

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

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

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

Respondents

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

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

JUNE 22, 2017



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

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IN ITS CAPACITY AS RECEIVER OF THE RESPONDENTS**

JUNE 22, 2017

INTRODUCTION AND PURPOSE OF THE FIRST REPORT

- 1 On April 7, 2017, the Ontario Securities Commission (the “**OSC**”) issued a temporary order (the “**Temporary Order**”) providing that the trading of units of all of the Crystal Wealth Funds (defined herein) cease, that trading in securities held by the Crystal Wealth Funds cease, and prohibiting the trading in or acquisition of securities by Clayton Smith (“**Smith**”) and Crystal Wealth Management System Limited (the “**Company**”), with limited exceptions that permitted Smith and the Company to liquidate exchange-traded securities in the Crystal Wealth Funds with such proceeds being deposited into the bank account of the relevant fund. A copy of the Temporary Order is attached as **Appendix “1”** to this First Report of the Receiver (the “**First Report**”). On April 28, 2017, the OSC extended the Temporary Order to October 3, 2017 (the “**Extension Order**”). The Extension Order is attached as **Appendix “2”** to this First Report.
- 2 On April 26, 2017, on application of the OSC to the Ontario Superior Court of Justice (Commercial List), the Honourable Mr. Justice Newbould issued an Order (the “**Appointment Order**”) appointing Grant Thornton Limited: (i) as receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties (collectively, the “**Property**”) of each of the Respondents, except the Respondent, Chrysalis Yoga Inc. (“**Chrysalis Yoga**”) (each of the Respondents except for Chrysalis Yoga being individually and collectively, the “**Crystal Wealth Group**”); and (ii) as Receiver of the account of the Respondent, Chrysalis Yoga, No. 87296 00518 10 at Bank of Nova Scotia (the “**Chrysalis Account**”), and of all contents, including funds, contained in the Chrysalis Account. The proceedings were commenced by way of application made by the OSC (the “**Application**”) under section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”). The said receivership proceedings, shall be referred to herein as the “**Receivership Proceedings**”. A copy of the Appointment Order and the endorsement of the Honourable Mr. Justice Newbould are attached as **Appendix “3”** to this First Report of the Receiver (the “**First Report**”).
- 3 On April 26, 2017, the Honourable Mr. Justice Newbould issued an Order (the “**Vesting Order**”) that, among other things, authorized the Receiver to complete, on behalf of the Respondent, CLJ Everest Ltd. (“**CLJ Everest**”), the sale transaction of the property located at 5043 Mount Nemo Crescent in Burlington, Ontario (the “**Mount Nemo Property**”) to Martin McCready (the “**Purchaser**”) pursuant to and in accordance with an

agreement of purchase and sale dated April 12, 2017 (the “**Mount Nemo Sale Agreement**”). A copy of the Vesting Order is attached to this First Report as **Appendix “4”**.

4 As outlined in the OSC’s Application, the appointment of the Receiver was based on concerns the OSC had regarding, among other things, the Respondent, Crystal Wealth Media Strategy (the “**Media Fund**”). The OSC presented evidence that:

- a) *...Smith advanced approximately \$9.6M from the Media Fund (which are investors’ monies) to a third-party, Media House Capital (Canada) Corp., and another entity related to it, purportedly to purchase film loans for the Media Fund (“**Film Loans**”, also referred to herein as “**Media Loans**”), when in fact at least \$329,930 was transferred to Smith’s personal account, and \$2,307,347.50 was transferred to his personal holding company, CLJ Everest. It was stated that Smith used these monies to, among other things, make credit card payments, purchase the Mount Nemo Property, and fund his then common-law spouse’s yoga studio.¹*
- b) *...raised concerns about the existence and validity of the Film Loans owned by the Media Fund, and whether the value of the Film Loans as reflected in the net asset value (“**NAV**”) of the Media Fund has been materially overstated. Smith appears to have acknowledged that the Film Loans should be written down in value, but nevertheless he has not caused that to happen and the NAV of the Media Fund remained substantially unchanged.²*

5 The OSC stated that it believed that Smith and the Company may have:

- a) participated in a course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud, contrary to s. 126.1(1)(b) of the Act;
- b) failed to act fairly, honestly and in good faith with clients, contrary to s. 2.1 of Rule 31-505 - *Conditions of Registration*; and

¹ Affidavit of Marcel Tillie, sworn April 17, 2017, para. 26; Affidavit of Michael Ho, sworn April 17, 2017, paras. 17-63

² Affidavit of Marcel Tillie, sworn April 17, 2017, paras. 32 and 41-57.

- c) failed to comply with the standard of care expected of investment fund managers under s. 116 of the Act.

6 The potential breaches of the Act identified with respect to the Media Fund have an impact on several of the other Crystal Wealth Funds due to the significant number of inter-fund investments between the Crystal Wealth Funds which inter-fund transactions, as discussed in detail later in this First Report, are particularly prevalent with respect to the Media Fund.

7 More detailed information pertaining to the Crystal Wealth Group, including the circumstances leading to the appointment of the Receiver, are contained in the affidavits of:

- a) Marcel Tillie sworn April 17, 2017;
- b) Michael Ho sworn April 17, 2017;
- c) David Adler sworn April 24, 2017; and
- d) the supplementary affidavit of Michael Ho sworn April 24, 2017;

(collectively, the “**Commission Affidavits**”), all filed in support of the Application. Copies of the Commission Affidavits, without exhibits, are attached hereto as **Appendix “5”**.

8 The purpose of this First Report is to inform the Court of the Receiver’s activities since the date of the Appointment Order, to inform the Court of the Receiver’s recommendations for the sale of certain investments of the Crystal Wealth Group, and to support the Receiver’s request for an order, among other things, approving:

- a) this First Report, including the actions and activities of the Receiver as described in this First Report;
- b) a claims process to be conducted by the Receiver in respect of creditor claims against the Crystal Wealth Group, other than those of investors (the “**Creditor Claims Procedure Order**”);
- c) the Receiver’s reliance on the Unit Holder Listing (as defined herein) to make interim distributions to investors, where possible, without further approval of the

Court, of the proceeds obtained from the divestiture of certain assets of the Crystal Wealth Funds;

- d) the Receiver's request for an Order approving the proposed sale process ("**Sale Process**") with respect to certain Crystal Wealth Funds and authorizing the Receiver to carry out its functions in accordance with the Sale Process;
- e) the Receiver's Interim Statement of Receipts and Disbursements for the period from April 26, 2017 to May 31, 2017 appended as **Appendix "6"** to the First Report;
- f) the fees and disbursements of the Receiver and Aird & Berlis LLP, legal counsel to the Receiver ("**A&B**"), as described herein; and
- g) sealing **Confidential Appendices "1", "2", and "3"** of this First Report until further Order of the Court.

- 9 The Receiver's activities since its appointment are detailed throughout this First Report, with specific details of particular activities being described at paragraph 178 below.

RESTRICTIONS AND TERMS OF REFERENCE

- 10 In preparing this First Report, the Receiver has relied upon unaudited financial information, the Crystal Wealth Group's books and records, certain financial information, discussions with the Crystal Wealth Group's former management and employees, and discussions with various interested parties (collectively, the "**Information**"). Except as described in this First Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
- 11 This First Report has been prepared for the use of this Court to provide general information and an update relating to the Receivership Proceedings for the purpose of assisting the Court in making a determination as to whether to approve the relief sought. This First Report should not be relied on for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this First Report contrary to the provisions of this paragraph.

- 12 Capitalized terms not defined in this First Report are as defined in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.
- 13 Copies of materials filed in these Receivership Proceedings are available on the Receiver's Case Website at: www.grantthornton.ca/crystalwealth.

BACKGROUND

- 14 The Company is a corporation registered with the OSC in the categories of: "Exempt Market Dealer", "Investment Fund Manager", "Portfolio Manager", and "Commodity Trading Manager". Prior to the commencement of the Receivership Proceedings, it operated out of an office located at 192 Plains Road E., Burlington, Ontario (the "**Premises**").
- 15 Smith is the controlling mind of the Company, is listed as the sole director and officer, and holds a controlling interest of 91.76% in the Company. Smith's ownership is held indirectly through CLJ Everest, a holding company incorporated in Ontario of which Smith is the sole shareholder, officer, and director. CLJ Everest holds 28.26% of the Company's outstanding shares and 100% of the shares of the Respondent, 1150752 Ontario Limited ("**115 Ontario**"). 115 Ontario in turn holds 63.50% of the Company's outstanding shares. The remaining 8.24% of the Company's shares are held by an individual named Gary Allen who, as the Receiver understand, acts as a silent shareholder. A copy of the legal corporate structure provided by Smith to the Receiver is attached hereto as **Appendix "7"**.
- 16 At the time of the Appointment Order, Smith was registered in Ontario with the OSC as a dealing representative, an advising representative in the category of "Portfolio Manager", and an advising representative in the category of "Commodity Trading Manager". Smith was also registered as the Company's chief executive officer, chief compliance officer and ultimate designated person. In fulfilling his responsibilities in the latter two roles, Smith bears responsibility for the Company's compliance with Ontario securities laws, including, without limitation, the Act.
- 17 The Company created and managed the following 15 proprietary investment funds (collectively referred to as the "**Crystal Wealth Funds**"):
- a) Crystal Wealth Mortgage Strategy (the "**Mortgage Fund**");

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

A detailed description of the Crystal Wealth Funds and the work performed by the Receiver with respect to each of them is included later in this First Report.

- 18 The Crystal Wealth Funds are structured as open-ended mutual fund trusts. Units in each of the funds were distributed to investors on an exempt basis, pursuant to offering memoranda (“**OMs**”). The Company managed the day-to-day business of the Crystal Wealth Funds and was required to make investment decisions consistent with each fund’s investment objectives. Based on internal information provided by Smith, the assets under management (“**AUM**”) of the Crystal Wealth Funds, as at April 20, 2017, was approximately \$193,198,912. The Receiver believes this amount is materially overstated.

OVERVIEW OF THE CRYSTAL WEALTH FUNDS

- 19 During the initial stages of its appointment, the Receiver obtained a general understanding of the Company and, in particular, the Crystal Wealth Funds. The following sections of this First Report provide a summary of the Crystal Wealth Funds and details regarding the steps and actions taken by the Receiver in this regard.
- 20 The Receiver conducted a series of discussions with Smith focusing on the process of administering the Crystal Wealth Funds, the individuals who made investment decisions, how buy/sell orders were executed by the Company, the entities involved in recording trades, and the identity of investors within the Crystal Wealth Funds at any given time, and the frequency and methodology for the pricing of the funds.
- 21 On May 4, 2017, the Receiver met with Smith and Joanne Bentley ("**Bentley**") (the Company's trading officer and an associate advising representative at the time of the Appointment Order), to review each of the Crystal Wealth Funds in detail, for the purpose of understanding the investment objective of each fund and the underlying investments contained within. During the meeting, Smith provided the Receiver with the most recent valuation package for each of the Crystal Wealth Funds prepared by the Company prior to the Appointment Order. The valuation package, dated April 20, 2017 (the "**April 20th Package**"), outlines the investments in, and respective values of, each investment for each of the funds. This information includes the acquisition cost and the supposed market value of each investment, which are referred to herein as the "**Recorded Cost**" and the "**Recorded Value**", respectively. A copy of the April 20th Package is attached to this First Report as **Appendix "8"**.
- 22 In general, each of the Crystal Wealth Funds contains one or more of the following types of investments:
- a) cash and money market securities ("**Cash**") held with two third parties, NBCN Inc. (otherwise known as National Bank Correspondent Network) ("**NBCN**") and Interactive Brokers Canada Inc. ("**IBCI**");
 - b) investments where the underlying security is held and recorded by NBCN ("**On-Book Assets**"); and
 - c) investments not held or recorded by NBCN but rather administered by the

Company and/or a third-party ("**Off-Book Assets**")

(collectively referred to as the "**Investment Categories**").

- 23 At the conclusion of the meeting, the Receiver provided Smith with a more detailed request to provide supporting documentation verifying the existence, value, and ownership of the investments contained in each of the Crystal Wealth Funds, with specific emphasis on the Off-Book Assets.
- 24 Shortly thereafter, Smith compiled and delivered to the Receiver a set of documents in response to the Receiver's request (the "**Provided Documents**"). The Provided Documents, particularly as they relate to the Off-Book Assets, are largely incomplete. In order to supplement the Provided Documents, the Receiver has been concurrently contacting various third parties to obtain the information required to support and corroborate the assets recorded on the Company's records.
- 25 Through discussions with Smith and the Receiver's review of the Provided Documents, it became apparent to the Receiver that the governance and management of the Crystal Wealth Funds, again more relating to the Off-Book Assets, was insufficient for a Company managing AUM of purportedly approximately \$200M. Through a continued review of the additional documentation obtained from various sources, the Receiver noted that there are little to no internal tracking mechanisms in place at the Company with respect to the Off-Book Assets. In addition, there appears to be no protocol for organizing documentation with respect to the investments and no central location or repository for same. This has continued to further impact the Receiver's efforts to gain a comprehensive understanding of the Off-Book Assets.
- 26 Notwithstanding the foregoing, the following is a summary of the Crystal Wealth Funds and the Investment Categories outlined in the April 20th Package:

Fund ¹	Portfolio Manager	Cash	On-Book Assets	Off-Book Assets	Accruals	Total
Mortgage Fund	Smith	\$ 1,217,989	\$ 2,578,364	\$ 23,242,421	\$ 44,162	\$ 27,082,935
Resource Fund	A. Housego	185,489	1,908,151	966	(6,799)	2,087,807
Factoring Fund	A. Housego	411,706	11,026,656	27,771,688	(1,085,882)	38,124,168
Medical Fund	Smith	449,770	1,540,927	7,277,553	1,840	9,270,090
Bullion Fund	A. Housego	268,830	763,006	-	(2,280)	1,029,555
Media Fund	Smith	731,305	1,018,720	53,520,539	(803,721)	54,466,843
High Yield Mortgage Fund	Smith	760,006	1,378,897	3,344,820	(41,557)	5,442,165
Infrastructure Fund	Smith	2,087,302	315,000	5,362,300	-	7,764,601
Hedge Fund	A. Housego	531,692	1,561,271	11,862,643	(36,657)	13,918,950
Conscious Capital Fund	Smith	27,905	658,198	(274,000)	(2,897)	409,206
ACM Income Fund	Smith	371,053	10,458,518	-	(14,153)	10,815,417
ACM Growth Fund	Smith	(2,040,779)	13,674,671	-	(24,828)	11,609,064
Sustainable Dividend Fund	Smith	121,340	6,524,987	3,475	(19,627)	6,630,175
Sustainable Property Fund	Smith	245,796	-	4,314,619	(12,480)	4,547,935
		\$ 5,369,403	\$ 53,407,366	\$ 136,427,023	\$ (2,004,879)	\$ 193,198,912
1-USD to CAD Rate: 1.3481001						

27 The general types of investments contained within each of the Investment Categories, all of which are discussed in detail later in this First Report, are as follows:

a) On-Book Assets include:

- i. investments in units of Crystal Wealth Funds ("**Inter-fund Investments**");
- ii. equity investments in companies whereby the securities of same are traded on active market exchanges and readily saleable ("**Equities**") as well as warrant options for the purchase of similar shares at a stated price in respect of equities traded on active market exchanges ("**Warrants**");
- iii. equity investments in companies whereby the securities were obtained through private placements or direct purchases and are not traded on active market exchanges and therefore are not readily saleable ("**Private Equities**") and warrant options for the purchase of shares in same at a stated price ("**Private Warrants**");
- iv. gold purchase agreements for the right to purchase a stated number of gold bullion ounces ("**Gold**") at a discount ("**Gold Contracts**");
- v. fixed income debentures with the option for the holder to convert the instrument into a set number of shares in the borrower ("**Convertible Debentures**");

- vi. unit holdings in mutual funds not managed by the Company and thus external to the Crystal Wealth Group, which the Receiver understands should be reasonably redeemable or monetizable (“**External Mutual Funds**”); and
- vii. currency future contracts, entered into with the purpose of hedging against a decline of the U.S. Dollar in relation to the Canadian Dollar (“**USD Futures**”).

b) Off-Book Assets include:

- i. investments in first or second non-conventional residential mortgages administered by third parties (“**Residential Mortgages**”);
- ii. term loans issued to private corporations and entities for various purposes (“**Commercial Loans**”);
- iii. term loans purchased from Media House Capital (Canada) Corp. (“**MHC**”) reflecting loans made to various production companies for the production of films (“**Media Loans**”);
- iv. contracts with commercial businesses under which specific Crystal Wealth Funds purchased accounts of such businesses at a discount (“**Factoring Contracts**”);
- v. participation rights in contracts with healthcare providers to purchase medical accounts receivable at a discount (“**Medical Factoring Contracts**”); and
- vi. preferred and common partnership units in 1076874 Properties Limited Partnership (“**107 LP**”), an entity that owns an interest in various rental properties located in the United States.

A detailed summary of the Crystal Wealth Funds and the Recorded Values of the investments as at April 20, 2017, prepared by the Receiver, is attached as **Appendix “9”** to this First Report.

CRYSTAL WEALTH FUND DESCRIPTIONS

- 28 For the purposes of this section, noted Cash balances and investment values are based on the Recorded Values in the April 20th Package, unless otherwise stated. They should not be taken as any statement, representation or reflection of actual or realizable value.

Mortgage Fund

- 29 The Mortgage Fund is the oldest active fund of the Crystal Wealth Group initially launched on or about April 12, 2007 with the objective of generating “a consistently high level of interest income with no downside volatility by investing primarily in first and second Canadian residential mortgages”³.
- 30 As at April 20, 2017, the Mortgage Fund held Cash of \$1,217,989 along with the following investments:
- a) On-Book Assets:
 - i. a 90 day GIC with HSBC Canada with a Recorded Value of \$522,765; and
 - ii. Inter-fund Investment in the Media Fund with a Recorded Value of \$2,055,599.
 - b) Off-Book Assets:
 - i. one hundred thirty four (134) individual Residential Mortgages managed by Spectrum Canada Mortgage Services Inc. (“**Spectrum**”) and Squire Management Inc. (“**Squire**”), with a Recorded Value of \$14,322,861;
 - ii. Commercial Loans with a Recorded Value of \$8,543,500 made to the following entities:
 - 1. MCSnoxrecovery Inc. (“**MCSnox**”) – \$2,000,000;
 - 2. 2441472 Ontario Inc. (“**1472**”) – \$1,800,000;

³ <http://crystalwealth.com/quartz-strategies/crystal-wealth-mortgage-strategy/>, Mortgage Fund OM, Nov. 21, 2016.

3. Magnitude CS Energy Inc. ("**Magnitude**") – \$1,133,500;
4. Pond Technologies Inc. (formerly known as Pond Biofuels Inc.) ("**Pond**") – \$3,110,000; and
5. Kanwal Development Inc. ("**Kanwal**") – \$500,000.

A detailed discussion of the Commercial Loans appears later in this First Report.

- iii. accrued and uncollected interest related to Residential Mortgages and Commercial Loans with a Recorded Value of \$376,060.

Resource Fund

- 31 The Resource Fund was launched on or about August 14, 2009, and its objective was to "...generate positive absolute annual returns by investing primarily in securities with economic exposure to the global resource and precious metals sector"⁴.
- 32 As at April 20, 2017, the Resource Fund held Cash of \$185,489. The Resource Fund also held the following investments:
 - a) On-Book Assets:
 - i. thirty nine (39) Equities in the resource and precious metals sector with a Recorded Value of \$1,563,820 along with 21 Warrants with a Recorded Value of \$36,878;
 - ii. one (1) 5% Convertible Debenture with a Recorded Value of \$50,000 plus accrued interest with a Recorded Value of \$966 (recorded as an Off-Book Asset);
 - iii. one (1) USD foreign exchange contract with a Recorded Value of negative \$4,718; and

⁴ crystalwealth.com/sapphire-funds/crystal-enlightened-resource-and-precious-metals-fund, Resource Fund OM, Nov. 21, 2016.

- iv. Inter-fund Investments in the Bullion Fund and Factoring Fund with Recorded Values of \$261,643 and \$528, respectively.

Factoring Fund

- 33 The Factoring Fund has an inception date of on or about January 22, 2010 and an objective to "...provide consistently positive total returns while seeking to protect against downside risk by investing primarily in commercial factoring contracts"⁵. In addition, the Factoring Fund is "...authorized to invest in other securities including equities, fixed income securities, investment funds and exchange-traded derivatives"⁶. The exclusive partner of this Crystal Wealth Fund in executing this strategy is Frontline Factoring Inc. ("**Frontline**"). Frontline is discussed later in this First Report.
- 34 As at April 20, 2017, the Factoring Fund held Cash of \$411,706 and held the following investments:
- a) On-Book Assets:
- i. six (6) Equities and three (3) Warrants totaling a Recorded Value of \$988,026;
 - ii. one (1) 10% Convertible Debenture, from Garmatex Holdings Ltd. with a Recorded Value of \$30,000;
 - iii. five (5) Gold Contracts with a Recorded Value of \$6,996,654;
 - iv. one (1) External Mutual Fund with a Recorded Value of 67,406;
 - v. USD foreign exchange contracts with a Recorded Value of negative \$8,234; and
 - vi. Inter-fund Investments in the Hedge Fund and Media Fund with Recorded Values of \$2,951,950 and \$854, respectively.

⁵ crystalwealth.com/sapphire-funds/crystal-wealth-enlightened-factoring-strategy, Factoring Fund OM, Nov. 21, 2016

⁶ crystalwealth.com/sapphire-funds/crystal-wealth-enlightened-factoring-strategy, Factoring Fund OM, Nov. 21, 2016

b) Off-Book Assets:

- i. a promissory note with a principal amount owing of USD \$125,000 (Recorded Value of \$168,513) along with an additional conversion option for common shares in the borrower, 1092545 B.C. Ltd. ("**109 BC**"), along with accrued interest with a Recorded Value of \$41,136;
- ii. twelve (12) Factoring Contracts managed by Frontline with a Recorded Value of \$22,821,205, in addition to accrued interest and fees with a Recorded Value of \$1,641,268; and
- iii. a 31.545% ownership in 107 LP with Recorded Cost and a Recorded Value of \$2,898,415 (US \$2,650,000) in addition to accrued (but uncollected) interest with a Recorded Value of \$201,151.

Medical Fund

35 The Medical Fund was launched on or about January 22, 2010 with an objective to "...generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in American health care receivables"⁷. The exclusive partner in executing this strategy is Xynergy Medical Capital LLC ("**Xynergy**"), who is discussed later in this First Report.

36 As at April 20, 2017, the Medical Fund held Cash of \$449,770 and the following investments:

a) On-Book Assets:

- i. one (1) External Mutual Fund with a Recorded Value of \$25,288;
- ii. one (1) USD Equity traded on the "Over-The-Counter Markets Exchange" in the United States with a Recorded Value of \$7,846;
- iii. one (1) USD foreign exchange contract with a Recorded Value of negative \$18,812; and

⁷ <http://crystalwealth.com/quartz-strategies/crystal-wealth-medical-strategy/>, Medical Fund OM, Nov. 21, 2016

- iv. Inter-fund Investment in the Media Fund with a Recorded Value of \$1,526,605.

b) Off-Book Assets:

- i. thirty (30) Medical Factoring Contracts managed by Xynergy and accrued fees related to same with Recorded Values of \$6,470,773 (US \$4,800,019) and \$806,780 (US \$598,469), respectively.

Bullion Fund

37 The Bullion Fund was launched on or about July 3, 2015. The Bullion Fund's objective was to "...provide investors with the opportunity to invest in gold and silver bullion in a convenient way while simultaneously earning a yield on their bullion holdings"⁸.

38 As at April 20, 2017, the Bullion Fund held Cash of \$268,830 and the following investments:

a) On-Book Assets:

- i. two (2) Gold Contracts with a Recorded Value of \$763,006.

Media Fund

39 The Media Fund was launched on or about September 2, 2011. This fund's objective was to "...generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in debt obligations of motion pictures and series television productions"⁹. The exclusive partner in executing this strategy was MHC, who is discussed in detail later in this First Report.

40 As at April 20, 2017, the Media Fund held Cash of \$731,305 and the following investments:

a) On-Book Assets:

- i. one (1) External Mutual Fund with a recorded value of \$1,042,228; and

⁸ <http://crystalwealth.com/sapphire-funds/crystal-enlightened-bullion-fund/>, Bullion Fund OM, May 17, 2016

⁹ <http://crystalwealth.com/quartz-strategies/crystal-wealth-media-strategy/>, Media Fund OM, Nov. 21, 2016

- ii. one (1) USD foreign exchange contract with a negative Recorded Value of \$23,508.

b) Off-Book Assets all managed by MHC:

- i. twenty one (21) CAD Media Loans with principal and accrued interest Recorded Values of \$33,649,959 and \$11,873,156, respectively; and
- ii. four (4) USD Media Loans with principal and accrued interest Recorded Values of \$5,325,456 (US \$3,950,423) and \$2,671,968 (US \$1,982,065), respectively.

High Yield Mortgage Fund

41 The High Yield Mortgage Fund was launched on or about January 23, 2015. The High Yield Mortgage Fund's objective was to "...generate a consistently high level of interest income while focusing on preservation of capital by investing primarily in residential 2nd mortgages in Canada"¹⁰. The exclusive partner in executing this strategy was and continues to be Spectrum.

42 As at April 20, 2017, the High Yield Mortgage Fund held Cash of \$760,006 and the following investments:

a) On-Book Assets:

- i. Inter-fund Investments in the Media Fund and Mortgage Fund with Recorded Values of \$516,820 and \$862,077, respectively.

b) Off-Book Assets:

- i. fifty one (51) individual Residential Mortgages, administered by Spectrum, with a principal balance of \$2,467,145 (Recorded Value) plus monthly accrued interest with a Recorded Value of \$437;

¹⁰ crystalwealth.com/quartz-strategies/crystal-wealth-high-yield-mortgage-strategy/, High Yield Mortgage Fund OM, Nov. 21, 2016

- ii. an inter-fund loan receivable from the Conscious Capital Fund with a Recorded Value of \$274,000; and
- iii. participation in the Pond Loan (as defined below) with a principal balance of \$550,000 plus accrued interest with a Recorded Value of approximately \$53,238;

Infrastructure Fund

43 The Infrastructure Fund was launched on or about May 6, 2016. The Infrastructure Fund's objective was to "...generate a consistently high level of interest income along with long-term growth potential while focusing on preservation of capital by investing primarily in debt and equity instruments of infrastructure projects and companies"¹¹.

44 As at April 20, 2017, the Infrastructure Fund held Cash of \$2,087,302 and the following investments:

a) On-Book Assets:

- i. a Convertible Debenture to Cinnos Mission Critical Incorporated ("Cinnos") with a principal balance of \$315,000 (the note is convertible into common shares of Cinnos at a rate of 85% of the value of such share upon an initial equity raise); and

b) Off-Book Assets:

- i. seven (7) separate loans to two (2) companies for a total principal value of \$5,154,571 called the OOM Energy Loans (defined and discussed herein) with a Recorded Value of accrued interest of \$193,782; and
- ii. accrued interest related to the Convertible Debenture from Cinnos with a Recorded Value of \$13,947.

¹¹ <http://crystalwealth.com/quartz-strategies/crystal-wealth-infrastructure-strategy/>, Infrastructure Fund OM, Nov. 21, 2016

Hedge Fund

45 The Hedge Fund was launched on or about February 26, 2016. The Hedge Fund's objective was to "...generate consistently positive annual returns regardless of the directional movement in equity, interest rates or currency markets"¹².

46 As at April 20, 2017, the Hedge Fund held Cash of \$531,692 and the following investments:

a) On-Book Assets:

- i. one (1) USD, and three (3) CAD Equities, as well as two (2) Warrants, with a cumulative Recorded Value of \$272,508;
- ii. four (4) Gold Contracts with a cumulative Recorded Value of \$1,235,773; and
- iii. one (1) External Mutual Fund with a Recorded Value of \$52,990;

b) Off-Book Assets:

- i. three (3) Factoring Contracts with principal and related accrued interest with Recorded Values of \$2,992,362 and \$568,797, respectively;
- ii. a 68.45% ownership in 107 LP with a Recorded Cost and Recorded Value of \$7,751,575 (US \$5,750,000) and accrued interest with a Recorded Value of \$503,909 (US \$373,800); and
- iii. a non-interest bearing promissory note with a face value of \$46,000 issued from the 107 LP due December 31, 2017.

Conscious Capital Fund

47 The Conscious Capital Fund was launched on or about May 27, 2016. The Conscious Capital Fund's objective was "...long term capital growth through investment in companies

¹² <http://crystalwealth.com/sapphire-funds/crystal-wealth-enlightened-hedge-fund/>, Hedge Fund OM, Nov. 21, 2016

that are making a positive change in the world¹³.

48 As at April 20, 2017, the Conscious Capital Fund held Cash of \$27,905 and the following investments:

a) On-Book Assets:

- i. 336,571 common shares in Pond (Private Equities) with a Recorded Value of \$632,753; and
- ii. 212,040 warrants (Private Warrants) in Pond with the right to purchase shares (one share per warrant) at a strike price of \$2.50/share, expiring November 21, 2018 with a Recorded Value of \$25,445.

b) Off-Book Assets (Liabilities):

- i. an inter-fund loan owing to the High Yield Mortgage Fund with a principal balance of \$274,000.

ACM Income Fund

49 The ACM Income Fund was launched on or about July 4, 2014. The ACM Income Fund's objective was to "...provide a consistent level of current income while protecting against loss of capital"¹⁴.

50 As at April 20, 2017, the ACM Income Fund held Cash of \$371,053 and the following investments:

a) On-Book Assets:

- ii. Manulife Yield Opportunities Fund (External Mutual Fund) with a Recorded Value of \$560,025; and
- iii. Inter-fund Investments with a total Recorded Value of \$9,898,493 in the following four Funds with the respective Recorded Values:

¹³ <http://crystalwealth.com/quartz-strategies/conscious-capital-strategy/>, Conscious Capital Fund OM, Nov. 28, 2016

¹⁴ <http://crystalwealth.com/sapphire-funds/acm-income-fund/>, ACM Income Fund and ACM Growth Fund OM, May 6, 2016

1. Media Fund – \$6,594,529;
2. Factoring Fund – \$2,426,339;
3. Medical Fund – \$560,297; and
4. Hedge Fund – \$317,328.

ACM Growth Fund

51 The ACM Growth Fund was launched on or about July 4, 2014. The ACM Growth Fund's objective was to "...provide long term capital appreciation while minimizing the risk of loss of capital"¹⁵.

52 As at April 20, 2017, the ACM Growth Fund had a margin balance (negative Cash) of \$2,040,779 and held the following investments:

a) On-Book Assets:

- i. fourteen (14) Equities in publicly traded entities with a Recorded Value of \$5,452,400;
- ii. four (4) External Mutual Funds with a Recorded Value of \$3,482,518; and
- iii. Inter-fund Investments with a total Recorded Value of \$4,739,753 in the following four Funds with the respective Recorded Values of:

1. Factoring Fund – \$2,511,933;
2. Mortgage Fund - \$1;
3. Hedge Fund – \$1,655,059; and
4. Media Fund – \$572,761.

b) Off-Book Assets:

- i. accrued interest and dividends related to investments with a Recorded

¹⁵ Ibid.

Value of \$3,475.

Sustainable Dividend Fund

53 The Sustainable Dividend Fund was launched on or about February 5, 2016. The Sustainable Dividend Fund's objective was to “...generate long term capital appreciation while focusing on preservation of capital by combining sustainable, responsible and values-based investing principles”¹⁶.

54 As at April 20, 2017, the Sustainable Dividend Fund held Cash of \$121,340 and the following investments:

a) On-Book Assets:

- i. nine (9) CAD Equities with a Recorded Value of \$1,440,897;
- ii. twenty Five (25) USD Equities with a Recorded Value of \$5,008,397 (US \$3,715,153); with accrued dividends with a Recorded Value of \$3,475 (classified as an Off-Book Asset); and
- iii. Inter-fund Investment in the Sustainable Property Fund with a Recorded Value of \$75,693.

Sustainable Property Fund

55 The Sustainable Property Fund was launched on or about February 5, 2016. The Sustainable Property Fund's objective was to “...generate a consistently reasonable level of income while focusing on preservation of capital by investing primarily in a diversified portfolio of alternative financing vehicles on real properties, within the residential and commercial sectors while adhering to Responsible, Equitable and Values-Based principles”¹⁷. The exclusive partner in executing this strategy, was and continues to be Spectrum.

¹⁶ <http://crystalwealth.com/sapphire-funds/absolute-sustainable-dividend-fund/>, Sustainable Dividend Fund OM, Nov. 21, 2016

¹⁷ <http://crystalwealth.com/sapphire-funds/absolute-sustainable-property/>, Sustainable Property Fund OM, Nov. 21, 2016

56 As at April 20, 2017, the Sustainable Property Fund held Cash of \$245,796 and the following investments:

a) Off-Book Assets:

- i. six (6) individual Residential Mortgages with a principal balance of \$2,219,879 administered by Spectrum; and
- ii. a Commercial Loan to MCSAB10 Inc. ("**MCSAB**") with a principal balance of \$2,000,000 plus accrued user fees with a Recorded Value of \$94,740.

Retirement Fund

57 The Retirement Fund was originally launched on or about January 2015 and was discontinued in March 2017. The Unit Holder Listing (defined later in this First Report) provided by International Financial Data Services (Canada) Limited ("**IFDS**") (a third-party that maintained the listing of investors) indicated that there were zero investors in the Retirement Fund and it had a NAV of \$0.

ON-BOOK ASSETS – SPECIFIC DETAILS

Inter-Fund Investments

58 Upon review of the April 20th Package, the Receiver noted that there were significant Inter-fund Investments between the Crystal Wealth Funds. The Media Fund is the single largest recipient of Inter-fund Investments with a Recorded Cost of \$11,349,768. The Recorded Costs noted for the following Crystal Wealth Funds represent the Inter-fund Investment balance in the Media Fund as at April 20, 2017:

- a) ACM Income Fund – \$6,641,115;
- b) Mortgage Fund – \$2,072,643;
- c) Medical Fund – \$1,537,291;
- d) ACM Growth Fund – \$576,764;
- e) High Yield Mortgage Fund – \$521,098; and

f) Factoring Fund – \$857.

The Receiver has prepared a diagram outlining the Inter-fund Investments between the Crystal Wealth Funds, with the noted Recorded Costs, which is attached as **Appendix “10”**.

- 59 When questioned, Smith advised the Receiver that Inter-fund Investments are common in the mutual fund industry and were utilized to manage cash flow requirements between the Crystal Wealth Funds, specifically for requested redemptions from investors. Based on the transaction data obtained from NBCN for the 12 months ending April 26, 2017, it appears the inter-fund transfers are largely one sided, meaning that the Media Fund is the largest recipient of proceeds from other funds to create liquidity in the Media Fund for redemptions.
- 60 The Receiver intends to conduct a more thorough review of the inter-fund transfers and will report the results of such review in a future report to the Court.

Equities and Warrants

- 61 Certain Equities in the Funds are traded in the following active markets:
- a) Toronto Stock Exchange;
 - b) TSX – Venture Exchange;
 - c) New York Stock Exchange;
 - d) National Association of Securities Dealers Automated Quotations (“**NASDAQ**”);
 - e) Australian Stock Exchange; and
 - f) Over-The-Counter Markets Exchange in the United States.

As a result, Equities quoted on these exchanges ***should be*** relatively liquid.

- 62 Based on a preliminary review of supporting documentation, some of the Warrants contain restrictions on their assignability and ultimately their saleability. Therefore, these warrants may not be readily liquid. The Receiver will continue to review the supporting documentation regarding these warrants to determine if and when they may be turned into

cash.

Private Equities and Private Warrants

- 63 Private Equities held in the Crystal Wealth Funds are obtained primarily through private placements or through direct purchases from persons who independently hold same. These investments are not actively traded in external markets. Therefore, they are not easily valued or realizable. The Receiver continues to review documentation and correspond and/or meet with the issuers with respect to these investments to develop a monetization strategy.
- 64 Similar to the Warrants, the Receiver continues to review the documentation with respect to each of the Private Warrants.

Gold Contracts

- 65 The Bullion Fund, Factoring Fund, and Hedge Fund collectively have a total of eleven (11) Gold Contracts:
- a) Onstar Exploration Ltd. ("**Onstar**") – 4 Gold Contracts with a combined Recorded Value of approximately \$6,447,484 (the "**Onstar Contracts**");
 - b) 611802 B.C. Ltd. ("**611 BC**") – 4 Gold Contracts with a combined Recorded Value of approximately \$1,255,819 (the "**611 Contracts**");
 - c) Inca One Gold Corp. ("**Inca**") – 2 Gold Contracts with a combined Recorded Value of approximately \$958,797 (the "**Inca Contracts**"); and
 - d) Solid Holdings Ltd. ("**Solid Holdings**") – 1 Gold Contract with a Recorded Value of \$333,332 (the "**Solid Contract**").

(Onstar, 611 BC, Inca, and Solid Holdings are referred to as the "**Gold Sellers**"). A summary of the Gold Contracts is attached hereto as **Appendix "11"**.

Onstar Contracts, 611 Contracts, Inca Contracts, and Solid Contract

- 66 The 611 Contracts, the Inca Contracts and the Solid Contract (collectively, the "**Settlement Contracts**") are similar in nature in that upon expiry, the contract is

completed either through: (i) the delivery of the Gold; or (ii) a cash settlement.

67 In general, the commercial arrangement for the Settlement Contracts is as follows:

- a) the Crystal Wealth Fund enters into a monthly Settlement Contract whereby it becomes entitled to purchase a certain amount of Gold at the current quoted spot price per ounce (the “**Spot Price**”), less a stated discount (between 1% to 5%) (the “**Purchase Price**”) for a stated period of time until the contract matures (the “**Maturity Date**”);
- b) on the anniversary date of each month (the commencement date of the Settlement Contract), there is a settlement in cash between the Gold Seller and the Crystal Wealth Fund whereby the Fund “sells” the Gold to the Seller at the Spot Price and then “re-purchases” the Gold at the Purchase Price (no actual transfer of physical Gold occurs);
- c) at the Maturity Date, a final settlement occurs either through the delivery of Gold to an agreed upon location or through a cash settlement whereby the Gold Seller remits payment to the Crystal Wealth Fund for the current market value of the Gold.

An example of a Settlement Contract under increasing and decreasing Gold prices along with an example of the appendices of such a contract (with financial terms redacted) is attached to this First Report as **Appendix “12”**.

