

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

ANTHONY WHITEHOUSE

Plaintiff

and

BDO CANADA LLP

Defendant

**MOTION RECORD OF THE PLAINTIFF
VOLUME 3 OF 20**

June 15, 2018

ADAIR GOLDBLATT BIEBER LLP

95 Wellington Street West
Suite 1830, P.O. Box 14
Toronto ON M5J 2N7

Simon Bieber (56219Q)

Tel: 416.351.2781

Email: sbieber@agbllp.com

Nathaniel Read-Ellis (63477L)

Tel: 416.351.2789

Email: nreadellis@agbllp.com

Iris Graham (69986C)

Tel: 416.351.2793

Email: igraham@agbllp.com

Tel: 416.499.9940

Fax: 647.689.2059

Lawyers for the Plaintiff
Anthony Whitehouse

TO: **BLAKE CASSELS & GRAYDON LLP**

Barristers and Solicitors
199 Bay Street
Suite 4000
Box 25
Commerce Court West
Toronto ON M5L 1A9

Nigel Campbell

Tel: 416.863.2429

Email: nigel.campbell@blakes.com

Andrea Laing

Tel: 416.863.4159

Email: andrea.laing@blakes.com

Doug McLeod

Tel: 416.863.2705

Email: doug.mcleod@blakes.com

Tel: 416.863.4300

Fax: 416.863.2653

Lawyers for the Defendant
BDO Canada LLP

INDEX

Tab	Description	Page No.
Volume 1		
1.	Notice of Motion dated June 15, 2018	1 – 13
	Schedule “A” – Litigation Plan	14 – 25
2.	Statement of Claim dated July 20, 2017	26 – 50
3.	Affidavit of Anthony Whitehouse sworn June 15, 2018	51 – 60
A.	Exhibit “A” – Crystal Wealth’s “About Us” webpage	61 – 62
B.	Exhibit “B” – Anthony Whitehouse National Bank Investment Portfolio Statement as of June 30, 2017	63 – 69
C.	Exhibit “C” – Audited financial statements for the Crystal Wealth Mortgage Strategy, Crystal Wealth High Yield Mortgage Strategy, Crystal Wealth Media Strategy, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, Crystal Enlightened Resource and Precious Metals Fund, Crystal Enlightened Bullion Fund, ACM Income Fund, and ACM Growth Fund for the year ended December 31, 2015	70 – 256
D.	Exhibit “D” – Anthony Whitehouse National Bank Investment Portfolio Statement as of February 28, 2018	257 – 259
4.	Affidavit of Marlie Patterson-Earle sworn June 14, 2018	261 – 263
A.	Exhibit “A” – Notice of Application of the Ontario Securities Commission dated April 25, 2017 (Court File No. CV-17-11779-00CL)	264 – 283
Volumes 2 – 10		
B.	Exhibit “B” – Application Record of the Ontario Securities Commission dated April 25, 2017 (Court File No. CV-17-11779-00CL)	284 – 3309

Volumes 11 – 12		
C.	Exhibit “C” – Motion Record of Grant Thornton Limited in its capacity as Court-Appointed Receiver, including the First Report of the Receiver dated June 22, 2017 (Court File No. CV-17-11779-00CL)	3310 – 3951
D.	Exhibit “D” – Supplement to the First Report of the Receiver dated June 29, 2017 (Court File No. CV-17-11779-00CL)	3952 – 3966
Volumes 13 – 15		
E.	Exhibit “E” – Motion Record of Grant Thornton Limited in its capacity as Court-Appointed Receiver, including the Second Report of the Receiver dated November 24, 2017 (Court File No. CV-17-11779-00CL)	3967 – 5151
Volume 16		
F.	Exhibit “F” – Motion Record of Grant Thornton Limited in its capacity as Court-Appointed Receiver, including the Supplement to the Second Report of the Receiver dated February 8, 2018 (Court File No. CV-17-11779-00CL)	5152 – 5281
Volumes 17 – 19		
G.	Exhibit “G” – Quiver Capital Inc. Report dated November 22, 2017	5282 – 6537
Volume 20		
H.	Exhibit “H” – Asset Purchase Agreement between Grant Thornton Limited in its capacity as Court-Appointed Receiver and Bron Releasing Inc. dated February 2, 2018	6538 – 6576
5.	Affidavit of Barry Myers affirmed April 16, 2018	6577 – 6578
A.	Exhibit “A” – Acknowledgement of Expert’s Duty	6579 – 6580
B.	Exhibit “B” – Report of B. Myers dated April 13, 2018	6581 – 6591
6.	Supplementary Affidavit of Marlie Patterson-Earle sworn June 15, 2018	6599
A.	Exhibit “A” – Settlement Agreement between the Ontario Securities Commission and Clayton Smith dated May 28, 2018	6600 – 6620
B.	Exhibit “B” – Order of the Ontario Securities Commission dated June 14, 2018	6621 – 6623

Court File No **CV-17-11779-000L**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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**

