton Street, Cambridge
SLG	22/06/17	\$775.00	0.60	\$465.00	Discussion with M. van Zandvoort; review notice of motion and orders
MES	22/06/17	\$395.00	0.20	\$79.00	Exchange emails with J. Knight regarding US Realty Funds
MJVZ	22/06/17	\$425.00	1.50	\$637.50	Review revised report as received from receiver early today and revise same and emails with Receiver regarding same
MJVZ	22/06/17	\$425.00	0.20	\$85.00	Conference call with B. Bando and meeting with Receiver
MJVZ	22/06/17	\$425.00	2.00	\$850.00	Finalize motion record and effect service and filing of same and meet with S. Graff to finalize affidavit; emails with Receiver regarding same; emails from various parties in response to service

AIRD & BERLIS LLP
 PAGE 30 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	22/06/17	\$425.00	0.30	\$127.50	Various emails with S. Bieber, B. Bando, S. Graff, J. Krieger, and C. Weiler regarding Court attendance
MJVZ	22/06/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding Court attendance
MJVZ	22/06/17	\$425.00	0.10	\$42.50	Emails with D. Saturno confirming service of materials on Chrysalis Yoga
MJVZ	22/06/17	\$425.00	0.70	\$297.50	Review motion record and preparation for court attendance tomorrow
PW	22/06/17	\$180.00	0.60	\$108.00	Filed Motion Records of the Receiver for June 23, 2017
KC	23/06/17	\$300.00	0.50	\$150.00	Receipt of executed Acknowledgement and Directions from J. Knight; telephone call to T. Parkinson; correspond with J. Knight; follow up telephone call to T. Parkinson; receipt of registered Transfers of Charges; correspond with J. Knight and provide registered Transfers of Charges
AEG	23/06/17	\$295.00	4.10	\$1,209.50	Receive instruction from M. van Zandvoort re case law research re appointment of representative counsel; Research and review case law re appointment of representative counsel; Prepare draft memorandum of understanding between the Receiver and Quiver Capital Inc. re Media Fund loans; Review Production Loan Administration Agreement between Media Fund and Media House re exclusivity provisions; Engage in review of Collection Account Management Agreements re exclusivity provisions; Various email correspondence with M. van Zandvoort and S. Graff re the same
SLG	23/06/17	\$775.00	1.40	\$1,085.00	Attend at court on scheduling appointment regarding upcoming motion and report and rep counsel; meet with OSC counsel in advance
RTH	23/06/17	\$695.00	0.10	\$69.50	Discussion with clerk re registration issues

AIRD & BERLIS LLP
 PAGE 31 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MM	23/06/17	\$250.00	1.70	\$425.00	Reviewed factums and pulled relevant case law as per A. Gebert
KBP	23/06/17	\$395.00	1.10	\$434.50	Review and consider email from M. van Zandvoort regarding Gold Contracts; review and consider report in respect of same; email to B. Bando regarding same.
MES	23/06/17	\$395.00	0.10	\$39.50	Receive and review email from counsel for BDO
MJVZ	23/06/17	\$425.00	0.10	\$42.50	Emails with J. Krieger, B. Bando, C. Weiler, and S. Graff regarding Court attendance
MJVZ	23/06/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding court attendance
MJVZ	23/06/17	\$425.00	0.50	\$212.50	Preparation for Court attendance
MJVZ	23/06/17	\$425.00	1.70	\$722.50	Attend meeting with J. Krieger and B. Bando and at 9:30 appointment with Justice Hailey
MJVZ	23/06/17	\$425.00	0.10	\$42.50	Emails with A. Gebert regarding representative counsel motion
MJVZ	23/06/17	\$425.00	0.10	\$42.50	Emails with K. Plunkett regarding gold contracts
MJVZ	23/06/17	\$425.00	0.20	\$85.00	Conference call from and to M. Finley; email to M. Finley and email from M. Finley with letter from M. Finley; email to J. Krieger and B. Bando regarding same
MJVZ	23/06/17	\$425.00	0.10	\$42.50	Email to J. Camp and email updated service list to B. Bando
MJVZ	23/06/17	\$425.00	0.10	\$42.50	Email endorsement to receiver and arrange for service of same to service list
MJVZ	23/06/17	\$425.00	0.10	\$42.50	Email to S. Graff regarding representative counsel motion
MJVZ	23/06/17	\$425.00	0.50	\$212.50	Conference call from Neville at Commercial List regarding sealing order; conference call to Commercial List regarding same; email to C. Weiler regarding same and conference call with

AIRD & BERLIS LLP
PAGE 32 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					J. Tan regarding same; email to C. Weiler regarding same; further conference call from Commercial List regarding same and email to C. Weiler regarding same; emails with S. Graff regarding same
MJVZ	23/06/17	\$425.00	0.40	\$170.00	Emails with A. Gebert regarding preparation of MOU; review draft MOU as prepared
MJVZ	23/06/17	\$425.00	2.40	\$1,020.00	Email from B. Bando regarding MOU; revise MOU and email same to S. Graff
MJVZ	23/06/17	\$425.00	0.10	\$42.50	Conference call with B. Bando
MJVZ	23/06/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding various receivership matters
MJVZ	23/06/17	\$425.00	0.20	\$85.00	Conference call with A. Gebert regarding Media Fund and emails with A. Gebert regarding same
MJVZ	23/06/17	\$425.00	0.10	\$42.50	Emails from K. Connell and J. Knight regarding Squire
AEG	25/06/17	\$295.00	3.80	\$1,121.00	Research and engage in review of case law re appointment of representative counsel; Review motion record of proposed representative counsel; Prepare memorandum of law, outlining relevant case law re appointment of representative counsel and application of same
SRM	25/06/17	\$350.00	2.90	\$1,015.00	Continue review of gold contracts and finalize summary
AEG	26/06/17	\$295.00	4.40	\$1,298.00	Receive instruction from M. van Zandvoort re preparation of responding factum re motion to appoint representative counsel; Prepare draft responding factum re representative counsel
SLG	26/06/17	\$775.00	1.30	\$1,007.50	Discussion with M. van Zandvoort re status and next steps; review and discuss letter to Frontline