68 Based on the contact information provided by the Company, the Receiver corresponded with the Gold Sellers advising them of the Appointment Order and requested a discussion to be scheduled with the Receiver. A summary of the various correspondence and discussions with each of the Gold Sellers is included below:

- a) 611 BC
 - i. 611 BC explained the nature of the Settlement Contract and 611 BC’s role in same. The 611 Contracts begin to expire in November 2017.
 - ii. The Receiver inquired into the potential for an early exit from the 611 Contracts. 611 BC indicated that since it does not have to settle the 611 Contract until November 2017, the potential for an early exit would not be

possible as 611 BC does not have the funds required to buyout the contract at this time or to deliver the Gold. Mining of the Gold under this contract has not yet commenced.

b) Inca

- i. There are currently two Inca Contracts ("**Inca 1**" and "**Inca 2**"). The third and final tranche of Inca 1 expired on June 1, 2017 while Inca 2 expires December 1, 2017.
- ii. The Receiver conducted a call with Inca on May 24, 2017. Inca indicated that it did not have the funds available to settle the third and final tranche of Inca 1 and that it would prepare a re-payment proposal for the Receiver to review.
- iii. On June 7, 2017, Inca provided a proposal to the Receiver which proposed that Inca settle the Inca Contracts for a cumulative value of \$1,000,000 over the course of 52 weeks beginning June 26, 2017. The proposal also included an alternative for Inca to repay the original face value (i.e. the acquisition cost) of the Inca Contracts plus a 2.5% annual interest rate, for total proceeds of approximately \$725,000 within 60 days. The Receiver has acknowledged receipt of this proposal but has not provided a response to Inca.

c) Solid Holdings

- i. On May 20, 2017, the Receiver obtained a response from a representative from Solid Holdings stating that the president of the company (the contact for the Solid Contract) was very ill, and, therefore, was unable to respond to questions. The Receiver advised the representative to have the president of Solid Holdings contact the Receiver once available. The Solid Contract does not expire until February 2018.
- ii. On June 20, 2017, the Receiver had a discussion with the president of Solid Holdings who indicated the company was undergoing significant financial and operational challenges. The Receiver has requested certain information to better understand this situation.

d) Onstar

- i. The nature of the Onstar Contracts differs slightly from the Settlement Contracts. The Factoring Fund and Hedge Fund entered into Gold Certificate Subscription Agreements whereby the Hedge/Factoring Fund purchased gold certificates for 1,000 ounces of gold per certificate (the “**Gold Certificates**”). The Receiver was able to locate unsigned Gold Certificates in the Company’s books and records which included the following:

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

The Receiver has confirmed with Onstar that no Gold has been delivered to either the Factoring Fund or the Hedge Fund.

- ii. The Receiver is unable to locate executed versions of the Gold Certificates in the Company’s books and records.
- iii. The Receiver conducted a call with Onstar on May 24, 2017. On this call, Onstar claimed that one of the Company’s former independent investment advisors, Al Housego (“**Housego**”), had verbally agreed to provide a total of US \$10M of funding to Onstar for the development of a mine in Juneau, Alaska. However, to date, the Hedge Fund and Factoring Fund had only provided USD \$4M. As a result, Onstar has had to seek external financing to complete the development of such mine.
- iv. The Receiver had requested that Onstar provide copies of the executed Onstar Contracts which, as at the date of this Report, have not been provided to the Receiver.

External Mutual Funds

69 External Mutual Funds include units in mutual funds managed by large asset management

firms, including: Hollis Canadian Bank, Sentry Investments, National Bank Mutual Funds, Manulife Asset Management Limited, and Sprott Asset Management LP. It is the Receiver's understanding that the units in these External Mutual Funds should be reasonably redeemable.

OFF-BOOK ASSETS – SPECIFIC DETAILS

Residential Mortgages

- 70 The Mortgage Fund, High Yield Mortgage Fund, and Sustainable Property Fund contain a total of 191 Residential Mortgages with a cumulative principal balance owing to the said Funds of \$19,009,884.
- 71 Of the 191 Residential Mortgages, 189 (\$18,813,884) are administered by a third-party, Spectrum, while the remaining two Residential Mortgages (\$196,000) are administered by Squire (the “**Squire Mortgages**”). Spectrum and Squire are both licensed financial intermediaries involved in originating, underwriting, and managing non-conventional first and second Residential Mortgages. Spectrum and Squire both have Mortgage Procurement and Administration Agreements (“**MPAAs**”) with the Company, the Mortgage Fund, the High Yield Mortgage Fund, and the Sustainable Property Fund (collectively the “**Mortgage Related Funds**”) outlining their respective roles in administering Residential Mortgages on behalf of the Mortgage Related Funds.
- 72 Spectrum and Squire evaluate and underwrite Residential Mortgages which are then presented to the Mortgage Related Funds for purchase. Once purchased, Spectrum and Squire administer the Residential Mortgages by performing duties, including, but not limited to:
- a) collecting and remitting principal and interest payments by the mortgagors on a monthly basis;
 - b) negotiating and settlement of, and collecting payments in arrears;
 - c) the management of any legal actions require to enforce on a Residential Mortgage; and
 - d) administering a trust account(s) on behalf of the Company and Mortgage Related

Funds and remitting monies to same as requested by the Company.

- 73 Shortly after the commencement of the Receivership Proceedings, the Receiver instructed Spectrum to continue to perform its obligations under the MPAA with the Company and remit balances collected in the trust account administered by Spectrum on behalf of the Mortgage Related Funds on a weekly basis to NBCN. The Receiver remains in regular contact with Spectrum with respect to the administration of the Mortgage Related Funds.
- 74 On June 19, 2017, Squire offered to acquire the Squire Mortgages, with an effective date of June 23, 2017, for proceeds of \$197,526 (proceeds include the entire principal value of the Squire Mortgages (\$196,000) plus accrued interest of \$1,526 to June 23, 2017). The Receiver subsequently accepted the offer and intends to close the transaction on June 23, 2017 as permitted by the Appointment Order.

Term Loans & Promissory Notes

- 75 The Funds have a total of fourteen (14) individually issued Commercial Loans with a cumulative principal balance of \$16,416,584 issued to:
- a) Pond;
 - b) MCSnox, Magnitude, 1472, 2445958 Ontario Inc. ("**5958 Ontario**"), MCSAB (each of these entities are under the control of a common individual, Craig Clydesdale ("**Clydesdale**")), and are collectively referred to as the "**OOM Energy Group**");
 - c) Kanwal; and
 - d) 109 BC.

Pond Loan

- 76 A term-loan in the amount of \$4,500,000 was advanced to Pond by the Company on December 15, 2015 (the "**Pond Loan**"). Subsequent to its advance, the Company executed various participation agreements assigning the rights to a stated portion of the Pond Loan to the Mortgage Fund, High Yield Mortgage Fund, and an individual, Suzanne West, resulting in the following participation amounts of the Pond Loan:
- a) Mortgage Fund – \$2,950,000;

b) High Yield Mortgage Fund – \$550,000; and

c) Suzanne West - \$1,000,000.

77 Shortly after the Receiver's appointment, the Receiver contacted Pond to notify it of the Receivership Proceedings at which time Pond acknowledged the outstanding amount of \$4,500,000. Subject to the review of all documentation related to these loans, it appears that the Company is the first secured creditor over all of the assets of Pond.

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

79 The Receiver has continued discussions with Pond and reviewed certain documentation, but is currently not in a position to advise the Court regarding monetization of these loans for the benefit of the investors. The Receiver will update the Court in a future report.

OOM Energy Group

80 The following term loans and promissory notes with a cumulative principal sum of \$12,090,607 were advanced to the entities under the OOM Energy Group as follows:

a) MCSnox – a ten year term-loan with a principal value of \$2,000,000 issued on November 2, 2016 held by the Mortgage Fund (the “**MCSnox Loan**”);

b) 5958 Ontario – advances reflected by four (4) promissory notes totaling \$967,107 issued between May 26, 2016 and August 4, 2016 all held by the Infrastructure Fund and all of which are repayable on demand (the “**5958 Ontario Notes**”);

c) MCSAB – a three year term-loan with a principal value of \$2,000,000 advanced on December 9, 2016 held by the Infrastructure Fund (the “**MCSAB Loan**”);

d) Magnitude – a five year term-loan with a principal value of \$3,000,000 advanced on July 6, 2016 held by the Infrastructure Fund (the “**Magnitude Loan**”), further advances reflected by two (2) promissory notes with a cumulative value of \$1,190,000 issued on July 8, 2016 and January 12, 2017 (the “**Magnitude Notes**”), and a \$1,133,500 loan advanced on April 28, 2016 administered by Spectrum (the

“Magnitude Spectrum Loan”); and

- e) 1472 – a fifteen year term-loan with a principal value of \$1,800,000 advanced on December 4, 2014 held by the Mortgage Fund (the **“1472 Ontario Loan”**)

(collectively the **“OOM Energy Loans”**).

- 81 On May 9, 2017, Smith provided the Receiver with the contact information for Clydesdale. Subsequent to obtaining the information, the Receiver immediately contacted Clydesdale advising him of the Appointment Order along with a request to discuss the OOM Energy Loans.
- 82 On May 11, 2017, the Receiver received a response from Bill McKenzie (**“McKenzie”**) from KWM Law Professional Corporation advising that he had been retained to represent the OOM Energy Group and Clydesdale with respect to these matters.
- 83 On May 18, 2017, the Receiver conducted a call with McKenzie; Clydesdale did not attend the call. During the call, McKenzie had little knowledge of the specifics surrounding the OOM Energy Group and the loans issued to same. Upon request for Clydesdale to provide documents related to the OOM Energy Loans, McKenzie advised that such documents would be provided after a written request was issued, outlining the specific documents required by the Receiver. The Receiver issued a document request list for the MCSnox Loan and the 1472 Ontario Loan on June 7, 2017 but, as at the date of this First Report, neither McKenzie nor Clydesdale have provided the documents requested.
- 84 The Receiver continues to work with A&B to determine the outstanding documents required to fully understand the status of the remaining OOM Energy Loans.

Media Loans

MHC and the Bron Companies

- 85 All of the Media Loans are administered by a third-party, MHC, and are held in the Media Fund. MHC was originally incorporated in the Province of Alberta on December 22, 2010 and continued out of Alberta on January 11, 2011 to be a federal corporation, with a registered office in Vancouver, British Columbia specializing in the structuring, sourcing and administration of loans for the independent film and television market. MHC’s

President, CEO, Chairman, and sole director is Aaron Gilbert (“**Gilbert**”). In addition, Bron Studios Inc. and Bron Animation Inc. are both entities related to MHC of which Gilbert is listed as a director.

- 86 From December 22, 2010 to July 13, 2015, MHC operated under Media House Capital (Canada) Corp. Beginning July 13, 2015, MHC operated under Bron Capital Partners Corp. until April 7, 2016 when it reverted to and continued to operate under MHC.
- 87 Gilbert has some involvement in the films which are investments of the Media Fund. Gilbert is listed as a producer or executive producer on 19 of the 25 film productions for which Media Loans have been purchased by the Media Fund. For five of the productions, he is a director or officer of the production company (the underlying borrower)¹⁸. A detailed account of the Receiver’s interactions with MHC are included below in this section.
- 88 Media Loans are made to production companies who require financing in excess of the funds raised through other sources (e.g. equity and financing tax credits) (this shortfall is referred to as the “**Gap Financing**” or “**Gap Loans**”) required to develop films or television productions (“**Production**”).
- 89 The Media Fund OM states that: “The [Media] Fund will not be in the business of making loans, but rather purchasing already existing securities such as notes and other debt obligations”. However, a preliminary review of the documentation supporting the Media Loans indicates that in many cases, the loans were made directly by the Media Fund to the production companies (this is discussed in greater detail in the Commission Affidavits). A schedule of the Media Loans provided by Smith on May 9, 2017 (“**Media Loan Schedule**”), is attached hereto as **Appendix “13”**.
- 90 The purported process for acquiring Media Loans was as follows:
- a) MHC sourced potential Gap Loans and conducted initial underwriting and lending (i.e. MHC advanced the funds to the production company);
 - b) the Company conducted secondary underwriting and analyzed how/if the loans fit into the Media Fund’s portfolio;

¹⁸ Paragraph 39 of the Tillie Affidavit attached to this First Report as Appendix “2”.

- c) the Media Fund would buy the pre-existing loans from MHC and all loan rights would be transferred to the Media Fund;
- d) the Company would hire MHC to provide Management Services (defined below); and
- e) Smith, the sole individual responsible for valuing the Media Loans, would monitor and determine the weekly value of the Media Loans (i.e. ensuring Media Loans were performing and recording loss reserves as needed).

91 The process for Production and the collection of proceeds was as follows:

- a) as the Production was produced, interest on the Media Loan would accrue in accordance with the original loan documents between MHC and the Production;
- b) during production, a sales agent would be hired to promote the Production to different geographical distributors;
- c) MHC would set up an account with a collection account manager (a “**CAM**”) and execute a Collection Account Management Agreement (a “**CAMA**”) with the CAM and any other parties who had a financial interest in the Production (e.g. equity owners, lenders, the actors’, directors’, and producers’ guilds (unions) etc.) (the “**Production Interests**”);
- d) the CAM would be a third-party responsible for collecting all revenues earned from the Production (i.e. revenue from distributors, broadcasters, merchandising, and other revenues); and
- e) the CAMA between all of the Production Interests outlines, among other things, the fees earned by the CAM, the ranking of Production Interests, and the “waterfall” payment structure for the film’s receipts to the various Production Interests (the “**CAMA Waterfall**”).

92 Based on a preliminary review of the CAMAs obtained thus far from MHC, the principal and interest of a sample of Media Loans appear after payment to other interests in the CAMA Waterfall, such as: the CAM expenses and fees, the actors’, directors’, and producer’s guilds and the entitlement to a portion of the sales agents fees/expense.

Documentation of Media Loans

- 93 In addition to the Media Loan Schedule, Smith provided documentation relating to the Media Loans and Media Fund's payment relationship with MHC but did not provide documentation to support the value, security, status of collections, and the position of the Media Fund in the respective CAMA Waterfalls.
- 94 Upon reviewing fully the Company's books and records, the Receiver was unable to obtain the information required to fully understand and support the value of the Media Loans. Aside from the Media Loan Schedule, it appears that there was no documentation used by Smith or the Company to understand the performance of the Media Loans. As a result, the Receiver and its counsel have spent significant time contacting and conducting discussions with various third parties with respect to the Media Loans to gather sufficient documentation to understand the entirety of the Media Fund and its holdings and their structure.

Dealings with MHC

- 95 MHC and the Media Fund entered into a Master Assignment Agreement (the "**Media Master Assignment Agreement**"), dated October 6, 2011 which, among other things, outlined the terms in which the Media Fund would purchase Media Loans from MHC.
- 96 On August 12, 2011, MHC and the Media Fund entered into a Production Loan Administration Agreement (the "**Media Production Loan Administration Agreement**") which, among other things, outlined MHC's role in sourcing and presenting potential Media Loans to the Media Fund for purchase and administration of same. Under the Media Production Loan Administration Agreement, MHC was to manage and service each Media Loan by performing duties, including, but not limited to:
- a) the collection and remittance of all prescribed payments of principal and interest and any profit or other participations (exclusive only of the 10% facility fee that is retained by MHC but deferred in part during the term) generated by the Production, as required under each Media Loan;
 - b) the collection of any penalties or miscellaneous fees, including any shared sales agent fee;

- c) the provision of information to the Production and any other parties for the maintenance or discharge of the loan;
- d) the negotiation and settlement, subject to the Company's approval, of any payments in arrears;
- e) the management of any legal actions required to enforce the Media Loans;
- f) the negotiation and management of any actions with the completion bond company, sales agent(s), distributor(s) or other third parties, if any;
- g) the negotiation and management of any actions required with the producers or production company; and
- h) the takeover, management, and oversight of all of or part of the film production, if necessary.

(collectively referred to as the "**Management Services**").

- 97 On May 9, 2017, Smith provided the Receiver with the contact information for MHC. Subsequent to obtaining the information, the Receiver contacted Gilbert advising him of the Appointment Order along with a request to discuss the Media Loans and MHC's involvement in same.
- 98 On May 10, 2017, the Receiver obtained a response from Gilbert who advised that MHC would be available for a discussion along with MHC's US counsel, Adam Davids from Davoli Davids, LLP ("**Davids**"), and MHC's Toronto counsel, Fasken Martineau DuMoulin LLP ("**Faskens**").
- 99 On May 16, 2017, the Receiver and A&B attended a conference call with MHC, Davids, and Faskens. During the call, the Receiver inquired into MHC's role in administering the Media Loans whereby MHC indicated that activities related to the tracking, monitoring, and valuation of same was performed by Smith. The Receiver also requested that MHC provide all of the necessary documentation and supporting schedules with respect to the Media Loans.
- 100 On May 23, 2017, MHC provided an email response (the "**May 23 MHC Email**") which, among other things:

- a) included the executed Media Master Assignment Agreement and Media Production Loan Administration Agreement;
 - b) provided background information on the Management Services MHC performed;
 - c) notified the Receiver that in the second quarter of 2016, the Media Fund retained an individual named Paco Alvarez ("**Paco**") to assist in administering and managing the Media Loans on behalf of the Media Fund;
 - d) provided status updates on specific Media Loans and the Management Services provided by MHC with respect to same; and
 - e) provided the Receiver with access to a Dropbox account containing documentation for two Media Loans.
- 101 Based on the status updates contained in the May 23 MHC Email, it is apparent that a significant number of the films underlying the Media Loans appear to be experiencing significant issues and/or delays. The status updates included in the May 23 MHC Email are included in the Media Loan Schedule.
- 102 On May 24, 2017, A&B, on the Receiver's behalf, requested that Davids direct MHC to provide all of the closing/security documents for all of the Media Loans. On May 30, 2017, MHC began providing same. As of the date of this First Report, the Receiver has been provided with certain documents requested for only 20 Media Loans. With respect to 6 of these loans, critical documentation, including distribution agreements, collection agreements, and sales agent agreements, remain outstanding.
- 103 On May 26, 2017, A&B, on the Receiver's behalf, requested that MHC provide current contact information for all individuals and entities who are currently involved or associated with the sale, distribution, collection, and remittance of payments (whether on account of principal, interest, profit, or otherwise) in connection with each of the Media Loans. On May 31, 2017, MHC provided a spreadsheet that identified the aforementioned contact information.

Paco Alvarez

- 104 Subsequent to advising Paco of the Receivership Proceedings on May 31, 2017, the

Receiver attended a call with Paco on June 1, 2017.

- 105 Paco advised the Receiver that he and his company, Forward Motion Entertainment Corp. ("**Forward Motion**"), were retained in December 2016 to administer the Media Loans on behalf of the Media Fund which included but was not limited to: assisting in collecting amounts from distributors and agents, obtaining reports from CAMs, conducting discussions with sales agents, and providing updates to Smith. Paco advised that he was retained by the Media Fund as MHC began to focus more on producing its own movies through Bron and wanted to reduce its involvement in administering the Media Loans.
- 106 Smith, in an earlier email, advised the Receiver that Forward Motion was paid a monthly fee for its services plus expenses to attend film sale festivals; Paco confirmed this arrangement. There is no written contract between the Company or Media Fund and Paco/Forward Motion.
- 107 The Receiver requested that Paco provide any documentation with respect to the Media Loans, including but not limited to, agreements, supporting schedules, notes from conversations with sales agents, contacts of individuals and companies involved in the Media Loans, and status updates on the Productions. Paco advised that he would not provide the Receiver with the requested information until he was paid his arrears (including expenses) up to and including May 2017.
- 108 The Receiver is currently assessing all of the issues regarding the Media Fund before any commitment is made to any party relating to on-going services to the Media Fund.

Receiver's Potential Engagement of an Advisor

- 109 Given the complex and unique nature of the Media Fund, the Receiver has sought out and discussed the potential of engaging an independent advisor to assist with the management of the Media Fund.
- 110 On June 13, 2017, after initial discussions, the Receiver and A&B attended a meeting with Quiver Capital Inc. ("**Quiver**") to discuss the potential engagement of Quiver as an independent expert to assist in recapturing as much value as possible from the Media Loans.
- 111 Quiver is involved in financing and distributing films and television productions throughout

the world. Quiver's management team consists of three individuals who have had lengthy careers in all facets of the film and television entertainment industry including but not limited to producing, financing, and distributing of a wide variety of content. Prior to starting Quiver, its management team founded and sold companies such as Hollywood Suite, ThinkFilm, Phase 4 Films, and KaBOOM! Entertainment in addition to holding executive level positions at companies such as Lions Gate Films, Momentum Pictures (an Entertainment One Company), and Peace Arch Home Entertainment.

112 On June 14, 2017, Quiver delivered a proposal to the Receiver which outlined the scope of the potential engagement along with a proposed fee structure. More specifically, the proposal outlined Quiver's mandate as follows:

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

113 Subject to negotiations on the proposed fee structure, the Receiver is of the view that engaging Quiver as an advisor to the Receiver with respect to the Media Fund is the most efficient way to:

- a) obtain all of the relevant Media Loan documentation directly from third-parties (other than MHC);
- b) determine the current underlying value of the Media Loans; and
- c) develop and execute a strategy to create additional value through unpursued markets and revenue streams.

Factoring Contracts

- 114 All of the Factoring Contracts are administered by Frontline, which is a corporation based in Alberta that sources and administers contracts that the Factoring Fund and Hedge Fund enter into to purchase invoices (after purchase, invoices are referred to as “**Purchased Receivables**”) from operating businesses (“**Merchants**”) for a discount (typically 70% - 95% of the invoice value) and a service fee. Each of the Purchased Receivables are then assigned to Frontline who ultimately collects the invoice value. Any amounts collected over the purchase price, less applicable fees, are remitted to the company that sold the invoice.
- 115 The Factoring Fund and Hedge Fund entered into a Factoring Procurement and Administration Agreement (“**FPAA**”) with Frontline on November 25, 2014. The FPAA outlines that Frontline is responsible for evaluating and presenting potential Factoring Contracts to the Factoring Fund/Hedge Fund for purchase (i.e. the rights of the Factoring Contract(s) are assigned) and administering same. Once purchased, Frontline, under the FPAA, administers the Factoring Contracts by performing duties, including, but not limited to:
- a) the registration and assignment of, or transfer into the name of the Factoring/Hedge Fund of all Purchased Receivables pursuant to the Factoring Contracts entered into between the Factoring/Hedge Fund and the Merchants;
 - b) the provision of assurances, as required by the Factoring/Hedge Fund, for enforcing its rights, benefits, title, interest, and vesting of the Purchased Receivables;
 - c) the collection and remittance to the Factoring/Hedge Fund of all Purchased Receivables (less any fees under the FPAA) received from the Merchants as well as any fees, commissions, or penalties, if any;
 - d) the negotiation and settlement of any payments in arrears;
 - e) the management of any legal actions required to enforce the Factoring/Hedge Fund’s rights with respect to Purchased Receivables, the Merchants or the Factoring Contracts;

- f) the provision of weekly reporting to the Factoring/Hedge Fund; and
 - g) the administration of a bank account on behalf of the Factoring/Hedge Fund and remittance of monies to same as requested by the Company.
- 116 Under the section 4.4 of the FPAA, *"the [Factoring/Hedge] Fund hereby authorizes and empowers Frontline, without the requirement of further authorization or direction from the [Factoring/Hedge] Fund to:*
- a) *Make, or cause to be made, advances out of the fund provided by the [Factoring/Hedge] Fund in accordance with a Factoring Agreement;*
 - b) *Make any emergency type advances to preserve and protect the property and assets which are the subject matter of a Factoring Agreement."*

Specific to item (a) above, except where the Merchant is in default under the applicable Factoring Contract, the Factoring/Hedge Fund is required to purchase all of the approved receivables from the Merchant (i.e. the Factoring/Hedge Fund was obligated to continue to purchase invoices after the Receivership Date) under and pursuant to the terms of the operative Factoring Contract.

- 117 Subsequent to advising Frontline of the Receivership Proceedings, the Receiver conducted a call with representatives from Frontline on May 12, 2017. Frontline advised that it had not and would not purchase approved receivables from the various Merchants after the Receivership Date but it has been collecting proceeds from Purchased Receivables on behalf of the Factoring/Hedge Fund.
- 118 The Receiver remains in regular contact with Frontline with respect to the administration of the Factoring/Hedge Fund. The Receiver has instructed Frontline to send available cash balances to the Factoring/Hedge Fund's NBCN accounts, and to provide a full accounting and reconciliation of all amounts currently outstanding to the Receiver. As of the date of this Report, the Receiver has yet to receive any cash currently being held by Frontline on the Factoring/Hedge Fund's behalf or a reconciliation of same.

Medical Factoring Contracts

- 119 Similar to the Factoring/Hedge Fund's contractual arrangement with Frontline, the Medical

Fund holds investments in medical factoring receivables which are sourced and administered by Xynergy.

- 120 Xynergy is a corporation based in Florida that enters into contracts to purchase healthcare receivables (after purchase, invoices are referred to as “**Purchased Medical Receivables**”) from operating businesses in the United States (“**Clients**”) for a discount and service fees pursuant to which the invoice is assigned to Xynergy who ultimately collects the invoice value. Unlike Factoring Contracts, the Medical Factoring Contracts are not entered into between the Clients and the Medical Fund but rather a participation in the relationship is purchased by the Medical Fund.
- 121 Xynergy and the Medical Fund entered into a Master Medical Receivables Purchase and Administration Agreement on March 31, 2016 (the “**MMRPAA**”) which essentially gives the Medical Fund the opportunity to purchase participations in Xynergy’s Medical Factoring Contracts with various Clients (defined therein). For active participations, Xynergy, under the MMRPAA, administers the Medical Factoring Contracts by performing duties, including, but not limited to:
- a) bearing all costs and expenses of managing and servicing the Medical Factoring Contracts;
 - b) providing weekly reporting to the Medical Fund; and
 - c) administering a trust account on behalf of the Medical Fund and remitting monies to same as requested by the Company.
- 122 Subsequent to advising Xynergy of the Receivership Proceedings, the Receiver conducted a call with representatives from Xynergy on May 10, 2017. Xynergy made the Receiver aware that Xynergy is obligated to the Clients to continue purchasing healthcare invoices as they depend on the financing to operate their business.
- 123 Xynergy has continued to administer the Medical Factoring Contracts that the Medical Fund has an interest in and remains in regular communication with the Receiver. Xynergy also provides the Receiver with weekly reports outlining the activity (i.e. purchases and collections) of the Medical Factoring Contracts and provides a trust account statement outlining the cash held on behalf of the Medical Fund.

Potential Sale of Geodata Balance

- 124 Included in the Medical Fund is Medical Factoring Contracts with GeodataPR International, Inc. (“**Geodata**”) and Servicios de Salud Integrada, CSP (“**SSI**”) who both operate out of Puerto Rico. The most recent weekly report received from Xynergy (June 15, 2017) indicated that Geodata and SSI have net outstanding funds employed (i.e. the principal balance) of \$684,313 (the “**Geodata Balance**”).
- 125 On June 20, 2017, Xynergy put forth a revised offer to acquire only the Medical Fund’s participation in the Geodata Balance in full for \$684,313 (the “**Geodata Offer**”). The Receiver has verbally indicated to Xynergy that it is interested in the Geodata Offer. The Geodata Offer is for 100% of the Geodata Balance and as such represents its fair market value. Furthermore, the Geodata Medical Factoring Contract is a unique and specialized investment, and would likely result in a limited number of potential purchasers willing to pay greater than 100% of the balance outstanding.

US Real Estate LP

- 126 Based on a review of the Provided Documents and additional documents located in the Company’s books and records, the Hedge Fund and Factoring Fund cumulatively own 99.99% of 107 LP, an entity that has an indirect ownership interest in a number of rental properties located in the United States together with corporate and individual partners (collectively the structure is referred to as the “**US Real Estate LP**”). The Hedge Fund and Factoring Fund act as limited partners in the US Real Estate LP (the “**Limited Partners**”).
- 127 The remaining 0.01% ownership of 107 LP is held by 1076874 B.C. Ltd., an entity listed as the general partner which is owned by the following individuals:
- a) Alberto Storelli (Canadian) (“**Storelli**”) – 51.0%;
 - b) Brian Peoples (USA) (“**Peoples**”) – 24.5%; and
 - c) Joe Harker (USA) (“**Harker**”) – 24.5%.

All or one of Storelli, Peoples, and Harker (collectively the “**General Partners**”) are listed as directors or officers in a majority of the entities included in the US Real Estate LP.

- 128 The US Real Estate LP is a cross-border operation through a Nevada based corporation, DaVinci Capital Property, Inc. (“**DVCP**”) which is an indirect wholly owned subsidiary of 107 LP.
- 129 The purpose of the US Real Estate LP is to acquire and develop real estate properties in the United States to subsequently earn rental income and proceeds from the possible and/or eventual sale of such properties. Through its investment in 107 LP, the Receiver understands that the Factoring Fund and Hedge Fund have an indirect minority ownership interest in the following properties in the US Real Estate LP:
- a) 3961 Covington Highway, Decatur, Dekalb County, Georgia;
 - b) 3859 Austin Circle, Decatur, Dekalb County, Georgia;
 - c) 325 - 3rd Avenue SW, Birmingham, Alabama;
 - d) 201 - 3rd Avenue SW, Birmingham, Alabama;
 - e) 922 Lawndale Drive, Tupelo, Mississippi; and
 - f) 619 E. Groveland Parkway, Chicago, Illinois.
- (collectively referred to as the “**US Properties**”).
- 130 The Receiver has prepared a detailed organizational chart demonstrating the structure of the US Real Estate LP which is attached to this First Report as **Appendix “14”**.

Subscription Agreements

- 131 From June 6, 2016 to March 14, 2017, the Limited Partners invested US \$7,500,000 in the US Real Estate LP by way of unit purchases in 107 LP through subscription agreements (the “**Subscription Agreements**”). Based on a preliminary review of the Subscription Agreements, the Receiver understands that the investment structure to be as follows:
- a) the Limited Partners would purchase units in 107 LP (the “**Subscription Amount**”);
 - b) a portion of the Subscription Amounts would be advanced to DVCP by way of a

12% loans (the “**DVCP Loans**”) while the remaining Subscription Amounts would be advanced to DVCP by way of a share purchases in same (the “**DVCP Equity**”);

- c) in almost all cases, the entire Subscription Amounts received by DVCP would then be advanced to the various special purpose entities by way of interest bearing loans (the “**SPE Loans**”); and
- d) the proceeds from the SPE Loans would then be used to purchase and/or develop the US Properties.

132 The Receiver and A&B continue to review the Subscription Agreements and other related documents with respect to the US Real Estate LP to gain a more fulsome understanding of same.

Contact with General Partners

133 On June 4, 2017, the Receiver notified the General Partners of the Appointment Order along with a request to discuss the US Real Estate LP. On June 7, 2017, the Receiver delivered a follow-up email to the General Partners. Despite repeated follow-up communications, the Receiver has yet to have a discussion with the General Partners.

PRELIMINARY CONCLUSION REGARDING MONETIZATION OF THE CRYSTAL WEALTH FUNDS

134 Since the beginning of the Receivership Proceedings, the Receiver has issued and posted on its Case Website notices to all investors dated May 1, 2017, May 10, 2017, May 17, 2017, and June 9, 2017.

135 In its May 17, 2017 notice to investors, the Receiver stated that it was very mindful of the needs of the investors, and, accordingly, was conducting a review of the Company’s books and records on an accelerated basis to devise a plan that would ultimately lead to realization of the assets and distribution of the proceeds. Moreover, the Receiver determined that there were certain Crystal Wealth Funds which could be monetized on an urgent basis as they were largely comprised of marketable securities and cash holdings.

136 As a result of the foregoing review, the Receiver, in consultation with colleagues in Canada and the US with extensive investment and portfolio expertise, is carefully monetizing all

marketable securities, including Equities and Warrants, where possible, which are traded on the various public stock exchanges. The Receiver anticipates that this realization process will be complete by the end of June 2017.

137 As a result of its appointment by the Court, the Receiver holds an obligation to the investors. As such, the over-arching investment objective is to minimize the downside risk of uncontrollable domestic and global factors, by monetizing Crystal Wealth Funds in the short term for ultimate distribution to the investors rather than earning longer term higher returns.

138 Once this monetization process is complete, the Receiver will be issuing a notice to the investors advising them of the results of same.

PROPOSED SALE PROCESS

139 A significant portion of the total AUM of the Crystal Wealth Funds, particularly, the Off-Book Assets, have long maturities and appear to be difficult to value individually as they are not actively traded. Therefore, the Receiver is of the view that monitoring and the eventual realization of these assets individually will present significant effort and costs to the Crystal Wealth Funds and ultimately the investors.

140 In addition, the Receiver has also received expressions of interest from a number of parties with respect to purchasing and/or assuming the management of one or more of the Crystal Wealth Funds.

141 Given the above, the Receiver proposes that it conduct a sales process (the “**Sales Process**”) for certain Crystal Wealth Funds in a manner in which:

- a) potential bidders may make an offer to purchase the investments from one or more of the Crystal Wealth Funds (the “**Potential Bidders**”); and/or
- b) potential managers may present an offer to assume the management of one or more of the Crystal Wealth Funds’ investment activities and assume Crystal Wealth’s position and duties to investors (the “**Potential Managers**”).

142 The proposed Sales Process comprises the following:

- a) The Receiver has begun and will continue to prepare a list of Potential Bidders and

Potential Managers for certain Crystal Wealth Funds. Potential Bidders will have the opportunity to bid for some or all of certain Crystal Wealth Funds' investments. Potential Managers will have the opportunity to present their proposal for assuming the entirety of the assets and management of certain Crystal Wealth Funds.

- b) The Sales Process will be advertised in publication(s) as determined by the Receiver.
- c) The Receiver will provide Potential Bidders and Potential Managers with a solicitation letter summarizing the acquisition and opportunity (the "**Solicitation Letter**") and a form of confidentiality agreement (the "**CA**") to be executed for further participation in the Sales Process.
- d) Any Potential Bidders and/or Potential Managers who execute a CA (a "**Prospective Bidder**" and a "**Prospective Manager**" respectively), will receive a confidential information memorandum ("**CIM**") describing the purchase and/or management opportunity and will gain access to an electronic data room, containing confidential information to perform due diligence.
- e) Prospective Bidders will be required to submit a binding offer to purchase the investment(s) contained within certain Crystal Wealth Funds (a "**Purchase Offer**") by 5:00 p.m. Eastern Standard Time ("**EST**") on August 10, 2017 (the "**Offer Deadline**"), which must include:
 - i. the identity, contact information, and disclosure of the principal(s) of the Prospective Bidder;
 - ii. a list and description of the Crystal Wealth Fund(s) and investments to be included in a purchase;
 - iii. an indication of the proposed purchase price or financial terms of such sale;
 - iv. an acknowledgement that the sale will be made on an "as is, where is" basis and that the Prospective Bidder will be bound by the terms of the Sales Process;
 - v. a description of any liabilities to be assumed by the Prospective Bidder;

- vi. details related to any regulatory approvals required to close the proposed transaction;
 - vii. a proposed timeline to the date of closing the transaction, along with critical milestones; and
 - viii. such other information requested by the Receiver.
- f) Prospective Managers will be required to submit a binding offer to assume and manage certain Crystal Wealth Funds (a “**Management Offer**”) by the Offer Deadline, which must include:
- i. the identity, contact information, and disclosure of principal(s) of the Prospective Manager;
 - ii. a list and description of the Crystal Wealth Fund(s) and the investments which the Prospective Manager has an interest in assuming;
 - iii. a list of the qualifications and experience in managing mutual funds and investments and a listing of the portfolio manager(s), proposed for the applicable Crystal Wealth Fund(s);
 - iv. a description of the proposed fees to be imposed on the investors of the applicable Crystal Wealth Funds;
 - v. a copy of the most recent audited financial statements of the Prospective Manager;
 - vi. an acknowledgement that the transfer will be made on an “as is, where is” basis and that the Prospective Manager will be bound by the terms of the Sales Process;
 - vii. a description of any liabilities to be assumed by the Prospective Manager;
 - viii. details related to any regulatory approvals required to close the proposed transaction;
 - ix. a proposed timeline to the date of closing the transaction, along with critical

milestones; and

- x. such other information requested by the Receiver.
- g) The Receiver may also request information to demonstrate that the Prospective Bidder / Prospective Manager has the resources to close the transaction.
- h) A Purchase Offer and/or Management Offer will be considered a “Qualified Offer” if it meets the following criteria:
- i. The offer is received by the Offer Deadline;
 - ii. The offer contains a letter stating that the Purchase/Management Offer is irrevocable and open for acceptance until at least five business days after the Offer Deadline;
 - iii. The Purchase/Management Offer includes proof of the Prospective Bidder’s/Manager’s ability to close the transaction and is not conditional upon financing;
 - iv. The Purchase/Management Offer includes proof of the Prospective Bidder’s/Manager’s financial stability;
 - v. The Purchase/Management Offer includes an acknowledgement that the Prospective Bidder/Manager has (a) relied solely upon its own independent review of any documents and assets to be acquired and/or assumed in making its offer; and (b) not relied upon any representations or warranties whatsoever regarding the property of the Crystal Wealth Group, except as expressly stated in the agreement of purchase and sale and/or the transfer of ownership agreement;
 - vi. The Purchase/Management Offer shall not contain any material conditions to closing other than Court approval;
 - vii. The Purchase/Management Offer should include a completed form of agreement of purchase and sale and/or ownership transfer agreement, in a form prepared by the Receiver;

- viii. The Purchase/Management Offer shall not contain a break-fee or any type of compensation to the Prospective Bidder/Manager;
 - ix. The Receiver must believe the transaction will close on or prior to five days after Court approval of the transaction; and
 - x. As appropriate, the Purchase Offer shall include a deposit equal to 10% of the purchase price of the assets(s), and in the case of a Management Offer, a deposit per the Receiver's discretion;
- i) Upon review of the Qualified Offers, the Receiver, may:
- i. accept a Qualified Offer (a **"Successful Offer"**) and complete an agreement for a Successful Offer;
 - ii. accept two or more non-overlapping Qualified Offers and complete agreements for same;
 - iii. continue negotiations with a selected number of Prospective Bidders and/or Prospective Managers; or
 - iv. terminate the Sales Process.
- j) The Receiver shall be under no obligation to accept the highest offer, and shall be under no obligation to accept any offer if the Receiver determines that no suitable offers have been received.
- k) If no acceptable Purchase Offers and/or Management Offers are received, the Receiver may consider other options for dealing with the Crystal Wealth Funds' assets.
- l) A Successful Offer must be approved by the Court.

143 The following chart summarizes the relevant milestones for the proposed Sales Process:

Milestone	Approximate Date
(i) Court Approval of Proposed Sales Process	July 3, 2017
(ii) Solicitation Letter Distribution	July 10, 2017
(iii) Purchase/Management Offer Deadline	August 10, 2017
(iv) Selection of a Successful Offer(s)	August 17, 2017
(v) Issuance of an Approval and Vesting Order	August 31, 2017
(vi) Closing Date	5 days after (v)

144 It is proposed that the Sales Process will be carried out by the Receiver as it is qualified to administer the proposed Sales Process for the following reasons:

- i. the Receiver has considerable experience conducting a sale process for investment assets and investment portfolios and will utilize the expertise of its corporate finance professionals, as necessary, in carrying out its duties;
- ii. the Receiver has extensive contacts in the industry who it will ensure are made aware of the Sales Process;
- iii. if a party other than the Receiver were to be engaged to run the Sales Process, the Receiver would be required to maintain oversight of the third party, thus duplicating certain efforts and costs;
- iv. the proposed Sales Process has been designed to be a thorough and efficient process, which will reduce professional fees associated with administering same, if it is administered by the Receiver; and
- v. the Receiver will not charge a success fee, but instead will charge its standard hourly rates based on actual hours spent in administering and processing the Sales Process. It is anticipated, given the nature of the Crystal Wealth Funds, that the Receiver's fees, based on its standard hourly rates, will be significantly less than a success fee.

PROPOSED CREDITOR CLAIMS PROCEDURE ORDER

145 The Receiver is of the view that a Creditor Claims Procedure (as defined in the proposed Creditor Claims Procedure Order) is warranted for non-investor creditor claims against the Crystal Wealth Group. With respect to investor distributions, the Receiver requests approval to rely on the IFDS Unit Holder Listing, as is outlined in paragraphs 167 to 175 below.

146 The books and records of the Company indicate the following liabilities:

- a. trade payables totaling \$169,964;
- b. income tax and HST payable of \$34,200;
- c. loans from shareholders and employees totaling \$9,952;
- d. loans from Smith of \$202,648; and
- e. loans from CLJ Everest of \$286,879.

(collectively referred to as the “**Recorded Liabilities**”)

147 Since the Appointment Order, the Receiver has been contacted by several parties claiming that there are monies owing to them from either the Company or Crystal Wealth Funds which liabilities were not identified in the Recorded Liabilities.