**APPLICATION RECORD
VOLUME 1 OF 8**

Date: April 25, 2017

**ONTARIO SECURITIES COMMISSION
20 Queen Street West, Suite 2200
Toronto ON M5H 3S8
Tel: (416) 204-8985
Fax: (416) 593-8321**

**Catherine Weiler – LSUC No. 52424M
Email: cweiler@osc.gov.on.ca**

**Yvonne B. Chisholm – LSUC No. 37040F
Email: ychisholm@osc.gov.on.ca**

*Lawyers for the Applicant,
Ontario Securities Commission*

TO: MARTIN J. DOANE, BARRISTER & SOLICITOR
120 Adelaide St. W., Suite 2500
Toronto, ON M5H 3S8

Martin Doane
Tel: (416) 903-6691
Email: mjd@martinidoane.com

Lawyers for 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, and Crystal Wealth Retirement One Fund

AND TO: GRANT THORNTON LIMITED
19th Floor, Royal Bank Plaza
South Tower, 200 Bay Street
Toronto, ON M5J 2P9

Jonathan Krieger
Tel: (416) 360-5055
Email: jonathan.krieger@ca.gt.com

Proposed Receiver

AND TO: CRAWLEY MACKEWN BRUSH LLP
179 John Street – Suite 800
Toronto, ON M5T 1X4

Bruce O'Toole
Tel: (416) 217-0885
Email: botoole@cmblaw.ca

Lawyers for Chrysalis Yoga Inc.

Tab AA

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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
CHRYSLIS YOGA INC.**

Respondents

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

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for a hearing before a judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario on Wednesday, April 26, 2017, at 10:00 a.m., or as soon after that time as the matter can be heard.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least two days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: April 25, 2017

Issued by _____
Local registrar

Address of
court office: 330 University Avenue
Toronto, Ontario
M5G 1R7

TO: ALL THE PARTIES ON THE ATTACHED SERVICE LIST

APPLICATION

1. THE APPLICANT MAKES APPLICATION FOR:

- a) An order, if necessary, abridging the time for service and filing of this notice of application and the application record and applicant's factum such that this application is properly returnable on April 26, 2017, or, in the alternative, validating service on the respondents, or in the further alternative, dispensing with same;
- b) An order that the within application be consolidated, or alternatively heard at the same time, with the application to extend Freeze Directions commenced by the applicant by way of a notice of application issued through this Honourable Court on April 18, 2017 (CV-17-11769-00CL) (the "**Continuation Application**"), such that the Continuation Application is properly returnable on Wednesday, April 26, 2017;
- c) An order pursuant to section 129 of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the "Act"):
 - i) appointing Grant Thornton Limited ("**GTL**") as receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Crystal Wealth Management System Limited ("**Crystal Wealth**"), Clayton Smith ("**Smith**"), CLJ Everest Ltd. ("**CLJ Everest**"), 1150752 Ontario Limited ("**115**"), 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 (all entities listed after 115 being collectively referred to as the "**Funds**" or "**Crystal Wealth**

Funds", and collectively with Crystal Wealth, CLJ Everest, and 115, the **"Crystal Wealth Respondents"**), including, without limitation, all of the assets, securities, funds or other property held by the Crystal Wealth Respondents on behalf of or in trust for any other person or company, and including any and all funds, securities, or other property frozen by Freeze Directions (identified below in paragraphs 2(aa)(ii) to (aa)(x)) issued by the Ontario Securities Commission (the **"Commission"**) against the Crystal Wealth Respondents on April 6 and 7, 2017 (the **"Crystal Wealth Freeze Directions"**) (collectively referred to with the assets, undertakings and properties of the Crystal Wealth Respondents, the **"Property"**); and

- ii) appointing GTL as the Receiver of the account of the Respondent, Chrysalis Yoga Inc. (**"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, and directing Bank of Nova Scotia to pay all such funds in the Chrysalis Account to the Receiver or as the Receiver may otherwise direct in writing;
- d) An order pursuant to subsections 126(5) and 126(5.1) of the Act continuing the Freeze Directions (identified below in paragraphs 2(aa)(i). and 2(aa)(xi)) issued by the Commission with respect to Chrysalis Yoga (the **"Chrysalis Yoga Freeze Directions"**) until further order of this Honourable Court, with the exception: (i) that the funds in the Chrysalis Account be paid to the Receiver or as the Receiver may otherwise direct in writing, and that the Receiver have unrestricted access to the Chrysalis Account and records in connection therewith in accordance with its appointment herein; and (ii) that 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, and on the following terms:
 - i) the sole source of the funds deposited into the Chrysalis Yoga CIBC Account shall be from: (i) the parents of Shanine Lee Dennill (**"Dennill"**),

