PROOF OF CLAIM

PROOF OF CLAIM AGAINST CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND, CLJ EVEREST LTD., AND 1150752 ONTARIO LIMITED (INDIVIDUALLY AND COLLECTIVELY, THE "CRYSTAL WEALTH GROUP") PURSUANT TO THE CLAIMS PROCEDURE ORDER DATED June 30, 2017

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: BDO Canada LLP

2. Full Mailing Address of the Creditor (the original Creditor and not the Assignee):
   3115 Harvester Road, Suite 400
   Burlington, Ontario L7N 3N8

3. Telephone number: 905-639-9500

4. E-mail address: mvriend@bdo.ca

5. Facsimile number: 905-633-4939

6. Attention (Contact Person): Mike Vriend

7. Has the Claim been sold or assigned by the Creditor to another party [check (✓) one]?

   Yes: ________ No: X

B. PARTICULARS OF ASSIGNEE(S) (IF ANSWER TO QUESTION 7 IS YES):

8. Full Legal Name of Assignee(s): ____________________

   (If Claim has been assigned, insert full legal name of assignee(s) of Claim (if all or a portion of the Claim has been sold). If there is more than one assignee, please attach a separate sheet with the require information)

9. Full Mailing Address of Assignee(s):

____

____

____

10. Telephone number of Assignee(s): ______________________________

11. E-mail address: ______________________________

12. Facsimile number: ______________________________

13. Attention (Contact Person): ______________________________

C. PROOF OF CLAIM:

I, Mike Vriend
[name of Creditor or Representative of the Creditor],

of Burlington, Ontario do hereby certify that:
[City or Province]

(a) I [check (✓) one]

☐ am the Creditor of the Crystal Wealth Group; OR

☒ am ______________ (state position or title) of

BDO Canada LLP (name of creditor);

(b) I have knowledge of all the circumstances connected with the Claim referred to below;

(c) See Schedule "A" attached [Insert the name(s) of the specific Crystal Wealth Group entity(ies) to which the Claim relates] was and still is indebted to the Creditor as follows:

(i) TOTAL CLAIM: $ 180,796,337.73 CAD

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at April 26, 2017. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN$1.3592/US$1.00); and

D. NATURE OF CLAIM:

(check (✓) one and complete appropriate category)

☒ A. UNSECURED CLAIM OF $ 180,796,337.73

That in respect of this debt, I do not hold any security and

(Check (✓) appropriate description)

☒ Regarding the amount of $ 180,796,337.73, I do not claim a right to a priority.

☐ Regarding the amount of $__________, I claim a right to a priority under section 136 of the Bankruptcy and Insolvency Act (Canada) (the "**BIA**") or would claim such a priority if this Proof of Claim were being filed in accordance with that Act.

(Set out on an attached sheet details to support priority claim.)

☐ B. SECURED CLAIM OF $__________

That in respect of this debt, I hold security valued at $__________ particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of Crystal Wealth Group entity/entities involved, name of any guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Crystal Wealth Group to the Creditor and estimated value of such security, and particulars of any interim period claim.)

This Proof of Claim must be received by the Receiver by no later than 5:00 p.m. (Toronto time) on August 3, 2017 ("Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

Grant Thornton Limited
in its capacity as Receiver and Manager of the Crystal Wealth Group

200 King Street West, 11th Floor
Toronto, Ontario M5H 3T4

Attention: Jason Knight
E-mail: jason.knight@ca.gt.com or crystalwealth@grantthornton.ca

F. FILING OF CLAIM:

Failure to file your Proof of Claim as directed by the Claims Bar Date will result in your Claim being barred and in you being prevented from making or enforcing a Claim against the Crystal Wealth Group. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a creditor in these proceedings.

G. EXCLUDED CLAIMS

Claims by creditors who are investors in the Crystal Wealth Group and whose claim derives from such investor's investment in the Crystal Wealth Group are Excluded Claims and no such person or entity needs to file any claim in respect thereof at this time. Please consult the Claims Procedure Order made on June 30, 2017 for details with respect to this and other exemptions.

Dated at Burlington this ________ day of August, 2017.

BDO CANADA LLP

Per: ______________________________
Signature of Creditor
Mike Vriend, CPA CA

SCHEDULE "A"

To the Amended Proof of Claim
Of BDO Canada LLP

Invoices rendered by BDO Canada LLP	$511,101.26
Invoices rendered by Blake, Cassels & Graydon LLP to BDO Canada LLP in connection with its representation in the OSC proceedings	$285,236.47
Amount claimed in Court File No. CV-17-579357, proposed class action commenced by Anthony Whitehouse against BDO Canada LLP	$175,000,000.00
Estimated legal fees for defence of Court File No. CV-17-579357, proposed class action commenced by Anthony Whitehouse against BDO Canada LLP	$5,000,000.00
Total Amount Claimed:	**$180,796,337.73**

Supporting Documents:

1. List and copies of invoices rendered by BDO to Crystal Wealth Group entities
2. Invoices rendered by Blakes to BDO [summary only, without narrative which may contain details subject to lawyer-client privilege]
3. Statement of Claim commenced by Anthony Whitehouse against BDO Canada LLP, Court File No. CV-17-579357
4. Appointment Letter Agreement between BDO and Crystal Wealth Management System Limited dated December 21, 2016, as signed and agreed to by Clayton Smith on behalf of Crystal Wealth Management System Limited on December 21, 2016

Crystal Wealth Proof of Claim

Crystal Wealth Group Entity	*Total per*	*Invoice#'s*
Absolute Sustainable Dividend Fund	*18,565.90*	*88856957*
Absolute Sustainable Property Fund	*31,142.80*	*88856991;88897630*
ACM Growth Fund	*18,565.90*	*88857115*
ACM Income Fund	*18,565.90*	*8857121*
Crystal Enlightened Bullion Fund	*20,841.72*	*88857363;88897628*
Crystal Enlightened Resource and Precious Metals Fund	*18,565.90*	*88857137*
Crystal Wealth Enlightened Factoring Strategy	*21,320.84*	*88897636*
Crystal Wealth Conscious Capital Strategy	*18,565.90*	*88857018*
Crystal Wealth Enlightened Factoring Strategy	*18,565.90*	*88857918*
Crystal Wealth Enlightened Hedge Fund	*27,788.96*	*88857047;88897637*
Crystal Wealth High Yield Mortgage Strategy	*25,393.36*	*88857370;88897631*
Crystal Wealth Infrastructure Strategy	*33,538.40*	*88857071;88897633*
Crystal Wealth Management System Limited	*17,967.00*	*88855798*
Crystal Wealth Media Strategy	*101,813.00*	*88857147;88897638;89028357*
Crystal Wealth Medical Strategy	*41,923.00*	*88857186;88897634*
Crystal Wealth Mortgage Strategy	*59,410.88*	*88857290;88897635*
Crystal Wealth Retirement One Fund	*18,565.90*	*88857380*
Total of Claim	**$ 511,101.26**	

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l. /S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Absolute Sustainable Dividend Fund
3385 Harvester Road, Suite 200
Burlington ON L7N 3N2