148 As a result of these claims, it appears that the liabilities recorded on the books and records of the Company and the Crystal Wealth Funds are inaccurate and unreliable for the Receiver to establish a complete creditor listing for the Crystal Wealth Group. As a result, the Receiver is seeking approval of a Creditor Claims Procedure, according to which the Receiver would call for all claims against the Crystal Wealth Group, and bar any claims against the Crystal Wealth Group not submitted by the Claims Bar Date (as defined in the proposed Creditor Claims Procedure Order).

149 The proposed Creditor Claims Procedure provides the Receiver with a mechanism to determine the amounts of claims against the Crystal Wealth Group. The proposed Creditor Claims Procedure Order will permit the Receiver to instruct creditors of the Crystal Wealth Group to file proofs of claim since the Receiver is not confident in the completeness

and accuracy of the Crystal Wealth Group's books and records with regard to non-investor creditor claims.

- 150 The proposed Creditor Claims Procedure Order provides for a package of information (each a "**Claims Package**") to be sent to each known creditor.
- 151 The complete details of the proposed Creditor Claims Procedure are set out in the draft Creditor Claims Procedure Order, which is attached hereto as **Appendix "15"**, and are summarized here as follows.

Summary of Proposed Creditor Claims Procedure

- 152 Under the proposed Creditor Claims Procedure, the Receiver intends to send a Claims Package to known creditors of the Crystal Wealth Group and potential creditors that request such a mailing prior to the Claims Bar Date, which will also include an instruction letter and Proof of Claim, by ordinary mail no later than July 10, 2017.
- 153 As soon as reasonably practicable upon receiving a request from a potential creditor (provided such request is made prior to the Claims Bar Date), the Receiver would send such creditor a Claims Package by ordinary mail, courier, facsimile or electronic mail.
- 154 In addition, the Receiver would cause notice of the proposed Creditor Claims Procedure to be published for one day in the Globe and Mail by no later than July 10, 2017 and would make the Claims Package available on its website at www.GrantThornton.ca/crystalwealth.

Claims Bar Date

- 155 The draft Creditor Claims Procedure Order provides that the **Claims Bar Date for all claims will be 5:00 p.m. (Toronto time) on August 3, 2017** (the "Claims Bar Date").
- 156 All creditors are required to file a Proof of Claim such that it is **received** by the Receiver prior to the Claims Bar Date. Failure to submit a Proof of Claim by the Claims Bar Date would result in such creditor's claim being forever barred and extinguished, released and discharged.

Review of Proofs of Claim

- 157 As part of proposed Creditor Claims Procedure Order, the Receiver would review all Proofs of Claim that are received on or before the Claims Bar Date to determine the adequacy of the manner in which Proofs of Claim have been completed and executed.

Notice of Revision or Disallowance

- 158 The Receiver would accept or, by way of Notice of Revision or Disallowance (as defined in the proposed Creditor Claims Procedure Order), revise or disallow, in whole or in part, the amount and/or status of the claim set out in any Proof of Claim.
- 159 At any time, the Receiver would be entitled to request additional information with respect to any claim and would be entitled to request that the creditor file a revised Proof of Claim. The Receiver would send a form of Notice of Dispute (as defined in the proposed Creditor Claims Procedure Order) to any creditor whose claim has been revised or disallowed at the time the Notice of Revision or Disallowance of Claim is sent to that creditor.
- 160 Where a claim has been revised or disallowed, in whole or in part, by a Notice of Revision or Disallowance, the revised or disallowed portion of that claim would be determinative unless the creditor disputes the revision or disallowance and proves the revised or disallowed claim, or portion thereof, in accordance with the proposed Creditor Claims Procedure Order.

Disputed Notices of Revision or Disallowance

- 161 Any creditor that receives a Notice of Revision or Disallowance and intends to dispute such Notice of Revision or Disallowance would be required to deliver a Notice of Dispute to the Receiver by no later than 5:00 p.m. (Toronto time) on the day that is ten business days after the Receiver sends the Notice of Revision or Disallowance. The filing of a Notice of Dispute with the Receiver within the time limit would constitute an application to have the amount or status of such claim resolved as set out below.
- 162 Where a creditor that receives a Notice of Revision or Disallowance fails to file a Notice of Dispute with the Receiver within the time limit, the amount and status of such creditor's claim would be deemed to be as set forth in the Notice of Revision or Disallowance and such amount and status, if any, would constitute such creditor's proven claim.

Resolution of Claim

- 163 Upon receipt by the Receiver of a Notice of Dispute from a creditor, the proposed Creditor Claims Procedure Order provides for the resolution of claims by the creditor and the Receiver by first attempting to resolve and settle the creditor's claim on consent of the parties. If it is not possible to resolve and settle the creditor's claim consensually, the Receiver or the creditor would be entitled to make a motion to the Court for a final determination of the creditor's claim.
- 164 In addition, the Receiver would be entitled to make a motion to the Court for the final determination of any claim at any time, whether or not the Receiver has sent the creditor a Notice of Revision or Disallowance.

Distribution to Creditors

- 165 The proposed Creditor Claims Procedure Order addresses only the identification of claims. It does not address entitlement to a distribution, or the priority of such claims. The matter of distributions to non-investor creditors of the Crystal Wealth Group will be the subject matter of a separate motion.
- 166 After the conclusion of the proposed Claim Procedure, the Receiver will report to the Court in respect of any proposed interim distribution to non-investor creditors of the Crystal Wealth Group, and would seek Court approval of same.

PROPOSED RELIANCE ON IFDS UNIT HOLDER LISTING FOR THE PURPOSE OF MAKING DISTRIBUTIONS TO INVESTORS

- 167 On April 26, 2017, the Receiver requested that Smith provide the most recent investor listing/database showing all of the investors in each of the Crystal Wealth Funds and their respective holdings. In response to this request, Smith advised that neither he nor the Company maintained the listing of investors but rather this function was performed by an external entity, IFDS. Smith advised the Receiver that when T3's were to be prepared or if the information was required for any correspondence with investors, the Company would obtain this list directly from IFDS for a fee.
- 168 On April 27, 2017, the Receiver contacted IFDS to advise them of the Receivership Proceedings and to request relevant information as it related to the Crystal Wealth Funds

and the investors therein. Subsequent to initial contact, the Receiver requested the following items from IFDS:

- a) a current listing of Crystal Wealth Funds, with details of composition in each fund;
- b) a current listing of investors in each of the Crystal Wealth Funds, indicating the holdings of each investor in each fund;
- c) a current listing of the investors with individually managed funds on hand with National Bank; and
- d) all of the available contact information (including mailing addresses, email addresses, and telephone and fax numbers) for each of the investors in each of the Crystal Wealth Funds, as well as for each of Company's portfolio management clients who have their managed accounts at NBCN.

169 On May 4, 2017, IFDS, through its counsel, provided the Receiver with a document addressing items (b) to (d) noted above (the "**Unit Holder Listing**"). It is the Receiver's understanding that the Unit Holder Listing encompasses all of the individuals invested in a particular Crystal Wealth Fund (i.e. the Unit Holder Listing contains a complete picture of the unit holdings in each of the Funds). In regards to item (a), the Receiver obtained same from NBCN.

170 On May 11, 2017, IFDS, through its counsel, provided the Receiver with the executed Securityholder Services Agreement between IFDS and the Company dated February 17, 2004 as well as a similar unsigned Securityholder Services Agreement between IFDS and the Company dated May, 2009 and an Amending Agreement dated November 30, 2016. All three of these documents are attached hereto as **Confidential Appendix "1"**.

171 IFDS is the central repository of all investor data, including names, addresses, personal information, Crystal Wealth Funds holdings, etc. Moreover, discussions with NBCN, recent discussions with BDO Canada LLP ("**BDO**"), the Company's auditors, and discussions with Smith corroborate the fact that IFDS independently maintains its records based on instructions from NBCN or the Company.

172 Accordingly, based on the fact that the Unit Holder Listing is maintained solely by IFDS, with Smith or the Company having limited involvement in same, the Receiver is of the view

that the Unit Holder Listing accurately reflects the units held by each investor and that a separate process for investors to validate such holdings would not present a result materially different than the Unit Holder Listing. As a result, the Receiver will not be conducting a separate investor claims process as it will be relying on the investor information contained in the Unit Holder Listing.

- 173 On June 15, 2017, the Receiver attended a meeting with BDO and its counsel. During the meeting, the Receiver inquired into BDO's understanding of the Unit Holder Listing, the processes for maintaining and updating same, and the work performed on the Unit Holder Listing during the scheduled audits. BDO advised that the Unit Holder Listing was maintained and updated by IFDS with information provided by an additional third-party, Fundserv Inc., who was responsible for processing investor subscriptions and redemptions within the Funds.
- 174 BDO advised that an annual external audit is performed by a third-party on IFDS' processes and controls with respect to its business through the issuance of a Canadian Standard on Assurance Engagements 3416 (CSAE 3416) Report. BDO indicated that during the audit of the Company it would obtain copies of the annual CASE 3416 Report to confirm that the conclusions contained within the Report outlined that the controls and processes used by IFDS were sufficient to ensure the Unit Holder Listing was not materially misstated.
- 175 The Receiver seeks Court approval of its proposed reliance on the IFDS Unit Holder Listing to make distributions to investors in the Crystal Wealth Funds, where possible, without the necessity of seeking further approval from the Court.

RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP

- 176 Attached hereto as **Appendix "6"** is the Receiver's Interim Statement of Receipts and Disbursements for the period April 26, 2017 to May 31, 2017 which outlines the cash balances of the Company and the Crystal Wealth Funds.
- 177 The deposits to the Crystal Wealth Funds primarily relate to Off-Book Assets, such as regular payments from Spectrum or Squire for on-going maintenance of the Residential Mortgages. Disbursement from the Crystal Wealth Funds primarily relate to bank charges.

SPECIFIC ACTIVITIES OF THE RECEIVER SINCE THE APPOINTMENT ORDER

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

Taking Possession

- a) Attended the Premises immediately upon being appointed and changed the locks to secure the assets and books and records contained therein, notified various service providers and transferred billing arrangements into the Receiver's name for the period post-Appointment Order.
- b) Attended the Mount Nemo Property shortly after the Appointment Order and changed the locks to secure the Mount Nemo Property and its contents. The Receiver transferred utilities for the Mount Nemo Property for the period post Appointment Order into the Receiver's name as well as arranged for on-going maintenance of the Mount Nemo Property.
- c) Corresponded with the landlord of the Premises to notify it of the Appointment Order and make arrangements for payment of rent during the Receiver's occupancy.
- d) Secured the books and records of the Crystal Wealth Group, located at the Premises, disabled external access to the computer system and performed a forensic backup of all data contained on the Company's Dropbox account and GoDaddy email systems. During this process, the Receiver identified that the emails contained in the inbox and sent items of the email accounts of Smith, Housego and Bentley were either deleted in their entirety, or it was apparent that individual emails had been removed.
- e) Contacted the third party cloud server company to restore email data with respect to the deleted emails. This process is still underway.
- f) Corresponded with the Crystal Wealth Group's contract accountant and received copies of certain records of the Crystal Wealth Group.

- g) Secured the Crystal Wealth Group's bank accounts and transferred the funds therein to the Receiver's trust accounts. Specifically, the Receiver has maintained separate trust accounts consistent with the origin of funds transferred from the Crystal Wealth Funds.

Employee Matters

- a) Permitted the Company to continue to actively employ three (3) employees for a brief period post Appointment Order (including Smith and Bentley) to assist the Receiver in understanding the business and operations of the Crystal Wealth Group and to facilitate the initial mailing to all investors.
- b) Terminated these employees on behalf of the Company effective May 10, 2017 and arranged for all Records of Employment ("**ROEs**") to be issued to same. A fourth employee, who was subsequently discovered by the Receiver to be on maternity leave, was terminated effective May 24, 2017.
- c) Engaged the Company's contracted accountant to prepare
 - i. bi-weekly payroll for Smith and the other employees;
 - ii. ROEs; and
 - iii. T4's.

Investor Matters

- a) Established a Crystal Wealth Funds toll free number and email account.
- b) Responded to numerous calls and emails from Crystal Wealth Group investors and other stakeholders.
- c) Published the Receivership Proceedings in the national editions of the Globe and Mail and the National Post on May 4, 2017.
- d) Distributed four (4) notices from the Receiver to all investors, which were also posted to the Receiver's Case Website, on May 1, 2017, May 10, 2017, May 17, 2017, and June 9, 2017 updating them on the receivership as events unfolded.

- e) Created and maintained a listing of investors with holdings, accounts, and contact information including email addresses.

Administration of the Funds

- a) The Receiver's activities with respect to the administration of the Crystal Wealth Funds include:
 - i. meeting and corresponding with NBCN on a number of investor matters, including the on-going management of the securities, records and monetization of assets within the Crystal Wealth Funds;
 - ii. corresponding with various third-parties involved in administering certain Crystal Wealth Funds, and, in some cases, their legal counsel and financial advisors;
 - iii. collecting monthly payments and funds held by third-parties administering certain Crystal Wealth Funds and/or their assets;
 - iv. corresponding with borrowers of the Crystal Wealth Funds, and, in some cases, their legal counsel and financial advisors;
 - v. conducting meetings with certain third-parties and borrowers, as appropriate; and
 - vi. negotiating the sale of two Residential Mortgages to a third party as discussed further below.

Other Activities

- a) Corresponded and held numerous discussions with Smith, employees, and contractors of the Crystal Wealth Group.
- b) Corresponded and held numerous discussions with various stakeholders, providers and/or their legal counsels.
- c) Corresponded and held various discussions with the Company's auditor, BDO.
- d) Corresponded and held various discussions and meetings with parties expressing

interest in either purchasing or managing certain Crystal Wealth Funds.

- e) Maintained a public website for the Receivership Proceedings in accordance with the Commercial List E-Service Protocol.
- f) Arranged for the redirection of the Company's and CLJ Everest's mail to the Receiver's office.
- g) Made arrangements with insurance providers to ensure that continued coverage remains in place with respect to both the Premises and Mount Nemo Property.

MOUNT NEMO PROPERTY

- 179 Pursuant to the Vesting Order, the Receiver was authorized by the Court to complete, on behalf of CLJ Everest, the sale transaction contemplated by the Mount Nemo Sale Agreement.
- 180 CLJ Everest is the registered owner of Mount Nemo Property. At the date of the Receivership Proceedings, this property was vacant.
- 181 Prior to the Appointment Order, the Mount Nemo Sale Agreement was entered into by CLJ Everest and the Purchaser with a completion date for the underlying transaction of April 28, 2017.
- 182 On April 27, 2017, Jo-Anne Smith ("**Ms. Smith**"), Smith's sister and the listing agent for the Mount Nemo Property, informed the Receiver that the Purchaser had advised her on April 27, 2017, that the Purchaser would not be completing the purchase transaction.
- 183 At 9:20 a.m. and 9:21 a.m. on April 28, 2017, the Receiver attempted to contact the Purchaser by telephone at the number which Ms. Smith advised was the Purchaser's cell phone number. On both occasions, the message "Call cannot be completed as dialed" was received.
- 184 Accordingly, by letter to the Purchaser dated April 28, 2017, A&B advised the Purchaser that the Receiver was treating his anticipatory breaches as a repudiation of the Mount Nemo Sale Agreement, thereby discharging the Receiver from proceeding with the Mount Nemo Sale Agreement while reserving the Receiver's right to pursue damages from the Purchaser. A&B's letter to the Purchaser is attached to this Report as **Appendix "16"**.

- 185 To date, no response has been provided by the Purchaser, and the transaction did not proceed as contemplated by the Vesting Order.
- 186 The Receiver obtained the listing agreement from Ms. Smith which was in place at the time of the Appointment Order.
- 187 After the transaction contemplated by the Mount Nemo Sale Agreement failed to close, the Receiver corresponded with Ms. Smith, providing information with respect to the Receivership Proceedings and the Receiver's intention to conduct a formal sales process for the listing of the Mount Nemo Property (the "**Mount Nemo Listing Process**"). The Receiver invited Ms. Smith to participate in that process. On May 10, 2017, the Receiver received an executed Listing Cancellation from Ms. Smith to allow the Receiver to conduct the Mount Nemo Listing Process.
- 188 Between April 28, 2017 and May 1, 2017, the Receiver researched and compiled a short-list of seven (7) real estate agents/brokers with extensive experience in marketing and selling rural estate properties in the Burlington and surrounding areas, including Ms. Smith (the "**Prospective Brokers**").
- 189 On May 2, 2017, the Receiver distributed a request for proposals (the "**Request for Proposals**" or "**RFP**") via email to the Prospective Brokers outlining: the appointment of the Receiver, the contents of the Mount Nemo Listing Process, and the request for each Prospective Broker to submit a proposal outlining, among other things, such Brokers' experience in the related market, a strategic marketing plan with timelines, as well as indications of value of the Mount Nemo Property, by 5:00 PM EST on May 9, 2017. The Receiver also included a confidentiality agreement, to be executed by the Prospective Brokers, along with preliminary information with respect to the Mount Nemo Property in the RFP. On May 6, 2017, a copy of the RFP was provided to Ms. Smith, inviting her to participate in the RFP conducted by the Receiver. A copy of the RFP is attached hereto as **Appendix "17"**.
- 190 Between May 2, 2017 and May 9, 2017, the Receiver received expressions of interest from four (4) Prospective Brokers (the "**Interested Brokers**"), one (1) response indicating a proposal would not be submitted, and two (2) Prospective Brokers did not respond. Of the four Interested Brokers, the Receiver obtained three executed confidentiality agreements.

- 191 On May 8, 2017, the Receiver provided on-site access to the Mount Nemo Property to the three Interested Brokers who submitted confidentiality agreements. During the on-site visit, the Receiver gave tours of the Mount Nemo Property and responded to questions with respect to the Receivership Proceedings and the Mount Nemo Sale Process.
- 192 On May 9, 2017, RFP submissions from the Interested Brokers were received. A proposal was not received from Ms. Smith. After review of the proposals received from the Interested Brokers, the Receiver selected and notified the successful broker on May 18, 2017, being RE/MAX Aboutowne Realty Corp., Brokerage (the “**Broker**”). A summary of the proposals received is attached to this First Report as **Confidential Appendix “2”**. The Receiver selected the Broker due to its extensive experience selling similar real estate in the Burlington and surrounding area, its competitive commission structure, and its detailed marketing plan to prepare and execute the sale of the Mount Nemo Property.
- 193 On June 8, 2017, the Receiver entered into an MLS listing agreement with the Broker (the “**Listing Agreement**”) which is attached to this First Report as **Confidential Appendix “3”**. The Mount Nemo Property is currently listed for \$3,399,000.

COMMUNICATIONS WITH INVESTMENT ADVISORS

- 194 On May 1, 2017, the Receiver obtained a listing of eight (8) individuals, including Smith, then registered and/or acting for the Crystal Wealth Funds as investment advisors, consultants, referral sources, and/or portfolio managers (the “**Investment Advisors**”). Of the Investment Advisors, the following seven (7) individuals were determined to be registered representatives of Crystal Wealth:
- a) Smith;
 - b) Bentley;
 - c) Housego;
 - d) Scott Whale (“**Whale**”);
 - e) Tim Johnston (“**Johnston**”);
 - f) Sameer Azam (“**Azam**”); and

g) Geoff Reiner ("**Reiner**").

(collectively referred to as the "**Registered Representatives**").

195 The remaining Investment Advisor, Jeffrey Mushaluk, was confirmed to not be a Registered Representative of the Company and was independently contracted by the Company as a referral source.

196 On May 2, 2017, the Receiver delivered a letter via email to Housego, Whale, Johnston, and Azam, (the "**May 2nd Letter**") advising them, among other things:

a) of the Appointment Order;

b) of the Receiver's intention not to execute trades or manage client accounts with NBCN over which the Company had been authorized to make and implement investment decisions (the "**Managed Accounts**");

c) not to undertake or effect any activity in the Managed Accounts;

d) of the Receiver's intention to honour written directions provided by the Managed Accounts clients to transfer the same to another registered dealer and/or advisor; and

e) that, at their request and upon releasing the Company from any claims related to their respective business arrangements with the Company, the Receiver would terminate the Registered Representative's relationship with the Company, and would file an online Form 33-109F1 Notice of Termination of Registered Individuals and Permitted Individuals (the "**Notice of Termination**") via the National Registration Database ("**NRD**"), enabling them to register with another firm.

197 Subsequent to sending the May 2nd Letter, the Receiver did not receive a response from any of Housego, Whale, Johnston, or Azam instructing the Receiver to terminate their relationship with the Company. On May 17, 2017, the Receiver delivered another letter via email to Housego, Whale, Johnston and Azam (the "**May 17th Letter**") notifying them that the Receiver intended to file the Notice of Termination and that if they wanted for same to reflect a voluntary resignation, they were to notify the Receiver of such a request in writing by the end of the week.

- 198 When no affirmative response was received from Housego, Whale, Johnston or Azam, the Receiver delivered a further letter dated May 26, 2017 to each of them terminating each of their relationships with the Company, and advising each of them that a Notice of Termination would be filed.
- 199 On May 30, 2017, the Receiver sent a letter to Reiner similarly advising him that the Receiver was terminating his relationship with the Company effective as of that date, and advising him that a Notice of Termination would be filed.
- 200 The Receiver completed the relevant NRD forms to effect the filing of the Notices of Termination, and on May 30, 2017, executed Notices of Termination for all Registered Representatives. The Notices of Termination were filed with NRD on June 7, 2017.

THE RECEIVER'S DEALINGS WITH SMITH

Investor and Other Correspondence

- 201 On May 8, 2017, the OSC and Receiver were made aware of an email communication made by Smith on May 1, 2017 to an unknown group of apparent investors in the Crystal Wealth Funds (the "**Smith Email**"). In the Smith Email, Smith made many false and/or erroneous statements ultimately misinforming the investors who had received same. A copy of the Smith Email is attached to this First Report as **Appendix "18"**.
- 202 On May 10, 2017, the Receiver sent an email to Smith (the "**Smith Response**") advising him that the Smith Email contained certain false and misleading statements that interfered with the steps and actions taken by the Receiver and that it was in breach of the Appointment Order. The Receiver demanded that Smith cease all communications with investors in the Crystal Wealth Funds, and the Company's Managed Account clients, unless expressly authorized by the Receiver in writing. In addition, the Receiver demanded that it be provided with copies of any and all communications sent by Smith to any one or more investors in the Crystal Wealth Funds, or to Managed Account clients. As of the date of this First Report no such communications have been provided to the Receiver by Smith. A copy of the Smith Response is attached to this First Report as **Appendix "19"**.
- 203 As of the date of this First Report, the Receiver has corresponded with numerous investors who have received the Smith Email. The Receiver understands the confusion that these

proceedings can cause to investors, which confusion is exacerbated by the Smith Email and the conflicting messages it creates. Through its Notices to Investors, the Receiver has tried to clarify to investors that the Receiver's communications should be the sole source of information relied upon for information and updates concerning the status of the Crystal Wealth Group.

204 On May 18, 2017, the Receiver was made aware that Smith had sent an email to Paco advising him that he should continue his services and that he would be compensated by the Receiver. In so doing, it came to the Receiver's attention that Smith had used the email address "crystalwealthceo@gmail.com". A copy of Smith's email is attached to this First Report as **Appendix "20"**.

205 On May 20, 2017, the Receiver sent an email response to Smith reiterating that he has no authority to represent or speak on behalf of the Receiver, including with respect to whom will be compensated under the Appointment Order. In addition, the Receiver demanded that Smith refrain from using any email address containing the words "crystal wealth", and cease all communications under same. A copy of the Receiver's response to Smith is attached to this First Report as **Appendix "21"**.

Removal of RV & Moving Trailer

206 On April 28, 2017, upon taking possession of the Mount Nemo Property, the Receiver documented a trailer with the license plate L52 87V (the "**Moving Trailer**") and a recreational vehicle with the license plate BVCD 847 (the "**RV**") on the Mount Nemo Property. The Receiver ensured that both the Moving Trailer and RV were both locked and secured prior to leaving.

207 On May 7, 2017, the Receiver returned to the Mount Nemo Property and noted that both the Moving Trailer and RV were not present. On May 11, 2017, the Receiver obtained information through the Government of Ontario database, dated May 8, 2017, indicating that Smith was the owner of both the Moving Trailer and RV.

208 In Smith's termination letter, dated May 16, 2017 (delivered via registered mail and email, a copy of which is attached to this First Report as **Appendix "22"**), the Receiver notified Smith of the removal of the RV and Moving Trailer and requested that Smith preserve the RV and Moving Trailer, at a location of his choice until such time that the Receiver provided

further direction. The Receiver also requested that Smith notify the Receiver of the location where the RV and Moving Trailer would be located; the Receiver has yet to obtain a response from Smith.

Smith's Proposed Motion & Failure to Deliver Statutory Declaration

- 209 As a result of the Appointment Order, all of Smith's known assets, including bank accounts, continue to be frozen, and all of the Property (as defined in the Appointment Order) of the Crystal Wealth Group was vested in the Receiver.
- 210 At the hearing of the Receivership Application on April 26, 2017, and subsequent to granting the Appointment Order which was unopposed by the Crystal Wealth Group, the Honourable Justice Newbould scheduled a motion date of May 24, 2017 (the "**Comeback Date**"), at which time, Smith was to bring a motion, if he wished, to vary certain terms of the Appointment Order, including any request to access funds for the purpose of retaining counsel and for personal living expenses. The Receiver has received correspondence from investors communicating their opposition to Smith gaining access to such funds.
- 211 On May 18, 2017, the Receiver delivered a blank form of statutory declaration (the "**Statutory Declaration**") to Smith requesting that he provide information concerning, among other things, his assets, liabilities, income, and expenses. A copy of the statutory declaration sent to Smith by the Receiver is attached as **Appendix "23"** to this First Report.
- 212 On May 24, 2017 and June 6, 2017, A&B, on behalf of the Receiver, sent follow-up correspondence to Smith reiterating the Receiver's request that Smith complete the Statutory Declaration. As at the date of the First Report, the Receiver has not received the completed Statutory Declaration from Smith.
- 213 No motion materials were served by Smith prior to the May 24th Comeback Date. On the Comeback Date, Smith advised the Court that his previously retained counsel had resigned on May 18, 2017 and that he therefore required additional time to prepare the necessary materials himself in support of a motion to vary certain terms of the Appointment Order, and more specifically, to access funds for retaining counsel and for personal living expenses (despite not having completed the Statutory Declaration). The Honourable Justice Morawetz directed Smith to serve and file his materials in support of any such

motion with the Court by the close of business on June 1, 2017. Justice Morawetz further directed the Receiver and Smith to re-attend Court with counsel for the OSC on June 2, 2017 to review the status and to set a schedule for the hearing of Smith's motion, if necessary. A copy of the endorsement of the Honourable Justice Morawetz issued on May 24, 2017 is attached as **Appendix "24"** to this First Report.

- 214 On June 1, 2017, Smith, representing himself, served a notice of motion, legal brief, and motion record which failed to include any evidence (the "**June 1 Materials**"). The relief sought in the notice of motion was substantially different than that to which Smith advised the Court he would be seeking on the Comeback Date before Justice Morawetz, and included a request that the Appointment Order, Vesting Order, and OSC Freeze Directions be rescinded in their entirety. A copy of the notice of motion included in the June 1 Materials is attached hereto as **Appendix "25"**.
- 215 On June 2, 2017, the Receiver, A&B, Smith, and OSC lawyers attended the scheduled 9:30 a.m. Court appointment. During the appointment, the Honourable Justice Hainey advised Smith that the June 1 Materials were insufficient to allow the Court to consider the relief sought, and accordingly, the Court declined to schedule Smith's motion. Furthermore, the Honourable Justice Hainey advised that the relief sought by Smith in the June 1 Materials was far different and greater in scope than Smith had communicated to Justice Morawetz at the May 24, 2017 Comeback Date. The Honourable Justice Hainey issued an endorsement on June 2, 2017 scheduling a further 9:30 appearance for June 23, 2017, and directed counsel to provide a progress report to the Court at that time. A copy of the endorsement of the Honourable Justice Hainey issued on June 2, 2017 is attached as **Appendix "26"** to this First Report.

ISSUES CONCERNING REPRESENTATIVE COUNSEL

Housego's Support for the Appointment of CMB as Representative Counsel

- 216 On May 17, 2017, the Receiver was made aware of an email sent by Housego on the same date to a group of investors in the Crystal Wealth Funds using the email address crystalwealthupdates@gmail.com (the "**Housego Email**"). The Housego Email, among other things, "*strongly recommended*" that investors endorse the appointment of Alistair Crawley ("**Crawley**") and Crawley MacKewn Brush LLP ("**CMB**") as representative counsel for investors. Housego's recommendation supporting Crawley and CMB was

done utilizing false and/or erroneous statements regarding the Receivership Proceedings as well as past and future actions to be taken by the Receiver. Most notably, Housego asserted that the cost of CMB's services to the investors would be covered by the Receiver, rather than from the Property of the Crystal Wealth Group. The Housego Email contained a hyperlink which investors could click on to support CMB's appointment as Representative Counsel. A copy of the Housego Email is attached to this First Report as **Appendix "27"**.

- 217 On May 18, 2017, the Receiver delivered an email to Housego (the "**Housego Response**"), attached as **Appendix "28"**, advising him that although the Receiver is supportive of investors seeking independent legal advice, it was concerned about the numerous inaccurate statements which were communicated in the Housego Email, which had given rise to confusion within the investor body.
- 218 On May 24, 2017, the Receiver distributed an email to the email addresses provided by Housego that attached the Housego Email, the Housego Response, and directed these investors to monitor the Receiver's case website for reliable updates concerning the status of the Receivership Proceedings. A copy of the Receiver's communication in this regard is attached to this First Report as **Appendix "29"**.

CMB's Motion to be Appointed as Representative Counsel

- 219 At the June 2, 2017 Court hearing, Crawley, on behalf of CMB, attended to advise the Court of CMB's intention to bring a motion to be appointed as representative counsel for the investors in the Crystal Wealth Funds. On June 9, 2017, CMB served the Receiver with a motion record in support of a motion to appoint CMB as representative counsel to the investors in the Crystal Wealth Funds. A date for the motion has yet to be scheduled.
- 220 At the time of the Appointment Order, CMB acted as counsel for one of the named Respondents, Chrysalis Yoga, and appeared on Chrysalis Yoga's behalf at the hearing before the Honourable Justice Newbould on April 26, 2017.
- 221 Shortly following the Application hearing on April 26, 2017, A&B was contacted by Crawley. During a conference call between A&B and Crawley on May 8, 2017, Crawley indicated that he had been informally speaking with an investor named Tony Murphy, as well as Johnston, one of the Registered Representatives, but had not been retained. On

May 10, 2017, Crawley advised A&B of his view that this case would benefit from representative counsel to represent the interests of investors, and that CMB would be interested in seeking an appointment for this role.

- 222 On May 11, 2017, A&B and the Receiver participated in a conference call with Crawley and Melissa MacKewn of CMB to discuss CMB's interest in the appointment. Crawley advised that he was introduced to the Crystal Wealth situation by Housego and Johnston. The Receiver inquired as to Crawley's experience acting as representative counsel on similar files to which Crawley responded that neither he nor CMB had acted in such capacity. The Receiver advised Crawley that it has had extensive experience interacting with representative counsel in its capacity as Court-appointed Receiver and acknowledged the importance of the role in certain of these mandates. Notwithstanding the above, the Receiver indicated to Crawley that the appointment of representative counsel at that stage was premature.
- 223 On May 16, 2017, Crawley sent a letter via email to A&B reiterating CMB's interest in being appointed representative counsel (the "**May 16th Crawley Letter**"). A copy of the Crawley Letter is attached hereto as **Appendix "30"**. On May 17, 2017, A&B, on behalf of the Receiver, sent a letter in response to the May 16th Crawley Letter reiterating the Receiver's view, and rationale for it, that it was premature for representative counsel to be appointed at that juncture. A&B's response sent to CMB on May 17th is attached to this First Report as **Appendix "31"**.
- 224 On May 19, 2017, (two days after the Housego Email was sent) Crawley sent additional correspondence via email to A&B (the "**May 19th Crawley Letter**") which is attached hereto as **Appendix "32"**. The May 19th Crawley Letter, among other things, contained a critical and aggressive tone towards the Receiver and its actions taken to date and made many incorrect assumptions regarding same. In the letter, Crawley took issue with the fact that the Receiver had not contacted Housego with respect to the management of certain Crystal Wealth Funds. On behalf of the Receiver, A&B provided a response to the May 19th Crawley Letter via letter sent to CMB on May 19, 2017. In its response, A&B advised Crawley, among other things, that it was "surprised by the aggressive tone of your letter" while reiterating once again that the Receiver believed it to be premature to introduce representative counsel at that stage, and to unnecessarily levy the cost of representative counsel to investors at this time. A&B further advised CMB in its letter that

the Receiver had intentionally not consulted with Housego, given the Receiver's view that it was neither necessary nor desirable to seek Housego's consultation in order for the Receiver to review and make appropriate decisions in connection with the Crystal Wealth Funds. A copy of A&B's May 19th letter to CMB is attached to this Report as **Appendix "33"**.

225 As is set out in A&B's letters to Crawley sent on May 17th and May 19th, the Receiver has not foreclosed the option of recommending representative counsel to investors. However, the Receiver still believes it is premature to engage representative counsel for the following reasons:

- a) The Receiver is acting as independent court officer, with legal representation from A&B, and is taking steps to advance the interests of all investors;
- b) An omnibus representative counsel will likely not have a meaningful role. The Receiver believes that there are divergent interests among the investor group, given the differences between the Crystal Wealth Funds, and accordingly, many investors may opt out, or multiple representative counsel roles may be required;
- c) The Receiver believes that the monetization of certain Crystal Wealth Funds is straight forward and as previously mentioned, is currently underway. Accordingly, it seems counter-productive to burden investors in such Crystal Wealth Funds with the cost of representative counsel at this stage; and
- d) Certain Crystal Wealth Funds may require individual and protracted realization strategies, unique to each Crystal Wealth Fund, during which time the cost of representative counsel could unnecessarily be significant while adding questionable value. As previously discussed in this First Report, the Receiver has expended considerable effort to obtain documentation to fully understand the Off-Book Assets, is continuing the process to do so and will very shortly be in a position to conduct the Sales Process as described in this First Report. In addition, the Receiver will be engaging an expert to assist the Receiver in the management and development of realization strategies of the Media Fund, arguably one of the most complex investments of the Crystal Wealth Funds, and will consider the need for such a specialized advisor in respect of any other fund if the circumstances warrant it.

226 The Receiver is of the view that in the event that this Honourable Court nevertheless believes that representative counsel should be appointed, such role should not be fulfilled by Crawley or CMB for the following reasons:

- a) CMB: (i) acted for one of the Respondents, Chrysalis Yoga, an entity which is subject to the Receiver's investigation; (ii) made representations to the Court in that capacity at the time of the Appointment Order; and (iii) is, in the Receiver's view, conflicted from acting in an impartial role;
- b) Crawley and CMB admitted that they were introduced to the Crystal Wealth situation, in part, by Housego and Johnston. Both of these individuals were actively working with Smith, were Registered Representatives of the Company prior to being terminated by the Receiver, were subject to the OSC's Temporary Order and Extension Order, and are the subject of the Receiver's continued investigation;
- c) Housego circulated false and misleading information to investors vehemently advocating for CMB to be appointed as representative counsel;
- d) CMB's correspondence to the Receiver has been inflammatory, accusatory, and misleading, based, at least in part, on knowledge and information provided to CMB by Housego and Johnston; and,
- e) CMB's alleged proxies from investors, through the hyperlink referenced in the Housego Email, were obtained under false pretenses from Housego.

227 If this Honourable Court believes that representative counsel should be appointed, the Receiver respectfully suggests that such role be fulfilled by Cassels, Brock & Blackwell LLP ("**Cassels**"), a firm with significant experience in acting as representative counsel and a firm well versed in the mutual fund industry and the financial services sector. Cassels is one of the various experienced firms who have contacted the Receiver to communicate an interest in acting in the representative counsel capacity, and has confirmed to the Receiver that it is free of conflicts in acting in such capacity.

RECEIVER'S FEES AND DISBURSEMENTS

228 Pursuant to paragraph 23 of the Appointment Order, the Receiver and its counsel are to

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

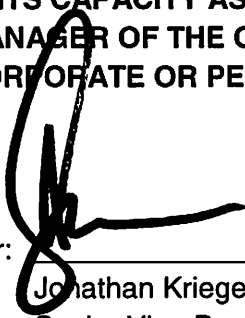
- 229 The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Receiver and its counsel have maintained detailed records of their professional time and costs.
- 230 The total fees for the Receiver for the period April 25, 2017 to May 31, 2017, were \$214,276.91, plus disbursements of \$1,566.00, plus HST of \$28,058.28, for a total of \$243,891.19. The time spent by the Receiver is more particularly described in the Affidavit of Jonathan Krieger sworn June 21, 2017 (the "**Krieger Affidavit**"), which is attached hereto as **Appendix "34"** and contains copies of invoices that set out the services provided during this time period.
- 231 The total fees of A&B, as counsel to the Receiver, for the period of April 24, 2017 to May 31, 2017, were \$160,293.50, plus disbursements of \$5,069.55, plus HST of \$21,237.34, for a total of \$186,600.39. The time spent by A&B is more particularly described in the Affidavit of Steven L. Graff sworn June 22, 2017 (the "**Graff Affidavit**"), which is attached as **Appendix "35"** and contains, among other things, copies of invoices that set out the services provided during this period of time.
- 232 It is the Receiver's opinion that the fees and disbursements of the Receiver and A&B accurately reflect the work done by the Receiver and on behalf of the Receiver by A&B in connection with the receivership and the administration of the property of the Crystal Wealth Group from April 24, 2017 to May 31, 2017.
- 233 It is the Receiver's opinion that the fees and disbursements of A&B are fair and reasonable and justified in the circumstances. The Receiver recommends approval of A&B's accounts by this Honourable Court. While the Receiver is seeking approval of its fees and disbursements at this time, the Receiver intends to make a recommendation and seek approval of an allocation of its fees and disbursements among the Crystal Wealth Funds in a further motion before this Court.

CONCLUSION

234 For the reasons set out in this First Report, the Receiver respectfully requests the relief and approval as set out in the Receiver's Notice of Motion dated June 22, 2017.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 22 day of June, 2017.