AIRD & BERLIS LLP
 PAGE 33 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MVL	26/06/17	\$395.00	2.60	\$1,027.00	Review; Consider various documentation; Email regarding the same
SRM	26/06/17	\$350.00	0.10	\$35.00	Email from and to K. Plunkett regarding gold contracts
KBP	26/06/17	\$395.00	2.10	\$829.50	Review gold contracts in preparation for call with client; attend call with B. Brando and J. Knight to discuss gold contracts and outstanding amounts; review and draft summary of terms of gold contracts.
MES	26/06/17	\$395.00	0.60	\$237.00	Exchange emails with J. Knight regarding US Realty Funds; Telephone call with B. Bando regarding Pond loans; Exchange emails with B. Bando and Pond principals regarding agreement and call
MJVZ	26/06/17	\$425.00	0.10	\$42.50	Emails with S. Graff regarding Quiver MOU
MJVZ	26/06/17	\$425.00	0.30	\$127.50	Emails with D. Saturno and A. Gebert regarding representative counsel motion and review A. Gebert memorandum regarding same; conference call with A. Gebert regarding same
MJVZ	26/06/17	\$425.00	0.40	\$170.00	Emails with S. Graff regarding Quiver MOU; conference call with S. Graff regarding same
MJVZ	26/06/17	\$425.00	0.60	\$255.00	Revise Quiver proposed MOU and email same to J. Krieger and B. Bando
MJVZ	26/06/17	\$425.00	0.10	\$42.50	Various emails from J. Merk and B. Bando
MJVZ	26/06/17	\$425.00	0.20	\$85.00	Emails with J. Knight and K. Plunkett regarding Frontline Factoring and Mount Nemo and Pond; emails with M. Spence regarding same
MJVZ	26/06/17	\$425.00	0.10	\$42.50	Emails with B. Bando regarding Quiver MOU
MJVZ	26/06/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding Quiver MOU

AIRD & BERLIS LLP
PAGE 34 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	26/06/17	\$425.00	0.60	\$255.00	Revise proposed Quiver MOU; email same to B. Bando with blackline; receive email from A. Davids regarding same and emails to S. Graff and B. Bando regarding same
MJVZ	26/06/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding Factoring Fund
MJVZ	26/06/17	\$425.00	0.40	\$170.00	Conference call with S. Graff, K. Plunkett, J. Knight, and B. Bando regarding Frontline Factoring
MJVZ	26/06/17	\$425.00	0.50	\$212.50	Further conference calls with S. Graff regarding Frontline
MJVZ	26/06/17	\$425.00	1.30	\$552.50	Review Frontline Administration and Procurement Agreement and draft letter to Frontline; email to J. Knight regarding same and to S. Graff regarding same
MJVZ	26/06/17	\$425.00	0.10	\$42.50	Email from A. Gebert attaching draft factum
IEA	27/06/17	\$495.00	0.40	\$198.00	Telephone call and emails to and from M. van Zandvoort re language re consulting services
AEG	27/06/17	\$295.00	2.60	\$767.00	Receipt and review of revisions to draft responding factum of the Receiver re representative counsel; Engage in revisions to draft responding factum of the Receiver re motion to appoint representative counsel
SLG	27/06/17	\$775.00	0.20	\$155.00	Consider rep counsel and info on experience of CBB
SLG	27/06/17	\$775.00	1.80	\$1,395.00	Review bullion contracts; review draft letter to bullion suppliers; discussion with K. Plunkett; discussion with M. van Zandvoort; review letter to Frontline re factoring; review revisions and comments to Quiver Agreement
JLM	27/06/17	\$295.00	9.80	\$2,891.00	Prepare summaries of Purchase Agreements; Review file documents; Determine expiry dates and relevant contract info; Prepare chart; Prepare draft letters to three companies

AIRD & BERLIS LLP
 PAGE 35 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
KBP	27/06/17	\$395.00	1.60	\$632.00	Review and draft summary of termination terms re gold contracts to client; attend call with client to discuss; draft default letter to Onstar.
MES	27/06/17	\$395.00	1.20	\$474.00	Exchange emails with B. Bando and J. Knight regarding Pond loans, OOM Energy, US Realty; Telephone call with Pond principals, B. Bando, J. Knight; Further telephone call with B. Bando and J. Knight; Emails to Miller Thomson and Blakes regarding acquiring documents relating to OOM loans and compile list of requested documents
MJVZ	27/06/17	\$425.00	1.40	\$595.00	Review and revise factum; Email A. Gebert with revisions to same; Email from A. Gebert attaching jurisprudence
MJVZ	27/06/17	\$425.00	0.20	\$85.00	Conference call with Gowling regarding Home Trust; Email to Gowling; Email to Receiver
MJVZ	27/06/17	\$425.00	0.40	\$170.00	Conference call with S. Graff regarding Gold Contracts and motion and rep counsel issues
MJVZ	27/06/17	\$425.00	0.60	\$255.00	Conference call and meetings with J. Millar regarding Gold Contracts; Emails with J. Millar regarding same; Review Gold Contract for Solid
MJVZ	27/06/17	\$425.00	0.10	\$42.50	Further conference calls with S. Graff regarding motion
MJVZ	27/06/17	\$425.00	0.10	\$42.50	Conference call with B. Bando
MJVZ	27/06/17	\$425.00	0.30	\$127.50	Conference call with S. Graff regarding Media Fund and Frontline
MJVZ	27/06/17	\$425.00	0.10	\$42.50	Conference call with A. Gebert regarding factum revisions
MJVZ	27/06/17	\$425.00	0.30	\$127.50	Email to S. Kukulowicz and emails with J. Krieger regarding same Conference call with S. Graff
MJVZ	27/06/17	\$425.00	0.20	\$85.00	Emails with J. Knight regarding Factoring Fund and review of weekly report

AIRD & BERLIS LLP
 PAGE 36 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	27/06/17	\$425.00	0.90	\$382.50	Review Zomingo TV agreement; Complete draft letter to Factoring Fund and email same to S. Graff; Revise same and email draft to Receiver
MJVZ	27/06/17	\$425.00	0.40	\$170.00	Emails from and to K. Plunkett regarding Gold contracts; Review draft letter to Onstar and emails and with S. Graff regarding same
MJVZ	27/06/17	\$425.00	0.10	\$42.50	Emails with M. Finley
MJVZ	27/06/17	\$425.00	0.80	\$340.00	Review B. Bando email regarding comments to Quiver; Amend MOU and email blackline and revised MOU to B. Bando; Emails from B. Bando regarding same
MJVZ	27/06/17	\$425.00	0.10	\$42.50	Email from A. Gebert regarding revised factum
AEG	28/06/17	\$295.00	4.90	\$1,445.50	Prepare brief of authorities re factum of Receiver re motion re appointment of representative counsel; Receipt and organization of Media Fund Information provided to Quiver; Review and revisions to factum of the Receiver; Email correspondence and discussions with M. Van Zandvoort re the same
SLG	28/06/17	\$775.00	1.30	\$1,007.50	Review status and next steps; telephone call with M. van Zandvoort; prepare Supplementary Report; review factum
KBP	28/06/17	\$395.00	1.30	\$513.50	Prepare and attend call with J. Knight; review and respond to emails from client regarding gold contracts; draft default letter; circulate same to team.
MES	28/06/17	\$395.00	0.20	\$79.00	Exchange emails with J. Knight and Sean O'Neill regarding US Realty Fund
MJVZ	28/06/17	\$425.00	0.20	\$85.00	Conference call with S. Graff
MJVZ	28/06/17	\$425.00	9.80	\$4,165.00	Review and revise factum; Receive factum of Proposed Representative Counsel and review authorities cited by same; Incorporate additional authorities and revisions to Factum based on Proposed Representative Counsel Factum received today; Various emails