Dennill being the principal of Chrysalis Yoga; or (ii) clients of the yoga studio operated by Chrysalis Yoga, and not, directly or indirectly, from Smith and entities connected with or related to him as particularized in sub-paragraph 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: (i) Crystal Wealth; (ii) any investment funds managed by Crystal Wealth including without limitation the Funds; (iii) CLJ Everest; (iv) 115; or (v) 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;
- e) An order authorizing the Receiver to complete, on behalf of CLJ Everest, the sale of the property located at 5043 Mount Nemo Crescent in Burlington, Ontario (the "**Mount Nemo Property**") to Martin McCready (the "**Purchaser**") pursuant to an agreement of purchase and sale dated April 12, 2017 (the "**Sale Agreement**") and vesting title in the Mount Nemo Property to the Purchaser free and clear of any liens, claims, and encumbrances, and ordering that Smith, and any other occupants of the Mount Nemo Property, vacate the Mount Nemo Property forthwith so that the Receiver can deliver vacant possession of it in accordance with the Sale Agreement;
- f) For the sole purpose of giving effect to the transaction contemplated by sub-paragraph e) above, an order directing the Land Titles Division of the Halton Land Registry Office (No. 20) to remove from title to the Mount Nemo Property the Certificate of Direction issued by the Ontario Securities Commission on April

13, 2017 and registered on title to the Mount Nemo Property on the same date as instrument no. HR1446942 (identified below in paragraph 2(bb));

- g) An order authorizing the Receiver to make distributions from the sale proceeds of the Mount Nemo Property to the registered mortgagee of the Mount Nemo Property, without further order of the Court, subject to the Receiver satisfying itself as to the validity of such mortgage and the amounts claimed;
- h) If necessary, an order appointing GTL as interim Receiver of all of the Property of the Crystal Wealth Respondents and of the Chrysalis Account;
- i) Such further and other relief as counsel may advise and this Honourable Court may permit.

2. THE GROUNDS FOR THE APPLICATION ARE:

Investigation by the Ontario Securities Commission

- (a) Enforcement Staff of the Ontario Securities Commission ("**Staff**") are conducting an investigation into the activities of Crystal Wealth and its principal, Smith, as well as the activities of companies connected to Smith, including CLJ Everest, for potential breaches of Ontario securities law;
- (b) Staff have obtained evidence that demonstrates:
 - i. that Smith, Crystal Wealth and CLJ Everest 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 s. 126.1(1)(b) of the Act;
 - ii. that Smith and Crystal Wealth may have failed to act fairly, honestly and in good faith with clients, contrary to section 2.1 of Rule 31-505 – *Conditions of Registration*;
 - iii. that Smith and Crystal Wealth may have failed to comply with the standard of care expected of an Investment Fund Manager ("**IFM**") under s. 116 of the Act;

- iv. that Crystal Wealth failed to comply with the Funds' obligations to deliver the Funds' audited financial statements for the calendar year ending December 31, 2016, according to sections 2.1, 2.2 and 2.11 of National Instrument 81-106 – *Investment Fund Continuous Disclosure*; and
 - v. that Crystal Wealth 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*;
- (c) Among other things, Staff have reason to believe that Smith and Crystal Wealth may have used investor monies from the largest of the funds managed by Crystal Wealth (the Media Fund, as defined below) for purposes other than those set out in the offering memorandum. As detailed below, Staff have reason to believe that Smith directed investor money from the Media Fund to a third party intermediary, and from there, the monies flowed to Smith (into his bank account) and his companies, CLJ Everest and 115, for uses unconnected with the business of the investment fund. Staff have traced some of these monies to the purchase of the Mount Nemo Property acquired by CLJ Everest, which Smith uses as his personal residence, and among other uses, to Chrysalis Yoga, a yoga studio for which Smith is described as the co-founder along with Dennill;
- (d) On Friday, April 21, 2017, an Assistant Investigator in the Enforcement Branch of the Commission conducted a compelled examination of Dennill, who testified that Smith has provided \$2.4 million to Chrysalis Yoga since its incorporation in 2009;

Smith

- (e) Smith is an Ontario resident and the directing mind of Crystal Wealth. Smith holds a controlling interest in the shares of Crystal Wealth and is the sole officer and director of Crystal Wealth;

- (f) Smith is registered in Ontario with the Commission as a dealing representative, an advising representative in the category of portfolio manager ("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"). As CCO and UDP, Smith bears responsibility for the firm's compliance with Ontario securities laws;

Crystal Wealth

- (g) Crystal Wealth is a Burlington-based Ontario corporation, registered with the Commission in the categories of Exempt Market Dealer, Investment Fund Manager ("IFM"), PM and Commodity Trading Manager;
- (h) Crystal Wealth has approximately 1,265 portfolio management clients with assets under management ("AUM") as at March 31, 2016 in discretionary accounts totaling \$139,524,613.77. Approximately 309 of these clients are located in Ontario. Crystal Wealth's clients were invested through discretionary accounts and of those approximately 94% were invested in the Crystal Wealth Funds managed by Crystal Wealth;

The Crystal Wealth Funds

- (i) Crystal Wealth has created and manages the following 15 proprietary investment funds:
- i. Crystal Wealth Media Strategy (the "**Media Fund**");
 - ii. Crystal Wealth Mortgage Strategy (the "**Mortgage Fund**");
 - iii. Crystal Enlightened Resource & Precious Metals Fund (the "**Enlightened Resource Fund**");
 - iv. Crystal Wealth Medical Strategy (the "**Medical Fund**");
 - v. Crystal Wealth Enlightened Factoring Strategy (the "**Factoring Fund**");
 - vi. ACM Growth Fund;