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

Per: 

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

APPENDIX 1



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

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

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

- and -

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

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

WHEREAS:

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

Crystal Wealth Media Strategy

Crystal Wealth Mortgage Strategy

Crystal Enlightened Resource & Precious Metal Fund

Crystal Wealth Medical Strategy

Crystal Wealth Enlightened Factoring Strategy

ACM Growth Fund

ACM Income Fund

Crystal Wealth High Yield Mortgage Strategy

Crystal Enlightened Bullion Fund

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

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

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

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

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

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

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

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

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

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

“Maureen Jensen”

APPENDIX 2



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

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

**IN THE MATTER OF THE *SECURITIES ACT*,
RSO 1990, c S.5**

- and -

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

**TEMPORARY ORDER
(Subsections 127(7) and 127(8))**

WHEREAS:

1. the Ontario Securities Commission (the “Commission”) issued temporary orders on April 6 and April 7, 2017 pursuant to sections 127(1) and 127(5) of the *Securities Act*, RSO 1990, c S.5 (the “Act”);
2. the April 7, 2017 temporary order was requested to add clarification to the April 6, 2017 temporary order;
3. the April 7, 2017 temporary order provided that:
 - a. pursuant to paragraphs 2 and 2.1 of subsection 127(1), all trading, including redemptions and distributions, or acquisitions of the securities of the following funds shall cease:

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

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

- b. pursuant to paragraphs 2 and 2.1 of subsection 127(1) all trading in securities held by the Crystal Wealth Funds, or the acquisition of securities by Crystal Wealth Management System Limited (“Crystal Wealth”) on behalf of the Crystal Wealth Funds shall cease;
- c. pursuant to paragraphs 2 and 2.1 of subsection 127(1), the trading in or the acquisition of any securities or derivatives by Clayton Smith (“Smith”), CLJ Everest Ltd (“CLJ Everest”) and 1150752 Ontario Limited (“115 Limited”) shall cease;
- d. pursuant to subsection 127(2), as an exception to the prohibition on trading securities and derivatives in paragraphs 2 and 3 above, Crystal Wealth in its capacity as portfolio manager for the Funds may, and Clayton Smith in his capacity as advising representative may, if in compliance with Ontario securities

law, place orders to sell securities and derivatives already held as of the date of this temporary order by the Crystal Wealth Funds, provided that the sales occur through the facilities of a recognized exchange and all proceeds of such sales remain in the account of the respective Crystal Wealth Fund for which the order was placed until further order of the Commission;

- e. pursuant to subsection 127(2), as an exception to the prohibition on trading securities and derivatives in paragraphs 2 and 3 above, Smith in his capacity as advising representative may, if in compliance with Ontario securities law, place orders to sell securities and derivatives already held by clients in discretionary accounts for which Crystal Wealth is the portfolio manager (the “Managed Accounts”), provided that the sales occur through the facilities of a recognized exchange;
- f. pursuant to subsection 127(2), the following terms and conditions apply to the registration of Crystal Wealth as an exempt market dealer:
 - i. Crystal Wealth and any dealing representatives shall not accept any new money for investment from any existing clients, and shall not accept any new clients or open any new client accounts of any kind;
- g. pursuant to subsection 127(2), the following terms and conditions apply to the registration of Crystal Wealth as a portfolio manager and investment fund manager:
 - i. Crystal Wealth’s activities as a portfolio manager and investment fund manager shall be applied exclusively to the Managed Accounts and to the Crystal Wealth Funds, subject to the restrictions on trading set out in paragraph 2 and the exception in paragraph 4;
 - ii. Crystal Wealth and any advising representatives shall not accept any new money for investment from any existing clients, shall not accept any new clients or open any new client accounts of any kind;

(the “Temporary Order”)

- h. the Commission further ordered that pursuant to subsection 127(6) of the Act, the Temporary Order shall take effect immediately and shall expire on the 15th day after its making unless extended by the Commission;
- 4. Smith, Crystal Wealth, CLJ Everest, 115 Limited and the Crystal Wealth Funds (collectively, the “Respondents”), through their counsel, consented to an extension of the Temporary Order until May 1, 2017, without prejudice to any position that might be advanced by the Respondents in the future with respect to the Temporary Order or the matters raised in the Notice of Hearing;
- 5. on April 13, 2017, the Commission ordered that the Temporary Order was extended until May 1, 2017, and that the hearing to extend the Temporary Order would occur on April 28, 2017 at 10:00 a.m.;
- 6. on April 13, 2017, the Commission issued a Notice of Hearing providing notice that it will hold a hearing on April 28, 2017 to consider whether, pursuant to subsections 127(7) and 127(8) of the Act, it is in the public interest for the Commission to extend the Temporary Order until the conclusion of the hearing or until such further time as considered necessary by the Commission, and to make such further orders as the Commission considered appropriate;
- 7. on April 26, 2017, upon application by the Commission pursuant to section 129 of the Act, the Ontario Superior Court of Justice (Commercial List) made an order (the “Appointment Order”) appointing Grant Thornton Limited as: (i) receiver and manager (the “Receiver”) without security, of all of the assets, undertakings and properties of the Respondents; and (ii) receiver of the account of Chrysalis Yoga Inc. at the Bank of Nova Scotia (the “Chrysalis Account”), and of all contents, including funds, contained in the Chrysalis Account;
- 8. on April 28, 2017, Staff attended at the Hearing, tendered evidence and made submissions;

9. despite having notice, neither the Respondents nor their counsel attended the hearing on April 28, 2017; and
10. the Commission is of the opinion that it is in the public interest to make this Order.

IT IS ORDERED that:

1. the Temporary Order is extended until October 3, 2017, or until further order of the Commission, without prejudice to the right of any of the parties to seek to vary the Temporary Order on application to the Commission; and
2. the hearing of this matter is adjourned until October 2, 2017 at 10:00 a.m. or such other date and time as provided by the Office of the Secretary and agreed to by the parties.

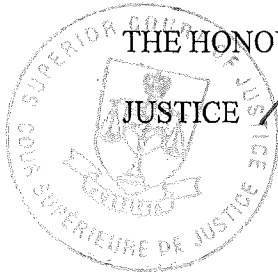
DATED at Toronto, this 28th day of April, 2017.

“Janet Leiper”

Janet Leiper

APPENDIX 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST



THE HONOURABLE

JUSTICE

NEUBOU

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)
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WEDNESDAY, THE 26th DAY

OF APRIL, 2017

ONTARIO SECURITIES COMMISSION

Applicant

- and -

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

Respondents

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

ORDER
(Appointing Receiver)

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

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

CONSOLIDATION

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

SERVICE

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

APPOINTMENT

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

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

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

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

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

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

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

RECEIVER'S POWERS

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

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

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

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

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

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

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

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

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

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE CRYSTAL WEALTH GROUP OR THE PROPERTY

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

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

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

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

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

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

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

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

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

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

FUNDING OF THE RECEIVERSHIP

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

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

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

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

SERVICE AND NOTICE

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

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

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

GENERAL

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

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

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

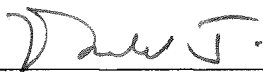
35. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is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

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

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

APR 26 2017

PER / PAR:



SCHEDULE "A"
FREEZE DIRECTIONS - CRYSTAL WEALTH GROUP

See attached.



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

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

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

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

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

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

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

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

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

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

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

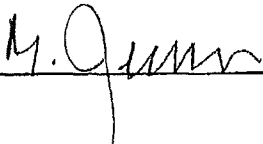
dissipating or otherwise dealing with or diminishing the value of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario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

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

(collectively the "Funds"),

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

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



SCHEDULE "A" TO FREEZE DIRECTION

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

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

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



Ontario
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Commission des
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de l'Ontario

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

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

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

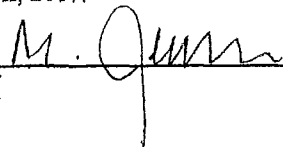
TO: CLAYTON SMITH
5043 Mount Nemo Crescent
Burlington, Ontario
L7M 0T7

RE: Accounts at The Toronto Dominion Bank

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

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

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



SCHEDULE "A" TO FREEZE DIRECTION

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



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20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen ouest
Toronto ON M5H 3S8

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

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

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

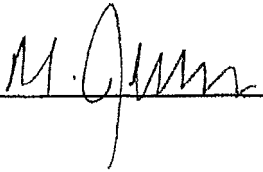
RE: Accounts at The Toronto Dominion Bank

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

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

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

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



SCHEDULE "A" TO FREEZE DIRECTION

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



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

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

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

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

RE: Crystal Wealth Management System Limited

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

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

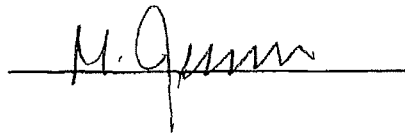
00002 1304211, and
00002 1304260

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

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

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

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

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



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

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Toronto ON M5H 3S8

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

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

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

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

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

U1446894,
F4795511,
U4657920,
U4895282, and
U4804316

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

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

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

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





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

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20, rue queen ouest
Toronto ON M5H 3S8

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

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

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

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

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

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

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

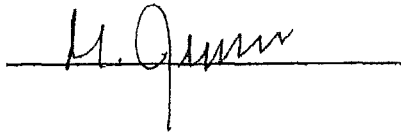
- (1) securities other than units of the Funds held in the name of or otherwise under the control of or on behalf of any of the Funds in the accounts at the brokerage may be sold provided that the sale or disposition occurs through the facilities of a recognized

- exchange and all proceeds of such sales or distributions are maintained in the account where such securities were held; and
- (2) of managed accounts, except managed accounts in the name or for the benefit of Clayton Edward Smith, Crystal Wealth Management System Limited, CLJ Everest Ltd., Chrysalis Yoga Inc., 1150752 Ontario Limited and Lee Ann Smith.

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

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

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

A handwritten signature, appearing to be "M. Quinn", is written over a horizontal line. The signature is in cursive and includes a long, sweeping horizontal stroke at the end.



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

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

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

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

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

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

6045439-2228

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

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

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

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

M. Gunn



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

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

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

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

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

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

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

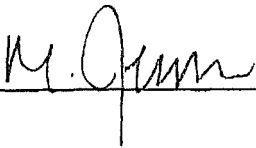
5002640-0122,
5004279-0122, and
0523771-0122

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

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

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

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



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



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Toronto ON M5H 3S8

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Toronto ON M5H 3S8

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

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

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

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

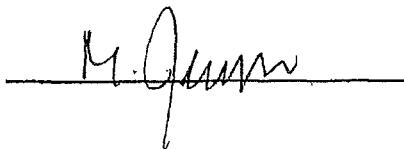
5266530-0125

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

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

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

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

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

SCHEDULE "B"
FREEZE DIRECTIONS OVER CHRYSALIS YOGA

See attached.



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

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

Phone: 416-263-7853
Fax: 416-593-2319

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

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

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

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

RE: Accounts at The Bank of Nova Scotia

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

SCHEDULE "B"
FREEZE DIRECTIONS OVER CHRYSALIS YOGA

See attached.



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

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

Phone: 416-263-7653
Fax: 416-693-2319

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

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

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

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

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

RE: Accounts at The Bank of Nova Scotia

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

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

DATED at Toronto this ^{17th}6 day of April, 2017.

M. Quinn

SCHEDULE "A" TO FREEZE DIRECTION

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



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

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Toronto ON M5H 3S8

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

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

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

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

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

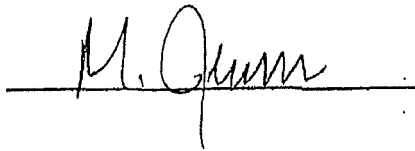
87296 00518 10

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

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

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

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

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

SCHEDULE "C"
COMMUNICATIONS PROTOCOL

WHEREAS:

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

(collectively, the "**Crystal Wealth Group**");

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

NOW THEREFORE:

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

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

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

SCHEDULE "D"
DEPOSIT ACCOUNTS

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

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

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

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

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

SCHEDULE "E"

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

PRIVILEGE PROTOCOL FOR RECEIVER PRODUCTIONS

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

A. **HARD COPY DOCUMENTS**

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

B. **E-MAILS**

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

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

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

IDENTIFICATION AND SEGREGATION OF POTENTIALLY PRIVILEGED DOCUMENTS DURING REVIEW

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

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

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

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

APPENDIX "A"

**PRIVILEGE SEARCH TERMS
LAWYERS AND LAW FIRMS**

From following list, search:

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

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

SCHEDULE "F"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

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

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

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

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

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

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

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

GRANT THORNTON LIMITED, solely in its
capacity as Receiver of the Property, and not in
its personal capacity

Per: _____

Name:

Title:

ONTARIO SECURITIES COMMISSION

Applicant

and **CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.**

Respondents

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at TORONTO**

APPOINTMENT ORDER

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

Catherine Weiler (LSUC # 52424M)
Tel: (416) 204-8985
Fax: (416) 593-8321
Email: cweiler@osc.gov.on.ca

Yvonne B. Chisholm (LSUC No. #37040F)
Tel: (416) 593-2363
Fax: (416) 593-8321
Email: ychisholm@osc.gov.on.ca

*Lawyers for the Applicant,
Ontario Securities Commission*

April 26, 2017

ONTARIO SECURITIES COMMISSION

and

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

Applicant

Respondents

Court File No. CV-17-11779-0002

April 26, 2017

Counsel for Crystal Wealth Gross and for
Chrysalis Yogo Inc have attended & advised
they do not oppose the order sought. I
am satisfied that the relief is fully
justified and that the requirements of
section 129 of the Securities Act have
been met. Order to go.

Dated J.

Service of a true copy hereof admitted

this 25 day of April 2017

Chrysalis Yogo Inc.
SOLICITOR FOR

Service of a true copy hereof admitted

this 25 day of April 2017

Crystal Wealth
SOLICITOR FOR

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto

APPLICATION RECORD
VOLUME 8 OF 8

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

Catherine Weiler (LSUC # 52424M)
Tel: (416) 204-8985
Fax: (416) 593-8321
Email: cweiler@osc.gov.on.ca

Yvonne B. Chisholm (LSUC No. #37040F)
Tel: (416) 593-2363
Fax: (416) 593-8321
Email: ychisholm@osc.gov.on.ca

Lawyers for the Applicant,
Ontario Securities Commission

APPENDIX 4

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

JUSTICE

Newson

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)
)

WEDNESDAY, THE 26th DAY

OF APRIL, 2017

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

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

Respondents

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

VESTING ORDER

THIS APPLICATION made by the Ontario Securities Commission (the
“Commission”):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

 D.W.J.

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

APR 26 2017

PER / PAR:

 ml

Schedule A – Form of Receiver’s Certificate

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

ONTARIO SECURITIES COMMISSION

Applicant

- and -

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

Respondents

RECEIVER’S CERTIFICATE

RECITALS

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

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

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

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

THE RECEIVER CERTIFIES the following:

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

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

Per: _____

Name:

Title:

Schedule B – Purchased Assets

PIN 07198-0202 (LT)

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

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

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

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

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

(unaffected by the Vesting Order)

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

ONTARIO SECURITIES COMMISSION

Applicant

and CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, *ET AL.*

Respondents

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at TORONTO

VESTING ORDER

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

Catherine Weiler (LSUC # 52424M)
Tel: (416) 204-8985
Fax: (416) 593-8321
Email: cweiler@osc.gov.on.ca

Yvonne B. Chisholm (LSUC No. #37040F)
Tel: (416) 593-2363
Fax: (416) 593-8321
Email: ychisholm@osc.gov.on.ca

*Lawyers for the Applicant,
Ontario Securities Commission*

APPENDIX 5

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

- AND -

**CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED,
CLAYTON SMITH, CLJ EVEREST LTD and 1150752 ONTARIO LIMITED**

**AFFIDAVIT OF MARCEL TILLIE
(Sworn April 17, 2017)**

I, **MARCEL TILLIE**, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a Senior Forensic Accountant with staff of the Enforcement Branch (“Staff”) of the Ontario Securities Commission (the “Commission”) and have been employed by the Commission since April 2000. I have worked in the Enforcement Branch since March 2007. I am a Chartered Professional Accountant (CPA, CA) and received my designation in 1989. I am a member of the Chartered Professional Accountants, Ontario.

2. I am a Senior Forensic Accountant assigned to the Crystal Wealth Management System Limited (“Crystal Wealth”) file. As such, I have personal knowledge of the matters referred to in this affidavit, save for those matters of which I have been advised and do believe.

3. I have been involved in an investigation into the activities of Crystal Wealth and its principal, Clayton Smith (“Smith”), as well as the activities of companies connected

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to Smith, CLJ Everest Ltd (“CLJ Everest”) and 1150752 Ontario Limited (“115 Limited”), in regard to certain investment funds managed by Crystal Wealth. Staff’s investigation into these matters is ongoing.

A. THE TEMPORARY ORDER AND FREEZE DIRECTIONS

4. Based on Staff’s investigation conducted to date, Staff applied for and obtained from the Commission a temporary order on April 7, 2017 (the “Temporary Order”) against Smith, Crystal Wealth, CLJ Everest Ltd and 1150752 Ontario Limited (“115 Limited”) pursuant to section 127(5) of the *Securities Act*, R.S.O. 1990, c S.5 as amended (the “Act”). The Temporary Order modified and replaced the temporary order issued by the Commission on April 6, 2017.¹

5. The Temporary Order prohibits all trading, including redemptions and distributions, and acquisitions of securities of the following funds:

Crystal Wealth Media Strategy (the “Media Fund”);
Crystal Wealth Mortgage Strategy (the “Mortgage Fund”);
Crystal Enlightened Resource & Precious Metal Fund (the “Enlightened Resource Fund”);
Crystal Wealth Medical Strategy (the “Medical Fund”);
Crystal Wealth Enlightened Factoring Strategy (the “Factoring Fund”);
ACM Growth Fund;
ACM Income Fund;
Crystal Wealth High Yield Mortgage Strategy (the “High Yield Mortgage Fund”);
Crystal Enlightened Bullion Fund;

¹ Attached as Exhibit “1” are copies of the Temporary Order, issued on April 7, 2017, and the temporary order signed on the April 6, 2017.

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Absolute Sustainable Dividend Fund (the “Sustainable Dividend Fund”);
 Absolute Sustainable Property Fund (the “Sustainable Property Fund”);
 Crystal Wealth Enlightened Hedge Fund (the “Hedge Fund”);
 Crystal Wealth Infrastructure Strategy (the “Infrastructure Fund”);
 Crystal Wealth Conscious Capital Strategy (the “Conscious Capital Fund”); and

Crystal Wealth Retirement One Fund

(collectively with any other investment funds managed or advised by Crystal Wealth, the “Crystal Wealth Funds” or the “Funds”).

6. The Media Fund is the largest of the Funds and is described in greater detail beginning at paragraph 26.

7. The Temporary Order also prohibits, among other things, all trading in securities held by the Crystal Wealth Funds, and the acquisition of securities by Crystal Wealth on behalf of the Crystal Wealth Funds.

8. The Temporary Order contains narrow exceptions for Crystal Wealth to be able to liquidate positions in exchange-traded securities already held by the Funds, provided the monies remain in the respective Fund’s account.

9. Terms and conditions on Crystal Wealth’s registration in the Temporary Order prevent Crystal Wealth from accepting new clients, opening new client accounts or accepting new client monies.

10. Pursuant to s. 126(1) of the Act, Staff also obtained freeze directions in respect of the bank and/or brokerage accounts of the Crystal Wealth Funds, Crystal Wealth, Smith, Smith’s company, CLJ Everest, and a yoga studio connected to Smith, Chrystalis

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Yoga Inc. ("Chrysalis Yoga") (collectively, the "Freeze Directions"), as well as property directions in respect of a residential property owned by Smith's company, CLJ Everest.² Staff intend to seek to continue the Freeze Directions and the property direction in the Superior Court of Justice.

11. In the balance of this Affidavit, I describe Crystal Wealth, Smith, entities related to him and the Crystal Wealth Funds. In particular, I describe certain concerns with respect to the net asset value (NAV") of the Media Fund. I conclude by noting that the Funds and Crystal Wealth have not delivered or filed audited financial statements as required under Ontario securities law.

B. CRYSTAL WEALTH, SMITH, CLJ EVEREST, 115 LIMITED AND THE CRYSTAL WEALTH FUNDS

i. Crystal Wealth

12. Crystal Wealth is a Burlington-based Ontario corporation, registered with the Commission in the categories of Exempt Market Dealer ("EMD"), Investment Fund Manager ("IFM"), Portfolio Manager ("PM") and Commodity Trading Manager. Crystal Wealth is also registered in British Columbia, Manitoba, Newfoundland and Labrador, Quebec and Saskatchewan.³

13. Crystal Wealth has created its own proprietary funds (the Crystal Wealth Funds) and also manages those Funds. Crystal Wealth is the IFM and the PM for 15 Crystal Wealth Funds that are structured as open-ended mutual fund trusts, and distributed on

² Attached as Exhibit "2" are copies of the Freeze Directions obtained by Staff dated April 6, 2017, April 7, 2017 and the property direction dated April 13, 2017.

³ Attached as Exhibit "3" is a copy of the National Registration Database ("NRD") printout showing the categories of registration for Crystal Wealth and the provinces in which it is registered.

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an exempt basis, pursuant to offering memoranda (“OMs”). As the IFM of the Funds, Crystal Wealth manages the day-to day business of the Funds and oversees the PM function. As PM of the Funds, Crystal Wealth is required to make suitable investment decisions for the Funds’ portfolios consistent with the respective Fund’s investment objectives. As at January 30, 2017, the total Assets under Management (“AUM”) for all of the Crystal Wealth Funds was approximately \$177,237,747.⁴

14. Crystal Wealth has approximately 1,265 portfolio management clients⁵ with AUM as at March 31, 2016 in discretionary accounts totalling \$139,524,613.77.⁶ Approximately 309 of these clients are located in Ontario.⁷ Crystal Wealth’s clients are invested through discretionary accounts, and of those, approximately 94% are invested in the Crystal Wealth Funds.⁸

15. Crystal Wealth reported gross revenue of \$2,489,310 for the year ended December 31, 2015, comprised predominantly of \$2,307,588 in management fees.⁹

⁴ Attached as Exhibit “4” is a table showing the AUM by Fund as at January 30, 2017.

⁵ Attached as Exhibit “5” – is a Risk Assessment Questionnaire submitted by Crystal Wealth on June 28, 2016, Page 24 – Questions for Portfolio Managers and Restricted Portfolio Managers, Question 6 – Residency of Clients

⁶ Exhibit 5 - Risk Assessment Questionnaire, Page 22 – Questions for Portfolio Managers and Restricted Portfolio Managers, Question 1 – Assets Under Management

⁷ Exhibit 5 - Risk Assessment Questionnaire, Page 24 – Questions for Portfolio Managers and Restricted Portfolio Managers, Question 6 – Residency of Clients

⁸ Exhibit 5 - Risk Assessment Questionnaire for Crystal Wealth dated June 28, 2016, Page 9 – IFM Section: Questions for Investment Fund Managers, Question 1 – Assets under management (AUM), \$131,660,119.84 AUM as at March 31, 2016 held by 13 non-prospectus qualified funds, representing approximately 94.4% of the AUM in discretionary accounts.

⁹ Attached as Exhibit “6” are the audited financial statements for Crystal Wealth for the years ended December 31, 2015 and 2014.

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ii. Smith

16. Smith holds a controlling interest in the shares of Crystal Wealth¹⁰ and is the sole officer and director of Crystal Wealth.¹¹

17. Smith is an Ontario resident. An OM for the Media Fund dated November 21, 2016 describes Smith as the principal of Crystal Wealth,¹² who “founded the Manager in 1998 and has been President and Chief Executive Officer since its creation.”¹³

18. Smith is registered in Ontario with the Commission as a dealing representative, an advising representative in the category of PM, an advising representative in the category of Commodity Trading Manager, and as the firm’s Chief Compliance Officer (“CCO”) and Ultimate Designated Person (“UDP”). As CCO and UDP, Smith bears responsibility for the firm’s compliance with Ontario securities laws. Smith is also registered in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Quebec and Saskatchewan.¹⁴

¹⁰ Attached as Exhibit “7” are copies of Ownership of Securities and Derivatives for Crystal Wealth with effective dates of November 8, 2016 and August 13, 2012, printed from NRD; Smith is the currently the beneficial owner of 91.76 % of Crystal Wealth’s shares, prior to November 8, 2016, Smith was the beneficial owner of 65.5% of Crystal Wealth’s shares

¹¹ Exhibit 7 - copies of Ownership of Securities and Derivatives for Crystal Wealth with effective dates of November 8, 2016 and August 13, 2012.

Attached as Exhibit “8” is a copy of the November 21, 2016 Offering Memorandum for the Media Fund which was printed from the Crystal Wealth Website, <http://crystalwealth.com>, on April 10, 2017.

¹² Exhibit 8 - November 21, 2016 Offering Memorandum for the Media Fund, Page 6

¹³ Exhibit 8 - November 21, 2016 Offering Memorandum for the Media Fund, Page 6

¹⁴ Attached as Exhibit “9” is a copy of the NRD printout showing the categories of registration for Smith and the provinces in which he is registered.

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iii. CLJ Everest

19. Smith's holding company, CLJ Everest, has its registered office in Burlington, Ontario. Smith is the sole shareholder, officer and director of CLJ Everest, which holds 28.26% of Crystal Wealth's outstanding shares and 100% of the shares of 115 Limited.¹⁵

iv. 115 Limited

20. 115 Limited is 100% owned by CLJ Everest. Smith is the sole officer and director of 115 Limited, which holds 63.5% of Crystal Wealth's outstanding shares.¹⁶

v. The Crystal Wealth Funds

21. As indicated, approximately 94% of client monies in discretionary accounts funds are invested in Crystal Wealth's Funds. Crystal Wealth is the Trustee, Manager, Portfolio Adviser and Promoter of the Crystal Wealth Funds, and for some Funds is the Commodity Trading Manager. All of the OMs state that as Manager of the Crystal Wealth Funds, Crystal Wealth is to "exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably

¹⁵ Attached as Exhibit "10" are (i) a Corporation Profile Report for CLJ Everest dated January 3, 2017, (ii) a draft letter from BDO Canada LLP ("BDO") to Crystal Wealth dated September 24, 2014 "Re: Qualified small business corporation shares", (iii) an email from Smith to BDO dated February 2, 2015 "Re: Valuation Services" with a Balance Sheet and Profit and Loss of Crystal Wealth and (iv) Form 33-109F5-Change of Registration Information for Crystal Wealth dated November 8, 2016.

¹⁶ Attached as Exhibit "11" is a Corporation Profile Report for 115 Limited dated February 2, 2017. Exhibit 10 – Exhibit "A" to Form 33-109F5 disclosing percentage of voting securities of Crystal Wealth held by 115 Limited as 63.5%

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prudent professional investment funds manager would exercise in comparable circumstances.”¹⁷ This obligation is also codified in s. 116 of the Act.

22. Crystal Wealth also has obligations in its role as PM to the Crystal Wealth Funds. In that capacity, it is “responsible for execution of the Fund’s investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio.”¹⁸ Crystal Wealth’s advising representatives perform all portfolio management functions for the Crystal Wealth Funds “in-house” and, according to Crystal Wealth, as at June 28, 2016, there were four individuals registered with the firm as advising representatives and one individual registered as an associate advising representative.¹⁹

23. The majority of units in the Funds were sold pursuant to the accredited investor exemption in s. 73.3(2) of the Act and, where the purchasers resided outside of Ontario, pursuant to s. 2.3 of in National Instrument 45-106–*Prospectus Exemptions* (“NI 45-106”). Crystal Wealth has also relied on the minimum amount exemption in s. 2.10 of NI 45-106 (prior to May 5, 2015)²⁰ and the additional investment in investment funds exemption in s. 2.19 of NI 45-106.²¹

¹⁷ Attached as Exhibit “12” are excerpts from the OMs for each of the Crystal Wealth Funds.

¹⁸ Exhibit 12 - Excerpts from the OMs for each of the Crystal Wealth Funds

¹⁹ Exhibit 5 – Risk Assessment Questionnaire, Page 15 – IFM Section: Questions for Investment Fund Managers, Question 9 – Funds’ investment portfolios and Risk Assessment Questionnaire, Page 25 – Questions for Portfolio Managers and Restricted Portfolio Managers, Question 10 – Portfolio Managers

²⁰ The s. 2.10 exemption is no longer available to individual clients as of May 5, 2015

²¹ Generally speaking, an accredited investor is one who owns a prescribed minimum of net pre-tax financial assets of \$1,000,000, of net pre-tax assets of \$5,000,000 or has net pre-tax income of \$200,000;

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24. Crystal Wealth continues to manufacture new funds. In 2016, five new funds were created, the latest of which being is the Conscious Capital Fund.²²

25. Many of the Funds invest in illiquid securities in alternative asset classes, such as film loans, mortgages, medical receivables and factoring receivables.²³

vi. The Media Fund

26. The largest of the Crystal Wealth Funds is the Media Fund, which had an AUM of \$53,221,497 as at January 31, 2017.²⁴ Staff are aware of four OM's for the Media Fund.²⁵ Each of these OM's state that the Media Fund's investment objective "is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in asset-backed debt obligations of motion pictures and series television productions."²⁶

27. In 2016, the total sales of units in the Media Fund was \$31,725,749.08.²⁷

the minimum amount exemptions relates to a minimum investment of \$150,000; and the additional investment exemption relates to additional investments by an investor who has already invested a minimum of \$150,000 in an investment fund.

Attached as Exhibit "13" are (i) a listing of the reports of distribution, Form 45-106F1, submitted by Crystal Wealth indicating the exemptions relied on for sales of units of each of the Funds for the years 2014 to 2016 (ii) Forms 45-106F1 for the Crystal Wealth Funds for 2016.

²² Exhibit 13 – Forms 45-106F1 for the Sustainable Dividend Fund, Sustainable Property Fund, Hedge Fund, Infrastructure Fund and Conscious Capital Fund.

²³ Exhibit 12 – Excerpts of the Cover Pages for the OM's of the Media Fund, Medical Fund, Factoring Fund and Mortgage Fund.

²⁴ Exhibit 4 – Schedule of AUM's by Fund as at January 30, 2017.

²⁵ Attached as Exhibits "14, 15 and 16" are the August 31, 2012 OM (the "August 2012 OM") and the September 27, 2015 and May 6, 2016 OM's for the Media Fund, respectively.

²⁶ Exhibit 14 – August 2012 OM; Exhibit 15 – September 27, 2015 OM for the Media Fund; Exhibit 16 – May 6, 2016 OM for the Media Fund; and Exhibit 8 – November 21, 2016 OM for the Media Fund

²⁷ Exhibit 13 – Form 45-106F1 for the Media Fund for 2016.

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Nature of an Investment in Media Fund Units

28. The following is an overview of an investment in the Media Fund for a client with a discretionary account with Crystal Wealth:

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

MHC's Role for the Media Fund

29. MHC is described as "a management firm that specializes in film finance and production."²⁸ According to the Media Fund's August 2012 OM, MHC was to source potential investments for the Media Fund, and monitor those investments on an ongoing

²⁸ Exhibit 14 – August 2012 OM, Page 2

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basis. Specifically, according to the August 2012 OM, the “Fund currently intends to purchase the majority of its loans from MHC.”²⁹ MHC is not registered with the Commission and is based in Burnaby, British Columbia.³⁰

30. The Media Fund and MHC entered into a Production Loan Administration Agreement effective August 12, 2011 (the “PLAA”).³¹ Pursuant to the PLAA, MHC was required to:

- (i) evaluate and propose to the Media Fund production loan investments that it or its affiliates will have entered into;³²
- (ii) evaluate each loan investment according to prescribed due diligence guidelines;
- (iii) manage and service each loan purchased by the Media Fund, including managing, collection of payments of principal and interest;³³ and
- (iv) provide the Media Fund with monthly reports on the loans.³⁴

31. In return for its services, MHC charges a “loan facilitation fee” of up to 10% of the loan amount to the production company (the underlying borrower).³⁵ In other words, MHC receives the fee up front when the Media Fund purchases a film loan and the amounts are disbursed.

²⁹ Exhibit 14 – August 2012 OM, Page 2

³⁰ Exhibit 14 – August 2012 OM, Page 2

³¹ Attached as Exhibit “17” is the PLAA between the Media Fund and MHC effective as of August 12, 2011.

³² Exhibit 17 – PLAA, Page 3, Section 2.1

³³ Exhibit 17 – PLAA, Page 5, Section 4.1

³⁴ Exhibit 17 – PLAA, Pages 5-6, Section 4.2

³⁵ Exhibit 17 – PLAA, Page 7, Section 4.6

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32. The Media Fund has purchased 24 Film Loans from MHC, the most recent purchase being the Film Loan for "Childhood of a Leader" in January 2015. The Mortgage Fund has also purchased one Film Loan from MHC.³⁶

MHC, the Bron Companies, Gilbert and Thibault

33. Smith principally dealt with Aaron Gilbert ("Gilbert") and Stephen Thibault ("Thibault") of MHC regarding the purchase, monitoring and administration of the Film Loans.

34. For the period July 13, 2015 to April 7, 2016, MHC was named Bron Capital Partners Corp. and for the period January 11, 2011 to July 7, 2013 it was named Media House Capital (Canada) Corporation. Gilbert is the sole director of MHC.³⁷

35. Gilbert is the President and one of three directors of Bron Studios Inc. ("Bron Studios"), a British-Columbia based production company.³⁸

36. Bron Animation Inc. ("Bron Animation") is a company affiliated with Bron Studios.³⁹

37. Not only is Gilbert the sole director of MHC and a director of Bron Studios and Bron Animation, Gilbert plays a role in most of the films which are invested in by the

³⁶ Attached as Exhibits "18" and "19" are listings of Film Loans purchased by the Media Fund and the Mortgage Fund to date, which were produced by both Crystal Wealth and MHC, respectively, in response to Staff's summonses.

³⁷ Attached as Exhibit "20" are MHC's Federal Corporation Information, Extraprovincial Company Summary, and Corporation Profile Report.

³⁸ Attached as Exhibit "21" is Bron Studios' BC Company Summary

³⁹ Attached as Exhibit "22" are Bron Animation's BC Company Summary and Ontario Corporation Profile Report.

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Media Fund. Gilbert is listed as a producer or executive producer on 19 of the 25 film productions for which Film Loans have been purchased by the Media Fund and the Mortgage Fund. For five of the productions, he is a director or officer of the production company (the underlying borrowers).⁴⁰

38. Thibault is employed by MHC and is an Executive Vice President for Bron Media Corp., and formerly VP Finance at MHC.⁴¹

C. NET ASSET VALUE OF THE MEDIA FUND

39. At June 30, 2016, the Media Fund reported investments in Film Loans at fair value of \$50,557,162, representing 91.2% of total assets of the Media Fund.⁴²

Concerns that the NAV of the Media Fund is Overstated

40. I have reviewed certain documents relating to the audit of the 2015 Media Fund Financial Statements (the “2015 Media Fund Audit”) conducted by BDO Canada LLP (“BDO”). BDO concluded through the 2015 Media Fund Audit that there was a material difference between the estimated fair value of the Film Loans and their cost and that the assumption that cost approximates fair value is not reasonable.⁴³

⁴⁰ Attached as Exhibit “23” are a print out from the IMDb website of films for which Gilbert is the producer, also attached as Exhibit “24” are the corporation profile reports for five underlying borrowers indicating Gilbert’s positions with each of the production companies.

⁴¹ Attached as Exhibit “25” are Thibault’s biography from Bron Studios’ website <http://bronstudios.com/staff/steven-thibault/>, and the BC Company Summary for Bron Media Corp.

⁴² Attached as Exhibit “26” are the June 30, 2016 Unaudited Financial Statements of the Media Fund and the Financial Statements for the Media Fund for the year ended December 31, 2015 (the “2015 Media Fund Financial Statements”); At December 31, 2015 the investment in Film Loans at fair value was \$50,283,984, representing 86.3% of total assets.

⁴³ Attached as Exhibit “27” is the Highlights Report prepared by BDO with respect to the 2015 Media Fund Audit.

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41. As a result of my review of certain documents relating to the 2015 Media Fund Audit, I have concerns about the existence and valuation of the Film Loans. It appears that the NAV of the Media Fund may have been materially overstated.

42. For the existence of the Film Loans, BDO relied only on a confirmation from Thibault by e-mail dated April 2, 2016 regarding the outstanding principal and interest of the loans, rather than confirmations from the film production companies (the underlying borrowers).⁴⁴

43. In determining the fair value of the Film Loans, Crystal Wealth relied on expected future sales of the underlying films received from MHC.⁴⁵ BDO tested the accuracy of forecasted 2015 Film Loan receipts of \$31.8 million at December 31, 2014 by comparing them to the actual 2015 Film Loan receipts of \$6.6 million,⁴⁶ and found that actual receipts were \$25.2 million less than originally forecasted.⁴⁷

44. Based on my review of the 2015 audit file for the Media Fund, approximately \$4.5 million in NAV appears to have been unsupported by BDO's audit:

- a. The estimated fair value of the Film Loans recorded in the 2015 Media Fund Financial Statements included a value of \$1.5 million assigned to a guarantee from MHC (the "MHC Guarantee"). However, the MHC Guarantee was

⁴⁴ Attached as Exhibit "28" is an email from Smith dated March 7, 2016, entitled "Media Strategy Recovery Expectations" attaching a spreadsheet entitled "Media Loans – Summary at 31 Dec 2015". Attached as Exhibit "29" is a schedule of Media Loans Owned by Crystal Wealth Media Strategy as at December 31, 2015.

⁴⁵ Exhibit 34 – Audit of Estimates – FV of Media Loans, Page 1

⁴⁶ Exhibit 34 – Audit of Estimates – FV of Media Loans, Page 2

⁴⁷ Attached as Exhibit "30" is a copy of BDO's retrospective review for the Media Fund as at December 31, 2015.

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executed on March 31, 2016 and thus did not exist at the Media Fund's 2015 year end.⁴⁸

b. The book value of the Film Production Loans exceeded the estimated fair value range by \$2,943,337.⁴⁹ However, the excess was not adjusted in the 2015 Media Fund Financial Statements. Rather, it was reflected in the notes to the 2015 Media Fund Financial Statements "Potential change in valuation" of \$3.0 million.⁵⁰

45. BDO relied on MHC as an objective expert in their knowledge of the film industry and for independent confirmation with respect to the existence and collectability of the Film Loans.⁵¹ This is concerning, as further explained below.

46. Notwithstanding BDO's conclusion that based on its retrospective review, the forecasted 2015 Film Loan receipts "differed from actual by a material amount" further leading to a high degree of estimation uncertainty, BDO continued to rely on forecasted Film Loan receipts in the 2015 Media Loan Audit.⁵²

⁴⁸ Attached as Exhibit "31" are an email dated April 1, 2016, entitled "FW: MEDIA HOUSE GUARANTEE", attaching a guarantee letter to Smith from Gilbert dated March 31, 2016, obtained from BDO and a copy of the MHC Guarantee annotated by BDO obtained from the working papers prepared in connection with the 2015 Media Fund Audit (the "2015 Audit Working Papers").

⁴⁹ Exhibit 32 – spreadsheet "Fair Value of Media Loans" Excess of Book value over Low-end fair value range of 5,180,725 minus the provision of 2,237,389 equals 2,943,337 identified as "Range"

⁵⁰ Exhibit 26 – 2015 Media Fund Financial Statements, Page 16; Attached as Exhibit "29" is a spreadsheet obtained from the 2015 Audit Working Papers entitled "Fair Value of Media Loans".

⁵¹ Attached as Exhibit "33" is Document 2_07—"Use of Experts—Management" from the 2015 BDO Audit Working Papers.

Attached as Exhibit "34" is "Audit of Estimates—FV of Media Loans" from the 2015 BDO Audit Working Papers; Exhibit 34 – Audit of Estimates – FV of Media Loans, Page 1.

⁵² Exhibit 34 – Audit of Estimates – FV of Media Loans, Page 2

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Concerns that MHC may not be independent and collaborated with Smith to respond to BDO

47. As noted above, BDO relied on MHC as an objective expert in their knowledge of the film industry and for independent confirmation with respect to the existence and collectability of the Film Loans.

48. However, emails between Smith and MHC appear to show that they coordinated responses to BDO inquiries for the 2013, 2014 and 2015 Media Fund Audits.

49. In relation to the 2013 Media Fund Audit:

- (i) Smith noted to Thibault that one of the Media Fund's "pre-requisites is to have a 2:1 min coverage against low sales estimates." Smith continued, "yet the following do not have this coverage", and listed Foreverland, Lullaby and Electric Slide. Smith questioned if the figures were incorrect or if the loans were actually off-side. After Thibault responded to Smith's questions, **Smith replied to Thibault "I will play with the spreadsheet and send it back to you to send directly to the auditors so we are using the same one and so they get it directly from you."**⁵³
- (ii) Smith told MHC that "We have to get the paperwork in order ASAP for the Henchmen [film project] advances as the auditors will ask for it and the start Monday."⁵⁴

50. In relation to the 2014 Media Fund Audit:

- (i) Smith asked that MHC send to BDO a report of all media project loans administered by MHC on behalf of the Media Fund. BDO subsequently asked MHC for a copy of the MHC – CWSYMF Q4 Summary worksheet. Smith then asked Thibault **"If at all possible, could you please email the report to me to do a quick review**

⁵³ Attached as Exhibit "35" is the email chain between Smith and MHC dated February 13, 2014 "RE: CWSYMF RESULTS TRACKING – Q4 2013". Emphasis added.