AIRD & BERLIS LLP
PAGE 37 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					and conference calls with A. Gebert regarding same; Emails with S. Graff regarding same; Instruct A. Gebert regarding preparation of authorities
MJVZ	28/06/17	\$425.00	0.20	\$85.00	Emails with J. Millar regarding gold contracts
MJVZ	28/06/17	\$425.00	0.20	\$85.00	Emails with B. Bando regarding Quiver and initial inquiries and received executed MOU
MJVZ	28/06/17	\$425.00	0.30	\$127.50	Conference call with S. Graff regarding motion
MJVZ	28/06/17	\$425.00	0.40	\$170.00	Emails with J. Knight regarding letter to Frontline Factoring; Revise and send letter to Frontline
MJVZ	28/06/17	\$425.00	0.20	\$85.00	Emails with C. Weiler, S. Graff and J. Krieger
MJVZ	28/06/17	\$425.00	0.50	\$212.50	Receive and review Supplement to First Report; Emails with B. Bando regarding same; Conference call with S. Graff; Send revised version and blackline to B. Bando
MJVZ	28/06/17	\$425.00	0.30	\$127.50	Emails with K. Plunkett and A. Gebert instructing regarding finalizing and serving supplement to report and factum and book of authorities
MJVZ	28/06/17	\$425.00	0.20	\$85.00	Email from S. Dennill; Emails with J. Knight and B. Bando; Email to S. Dennill
AEG	29/06/17	\$295.00	3.30	\$973.50	Revisions to responding factum of the Receiver; Email correspondence with M. Van Zandvoort and S. Graff re the same; Revisions to brief of authority of the Receiver; Finalize and prepare responding factum for service and filing; Prepare summary of case law re responding factum for M. Van Zandvoort
SLG	29/06/17	\$775.00	0.80	\$620.00	Review and comment on factum; review moving party factum

AIRD & BERLIS LLP
 PAGE 38 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	29/06/17	\$775.00	1.50	\$1,162.50	Prepare for attendance on motion re rep counsel and approval of report, activities and sale process; conference call with OSC (C. Weiler) and GTL in advance of motion
KBP	29/06/17	\$395.00	1.00	\$395.00	Review and finalize supplemental report; serve service list with court materials.
MES	29/06/17	\$395.00	0.70	\$276.50	Telephone call with S. O'Neill (US Realty Fund), J. Knight; Further telephone call with B. Bando and J. Knight; Exchange emails regarding factoring fund
MES	29/06/17	\$395.00	0.20	\$79.00	Receive and review term sheet from Pond
MJVZ	29/06/17	\$425.00	2.10	\$892.50	Review and revise factum; Email revised factum with blackline to S. Graff and A. Gebert; Revise and finalize factum as per S. Graff comments; Emails with A. Gebert instructing regarding service of same
MJVZ	29/06/17	\$425.00	0.10	\$42.50	Instruct D. Saturno regarding preparation of materials for court attendance on June 30
MJVZ	29/06/17	\$425.00	0.10	\$42.50	Correspondence with A. Gebert regarding service of documents
MJVZ	29/06/17	\$425.00	4.80	\$2,040.00	Prepare oral submissions for motion and emails with D. Saturno and to S. Graff regarding same
MJVZ	29/06/17	\$425.00	0.50	\$212.50	Email to A. Gebert regarding submissions summary; Email from A. Gebert regarding same and associated cases
MJVZ	29/06/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding Supplement to the First Report; Review same
MJVZ	29/06/17	\$425.00	0.10	\$42.50	Email from C. Singh regarding proposed counsel's brief of authorities
MJVZ	29/06/17	\$425.00	0.10	\$42.50	Conference call with K. Plunkett

AIRD & BERLIS LLP
PAGE 39 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	29/06/17	\$425.00	0.20	\$85.00	Email from C. Weiler regarding rep counsel motion; Email to C. Weiler regarding same
MJVZ	29/06/17	\$425.00	0.20	\$85.00	Email from A. Botejue regarding letter from D. Ullmann; Forward same to S. Graff; Email from J. Krieger regarding same
MJVZ	29/06/17	\$425.00	0.10	\$42.50	Emails from M. Spence and S. Graff regarding factoring fund
MJVZ	29/06/17	\$425.00	0.40	\$170.00	Conference call with C. Weiler and J. Krieger
MJVZ	29/06/17	\$425.00	0.30	\$127.50	Email from K. McGrann regarding unsworn affidavit of T. Johnston; Instruct D. Saturno regarding same; Review affidavit and meeting regarding same with S. Graff
JY	29/06/17	\$250.00	0.10	\$25.00	Receive instruction from A. Gebert re filing of factum and supplement to receiver's report
JY	29/06/17	\$250.00	1.70	\$425.00	Attend to filing of factum and supplement to receiver's report at the Commercial List
SLG	30/06/17	\$775.00	7.00	\$5,425.00	Prepare for and attend at Court on motions re activities, sale and rep counsel
MES	30/06/17	\$395.00	0.40	\$158.00	Call to D. Badham regarding request for documents from BDO; Receive and review email from S. O'Neill providing documents regarding US Realty; Receive and review endorsement of Justice Hainey
MJVZ	30/06/17	\$425.00	1.80	\$765.00	Preparation of submissions for motion and prepare Orders and additional correspondence
MJVZ	30/06/17	\$425.00	0.50	\$212.50	Conference call and meeting with S. Graff regarding motion
MJVZ	30/06/17	\$425.00	2.50	\$1,062.50	Attend for motion before Justice Hainey and see to entering Order and arranging for service; Draft email to service list

AIRD & BERLIS LLP
PAGE 40 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	30/06/17	\$425.00	0.20	\$85.00	Emails with C. Weiler
MJVZ	30/06/17	\$425.00	0.10	\$42.50	Email from M. Finley
MJVZ	30/06/17	\$425.00	0.40	\$170.00	Reporting email to Receiver regarding next steps and conference call with S. Graff regarding same
MJVZ	30/06/17	\$425.00	0.40	\$170.00	Emails from and to J. Knight regarding US Medical; Email to K. Plunkett instructing regarding Geodata sale
MJVZ	30/06/17	\$425.00	0.20	\$85.00	Emails with J. Knight regarding Restoration and Frontline; Review emails and proposed letter from Frontline in connection with same in preparation for conference call
MJVZ	30/06/17	\$425.00	0.40	\$170.00	Conference call with J. Knight and B. Bando regarding Frontline
MJVZ	30/06/17	\$425.00	0.10	\$42.50	Emails with J. Knight regarding yoga
KBP	01/07/17	\$395.00	1.10	\$434.50	Review and consider email from M. van Zandvoort regarding sale of US Medical Fund; review and consider related materials and consider sale options; email exchange with J. Knight.
MVL	03/07/17	\$395.00	2.00	\$790.00	Review; Consider Sub-Agreements; Discussion regarding the same
KBP	03/07/17	\$395.00	0.90	\$355.50	Review and structure sale documents; discussions with M. Liberatore regarding same.
MES	03/07/17	\$395.00	0.20	\$79.00	Receive and review emails from S. O'Neill and J. Knight regarding documents for US Realty Fund
MJVZ	03/07/17	\$425.00	0.10	\$42.50	Review emails from B. Bando and P. Cummings
SD	04/07/17	\$250.00	3.00	\$750.00	Research for M. Zandvoort regarding [REDACTED]
SLG	04/07/17	\$775.00	2.80	\$2,170.00	Attend at OSC re update and review report; discussion re next steps and reporting back; review M. Spence update email