Attention: Mr. Clayton Smith

Invoice	88856957
Electronic Banking Account No.	437272809975
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.	$15,500.00
Administration, technology and disbursement fee:	930.00
Our Fee	$16,430.00
HST	2,135.90
Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1858052-3

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Absolute Sustainable Property Fund
3385 Harvester Road, Suite 200
Burlington ON L7N 3N2

Attention: Mr. Clayton Smith

Invoice	88856991
Electronic Banking Account No.	437272809983
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$15,500.00
Administration, technology and disbursement fee:		930.00
	Our Fee	$16,430.00
	HST	2,135.90
	Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1858056-3

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

April 26, 2017

Absolute Sustainable Property Fund
3385 Harvester Road, Suite 200
Burlington ON L7N 3N2

Attention: Mr. Clayton Smith

Invoice	88897630
Electronic Banking Account No.	437272809983
HST Registration No.	131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017		$10,500.00
Administration, technology and disbursement fee:		630.00
	Our Fee	$11,130.00
	HST	1,446.90
	Total	$12,576.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1858056-4

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

ACM Growth Fund
3385 Harvester Road, Suite 200
Burlington ON L7N 3N2

Attention: Mr. Clayton Smith

Invoice	88857115
Electronic Banking Account No.	437271898383
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$15,500.00
Administration, technology and disbursement fee:		930.00
	Our Fee	$16,430.00
	HST	2,135.90
	Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-8843379-3

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

ACM Income Fund
3385 Harvester Road, Suite 200
Burlington ON L7N 3N2

Attention: Mr. Clayton Smith

Invoice	88857121
Electronic Banking Account No.	437271898391
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$15,500.00
Administration, technology and disbursement fee:		930.00
	Our Fee	$16,430.00
	HST	2,135.90
	Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-8843381-3

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Enlightened Bullion Fund
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	**88857363**
Electronic Banking Account No.	437272465364
HST Registration No.	131585366RT0043

For Professional Services

Interim invoicing regarding the preparation of the audited financial statements
for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$15,500.00
Administration, technology and disbursement fee:		930.00
	Our Fee	$16,430.00
	HST	2,135.90
	Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-326246-3

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Enlightened Bullion Fund
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88897628
Electronic Banking Account No.	437272465364
HST Registration No.	131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017		$1,900.00
Administration, technology and disbursement fee:		114.00
	Our Fee	$2,014.00
	HST	261.82
	Total	$2,275.82

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-326246-4

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Enlightened Resource and Precious Metals Fund
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88857137
Electronic Banking Account No.	437270498342
HST Registration No.	131585366RT0043

For Professional Services

Interim invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$15,500.00
Administration, technology and disbursement fee:		930.00
	Our Fee	$16,430.00
	HST	2,135.90
	Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-5929-3

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Enlightened Factoring Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88897636
Electronic Banking Account No.	437271087664
HST Registration No.	131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017		$17,800.00
Administration, technology and disbursement fee:		1,068.00
	Our Fee	$18,868.00
	HST	2,452.84
	Total	$21,320.84

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-99003-4

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Conscious Capital Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	**88857018**
Electronic Banking Account No.	437272809991
HST Registration No.	131585366RT0043

For Professional Services

Interim invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$15,500.00
Administration, technology and disbursement fee:		930.00
	Our Fee	$16,430.00
	HST	2,135.90
	Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1858065-3

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Enlightened Factoring Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	**88857918**
Electronic Banking Account No.	437271087664
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$15,500.00
Administration, technology and disbursement fee:		930.00
	Our Fee	$16,430.00
	HST	2,135.90
	Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-99003-3

BDO

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BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Enlightened Hedge Fund
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88857047
Electronic Banking Account No.	437272810171
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$15,500.00
Administration, technology and disbursement fee:		930.00
	Our Fee	$16,430.00
	HST	2,135.90
	Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1862217-3

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Enlightened Hedge Fund
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	**88897637**
Electronic Banking Account No.	437272810171
HST Registration No.	131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017	$7,700.00
Administration, technology and disbursement fee:	462.00
Our Fee	$8,162.00
HST	1,061.06
Total	$9,223.06

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1862217-4

BDO

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Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth High Yield Mortgage Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88857370
Electronic Banking Account No.	437272448741
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$15,500.00
Administration, technology and disbursement fee:		930.00
	Our Fee	$16,430.00
	HST	2,135.90
	Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-313817-3

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth High Yield Mortgage Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88897631
Electronic Banking Account No.	437272448741
HST Registration No.	131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017		$5,700.00
Administration, technology and disbursement fee:		342.00
	Our Fee	$6,042.00
	HST	785.46
	Total	$6,827.46

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-313817-4

BDO

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Fax: 905-633-4939
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BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Infrastructure Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88857071
Electronic Banking Account No.	437272809959
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$15,500.00
Administration, technology and disbursement fee:		930.00
	Our Fee	$16,430.00
	HST	2,135.90
	Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1856484-3

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Infrastructure Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88897633
Electronic Banking Account No.	437272809959
HST Registration No.	131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017		$12,500.00
Administration, technology and disbursement fee:		750.00
	Our Fee	$13,250.00
	HST	1,722.50
	Total	$14,972.50

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-1856484-4

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Management System Limited
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88855798
Electronic Banking Account No.	437271100574
HST Registration No.	131585366RT0043

For Professional Services

Interim billing for audit services rendered in connection with the December 31, 2016 year end.		$15,000.00
Administration, technology and disbursement fee:		900.00
	Our Fee	$15,900.00
	HST	2,067.00
	Total	$17,967.00

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7326-440664-3

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Media Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88857147
Electronic Banking Account No.	437271219622
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$45,000.00
Administration, technology and disbursement fee:		2,700.00
	Our Fee	$47,700.00
	HST	6,201.00
	Total	$53,901.00

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-78614-3

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Media Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	**88897638**
Electronic Banking Account No.	437271219622
HST Registration No.	131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017		$15,800.00
Administration, technology and disbursement fee:		948.00
	Our Fee	$16,748.00
	HST	2,177.24
	Total	$18,925.24

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-78614-4

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

June 30, 2017

Crystal Wealth Media Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	89028357
Electronic Banking Account No.	437271219622
HST Registration No.	131585366RT0043

For Professional Services

Time charges for Carmen Macoretta regarding the CW-Media Fund. Meetings with OSC, Blakes and "Grants".		$24,200.00
Administration, technology and disbursement fee:		1,452.00
	Our Fee	$25,652.00
	HST	3,334.76
	Total	$28,986.76

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-78614-6

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Medical Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88857186
Electronic Banking Account No.	437271087656
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$15,500.00
Administration, technology and disbursement fee:		930.00
	Our Fee	$16,430.00
	HST	2,135.90
	Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-99002-3

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Medical Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88897634
Electronic Banking Account No.	437271087656
HST Registration No.	131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017		$19,500.00
Administration, technology and disbursement fee:		1,170.00
	Our Fee	$20,670.00
	HST	2,687.10
	Total	$23,357.10

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-99002-4

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Mortgage Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88857290
Electronic Banking Account No.	437270260718
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.		$35,000.00
Administration, technology and disbursement fee:		2,100.00
	Our Fee	$37,100.00
	HST	4,823.00
	Total	$41,923.00