⁵⁴ Attached as Exhibit "36" is the email chain between Smith and MHC dated February 23, 2014 "RE: Henchmen – Tax Credit Agreements".

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prior to sending to Selena just so I can catch anything that might jump out at her?”⁵⁵

51. In relation to the 2015 Media Fund Audit:

- (i) Smith wrote to Gilbert, “This is what I’m dealing with on this end. **I’m not going to write the fund down by another \$2 million in addition to the \$2.2 million I already have accrued as a loan loss provision, but as you can see, we are going to have to provide some significant support documents for the auditors** when they come third week in January to value Foreverland and Electric Slide at closer to what is owed us.”⁵⁶

Smith’s communications regarding the value of the Film Loans

52. Smith, Gilbert and Thibault appeared to acknowledge significant valuation issues with respect to certain Film Loans in the summer and fall of 2016. For instance, in an email dated August 3, 2016, Smith asked Gilbert if his interpretation of the expected receipts for the Film Loan for “Electric Slide” were correct, and if correct, whether it would mean a loss in value of \$3,686,000.⁵⁷

53. On August 9, 2016, six days later, Smith emailed Gilbert and Thibault, regarding “Sales Agent Conversations” related to the Film Loans. Smith wrote: “I have to admit **I wish the reports and expectations from the sales agents were more**

⁵⁵ Attached as Exhibit “37” is the email chain between Smith, BDO and MHC dated February 12, 2015 “Re: Year end summary for auditors”. Selena Mastroianni was a member of the BDO audit team. Emphasis added.

⁵⁶ Attached as Exhibit “38” is the email chain between Smith and MHC dated December 30, 2015 “Re: Crystal Wealth Media Fund”. Emphasis added.

⁵⁷ Attached as Exhibit “39” is an email from Smith to Gilbert, copying others, including Thibault, dated August 3, 2016, and attaching expected receipts for remaining territories.

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positive and optimistic and it looks like we'll have to write down a significant amount of our earlier loans.”⁵⁸

54. On November 17, 2016, Smith forwarded an email to Gilbert received from Paco Alvarez (“Alvarez”) on November 14, 2016, attaching notes of Alvarez’s meetings with sales agents and collection agents.⁵⁹ Alvarez was hired by Smith to assess the collectability of the Film Loans and assist with collections. Alvarez’s meeting notes raise concerns about the collectability of the outstanding principal and accrued interest of several of the Film Loans. Below is a table setting out the outstanding principal and interest on certain Film Loans owned by the Media Fund, and certain comments from Alvarez’s meeting notes regarding that film:

Film Loan	Outstanding Dec 16, 2016 ⁶⁰		Comments
	Principal	Interest	
Electric Slide	\$2,619,496	\$2,115,289	“Deal was for a \$500,000 MG, but only paid \$250,000. Movie didn’t perform, according to Kirk, nobody wants it.” ⁶¹
The Phenom	\$1,033,189	\$341,260	“Pascal claims Media House Capital will be paid back, mainly through US Deal ... Note: I don’t understand the math on how the loan will be retired” and “Pascal claims there are no more deals to be had.” ⁶²

⁵⁸ Attached as Exhibit “40” is an email from Smith to Gilbert and Thibault, copying others, dated August 9, 2016 “Sales Agent Conversations”. Emphasis added.

⁵⁹ Attached as Exhibit “41” are (i) an email from Smith to Gilbert dated November 17, 2016 “Fwd: AFM Meeting Notes” attaching “AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes” and (ii) a Schedule of Film Loan Outstanding Principal and Interest at December 16, 2016 with Fair Value Analysis

⁶⁰ Exhibit 41 - Schedule of Film Loan Outstanding Principal and Interest at December 16, 2016 with Fair Value Analysis

⁶¹ Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 1

⁶² Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 1

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Kill Me 3 Times	\$1,811,784	\$780,711	"not many unsold territories left: Greece, Spain, Italy." ⁶³
Welcome to Me	\$1,296,451	\$329,130	"not many unsold territories left: France, Greece, Spain, Italy." ⁶⁴
Miss Julie	\$1,283,336	\$753,352	"Not much potential on any of the movies, there[sic] were previously with other sales companies." ⁶⁵
Lullaby	\$2,488,134	\$2,025,608	
Elsa & Fred	\$1,752,602	\$850,722	
Childhood of A Leader	\$2,031,299	\$282,253	"Rest of the territories haven't responded to the movie, specially France" and "Trying to get digital deals, \$5 – 10K range." ⁶⁶

55. Regarding Electric Slide, Lullaby, and Elsa and Fred, Crystal Wealth has indicated that the estimated potential losses of \$825,038, \$141,124 and \$267,445, respectively are fully covered by a loan loss provision of \$2,253,113, as at December 16, 2016.⁶⁷

56. The NAV per unit of the Media Fund has remained relatively stable for each of series A and F units since their respective launches in 2011 and 2016, notwithstanding these communications about the collectability of the loans. For the period of September 3, 2011 to March 11, 2017, the NAV per series A unit of the Media Fund has been in the range of \$10 - \$10.26 per unit. Similarly, the NAV per series F unit of the Media

⁶³ Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 3

⁶⁴ Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 3

⁶⁵ Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 3

⁶⁶ Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 4

⁶⁷ Exhibit 41 - Schedule of Film Loan Outstanding Principal and Interest at December 16, 2016 with Fair Value Analysis

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Fund has been in the range of \$10 - \$10.15 for the period of September 10, 2016 to March 11, 2017.⁶⁸

57. If the Media Fund's NAV is incorrect by being overvalued, investors' purchases and redemptions of the Media Fund's units would have been executed at incorrect, inflated prices. In other words, those investors who redeemed their Media Fund units may have received excess proceeds to the detriment of remaining and new investors. Further, those new investors may have paid too much for their units. In addition, if the Media Fund's NAV is overstated, it would similarly impact Funds that were invested in the Media Fund, and potentially the NAVs of each of those Funds.

D. FAILURE TO DELIVER OR FILE FINANCIAL STATEMENTS

58. As a registered IFM, Crystal Wealth was required to file audited annual financial statements for the year ended December 31, 2016 by March 31, 2017.⁶⁹ The Crystal Wealth Funds were required to deliver their audited annual financial statements for the year ended December 31, 2016 by March 31, 2017.⁷⁰

59. I have been advised by Carmen Macoretta ("Macoretta"), a BDO senior manager, that the 2016 financial statements for Crystal Wealth and the Crystal Wealth

⁶⁸ Attached as Exhibit "42" is a chart prepared by Staff of the weekly NAV per unit of the Media Fund from September, 10, 2011 to March 11, 2017 based on data from Morningstar Canada, an independent investment research provider.

⁶⁹ Subsection 21.10(3) of the Act and sections 12.10 and 12.14 of National Instrument 31-103--*Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103").

⁷⁰ Sections 2.1 and 2.2 of National Instrument 81-106--*Investment Fund Continuous Disclosure* ("NI 81-106"). As the Funds are not prospectus-qualified, they need not deliver their financial statements with the Commission provided they satisfy the exemption in s. 2.11 of NI 81-106, which would allow the Funds to deliver their financial statements within 90 days of year end directly to securityholders.

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Funds were not delivered or filed prior to March 31, 2017.⁷¹ I was also advised by BDO that the reason why those financial statements were not delivered or filed is that BDO was unable to complete their audits of the 2016 financial statements for the Funds by March 31, 2017, other than for three Funds -- the Sustainable Dividend Fund, the Conscious Capital Fund, and the Enlightened Resource Fund. Collectively, these three Funds represented 4.8% of the AUM of the Crystal Wealth Funds at January 31, 2017.⁷²

60. I was advised by Macoretta that 2016 audits of the remaining Crystal Wealth Funds could not be completed because Crystal Wealth had not provided various items which BDO had requested. Macoretta provided a copy of BDO's Outstanding Items List as at April 7, 2017.⁷³

61. I was advised by Macoretta that towards the March 31, 2017 deadline, Smith's reactions to BDO's requests for information became "a lot more concerning, upsetting, aggressive". Smith sent an email to Macopretta dated March 31, 2017, copying Macorreta's superiors, stating:

With all due respect, it seems like you're deliberately trying to piss me off and block us from completing the financial statements. You have the original fully executed loan agreements between the two parties that outlines the security on each of the loans as well as the interest rates. I understand having to confirm with the other party the outstanding amounts at year end but that should be sufficient, and in prior years, it was ok to get

⁷¹ Attached at Exhibit "43" are excerpts of a compelled interview of Carmen Macoretta on April 12, 2017

⁷² Exhibit 4 - AUM by Fund as at January 30, 2017 -- AUM of the Sustainable Dividend Fund, the Conscious Capital Fund, and the Enlightened Resource Fund were \$5,948,550, \$401,305 and \$2,121,573, respectively. The total AUM of the three Funds of \$8,471,428 represents 4.8% of the total AUM of all the Crystal Wealth Funds of \$171,237,747

⁷³ Attached at Exhibit "44" is the Outstanding Items List dated April 7, 2017.

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these confirms after statements were issued if we were having trouble getting them on time from third parties.

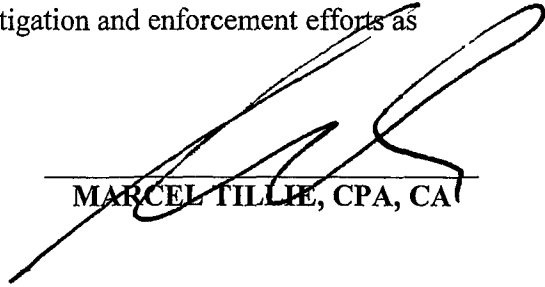
I've cc'd Scott and Rick, one of who I presume to be your superior, because I can't believe that they are ok with the nazi approach you are taking to our audit with no quarter given in any respect and I can't believe they are ok with your actions driving away my business for years to come.⁷⁴

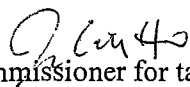
62. Macoretta also advised of a potential transaction involving the principal assets of the Media Fund arranged by Smith and Dale Wells ("Wells"), a former advisor with Crystal Wealth, who started a registered firm called Wells Asset Management in Alberta.⁷⁵ The transaction would involve the sale of six Film Loans owned by the Media Fund to Wells for approximately \$0.80 on the dollar. Wells had clients who were invested in the Media Fund. The objective of the transaction was for Wells to redeem his clients out of the Media Fund.⁷⁶ I am unaware of whether this transaction was consummated.

I make this affidavit in in furtherance of the investigation and enforcement efforts as authorized by the Commission.

SWORN BEFORE ME in the
City of Toronto, in the Province of
Ontario, this 17th day of April, 2017

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)
)


MARCEL TILLIE, CPA, CA


A Commissioner for taking affidavits

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario
Ontario Securities Commission.
Expires May 31, 2017.

⁷⁴ Attached at Exhibit "45" is a copy of the email from Smith to Macoretta dated March 31, 2017, copying Rick Chittley-Young and Scott Jarrett. Emphasis added.

⁷⁵ Attached as Exhibit "46" is a printout from NRD printed April 17, 2017, regarding Wells Asset Management

⁷⁶ Attached at Exhibit "47" is an email received by BDO from Smith dated March 30, 2017, forwarding an email dated February 9, 2017 from Dale Wells, copying Gilbert and Thibault, re: "Fwd: CW/Wells Movie Proposal" with an attached schedule "Final WAM Purchase of CW Movies.xlsx"; Attached at Exhibit "48" is an excerpt from the compelled examination of Macoretta held on April 12, 2017

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

- AND -

**CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED,
CLAYTON SMITH, CLJ EVEREST LTD and 1150752 ONTARIO LIMITED**

**AFFIDAVIT OF MICHAEL HO
(Sworn April 17, 2017)**

I, **MICHAEL HO**, of the City of Toronto, in the Province of Ontario, **MAKE
OATH AND SAY:**

A. BACKGROUND

1. I am a Senior Forensic Accountant with staff of the Enforcement Branch ("Staff") of the Ontario Securities Commission (the "Commission") and have been employed as an accountant in the Enforcement Branch since June 2005. I am a Chartered Professional Accountant and received my designation in 1998. I am a member of the Chartered Professional Accountants, Ontario.

2. I am a Senior Forensic Accountant assigned to the Crystal Wealth Management System Limited ("Crystal Wealth") file. As such, I have personal information of the matters referred to in this affidavit, save for those matters of which I have been advised and do believe.

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3. I have been involved in an investigation into the activities of Crystal Wealth and its principal, Clayton Smith ("Smith"), as well as the activities of companies connected to Smith, CLJ Everest Ltd ("CLJ Everest") and 1150752 Ontario Limited ("115 Limited"), in regard to certain investment funds managed by Crystal Wealth. Staff's investigation into these matters is ongoing.

4. Crystal Wealth is the Trustee, Manager, Portfolio Advisor and Promoter of Crystal Wealth Media Strategy (the "Media Fund"). The stated objective of the Media Fund is to generate a high level of interest income by investing in asset-backed debt obligations of movie and television productions. According to the offering memorandum for the Media Fund dated August 31, 2012 (the "August 2012 OM"), Crystal Wealth: (i) relies on the expertise of Media House Capital (Canada) Corp. ("MHC") to source potential film and television production loans for investment by the Fund and to monitor those investments on an ongoing basis; and (ii) purchases the majority of loans for the Media Fund from MHC.¹

5. The August 2012 OM states that the Media Fund would not be in the business of making loans directly, but rather would purchase existing loans "that have been made to

¹ Attached as Exhibit "1" is the confidential offering memorandum for the Crystal Wealth Strategic Yield Media Fund dated August 31, 2012. Subsequent to this OM, the Media Fund was renamed Crystal Wealth Media Strategy.

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independent producers used to fund a portion of the production costs to complete motion pictures and series television productions.”²

6. Smith is the controlling shareholder and the sole officer and director of Crystal Wealth. I have reviewed email correspondence between Smith, Aaron Gilbert (“Gilbert”), and Stephen Thibault (“Thibault”). Gilbert is the sole director of MHC, and is also the President and a director of Bron Studios Inc., a British Columbia based production company, and Bron Animation Inc. (“Bron Animation”), a company affiliated with Bron Studios. Thibault is Executive Vice President for Bron Media Corp., (formerly VP Finance at MHC).³

7. Based on the August 2012 OM for the Media Fund, I expected that the business model for investments by the Media Fund would be as follows:

- (i) MHC enters into agreements with film production companies to lend them money so that they can produce a film. The end borrower is the production house.
- (ii) MHC then sells those film loans to the Media Fund, and receives an up front 10% fee which is built into the principal of the film loan.⁴

² Exhibit 1 - confidential offering memorandum for the Crystal Wealth Strategic Yield Media Fund dated August 31, 2012 at p 2.

³ Attached as Exhibit “2” are copies of: Crystal Wealth’s Corporation Profile Report; Ownership of Securities and Derivatives for Crystal Wealth with effective dates of November 8, 2016 and August 13, 2012; MHC’s Federal Corporation Information, Extraprovincial Company Summary, and Corporation Profile Report; Bron Studios’ BC Company Summary; Bron Animation’s BC Company Summary and Ontario Corporation Profile Report; BC Company Summary for Bron Media Corp. and Thibault’s biography from Bron Studios’ website.

⁴ Exhibit 1 - confidential offering memorandum for the Crystal Wealth Strategic Yield Media Fund dated August 31, 2012.

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8. I discovered a spreadsheet which sets out the names of five film productions for which the Media Fund owns film loans. The spreadsheet appears to indicate that Smith and others associated with him are the underlying borrowers rather than the production companies as I would have expected.

9. I then reviewed bank documents which appears to corroborate that some of the advances reflected on the spreadsheet were paid through an intermediary to Smith and CLJ Everest. I also discovered that CLJ Everest used some of the money to purchase a residential property.

B. THE SPREADSHEET

10. I have reviewed an email chain which ended on September 18, 2015, between Smith and Thibault. The email chain attaches a spreadsheet titled "LOAN PORTFOLIO.xlsx", which in turn refers to film productions for which the Media Fund purported to purchase film loans from MHC (the "Spreadsheet").

11. The file information for the Spreadsheet indicates, among other things: "Author Clayton Smith".⁵

12. The Spreadsheet refers to five film projects – Henchmen, Kingdom, Mercy, Mighty Mighty Monsters and Hunters of the Stars (the "Five Film Projects") – that were purportedly financed with film loans purchased by the Media Fund. The names of the Five Film Projects correspond to five projects listed in schedules of film loans, which

⁵ A copy of the screenshot with the file information for the Spreadsheet is attached as Exhibit "3".

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were provided to Staff by Crystal Wealth and MHC.⁶ These schedules indicate that the Media Fund purchased loans in respect of the Five Film Projects between September 17, 2013 and November 4, 2014.⁷

13. These schedules of film loans, provided by Crystal Wealth and MHC, indicate that the underlying borrowers for the Five Film Projects are: Henchmen Production(s) Inc., Kingdom Productions Inc., Mercy Productions Inc., Mighty Productions 3 Inc. and Star Hunters 1 Productions Inc.

14. However, the Spreadsheet contains a summary page which does not refer to the film production companies as the underlying borrowers for those films, as one would expect to see based on the August 2012 OM and the Crystal Wealth and MHC Film Loan Schedules. Instead, the borrowers appear to be:

- (i) Smith;
- (ii) Smith's company, CLJ Everest;⁸
- (iii) a yoga studio co-founded by Smith, Chrysalis Yoga Inc. ("Chrysalis Yoga");⁹

⁶ A copy of the Crystal Wealth Film Loan Schedule produced by Crystal Wealth to Staff is attached as Exhibit "4". [BLG0000003] A copy of the MHC Film Loan Schedule produced by MHC to Staff is attached as Exhibit "5". [FAS0000002]

⁷ The MHC Film Loan Schedule shows the date of the last Film Project, Kingdom as being October 23, 2014. The Crystal Wealth Film Loan Schedule shows the date of the last Film Project as being November 4, 2014.

⁸ A copy of TD Bank's customer information enquiry in relation to CLJ Everest is attached as Exhibit "6".

⁹ A copy of a printout from the Chrysalis Yoga website is attached as Exhibit "7".

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- (iv) Crystal Wealth Mortgage Strategy (the "Mortgage Fund"), another fund managed by Crystal Wealth; and
- (v) Gilbert or MHC itself.¹⁰

15. In addition to their roles with MHC, the lender, Gilbert and Thibault appear to have a role with each of the purported film production companies for each of the Five Film Projects. Gilbert is a director of all of the underlying borrower production companies, and an officer for one underlying borrower production company (Mighty Productions 3 Inc.). Thibault is an officer for one production company (Star Hunters 1 Productions Inc.).¹¹

16. Both Gilbert and Thibault, appear to have signed loan documents not only on behalf of the underlying borrower production companies for the Five Film Projects, but also on behalf of MHC, the purported lender to the Five Film Projects. Gilbert and Thibault's names are listed under signatures on the Promissory Note for "Hunters of the

¹⁰ Copies of the e-mail chain dated September 18, 2015 and the attached spreadsheet titled "LOAN PORTFOLIO.xlsx" (the "Spreadsheet") produced by MHC to Staff are attached as Exhibit "8". [E-mail DIS01_000867; Spreadsheet DIS01_000868]

¹¹ A copy of the BC Company Summary for Henchmen Productions Inc. dated March 28, 2017 is attached as Exhibit "9". [OSC0000663]

Gilbert is listed as the sole director of. A copy of the BC Company Summary for Kingdom Productions Inc. dated October 21, 2016 is attached as Exhibit "10". [OSC0000531]

A copy of the BC Company Summary for Mercy Productions Inc., now Para Productions BC Inc. dated October 21, 2016 is attached as Exhibit "11". [OSC0000509]

A copy of the BC Company Summary for Mighty Productions 3 Inc. dated March 28, 2017 is attached as Exhibit "12". [OSC0000661]

A copy of the BC Company Summary for Star Hunters 1 Productions Inc. dated October 21, 2016 is attached as Exhibit "13"; [OSC0000578]

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Stars” dated August 21, 2014. Similar signatures appear on both the borrower and MHC signature lines of certain loan documents for each of the other Five Film Projects.¹²

17. The Spreadsheet does not appear to reflect the business model presented in the OM which indicates the Media Fund purchased loans that MHC made to independent producers of motion pictures and television series. Instead, in respect of the Five Film Projects, the Spreadsheet appears to show that the Media Fund lent money to Smith, Smith’s company, CLJ Everest, the Mortgage Fund, Gilbert or MHC itself and Chrysalis Yoga. In other words, the Spreadsheet suggests that Media Fund monies were provided to Smith and the other parties listed thereon.

C. ANALYSIS OF PAYMENTS

18. In order to determine whether the flow of funds occurred as suggested by the Spreadsheet, I reviewed banking documents, email correspondence and other documents.

¹² Henchmen CAD - Tax Credit Loan and Security Agreement dated October 7, 2013, a copy of which is attached as Exhibit “14”. [FAS0000136]

Henchmen USD - Tax Credit Loan and Security Agreement dated September 17, 2013, a copy of which is attached as Exhibit “15”. [FAS0000135]

Kingdom - Loan and Security Agreement dated October 23, 2014, a copy of which is attached as Exhibit “16”. [FAS0000151]

Mercy - Loan and Security Agreement dated October 23, 2014, a copy of which is attached as Exhibit “17”. [FAS0000162]

Mighty Monsters - Tax Credit Loan and Security Agreement dated October 16, 2014, a copy of which is attached as Exhibit “18”. [FAS0000167]

Hunters of the Stars - Promissory Note dated August 21, 2014, a copy of which is attached as Exhibit “19”. [FAS0000138]

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19. As further expanded below, my analysis of the advances reflected on the Spreadsheet shows that monies from the Media Fund, purportedly for the purchase of film loans, have flowed through either MHC or Bron Animation, and ultimately into the accounts of Smith, CLJ Everest, Chrysalis Yoga and a joint account at TD Bank in the name of Smith and Lee Ann Smith (the "Smith Joint TD Account").¹³

20. I identified \$9,634,200 disbursed from the Media Fund's account at National Bank Correspondent's Network ("NBCN"), corresponding to advances listed on the Spreadsheet. Those advances were sent to the accounts of either MHC or Bron Animation. From there, I have traced \$329,930 which was transferred into the account of Smith, and \$2,307,347.50 into the account of Smith's company, CLJ Everest. I have traced further transfers from the accounts of Smith and CLJ Everest totalling \$187,000 to Chrysalis Yoga and at least \$13,000 to the Smith Joint TD Account.

21. I prepared a schedule addressing cash flows for the Henchmen film project (the "Henchmen Film Project Schedule")¹⁴ and a schedule addressing cash flows for the

¹³ TD Bank account 523771 0122. Lee-Ann Smith was described as Smith's "Common-Law" spouse in his Uniform Application of Registration/Approval dated February 10, 1998 and filed with the Commission, a copy of which is attached at as Exhibit "20".

¹⁴ A copy of the Henchmen Film Project Schedule is attached as Exhibit "21". I prepared this schedule in reliance on the following:

- Account statements for the Media Fund NBCN Account (defined below) for the months of October and November 2013 and January to June 2014, copies of are attached as Exhibit "22". [NBC456, 455, 13, 10, 22, 2, 25 and 19]
- Account statement for the Bron Animation Account (defined below) for the period of January 1, 2013 to March 27, 2017, a copy of is attached as Exhibit "23". [EML0002465] A copy of the RBC client profile for Bron Animation which is attached as Exhibit "24". [RBC0000871, pp15-17]

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Mercy and Kingdom film projects (the "Mercy and Kingdom Film Projects Schedule").¹⁵ In preparing these schedules, I relied on account statements from various financial institutions as well as supporting documents. Where possible, I have identified the source document I relied on by Document Identification number (or "DocID"). I have also reviewed and relied on certain email correspondence as identified below.

22. My review of advances reflected on the Spreadsheet is not yet complete. I am still investigating advances reflected on the Spreadsheet, including advances purportedly related to the Mighty Mighty Monsters and Hunters of the Stars Film Projects.

-
- Account statement for Smith's TD Account (defined below) for the period of January 1, 2014 to November 9, 2016, a copy of is attached as Exhibit "25". [EML0000971]

¹⁵ A copy of the Mercy and Kingdom Film Projects Schedule is attached as Exhibit "26". I prepared this schedule in reliance on the following The documents I relied on to prepare this schedule are:

- Account statements for Media Fund NBCN Account (defined below) for the months of October, November and December 2014 and January 2015, copies of which are attached at Exhibit "27". [NBC000030, 28, 8 and 14]
- Account statements for the MHC RBC Account (defined below) for the period of January 1, 2013 to March 27, 2017, a copy of which is attached at Exhibit "28". [RBC0000866] A copy of the RBC client profile for MHC which is attached as Exhibit 29. [RBC0000871, pp 4-6]
- Account statements for the CLJ Everest TD Account (defined below) for for the period of January 1, 2014 to November 9, 2016, a copy of which is attached at Exhibit "30". [TDB000376]

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(i) **The Henchmen Film Project (CAD)**¹⁶

23. Although the August 2012 OM states that film loans would be made to independent producers, the Spreadsheet shows nine advances from the Media Fund totalling \$2,390,000, allocated among MHC, Mortgage Fund and Smith.

24. The Henchmen Film Project Schedule I prepared establishes the following which is derived from bank documentation:¹⁷

- (i) \$2,390,000 was transferred from the Media Fund's NBCN account 27Q003E (the "Media Fund NBCN Account") to Bron Animation's Royal Bank of Canada account 1407881 (the "Bron Animation RBC Account"); and
- (ii) of the \$2,390,000 transferred to Bron Animation Account, \$329,930 was transferred to Smith's TD Canada Trust account 6045439 ("Smith's TD Account"), which was funded, at least in part, with monies Bron Animation received from the Media Fund.

25. I performed an analysis of the Smith TD Account to determine how funds transferred to it from the Bron Animation RBC Account were used (the "Smith TD Account Analysis").¹⁸ My analysis of Smith's TD Account shows that the following

¹⁶ This section addresses the Henchmen CAD Tab of the Spreadsheet.

¹⁷ Exhibit 21 - Henchmen Film Project Schedule.

¹⁸ A copy of the Smith TD Account Analysis is attached as Exhibit "31". I relied on the following supporting documents to prepare this analysis:

- Exhibit 25 - Account statements for Smith's TD Account for the period of January 1, 2014 to November 9, 2016. [EML0000971]
- Supporting documents for certain transactions in Smith's TD Account, copies of which are attached at Exhibit "32" to this affidavit. [TDB0000379 - 385, 391-396]

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disbursements were made from this TD Account using, at least in part, the \$329,930 received from Bron Animation¹⁹:

- (i) credit card payments totalling \$118,300;²⁰
- (ii) transfers in the amount of \$13,000 to the Smith Joint TD Account;
- (iii) transfers to Chrysalis Yoga totalling \$87,000;
- (iv) an RSP contribution to an account held at NBCN, in the amount of \$80,000;²¹
- (v) a transfer to 115 Limited, a company wholly owned by CLJ Everest, for which Smith is the sole officer and director, in the amount of \$17,500;²² and
- (vi) transfers to Crystal Wealth totalling \$30,000.

26. My review of email correspondence and other documents indicates that of the \$2,390,000 transferred to Bron Animation, \$500,000 appears to have been used to buy a Mortgage named "Tasci" owned by the Mortgage Fund. This \$500,000 advance is discussed in greater detail below.

-
- Account statements for the Smith Joint TD Account for the period of January 1, 2014 to November 7, 2016, a copy of which is attached at Exhibit "33" to this affidavit. [EML0002467]
 - Account statements for Crystal Wealth's TD Bank account 5004279 for the period of January 1, 2013 to November 9, 2016, a copy of which is attached at Exhibit "34" to this affidavit. [EML0000579]
 - Account statements for the Chrysalis Yoga Scotiabank Account (defined below) for the month of February 2014, a copy of which is attached at Exhibit "35" to this affidavit. [SCB0000239]

¹⁹ Exhibit 31 - Smith TD Account Analysis.

²⁰ I am not aware of whose credit card was paid.

²¹ I am not aware of whose RSP account received this contribution.

²² A copy of the Corporation Profile Report for 1150752 Ontario Limited is attached as Exhibit "36".

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Payments to Smith's TD Account totalling \$329,930

27. **Transfer 1:** Bank documents show that: on February 11, 2014, the Media Fund transferred \$50,000 out of the Media Fund NBCN Account;²³ on February 12, 2014, a receipt of \$50,000 was reflected in the Bron Animation RBC Account;²⁴ and on February 13, 2014 \$50,000 was transferred from the Bron Animation Account to Smith's TD Account.²⁵

28. Email correspondence between Smith and Thibault dated February 12, 2014 supports the bank documents which show that \$50,000 was transmitted from the Media Fund to Bron Animation, and ultimately to Smith. On February 12, 2014, Smith wrote to Thibault, and provided account information for Smith's TD Bank Account. Thibault asked, "When did you wire the funds to us and which account?" Smith replied that it went to an RBC account. Later the same day, Smith also wrote to Thibault: **"...I just need the money in my account by tomorrow so it probably has to be initiated by you today."** Thibault responded the same day: **"Hi Clayton, We have initiated the wire – you should receive this tomorrow AM. Thanks!"**²⁶

²³ Exhibit 21 - Henchmen Film Project Schedule.

²⁴ Exhibit 21 - Henchmen Film Project Schedule.

²⁵ Exhibit 31 - Smith TD Account Analysis. The amount of 49,982.50 appears on Smith's bank statements, which reflects a deduction of \$17.50 for commissions.

²⁶ A copy of the e-mail chain dated February 12, 2014 from Smith to Thibault produced by MHC to Staff is attached as Exhibit "37". [DIS01_1685]

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29. On February 13, 2014 Thibault wrote to Smith, confirming a wire transfer had been sent from Bron Animation to Smith's TD Account. Thibault attached a Wire Activity Detail Report which indicated that the payment was approved by Gilbert and Thibault.²⁷

30. On February 14, 2014, the day after \$50,000 was wired into Smith's TD Account from Bron Animation, a bank draft in the amount of \$32,000 was issued from Smith's TD Account payable to Chrysalis Yoga, which appears to have been deposited in Chrysalis Yoga's Scotiabank account 87296 00518 10 (the "Chrysalis Yoga Scotiabank Account").²⁸

31. **Transfer 2:** Banking documents show the following. On February 25, 2014, \$350,000 was transferred from the Media Fund NBCN Account.²⁹ On February 26, 2014, the Bron Animation RBC Account received a \$350,000 incoming wire payment with the message "TT CRYSTAL WEAL".³⁰ On February 27, 2014, \$50,000 was wired from the Bron Animation RBC Account to Smith's TD Account.³¹ On February 28, 2014, \$6,000 was transferred from Smith's TD Account to the Smith Joint TD

²⁷ Copies of the e-mail chain dated February 13, 2014 and attached Wire Activity - Detail Report dated February 13, 2014 produced by MHC to Staff are attached as Exhibit "38". [DIS01_1962; 1963]

²⁸ Exhibit 31 - Smith TD Account Analysis.

²⁹ Exhibit 21 - Henchmen Film Project Schedule.

³⁰ Exhibit 21 - Henchmen Film Project Schedule.

³¹ Exhibit 31 - Smith TD Account Analysis.

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Account.³² The \$6,000 was funded, at least in part, by the wire transfer Smith received from Bron Animation on February 27, 2014.

32. Email correspondence between Smith and Thibault dated February 27, 2014 supports the bank documents which show that Smith transferred \$350,000 from the Media Fund to Bron Animation. In an e-mail dated February 27, 2014 subject line "CONFIRM WIRE TRANSFER DETAILS", Smith wrote to Thibault **"Hi Steven, Please confirm the attached is correct so when I send you the next tranche it gets to the right account quicker."** Smith attached an NBCN "Funds Out" document dated February 25, 2014 created by Smith which referred to a payment of \$350,000 to the Bron Animation RBC Account, and listed under payment details "CWSYMF – HENCHMENT TAX CREDIT".³³

33. The same day, Thibault responded to Smith, attaching incoming wire instructions for the Bron Animation RBC Account and a Bron Animation USD account at RBC.³⁴

34. **Transfer 3:** Bank documents show that: on April 25, 2014, \$80,000 was transferred from the Media Fund NBCN Account;³⁵ the same day the Bron Animation

³² Exhibit 31 - Smith TD Account Analysis.

³³ Copies of the e-mail dated February 27, 2014 from Smith to Thibault and the attached NBCN "Funds Out" document dated February 25, 2014 produced by MHC to Staff are attached as Exhibit "39". [DIS01_1664; 1665]

³⁴ Copies of the e-mail chain dated February 27, 2017 from Thibault to Smith and RBC Wire information document produced by MHC to Staff are attached as Exhibit "40". [DIS01_1945; 1946]

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RBC Account received an \$80,000 incoming wire payment with the message "TT CRYSTAL WEAL";³⁶ and on April 28, 2014, \$80,000 was wired from the Bron Animation RBC Account to Smith's TD Account.³⁷

35. **Transfer 4:** Bank documents show the following. On May 13, 2014, \$150,000 was transferred from the Media Fund NBCN Account.³⁸ On the same day, the Bron Animation RBC Account received a \$150,000 incoming wire payment with the message "TT CRYSTAL WEAL".³⁹ On May 14, 2014, \$150,000 was wired from the Bron Animation RBC Account to Smith's TD Account and on the same day \$7,000 was transferred from Smith's TD Account to the Smith Joint TD Account.⁴⁰ The \$7,000 was funded, at least in part, by the \$149,982.50 wire transfer received on the same day.

The Tasci Mortgage Advance

36. As set out in greater detail below, it appears that Media Fund monies may have been used to buy out a mortgage apparently owned by another Crystal Wealth fund, the Mortgage Fund.

³⁵ Exhibit 21 - Henchmen Film Project Schedule.

³⁶ Exhibit 21 - Henchmen Film Project Schedule.

³⁷ Exhibit 31 - Smith TD Account Analysis.

³⁸ Exhibit 21 - Henchmen Film Project Schedule.

³⁹ Exhibit 21 - Henchmen Film Project Schedule.

⁴⁰ Exhibit 31 - Smith TD Account Analysis.

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37. The Henchmen CAD tab of the Spreadsheet indicates that on November 28, 2013, \$500,000 was advanced and the "Mortgage Fund Principal" column increased from \$0 to \$500,000. There is an embedded comment on the cell with the \$500,000 under the Mortgage Fund Principal column that states, **"Clayton Smith: buy out tasci mortgage \$496,619.98"**.

38. My review of the banking documents indicates that on November 28, 2013, \$500,000 was transferred from the Media Fund NBCN account.⁴¹ On the same day the Bron Animation RBC Account received a \$500,000 wire.⁴² On December 5, 2013, \$500,000 was transferred out of the Bron Animation RBC Account.⁴³

39. We are investigating where the \$500,000 transfer from the Bron Animation RBC Account went. However, other documentation I have reviewed appears to suggest that the \$500,000 transferred out of the Bron Animation RBC Account on December 5, 2013 was used to buy out a mortgage owned by the Mortgage Fund.

40. On December 6, 2013, Margot Hand ("Hand"), a representative of MHC, sent an e-mail to Smith, copying Thibault, and Gilbert with the subject line "Henchmen-Tax Credit Agreements" which stated "See attached the draft Henchmen tax agreement and promissory note for your review." In the same email chain, on January 15, 2014, Hand sent an email to Smith stating, "I never received this back signed," attaching a

⁴¹ Exhibit 21 - Henchmen Film Project Schedule.

⁴² Exhibit 21 - Henchmen Film Project Schedule.

⁴³ Exhibit 21 - Henchmen Film Project Schedule.

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promissory note and a financing agreement.⁴⁴ The attached unsigned promissory note and financing agreement outlined terms for the Media Fund to lend \$900,000 to Henchmen Productions Inc.⁴⁵ Two comments in the financing agreement state **“Needs to match mortgage purchase”** and **“Needs to match mortgage purchase agreement”**.⁴⁶

41. On February 23, 2014, Smith responded to Hand's January 15, 2014 e-mail, stating **“We have to get the paperwork in order ASAP for the Henchmen advances as the auditors will ask for it and they start Monday. I apologize for dropping the ball on this.”** Smith wrote that the Media Fund could not lend directly to a borrower, but had to purchase already existing loans from MHC. Smith asked Hand, **“Could you get Adam to prepare paperwork similar to the other loans but in such a form that allows for multiple advances as we have moved money on several occasions for Henchmen.”**⁴⁷

42. The emails between Hand and Smith suggest that the Henchmen film loan agreements were being prepared in February 2014. This is in contrast with loan

⁴⁴ Copies of the email chain dated January 15, 2014 and unsigned Promissory Note and Loan Agreement produced by MHC to Staff are attached as Exhibit “41”. [DIS01_001719, 1720 and 1721]

⁴⁵ Before January 15, 2014, the Media Fund had advanced \$900,000 to the Bron Animation RBC Account (\$400,000 on October 17, 2013 and the \$500,000 on November 28, 2013). See Exhibit 21 - Henchmen Film Project Schedule

⁴⁶ Exhibit “41” - Email chain dated January 15, 2014 and unsigned Promissory Note and Loan Agreement produced by MHC to Staff. [DIS01_001719, 1720 and 1721]

⁴⁷ Copies of the email chain dated February 23, 2014 produced by MHC to Staff are attached as Exhibit “42”. [DIS01_001672]

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documentation Crystal Wealth produced to Staff regarding the Henchmen film loan which suggests the agreements were entered into on October 7, 2013. Crystal Wealth produced:

- (i) a Purchase Notice dated October 7, 2013 that appears to have been signed by Smith, which suggests that the Media Fund acquired from MHC a loan of \$2,390,000 to Henchmen Productions Inc.⁴⁸
- (ii) a Supplement to Master Assignment Agreement dated October 7, 2013 between the Media Fund and MHC which states that MHC sold the Media Fund a film loan in the amount of \$2,390,000, and appears to have been signed by Smith, Gilbert and Thibault;⁴⁹
- (iii) and a Tax Credit Loan and Security Agreement between MHC and the underlying borrower, Henchmen Productions Inc., in the amount of \$2,390,000 dated October 7, 2013 that appears to have been signed by Gilbert and Thibault on behalf of MHC and Henchmen Productions Inc.⁵⁰

43. Another document I reviewed appears to indicate that the Mortgage Fund owned a mortgage called "tasci." On February 9, 2016, Smith sent an e-mail to Selena Mastroianni ("Mastroianni") subject "Crystal Wealth Mortgage Strategy Detailed Residential Mortgage Listing", and attached a spreadsheet entitled "CWMortgage Strategy Detailed Residential Mortgages.xls" (the "Mortgage Fund Spreadsheet").⁵¹

⁴⁸ Purchase Notice dated October 7, 2013 indicating "Purchase Price to be paid on Closing Date: CDN \$2,390,000", a copy of which is attached as Exhibit "43". [BLG0000379]

⁴⁹ Supplement to Master Assignment Agreement dated October 7, 2013, a copy of which is attached as Exhibit "44". [BLG0000062]

⁵⁰ Tax Credit Loan and Security Agreement dated as of October 7, 2013, a copy of which is attached as Exhibit "45". [BLG0000136]

⁵¹ Copies of the e-mail dated February 9, 2016 and an excerpt of the spreadsheet produced by BDO Canada LLP to Staff is attached as Exhibit "46". [BDO0012036, BDO0012037].

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Mastroianni is a representative of BDO who was involved in the audit of the financial statements of the Mortgage Fund for the year ended December 31, 2015. The Mortgage Fund Spreadsheet refers to **"Tasci, Kris, Paid Out Date December 7 2013"** under the "PAID OUT" column.⁵² The amount of principal and interest received on the Mortgage Fund Spreadsheet for Tasci is listed as \$496,619.98. The same amount appears in the comment on the Spreadsheet, which stated **"Clayton Smith: buy out tasci mortgage \$496,619.98"**.