- vii. ACM Income Fund;
- viii. Crystal Wealth High Yield Mortgage Strategy (the “**High Yield Mortgage Fund**”);
- ix. Crystal Enlightened Bullion Fund;
- x. Absolute Sustainable Dividend Fund (the “**Sustainable Dividend Fund**”);
- xi. Absolute Sustainable Property Fund (the “**Sustainable Property Fund**”);
- xii. Crystal Wealth Enlightened Hedge Fund (the “**Hedge Fund**”);
- xiii. Crystal Wealth Infrastructure Strategy (the “**Infrastructure Fund**”);
- xiv. Crystal Wealth Conscious Capital Strategy (the “**Conscious Capital Fund**”); and
- xv. Crystal Wealth Retirement One Fund

(collectively, the “**Crystal Wealth Funds**” or the “**Funds**”);

- (j) The Crystal Wealth Funds are structured as open-ended mutual fund trusts, and distributed on an exempt basis, pursuant to offering memoranda (“**OMs**”). As the IFM of the Funds, Crystal Wealth manages the day-to day business of the Funds and oversees the Portfolio Manager function. As PM of the Funds, Crystal Wealth is required to make suitable investment decisions for the Funds’ portfolios consistent with the respective Fund’s investment objectives. As at January 30, 2017, the total Assets under Management (“**AUM**”) for all of the Crystal Wealth Funds was approximately \$177,237,747;

The Media Fund

- (k) The largest of the Crystal Wealth Funds is the Media Fund, which had an AUM of \$53,221,497 as at January 31, 2017. The business of the Media Fund involves the following:

- i. Investors with discretionary managed accounts provide funds to Crystal Wealth to manage on their behalf in accordance with their investment objectives and agreements governing their accounts;
- ii. As PM for the discretionary managed accounts, Crystal Wealth uses its discretionary authority to place investor funds into the proprietary funds it manufactures, such as the Media Fund;
- iii. The Media Fund's investment objective is to earn interest income from loans made for film productions ("**Film Loans**");
- iv. As PM for the Media Fund, Crystal Wealth decides in which Film Loans the Media Fund will invest;
- v. Media House Capital (Canada) Corp. ("**MHC**") enters into agreements with film production companies to lend them money so that they can produce a film. The end borrower is the production company;
- vi. MHC then sells those Film Loans to the Media Fund, and receives an up-front 10% fee, which is built into the principal of the Film Loan; and
- vii. By virtue of owning units of the Media Fund, investors indirectly own the value of the Film Loan, which is reflected in the NAV of the Media Fund;

CLJ Everest and 115

- (l) Smith's company, CLJ Everest, has the same registered office in Burlington, Ontario as 115. Smith is the sole shareholder, officer and director of CLJ Everest, which holds 28.26% of Crystal Wealth's outstanding shares and 100% of the shares of 115. 115 holds 63.5% of Crystal Wealth's outstanding shares;

Chrysalis Yoga

- (m) Chrysalis Yoga is a yoga studio in Burlington that was co-founded by Smith;

Transfers of Monies from the Media Fund to Smith and CLJ Everest

- (n) Staff's investigation has revealed that monies from the Media Fund, purportedly for the purchase of Film Loans, have flowed through either MHC or Bron Animation Inc. ("**Bron Animation**"), a company related to MHC, and ultimately into the accounts of Smith, CLJ Everest, 115, Chrysalis Yoga, and a joint account at TD Bank in the name of Smith and Lee Ann Smith;
- (o) Staff's investigation to date has revealed that at least \$9,634,200 was disbursed from the Media Fund's account, transferred to the accounts of MHC or Bron Animation, and from there Staff have traced \$329,930 into the account of Smith, and \$2,307,347.50 into the account of Smith's company, CLJ Everest. Staff have traced further transfers from the accounts of Smith and CLJ Everest totaling \$187,000 to Chrysalis Yoga and at least \$13,000 to a joint account in the name of Smith and Lee Ann Smith;
- (p) Staff are still investigating these and other transfers from the Media Fund's account;
- (q) Staff's investigation has also revealed that CLJ Everest acquired the Mount Nemo Property. CLJ Everest acquired this property through two payments totalling \$1,455,585.13 which were funded largely with monies transferred to CLJ Everest from the Media Fund;
- (r) On Smith's National Registration Database profile, the address for the Mount Nemo Property is listed as Smith's home address;

The Net Asset Value ("NAV") of the Media Fund

- (s) Staff also have concerns about the existence and valuation of the Film Loans acquired by the Media Fund and it appears to Staff that the net asset value ("NAV") of the Media Fund may have been and continues to be materially overstated. Staff's concerns arise from Staff's review of the audit of the Media Fund's Financial Statements for the year ended December 31, 2015, and from email correspondence in which Smith appeared to acknowledge significant

valuation issues with respect to certain Film Loans in the summer and fall of 2016;