AIRD & BERLIS LLP
PAGE 41 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
KBP	04/07/17	\$395.00	2.10	\$829.50	Review and respond to emails from M. van Zandvoort; review and respond to emails from B. Brando regarding default letters; draft Bill of Sale for Xynergy transaction; review and respond to emails from B. Brando regarding Xynergy transaction; attend call with J. Knight.
MES	04/07/17	\$395.00	0.80	\$316.00	Receive and review emails from S. O'Neill and J. Knight regarding information for US Realty Fund; Email to M. van Zandvoort and S. Graff providing update on status of US Realty Fund; Email to counsel for BDO requesting documents; Review org chart; Receive additional documentation from S. O'Neill
MJVZ	04/07/17	\$425.00	0.10	\$42.50	Conference call with S. Graff
MJVZ	04/07/17	\$425.00	0.80	\$340.00	Review First Report and recent updates subsequent thereto preparation for meeting at OSC
MJVZ	04/07/17	\$425.00	2.30	\$977.50	Meeting with S. Graff and attend meeting at OSC
MJVZ	04/07/17	\$425.00	0.20	\$85.00	Emails from J. Plunkett and B. Bando regarding GeodataPR
MJVZ	04/07/17	\$425.00	0.70	\$297.50	Draft response to D. Ullmann letter; Review IFDS listing in connection with same; Emails with S. Graff and B. Bando regarding same
MJVZ	04/07/17	\$425.00	0.20	\$85.00	Emails with K. Plunkett regarding Gold Contracts
MJVZ	04/07/17	\$425.00	0.20	\$85.00	Emails with M. Spence and S. Graff regarding US Real Estate LP; Review organizational chart
MJVZ	04/07/17	\$425.00	0.50	\$212.50	Preliminary review of [REDACTED] and meet with S. D'Amico regarding same
MJVZ	04/07/17	\$425.00	0.20	\$85.00	Review file correspondence regarding stat dec requests; Email to C. Smith regarding outstanding state dec, RV, trailer and motion

AIRD & BERLIS LLP
 PAGE 42 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SD	05/07/17	\$250.00	5.00	\$1,250.00	Research for M. Zandvoort regarding [REDACTED]
KBP	05/07/17	\$395.00	1.10	\$434.50	Revise and finalize bill of sale re Geodata receivables; various email exchanges with B. Brando regarding same; review and consider emails from working group.
MES	05/07/17	\$395.00	0.20	\$79.00	Receive and review endorsement of Justice Hainey dismissing rep counsel motion
MJVZ	05/07/17	\$425.00	0.10	\$42.50	Email to B. Bando regarding Ullmann email
MJVZ	05/07/17	\$425.00	0.10	\$42.50	Email to J. Krieger and B. Bando
MJVZ	05/07/17	\$425.00	0.10	\$42.50	Meeting with S. D'Amico regarding creditor claims
MJVZ	05/07/17	\$425.00	0.20	\$85.00	Conference call with B. Bando
MJVZ	05/07/17	\$425.00	0.20	\$85.00	Email from C. Smith; Email to B. Bando and J. Krieger
MJVZ	05/07/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding various receivership matters
MJVZ	05/07/17	\$425.00	0.60	\$255.00	Receive and review rep counsel motion decision and emails with J. Krieger, B. Bando, and S. Graff for comments; Email from S. Graff regarding same
MJVZ	05/07/17	\$425.00	2.50	\$1,062.50	Draft Notice and circulate same to J. Krieger, B. Bando, and S. Graff for comments; Email from S. Graff regarding same
MJVZ	05/07/17	\$425.00	0.20	\$85.00	Emails with K. Plunkett re Onstar and email from B. Bando regarding same
MJVZ	05/07/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding rep counsel motion
MJVZ	05/07/17	\$425.00	0.30	\$127.50	Meet with S. D'Amico regarding creditor claims and memorandum regarding same; Receive memorandum and preliminary review of same

AIRD & BERLIS LLP
PAGE 43 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	06/07/17	\$775.00	1.00	\$775.00	Telephone call with M. Fingerhut; review bill of sale; review order; discussion with K. Plunkett; emails re transaction (Geodata)
SLG	06/07/17	\$775.00	0.50	\$387.50	Review and notice to investors; review of email to investor inquiry
SLG	06/07/17	\$775.00	0.30	\$232.50	Review requests from C. Smith; review decision of Justice Hainey
SLG	06/07/17	\$775.00	0.50	\$387.50	Conference call with J. Krieger and C. Weiler re powers of appointment order and deregistration of Crystal Wealth
KBP	06/07/17	\$395.00	1.00	\$395.00	Revise and update bill of sale for Geodata receivables; various emails exchanges with Geodata's counsel; review and consider emails from B. Brando; review and consider comments from Geodata's counsel.
MJVZ	06/07/17	\$425.00	0.20	\$85.00	Email to D. Ullmann
MJVZ	06/07/17	\$425.00	0.10	\$42.50	Email from and to C. Smith and to Receiver
MJVZ	06/07/17	\$425.00	0.10	\$42.50	Receive statutory declaration
MJVZ	06/07/17	\$425.00	0.20	\$85.00	Various emails from B. Bando and K. Plunkett and review Notice blackline
MJVZ	06/07/17	\$425.00	1.30	\$552.50	Prepare Frontline Communication to Debtors and email to B. Bando regarding same
MJVZ	06/07/17	\$425.00	0.50	\$212.50	Emails from G. Carpenter attaching separation agreements and review of same; Emails with B. Bando and G. Carpenter; Conference call with B. Bando regarding same
MJVZ	06/07/17	\$425.00	0.40	\$170.00	Email from D. Peel; Review IFDS investor listing; Draft response; Emails with Receiver and S. Graff concerning same
MJVZ	06/07/17	\$425.00	0.50	\$212.50	Emails with K. Plunkett regarding Geo transaction and review of Appointment Order