44. An email from Smith to Thibault dated May 4, 2016, also appears to indicate that monies related to the Henchmen CAD film loan were used to buy a mortgage from the Mortgage Fund. Smith forwarded to Thibault an email exchange between Smith and a representative of Liberty Mortgage Services Limited ("Liberty") regarding a wire transfer from Liberty to "BSI". Smith wrote: **"Hi Steven, If you did receive this amount, ideally you could use it plus the amount I just sent you \$5,582 to send back to Media Strategy account at NBCN as a payment against Henchmen CAD since we used \$500,000 of that to buy mortgages from the mortgage fund...."**⁵³

(ii) **The Mercy and Kingdom Film Projects**

45. The Mercy and Kingdom tabs of the Spreadsheet show advances allocated among borrowers other than the film production companies I would have expected to see based on the August 2012 OM. The Mercy tab of the Spreadsheet shows two

⁵² Exhibit 46 - e-mail dated February 9, 2016 and an excerpt of the spreadsheet produced by BDO Canada LLP to Staff.

⁵³ A copy of the e-mail dated May 4, 2015 is attached as Exhibit "47". [DIS01_000818]

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advances totalling \$4,347,200, allocated among Smith, Smith's company, CLJ Everest, Gilbert, the Mortgage Fund and Chrysalis Yoga. The Kingdom tab of the Spreadsheet shows two advances totalling \$2,897,000, allocated among Gilbert, the Mortgage Fund, and Smith's company, CLJ Everest.

46. Banking documents I have reviewed indicate the following as set out on the Mercy and Kingdom Film Projects Schedule I prepared:

- (i) \$7,244,200 was transferred from the Media Fund to MHC;
- (ii) \$2,307,347.50 was transferred from MHC to CLJ Everest;
- (iii) \$3,609,731.83 was transferred from MHC to Spectrum Canada Mortgage Services Inc. ("Spectrum")⁵⁴, a service provider for the Mortgage Fund.

47. I performed an analysis of the the TD Bank account 5002640 of Smith's company, CLJ Everest, (the "CLJ TD Account") which analyzed how funds transferred to it from MHC's RBC account 1407402 (the "MHC RBC Account"), were used (the "CLJ TD Account Analysis").⁵⁵ My analysis shows that the \$2,307,347.50 received from MHC was spent in the following manner:⁵⁶

⁵⁴ Exhibit 26 - Mercy and Kingdom Film Projects Schedule.

⁵⁵ A copy of the CLJ TD Account Analysis is attached as Exhibit "48". I relied on the following supporting documents to prepare this analysis:

- Exhibit 30 - CLJ Everest TD Account Statements for the period of January 1, 2013 to March 31, 2017. [TDB000376]
- Supporting documents for certain transactions in the CLJ Everest TD Account, copies of which are attached at Exhibit "49". [TDB000398 – TDB000415]

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- (i) \$1,255,585.13 went to Brechin and Huffman, in trust, which I later determined was related to the purchase of residential property for Smith at 5043 Mount Nemo Cres. in Burlington, ON (the "Mount Nemo Property", discussed in greater detail below);
- (ii) \$200,000 was paid to Sutton Group – Summit Realty Inc. in trust for the Mount Nemo Property;
- (iii) \$150,000 was transferred to Crystal Wealth;
- (iv) \$195,000 was transferred to Smith's TD Account;
- (v) \$100,000 was transferred to the Chrysalis Yoga Scotiabank Account;
and
- (vi) \$353,000 was transferred to Spectrum.

48. Spectrum and an affiliate agreed to provide mortgage administration and servicing services to Crystal Wealth and the Mortgage Fund.⁵⁷

-
- Exhibit 34 - Account statement for the Crystal Wealth's TD Bank account 5004279 for the period of January 1, 2013 to November 9, 2016. [EML000579]
 - Exhibit 25 - Account Statements for Smith's TD Account for the period of January 1, 2013 to November 9, 2016. [EML0000971]
 - Account statements for Chrysalis Yoga's Scotiabank Account for the month of Dec 2014, copies of which are attached at Exhibit "50". [SCB0000522]
 - Statements for the account of Crystal Wealth Marketing Inc. for TD Bank Account 5008285 for the period of July 24, 2014 to December 30, 2016, copies of which are attached at Exhibit "51". [EML0000580, TDB0000368]

⁵⁶ Apart from \$9,333.33 which was deposited into the CLJ TD Account during the period I analysed, there were no other sources of funds in the CLJ TD Account apart from those received from MHC.

⁵⁷ A copy of the Mortgage Procurement and Administration Agreement among Crystal Wealth, the Mortgage Fund, Spectrum-Canada Capital (2002) Corporation and Spectrum dated March 10, 2010 is attached Exhibit "52". [EML0000479]

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49. Email correspondence also supports the bank documents which show Media Fund monies flowing to Spectrum. In an e-mail dated October 30, 2014 Smith directed Thibault to wire \$2,430,207.83 to Spectrum and \$106,268.17 to Carol Matthews, who appears to be the owner of Spectrum.⁵⁸ In the email, Smith also appeared to set out an accounting for the funds to be wired and wrote:

Tracking:

\$2,632,000 Mercy Loan

\$2,536,476 Total of wires

\$95,524 Balance to be applied to next set of transactions.⁵⁹

50. Consistent with Smith's email to Thibault, \$106,268.17 was transferred from the MHC RBC Account to Carol Matthews on October 30, 2014, the date of the email. MHC also sent a wire to Spectrum on October 30, 2014, however the amount transferred, \$2,057,731.83, differs from that set out in Smith's email.⁶⁰

(iii) Status of Loans and Production for the Five Film Projects

51. As of December 16, 2016, there had been no payments of principal or interest on any of the film loans owned by the Media Fund for the Five Film Projects.⁶¹

⁵⁸ A copy of Carol Matthews' Linked In profile is attached as Exhibit "53".

⁵⁹ A copy of the e-mail dated October 30, 2014 produced by MHC is attached as Exhibit "54". [DIS01_1356]

⁶⁰ Exhibit 26 - Mercy and Kingdom Film Projects Schedule.

⁶¹ In response to a summons, Crystal Wealth provided a schedule of payments received on each of the Film Loans owned by the Media Fund as at December 16, 2016, a copy of which is attached as Exhibit

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52. Each of the film loans for the Five Film Projects is past the loan maturity dates set out in the Crystal Wealth Film Loan Schedule and the MHC Film Loan Schedule.

According to these schedules:

- (i) the Henchmen CAD film loan matured in April 2015;
- (ii) the Kingdom, Mercy and Mighty Mighty Monsters film loans matured in April or May of 2016; and
- (iii) the Hunters of the Stars film loan matured at the latest in February 19, 2016.⁶²

53. The Crystal Wealth Film Loan Schedule and the MHC Film Loan Schedule produced to Staff contain inconsistent information regarding the status of production on four of the Five Film Projects:

- (i) According to Crystal Wealth, the Kingdom Film Project is in post production, but according to MHC, the Kingdom Film Project is in pre-production.
- (ii) According to Crystal Wealth, the Mercy Film Project is in post production, but according to MHC, the Mercy Film Project is in production.
- (iii) According to Crystal Wealth, the Mighty Mighty Monsters Film Project was released in December 2013,⁶³ but according to MHC, the Mighty Mighty Monsters Film Project is in production.

"55" [BLG000025]; MHC produced a similar schedule, a copy of which is attached as Exhibit "56"[FAS0000057].

⁶² Exhibit "4" - Crystal Wealth Film Loan Schedule produced by Crystal Wealth to Staff. [BLG0000003]; Exhibit "5" - MHC Film Loan Schedule produced by MHC to Staff. [FAS0000002]

⁶³ Attached as Exhibit "57" – is an attachment referred to in the Crystal Wealth Film Loan Schedule in regard to the production status of Mighty Mighty Monsters. The attachment shows a release date for Mighty Mighty Monsters in Canada on December 31, 2013. [BLG0000013]

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- (iv) According to Crystal Wealth, the Hunters of the Stars Film Project is in development, but according to MHC, the Hunters of the Stars Film Project is "N/A."⁶⁴

D. PURCHASE OF THE MOUNT NEMO PROPERTY

54. Using monies advanced from the Media Fund, on January 16, 2015, Smith's company, CLJ Everest, purchased the Mount Nemo Property for \$2.7 million.⁶⁵ The address for the Mount Nemo Property is listed as Smith's current mailing address as reported on the National Registration Database.⁶⁶

55. The Mount Nemo Property appears to be currently up for sale for \$3,450,000,⁶⁷ with an open house scheduled for Saturday, April 22, 2017. The property is described as:

- (i) being "an award winning historical property" on 4.99 acres;
- (ii) having four bedrooms, four bathrooms and a detached four car garage;
- (iii) coming with "a 10,000 sq ft historical post and beam barn, including 5000 sqft of finished additional living space"; and

⁶⁴ Exhibit 4 - Crystal Wealth Film Loan Schedule produced by Crystal Wealth to Staff. [BLG0000003]; Exhibit 5 - MHC Film Loan Schedule produced by MHC to Staff. [FAS0000002]

⁶⁵ Copies of the Purview Sales History Report dated April 11, 2017, and the Land Registry Office # 20 Parcel Register for the Mount Nemo Property are attached as Exhibit "58". [OSC0000690]

⁶⁶ A copy of a printout of Smith's profile from the National Registration Database printed on April 14, 2017 is attached as Exhibit "59".

⁶⁷ A copy of a print-out from Realtor.ca printed on April 11, 2017 is attached as Exhibit "60". [REA0000001]

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- (iv) a saltwater in ground pool with waterfall, and a seven person saltwater hot tub.⁶⁸

56. My analysis of CLJ Everest's TD Account shows that CLJ Everest made two payments related to the acquisition of the Mount Nemo Property:

- (i) On November 17, 2014, CLJ Everest issued a \$200,000 bank draft to Sutton Group – Summit Realty in trust.⁶⁹
- (ii) On January 14, 2015, a CLJ Everest issued a bank draft in the amount of \$1,255,585.13, payable to Brechin and Huffman, in trust.⁷⁰ Gregory Alan Brechin of Brechin & Huffman is listed as having acted for CLJ Everest regarding the purchase of the Mount Nemo Property on the Land Registry Office's transfer and mortgage documents.⁷¹

57. The remainder of the purchase appears to have been funded by a mortgage CLJ Everest entered into with the Home Trust Company in the amount of \$1,331,250, for which Smith is the guarantor.⁷²

58. As described below, my analysis shows that the payments totalling \$1,455,585.13 that CLJ Everest made in respect of the Mount Nemo Property were funded largely with monies transferred from the Media Fund:

⁶⁸ Exhibit 60 - A copy of a print-out from Realtor.ca printed on April 11, 2017. [REA0000001]

⁶⁹ Exhibit 48 - Analysis of CLJ Everest TD Account.

⁷⁰ Exhibit 49 - Supporting documents for certain transactions in the CLJ Everest TD Account. [TDB000398 – TDB000415]

⁷¹ A copy of the Land Registry Office Transfer documenting the sale of the Mount Nemo Property dated January 16, 2016 is attached as Exhibit "61" [OSC0000692]; A copy of the Land Registry Office Charge/Mortgage dated January 16, 2016 is attached as Exhibit "62" [OSC0000695]; Exhibit "63" – Land Registry Office Parcel Register dated January 16, 2015; Exhibit 48 – CLJ TD Account Analysis.

⁷² Exhibit 62 - A copy of the Land Registry Office Charge/Mortgage dated January 16, 2015. [OSC0000695]

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- (i) On November, 4, 2014, the Media Fund advanced \$2,347,000 to MHC, purportedly in relation to the Kingdom Film Project.⁷³
- (ii) On November 14, 2014, \$450,000 was transferred from MHC to CLJ Everest. This transfer was funded by the transfer from the Media Fund on November 4, 2014.⁷⁴
- (iii) On November 17, 2014, a bank draft in the amount of \$200,000 was issued to Sutton Group – Summit Reality Inc. in trust. This transfer was funded by the November 14, 2014 transfer CLJ Everest received from MHC.
- (iv) Advances from the Media Fund of \$1,452,000 on December 23, 2014, purportedly in relation to the Mercy Film Project, and of \$550,000 on January 12, 2015, purportedly in relation to the Kingdom Film Project, were paid by the Media Fund to MHC.⁷⁵
- (v) Shortly thereafter, MHC paid CLJ Everest \$1,857,400 in two transfers. Monies from these two transfers funded a substantial portion of the bank draft issued to Brechin and Huffman, In Trust for the property purchase. I concluded that at least \$1,167,994.91 of the \$1,255,585.13 bank draft used to purchase the Mount Nemo Property (or 93%), was funded with monies that came from the Media Fund.⁷⁶

59. Smith's email correspondence with Thibault, Gilbert and others, suggests that he was involved in a real estate purchase in January 2015 using funds transferred to CLJ Everest. On January 14, 2015, Smith sent an e-mail to Thibault, copying Gilbert with the subject "wire transfers to CLJ Everest". Smith wrote:

⁷³ Exhibit 26 - Mercy and Kingdom Film Projects Schedule. The detail of payment for this transfer from the Media Fund indicated "Kingdom Productions Inc.".

⁷⁴ Exhibit 26 - Mercy and Kingdom Film Projects Schedule, Note 1. Exhibit "26" – Mercy and Kingdom Film Projects Schedule.

⁷⁵ Exhibit 26 - Mercy and Kingdom Film Projects Schedule.

⁷⁶ Exhibit 48 - Analysis of CLJ Everest TD Account, Note 1.

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Any chance you could send copies of the wire transfer instructions from your end for the two large deposits to CLJ Everest end of last year \$450,000 and \$1.3 millionish? I provided the mortgagee with the attached invoices to prove the deposits are not loans that will be repayable but they want to see some sort of wire proof or something.

Any ideas?

Alternatively, perhaps I could get two letters - one on Bron letterhead, one on Media House letterhead simply stating the amount and verifying that it was payment for the invoices and is commissions on financial brokering and is not a loan?⁷⁷

60. On January 14, 2015, Thibault sent an email to Smith, stating "Hey there, here are all the wires I have sent to CLJ as per your request," attaching a pdf of wire summary reports. The attachments indicate that:

- (i) MHC wired \$450,000 to CLJ Everest on November 14, 2014;⁷⁸
- (ii) MHC wired \$1,357,400 to CLJ Everest on December 23, 2014;
- (iii) MHC wired \$500,000 to CLJ Everest on January 13, 2015;
- (iv) Gilbert and Thibault approved all of the wire transfers; and
- (v) Gilbert or Thibault released the funds.⁷⁹

61. On January 15, 2015, Smith responded to Thibault, stating: **"Should anyone call from Home Trust (don't think they will but you never know), please confirm**

⁷⁷ A copy of the e-mail dated January 14, 2015 produced by MHC to Staff is attached as Exhibit "64". [DIS01_001150]

⁷⁸ The first Wire – Summary Report is dated November 13, 2014. This transfer did not occur because it was cancelled by RBC. See Exhibit "26" - Mercy and Kingdom Film Projects Schedule.

⁷⁹ A copy of the e-mail dated January 14, 2015 produced by MHC to Staff is attached as Exhibit "65". [DIS01_001831, 0001832]

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that these amounts are commission payments for finance arranged and not repayable by CLJ Everest.”⁸⁰

62. On January 18, 2015 (Sunday), Smith sent an e-mail to Michael Cockayne (“Cockayne”), a Senior Manager, Valuations at BDO. In the email, Smith stated “I bought a property that closed on Thursday and there were a few last minute SNAFUs that I had to sort out to have it finally close Friday afternoon.”⁸¹

63. Pursuant to s. 126(1) of the Act, Staff obtained a Certificate of Direction for the Mount Nemo Property on Thursday, April 13, 2017 and an order under s. 126(4) that the certificate of direction shall have the same effect as a certificate of pending litigation.⁸² Staff intend to seek to continue the property direction in the Superior Court of Justice.

E. INTER-FUND INVESTMENTS AND LOANS

64. Among the funds managed by Crystal Wealth (the “Crystal Wealth Funds”), there appears to be significant investments among the funds, and in particular, investments by other Crystal Wealth Funds in the Media Fund (“Inter-Fund

⁸⁰ A copy of the e-mail dated January 15, 2015 produced by MHC to Staff is attached as Exhibit “66”. [DIS01_001149]

⁸¹ A copy of the e-mail dated January 18, 2015 produced by BDO to Staff is attached as Exhibit “67”. [BDO0002901]

⁸² A copy of the Certificate of Direction for the Mount Nemo Property dated April 13, 2017 is attached as Exhibit “68”.

Investments”). There also appears to be a significant amount of lending activity among the funds (“Inter-Fund Loans”).

65. To carry out Inter-Fund Investments, I understand that Crystal Wealth relies on exemptive relief that it obtained in 2005 (the “Relief”), which allows any of the funds to invest up to 100% of its respective assets in units of the other funds, subject to certain conditions.⁸³

66. Staff’s analysis of the Inter-Fund Loans and Inter-Fund Investments among the Funds is in not yet complete. Based on our analysis to date, we are able to describe the extent of Inter-Fund Investments as at April 7, 2017 and the extent of Inter-Fund Loans as at December 31, 2015 and November 30, 2016.

(i) Inter-Fund Investments

67. As at April 7, 2017, according to the records of International Financial Data Services (“IFDS”), the transfer agent for the Funds, there were Inter-Fund Investments totalling \$22,694,777.01.⁸⁴ Of that amount, seven of the Crystal Wealth Funds⁸⁵ held

⁸³ A copy of the order exempting Crystal Wealth from compliance with ss. 111(2)(b), 111(2)(c) and subsection 111(3) of the Act dated April 29, 2005 is attached as Exhibit “69”.

The Relief was obtained subject to certain representations and conditions, including that Inter-Fund Investments would be consistent with the top fund’s investment objectives and would represent the business judgement of “responsible persons” (as defined in the Act) uninfluenced by considerations other than the best interests of the funds. Without the Relief, the Funds would be prohibited from knowingly making or holding an investment in the other Funds, as these may be contrary to paragraphs 111(2)(b), 111(2)(c) and subsection 111(3) of the Act.

⁸⁴ A listing of Inter-Fund Investments as at April 7, 2017 is attached at Exhibit “70”. I prepared the listing in reliance on an investor listing as at April 7, 2017 for the Crystal Wealth Funds provided by IFDS is attached as Exhibit “71”.

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\$11,218,727.32 in units of the Media Fund, three of the Crystal Wealth Funds⁸⁶ held \$4,894,288.43 in units of the Crystal Wealth Enlightened Factoring Strategy (the "Factoring Fund") and three Funds held \$4,841,079.30 in units in the Crystal Wealth Enlightened Hedge Fund.⁸⁷ The extent and amount of Inter-Fund Investments is dynamic. As at December 31, 2015, seven Crystal Wealth Funds held \$27,340.975 in units of the Media Fund.⁸⁸

(ii) Inter-Fund Loans

68. Based on my review of the Funds' audited financial statements as at December 31, 2015, I prepared a schedule of Inter-Fund Loans.⁸⁹ My schedule illustrates that as at December 31, 2015:

⁸⁵ ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy (the "High Yield Mortgage Fund"), the Factoring Fund, Crystal Wealth Medical Strategy (the "Medical Fund"), the Mortgage Fund and Crystal Wealth Retirement One Fund (the "Retirement Fund"). The Retirement Fund held \$0.13 in units of the Media Fund on April 7, 2017.

⁸⁶ ACM Growth Fund, ACM Income Fund, Crystal Wealth Enlightened Resource & Precious Metal Fund.

⁸⁷ ACM Growth Fund, ACM Income Fund, the Factoring Fund.

⁸⁸ A copy of the 2015 Financial Statements for Crystal Wealth Media Strategy is attached as Exhibit "72".

⁸⁹ A copy of the Inter-Fund Loans Schedule I prepared is attached as Exhibit "73". I prepared this schedule in reliance on the following:

- Exhibit "72" - Financial statements for the year ended December 31, 2015 for for Crystal Wealth Media Strategy. [CWW0000084]
- Financial statements for the year ended December 31, 2015 for the Mortgage Fund, a copy of which is attached at Exhibit "74". [CWW0000001]
- Financial statements for the year ended December 31, 2015 for the Medical Fund, a copy of which is attached at Exhibit "75". [CWW0000023]

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- (i) the Media Fund had borrowed a total of \$4,477,019 from three Funds;⁹⁰
- (ii) the Mortgage Fund had lent a total of \$5,767,173 to two Funds and had borrowed \$196,868 from one Fund;⁹¹
- (iii) the Medical Fund had lent \$270,000 to one Fund and borrowed \$2,085,460 from two Funds;⁹²
- (iv) the High Yield Mortgage Fund had lent \$722,176 to three Funds and had borrowed \$563,000 from one Fund;⁹³ and
- (v) the Factoring Fund had lent \$563,000 to the High Yield Mortgage Fund.

-
- Financial statements for the year ended December 31, 2015 for the High Yield Mortgage Fund, a copy of which is attached at Exhibit "76". [CWW0000044]
 - Financial statements for the year ended December 31, 2015 for the Factoring Fund, a copy of which is attached at Exhibit "77". [CWW0000062]
 - An excerpt of the general ledger for the period of January 1 to November 30, 2016 for the Media Fund, a copy of which is attached at Exhibit "78". [BLG0000870]
 - An excerpt of the general ledger for the period of January 1 to November 30, 2016 for the Mortgage Fund, a copy of which is attached at Exhibit "79". [BLG0000898]
 - An excerpt of the general ledger for the period of January 1 to November 30, 2016 for the Medical Fund, a copy of which is attached at Exhibit "80". [BLG0000884]
 - An excerpt of the general ledger for the period of January 1 to November 30, 2016 for the High Yield Mortgage Fund, a copy of which is attached at Exhibit "81". [BLG0000860]
 - The general ledger for the period of January 1 to November 30, 2016 for the Factoring Fund, a copy of which is attached at Exhibit "82". [BLG0000848]

⁹⁰ \$3,756,896 owing to the Mortgage Fund; \$270,000 owing to the Medical Fund; and \$450,123 owing to the High Yield Mortgage Fund.

⁹¹ \$3,756,898 owing from the Media Fund; \$2,010,275 owing from the Medical Fund; and \$196,868.00 owing to the High Yield Mortgage Fund.

⁹² \$270,000 owing from the Media Fund; \$2,010,347 owing to the Mortgage Fund; and \$75,113 owing to the High Yield Mortgage Fund.

⁹³ \$450,123 owing from the Media Fund, \$196,940 owing from the Mortgage Fund; \$75,113 owing from the Medical Fund; and \$563,000 owing to the Factoring Fund.

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69. I reviewed the general ledgers for 2016 for the five Crystal Wealth Funds which had an Inter-Fund Loan balance as at December 31, 2015. My review indicates that Inter-Fund Loans for the Media Fund had fluctuated in 2016. On January 7, 2016, the Media Fund received a further \$4.2 million advance from the Mortgage Fund, which increased the amount owing to the Mortgage Fund to nearly \$8 million. This amount was gradually paid down during 2016 and as at November 30, 2016, the Media Fund had a loan payable balance of \$895,380.85 owing to the Mortgage Fund.⁹⁴ As at November 30, 2016, the Medical Fund no longer had any outstanding amounts owing to other Crystal Wealth Funds, the High Yield Mortgage Fund was owed \$97,425.10 and the Factoring Fund had no balance owing to it.⁹⁵

70. Email correspondence between Smith and a representative of BDO describes Inter-Fund Loans in general terms. In an email dated March 28, 2016, during the audit of the 2015 Mortgage Fund Financial Statements, Mastroianni asked via email Smith for details about items for the Mortgage Fund described as "Due from related parties" which referred to \$2,010,275 due from the Medical Fund and \$3,756,898 due from the Media Fund. Smith responded to Mastroianni's inquiry stating, "They were advanced in the 4th quarter. **The loan amounts fluctuate as amounts are needed in the various funds.**"⁹⁶

⁹⁴ Staff is in possession of Crystal Wealth's general ledger only up until November 30, 2016.

⁹⁵ Exhibit 73 - Inter-Fund Loans Schedule.

⁹⁶ A copy of the email dated March 28, 2016 is attached as Exhibit "83". [BDO0011899]

F. ASSETS OF THE FUNDS

71. On April 4, 2017, the Crystal Wealth Funds collectively held \$5,156,051.80 in cash and \$44,765,054.29 in investments, including Inter-Fund Investments. On April 7, 2017, Inter-Fund Investments amounted to \$22,694,777.01, which was 50.7% of the \$44,765,054.29 in investments held by the funds on April 7, 2017.⁹⁷

72. The Risk Assessment Questionnaire completed for Crystal Wealth, on or about June 28, 2016, shows that for the non-prospectus qualified funds managed by Crystal Wealth as at March 31, 2016, the total AUM was \$181,783,967.23, with \$116,245,321 invested in private or illiquid securities.⁹⁸

⁹⁷ A copy of the Crystal Wealth Funds Cash and Investment Balances on April 7, 2017 Schedule I prepared is attached at Exhibit "84". I prepared this schedule in reliance on the following:

- A letter from the TD Bank with the account balance for a Mortgage Fund bank account, copy of which is attached at Exhibit "85". [EML0002489/4]
- Account statement for ACM Growth Fund's account at Interactive Brokers Canada Inc., dated April 4, 2017, a copy of which is attached at Exhibit "86". [EML0002496]
- Account statement for the Media Fund's account at Interactive Brokers Canada Inc., dated April 4, 2017, a copy of which is attached at Exhibit "87". [EML0002504]
- Account statement for the Medical Fund's account at Interactive Brokers Canada Inc., dated April 4, 2017, a copy of which is attached at Exhibit "88". [EML0002510]
- Account statement for the Enlightened Resource Fund's account at Interactive Brokers Canada Inc., dated April 4, 2017, a copy of which is attached at Exhibit "89". [EML0002502]
- A list showing the balances for the NBCN accounts held by the Crystal Wealth Funds, as at April 4, 2017, produced to Staff by NBCN, a copy of which is attached at Exhibit "90". [NBC000471]

⁹⁸ A copy of the Risk Assessment Questionnaire for Crystal Wealth submitted on June 28, 2016 is attached as Exhibit "91".

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73. It is my understanding that generally, the Crystal Wealth Funds are priced weekly, and that purchases and redemptions in units of the funds can be made on any weekly valuation date.⁹⁹ For Crystal Wealth Funds that invest in illiquid, non-traditional asset classes, such as the Media, Mortgage, Medical and Factoring Funds, the revenue generating events, which involve the receipt of payments of principal and interest on various loans, may not necessarily coincide with investors' ability to redeem on any weekly valuation date.

G. SERIES F

74. In September 2016, Crystal Wealth launched a series F for each of the Mortgage, Media, Crystal Wealth Medical Strategy and Crystal Wealth Infrastructure Strategy Funds. The OMs for each of these Funds indicate that series F units will be charged a 1% management fee¹⁰⁰, whereas investors in series A units will be charged a 2% fee.¹⁰¹

⁹⁹ See e.g., Exhibit "92"- Confidential Offering Memorandum for Crystal Wealth Mortgage Strategy dated November 21, 2016.

¹⁰⁰ A copy of the Offering Memorandum for the Crystal Wealth Media Strategy dated November 21, 2016 is attached as Exhibit "93".

Exhibit 92 - Confidential Offering Memorandum for Crystal Wealth Mortgage Strategy dated November 21, 2016.

A copy of the Offering Memorandum for the Crystal Wealth Medical Strategy dated November 21, 2016 is attached as Exhibit "94".

A copy of the Offering Memorandum for the Crystal Wealth Infrastructure Strategy dated November 21, 2016 is attached as Exhibit "95".

¹⁰¹ The management fee for the Mortgage Fund is 2.2%.

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75. In email correspondence dated September 12, 2016 addressed to others at Crystal Wealth, Smith wrote that **"We launched F Class versions of both mortgage, media, medical and infrastructure Funds on Friday and \$2.8 million was invested for 69 clients by a third party broker in the Media Fund."** In the same email, Smith described the use of these new investor monies as follows:

I know we discussed this briefly at the Edmonton meeting and shortly thereafter, but **I wanted to revisit the idea of using part of new \$ in the fund to invest in new loans and part to satisfy your desired redemptions.** Here is my thinking:

I know you all want your redemptions as quickly as possible so it would seem to make sense to devote all available \$ in the fund to satisfying those redemptions. **However, with more new brokers looking at the fund and starting to devote client money to it, there will be enhanced scrutiny and questions about new deals we are doing** (I am already getting these questions from the third party marketing firm and the broker that allocated the money on Friday).

If I tell them we aren't doing any new deals because all the money is going to redemptions, I fear the flow of new money will dry up pretty quickly and there's a risk that the money that has come in will flow back out. I think that if we use half of this new money to satisfy redemptions and put half toward new deals, we can show continued new activity in the fund and have stories for the marketing firm to talk about and I think this will increase the flow of new money to the fund which will result in us being able to fund your desired redemptions more quickly.¹⁰²

76. The email suggests that Smith was considering, at least in part, using the proceeds from the sales of Media Fund units to fund redemptions.

¹⁰² A copy of the email dated September 12, 2016 is attached at as Exhibit "96". [EML0001534]

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77. From Staff's review of the records from the Media Fund's transfer agent and account statements for the Media Fund NBCN Account, it appears that proceeds from the September 9, 2016 purchases of Media Fund units were used to fund a portion of redemptions from the Media Fund by three other Crystal Wealth Funds, as detailed below:

- (i) On September 9, 2016, there were approximately \$3.1 million worth of Media Fund units purchased (among them were approximately \$2.8 million worth of units bought by 70 GMP Securities clients, with 69 of them purchased their units at a price of \$10 per unit);¹⁰³
- (ii) On September 9, 2016, there were redemptions in the Media Fund of approximately \$244,000, including redemptions totalling approximately \$179,000 from the ACM Growth Fund, the Factoring Fund and the Retirement Fund;¹⁰⁴
- (iii) On September 14, 2016, the Media Fund received a transfer of approximately \$2.83 million apparently for the settlement of the September 9, 2016 purchases and redemptions;
- (iv) On September 16, 2016, there were redemptions totalling approximately \$2.4 million from the Media Fund, including approximately \$2.37 in redemptions by the same three Funds that redeemed Media Fund units on September 9, 2017. There were also purchases of \$239,000 in Media Fund units on September 16, 2016, resulting in a net redemption from the Media Fund of approximately \$2.16 million.¹⁰⁵

¹⁰³ A spreadsheet which shows purchases in the Media Funds on September 9 and 16, 2016, a copy of which is attached as Exhibit "97". The spreadsheet is an excerpt from a spreadsheet provided by IFDS which shows purchases in all Crystal Wealth Funds for the period of January 1, 2014 to January 26, 2017.

¹⁰⁴ A spreadsheet which shows redemptions from the Media Funds on September 9 and 16, 2016, a copy of which is attached as Exhibit "98". The spreadsheet is an excerpt from a spreadsheet provided by IFDS which shows redemptions from all Crystal Wealth Funds for the period of January 1, 2014 to January 26, 2017.

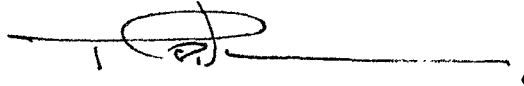
¹⁰⁵ Exhibit 97 - A spreadsheet which shows purchases in the Media Funds on September 9 and 16, 2016. Exhibit 98 - A spreadsheet which shows redemptions from the Media Funds on September 9 and 16, 2016.

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- (v) On September 21, 2016, approximately \$2.17 million was transferred from the Media Fund's account apparently for the settlement of the September 16, 2016 purchases and redemptions.¹⁰⁶

78. I make this affidavit in furtherance of Staff's investigation and enforcement efforts as authorized by the Commission.

SWORN BEFORE ME in the
City of Toronto, in the Province of
Ontario, this 17th day of April, 2017

) 
)
) MICHAEL HO


A Commissioner for taking affidavits

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

¹⁰⁶ Account statement for the Media Fund NBCN Account for the month of September 2016, a copy of which is attached at Exhibit "99". [NBC0000035]

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

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

Respondents

**SUPPLEMENTARY AFFIDAVIT OF MICHAEL HO
(Sworn April 24, 2017)**

I, **MICHAEL HO**, of the City of Toronto, in the Province of Ontario, **MAKE
OATH AND SAY:**

A. BACKGROUND

1. I am a Senior Forensic Accountant with staff of the Enforcement Branch (“Staff”) of the Ontario Securities Commission (the “Commission”), assigned to the Crystal Wealth Management System Limited (“Crystal Wealth”) file. As such, I have

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personal information of the matters referred to in this affidavit, save for those matters of which I have been advised and do believe.

2. I swore an affidavit on April 17, 2017 in respect of this matter (the "April 17 Affidavit"). I make this affidavit to provide additional information about Staff's investigation in this matter.

3. I have been involved in an investigation into the activities of Crystal Wealth and its principal, Clayton Smith ("Smith"), as well as the activities of companies connected to Smith, CLJ Everest Ltd ("CLJ Everest") and 1150752 Ontario Limited ("115 Limited"), in regard to certain investment funds managed by Crystal Wealth. Staff's investigation into these matters is ongoing.

B. SALE OF RESIDENTIAL PROPERTY SUBJECT TO COMMISSION FREEZE DIRECTIONS

Freeze Directions Served April 7, 2017

4. On April 7, 2017, Staff served temporary orders and freeze directions on Smith, Crystal Wealth, CLJ Everest and Chrysalis Yoga Inc.¹ The freeze directions were served via email to Smith's counsel, pursuant to Rule 1.5.1 of the Commission's Rules of Procedure which permit service by delivery to the representative of the party.²

¹ Copies of an email chain dated April 7, 2017 attaching Temporary Orders dated April 6 and 7, 2017 and freeze directions addressed to Smith, Crystal Wealth, CLJ Everest and Chrysalis Yoga are attached at Exhibit "1".

² A copy of Rule 1.5.1 *Service of Documents on Parties* from the Commission's Rules of Procedure is attached as Exhibit "2".

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Smith's counsel at the time, Laura Paglia ("Ms. Paglia") at Borden Ladner Gervais LLP, accepted service on behalf of Smith, Crystal Wealth and CLJ Everest.³

5. The freeze directions directed Smith, Crystal Wealth and CLJ Everest, among other things:

- (i) "to refrain from withdrawing any funds, securities or property" from named financial institutions;
- (ii) "to maintain funds, securities or property"; and
- (iii) "to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property".⁴

6. In other words, among other things, the freeze directions directed Smith, Crystal Wealth and CLJ Everest not to sell or dispose of any financial assets or property.

Certificate of Direction Served April 13, 2017

7. On April 13, 2017, the Commission issued a certificate of direction and an order that the certificate of direction shall have the same effect as a certificate of pending litigation, in respect of a residential property at 5043 Mount Nemo Cres., Burlington, Ontario (the "Mount Nemo Property"). As detailed at paras 54 to 57 in my April 17 Affidavit, Smith's company, CLJ Everest, paid for and is the registered owner of the

³ Exhibit "1" - Email chain dated April 7, 2017 attaching Temporary Orders dated April 6 and 7, 2017 and freeze directions addressed to Smith, Crystal Wealth, CLJ Everest and Chrysalis Yoga; Chrysalis Yoga was served personally via process server on April 7, 2017.

⁴ Exhibit "1" - Email chain dated April 7, 2017 attaching Temporary Orders dated April 6 and 7, 2017 and freeze directions addressed to Smith, Crystal Wealth, CLJ Everest and Chrysalis Yoga.

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Mount Nemo Property, which is Smith's mailing address on the National Registration Database ("NRD").

8. Staff served the certificate of direction and order on Ms. Paglia at 4:49 p.m. on Thursday, April 13, 2017, who confirmed receipt of Staff's email at 5:12 p.m. that day.⁵

Sale of the Mount Nemo Property

9. Four days later, on April 17, 2017, Ms. Paglia sent an email to Staff advising that the Mount Nemo Property had been sold on April 13, 2017 and the transaction would close on April 28, 2017, the same day scheduled for the hearing to consider Staff's request for an extension of the Commission's temporary orders. Ms. Paglia advised that:

- (i) "The sale price was \$3,250,000;"
- (ii) "There is one mortgage (Home Trust) with approximately \$1,290,000 outstanding;"
- (iii) "Real estate commission is \$189,275;" and
- (iv) "Anticipated legals and related miscellaneous expenses are approx. \$10,000."

10. Ms. Paglia also wrote, "We trust that in the circumstances the OSC will not take issue with the sale and is looking for terms/freeze directions in respect of the sale proceeds."⁶

⁵ Copies of Staff's email attaching the certificate of direction and order dated April 13, 2017, and Laura Paglia's response dated April 13, 2017, accepting service are attached as Exhibit "3".

⁶ A copy of Paglia's April 17, 2017 email to Staff and attached certificate of direction is attached as Exhibit "4".

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11. Staff responded to Ms. Paglia the same day (April 17), stating “Staff of the Commission do take issue with a sale of the Mount Nemo Property”. Staff wrote that the sale of the property was in contravention of the freeze directions that had been served on April 7, 2017. Staff asked Ms. Paglia to provide documents, as well as specifics of the transaction, including: the name of the purchaser and whether the purchaser or any beneficial owner are related to CLJ Everest or Clayton Smith (the sole owner of CLJ Everest); and the circumstances of the commission of \$189,000 to the realtor for the property, whom Staff understood was Smith’s sister, Jo-Anne Smith. Staff indicated that, “Given the Freeze Directions in place, we trust that no further steps will be taken regarding the sale or any disbursement of funds relating to the sale.”⁷

12. On April 17, 2017, Ms. Paglia responded to Staff’s email regarding the sale of the Mount Nemo Property, and indicated that the buyer was Martin McCready (“McCready”) and the seller was CLJ Everest. Ms. Paglia wrote that “the property was listed before notice of the OSC’s order.” Ms. Paglia also wrote, “we wish to work with you to maximize return for investors” and “We don’t see investor harm in a circumstance where the proceeds of sale remain subject to any OSC order and for the benefit of investors.”⁸

13. On April 19, 2017, Ms. Paglia’s associate, Suzanne Kittell (“Ms. Kittell”) sent a letter and attachments to Staff responding to certain of Staff’s inquiries regarding the

⁷ A copy of Staff’s email to Paglia dated April 17, 2017 is attached as Exhibit “5”.

⁸ A copy of Paglia’s response to Staff’s April 17, 2017 email is attached as Exhibit “6”.

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sale of the Mount Nemo Property set out in Staff's April 17, 2017 correspondence.⁹ Ms. Kittell's answer to Staff's inquiry as to whether the purchaser or any beneficial owner was related to CLJ Everest or Clayton Smith was non-responsive. Ms. Kittell wrote: "The seller is CLJ".

14. In her letter, Ms. Kittell's provided the following details regarding the sale transaction:

- (i) McCready contacted Jo-Anne Smith by phone on March 12, 2017, advising he was out front of the Mount Nemo Property and asking to view it.
- (ii) Jo-Anne Smith and McCready agreed to meet on Wednesday March 15, 2017 for a viewing.
- (iii) On Friday March 17, 2017, McCready advised Jo-Anne Smith that he was considering an offer, would arrange for funds and would advise within one week.
- (iv) After one week, Jo-Anne Smith called McCready to see if he was still interested. McCready advised he was interested but did not want to make a conditional offer.
- (v) After one week, Jo-Anne Smith contacted McCready again, who advised he was still not prepared to sign an offer.
- (vi) On April 10, 2017, Jo-Anne Smith contacted Mr. McCready again as another agent had expressed interest. McCready advised he was interested and ready to sign an offer.
- (vii) Jo-Anne Smith prepared the offer and sent it to Mr. McCready on April 12, 2017.
- (viii) Mr. McCready signed the offer that evening.
- (ix) Smith made some revisions and signed the offer at 5:52 p.m. on April 13, 2017.