- (t) If the Media Fund's NAV were incorrect by being overvalued, investors' purchases and redemptions of the Media Fund's units would have been executed at incorrect, inflated prices. In other words, those investors who redeemed their Media Fund units may have received excess proceeds to the detriment of remaining and new investors. Further, those new investors may have paid too much for their units. In addition, if the Media Fund's NAV were overstated, it would similarly impact Funds that were invested in the Media Fund, and potentially the NAVs of each of those Funds;

Inter-Fund Investments and Loans

- (u) As at April 7, 2017, there were investments by Crystal Wealth Funds in the units of other Crystal Wealth Funds ("**Inter-Fund Investments**") totalling \$22,694,777.01. Of that amount, seven of the Crystal Wealth Funds held \$11,218,727.32 in units of the Media Fund, three of the Crystal Wealth Funds held \$4,894,288.43 in units of the Factoring Fund and three Funds held \$4,841,079.30 in units in the Enlightened Hedge Fund. The extent and amount of Inter-Fund Investments is dynamic;

Failure to File or Deliver Financial Statements for Crystal Wealth and 12 of the 15 Funds

- (v) Crystal Wealth was required to file audited annual financial statements for the year ended December 31, 2016 by March 31, 2017. The Crystal Wealth Funds were required to deliver their audited annual financial statements for the year ended December 31, 2016 by March 31, 2017;
- (w) The 2016 financial statements for Crystal Wealth and the Crystal Wealth Funds were not delivered or filed prior to March 31, 2017. Crystal Wealth's auditor, was unable to complete audits of the 2016 financial statements for the Funds by March 31, 2017 other than for three Funds – the Sustainable Dividend Fund, the Conscious Capital Fund, and the Enlightened Resource Fund. Collectively, these

three Funds represented 4.8% of the AUM of the Crystal Wealth Funds at January 31, 2017;

- (x) BDO has advised Staff that it could not complete the audits of the 2016 financial statements for 12 of the 15 Funds, and for Crystal Wealth, as a result of Crystal Wealth's failure to furnish information requested by the auditor;

The Commission's Temporary Order

- (y) On April 7, 2016, Staff obtained a temporary order (the "**Temporary Order**") providing that trading of units of all of the Crystal Wealth Funds cease, that trading in securities held by the Crystal Wealth Funds cease, and prohibiting the trading in or acquisition of securities by Smith and Crystal Wealth, with limited exceptions that permit Smith and Crystal Wealth to liquidate exchange-traded securities in the Funds with such proceeds being deposited into the account of the relevant fund (the Temporary Order modified and replaced a temporary order issued by the Commission on April 6, 2017);
- (z) The Temporary Order also imposed terms and conditions on Crystal Wealth's registration, including the restriction on Crystal Wealth from accepting new clients, opening new client accounts, or accepting new client monies;

Freeze Directions and Certificate of Direction Issued By the Commission

- (aa) As a result of this information, Staff sought and on April 6 and 7, 2017, the Commission issued, the following Freeze Directions:
 - i. Pursuant to s. 126(1)(a) of the Act, that the Bank of Nova Scotia, branch at 4519 Dundas Street, Burlington, Ontario, retain all funds, securities or property on deposit or under the bank's control in the name of or otherwise under the control of Chrysalis Yoga, including in the specified account;
 - ii. Pursuant to s. 126(1)(a) of the Act, that Interactive Brokers Canada Inc. retain all funds, securities or property on deposit or under the brokerage's

control 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, including in the specified accounts;

- iii. Pursuant to s. 126(1)(a) of the Act, that NBCN Inc. retain all funds, securities or property on deposit or under the brokerage's control in the name of or otherwise under the control of the Crystal Wealth Funds or Crystal Wealth, including in the specified accounts;
- iv. Pursuant to s. 126(1)(a) of the Act, that the Royal Bank of Canada, 200 Bay Street, Toronto, Ontario branch retain all funds, securities or property on deposit or under the bank's control in the name of or otherwise under the control of Crystal Wealth, including in the specified accounts;
- v. Pursuant to s. 126(1)(a) of the Act, that the TD Bank Group retain all funds, securities or property on deposit or under the bank's control in the name of or otherwise under the control of Smith, including in the specified account;
- vi. Pursuant to s. 126(1)(a) of the Act, that the TD Bank Group retain all funds, securities or property on deposit or under the bank's control in the name of or otherwise under the control of CLJ Everest, Crystal Wealth, Smith and Lee Ann Smith, including in the specified accounts;
- vii. Pursuant to s. 126(1)(a) of the Act, that the TD Bank Group retain all funds, securities or property on deposit or under the bank's control in the name of or otherwise under the control of Crystal Wealth Mortgage Strategy, including in the specified account;
- viii. Pursuant to s. 126(1)(b) and (c) of the Act, that Smith refrain from withdrawing any funds, securities or property from the listed institutions, and directing Smith to maintain funds, securities or property and refrain

from disposing of transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property;