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-763573438-3

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

April 26, 2017

Crystal Wealth Mortgage Strategy
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	88897635
Electronic Banking Account No.	437270260718
HST Registration No.	131585366RT0043

For Professional Services

Interim invoice for audit work performed to April 26, 2017	$14,600.00
Administration, technology and disbursement fee:	876.00
Our Fee	$15,476.00
HST	2,011.88
Total	$17,487.88

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-763573438-4

BDO

Tel: 905-639-9500
Fax: 905-633-4939
www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
3115 Harvester Road
Suite 400
Burlington Ontario L7N 3N8 Canada

March 31, 2017

Crystal Wealth Retirement One Fund
c/o Crystal Wealth Management System
192 Plains Road East
Burlington ON L7T 2C3

Attention: Mr. Clayton Smith

Invoice	**88857380**
Electronic Banking Account No.	437272448709
HST Registration No.	131585366RT0043

For Professional Services

Interim Invoicing regarding the preparation of the audited financial statements for the year ended December 31, 2016.

Preparation of the T3 Income Tax and Information Return.	$15,500.00
Administration, technology and disbursement fee:	930.00
Our Fee	$16,430.00
HST	2,135.90
Total	$18,565.90

Accounts are due when rendered
Interest at 1.00% per month (12.00% per annum) will be charged on accounts over 30 days

7755-313811-3

INVOICES RENDERED TO BDO TO THE PERIOD ENDING JULY 31, 2017

Period Ending	Fees	Disb. Subject to HST	Disb. Not Subject to HST	Subtotal	HST	Total
December 31, 2016	$34,313.00	$58.31	$0.00	$34,371.31	$4,468.27	$38,839.58
January 31, 2017	$79,176.00	$304.41	$0.00	$79,480.41	$10,332.45	$89,812.86
March 31, 2017	$7,743.50	$161.05	$0.00	$7,904.55	$1,027.60	$8,932.15
April 30, 2017	$24,983.00	$2,592.82	$0.00	$27,575.82	$3,584.86	$31,160.68
May 31, 2017	$7,688.00	$0.00	$0.00	$7,688.00	$999.44	$8,687.44
June 30, 2017	$11,540.50	$0.00	$0.00	$11,540.50	$1,500.27	$13,040.77
July 31, 2017		$0.00	$0.00	$0.00		$26,962.99
Estimated Fees to Conclustion of Representation	$60,000.00	$0.00	$0.00	$60,000.00	$7,800.00	$67,800.00
Totals:	**$225,444.00**	**$3,116.59**	**$0.00**	$228,560.59	**$29,712.89**	**$285,236.47**

12908713.1

Blakes

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice number(s) on cheque

December 31, 2016

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice:	1953886
Billing Lawyer	Campbell, Nigel
HST/GST No.:	R119396778
Client:	00069170
Matter:	000040

Attention: Paul Swanson
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended December 31, 2016, as follows:

Total Fees		$ 34,313.00
Taxable Disbursement(s)		
Courier	$ 10.56	
Duplicating	47.75	
		$ 58.31
Harmonized Sales Tax (13.0%)		4,468.27
TOTAL DUE IN CANADIAN CURRENCY		**$ 38,839.58** CAD

Blakes

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
number(s) on cheque

February 13, 2017

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice:	1960146
Billing Lawyer	Campbell, Nigel
HST/GST No.:	R119396778
Client:	00069170
Matter:	000040

Attention: Paul Swanson .
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended January 31, 2017, as follows:

Total Fees		$ 79,176.00
Taxable Disbursement(s)		
Courier	$ 10.56	
Duplicating	293.85	
		$ 304.41
Harmonized Sales Tax (13.0%)		10,332.45
TOTAL DUE IN CANADIAN CURRENCY		**$ 89,812.86** CAD

Blakes

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice
number(s) on cheque

April 24, 2017

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice:	1972296
Billing Lawyer	Campbell, Nigel
HST/GST No.:	R119396778
Client:	00069170
Matter:	000040

Attention: Paul Swanson
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended March 31, 2017, as follows:

Total Fees		$ 7,743.50
Taxable Disbursement(s)		
Duplicating	$ 161.05	
		$ 161.05
Harmonized Sales Tax (13.0%)		1,027.60
TOTAL DUE IN CANADIAN CURRENCY		**$ 8,932.15 CAD**

Blakes

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice number(s) on cheque

May 26, 2017

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice:	1979284
Billing Lawyer	Campbell, Nigel
HST/GST No.:	R119396778
Client:	00069170
Matter:	000040

Attention: Paul Swanson
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended April 30, 2017, as follows:

Total Fees		$ 24,983.00
Taxable Disbursement(s)		
Courier	$ 21.12	
Duplicating	2,571.70	
		$ 2,592.82
Harmonized Sales Tax (13.0%)		3,584.86
TOTAL DUE IN CANADIAN CURRENCY		**$ 31,160.68** CAD

Blakes

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice number(s) on cheque

June 21, 2017

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice:	1983878
Billing Lawyer	Campbell, Nigel
HST/GST No.:	R119396778
Client:	00069170
Matter:	000040

Attention: Paul Swanson
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended May 31, 2017, as follows:

Total Fees	$ 7,688.00
Harmonized Sales Tax (13.0%)	999.44
TOTAL DUE IN CANADIAN CURRENCY	**$ 8,687.44** CAD

Blakes

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice number(s) on cheque

July 26, 2017

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice:	1990690
Billing Lawyer	Campbell, Nigel
HST/GST No.:	R119396778
Client:	00069170
Matter:	000040

Attention: Paul Swanson
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended June 30, 2017, as follows:

Total Fees	$ 11,540.50
Harmonized Sales Tax (13.0%)	1,500.27
TOTAL DUE IN CANADIAN CURRENCY	**$ 13,040.77** CAD

Blakes

Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

INVOICE

Please write invoice number(s) on cheque

August 10, 2017

BDO Canada LLP
36 Toronto Street
Suite 600
Toronto, ON M5C 2C5
Canada

Invoice:	1993773
Billing Lawyer	Campbell, Nigel
HST/GST No.:	R119396778
Client:	00069170
Matter:	000040

Attention: Paul Swanson
General Counsel

Re: Crystal Wealth re: OSC

FOR PROFESSIONAL SERVICES RENDERED
during the period ended July 31, 2017, as follows:

Total Fees		$ 23,574.00
Taxable Disbursement(s)		
Courier	$ 7.50	
Duplicating	279.55	
		$ 287.05
Harmonized Sales Tax (13.0%)		3,101.94
TOTAL DUE IN CANADIAN CURRENCY		**$ 26,962.99 CAD**

RD.