⁹ Copies of Kittell's April 19, 2017 email and letter, and the attached listing documents, agent file checklist and Agreement of Purchase and Sale are attached as Exhibit "7".

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- (x) McCready accepted the revised offer at 7:00 p.m. on April 13, 2017.¹⁰

15. The Agreement of Purchase and Sale provided by Ms. Kittell shows the typed offer signed by McCready dated April 12, 2017, in which he offered \$3,400,000 for the Mount Nemo Property. There are handwritten revisions to the Agreement of Purchase and Sale, which appear to be revisions made by Smith as described by Ms. Kittell. Smith appears to have reduced the sale price to \$3,350,000 on behalf of CLJ Everest and crossed out certain included chattels: a riding lawn mower and trailer, snowblower, reclining lounge chairs & lawn furniture in the barn, hanging lounge chair in cabana, exercise equipment in barn and 5 mango wood kitchen chairs. Despite Ms. Paglia and Ms. Kittell's statements in writing that the Mount Nemo Property has been sold, the Agreement of Purchase and Sale attached to Ms. Kittell's letter does not appear to have been signed nor initialed by Smith.¹¹

16. In response to Staff's question regarding the realtor commission, Ms. Kittell wrote: "The agreed-upon commission is 4% plus HST, with 1.5% going to the Listing Broker's office and 2.5% going to the Selling Broker's office. This is detailed in clause 2 of the Listing Agreement."

17. Staff responded to Ms. Kittell's April 19, 2017 correspondence at 5:53 p.m. the same day. Staff explained again that the sale of the Mount Nemo Property was in

¹⁰ Exhibit 7 - Copies of Kittell's April 19, 2017 email and letter, and the attached listing documents, agent file checklist and Agreement of Purchase and Sale

¹¹ Exhibit 7 - Copies of Kittell's April 19, 2017 email and letter, and the attached listing documents, agent file checklist and Agreement of Purchase and Sale

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contravention of the freeze directions applicable to both Smith and CLJ Everest. Staff also noted the following:

- (i) That Ms. Kittell had not responded to Staff's inquiry regarding whether McCready or any beneficial purchaser connected to him was in any way related to Smith or CLJ Everest;
- (ii) There were discrepancies between the sale price for the property and realty commission amounts in Ms. Paglia's email to Staff on April 17, 2017, and in Ms. Kittell's letter to Staff on April 19, 2017;
- (iii) Smith's sister, Jo-Anne Smith, was double-ending the deal by acting for both buyer and seller, and therefore, would receive the vast majority of the 4% commission from the sale;
- (iv) Kim Alvarez, the broker at Your Choice Realty Corp's Burlington Office, with which Jo-Anne Smith is associated, has a last name similar to an associate of Smith's (Paco Alvarez).¹²

18. Staff also asked Ms. Paglia and Ms. Kittell to provide:

- (i) more information on Mr. McCready, including "whether Smith, CLJ Everest Ltd, Crystal Wealth Management System Limited, 1150752 Ontario Limited, any of the Funds and/or any entities connected with Smith or his wife whatsoever, has any relationship, whether as an acquaintance, friend, family member or business associate, or as an employee, owner (beneficial or otherwise) director, officer, shareholder and the like";
- (ii) what was the source of McCready's funds;
- (iii) why Jo-Anne Smith was charging 4% on a deal which did not involve more than three phone calls and one offer sign-back;
- (iv) which were the correct sale price and commission amounts;
- (v) where the deposit of \$100,000 was being held and in what form; and
- (vi) whether there was any relationship between Kim and Paco Alvarez.¹³

¹² A copy of Staff's email dated April 19, 2017 at 5:53 p.m. is attached as Exhibit "8".

¹³ Exhibit 8 - Staff's email dated April 19, 2017 at 5:53 p.m.

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19. In response to Staff's April 19, 2017 correspondence, Staff received an email from Ms. Paglia indicating that Martin Doane ("Mr. Doane") was "assuming carriage of this matter" and that he would respond to Staff's inquiries. Mr. Doane replied, stating "I have just taken on carriage of this file and will get back to you as soon as I can."¹⁴

20. On April 21, 2017, Mr. Doane responded to Staff's April 19, 2017 letter. He stated that there was no violation of the Commission Freeze Directions, referring to the Temporary Order dated April 6, 2017 and noting that it did not place restrictions on Smith's home. In his letter, Mr. Doane did not refer to the Freeze Directions dated April 6, 2017 applicable to both Smith and CLJ Everest which direct them not to dispose of or transfer of any financial assets or property. Despite having served Smith's counsel with the Certificate of Direction at 4:49 on April 13, 2017, Mr. Doane states that Smith "did not become aware of it until sometime after". He also stated that "The Offer to Purchase, which came in on April 12th, was signed back on April 13th, well before the delivery of the Certificate of Direction on BLG, let alone Mr. Smith." This conflicts with Ms. Kittell's chronology of the sale in her letter dated April 19, 2017 in which she wrote that Smith "made some revisions and signed the offer at 5:52 P.M. on April 13, 2017 on behalf of CLJ Everest Ltd" which is *after* the certificate of direction was served at 4:49 P.M.

21. Regardless of the timing of the service of the Certificate of Direction, the fact remains that the Smith was served with the Freeze Directions dated April 6, 2017, on April 7, 2017, prior to the time he accepted McCready's offer to purchase the property.

¹⁴ A copy of the April 19, 2017 email chain from Paglia and Doane is attached as Exhibit "9".

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22. Mr. Doane's responded as follows to the inquiries in Staff's April 19, 2017 letter as follows:

- (i) He stated that Smith has never met McCready and that McCready has no relationship with Smith, CLJ Everest, Crystal Wealth, 115 Limited, the Funds, or any entities connected with Smith or his wife;
- (ii) Smith does not know the source of McCready's funds. McCready told Jo-Anne Smith her that he has a construction company and he deals with residential and commercial properties, and the funds were coming from his corporate account.
- (iii) Jo-Anne Smith gave Smith a discount of 1% on the sale of the property. He wrote that when Jo-Anne Smith "listed the property, she expected to earn 1.5% herself and pay 2.5% to the agent for the Purchaser". However, since McCready contacted her directly and was not represented by an agent, she is permitted to keep the entire fee when and if the transaction closes. He stated that Jo-Anne Smith has "fixed costs that she is responsible for at her office both on a monthly and transactional basis, including for the processing of transactional paperwork."
- (iv) In respect of the different sale price and commission amounts, he wrote that Ms. Paglia "simply got the numbers wrong in her email" and that the correct numbers are in the Agent File Checklist Ms. Kittell provided on April 19, 2017.
- (v) No deposit has been made on the property to date. McCready was supposed to provide the deposit by April 18, 2017 but has stalled after learning about the OSC's lien on the property. Mr. Doane indicated that McCready "says he still wishes to close."

23. Mr. Doane's email indicates that Smith wishes to move ahead with the sale of the Mount Nemo Property to McCready.

C. INTERVIEWS OF THIBAUT AND GILBERT

24. On April 21, 2017, Staff conducted compelled examinations of Aaron Gilbert ("Gilbert") and Steven Thibault ("Thibault"). As stated in the April 17 Affidavit,

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Gilbert is the sole director of Media House Capital (“MHC”),¹⁵ the entity through which Crystal Wealth Media Strategy (the “Media Fund”) acquired film loans. Gilbert is also the President and a director of Bron Studios Inc. (“Bron Studios”) and Bron Animation Inc. (“Bron Animation”), one of the entities through which Media Fund monies flowed before being paid to Smith.¹⁶ Thibault is Executive Vice President for Bron Media Corp and a former VP Finance at MHC. Thibault was a party to email correspondence regarding transfers of Media Fund monies from Bron Animation to Smith, and from MHC to Smith’s company, CLJ Everest and the use of Media Fund monies to buy mortgages from Crystal Wealth Mortgage Strategy (the “Mortgage Fund”).¹⁷

25. Below I have set out the new information Staff learned from Gilbert and Thibault to supplement the information set out in Parts B through D of the April 17 Affidavit, relating to: (i) the flow of funds for the purchase of film loans by the Media Fund; (ii) Thibault’s and Gilbert’s involvement in the sales estimates and valuation; (iii) “corporate personal loans” made to Smith; (iv) a spreadsheet which sets out five film projects for which the Media Fund purportedly purchased film loans from MHC (the “Spreadsheet”) and lists underlying borrowers, including Smith and CLJ Everest that were not production companies; (v) payments using Media Fund monies to purchase mortgages from the Mortgage Fund; and (iv) the current status of MHC.

i. The Flow of Funds for the Purchase of Film Loans by the Media Fund

¹⁵ April 17 Affidavit at paragraph 6.

¹⁶ April 17 Affidavit at paragraph 24.

¹⁷ April 17 Affidavit at paragraphs 28-29, 32, 44, 59-61.

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26. According to Thibault, once the Media Fund has decided to purchase a film loan, Crystal Wealth would send the money to the escrow account of MHC's lawyer, Adam Davids ("Davids"), and from the escrow account, the money was sent to the producer production account. MHC would receive its fees from the escrow account, and use those monies to pay consultant and legal fees. According to Thibault, money should not have come directly to MHC from the Media Fund.¹⁸ Gilbert's testimony was consistent on this was consistent with Thibault's.¹⁹

27. However, for the projects that Bron produces (e.g., Henchmen, Kingdom, Mercy, Mighty Mighty Monsters and Hunters of the Stars, the "Five Film Projects"), Thibault told Staff the money flows would be different. Monies for tax credit loans would flow directly to Bron or MHC but monies for gap loans would have gone through Davids' escrow account.²⁰ Gilbert's testimony differed slightly from Thibault's in that for the Bron projects, whether tax credit loans or gap loans, money would flow directly from the Media Fund to the production companies.²¹

28. Using Henchmen Productions Inc. as an example, Thibault told Staff that the monies advanced by the Media Fund would have gone to the underlying borrower film

¹⁸ A copy of pages 63-66 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit "10".

¹⁹ A copy of pages 83-85 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017 is attached at Exhibit "11".

²⁰ Exhibit "10" - a copy of pages 63-66 of the transcript of the April 21, 2017 compelled examination of Steven Thibault.

²¹ Exhibit "11" - A copy of pages 83-85 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017; A copy of pages 93-95 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017 is attached at Exhibit "12".

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production company, such as Henchmen Productions Inc., which is Gilbert's company.²²

29. Thibault told Staff that MHC doesn't loan the money to the production companies making the films. MHC creates the paperwork but it is a simultaneous transfer to the Media Fund, who holds the loans. The loans do not get recorded on MHC's books.²³ Gilbert also referred to the extension of a loan to a production company and the sale of a loan to Crystal Wealth as a "simultaneous transaction."²⁴ According to Gilbert the transactions were set up this way because Smith told him that "he couldn't make a direct loan to a production. He could only buy an asset. So the reason that was structured that way was so that we would essentially, as Media House, enter into the loan that he would then buy."²⁵

30. According to Gilbert, MHC's fee for loans sold to Crystal Wealth "is usually 7 percent; 3 would be held back by Crystal." He later stated that Clayton would send MHC's lawyer 107% of what a film production needed and "He would hold back 3

²² Exhibit "13" – page 72 of the transcript of the April 21, 2017 compelled examination of Steven Thibault.

²³ Exhibit "10" - pages 63-66 of the transcript of the April 21, 2017 compelled examination of Steven Thibault.

²⁴ A copy of page 77 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017 is attached at Exhibit "14".

²⁵ A copy of page 81 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017 is attached at Exhibit "15".

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percent, which he deemed as whatever fees he required for marketing or whatever he was doing it for.”²⁶

31. Thibault stated that MHC used to earn 10% fees on the early projects sold to the Media Fund. For later projects, the amounts changed so that MHC received 7% in fees and 3% was returned to Crystal Wealth or kept separately. He is unaware of why this change occurred.²⁷

32. The offering memoranda (“OMs”) for the Media Fund refer to a 10 % fee payable to MHC and do not reference Crystal Wealth receiving a portion of this fee.²⁸

ii. Thibault’s and Gilbert’s Involvement in the Sales Estimates and Valuation

33. Gilbert was aware that Smith had to do some valuation on the film loans and said that MHC provided Smith with updates but how he dealt with the information provided was up to him. Gilbert said that he and Smith did not discuss writing down any of the film loans.²⁹

34. Thibault testified that the sales agents are the only ones capable of letting MHC know what their current sales are and what they may or may not be in the future.

²⁶ A copy of pages 72-73 and 85 of the transcript of Aaron Gilbert’s compelled examination on April 21, 2017 is attached at Exhibit “16”.

²⁷ A copy of pages 75-76 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit “17”.

²⁸ August 31, 2012, Exhibit “14” to Tillie Affidavit, page 8; September 27, 2015, Exhibit “15” to Tillie Affidavit, page 6; May 6, 2016, Exhibit “16” to Tillie Affidavit, page 6; November 21, 2016, Exhibit “8” to Tillie Affidavit, page 6.

²⁹ A copy of page 76 of the transcript of Aaron Gilbert’s compelled examination on April 21, 2017 is attached at Exhibit “18”.

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Thibault simply takes the information down by phone, puts it into an excel spreadsheet and sends it over to Smith. Thibault is not a chartered accountant and does not consider himself qualified to do valuation type work. He stated that he was not aware of Gilbert being involved in doing valuation based on what the sales agents were telling MHC.³⁰

35. With respect to the December 31, 2015 schedule of film loans that was part of the 2015 audit file, Thibault stated that "This would be the year-end requested documentation to BDO to let them know the notes about sales agents' activities up until that point." Thibault stated that the interest and principal columns on the document would have come from Smith's records, and Thibault would have filled out the information from the sales agents and the notes based on our conversation with the sales agent, "so Aaron and I would have provided the notes side."³¹

36. Thibault said that BDO never confirmed the principal and interest balances on the loans as part of its audit work. Thibault stated "what I provided them was just the sales documentation based on this sales agents' conversation."

iii. "Corporate Personal Loans" to Smith

37. Gilbert and Thibault were both asked if there were any other business between MHC and Crystal Wealth, aside from the Media Fund's purchase of film loans. Gilbert said that he loaned Clayton a few million dollars when Clayton had a 30-45 day

³⁰ A copy of pages 67-68 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit "19".

³¹ A copy of pages 139-141 of the transcript of the April 21, 2017 compelled examination of Steven Thibault and Exhibit 15 of the Examination is attached as Exhibit "20".

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shortfall to cover. Gilbert thought that one of Bron's holding companies lent the money to Smith. The money was sent to Smith in two transfers and went to one of Clayton's holding companies. Gilbert did not remember when the loans were made and did not know what the money was used for. Gilbert is not charging Smith interest and has not been repaid. Gilbert did not know if money ever went directly to Smith. Gilbert said that the money used for the loans was Bron corporate money. When asked if the Media Fund monies were used to make the loans to Smith, Gilbert said "it wasn't me financing with his money, no."³²

38. Thibault responded, "We did do corporate personal loans to Crystal ... It went to Clayton." Thibault described a loan of approximately \$3 million to Smith made by MHC and recorded on its books. He said he thought the loan was made in two payments to Smith's company CLJ Everest, and the money came from the MHC treasury and had not been repaid. Thibault was unaware of the terms of the loan or the reason it was made.³³

39. I cannot comment on whether a corporate personal loan was extended by Gilbert to Smith. However, the analysis in the April 17 Affidavit shows that transfers to Smith's personal account and to the account of CLJ Everest coincided in time, and in many cases were largely funded with monies advanced to Bron Animation or MHC by the Media Fund.

³² A copy of pages 96-106 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017 is attached at Exhibit "21".

³³ A copy of pages 91-95 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit "22".

iv. The Spreadsheet

40. Gilbert was a producer on the Bron projects that the Media Fund financed. He describes the producer role as being involved with financing and being involved with the IP and creation on set.³⁴

41. With respect to all of the Five Film Projects, Thibault told Staff that he was involved with all of these projects. Thibault stated that he has a role with the production company borrower in the sense that he manages the accountants that perform the bookkeeping and makes sure production costs are onside.³⁵

42. When shown the Spreadsheet Gilbert at first thought he recognized it, stating “I have never seen it in this form, but I know the document.” When asked about the borrowers on the summary page of the Spreadsheet, including MHC, Mortgage Fund, CLJ Everest, Chrysalis Yoga and Clayton, Gilbert said “Truly have no idea what that is.” When asked to turn to the Henchmen tab of the Spreadsheet, Gilbert said, “I don’t know this document, to be honest with you.” Gilbert did not know what the reference to “Clayton Principal” on the Henchmen tab of the spreadsheet meant. He could not explain why Clayton would have any part of the principal of the Henchmen film loan

³⁴ A copy of pages 33-34 and 36-39 of the transcript of Aaron Gilbert’s compelled examination on April 21, 2017 is attached as Exhibit “23”.

³⁵ A copy of pages 82 and 102 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit “24”.

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and did not believe that Clayton Smith had borrowed money from Henchmen. Later, Gilbert said "I have never seen this spreadsheet before. Forgive me. I haven't."³⁶

43. Like Gilbert, Thibault did not know what the references to MHC, the Mortgage Fund, Clayton, CLJ Everest or Chrysalis Yoga on the Spreadsheet represented. He did not know what the reference to "Clayton Principal" was on the Henchmen tab of the Spreadsheet.³⁷

44. With respect to the first advance to Smith on the Spreadsheet (of \$50,000 on February 12, 2014), Thibault said "I can't explain what is happening there ... We are responsible for the \$2.39 [million]. That is the loan that we asked for from him, so I don't know why he has this."³⁸ After reviewing the February 12, 2014 email chain between himself and Smith which is Exhibit 37 to the April 17 Affidavit, Thibault explained the \$50,00 payment by saying "that is probably the personal loan that we provided to him."³⁹

45. When asked about further advances to Smith reflected on the Henchmen tab of the Spreadsheet, Thibault stated that he was "not aware of any ongoing request to have loans". Thibault said he would be asked to transfer money and would transfer the

³⁶ A copy of pages 154-162 of the transcript of the April 21, 2017 compelled examination of Aaron Gilbert is attached as Exhibit "25".

³⁷ A copy of pages 103-104 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit "26".

³⁸ A copy of pages 109-110 of the transcript of the April 21, 2017 compelled examination of Aaron Gilbert is attached as Exhibit "27".

³⁹ A copy of pages 115-120 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit "28".

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money accordingly. Thibault agreed that it did not appear that the advances on the Henchmen tab of the Spreadsheet were being paid to Henchmen Productions Inc.⁴⁰

46. When taken to the Mercy Tab of the spreadsheet and asked about the column labelled "CLJ Principal", Gilbert stated "I don't know what that is." He stated, "I don't know what CLJ is. It must be one of Clayton's companies."⁴¹

47. When taken to the Mercy Tab of the Spreadsheet, Staff asked Thibault about the December 2014 advance of \$1,452,000 to CLJ Everest. His explanation was "I think that is the corporate loan that we provided him". When asked why that would increase the principal balance for the Mercy Film Project, Thibault answered "That would have been an increase in the tax credit requirements, but I am not 100 percent sure why it is linked back honestly."⁴² Thibault gave an undertaking to look into whether this advance was funded from the Media Fund to MHC. The Kingdom and Mercy Film Project Schedule at Exhibit 26 to the April 17 Affidavit, summarized in para 58 (iv) and (v), shows that \$1,357,400 was in fact transferred from MHC to CLJ Everest on December 23, 2014 and this transfer was indeed funded with monies MHC received from the Media Fund.

⁴⁰ A copy of page 122-124 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit "29".

⁴¹ A copy of page 161 of the transcript of the April 21, 2017 compelled examination of Aaron Gilbert is attached as Exhibit "30".

⁴² A copy of page 142 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit "31".

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48. When taken to the Kingdom Tab of the Spreadsheet, Staff asked Thibault about the advance of \$550,000 to CLJ Everest on January 12, 2015. Thibault responded, "Same as what we just talked about on the other one. I need to look and see. This appears to be another loan to CLJ but I need to go back and look at that to determine how that transacted on our books." In reference to the payments reflected on the Mercy and Kingdom Tabs, Thibault stated, "I want to know if it went through those bank accounts, and if it did, I want to understand whether the funds used were corporate funds or if they were fund funds, if you will."⁴³ Again, the Mercy and Kingdom Film Project Schedule at Exhibit 26 to the April 17 Affidavit shows that on January 13, 2015, \$500,000 was in fact advanced to CLJ Everest, which was funded largely from monies advanced to MHC by the Media Fund.

v. *Payments using Media Fund Monies to Purchase Mortgages for the Mortgage Fund*

49. Gilbert told Staff that through one of his companies, he bought one of the mortgages from the Mortgage Fund. He does not recall the name of the mortgage.⁴⁴

50. When asked if he was aware that MHC or Bron-related companies bought out mortgages from the Crystal Wealth Funds, Thibault responded, "We did purchase some mortgages from the mortgage fund. My understanding was that that was a transaction

⁴³ A copy of pages 144-146 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit "32".

⁴⁴ A copy of page 96 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017 is attached at Exhibit "21".

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that was sanctioned and Aaron and Crystal or Clayton.” He was not sure why.⁴⁵ Although Thibault was reluctant to acknowledge that the comment on the Spreadsheet “buy out taschi mortgage” was related to an advance of \$500,000 in connection with the Henchmen Film Project, when shown Exhibit 47 of the April 17 2017 Affidavit, an email dated May 4, 2016 from Smith to him, Thibault agreed that the \$500,000 advance on November 28, 2014 on the Henchmen tab of the Spreadsheet appeared to have been used to buy out a mortgage from the mortgage fund.⁴⁶

51. Thibault also explained that Exhibit 54 of my Affidavit, an October 30, 2014 email from Smith to him, “would be a purchase of ... a mortgage loan,” and that “it appears to be linked to the Mercy transaction.”⁴⁷ He stated that he believed Spectrum Canada was “a mortgage fund of Clayton’s” and that Carol Matthews may be the person who runs Spectrum.

vi. Current Status of MHC

52. Both Gilbert and Thibault told Staff that MHC no longer engages in film financing and essentially only exists to administer existing Film Loans. Gilbert said that MHC has stopped financing movies and Gilbert describes it as “not as active a company”. Gilbert says this started around 2014 and by mid-2015 that was it. Gilbert

⁴⁵ A copy of page 129 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit “33”.

⁴⁶ A copy of pages 134-137 of the transcript of the April 21, 2017 compelled examination of Steven Thibault and Exhibit 13 from the Examination is attached as Exhibit “34”.

⁴⁷ A copy of pages 149-150 of the transcript of the April 21, 2017 compelled examination of Steven Thibault, and Exhibit 16 to the Examination is attached as Exhibit “35”.

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has focused on building Bron and Media House's role was solely collections and administration of existing loans. According to Gilbert, the reason that Media House wasn't overly active is that Crystal Wealth wasn't.⁴⁸

53. Thibault stated he does not have a title for MHC anymore and that work with MHC has stopped. In his words, "There are no projects going through that company." According to Thibault, MHC stopped doing film financing in 2014, apart from a tax credit loan in 2016. He said "We didn't make a conscious choice to stop." Crystal Wealth "wasn't able to accept new projects."⁴⁹

54. Despite Smith's knowledge that MHC had curtailed its financing activities, the Media Fund OMs dated September 27, 2015⁵⁰, May 6, 2016⁵¹ and November 21, 2016⁵² continue to refer to the Production Loan Administration Agreement with MHC dated August 12, 2011 and that the Media Fund "currently intends to purchase the majority of its loans from [MHC]."

D. CONSENT OF PROPOSED RECEIVER

⁴⁸ A copy of pages 27, 86-87 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017 is attached at Exhibit "36".

⁴⁹ A copy of pages 36, 44-45 of the transcript of the April 21, 2017 compelled examination of Steven Thibault is attached as Exhibit "37".

⁵⁰ Exhibit "15" to Tillie Affidavit, page 6.

⁵¹ Exhibit "16" to Tillie Affidavit, page 6.

⁵² Exhibit "8" to Tillie Affidavit, page 6.

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55. Grant Thornton Limited consents to its appointment as a receiver and manager, without security, of all the assets, undertakings and properties of Smith, Crystal Wealth, CLJ Everest, 115 Limited, the Crystal Wealth Funds and an account of Chrysalis Yoga at the Bank of Nova Scotia.⁵³

56. I make this affidavit in furtherance of Staff's investigation and enforcement efforts as authorized by the Commission.

SWORN BEFORE ME in the
City of Toronto, in the Province of
Ontario, this 24th day of April, 2017



A Commissioner for taking affidavits

) 
)
) MICHAEL HO

Michelle Spain, a Commissioner, etc.,
Province of Ontario, for the
Government of Ontario, Ontario Securities Commission.
Expires March 22, 2018.

⁵³ A copy of Grant Thornton Limited's signed consent dated April 24, 2017 is attached as Exhibit "38".

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

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

Respondents

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

**AFFIDAVIT OF DAVID ADLER
(Sworn April 24, 2017)**

I, David Adler, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an Assistant Investigator in the Enforcement Branch of the Ontario Securities Commission (the "Commission") assigned to the Crystal Wealth Management System

Limited (“Crystal Wealth”) file. As such, I have personal information about the matters referred to in this affidavit, save for those matters of which I have been advised and do believe.

2. On Friday April 21, 2017, I conducted a compelled examination of Ms. Shanine Lee Dennill (“Dennill”) via telephone conference. Dennill testified under oath, and attended with her counsel, Bruce O’Toole. A court reporter was with me in a boardroom at the Commission’s offices, and he prepared a transcript of the interview.
3. Dennill is currently the owner of Chrysalis Studio Inc. (“Chrysalis”) located at 4040 Palladium Way in Burlington, Ontario. Attached as Exhibit 1 is page 6 of the transcript of the examination of Shanine Dennill (the “Dennill Transcript”). Attached as Exhibit 2 is the Corporation Profile Report for Chrysalis dated March 28, 2017, which indicates that Dennill is the Chief Executive Officer and a director of Chrysalis.

Employment at Crystal Wealth and Relationship with Clayton Smith

4. From approximately 2008 to 2010, Dennill worked as an office receptionist at the Burlington, Ontario offices of Crystal Wealth. During this time period, aside from Dennill, there were three other people working at the Crystal Wealth office: Clayton Smith (“Smith”), Scott Whale, and an accountant whose name she could not recall. Attached as Exhibit 3 are pages 7-9 of the transcript of the Dennill Transcript.
5. Dennill knew Smith for a short while before she began working at Crystal Wealth. While Dennill was working at Crystal Wealth, she and Smith became involved in an intimate

relationship, and began cohabiting in 2009. Attached as Exhibit 4 are pages 10-13 of the Dennill Transcript.

Chrysalis Yoga Business

6. Dennill left her employment with Crystal Wealth because Smith needed to reduce his business expenses and because she was going to open Chrysalis. When Chrysalis was incorporated in June 2009, Dennill and Smith each owned 50 percent of the business, and were both directors and officers of Chrysalis. Dennill does not know specifically what positions she and Smith held. Attached as Exhibit 5 are pages 6, 12-13 and 15 of the Dennill Transcript.
7. The Chrysalis business opened on January 29, 2011. The time gap between incorporation and the business opening was due to time taken to find the location, delays waiting for the developer of the plaza that was the chosen location for Chrysalis to break ground, and building out the space for the studio. Attached as Exhibit 6 are pages 13-14 and 18 of the Dennill Transcript.
8. Dennill does not know the set up costs of the yoga studio, “because Clayton would handle all of that stuff” and he generally handled the financial management of the business. Dennill knew the following about the initial financing of the business:
 - a. She used \$20,000 in funds from her line of credit.
 - b. Dennill had obtained a \$40,000 loan from the Business Development Bank of Canada. She was the guarantor for the loan.

- c. Dennill and Smith had sought, unsuccessfully, to obtain a loan from CIBC.
 - d. Dennill and Smith then arranged for a loan from the Bank of Nova Scotia, but the bank pulled out on opening day, or possibly the day before. Dennill believes that the loan was for \$200,000 or \$300,000, but cannot specifically recall. Attached as Exhibit 7 are pages 15-20 of the Dennill Transcript.
9. When the Bank of Nova Scotia pulled out, Smith said that he would need to get a loan, and that he had gotten a loan and put money into the business. Dennill does not know the amount of the loan or the source of the funds. Attached as Exhibit 8 are pages 16-17 of the Dennill Transcript.
10. At the time of Chrysalis' opening, in January 2011, the ownership of Chrysalis changed, and Dennill became the sole shareholder, buying out Smith "for like a dollar or something." Dennill oversaw the day-to-day running of the business, and Smith dealt with the financial side of the business, including the banking and bookkeeping. Dennill said that Smith "was the CFO" and "was doing all of our finances and stuff." Smith also taught two classes at the studio. Dennill does not know what the operating costs of the business were at the time. Dennill knew that Smith was using some of his credit cards to pay for the buildout "and stuff like that." Again, she has no idea of the amounts involved. Attached as Exhibit 9 are pages 18-20 and 26-27 of the Dennill Transcript.
11. While Dennill and Smith both had signing authority on the Chrysalis' bank account (the "Chrysalis Bank Account"), Dennill did not sign cheques, only Smith did. Attached as Exhibit 10 are pages 15-16 of the Dennill Transcript.

12. I have independent verification that Smith had signing authority on the Chrysalis Bank Account. On December 5, 2016, in the course of Staff's investigation, I received material from Dian Milouchev of the Bank of Nova Scotia responsive to a section 13 Summons I had served on the Bank. This material included account statements the Chrysalis Bank Account 87296 00518 10. The Summons required the Bank of Nova Scotia to produce banking records associated with Smith, companies associated with him, and other named individuals and companies, but did not include either Dennill or Chrysalis. When I spoke to Milouchev soon after receiving this material, I was told that Smith was listed as the treasurer for Chrysalis and had signing authority on the Chrysalis account. For that reason, the Bank of Nova Scotia produced records pertaining to the Chrysalis Bank Account. Then, on April 6, 2017, the Commission issued a Freeze Direction under section 126(1) of the Ontario *Securities Act*, RSO 1990, c.S-8, in respect of the Chrysalis Bank Account, among others. Attached as Exhibit 11 is the Freeze Direction dated April 6, 2017.
13. Smith dealt with the Chrysalis books and had signing authority on the Chrysalis Bank Account from the inception of the business. Smith continued dealing with the Chrysalis books until, Dennill believes, 2013, when an accountant was hired to do it, although she thinks Smith and the accountant "would talk to each other and work with each other." Smith continued to have signing authority on the Chrysalis Bank Account until late 2016 or early 2017. Currently, Dennill has signing authority on the Chrysalis Bank Account, and her accountant has access to pay bills and payroll. However, if there are cheques to be signed, Dennill signs them. Attached as Exhibit 12 are pages 21-22 and 24 of the Dennill Transcript.

14. Smith invested money in Chrysalis after it opened. Dennill has no knowledge of the amounts or dates of these investments, nor does she know the source of the funds. There are no loan agreements, promissory notes or other documentation for the Smith investments. Dennill was not aware of three specific transactions between February and December 2014, which were bank drafts drawn on Smith's Toronto Dominion bank account and deposited into the Chrysalis Bank Account in the amounts of \$32,000, \$52,000, and \$100,000. These three transactions are referred to in the Commission's Notice or Application to continue the Freeze Direction. Smith no longer invests in Chrysalis and Dennill does not know at what point in time Smith stopped investing funds in the business. Attached as Exhibit 13 are pages 27-30, and 40 of the Dennill Transcript.
15. Dennill and Smith also shared another business enterprise within the Chrysalis space, a restaurant named The Naked Sprout. It opened in 2011, soon after Chrysalis itself, and closed in May of 2014 because it was not doing well. The space occupied by the restaurant was converted to a third yoga studio for Chrysalis. Attached as Exhibit 14 is page 38 of the Dennill Transcript.

Relationship with Clayton Smith Ends; The Draft Separation Agreement

16. In late 2014 or early 2015, Smith "started drifting away from it [Chrysalis] a little bit", and then gave up his classes, saying he was too busy. In June or July, 2015 Dennill and Smith's intimate relationship began to deteriorate, and they "officially called it quits" at the end of August or early September 2015. Dennill moved out of the shared home, which is described below, in October 2015. Attached as Exhibit 15 are pages 30-31 of the Dennill Transcript.

17. In November 2016, Dennill and Smith, who are each represented by counsel, reached a draft separation agreement, within which there are provisions for a loan agreement to be provided by Smith to deal with Smith's investments in Chrysalis. It was also soon after this date that Dennill removed Smith's signing authority on the Chrysalis bank accounts. Attached as Exhibit 16 are pages 21 and 41 of the Dennill Transcript.
18. The total amount of the loans from Smith to Chrysalis on the Chrysalis books in November 2015 was \$2.4 million. Dennill asked Smith to reduce this amount as part of their separation negotiations. In January 2016, Smith reduced it to \$1.2 million. Chrysalis is not yet at the break-even point, but it is close. As outlined in the draft separation agreement, the loan agreement that is to be provided sets out repayment terms as follows: once Chrysalis is profitable, it will pay 50 percent of the profits to Smith until such time that he has received \$1.2 million. At that time, the loan will be considered to have been paid in full; there is no interest on the \$1.2 million. Dennill will make the loan payments to Smith himself. In her words, "Mr. Smith owns the loan." Attached as Exhibit 17 is pages 40-45 of the Dennill Transcript.

The Mount Nemo Property

19. At the time she moved out, Dennill and Smith were living at 5043 Mount Nemo Crescent in Burlington, Ontario (the "Mount Nemo Property"). Dennill cannot recall exactly when the Mount Nemo Property was purchased, possibly in February or March 2015, but it could have been earlier. Smith renovated the bathroom and some other things before they moved in, but they certainly were in the house by April 2015. Attached as Exhibit 18 are pages 31-32 of the Dennill Transcript.

20. Dennill believes that the Mount Nemo Property was on the market for four years before it was purchased by Smith, and she believes the purchase price was \$2.7 million. Denill did not make any financial contributions to the purchase because she “couldn’t afford that at all”, nor did she have any ownership stake in the Mount Nemo Property. The Mount Nemo Property purchase was financed solely by Smith. Dennill has no knowledge of the amount of the down payment, the initial amount of the mortgage, the mortgage provider (although it may have been Spectrum Canada), or the current balance owing on the mortgage. She does not know the source of funds for the down payment. She thought that the Mount Nemo Property was registered in Smith’s name, but she later learned it was in the name of CLJ Everest Ltd. Attached as Exhibit 19 are pages 33-35 of the Dennill Transcript.
21. Dennill became aware the Mount Nemo Property was listed for sale when her mother came across the listing on the MLS web site. Dennill was not involved in the listing or sale of the Mount Nemo Property, and she has no knowledge of the current ownership status of the Mount Nemo Property. Dennill confirmed that the listing agent is Smith’s sister, Joanne Smith. Attached as Exhibit 20 are pages 35-37 of the Dennill Transcript.

SWORN before me at the)
 City of Toronto in the)
 Province of Ontario this)
 24th day of April, 2017)



 David Adler



 A Commissioner, etc.

Michelle Spain, a Commissioner, etc.,
 Province of Ontario, for the
 Government of Ontario, Ontario Securities Commission.
 Expiry March 22, 2018.