- ix. Pursuant to s. 126(1)(b) and (c) of the Act, that Crystal Wealth refrain from withdrawing any funds, securities or property from the listed institutions, and directing Crystal Wealth to maintain funds, securities or property and refrain from disposing of transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property;
- x. Pursuant to s. 126(1)(b) and (c) of the Act, that CLJ Everest refrain from withdrawing any funds, securities or property from the listed institution, and directing CLJ Everest to maintain funds, securities or property and refrain from disposing of transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property;
- xi. Pursuant to s. 126(1)(b) and (c) of the Act, that Chrysalis Yoga refrain from withdrawing any funds, securities or property from the listed institution, and directing Chrysalis Yoga to maintain funds, securities or property and refrain from disposing of transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property;

(collectively, the “Freeze Directions”);

- (bb) Staff also sought and on April 13, 2017, the Commission issued a Certificate of Direction pursuant to subsections 126(1)(a) and 126(4) of the Act to permit the registration of a Certificate of Direction on title to the Mount Nemo Property, which Certificate was registered on title on April 13, 2017;
- (cc) The Commission issued the Certificate of Direction on the basis that it was expedient for the due administration of Ontario securities law or the regulation of the capital markets in Ontario;

- (dd) Despite the Freeze Directions, Staff has learned that Smith has caused CLJ Everest to enter into the Sale Agreement with the Purchaser, with a completion date for the transaction of Friday, April 28, 2017;
- (ee) Staff are of the view that Smith, Crystal Wealth and CLJ Everest's conduct has negatively affected the reputation and integrity of Ontario's capital markets;
- (ff) Based on the conduct of the Crystal Wealth Respondents, and Smith in particular to date, the interests of existing investors will not be served by maintaining the *status quo*. A Receiver is necessary to ensure that all investors' assets are dealt with appropriately and fairly in the circumstances;
- (gg) The gravity of the breaches of the Act suggested by the evidence put forward by Staff means that there are serious concerns about the ability of Smith and Crystal Wealth to operate in the capital markets in a manner that complies with securities laws. The interests of existing investors and the integrity of the capital markets would be better served if they were not to continue in positions of trust with respect to the assets of the Funds or the monies of investors;
- (hh) The proposed Receivership Order will ensure that investors' interests are protected while Staff's investigation and enforcement efforts continue, and that the Funds and their assets are properly administered by the Receiver in compliance with Ontario securities law and in the best interests of all stakeholders. In the circumstances, anything less than the appointment of a receiver would not provide the necessary oversight or control over the financial affairs of the Crystal Wealth;
- (ii) The Continuation Application and the within application: (i) have questions of fact in common; and (ii) contain claims for relief arising out of the same transactions or occurrences;
- (jj) Consolidating the within application and the Continuation Application would avoid unnecessary costs or delay;
- (kk) Sections 1.1, 21.10(3), 116, 126, 126.1(1), 128 and 129 of the Act;

- (ll) Section 2.1 of OSC Rule 31-505 – *Conditions of Registration*;
- (mm) Sections 2.1, 2.2 and 2.11 of National Instrument 81-106 – *Investment Fund Continuous Disclosure*;
- (nn) Sections 12.10(2), 12.12, 12.13 and 12.14 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Obligations*;
- a) Rules 1.04, 2.03, 3.02, 6.01, 14.05 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- b) Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- a) The affidavit of Marcel Tillie sworn April 17, 2017, and the exhibits attached thereto;
- b) The affidavit of Michael Ho sworn April 17, 2017, and the exhibits attached thereto;
- c) The supplementary affidavit of Michael Ho sworn April 24, 2017, and the exhibits attached thereto;
- d) The affidavit of David Adler sworn April 24, 2017, and the exhibits attached thereto;
- e) The consent of GTL to act as Receiver;
- f) The notice of application issued by the Commission in the Continuation Application; and
- g) Such other material as counsel for the Applicant may submit and this Honourable Court may permit.

April 25, 2017

ONTARIO SECURITIES COMMISSION

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

Catherine Weiler - LSUC No. 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](mailto:yvonne.chisholm@osc.gov.on.ca)

*Lawyers for the Applicant,
Ontario Securities Commission*

ONTARIO SECURITIES COMMISSION

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, *ET AL.*

Applicant

Respondents

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto

NOTICE OF APPLICATION
(Returnable April 26, 2017)

ONTARIO SECURITIES COMMISSION
 20 Queen Street West, 22nd Floor
 Toronto ON M5H 3S8

Catherine Weiler - LSUC No. 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*

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

, THE

JUSTICE

)

)

DAY OF

, 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.

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,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000;
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause; and
 - (iii) including liquidating exchange traded securities and derivatives held by the Respondents, Crystal Wealth Media Strategy, Crystal

- 6 -

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, within 60 days of the Receiver's appointment, or within such longer period of time as the Receiver deems advisable;

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

- 7 -

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 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

- 8 -

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 "**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

- 9 -

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 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.

- 10 -

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 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.

- 11 -

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 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.

- 12 -

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 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

- 13 -

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 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

- 14 -

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.

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 proceeding, the service of

- 15 -

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 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.