AIRD & BERLIS LLP
 PAGE 44 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	06/07/17	\$425.00	0.20	\$85.00	Emails with J. Knight and B. Bando regarding Frontline
MJVZ	06/07/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding various receivership matters
MC	07/07/17	\$300.00	0.20	\$60.00	Email from M. van Zandvoort and reply; Email from S. Vaz and reply; Review Debt Security Agreement recital E and confirm lands/instruments are in Alberta; Email to M. van Zandvoort advising I cannot search in Alberta
SLG	07/07/17	\$775.00	0.40	\$310.00	Medical Receivables - emails with M. Fingerhut; discussion with K. Plunkett and B. Bando; review Bill of Sale
KBP	07/07/17	\$395.00	2.00	\$790.00	Review and respond to various emails from Xynergy regarding proposed sale and bill of sale; revise and circulate bill of sale; review and respond to emails from B. Brando; discuss same with S. Graff; review and consider revised draft of bill of sale from Xynergy; revise and circulate amended agreement;
MJVZ	07/07/17	\$425.00	1.20	\$510.00	Review documentation concerning Factoring/Restoration and emails with real estate re collateral mortgage
MJVZ	07/07/17	\$425.00	0.20	\$85.00	Emails with B. Bando
MJVZ	07/07/17	\$425.00	0.20	\$85.00	Emails from S. Graff and K. Plunkett and to S. Graff and K. Plunkett
MJVZ	07/07/17	\$425.00	0.10	\$42.50	Email from K. Best
MJVZ	07/07/17	\$425.00	0.30	\$127.50	Email from B. Bando re investor email and send same; emails with B. Bando re same; email from B. Bando re investor notice
MJVZ	07/07/17	\$425.00	0.10	\$42.50	Email from S. Graff re US Real Estate
KBP	08/07/17	\$395.00	0.20	\$79.00	Review and respond to emails from S. Graff regarding Geodata agreement.
MES	08/07/17	\$395.00	0.20	\$79.00	Exchange emails with S. Graff regarding US Realty Funds

AIRD & BERLIS LLP
PAGE 45 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	08/07/17	\$425.00	0.10	\$42.50	Emails from S. Graff and M. Spence re: US Real Estate
MJVZ	09/07/17	\$425.00	4.80	\$2,040.00	Email from B. Bando attaching solicitation letter, CIM, and certain appendices thereto; review and revise same and email revised versions with blacklines to S. Graff
AEG	10/07/17	\$295.00	0.50	\$147.50	Prepare response to OSC for documents re Media Fund request; Email correspondence with M. van Zandvoort
SLG	10/07/17	\$775.00	1.50	\$1,162.50	Telephone call with M. van Zandvoort; review solicitation letter, CIM, offer and comments
SLG	10/07/17	\$775.00	0.60	\$465.00	Medical Receivables - Telephone call with K. Plunket; review and revise language on Bill of Sale
SRM	10/07/17	\$350.00	0.30	\$105.00	Conduct prelims, obtain, review and report on corporate profiles for Zomongo Inc. and Zomongo.tv Corp.
KBP	10/07/17	\$395.00	1.10	\$434.50	Review and consider mark up of bill of sale; revise and circulate updated execution version of bill of sale; complete transaction re Geodata receivables.
MES	10/07/17	\$395.00	0.20	\$79.00	Exchange emails with M. van Zandvoort and B. Bando regarding documents to be provided to OSC
MJVZ	10/07/17	\$425.00	0.20	\$85.00	Emails with B. Bando and C. Smith
MJVZ	10/07/17	\$425.00	0.10	\$42.50	Email from M. Finley; Email to S. Graff re same
MJVZ	10/07/17	\$425.00	0.80	\$340.00	Review memo and associated jurisprudence from S. D'Amerco in preparation for call with S. Graff re same
MJVZ	10/07/17	\$425.00	0.70	\$297.50	Revisions to Appendix G and H to CIM and Solicitation Letter
MJVZ	10/07/17	\$425.00	0.10	\$42.50	Email from J. Knight attaching weekly report and email to S. Graff re same

AIRD & BERLIS LLP
 PAGE 46 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	10/07/17	\$425.00	0.80	\$340.00	Email from J. Knight re Zomongo and mortgages; Review factoring agreements and security agreements re same; Request profile reports; Email to J. Knight and with S. Morris re same
MJVZ	10/07/17	\$425.00	0.10	\$42.50	Conference call with S. Graff re Sales Process documents
MJVZ	10/07/17	\$425.00	0.20	\$85.00	Email from OSC and emails with A. Gebert and M. Spence re same
MJVZ	10/07/17	\$425.00	0.10	\$42.50	Emails with J. Knight re Zomongo
MJVZ	10/07/17	\$425.00	0.10	\$42.50	Receive and review Zomongo reports and emails with S. Morris re same
MJVZ	10/07/17	\$425.00	0.70	\$297.50	Conference call with S. Graff re revisions to Solicitation Letter, CIM, and Appendix G and revise documents and send revised documents and blacklines to B. Bando
MJVZ	10/07/17	\$425.00	0.10	\$42.50	Email from B. Bando attaching revised Sales Process Documents
MJVZ	10/07/17	\$425.00	0.20	\$85.00	Conference call with S. Graff
MJVZ	10/07/17	\$425.00	3.30	\$1,402.50	Review and revise Sales Process documentation and email same with blacklines to S. Graff
KBP	11/07/17	\$395.00	0.30	\$118.50	Review and finalize Bill of Sale and circulate same
MES	11/07/17	\$395.00	1.40	\$553.00	Review request for documents from OSC regarding OOM energy group; Compile documents requested and list of same; Email to B. Bando and J. Knight regarding responding to request
MJVZ	11/07/17	\$425.00	0.20	\$85.00	Conference call with B. Bando and J. Knight
MJVZ	11/07/17	\$425.00	0.40	\$170.00	Prepare response to IAs; Conference call with S. Graff re same; Emails with J. Knight and B. Bando re same
MJVZ	11/07/17	\$425.00	0.10	\$42.50	Conference call with S. D'Amico

AIRD & BERLIS LLP
 PAGE 47 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	11/07/17	\$425.00	0.40	\$170.00	Conference call with S. Graff re various receivership matters including finalizing sales process documentation
MJVZ	11/07/17	\$425.00	1.70	\$722.50	Revise sales process documentation; Email same to B. Bando with blacklines; Emails with B. Bando re same
MJVZ	11/07/17	\$425.00	0.10	\$42.50	Email from M. Spence
MJVZ	11/07/17	\$425.00	0.20	\$85.00	Email form J. Knight re compensation and review attachments and discussion with S. Graff re same
MJVZ	11/07/17	\$425.00	0.40	\$170.00	Various emails with B. Bando and J. Knight and discussion with S. Graff
SLG	12/07/17	\$775.00	0.70	\$542.50	Further revision to offer to purchase template; telephone call with M. van Zandvoort
SLG	12/07/17	\$775.00	0.30	\$232.50	Telephone call with S. Monson re collection issues
MJVZ	12/07/17	\$425.00	0.90	\$382.50	Emails from J. Knight and B. Bando re Sales Process documents and review of same and emails with J. Knight re same
MJVZ	12/07/17	\$425.00	0.50	\$212.50	Email to S. Graff re response and claims/priority and prepare response
MJVZ	12/07/17	\$425.00	0.10	\$42.50	Emails to and from A. Gebert
MJVZ	12/07/17	\$425.00	0.30	\$127.50	Various emails from J. Knight and B. Bando; Emails with A. Gebert
MJVZ	13/07/17	\$425.00	0.10	\$42.50	Emails from J. Knight and A. David
MJVZ	13/07/17	\$425.00	0.20	\$85.00	Emails with A. Gebert and from B. Bando
MJVZ	13/07/17	\$425.00	0.20	\$85.00	Emails with S. Graff and C. Weiler
MJVZ	14/07/17	\$425.00	0.20	\$85.00	Emails from J. Knight, B. Meyerowitz, and A. Davids and email to S. Graff re same
MJVZ	14/07/17	\$425.00	0.10	\$42.50	Email from C. Smith