Court File No. CV-17-579357-0

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

(Court Seal)

Seal

ANTHONY WHITEHOUSE

Plaintiff

- and -

BDO CANADA LLP

Defendant

Proceeding under the *Class Proceeding Act, 1992*

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date July 20, 2017 Issued by Dale Skinner
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 7th Floor
Toronto ON M5G 1R7

TO: BDO Canada LLP
36 Toronto Street
No. 600
Toronto ON M5C 2C5

CLAIM

1. The Plaintiff claims:

(a) an order certifying this proceeding as a class proceeding and appointing Anthony Whitehouse ("**Tony**") as representative Plaintiff on his own behalf and on behalf of a class (the "**Class**") consisting of each and every person who:

(i) became a client of Crystal Wealth Management System Ltd. ("**Crystal Wealth**") at any time from the inception of Crystal Wealth's operations through to April 7, 2017 (the "**Class Period**") and who was a client of Crystal Wealth on April 7, 2017, including, without limitation, those persons who filed claims in the receivership of Crystal Wealth, but excluding the Excluded Persons;

(ii) for purposes hereof, "**Excluded Persons**" means:

(1) any client of Crystal Wealth who did not invest in any of the Funds, as defined in paragraph 4 below, during the Class Period;

(2) the Defendant, BDO Canada LLP ("**BDO**");

(3) any partner or employee of BDO, and any member of the immediate family of any such partner or employee;

(4) any person who served as an officer or director of Crystal Wealth at any time, and any member of the immediate family of any such officer or director;

(5) any person who acted as a Crystal Wealth investment advisor;

(6) Media House Capital (Canada) Corp. ("**MHC**");

(7) Bron Capital Partners Corp., Bron Studios Inc., Bron Animation Inc., Bron Media Corp., and Bron Developments Inc. (collectively, the "**Bron Companies**");

(8) Aaron Gilbert ("**Gilbert**");

(9) Stephen Thibault ("**Thibault**");

(10) Chrysalis Yoga Inc. ("**Chrysalis Yoga**");

(11) any other beneficial shareholders of Crystal Wealth, and members of their immediate families;

(12) any entity in respect of which any of the persons identified in (1) to (11) above has a direct or indirect controlling interest;

(13) any person who ultimately controls an entity that is an Excluded Person; and

(14) the legal representatives, heirs, successors and assignees of any Excluded Person.

(b) a declaration that all of the audit opinions delivered by BDO with respect to the financial reporting of Crystal Wealth and all attestations delivered by BDO with respect to Crystal Wealth's Financial Statements (and Fund Statements) were given for the purpose of allowing Crystal Wealth to continue to operate as an Exempt Market Dealer, Investment Fund Manager, Portfolio Manager and Commodity Trading Manager registered in Ontario pursuant to the *Securities Act* and Regulations and with the expectation and knowledge that the Ontario Securities Commission (the "OSC") would rely on BDO's opinion and the BDO Representations (as defined below) as the basis for: (i) OSC registration renewals; and (ii) continued, additional or new investment by members of the Class;

(c) a declaration that BDO owed a duty of care to the Class;

(d) a declaration that BDO breached the duty of care it owed to the Class by negligently performing its professional services and that such negligence caused the Class to suffer the damages claimed and described herein;

(e) damages for negligence in the sum of $150,000,000 or such further sum as this Honourable Court may find appropriate;

(f) punitive damages of $25,000,000;

(g) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, s. 128;

(h) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, s. 129;

(i) costs of this action on a substantial indemnity basis, including any applicable taxes; and

(j) such further and other relief this Honourable Court may deem just.

Background

The Parties and the Crystal Wealth Funds

2. The proposed Representative Plaintiff, Tony, is an individual residing in Mississauga, Ontario. Tony is 55 years old and is semi-retired. Tony invested his life savings in a number of mutual funds marketed and managed by Crystal Wealth and Clayton Smith ("Smith"). Tony's total investment was approximately $1 million.

3. Tony invested in the following 5 Crystal Wealth funds:

   (a) Crystal Wealth Mortgage Strategy;

   (b) Crystal Wealth High Yield Mortgage Strategy;

   (c) Crystal Wealth Infrastructure Strategy;

   (d) Crystal Wealth Media Strategy; and

   (e) Crystal Wealth Medical Strategy.

4. Crystal Wealth is an Ontario corporation based in Burlington and is registered with the OSC as an Exempt Market Dealer, Investment Fund Manager, Portfolio Manager and Commodity Trading Manager. Crystal Wealth operated 15 proprietary investment funds. Of these, the following 10 mutual funds were audited by the defendant, BDO:

   (a) Crystal Wealth Mortgage Strategy;

(b) Crystal Enlightened Resource and Precious Metals Fund;

(c) Crystal Wealth Enlightened Factoring Strategy;

(d) Crystal Wealth Medical Strategy;

(e) Crystal Enlightened Bullion Fund;

(f) Crystal Wealth Media Strategy (the "**Media Fund**");

(g) Crystal Wealth High Yield Mortgage Strategy;

(h) ACM Income Fund;

(i) ACM Growth Fund; and

(j) Crystal Wealth Retirement One Fund (collectively the "**Funds**").

5. The Funds were structured as open-ended mutual fund trusts that were distributed to investors on an exempt basis, pursuant to Offering Memorandums. Crystal Wealth was the Investment Fund Manager of the Funds.

6. Generally, the Funds contained one or more of the following types of investments:

(a) cash and money market securities held with National Bank Correspondent Network ("**NBCN**") and Interactive Brokers Canada Inc.;

(b) investments where the underlying security is held and recorded by NBCN; and

(c) investments neither held nor recorded by NBCN but rather administered by Crystal Wealth or a third party ("**Off Book Assets**").

7. The Defendant, BDO, audited each of the Funds. Each year, the Funds released financial statements (collectively, the "**Financial Statements**") and audit reports (from BDO) representing that the financial statements presented fairly, in all material respects, the financial position of each Fund and that their financial performance and cash flows were in accordance with Generally Accepted Accounting Procedures ("**GAAP**") or International Financial Reporting Standards ("**IFRS**") as applicable.

8. Tony read the Financial Statements and the accompanying audit reports. He used the Financial Statements and audit reports to fairly value his investments, assess the performance of the Funds, and make decisions about investment in the Funds.

The OSC Freezes the Funds

9. On April 7, 2017, the OSC issued an order against Smith, Crystal Wealth, the Funds and certain other persons ("**The Temporary Order**"), which prohibited all trading including redemptions, distributions, and acquisitions of securities in the Funds. In short, the Temporary Order froze the Funds and their assets.

10. Subsequently, pursuant to an Order of the Ontario Superior Court issued April 26, 2017, Grant Thornton LLP ("**Grant Thornton**") was appointed receiver of all of the assets, undertakings and properties of Crystal Wealth and the Funds (the "**Appointment Order**"). Pursuant to the Appointment Order and as of the date of this claim, monies held in the Funds cannot be traded or redeemed by investors, including Tony.

11. These two orders resulted from an ongoing investigation by OSC Staff into breaches of securities laws by Crystal Wealth and Smith. The investigation focused in particular on improper activities associated with the Media Fund.

12. As described further below, the OSC investigation has revealed that Crystal Wealth, Smith, and others were involved in a scheme by which monies were improperly diverted from the Media Fund to enrich Smith, Crystal Wealth, and others.