- 16 -

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.

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

22e 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: 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,

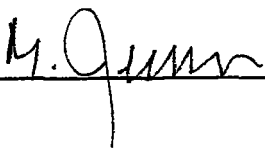
dissipating or otherwise dealing with or diminishing the value of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario 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	27QCNAA
NBCN Inc.	Crystal Wealth Management System Limited	27QTAAA
NBCN Inc.	Crystal Wealth Management System Limited	27QAABC
NBCN Inc.	Crystal Wealth Management System Limited	27QCNCA
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

5

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.

A handwritten signature, likely "M. Quinn", written over a horizontal line.

2

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 EVEREST 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.

M. Quinn

8.

SCHEDULE "A" TO FREEZE DIRECTION

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



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: 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:

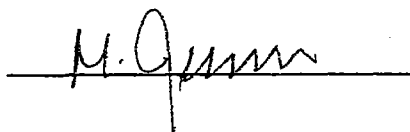
00002 1304211, and
00002 1304260

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 read "M. Gunn", is written over a horizontal line.



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: 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

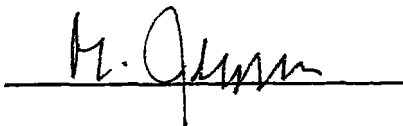
U1446894,
F4795511,
U4657920,
U4895282, and
U4804316

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.





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: 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

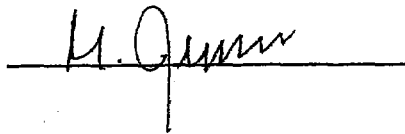
exchange and all proceeds of such sales or distributions are maintained in the account where such securities were held; and

- (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 be "M. Quinn", is written over a horizontal line.



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: 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

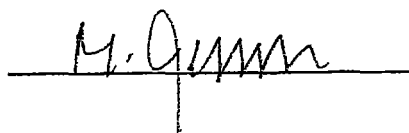
or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

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.

2

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. Gimm", is written over a horizontal line. A vertical line extends downwards from the center of the horizontal line.



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: 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:

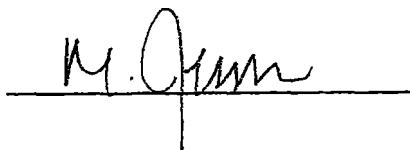
5002640-0122,
5004279-0122, and
0523771-0122

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 in dark ink, appearing to read "M. Qum", is written over a horizontal line.



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: 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:

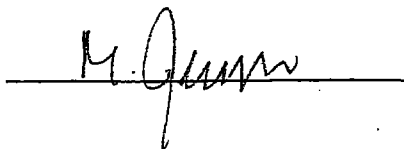
5266530-0125

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.

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

SCHEDULE "B"
FREEZE DIRECTIONS OVER CHRYSALIS YOGA

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: 416-263-7853
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 6th day of April, 2017.

M. Gamm

SCHEDULE "A" TO FREEZE DIRECTION

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



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: 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

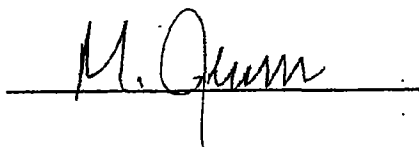
or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

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.

3

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.



A handwritten signature, appearing to read "M. Quinn", is written over a horizontal line. To the left of this signature, there is a long, thin, curved horizontal line that spans across the page.

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 _____, 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 lie 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
Interactive Brokers Canada Inc.	Crystal Wealth Strategic Yield Media Fund	U4657920
Interactive Brokers Canada	Crystal Wealth Medical	U4895282

D - 2

Institution	Account Name	Account Number
Inc.	Income Fund	
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
NBCN Inc.	ACM Income Fund	27QA24E
NBCN Inc.	ACM Income Fund	27QA24F
NBCN Inc.	Crystal Wealth High Yield Mortgage	27QB26E

D - 3

Institution	Account Name	Account Number
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
NBCN Inc.	Crystal Wealth Management System Limited	27Q000A
NBCN Inc.	Crystal Wealth Management System Limited	27QCNA

D - 4

Institution	Account Name	Account Number
NBCN Inc.	Crystal Wealth Management System Limited	27QTAAA
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

and CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

Applicant

Respondents

Court File No.

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*

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE	)	DAY, THE	DAY
	)		
JUSTICE	)	OF	,

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 & 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

VESTING ORDER

THIS APPLICATION made by the Ontario Securities Commission (the
"Commission"):

- a) Authorizing Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "Receiver") over the properties, assets and undertakings of each of the Respondents other than the Respondent,

- 2 -

Chrysalis Yoga Inc. ("**Chrysalis Yoga**", the other Respondents being referred to collectively as the "**Crystal Wealth Group**"), to complete, on behalf of CLJ Everest Ltd. (the "**Vendor**"), the sale transaction (the "**Transaction**") of the property located at 5043 Mount Nemo Crescent in Burlington, Ontario (the "**Mount Nemo Property**") to Martin McCready (the "**Purchaser**") as contemplated by an agreement of purchase and sale dated April 12, 2017 (the "**Sale Agreement**");