AIRD & BERLIS LLP
PAGE 48 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	14/07/17	\$425.00	0.30	\$127.50	Emails with J. Knight and B. Bando in anticipation of conference call and review of issues
MJVZ	14/07/17	\$425.00	0.50	\$212.50	Conference call with J. Knight and B. Bando
MJVZ	14/07/17	\$425.00	0.40	\$170.00	Conference call with S. Graff and Quiver
MJVZ	14/07/17	\$425.00	0.50	\$212.50	Review and revise Prospective Bidder revisions to confidentiality agreement and emails with B. Bando re same; Discussion with S. Graff re same
MJVZ	14/07/17	\$425.00	0.20	\$85.00	Emails with B. Bando
MJVZ	14/07/17	\$425.00	0.10	\$42.50	Email to C. Smith
AEG	17/07/17	\$295.00	1.20	\$354.00	Prepare summary chart of outstanding loan, security and collection agreements for each Media Fund loan
MES	17/07/17	\$395.00	0.20	\$79.00	Exchange emails with B. Bando regarding Pond loans proposal
MJVZ	17/07/17	\$425.00	0.10	\$42.50	Email from C. Smith
MJVZ	17/07/17	\$425.00	0.20	\$85.00	Emails with B. Bando
MJVZ	17/07/17	\$425.00	0.10	\$42.50	Conference call from and to S. Graff
MJVZ	17/07/17	\$425.00	0.20	\$85.00	Emails from and to M. Spence and A. Gebert and J. Knight
SLG	18/07/17	\$775.00	0.70	\$542.50	Conference call with OSC and pre-call with M. van Zandvoort re deregistration
SLG	18/07/17	\$775.00	0.70	\$542.50	Ponds - Lengthy discussion re amendments to lending deal and terms of same
L	18/07/17	\$295.00	1.00	\$295.00	LIBRARY RESEARCH Re: 1) Pond Technologies; 2) Ironhorse Oil & Gas Inc.
MES	18/07/17	\$395.00	1.50	\$592.50	Telephone call with S. Graff and B. Bando regarding Pond deal; Instruct D. Urquhart regarding research into principals; Exchange emails with B. Bando regarding proposed response to Pond; Exchange emails and telephone

AIRD & BERLIS LLP
PAGE 49 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					call with J. Knight and B. Bando regarding questions posed by potential Pond purchaser; Exchange emails regarding principals of Pond
MJVZ	18/07/17	\$425.00	0.20	\$85.00	Conference call with S. Graff
MJVZ	18/07/17	\$425.00	0.40	\$170.00	Conference call with OSC and Receiver and S. Graff
MJVZ	18/07/17	\$425.00	0.10	\$42.50	Emails with B. Bando re BDO
MJVZ	18/07/17	\$425.00	1.60	\$680.00	Various emails with B. Bando and J. Knight and M. Spence; Review and revise proposed email to IA; Emails with S. Graff; Review CA and email to S. Graff re same; Review mortgage documents received
MC	19/07/17	\$300.00	0.10	\$30.00	Email from M. van Zandvoort; Review mortgage and request and confirm properties are in BC and Alberta respectively; Email to M. van Zandvoort with respect to searching properties outside Ontario
SLG	19/07/17	\$775.00	1.40	\$1,085.00	Meeting with M. van Zandvoort to review status of matters; telephone call with S. Monson; catch up with M. Spence
MES	19/07/17	\$395.00	1.10	\$434.50	Discussion with S. Graff regarding Pond loans and US Realty fund; Review questions from potential purchase, Pond loan agreement and participation agreements; Draft proposed responses and email to J. Knight
MJVZ	19/07/17	\$425.00	0.20	\$85.00	Emails with and conference call to S. Graff
MJVZ	19/07/17	\$425.00	1.60	\$680.00	Meeting with S. Graff and conference call with S. Graff and Quiver; Review attachment sent by Quiver during call
MJVZ	19/07/17	\$425.00	0.50	\$212.50	Prepare blackline of CA; Emails and conference call with J. Knight re CA and email to advisor; Emails with B. Bando re same
MJVZ	19/07/17	\$425.00	0.40	\$170.00	Conference calls to and from A. Davids; Emails with A. Davids

AIRD & BERLIS LLP
 PAGE 50 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	19/07/17	\$425.00	0.50	\$212.50	Review of mortgage documents and email to Receiver re same; Emails with M. Chiaravalloti re parcel abstracts for properties
MJVZ	19/07/17	\$425.00	0.40	\$170.00	Emails with B. Bando re advisors; Email to J. Krieger, J. Knight, and B. Bando re Creditor Claims; Emails from J. Knight and M. Spence
AEG	20/07/17	\$295.00	1.10	\$324.50	Review and revise overview of outstanding documents re Media Fund; Various email correspondence re receipt of documentation re Media Fund loans; Receipt and organization of documentation re Media Fund loans
SLG	20/07/17	\$775.00	0.80	\$620.00	Meeting with M. van Zandvoort re various issues and processes
SRM	20/07/17	\$350.00	0.20	\$70.00	Discussion with regarding drop down download; Emails re updates to dropbox
MES	20/07/17	\$395.00	0.50	\$197.50	Exchange emails with S. Graff and J. Knight regarding response to potential Pond purchaser; Discussion with S. Graff regarding same; Receive and respond to emails from B. Bando re: Pond RTO
MJVZ	20/07/17	\$425.00	0.10	\$42.50	Email from M. Spence
MJVZ	20/07/17	\$425.00	0.20	\$85.00	Email to M. Finley and to receiver
MJVZ	20/07/17	\$425.00	0.20	\$85.00	Review chart and email to A. Gebert; Email from A. Gebert; Review revised chart and further emails with A. Gebert
MJVZ	20/07/17	\$425.00	0.10	\$42.50	Emails with conveyancer and real estate re obtaining parcel abstracts on Zomingo
MJVZ	20/07/17	\$425.00	0.50	\$212.50	Email and voicemail from B. Bando and conference call with B. Bando re same; Email to J. Wainwright and with A. Gebert re same
MJVZ	20/07/17	\$425.00	0.10	\$42.50	Emails with J. Knight and A. Gebert re Proof of Claims