13. As described further, below, Grant Thornton's investigation, subsequent to its appointment as receiver, indicates that Crystal Wealth's record-keeping is seriously deficient such that it is not even possible to identify Crystal Wealth's assets, liabilities or creditors from existing documentation.

The Media Fund Scheme

14. The Media Fund was purportedly the largest of the Funds – it supposedly had the most assets under management.

15. In the Offering Memorandum and the Strategy Overview of the Media Fund, Smith and Crystal Wealth represented to Tony (and the other investors in the Funds) that the Media Fund functioned as follows:

    (a) MHC would enter into a loan agreement with a film production company;

    (b) MHC would then sell that loan to the Media Fund;

    (c) The Media Fund then owned the loan and recorded it as an asset in its financial reporting.

16. The profitability of the Media Fund was driven in large part by the validity and collectability of the loans. If the loans were either invalid or uncollectable, the Fund would lose money and would have to write-down its assets and net asset value ("NAV").

17. Crystal Wealth and Smith held out MHC to investors as being (i) independent from Crystal Wealth and (ii) in the business of making loans to film production companies with a portfolio of existing loans that Crystal Wealth could purchase.

18. In reality, none of this was true. MHC did not have a stable of loans to production companies. It would only enter into loans with production companies when the Media Fund had already agreed to purchase those loans. Accordingly, the loan transactions were simultaneous - MHC would enter the loan with the production company and simultaneously sell the loan to the Media Fund.

19. At times, MHC played no role at all and the Media Fund made loans directly to the production companies (contrary to the process described above and in the Media Fund's financial disclosures).

20. MHC was paid a fee, which initially was 10% of the loan amount. Over time, MHC began to remit part of this fee back to Smith and Crystal Wealth. It kept 7% of the loan amount and remitted 3% back to Smith and/or Crystal Wealth.

21. Gilbert, Thibault and Smith together directed this flow of funds.

Gilbert and Thibault were both the Borrower and the Lender

22. The Media Fund purchased loans from MHC pursuant to a Production Loan Administration Agreement effective August 12, 2011. The Media Fund purchased approximately 24 loans from MHC.

23. Smith primarily dealt with two individuals at MHC, Gilbert and Thibault, with respect to the Media Fund.

24. In addition to having an executive role at MHC, Gilbert is the president and a director of Bron Studios and is a director of Bron Animation – two film production companies. He is also listed as the producer or executive producer of the majority of film productions for which the Media Fund purchased loans and he benefited from those loans.

25. This means that when MHC was making loans to these film production companies, Gilbert was representing both the borrower (acting on behalf of the film production company) and the lender (acting on behalf of MHC). This relationship and obvious conflict of interest was not disclosed to investors but should have been apparent to BDO.

26. Thibault is an employee of MHC, former VP-finance of MHC, and is an Executive Vice President of Bron Media. Given his roles, Thibault was also representing both the borrower and the lender in connection with loans to film production companies. Again, this conflict of interest was not disclosed to investors but should have been apparent to BDO.

27. Many of the films produced by the Bron Companies were commercial failures with no prospect of generating enough revenue to repay the loans.

28. The validity and collectability of the loans was critical to the Media Fund's performance. To the extent that the loans were invalid, illegitimate, fabricated or uncollectable, the Media Fund's assets would need to be written down. This would affect the NAV of the Media Fund and the pricing of its units. It would also affect the NAV of the other Funds, because there was significant inter-fund investment in the Media Fund.

29. Accordingly, in the course of its audits of the Media Fund, BDO should have assessed their legitimacy and collectability.

30. In reality, the loans to the Bron Companies were worthless and uncollectable. Gilbert, Thibault and Smith misappropriated the majority of the loan proceeds.

Self-Dealing and Misappropriation of Investors' Money

31. Smith misappropriated money from the Media Fund with the assistance of MHC, the Bron Companies, Thibault and Gilbert.

32. He also received undisclosed fees from MHC, Thibault and Gilbert (3% of any loans as described above).

33. He also received significant payments (in excess of $1 million) from the Bron Companies.

34. At least $9,634,200 from the fund was improperly diverted into and through the accounts of MHC and the Bron Companies and into bank accounts held by Smith or by companies he controlled.

35. Smith used the misappropriated money for his own purposes. Some of it was used to buy a multi-million dollar luxury home near Toronto. Other investor money was used by Smith and his then-girlfriend to found and fund a yoga studio, Chrysalis Yoga.

36. Thibault, Gilbert, MHC, and the Bron Companies also received investor funds.

37. As the scheme began to unravel (when it became more and more apparent that the loans would not be repaid), Smith began to use funds from new investors to satisfy redemption requests from older investors. In short, he began running a Ponzi scheme. He did this to attempt to lure new investors to the Funds (or in the hopes of keeping existing investors from withdrawing their money), so that he and the Defendants could continue to misappropriate investor funds.

38. BDO turned a blind eye to all of this.

39. Subsequent to the receivership, Grant Thornton has been unable to obtain enough information to fully understand and support the value of the loans underlying the Media Fund. The documents simply do not exist.

Problems not Limited to the Media Fund.

40. The Media Fund Scheme described above impacted each and every other Fund due to the significant amount of inter-fund investment amongst the Crystal Wealth Funds. In fact, the Media Fund was the single largest recipient of inter-fund investment by the other Funds. Many of those inter-fund investments were made to create liquidity in the Media Fund to, among other things, fund redemptions by investors. As a result, the inaccurate valuation of the Media Fund rendered inaccurate the value of every other Fund.

41. The assets of each of the Funds were materially overstated during the Class Period. In particular, to the extent that a Fund held Off-Book Assets, the value of those assets was overstated in Crystal Wealth's financial reporting.

42. Moreover, many assets are simply non-existent. Though the Crystal Wealth Funds purportedly had assets under management ("AUM") of $177 million as at January 1, 2017, OSC staff could only find $49 million worth of cash and investments, $22 million of which were inter-fund investments in other Crystal Wealth Funds.

43. Grant Thornton has also concluded in its review of Crystal Wealth's records that the documentation supporting the purported value of the funds is seriously deficient, particularly with respect to the Off-Book Assets.

44. Indeed, Grant Thornton has been unable to identify all of the creditors of Crystal Wealth or the Funds from existing documentation.

The Claim

45. BDO was engaged by Crystal Wealth to audit each of the Funds.

46. Crystal Wealth was required to file audited financial statements with the OSC pursuant to s. 21.10(3) of the *Securities Act*, National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (ss. 12.10, 12.14, 12.3 and 12.14), and National Instrument 81-106 – *Investment Fund Continuous Disclosure* (ss. 2.1 and 2.2).

47. Accordingly, BDO was conducting its audits for two purposes: (i) to ensure that Crystal Wealth complied with Ontario's securities laws such that it could continue to offer and redeem units in the Funds; and (ii) to allow investors in the Funds to assess the

performance of the Funds and fairly value and/or evaluate their investments and to make investment decisions.

48. BDO knew that the OSC would rely on its audits in making decisions about Crystal Wealth and its ability to offer securities to the public.