- b) Vesting title in the Purchaser the Vendor's right, title and interests in and to the assets described in the Sale Agreement (the "**Purchased Assets**"); and
- c) Authorizing the Receiver to make distributions from the sale proceeds of the Real Property (as defined herein) to the registered mortgagee of the Mount Nemo Property, without further order of the Court, subject to the Receiver satisfying itself as to the validity of such mortgage and the amounts claimed;

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING 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, and the consent of GTL to act as the Receiver, and on hearing the submissions of counsel for the Commission and counsel for the Crystal Wealth Group,

1. **THIS COURT ORDERS AND DECLARES** that the Receiver is hereby authorized, on behalf of the Vendor, to complete the Transaction contemplated by the Sale Agreement with such amendments to the Sale Agreement, except as to purchase price, as the Receiver may deem necessary. The Receiver, in its own name or on behalf of the Vendor, is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

- 3 -

2. **THIS COURT ORDERS** that Clayton Smith and any other occupants of the Mount Nemo Property forthwith vacate the Mount Nemo Property so that the Receiver may deliver vacant possession of it in accordance with the Sale Agreement.

3. **THIS COURT ORDERS THAT** the Land Titles Division of the Halton Land Registry Office (No. 20) remove from title to the Mount Nemo Property the Certificate of Direction issued by the Ontario Securities Commission on April 13, 2017 and registered on title to the Mount Nemo Property on the same date as instrument no. HR1446942.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Vendor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Newbould dated April 26, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon the registration in the Land Titles Division of the Halton Land Registry Office (No. 20) of an application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

- 4 -

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Vendor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Vendor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor and shall not be void or voidable by creditors of the Vendor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 5 -

9. **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.

Schedule A – Form of Receiver's Certificate

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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, AND CRYSTAL WEALTH RETIREMENT ONE FUND and
CHRYSLIS YOGA INC.

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (the "**Court**") dated April 26, 2017, Grant Thornton Limited was appointed as the receiver and manager (in such capacity, the "**Receiver**") of the undertaking, property and assets of CLJ Everest Ltd. (the "**Vendor**").

B. Pursuant to an Order of the Court dated April 26, 2017, the Court authorized the Receiver to complete the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Vendor and Martin McCreedy (the "**Purchaser**") dated April 12, 2017 (the "**Sale Agreement**") and provided for the vesting in the Purchaser of the Vendor's right, title and

- 2 -

interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the purchase price for the Purchased Assets pursuant to the Sale Agreement; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on closing pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**GRANT THORNTON LIMITED, in its
capacity as Receiver of the undertaking,
property and assets of the Vendor, and not in
its personal capacity**

Per: _____

Name:

Title:

Schedule B – Purchased Assets**PIN 07198-0202 (LT)**

PT LT 1 , CON 4 NS DES AS PTS 1, 2 & 3 ON 20R16429; BURLINGTON. S/T EASEMENT IN GROSS
OVER PT 2 ON 20R16429 AS IN HR436235.

Municipally known as 5043 Mount Nemo Cres., Burlington, Ontario

Schedule C – Claims to be deleted and expunged from title to Real Property

1. Instrument No. HR1241568, registered on January 16, 2015, is a Transfer/Deed of Land in favour of CLJ Everest Ltd., for consideration of \$2,700,000.
2. Instrument No. 1241569, registered on January 16, 2015, is a Charge/Mortgage of Land, in the amount of \$1,331,250, in favour of Home Trust Company.
3. Instrument No. HR1446942, registered on April 13, 2017, is a Certificate in favour of the Ontario Securities Commission.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

1. Instrument Number 119980 being a By Law registered on January 25, 1961 in favour of The Corporation of the City of Burlington re: Subdivision Control.
2. Instrument Number 20R16429 being a Registered Plan, registered on November 18, 2005 in favour of The Corporation of the City of Burlington.
3. Instrument Number HR436235 being a Transfer Easement registered on December 5, 2005 in favour of The Corporation of the City of Burlington re sewers, drains, etc. for maintenance and repair.

ONTARIO SECURITIES COMMISSION

and

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

Applicant

Respondent's
Court File No. **CV-17-11774-0004**

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto

APPLICATION RECORD
VOLUME ~~1~~ **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*

ANTHONY WHITEHOUSE
Plaintiff

-and-

BDO CANADA LLP
Defendant

Court File No. CV-17-579357-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD OF THE PLAINTIFF
VOLUME 3 OF 20

ADAIR GOLDBLATT BIEBER LLP

95 Wellington Street West
Suite 1830
Toronto ON M5J 2N7

Simon Bieber (56219Q)

Tel: 416.351.2781

Email: sbieber@agbllp.com

Nathaniel Read-Ellis (63477L)

Tel: 416.351.2789

Email: nreadellis@agbllp.com

Iris Graham (69986C)

Tel: 416.351.2793

Email: igrham@agbllp.com

Tel: 416.499.9940

Fax: 647.689.2059

Lawyers for the Plaintiff
Anthony Whitehouse