AIRD & BERLIS LLP
PAGE 51 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	20/07/17	\$425.00	0.40	\$170.00	Review emails from J. Krieger and C. Weiler and J. Knight and preliminary review of attachments thereto
MJVZ	20/07/17	\$425.00	0.70	\$297.50	Emails from and to J. Knight and B. Bando and conference call with J. Knight, B. Bando and J. Wainwright re same; Emails from J. Wainwright
MJVZ	20/07/17	\$425.00	0.20	\$85.00	Emails to OSC and to Receiver and to S. Graff
MJVZ	20/07/17	\$425.00	0.20	\$85.00	Conference call with S. Graff re Welcome to Me
JAW	20/07/17	\$695.00	1.40	\$973.00	Review M. Van Zandvoort email; Review documents; Draft email to B. Bando; Conference call with M. Van Zandvoort and B. Bando
SMA	21/07/17	\$525.00	0.40	\$210.00	Email B. Bando re option agreement; Review TSXV documents
SLG	21/07/17	\$775.00	0.30	\$232.50	Telephone call with M. van Zandvoort and S. Monson re Alchemy ROTR
MJVZ	21/07/17	\$425.00	0.20	\$85.00	Emails with C. Weiler and emails with J. Knight and B. Bando
MJVZ	21/07/17	\$425.00	0.40	\$170.00	Review interested inquiries in Sales Process
MJVZ	21/07/17	\$425.00	0.50	\$212.50	Conference call with OSC, Receiver, and J. Wainwright re Sales Process
MJVZ	21/07/17	\$425.00	0.20	\$85.00	Conference call with J. Wainwright and B. Bando
MJVZ	21/07/17	\$425.00	0.40	\$170.00	Emails with J. Wainwright and B. Bando and conference call with J. Wainwright
MJVZ	21/07/17	\$425.00	0.20	\$85.00	Emails with A. Gebert and S. Morrison
MJVZ	21/07/17	\$425.00	0.30	\$127.50	Preparation for and attendance on conference call with S. Morrison
MJVZ	21/07/17	\$425.00	0.20	\$85.00	Conference call with B. Bando
MJVZ	21/07/17	\$425.00	0.20	\$85.00	Emails with B. Bando re stat dec and from S. Altshuler

AIRD & BERLIS LLP
 PAGE 52 OF ACCOUNT NO. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JAW	21/07/17	\$695.00	1.10	\$764.50	Conference call with OSC; Follow-up telephone call with M. Van Zandvoort and B. Bando; Draft response to potential purchaser; Review and respond to M. Van Zandvoort email re: same; email to B. Bando re: same
MJVZ	23/07/17	\$425.00	0.10	\$42.50	Emails with S. Graff and B. Meyerowitz
SLG	24/07/17	\$775.00	0.50	\$387.50	Telephone call with B. Meyerowitz and J. Sackman re realization
MJVZ	24/07/17	\$425.00	0.40	\$170.00	Various emails with J. Knight, A. Davids, S. Monson and S. Graff; Conference call from D. Ullmann
MJVZ	25/07/17	\$425.00	0.80	\$340.00	Review and consider email from Quiver and Bron proposal; Preparation for call with S. Graff regarding same and emails with A. Gebert regarding same
MJVZ	25/07/17	\$425.00	0.20	\$85.00	Conference call with S. Graff and emails with Receiver and S. Graff
SLG	26/07/17	\$775.00	0.50	\$387.50	Review email from B. Meyerowitz re offer of Bron and Quiver perspective
SLG	26/07/17	\$775.00	0.60	\$465.00	Telephone call with S. Monson re status and position of Receiver; review draft email to Quiver; conference call with B. Bando and J. Krieger
MJVZ	26/07/17	\$425.00	0.10	\$42.50	Conference call to D. Ullmann
MJVZ	26/07/17	\$425.00	0.50	\$212.50	Conference call with J. Krieger, J. Knight and S. Graff and follow-up meeting with S. Graff
MJVZ	26/07/17	\$425.00	0.70	\$297.50	Draft response to Quiver; Emails with S. Graff and J. Knight regarding same and regarding Sales Process
MES	27/07/17	\$395.00	0.20	\$79.00	Receive email from M. Lewis regarding Pond loan amendments; Email to B. Bando regarding same
MJVZ	27/07/17	\$425.00	0.30	\$127.50	Emails with S. Graff and with Receiver regarding Sales Process and Media Fund

AIRD & BERLIS LLP
 PAGE 53 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	27/07/17	\$425.00	0.60	\$255.00	Emails from J. Knight, M. Spence regarding Sales Process and Commercial Loans; Begin preparation of response; Voicemail from J. Knight
SLG	28/07/17	\$775.00	0.20	\$155.00	Emails re meeting; telephone call with Quiver
MES	28/07/17	\$395.00	0.20	\$79.00	Exchange emails with M. Lewis regarding amendments to Pond loans
MJVZ	28/07/17	\$425.00	1.20	\$510.00	Emails with S. Graff and J. Knight regarding Quiver, investor communication, statutory declaration and from B. Meyerowitz; Voicemail to J. Knight
MJVZ	28/07/17	\$425.00	0.10	\$42.50	Emails with M. Chiaravalloti regarding out of province parcel abstracts
MJVZ	31/07/17	\$425.00	0.20	\$85.00	Emails with J. Knight regarding Frontline and from M. Spence regarding Pond
MJVZ	31/07/17	\$425.00	0.20	\$85.00	Emails with clerk regarding parcel abstracts for mortgage
MJVZ	31/07/17	\$425.00	0.20	\$85.00	Review email from B. Bando and email to J. Wainwright regarding same
MJVZ	31/07/17	\$425.00	0.20	\$85.00	Emails with S. Graff regarding Sales Process; Conference call with S. Graff
MJVZ	31/07/17	\$425.00	0.20	\$85.00	Emails with J. Knight and S. Graff
MJVZ	31/07/17	\$425.00	0.30	\$127.50	Conference call with J. Knight and B. Bando
MJVZ	31/07/17	\$425.00	1.00	\$425.00	Email from S. Monson; Commence review of proposed agreement; Review emails from B. Bando and Quiver Report and summary update; Email to B. Bando
MJVZ	31/07/17	\$425.00	0.60	\$255.00	Preliminary review of factoring agreements further to conference call with J. Knight and B. Bando
MJVZ	31/07/17	\$425.00	1.40	\$595.00	Review mortgage documentation and proposed convertible debenture further to call with B. Bando and J. Knight in preparation for conference calls with Zomongo and Miller Thompson

AIRD & BERLIS LLP
PAGE 54 OF ACCOUNT No. 571129

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
TOTAL:			419.00	\$184,020.50	