49. In addition, BDO knew that investors were relying on its audits in purchasing units in the Funds and making decisions in respect of their investments. Indeed, BDO specifically addressed each of its audit reports to the "Unitholders" of the particular fund that it was auditing. Accordingly, BDO intended that the Unitholders receive each audit report and rely on it in making investment decisions.

The Duty to the Class

50. BDO knew and intended for the Class to receive and rely on its audit reports. As part of its audits of the Funds, BDO had access to the individual names and number of units held by each investor of the Funds through the Funds Unit Holder Listing. BDO was aware of the exact amounts held by each investor and in which of the Funds each of the investors had invested.

51. At all material times BDO knew or ought to have known:

(a) the identities and contact information of Crystal Wealth's investors;

(b) that some or all of the Class Members knew that BDO was the auditor of the Funds;

(c) that its audits would be relied upon by Class Members;

(d) the holdings in some or all of the Class Members' accounts; and

(e) that the purpose of the its audits was, in part, to enable Crystal Wealth to receive and hold cash and securities owned by the Class Members.

52. At all material times, BDO owed a duty to the Class to:

(i) audit the financial statements of each Fund in accordance with generally accepted auditing standards ("GAAS");

(ii) ensure that the financial statements of each Fund presented fairly, in all material respects, the financial positon of the Fund and its financial performance and its cash flows for the year in question in accordance with Generally Accepted Accounting Principles ("GAAP") or International Financial Reporting Standards ("IFRS") as applicable;

(iii) issue audit reports on Crystal Wealth's financial statements for delivery to, *inter alia*, the OSC; and

(iv) identify any material misstatements in Crystal Wealth's financial reporting or material weaknesses in Crystal Wealth's internal controls.

53. To the extent that the Funds held Off-Book Assets or non-traditional/illiquid assets, a GAAS-compliant audit required BDO to obtain substantial evidence that the assets (i) actually existed and (ii) were fairly valued.

54. Furthermore, a GAAS-compliant audit required BDO to employ measures to obtain evidence and reasonable assurance that the loans in the Media Funds were (i) legitimate; (ii) enforceable; (iii) collectable; and (iv) did not constitute related party transactions.

55. Similarly, a GAAS-compliant audit required BDO to employ measures to obtain reasonable assurance that Smith was not misappropriating investor money from the Funds.

56. The Plaintiff pleads and relies upon the Ontario Business Corporations Act (the "OBCA") and, in particular, sections 149, 151, 152, 153, 155, 158 and 159. In addition the Plaintiff pleads and relies upon the regulations promulgated under the *OBCA* and, in particular, Regulation 62, sections 40, 41 and 42. The Plaintiff further pleads and relies upon sections 19, 21.10, 122 and 143 of the *Securities Act* and National Instruments 31-103 and 81-106.

57. BDO knew or ought to have known, the requirements of the *Securities Act* and the associated regulations and National Instruments applicable to the conduct of Crystal Wealth's business. BDO had an obligation conduct a competent and thorough audit in accordance with GAAS. BDO was required to report any material misstatements or omissions contained in any material filed with the OSC.

BDO Breaches Its Duty to the Class

58. Contrary to its duties, BDO did not conduct its audits of the Funds in accordance with GAAS and/or GAAP/IFRS.

59. Among other things:

(a) BDO did not obtain reasonable assurance about whether the financial statements were free from material misstatement, as it was required to do;

(b) BDO did not obtain appropriate and sufficient evidence that the assets of the Funds actually existed and were fairly valued;

(c) BDO did not conduct a sufficient review of the underlying documentation associated with the assets of the Funds;

(d) BDO's audit of the Media fund lacks support for at least $4.5 million in reported value;

(e) BDO did not appropriately account for the value (or lack thereof) of the Off-Book Assets;

(f) BDO relied on emails from MHC to confirm the value and collectability of the loans in the Media Fund, rather than independently confirming same through its own review;

(g) BDO failed to discover that there was insufficient documentation to support the value of the Media Fund;

(h) BDO failed to identify Crystal Wealth's poor record-keeping and internal controls; and

(i) BDO did not identify that the Funds were significantly over-valued.

60. As a result of its negligent audit of Crystal Wealth and the Funds, BDO did not discover:

(a) that Crystal Wealth's financial record-keeping was deficient and potentially inaccurate;

(b) that the governance and management of the Funds, especially with respect to Off-Book Assets, was contrary to Ontario's securities laws and in breach of Crystal Wealth's fiduciary duties to the Class;

(c) that there were little or no internal tracking mechanisms in place at Crystal Wealth with respect to Off-Book Assets in the Funds;

(d) there was little to no evidence to support the existence and value of the Off-Book Assets;

(e) that the Net Asset Value of the Funds was materially overstated;

(f) that the underlying loan assets in the Media Fund had little or no value;

(g) that the loans in the Media Fund were transacted with related parties;

(h) that the Funds and Crystal Wealth were undercapitalized or insolvent; and

(i) that Smith and others were improperly diverting investors' money to themselves.

61. BDO knew or ought to have known the facts alleged above. BDO owed the Class a continuing duty of care to diligently investigate, uncover, and disclose any misstatements or omissions in the Funds' financial statements and in any material filed with the OSC.

62. At all material times BDO knew or ought to have known that the Class would suffer damage if BDO breached any of the duties it owed to the class.

63. Members of the class would not have invested in the Funds if they had known that ;

(a) that Crystal Wealth's financial record-keeping was deficient and potentially inaccurate;

(b) that the governance and management of the Funds, especially with respect to Off-Book Assets, was contrary to Ontario's securities laws and in breach of Crystal Wealth's fiduciary duties to the Class;

(c) that there were little or no internal tracking mechanisms in place at Crystal Wealth with respect to Off-Book Assets in the Funds;

(d) that there was little or no evidence to support the existence and value of the Off-Book Assets;

(e) that the loans in the Media Fund were transacted between related parties;

(f) that the Net Asset Value of the Funds was materially overstated;

(g) that the underlying loan assets in the Media Fund had little or no value;

(h) that the Funds and Crystal Wealth were undercapitalized or insolvent; and

(i) that Smith and others were improperly diverting investors' money to themselves.

64. BDO repeatedly represented to Crystal Wealth, Class Members, and to the OSC that:

(a) The audit evidence obtained by BDO with regard to each of the Funds was sufficient and appropriate to provide a basis for BDO's audit opinion;

(b) The financial statements of each Fund were free from material misstatement;

(c) The financial statements of the Funds presented fairly, in all material respects, the financial position of each Fund and each Fund's financial performance in accordance with IFRS or GAAP, as applicable; and

(d) That BDO's audit was conducted in accordance with GAAS.

65. More particularly, BDO filed a series of audit reports with the OSC between April 1, 2007 and December 31, 2015 that contained the representations set out above. These audit reports were addressed to the unit-holders of each of the Funds.

66. The representations set out in paragraph 61 above were untrue, and were made in breach of BDO's duty to the Class. The Class members relied on these representations to their detriment in investing in each Fund.

Negligence

67. As outlined above, the Class alleges that:

(a) BDO owed a duty of care to the Class in connection with the preparation of the Audit Reports;

(b) BDO was retained in whole or in part for the specific purpose of preparing the Audit reports such that Crystal Wealth could operate and continue to operate;

(c) BDO knew or ought to have known that the purpose, or at a minimum one of the core purposes, of the Audit reports was to protect the interests of the Class Members;

(d) BDO did not prepare the Audit Reports in accordance with GAAS and/or IFRS and the standard of care that it owed to Class Members;

(e) BDO did not conduct GAAS-compliant audits of the Funds

(f) but for BDO's failure to properly prepare the Audit Reports the Class would not have invested with Crystal Wealth or would have ceased to do business with Crystal Wealth;

(g) BDO knew:

(i) that Crystal Wealth had clients;

(ii) the identify of some or all of Crystal Wealth's clients;

(iii) the number or approximate number of Crystal Wealth's clients;

(iv) that Crystal Wealth's ability to operate was dependant, in whole or in part, on the preparation of accurate Audit Reports; and

(v) that the Audit Reports were prepared, in whole or in part, to allow Crystal Wealth to operate and to take funds from the Class; and

68. Accordingly, the Class claims that BDO negligently performed its professional duties.

Damages

69. The Plaintiff states that if the BDO had complied with the duties it owed to the Class to investigate, detect, and report any Deficiencies as well as material misstatements and omissions in the Audit Reports, Crystal Wealth would not have been able to renew its registrations, thereby:

(i) minimizing and/or avoiding further losses on the part of the existing Crystal Wealth clients including Tony and other similarly situated members of the Class; and/or

(ii) Preventing Crystal Wealth from incurring increased liability to the Class.

70. The Plaintiff states that, if BDO had complied with its duties, BDO or the OSC would have discovered the Media Fund Scheme and the misappropriation of investor funds sooner than they did. If these improprieties had been discovered earlier, losses to investors would have been reduced or avoided.

71. The Plaintiff states that if BDO had complied with its duties, the Class Members would have:

(i) minimized or reduced their own losses by altering their investment profile, including by redeeming their investments; and/or

(ii) would not have invested or made further investments in the Funds.

72. The Plaintiff proposes that this action be tried at Toronto.

July 20, 2017

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Lawyers for the Plaintiff
Tony Whitehouse

TONY WHITEHOUSE Plaintiff	and	BDO CANADA LLP Defendant

Court File No.

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DATED: July 20 2017

SOLICITOR FOR THE / AVOCAT POUR LE

SUPERIOR COURT OF JUSTICE / COUR SUPÉRIEURE DE JUSTICE

FILED / DÉPOSÉ

LOCAL REGISTRAR / GREFFIER LOCAL

TORONTO

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

STATEMENT OF CLAIM

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PLEASE SIGN
AND RETURN

December 21, 2016

Mr. Clayton Smith
Crystal Wealth Management System Limited
192 Plains Rd. E
Burlington, Ontario
L7T 2C3

Dear Mr. Smith:

We understand that you wish to appoint us as the auditors of Crystal Wealth Management System Limited commencing with its fiscal year ended December 31, 2016.

We are pleased to accept appointment as your auditors subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Mike Vriend, CPA, CA will be the Engagement Partner for all assurance work we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of Services.

Our Role as Auditors

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements prepared in accordance with the financial reporting framework specified in subsection 3.2(3)(a) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for financial statements delivered by registrants are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall financial statement presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, whether by fraud or error, may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to your preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal controls. However, we will communicate to you concerning any significant deficiencies in internal controls relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate matters required by professional standards, to the extent that such matters come to our attention, to you, those charged with governance and/or the board of directors.

Reporting

Our audit will be conducted on the basis that the financial statements have been prepared in accordance with the financial reporting framework specified in subsection 3.2(3)(a) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for financial statements delivered by registrants.

Our independent auditor's report will be substantially in the form set out in Canadian Auditing Standard (CAS) 700. The form and content of our report may need to be amended in the light of our audit findings. If we are unable to issue or decline to issue an audit report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

Role of Management and Those Charged with Governance

You acknowledge and understand that you have responsibility for:

(a) the preparation and fair presentation of the financial statements in accordance with the financial reporting framework specified in subsection 3.2(3)(a) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for financial statements delivered by registrants. The audit of the financial statements does not relieve you of your responsibilities;

(b) such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and

(c) providing us with:

- access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- additional information that we may request for the purpose of the audit;

- unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence;
- financial and non-financial information (other information) that will be included in document(s) containing financial statements and our audit report thereon prior to the date of our auditor's report. If it is not possible to provide all the other information prior to the date of our auditor's report, you are responsible for provision of such other information as soon as practicable; and
- written confirmation concerning representations made to us in connection with the audit. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim an audit opinion.

Communication with the Securities Regulators

If the financial statements, supporting schedules and our audit thereon are included in a document required by securities legislation, they may be subject to review and comment by the staff of a securities regulator and to their interpretation of the applicable rules and regulations. This may involve discussions and communications with them, and/or the submission of supplemental data in connection with their review. You agree to inform us of any discussion, communication or submission which may have bearing on the financial statements, schedules and other financial data in the filings and furnish us with copies of related written communications. If we are involved in such communications with the staff of a securities regulator, we will inform you and provide you with copies of the relevant communications.

Financial Statement Services

We will obtain your approval, if during the course of our engagement we:

(a) prepare or change a journal entry; or

(b) prepare or change an account code or a classification for a transaction.

As agreed, we will provide assistance in the preparation of the financial statements.

These services create a threat to our independence. We, therefore, require that the following safeguards be put into place:

- that you create the source data for all accounting entries;
- that you develop any underlying assumptions for the accounting treatment and measurement of entries; and
- that you review and approve the draft financial statements, including the notes to the financial statements.

Tax Services

In addition to the assurance services discussed above, we may be requested by you to prepare corporate tax returns. The returns will be prepared based upon the information supplied by you. We will not audit, review or otherwise attempt to verify the accuracy or completeness of such information. We will utilize the information you have already provided to our assurance engagement team to the extent that the material is available and relevant to the preparation of the returns. It may be necessary for us to request further information.

Regardless of any tax return preparation services we provide to you, you will remain responsible for filing your tax returns with the appropriate authorities on a timely basis.

Your returns are, of course, subject to review by the taxation authorities. Any items reassessed against you by the taxation authorities are subject to certain rights of appeal. In the event of any tax audit, we will be available to represent you for a mutually agreed upon fee.

We will discuss with you any filing positions which, if taken, have the potential to give rise to a material adverse assessment or reassessment by the taxing authorities. If such an assessment or reassessment occurs, any additional tax that arises will be your responsibility. In addition, we cannot be responsible for interest and penalties assessed against you in connection with your income tax affairs. Therefore, should any interest or penalty be assessed, they shall be your responsibility.

Our audit is conducted primarily to enable us to express an opinion on the financial statements. Accordingly, the audit process is not designed to provide us with a full understanding of your tax situation and in particular, to allow us to determine whether the organization has specific tax compliance issues. We will, however, provide advice on an ongoing basis on general income tax matters as requested by you. A separate engagement letter may be issued for significant tax projects. To the extent that tax services requested by you are not covered by a separate engagement letter, the terms of this Agreement shall apply to the tax services.