Name	Hours	Rate	Value
Alyssa E. Gebert (AEG)	42.90	\$295.00	\$12,655.50
Steven L. Graff (SLG)	55.00	\$775.00	\$42,625.00
Shannon R. Morris (SRM)	23.50	\$350.00	\$8,225.00
Danielle L. Muise (DLM)	0.70	\$295.00	\$206.50
Kyle B. Plunkett (KBP)	22.70	\$395.00	\$8,966.50
Miranda E. Spence (MES)	34.20	\$395.00	\$13,509.00
Mark J. van Zandvoort (MJVZ)	190.80	\$425.00	\$81,090.00
Anne E. Miatello (AEM)	2.30	\$475.00	\$1,092.50
Jennifer A. Wainwright (JAW)	3.70	\$695.00	\$2,571.50
Sherri M. Altshuler (SMA)	1.20	\$525.00	\$630.00
Meredith McCann (MM)	6.40	\$250.00	\$1,600.00
Pavlo Pulnyev (PP)	2.10	\$180.00	\$378.00
Randy T. Hooke (RTH)	1.10	\$695.00	\$764.50
Kari Connell (KC)	4.90	\$300.00	\$1,470.00
Daniella Hewer (DH)	0.30	\$200.00	\$60.00
Ian E. Aversa (IEA)	1.00	\$495.00	\$495.00
Aaron Bains (AB)	0.10	\$305.00	\$30.50
Patrick Williams (PW)	0.60	\$180.00	\$108.00
Matthew V. Liberatore (MVL)	4.60	\$395.00	\$1,817.00
Jessica L. Millar (JLM)	9.80	\$295.00	\$2,891.00
Jonathan Yantzi (JY)	1.80	\$250.00	\$450.00
Stephanie D'Amico (SD)	8.00	\$250.00	\$2,000.00
Michelle Chiaravalloti (MC)	0.30	\$300.00	\$90.00
Dawn Urquhart Library (L)	1.00	\$295.00	\$295.00

OUR FEE	\$184,020.50
HST at 13%	\$23,922.67

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Search Under P.P.S.A.	\$93.50
Due Diligence	\$39.00
Agents Fees - Non Taxable	\$717.87
Teranet	\$126.70
Notice of Motion/Application	\$160.00

Total Agency Costs	\$1,137.07
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AIRD & BERLIS LLP
PAGE 55 OF ACCOUNT No. 571129

Subject to HST

Photocopies	\$544.75
Photocopies - Local	\$1,929.75
Imaging/Scanning	\$236.25
Binding and Tabs	\$97.00
Service Provider Fee	\$74.00
Fax Charges	\$2.50
Long Distance Charges	\$72.43
Due Diligence	\$107.00
Teraview Search	\$59.10
Deliveries/Parss	\$78.15
Service Fee Teranet	\$21.10
Other Expense	\$114.16
Agency Fee	\$44.25
Taxi	\$8.85

Total Disbursements	\$3,389.29
HST at 13%	\$440.61

AMOUNT NOW DUE

\$212,910.14

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Steven L. Graff
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

30073436.1

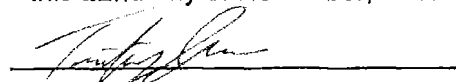
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF MARK VAN ZANDVOORT

Sworn before me

this 22nd day of November, 2017

A handwritten signature in cursive script, appearing to read "Timothy Jones", is written over a horizontal line.

Timothy Jones
Commissioner for taking Affidavits, etc

STATEMENT OF RESPONSIBLE INDIVIDUALS

Aird & Berlis LLP's professional fees herein are made with respect to the following individuals:

Lawyer	Call to Bar	Hourly Rate	Total Time	Value
Miller, B	1988	\$725.00	7.50	\$ 5,437.50
Hooke, R. T	1989	\$695.00	1.10	\$ 764.50
Graff, S. L	1991	\$775.00	78.80	\$61,070.00
Wainwright, J. A	1992	\$695.00	13.70	\$9,521.50
Clark, K.	2001	\$615.00	3.60	\$ 2,214.00
Merk, J.	2004	\$550.00	8.30	\$ 4,565.00
Miatello, A	2007	\$475.00	2.30	\$ 1,092.50
Altshuler, S.	2005	\$525.00	1.20	\$ 630.00
Aversa, I	2008	\$495.00	1.0	\$ 495.00
van Zandvoort, M	2010	\$425.00	305.80	\$129,965.00
Plunkett, K	2011	\$395.00	22.70	\$8,966.50
Liberatore, M.	2011	\$395.00	4.60	\$ 1,817.00
Spence, M. E	2011	\$395.00	58.60	\$23,147.00
Bains, A.	2015	\$305.00	0.10	\$ 30.50
Gebert, A. E	2016	\$295.00	78.50	\$23,157.50
Muise, D.	2016	\$295.00	0.70	\$ 206.50
Millar, Jessica	2016	\$295.00	9.80	\$ 2,891.00
Jones, T.	2017	\$295.00	34.70	\$10,236.50
Clerk/Student/Librarian	Call to Bar	Hourly Rate	Total Time	Value
Hewer, D.	N/A	\$200.00	0.30	\$ 60.00
McCann, M.	N/A	\$250.00	6.40	\$ 1,600.00
Morris, S. R	N/A	\$350.00	34.30	\$12,005.00
Chiaravalloti, M	N/A	\$300.00	0.30	\$ 90.00
Pulnyev, P.	N/A	\$180.00	2.10	\$ 378.00
Pugliese, C	N/A	\$180.00	0.60	\$ 108.00
Vieira, I.	N/A	\$170.00	0.50	\$ 85.00
Waslowski, J.	N/A	\$250.00	10.90	\$ 2,725.00
Yantzi, J.	N/A	\$250.00	1.80	\$ 450.00

Connell, K.	N/A	\$300.00	4.90	\$ 1,470.00
Smith, N.	N/A	\$250.00	13.60	\$ 3,400.00
Williams, P.	N/A	\$180.00	1.80	\$ 324.00
Hines, R.	N/A	\$250.00	14.90	\$ 3,725.00
Corregan, S.	N/A	\$250.00	10.50	\$ 2,625.00
D'Amico, S.	N/A	\$250.00	8.0	\$ 2,000.00
Brent, T.	N/A	\$250.00	14.50	\$ 3,625.00
Urquhart, D. (Library)	N/A	\$295.00	1.0	\$ 295.00

****Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.***

ONTARIO SECURITIES COMMISSION

-and-

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED et al.

Applicant

Respondents

Court File No. CV-17-11779-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto

AFFIDAVIT OF MARK VAN ZANDVOORT

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
E-mail: sgraff@airdberlis.com

Mark van Zandvoort (LSUC # 59120U)
Tel: (416) 865-4742
Fax: (416) 863-1515
E-mail: mvanzandvoort@airdberlis.com

Timothy Jones (LSUC # 72265S)
Tel: (416) 865-3086
Fax: (416) 863-1515
E-mail: tjones@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as Receiver and Manager of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited

CONFIDENTIAL APPENDIX "1"

(Sealed pending court order)

CONFIDENTIAL APPENDIX "2"

(Sealed pending court order)

CONFIDENTIAL APPENDIX "3"

(Sealed pending court order)

CONFIDENTIAL APPENDIX "4"

(Sealed pending court order)

CONFIDENTIAL APPENDIX “5”

(Sealed pending court order)

CONFIDENTIAL APPENDIX “6”

(Sealed pending court order)

CONFIDENTIAL APPENDIX “7”

(Sealed pending court order)

CONFIDENTIAL APPENDIX "8"

(Sealed pending court order)