Additional Services

We are available to provide a wide range of services beyond those outlined in this Agreement. To the extent that any additional services that we provide to you that are not provided under a separate written engagement agreement, the provisions of this Agreement will apply to the services.

Standard Terms and Conditions

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. The Standard Terms and Conditions include clauses that limit our professional liability.

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.

BDO

It is a pleasure for us to be of service and we look forward to many future years of association with you.

Yours truly,

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

Crystal Wealth Management System Limited

Clayton Smith, CEO

DEC. 31, 2016

Date

Appendix 1
Standard Terms and Conditions

1. Overview and Interpretation

1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services. To the extent that any of the provisions of the accompanying Engagement Letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

1.2 In this agreement, the following words and expressions have the meanings set out below:

This Agreement - these Standard Terms and Conditions, the letter to which they are attached, and any supporting schedules or other appendices to the letter

Services - the services provided or to be provided under this Agreement

We, us, our, BDO - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario

You, your - the party or parties contracting with BDO under this agreement, including the party's or parties' management and those charged with corporate governance. You and your does not include BDO, its affiliates or BDO Member Firms

BDO Member Firm or Firms - any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

Confidential Information - information that contains identifying features that can be attributed to you or individual personnel

2. BDO Network and Sole Recourse

2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.

2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.

2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above as if they were a party to this agreement.

3. *Respective Responsibilities*

3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.

3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

4. *Working Papers and Deliverables*

4.1 **Ownership** - Any documents prepared by us or for us in connection with Services belong solely to us.

4.2 **Oral advice and draft deliverables** - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.

4.3 **Translated documents** - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.

4.4 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any third party other than you and any party to whom the assurance report is addressed. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

4.5 **Consent to use the Report** - If we are requested to consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document, we will consider, at the relevant time, providing consent and any conditions applicable to our consent. Our consent must be in writing. In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information is materially inconsistent with the related financial statements. We will require adequate notice of the request for consent to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost.

5. *Confidentiality*

5.1 We agree to use Confidential Information provided by you only in relation to the services in connection with which the information is provided and we will not disclose the information, except where required by law, regulation or professional obligation. We may, however, give Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing services.

5.2 BDO shall be entitled to include a description of services we render to or for you in marketing and research materials and disclose such information to third parties, provided that all such information will be made anonymous and not associated with you. Additionally, we may analyze information on an industry or sector basis for internal purposes or to provide industry/sector wide information to our clients or potential clients. You consent to our using information obtained from you in this way provided that the outputs therefrom will not contain any identifying features that can be attributed to you.

6. *Independence*

6.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our services. We will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence. Further, we will confirm our independence in writing.

7. *Offers of Employment*

7.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.

8. *Professional and Regulatory Oversight*

8.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.

8.2 Certain regulatory bodies may also have the right to conduct investigations of you, including the services provided by us. To the extent practicable and permitted by law, we will advise you of any such investigation request or order prior to providing our working papers.

8.3 You agree to reimburse us for our time and expenses, including reasonable legal fees, incurred in responding to any investigation that is requested or authorized by you or investigations of you undertaken under government regulation or authority, court order or other legal process.

9. *Privacy and Consents*

9.1 You agree we will have access to all personal information in your custody that we require to complete our engagement. We may collect, use, transfer, store, or process such information disclosed by you of a personal nature (personal information). Our services are provided on the understanding that:

- you have obtained any consents for collection, use and disclosure to us of personal information required under all applicable privacy legislation; and

- we will hold all personal information in compliance with our Privacy Statement.

10. *Electronic Communications*

10.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.

10.2 Unless BDO is otherwise advised in writing, by executing this agreement you provide BDO with consent to communicate with you electronically, including sending newsletters, publications, announcements, invitations and other news and alerts.

11. *Limitation of Liability*

11.1 In any dispute, action, claim, demand for losses or damages arising out of the services performed by BDO pursuant to this engagement, BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator as a result of the dispute resolution procedures, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.

11.2 Our liability shall be restricted to damages of a direct and compensatory nature and shall not include indirect, consequential, aggravated or punitive damages, or damages for loss of profits or expected tax savings, whether or not the likelihood of such loss or damage was contemplated.

11.3 You agree that BDO shall not be liable to you for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount no more than the higher of:

- three times the fees paid by you to BDO in the twelve months preceding the incident giving rise to the claim; and
- $25,000.

11.4 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.

11.5 You agree claims or actions relating to the delivery of services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.

12. *Indemnity*

12.1 To the fullest extent permitted by applicable law and professional regulations, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:

- a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest
- the services performed by BDO pursuant to this Agreement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the gross negligence of BDO. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by your company, failing which, the matter may be referred to dispute resolution in accordance with the terms of this letter.

13. Alternative Dispute Resolution

13.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this agreement or the services provided hereunder through good faith negotiations.

13.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation pursuant to the National Mediation rules of the ADR Institute of Canada Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as the parties mutually agree upon shall be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada Inc. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the National Arbitration Rules.

14. Limitation Period

14.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any such claim and in any event no later than two years after the completion of the relevant services. The parties to this Agreement agree that the limitation period established by any limitations act and/or any other applicable legislation shall be considered not to apply (to the extent permitted by law).

15. Québec Personnel

15.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. The provisions in Subsection 13.2 and Sections 11 (Limitation of Liability) and 14 (Limitation Period) shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

16. Termination

16.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).

16.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all services performed up to the date of termination, including services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

17. Fees and Billings

17.1 Our estimated fee is based on an assumed level of quality of your accounting records, the agreed upon level of preparation and assistance from your personnel and adherence to the agreed-upon timetable. Our estimated fee also assumes that your financial statements are in accordance with the applicable financial reporting framework and that there are no significant new or changed accounting policies or issues or internal control or other reporting issues. We will inform you on a timely basis if these factors are not in place.

17.2 Should our assumptions with respect to the quality of your accounting records be incorrect or should the conditions of the records, degree of cooperation, results of audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

17.3 Our professional fees will be based on our regular billing rates which depend on the means by which and by whom our services are provided. We also will bill you for our out-of-pocket expenses, our administrative charge (described below), and applicable Harmonized Sales Tax, Goods and Services Tax and Provincial Sales Tax.

17.4 Our administrative charge is calculated as a percentage of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure, telephone charges, photocopying and some support staff time costs.

17.5 Our accounts are due when rendered. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

18. Governing Laws

18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of the province or territory in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

19. Entire Agreement and Survival

19.1 This Agreement sets forth the entire agreement between the parties with respect to the subject matter herein, superseding all prior agreements, negotiations or understandings, whether oral or written, with respect to such subject matter. It is understood that this letter will not be superseded by any contract with us for other specific services that are not of the same scope as the Services contemplated in this Agreement, unless the other contract explicitly references this Agreement and an intent to supersede it.

19.2 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

20. Force Majeure

20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

21. Assignment

21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

22. Severability

22.1 If a court or regulator with proper jurisdiction determines that a provision of this Agreement is invalid, then the provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of this Agreement will remain effective.