APPENDIX 6

**IN THE MATTER OF THE RECEIVERSHIP OF
CRYSTAL WEALTH MANAGEMENT SYSTEMS LIMITED AND THE CRYSTAL WEALTH FUNDS**

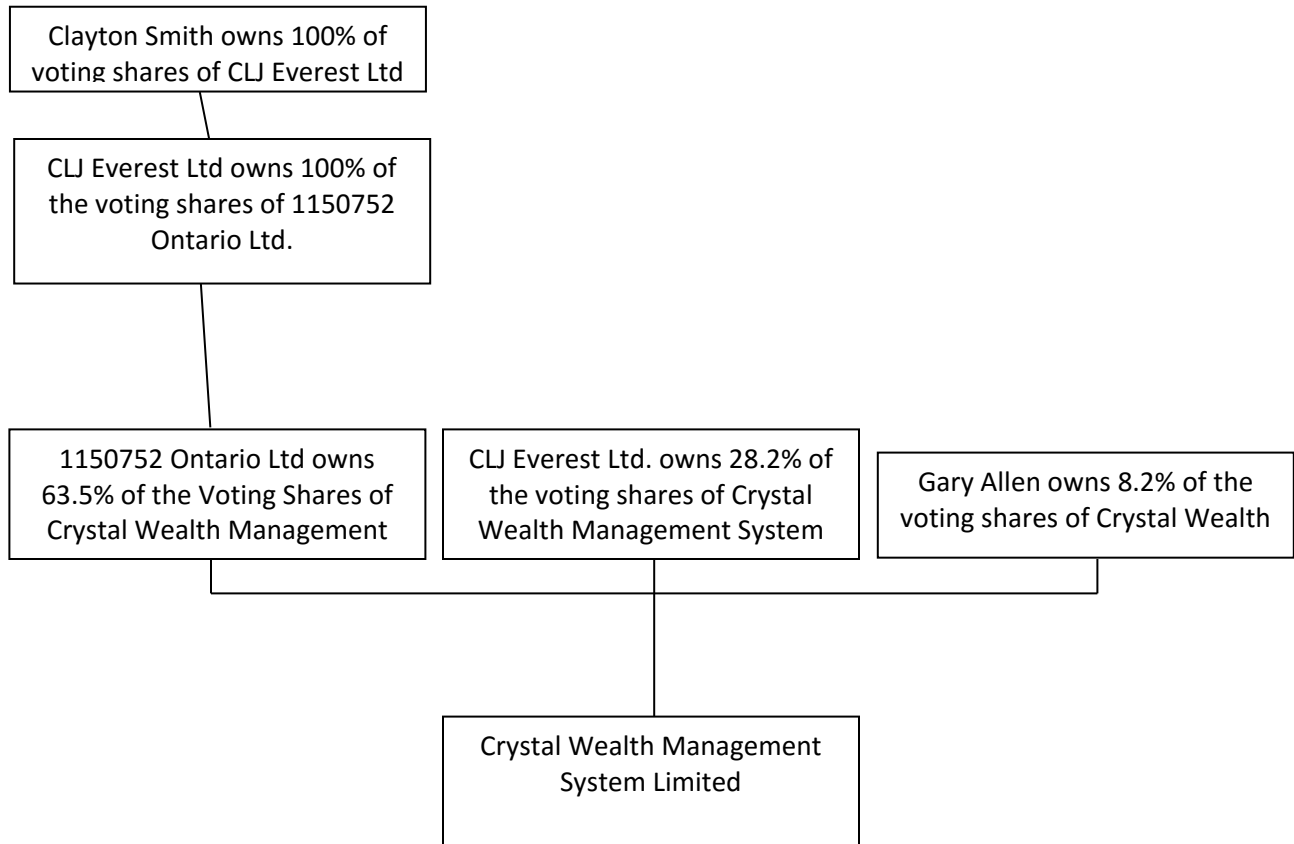
**RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDING MAY 31, 2017¹**

	Receiver Trust Accounts	NBCN Accounts	Interactive Brokers Accounts	Combined
OPENING BALANCE	\$ 193,259.96	\$ 5,367,337.66	\$ 627,423.40	\$ 6,188,021.02
CASH RECEIPTS				
Media Fund Proceeds	-	87,715.72	-	87,715.72
Mortgage Proceeds	-	1,589,084.06	-	1,589,084.06
Dividend Proceeds	-	6,350.59	-	6,350.59
Interest Allocation	-	-	-	-
Sale of Securities	-	727,652.26	-	727,652.26
Loan Interest Payments	-	23,935.14	-	23,935.14
TOTAL CASH RECEIPTS	-	2,434,737.78	-	2,434,737.78
CASH DISBURSEMENTS				
Ascend License Fee	170.00	-	-	170.00
HST Paid Ontario	-	-	-	-
HST on Ascend Licensing Fee	22.10	-	-	22.10
Other Advertising	-	-	-	-
Computer Services	10,055.00	-	-	10,055.00
Source Deductions	2,413.64	-	-	2,413.64
Insurance	-	-	-	-
Security	-	-	-	-
Utilities	-	-	-	-
Repairs and Maintenance	-	-	-	-
Rent Expense	-	-	-	-
Wages and Payroll	-	-	-	-
Employee Benefits	130.14	-	-	130.14
Outside Consulting	-	-	-	-
Bank Charges	-	2,975.62	-	2,975.62
Wire Transfer Fees	-	100.00	-	100.00
Interest Charges	-	3,143.66	-	3,143.66
TOTAL CASH DISBURSEMENTS	12,790.88	6,219.28	-	19,010.16
ENDING BALANCE	\$ 180,469.08	\$ 7,795,856.15	\$ 627,423.40	\$ 8,603,748.63

1 - USD to CAD Exchange Rate: 1.34988

APPENDIX 7

Crystal Wealth Management System Limited's Voting Ownership Chart – as of 7 Nov 16



APPENDIX 8

CW MORTGAGE STRATEGY 210
VALUATION PACKAGE

TABLE OF CONTENTS

=====

1. MULTI SERIES PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: CW Mortgage Strategy 210

Portfolio Holdings:

CASH	1,217,988.78	
INVESTMENTS	2,578,364.27	

Total Portfolio Holdings:		3,796,353.05

Non-Portfolio Holdings:

ACCRUED INTEREST - DOM. BONDS	441.13	
ACCRUED INTEREST - RES MORT	2,010.67	
ACCRUED INTEREST - COMM MORT	373,607.83	
DISTRIBUTIONS RECEIVABLE (CAD)	-0.70	
PREPAID FEES	65,260.92	
COST OF MORTGAGES - COMMERCIAL	5,469,865.18	
COST OF MORTGAGES - RES MORT	17,396,495.64	

		23,307,680.67
PAYABLE - DISTRIBUTIONS	-162.66	
LINE OF CREDIT PRINCIPAL	483.97	
LINE OF CREDIT ACCRUED INT	-5.07	
ACCRUED LOSS PROVISION	-21,198.87	
ACCRUED GST	-216.00	

		-21,098.63

Total Net Non-Portfolio Items:

Total NAV		23,286,582.04
Total NAV (unrounded)		27,082,935.09
USD FX Rate	0.7418	27,082,935.09

Accrued Expense Summary For All Classes:

ACCRUED OPERATING EXPENSES	-5,147.23
ACCRUED MANAGEMENT FEES	-31,023.25
ACCRUED AUDIT FEES	-25,047.56

	-61,218.04

Account: CW Mortgage Strategy 210

CW Mortgage Strategy CL F 1210 (AAG1210)

Allocation Percentage - Series	20.9235%
Total Portfolio Holdings:	5,661,047.32
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-1,093.69
ACCRUED MANAGEMENT FEES	-3,264.35
ACCRUED AUDIT FEES	-1,596.28
PAYABLE - DISTRIBUTIONS	105.58
Total Non-Portfolio Holdings:	-5,848.74
NET ASSET VALUE - SERIES (POST-INCENTIVE)	5,655,198.58
CLOSING UNITS	562,259.51
NAVPS	10.057990
PREVIOUS NAVPS	10.042330
% CHANGE	0.1559%
PRE-INCENTIVE PRICE	10.057990

CW Mortgage Strategy CL A 210 (AAG210A)

Allocation Percentage - Series	79.0765%
Total Portfolio Holdings:	21,421,887.77
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-4,053.54
ACCRUED MANAGEMENT FEES	-27,758.90
ACCRUED AUDIT FEES	-23,451.28
PAYABLE - DISTRIBUTIONS	-0.15
Total Non-Portfolio Holdings:	-55,263.87
NET ASSET VALUE - SERIES (POST-INCENTIVE)	21,366,623.90
CLOSING UNITS	2,120,164.61
NAVPS	10.077810
PREVIOUS NAVPS	10.065040
% CHANGE	0.1269%
PRE-INCENTIVE PRICE	10.077810

Crystal Wealth Mortgage
Strategy

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH MARGIN		1.000	1,024,280.57	1.000	1,024,280.57	26.98	0.00
Bk Margin - Spectrum		1.000	180,601.06	1.000	180,601.06	4.76	0.00
OPERATING CASH-CAD		1.000	13,107.17	1.000	13,107.17	0.35	0.00
US CASH MARGIN		1.000	-0.01	1.000	-0.01	0.00	0.00
TOTAL CASH			1,217,988.79		1,217,988.79	32.09	0.00
CASH EQUIVALENT							
522,765 GIC 0.35 24APR2017	GIC 0.35 24	100.000	522,765.02	100.000	522,765.02	13.77	441.13
TOTAL CASH EQUIVALENT			522,765.02		522,765.02	13.77	441.13
CANADIAN EQUITY							
FUND							
MUTUAL							
204,475 CRY5 WLTH MED/S-A /N'FRAC	AAG300A	10.136	2,072,643.31	10.053	2,055,599.17	54.15	0.00
TOTAL CANADIAN EQUITY			2,072,643.31		2,055,599.17	54.15	0.00
TOTAL PORTFOLIO			3,813,397.12		3,796,352.98	100.0	441.13
ACCRUED INCOME					441.13		
TOTAL PORTFOLIO VALUE					3,796,794.11		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
Bk Margin - Spectrum	cs	1.0000000
OPERATING CASH-CAD	0	1.0000000
US CASH MARGIN	U	1.3481001

APR-21-17 4:33 pm

Price Report for Securities with no Trades
On 04/20/17

Page 1

Account: CW Mortgage Strategy 210

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
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There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

CW ENLIGHTENED RES&PM FUND 230
VALUATION PACKAGE

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1. PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: CW Enlightened Res&PM Fund 230

Portfolio Holdings:

CASH	185,489	
INVESTMENTS	1,908,152	

Total Portfolio Holdings:		2,093,641

Non-Portfolio Holdings:

ACCRUED INTEREST - DOM. BONDS	966	
DISTRIBUTIONS RECEIVABLE (CAD)	0	

		966
PAYABLE - DISTRIBUTIONS	2	
ACCRUED MANAGEMENT FEES	-2,245	
ACCRUED MANAGEMENT FEES - CONT	304	
ACCRUED OPERATING EXPENSES	-374	
ACCRUED AUDIT FEES	-4,486	

		-6,799

Total Net Non-Portfolio Items:		-5,834

Total NAV	2,087,807
Total NAV (unrounded)	2,087,807.33

Closing Units	604,501.41
NAVPS	3.453770
Previous NAVPS	3.237060
% Change	6.6900
USD FX Rate	0.7418

Crystal Enlightened Resource
& Precious Metals Fund

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
AUSTRALIAN DOLLAR		1.000	-169.75	1.000	-172.33	-0.01	0.00
CANADIAN CASH TWO		1.000	63,821.49	1.000	63,821.49	3.05	0.00
CANADIAN CASH MARGIN		1.000	81,840.33	1.000	81,840.33	3.91	0.00
US CASH TWO		1.000	28,364.66	1.000	38,238.40	1.83	0.00
US CASH MARGIN		1.000	1,306.40	1.000	1,761.16	0.08	0.00
TOTAL CASH			185,489.05		185,489.05	8.86	0.00
FIXED INCOME							
BONDS & DEBENTURES							
CORP - BONDS & DEBENTURES							
50,000 Northern Vertex 5% conv 05/31/2 NEE 5 05/31		100.000	50,000.00	100.000	50,000.00	2.39	965.75
TOTAL FIXED INCOME			50,000.00		50,000.00	2.39	965.75
CANADIAN EQUITY							
COMMON STOCK							
METALS & MINERALS							
150,000 Rockhaven Resources Ltd	RK CN	0.170	25,500.00	0.160	24,000.00	1.15	0.00
GOLDS							
363,640 MONTAN MINING CORP UNITS	MNY CN UNIT	0.055	20,000.20	0.080	29,091.20	1.39	0.00
Materials							
8,400 Almadex Minerals Ltd	AMZ CN	0.000	0.00	1.150	9,660.00	0.46	0.00
62,500 ANGKOR GOLD CORP	ANK CN	0.400	25,000.00	0.330	20,625.00	0.99	0.00
357,143 Centurion Minerals Ltd	CTN CN	0.070	25,000.00	0.063	22,321.44	1.07	0.00
69,351 Chieftain Metals Inc	CFB/H CN	0.286	19,830.78	0.045	3,120.80	0.15	0.00
71,430 Colorado Resouces Ltd 17MAY18	CXO CN-0.5	0.000	0.00	0.000	0.00	0.00	0.00
71,430 Colorado Resources Ltd	CXO CN	0.350	25,000.50	0.270	19,286.10	0.92	0.00
34,700 First Mining Finance Corp	FF CN	0.731	25,357.15	0.700	24,290.00	1.16	0.00
131,600 Goldcliff Resources Corp	GCN CN	0.190	25,004.00	0.185	24,346.00	1.16	0.00
363,637 GREATBANKS RESOURCES LTD 20JL17	GTB CN RSTD	0.055	20,000.03	0.120	43,636.44	2.08	0.00
201,700 Iconic Minerals Ltd	ICM CN	0.300	60,548.16	0.075	15,127.50	0.72	0.00
635,367 Inca One Gold Corp	IO CN	0.325	206,708.00	0.150	95,305.05	4.55	0.00
100,000 KLONDIKE GOLD CORP 5AUG17	KG CN RSTD	0.200	20,000.00	0.255	25,500.00	1.22	0.00
8,000 LARGO RESOURCES LTD	LGO CN	2.540	20,320.00	0.510	4,080.00	0.19	0.00
155,500 LATIN AMERICAN MINERALS INC	LAT CN	0.100	15,550.00	0.150	23,325.00	1.11	0.00
347,735 Miranda Gold Corp	MAD CN	0.148	51,428.50	0.090	31,296.15	1.49	0.00
1,437,500 Montan Mining Corp	MNY CN	0.059	85,415.22	0.080	115,000.00	5.49	0.00
333,833 Mountainstar Gold Inc	MSX CN	0.150	50,047.50	0.010	3,338.33	0.16	0.00
100,000 MX Gold Corp	MXL CN	0.250	25,025.00	0.155	15,500.00	0.74	0.00
2,516 Northern Vertex Mining Corp	NEE CN	0.479	1,205.48	0.520	1,308.32	0.06	0.00
662,760 Novo Resources Corp	NVO CN	0.844	559,220.48	0.790	523,580.40	25.01	0.00
56,000 NuLegacy Gold Corp	NUG CN	0.450	25,200.00	0.275	15,400.00	0.74	0.00
47,500 Pacific Booker Minerals Inc	BKM CN	7.013	333,122.50	0.810	38,475.00	1.84	0.00
125,000 Palisade Resources Corp 29JUN17	1437396D CN	0.400	50,000.00	0.400	50,000.00	2.39	0.00
33,640 Pilot Gold Inc	PLG CN	1.030	34,663.00	0.540	18,165.60	0.87	0.00
37,700 Resource Capital Gold Corp	RCG CN	0.266	10,045.39	0.170	6,409.00	0.31	0.00
57,250 Riverside Resources Inc	RRI CN	0.389	22,284.39	0.445	25,476.25	1.22	0.00
208 RUBICON MINERALS CORP	RMX CN	141.915	29,518.24	1.680	349.44	0.02	0.00
166,665 SOURCE EXPLORATION CORP 4JUL17	SOP CN RSTD	0.150	25,000.00	0.300	49,999.50	2.39	0.00
100,000 Triumph Gold Corp	TIG CN	0.250	25,000.00	0.490	49,000.00	2.34	0.00
400,000 Wallbridge Mining Co Ltd	WM CN	0.080	31,996.00	0.120	48,000.00	2.29	0.00
TOTAL Materials			1,847,490.32		1,321,921.32	63.14	0.00
Industrials							
60,000 LION ONE METALS LIMITED	LIO CN	0.909	54,565.30	0.760	45,600.00	2.18	0.00
Consumer Staples							
50,000 Hempco Food & Fiber Inc	HEMP CN	0.500	25,000.00	0.465	23,250.00	1.11	0.00
Financials							
250,000 88 Capital Corp	EEC CN	0.080	20,000.00	0.145	36,250.00	1.73	0.00
69,500 Astorius Resources Ltd	ASQ CN	0.155	10,770.39	0.155	10,772.50	0.51	0.00
70,000 Garmatex Exp Mar 30 2017	Garmatex	0.500	35,000.00	0.500	35,000.00	1.67	0.00
TOTAL Financials			65,770.39		82,022.50	3.91	0.00
TOTAL COMMON STOCK			2,038,326.21		1,525,885.02	72.88	0.00
WARRANT/RIGHT							
METALS & MINERALS							
28,571 WTS-INCA ONE GOLD 22DEC20	IO-1.26	0.000	0.00	0.000	0.00	0.00	0.00
500,000 WTS- NOVO RES CORP 8MAR18	NVO-0.85	0.627	313,533.02	0.000	0.00	0.00	0.00
75,000 WTS-ROCKHAVEN RES 23DEC17	RK CN-0.25	0.000	0.00	0.000	0.00	0.00	0.00
TOTAL METALS & MINERALS			313,533.02		0.00	0.00	0.00

Crystal Enlightened Resource
& Precious Metals Fund

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
MATERIALS							
357,143 WTS-CENTURION MN 31AUG17	CTN CN-0.12	0.000	0.00	0.000	0.00	0.00	0.00
65,800 WTS-GOLDCLIFF RES 16SEP18	GCN CN-0.25	0.000	0.00	0.000	0.00	0.00	0.00
363,637 WTS-GREATBANKS RESOURCES LTD 22	GTB CN-0.08	0.000	0.00	0.040	14,545.48	0.69	0.00
760,404 WTS-INCA ONE GOLD 30AUG19	IO-0.40	0.000	0.00	0.000	0.00	0.00	0.00
100,000 KLONDIKE GOLD CORP 4APR20	KG CN-0.30	0.000	0.00	0.000	0.00	0.00	0.00
250,000 Warrant Latin American Minerals	LAT-0.15	0.000	0.00	0.000	0.00	0.00	0.00
500,000 WTS-MONTAN MINING CORP 25AUG18	MNY CN-0.15	0.000	0.00	0.000	0.00	0.00	0.00
500,000 WTS-MONTAN MNG CORP 27OC21	MNY CN-0.10	0.000	0.00	0.000	0.00	0.00	0.00
56,000 WTS-NULEGACY GOLD 17MAY18	NUG CN-0.65	0.000	0.00	0.000	0.00	0.00	0.00
166,665 SOURCE EXPLORATION CORP 3MAR19	SOP CN-0.25	0.000	0.00	0.050	8,333.25	0.40	0.00
100,000 WTS-Triumph Gold Corp 9NOV20	TIG CN-0.35	0.000	0.00	0.140	14,000.00	0.67	0.00
400,000 WTS-wallbridge Mining Co Ltd (0	WTS-WM CN	0.000	4.00	0.000	0.00	0.00	0.00
31,250 WTS-ANGKOR GOLD CORP 29JUL17	ANK CN-0.5	0.000	0.00	0.000	0.00	0.00	0.00
100,000 WTS-MX GOLD CORP 12AUG19	MXL CN-0.75	0.000	0.00	0.000	0.00	0.00	0.00
TOTAL MATERIALS			4.00		36,878.73	1.76	0.00
INDUSTRIALS							
166,667 WTS-MOUNTAINSTAR 31AUG17	WTS-MSX CN	0.000	0.00	0.000	0.00	0.00	0.00
CONSUMER STAPLES							
25,000 WTS-HEMPCO FD&FBR 30NOV17	HEMP CN-0.6	0.000	0.00	0.000	0.00	0.00	0.00
FINANCIALS							
125,000 WTS-88 CAPITAL CORP 17AUG19	EEC-0.25	0.000	0.00	0.000	0.00	0.00	0.00
INFORMATION TECHNOLOGY							
96,160 WTS-NOVO RES CORP 24JUL17	NVO-0.80	0.000	0.00	0.000	0.00	0.00	0.00
TOTAL WARRANT/RIGHT			313,537.02		36,878.73	1.76	0.00
FUND							
MUTUAL							
20,937 CRYB BULLION /N'FRAC	AAG270	10.253	214,669.33	12.497	261,643.47	12.50	0.00
50 CRYB WLTH EN F/S-A/N'FRAC	AAG240	9.990	498.94	10.565	527.63	0.03	0.00
0 CRYB WLTH MTG STGY/N'FRAC	AAG210A	10.000	0.19	10.078	0.19	0.00	0.00
TOTAL MUTUAL			215,168.46		262,171.29	12.53	0.00
TOTAL FUND			215,168.46		262,171.29	12.53	0.00
TOTAL CANADIAN EQUITY			2,567,031.69		1,824,935.04	87.17	0.00
FOREIGN EQUITY							
US EQUITY							
Information Technology							
1,788,000 Advanced Voice Recognition'33L	006238	0.053U	95,356.67	0.005U	12,052.01	0.58	0.00
INTERNATIONAL EQUITY							
MATERIALS							
50,990 Silver Lake Resources Ltd	SLR AU	3.011A	153,554.34	0.500A	25,882.52	1.24	0.00
TOTAL FOREIGN EQUITY			248,911.01		37,934.53	1.82	0.00
OTHER							
OTHER							
OTHER							
-5,000 JNUG US 01/19/18 P2.7	JNUG US 01/	1.350U	-9,587.89	0.700U	-4,718.35	-0.23	0.00
TOTAL OTHER			-9,587.89		-4,718.35	-0.23	0.00
TOTAL PORTFOLIO			3,041,843.86		2,093,640.27	100.0	965.75
ACCRUED INCOME					965.75		
TOTAL PORTFOLIO VALUE					2,094,606.02		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
AUSTRALIAN DOLLAR	A	1.0152000

Crystal Enlightened Resource
& Precious Metals Fund

PERCENTAGE BASED ON: MARKET VALUE

CANADIAN CASH TWO	C2	1.0000000
US CASH TWO	U2	1.3481001
US CASH MARGIN	U	1.3481001

Account: CW Enlightened Res&PM Fund 230

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
Astorius Resources Ltd	ASQ CN	CAD	0.15000	0.16000	0.15500
Centurion Minerals Ltd	CTN CN	CAD	0.06000	0.06500	0.06250
Goldcliff Resources Corp	GCN CN	CAD	0.18000	0.19000	0.18500
JNUG US 01/19/18 P2.7	JNUG US 01/1	USD	0.60000	0.80000	0.70000

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

CW ENLIGHTENED FACTORING 240
VALUATION PACKAGE

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1. PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: CW Enlightened Factoring 240

Portfolio Holdings:

CASH	411,707	
INVESTMENTS	11,026,656	

Total Portfolio Holdings:		11,438,362

Non-Portfolio Holdings:

ACCruED INTEREST - BANK (CAD)	1,641,268	
ACCruED INT - US REAL ESTATE	201,151	
DISTRIBUTIONS RECEIVABLE (CAD)	0	
FACTORING CONTRACTS - CAD	22,821,205	
OTHER LOANS - USD	168,513	
ACCruED INT - OTHER LOANS USD	41,136	
US REAL ESTATE LP	2,898,415	

		27,771,688
PAYABLE - DISTRIBUTIONS	-453	
ACCruED MANAGEMENT FEES	-23,112	
ACCruED MANAGEMENT FEES - CONT	3,525	
ACCruED LOSS PROVISION	-1,011,670	
ACCruED OPERATING EXPENSES	-7,272	
ACCruED AUDIT FEES	-46,900	

		-1,085,882

Total Net Non-Portfolio Items:		26,685,806

Total NAV
Total NAV (unrounded)

38,124,169
38,124,168.58

Closing Units
NAVPS
Previous NAVPS
% Change
USD FX Rate

3,608,683.05
10.564570
10.524680
0.3800
0.7418

Crystal Enlightened
Factoring Strategy

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH TWO		1.000	166,204.60	1.000	166,204.60	1.45	0.00
CANADIAN CASH THREE		1.000	30.38	1.000	30.38	0.00	0.00
CANADIAN CASH MARGIN		1.000	255,408.26	1.000	255,408.26	2.23	0.00
US CASH TWO		1.000	-7,337.01	1.000	-9,891.02	-0.09	0.00
US CASH MARGIN		1.000	-33.97	1.000	-45.79	0.00	0.00
TOTAL CASH			411,706.43		411,706.43	3.59	0.00
FIXED INCOME							
BONDS & DEBENTURES							
Financials							
30,000 GARMATEX RST CV 10%28JA16	T55426	100.000	30,000.00	100.000	30,000.00	0.26	0.00
TOTAL FIXED INCOME			30,000.00		30,000.00	0.26	0.00
CANADIAN EQUITY							
COMMON STOCK							
Materials							
336 611802 BC LTD Four	BC 4	1630.970	548,527.83	1650.940	555,244.14	4.85	0.00
1,000 GOLD Onstar Exploration Three	STAR 3	500.000	500,000.00	1318.720	1,318,720.00	11.53	0.00
198 SOLID HOLDINGS	SH 1	1677.960	331,960.89	1684.810	333,316.07	2.91	0.00
TOTAL Materials			1,380,488.72		2,207,280.21	19.29	0.00
Financials							
285,700 3D Signatures Inc	DXD CN	0.350	99,995.00	0.690	197,133.00	1.72	0.00
200,000 Garmatex Exp Mar 30 2017	Garmatex	0.500	100,000.00	0.500	100,000.00	0.87	0.00
TOTAL Financials			199,995.00		297,133.00	2.59	0.00
Telecommunication Services							
250,000 Urban Communications Inc	UBN CN	0.100	25,000.00	0.065	16,250.00	0.14	0.00
TOTAL COMMON STOCK			1,605,483.72		2,520,663.21	22.02	0.00
WARRANT/RIGHT							
INFORMATION TECHNOLOGY							
60,000 WTS-GARMATEX TECH 16JUN17	GARMATEX-W	0.000	0.00	0.000	0.00	0.00	0.00
TELECOMMUNICATION SERVICES							
250,000 WTS - URBAN COMMS 24AUG18	UBN CN-0.20	0.000	0.00	0.000	0.00	0.00	0.00
TOTAL WARRANT/RIGHT			0.00		0.00	0.00	0.00
FUND							
MUTUAL							
265,775 CRY5 ENLGHTND /NL/N'FRAC	AAG340	10.867	2,888,113.00	11.107	2,951,950.30	25.81	0.00
85 CRY5 WLTH MED/S-A /N'FRAC	AAG300A	10.098	857.30	10.053	853.48	0.01	0.00
0 CRY5 WLTH MTG STGY/N'FRAC	AAG210A	10.000	0.15	10.078	0.15	0.00	0.00
TOTAL MUTUAL			2,888,970.45		2,952,803.93	25.82	0.00
TOTAL FUND			2,888,970.45		2,952,803.93	25.82	0.00
TOTAL CANADIAN EQUITY			4,494,454.17		5,473,467.14	47.84	0.00
FOREIGN EQUITY							
US EQUITY							
COMMUNICATION SERVICES							
580,000 DSG GLOBAL INC'33L	21295B	0.259U	198,200.00	0.350U	273,664.32	2.39	0.00
Materials							
250,000 Garmatex Holdings Ltd	GRMX US	0.298U	100,000.00	0.980U	330,284.52	2.89	0.00
2,000 GOLD Onstar Exploration One	STAR 1	1000.000U	2,589,400.00	1272.810U	3,431,750.58	30.00	0.00
800 GOLD Onstar Exploration Two	STAR 2	950.000U	996,400.00	1258.830U	1,357,623.08	11.87	0.00
TOTAL Materials			3,685,800.00		5,119,658.18	44.76	0.00
Information Technology							
988,000 Advanced Voice Recognition'33L	006238	0.050U	49,338.80	0.005U	6,659.61	0.06	0.00
TOTAL US EQUITY			3,933,338.80		5,399,982.11	47.21	0.00
WARRANT/RIGHT							
MATERIALS							
125,000 WTS-GARMATEX TECH 16MAY18	GRMX-0.60	0.000U	0.00	0.380U	64,034.75	0.56	0.00
FUND							
MUTUAL							
50,000 WESTERN WEALTH CAPITAL LP SUB A WWC SUB		1.000U	67,115.01	1.000U	67,405.01	0.59	0.00

APR-21-17 4:36 pm

THE INVESTMENT ADMINISTRATION SOLUTION INC.
P O R T F O L I O V A L U A T I O N (D E T A I L)
BASED ON TRADE DATE as of APR-20-17

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Crystal Enlightened
Factoring Strategy

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
TOTAL FOREIGN EQUITY			4,000,453.81		5,531,421.87	48.36	0.00
OTHER							
OTHER							
33 CDM7 C\$ CURRENCY FUTURE 20JUN17 CDM7		0.0000U	0.00	74.178U	-8,233.49	-0.07	0.00
TOTAL OTHER			0.00		-8,233.49	-0.07	0.00
TOTAL PORTFOLIO			8,936,614.41		11,438,361.95	100.0	0.00
ACCRUED INCOME					0.00		
TOTAL PORTFOLIO VALUE					11,438,361.95		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
CANADIAN CASH TWO	C2	1.0000000
CANADIAN CASH THREE	C3	1.0000000
US CASH TWO	U2	1.3481001
US CASH MARGIN	U	1.3481001

APR-21-17 4:36 pm

Price Report for Securities with no Trades
On 04/20/17

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Account: CW Enlightened Factoring 240

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
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There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

CW MEDICAL STRATEGY 250
VALUATION PACKAGE

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1. MULTI SERIES PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: CW Medical Strategy 250

Portfolio Holdings:

CASH	449,770.04	
INVESTMENTS	1,540,927.25	

Total Portfolio Holdings:		1,990,697.29

Non-Portfolio Holdings:

DISTRIBUTIONS RECEIVABLE (CAD)	-0.03	
FACTORING CONTRACTS - USD	6,470,772.79	
ACCRUED CONTRACT FEES - USD	806,779.86	

		7,277,552.62
REDEMPTIONS PAYABLE - DOMESTIC	-0.70	
PAYABLE - DISTRIBUTIONS	1.58	
ACCRUED MANAGEMENT FEES - CONT	1,839.33	

		1,840.21

Total Net Non-Portfolio Items:		7,279,392.83

Total NAV		9,270,090.12
Total NAV (unrounded)		9,270,090.12
USD FX Rate	0.7418	

Accrued Expense Summary For All Classes:

ACCRUED OPERATING EXPENSES	-1,771.91
ACCRUED MANAGEMENT FEES	-11,139.05
ACCRUED AUDIT FEES	-9,764.89

	-22,675.85

Account: CW Medical Strategy 250

CW Medical Strategy CL F 1250 (AAG1250)

Allocation Percentage - Series	3.7167%
Total Portfolio Holdings:	344,354.16
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-66.96
ACCRUED MANAGEMENT FEES	-207.90
ACCRUED AUDIT FEES	-302.23
PAYABLE - DISTRIBUTIONS	0.02
Total Non-Portfolio Holdings:	-577.07

NET ASSET VALUE - SERIES (POST-INCENTIVE)	343,777.09
CLOSING UNITS	33,945.12
NAVPS	10.127440
PREVIOUS NAVPS	10.113120
% CHANGE	0.1416%
PRE-INCENTIVE PRICE	10.127440

CW Medical Strategy CL A 250 (AAG250A)

Allocation Percentage - Series	96.2833%
Total Portfolio Holdings:	8,925,735.96
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-1,704.95
ACCRUED MANAGEMENT FEES	-10,931.15
ACCRUED AUDIT FEES	-9,462.66
PAYABLE - DISTRIBUTIONS	-0.41
Total Non-Portfolio Holdings:	-22,099.17

NET ASSET VALUE - SERIES (POST-INCENTIVE)	8,903,636.79
CLOSING UNITS	649,126.32
NAVPS	13.716340
PREVIOUS NAVPS	13.700360
% CHANGE	0.1166%
PRE-INCENTIVE PRICE	13.716340

Crystal Wealth Medical
Strategy

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH TWO		1.000	250,921.06	1.000	250,921.06	12.60	0.00
CANADIAN CASH MARGIN		1.000	170,620.79	1.000	170,620.79	8.57	0.00
US CASH TWO		1.000	20,930.37	1.000	28,216.23	1.42	0.00
US CASH MARGIN		1.000	8.87	1.000	11.96	0.00	0.00
TOTAL CASH			449,770.04		449,770.04	22.59	0.00
CASH EQUIVALENT							
2,529 DUNDEE INV SVG ACCT F-NL	DYN550	10.000	25,288.62	10.000	25,287.80	1.27	0.00
TOTAL CASH EQUIVALENT			25,288.62		25,287.80	1.27	0.00
CANADIAN EQUITY							
FUND							
MUTUAL							
0 CRY5 ENLGT RES&PM/N'FRAC	AAG230	4.524	0.19	3.237	0.14	0.00	0.00
151,855 CRY5 WLTH MED/S-A /N'FRAC	AAG300A	10.123	1,537,291.10	10.053	1,526,604.99	76.69	0.00
TOTAL MUTUAL			1,537,291.29		1,526,605.13	76.69	0.00
TOTAL CANADIAN EQUITY			1,537,291.29		1,526,605.13	76.69	0.00
FOREIGN EQUITY							
US EQUITY							
Information Technology							
1,164,000 Advanced Voice Recognition'33L	006238	0.051U	58,898.40	0.005U	7,845.94	0.39	0.00
TOTAL FOREIGN EQUITY			58,898.40		7,845.94	0.39	0.00
OTHER							
OTHER							
OTHER							
73 CDM7 C\$ CURRENCY FUTURE 20JUN17 CDM7		0.000U	0.00	74.178U	-18,811.62	-0.94	0.00
TOTAL OTHER			0.00		-18,811.62	-0.94	0.00
TOTAL PORTFOLIO			2,071,248.35		1,990,697.29	100.0	0.00
ACCRUED INCOME					0.00		
TOTAL PORTFOLIO VALUE					1,990,697.29		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
CANADIAN CASH TWO	C2	1.0000000
US CASH TWO	U2	1.3481001
US CASH MARGIN	U	1.3481001

APR-21-17 4:33 pm

Price Report for Securities with no Trades
On 04/20/17

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Account: CW Medical Strategy 250

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
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There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

CW ENLIGHTENED BULLION 270
VALUATION PACKAGE

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1. PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: CW Enlightened Bullion 270

Portfolio Holdings:

CASH	268,830	
INVESTMENTS	763,006	

Total Portfolio Holdings:		1,031,835

ACCRUED MANAGEMENT FEES	-1,189	
ACCRUED OPERATING EXPENSES	-197	
ACCRUED AUDIT FEES	-894	

	-2,280	

Total Net Non-Portfolio Items:		-2,280

Total NAV	1,029,555
Total NAV (unrounded)	1,029,555.40

Closing Units	82,387.31
NAVPS	12.496530
Previous NAVPS	12.420160
% Change	0.6100
USD FX Rate	0.7418

APR-21-17 4:37 pm

THE INVESTMENT ADMINISTRATION SOLUTION INC.
P O R T F O L I O V A L U A T I O N (D E T A I L)
BASED ON TRADE DATE as of APR-20-17

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Crystal Enlightened
Bullion Fund

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH MARGIN		1.000	277,431.65	1.000	277,431.65	26.89	0.00
US CASH MARGIN		1.000	-6,380.78	1.000	-8,601.93	-0.83	0.00
TOTAL CASH			268,829.72		268,829.72	26.06	0.00
CANADIAN EQUITY							
COMMON STOCK							
Materials							
101 611802 BC LTD Two	BC 2	1591.000	160,165.97	1653.130	166,420.60	16.13	0.00
364 Inco One Gold Purchase Ag 1	I0G 1	1605.860	584,533.04	1638.970	596,585.08	57.82	0.00
TOTAL Materials			744,699.01		763,005.68	73.95	0.00
TOTAL CANADIAN EQUITY			744,699.01		763,005.68	73.95	0.00
TOTAL PORTFOLIO			1,013,528.73		1,031,835.40	100.0	0.00
ACCRUED INCOME					0.00		
TOTAL PORTFOLIO VALUE					1,031,835.40		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
US CASH MARGIN	U	1.3481001

APR-21-17 4:37 pm

Price Report for Securities with no Trades
On 04/20/17

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Account: CW Enlightened Bullion 270

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
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There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

CW MEDIA STRATEGY 300
VALUATION PACKAGE

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1. MULTI SERIES PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: CW Media Strategy 300

Portfolio Holdings:

CASH	731,304.90	
INVESTMENTS	1,018,719.26	

Total Portfolio Holdings:		1,750,024.16

Non-Portfolio Holdings:

ACCRUED INTEREST - BANK (CAD)	11,873,156.17	
ACCRUED INTEREST - BANK (USD)	2,671,967.55	
DISTRIBUTIONS RECEIVABLE (CAD)	-0.09	
TERM LOANS - CAD	33,649,959.30	
TERM LOANS - USD	5,325,455.89	
ACCRUED WITHHOLDING TAXES	-10.56	

		53,520,528.26
REDEMPTIONS PAYABLE - DOMESTIC	-0.50	
PAYABLE - DISTRIBUTIONS	23.04	
ACCRUED LOSS PROVISION	-803,732.70	

		-803,710.16

Total Net Non-Portfolio Items:		52,716,818.10
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Total NAV		54,466,842.26
Total NAV (unrounded)		54,466,842.26
USD FX Rate	0.7418	

Accrued Expense Summary For All Classes:

ACCRUED OPERATING EXPENSES	-10,180.34
ACCRUED MANAGEMENT FEES	-60,373.87
ACCRUED AUDIT FEES	-57,113.20

	-127,667.41

Account: CW Media Strategy 300

CW Media Strategy CL F 1300 (AAG1300)

Allocation Percentage - Series	12.5986%
Total Portfolio Holdings:	6,859,080.91
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-1,306.79
ACCRUED MANAGEMENT FEES	-3,939.30
ACCRUED AUDIT FEES	-6,376.80
PAYABLE - DISTRIBUTIONS	0.02
Total Non-Portfolio Holdings:	-11,622.87
NET ASSET VALUE - SERIES (POST-INCENTIVE)	6,847,458.04
CLOSING UNITS	682,016.09
NAVPS	10.040020
PREVIOUS NAVPS	10.022870
% CHANGE	0.1711%
PRE-INCENTIVE PRICE	10.040020

CW Media Strategy CL A 300 (AAG300A)

Allocation Percentage - Series	87.4014%
Total Portfolio Holdings:	47,607,761.35
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-8,873.55
ACCRUED MANAGEMENT FEES	-56,434.57
ACCRUED AUDIT FEES	-50,736.40
PAYABLE - DISTRIBUTIONS	-0.81
Total Non-Portfolio Holdings:	-116,045.33
NET ASSET VALUE - SERIES (POST-INCENTIVE)	47,491,716.02
CLOSING UNITS	4,724,112.73
NAVPS	10.053040
PREVIOUS NAVPS	10.038350
% CHANGE	0.1463%
PRE-INCENTIVE PRICE	10.053040

Crystal Wealth Media
 Strategy

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH TWO		1.000	269,909.72	1.000	269,909.72	15.42	0.00
CANADIAN CASH MARGIN		1.000	37,906.95	1.000	37,906.95	2.17	0.00
US CASH TWO		1.000	31,476.96	1.000	42,434.09	2.42	0.00
US CASH MARGIN		1.000	282,660.11	1.000	381,054.12	21.77	0.00
TOTAL CASH			731,304.88		731,304.88	41.78	0.00
CASH EQUIVALENT							
104,223 DUNDEE INV SVG ACCT F-NL	DYN550	10.000	1,042,264.11	10.000	1,042,227.60	59.56	0.00
TOTAL CASH EQUIVALENT			1,042,264.11		1,042,227.60	59.56	0.00
CANADIAN EQUITY							
FUND							
MUTUAL							
0 CRYM MEDICAL STGY /N'FRAC	AAG250A	12.979	0.61	13.716	0.64	0.00	0.00
TOTAL CANADIAN EQUITY			0.61		0.64	0.00	0.00
OTHER							
OTHER							
OTHER							
79 CDM7 C\$ CURRENCY FUTURE 20JUN17 CDM7		0.000U	0.00	74.178U	-23,508.68	-1.34	0.00
TOTAL OTHER			0.00		-23,508.68	-1.34	0.00
TOTAL PORTFOLIO			1,773,569.60		1,750,024.44	100.0	0.00
ACCRUED INCOME					0.00		
TOTAL PORTFOLIO VALUE					1,750,024.44		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
CANADIAN CASH TWO	C2	1.0000000
US CASH TWO	U2	1.3481001
US CASH MARGIN	U	1.3481001

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Price Report for Securities with no Trades
On 04/20/17

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Account: CW Media Strategy 300

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
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There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

CW H YLD MORTGAGE STRATEGY 310
VALUATION PACKAGE

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1. MULTI SERIES PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: CW H YLD Mortgage Strategy 310

Portfolio Holdings:

CASH	760,005.64	
INVESTMENTS	1,378,896.88	

Total Portfolio Holdings:		2,138,902.52

Non-Portfolio Holdings:

ACCRUED INTEREST - BANK (CAD)	53,237.90	
ACCRUED INTEREST - RES MORT	437.33	
DISTRIBUTIONS RECEIVABLE (CAD)	0.01	
OTHER LOANS CAD	550,000.00	
COST OF MORTGAGES - RES MORT	2,467,144.49	
INTRA FUND LOANS RECEIVABLE	274,000.00	
INT REC ON INTRA FUND LOANS	2,897.15	

		3,347,716.88
ACCRUED LOSS PROVISION	-44,453.95	

		-44,453.95

Total Net Non-Portfolio Items:		3,303,262.93
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Total NAV		5,442,165.45
Total NAV (unrounded)		5,442,165.45
USD FX Rate	0.7418	

Accrued Expense Summary For All Classes:

ACCRUED OPERATING EXPENSES	-1,041.31
ACCRUED MANAGEMENT FEES	-5,238.60
ACCRUED AUDIT FEES	-3,804.28

	-10,084.19

Account: CW H YLD Mortgage Strategy 310

CW HY Mortgage Strat CL F 1310 (AAG1310)

Allocation Percentage - Series	40.7652%
Total Portfolio Holdings:	2,217,546.80
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-423.61
ACCRUED MANAGEMENT FEES	-1,273.30
ACCRUED AUDIT FEES	-1,108.27
PAYABLE - DISTRIBUTIONS	-0.06
Total Non-Portfolio Holdings:	-2,805.24
NET ASSET VALUE - SERIES (POST-INCENTIVE)	2,214,741.56
CLOSING UNITS	221,148.42
NAVPS	10.014730
PREVIOUS NAVPS	9.999600
% CHANGE	0.1513%
PRE-INCENTIVE PRICE	10.014730

CW HY Mortgage Strategy CL A (AAG310A)

Allocation Percentage - Series	59.2348%
Total Portfolio Holdings:	3,224,618.65
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-617.70
ACCRUED MANAGEMENT FEES	-3,965.30
ACCRUED AUDIT FEES	-2,696.01
PAYABLE - DISTRIBUTIONS	3.92
Total Non-Portfolio Holdings:	-7,275.09
NET ASSET VALUE - SERIES (POST-INCENTIVE)	3,217,343.56
CLOSING UNITS	321,161.23
NAVPS	10.017850
PREVIOUS NAVPS	10.005330
% CHANGE	0.1251%
PRE-INCENTIVE PRICE	10.017850

Crystal Wealth High Yield
Mortgage Strategy

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH MARGIN		1.000	473,583.65	1.000	473,583.65	22.14	0.00
Bk Margin - Spectrum		1.000	283,363.21	1.000	283,363.21	13.25	0.00
OPERATING CASH-CAD		1.000	3,058.69	1.000	3,058.69	0.14	0.00
TOTAL CASH			760,005.55		760,005.55	35.53	0.00
CANADIAN EQUITY FUND							
MUTUAL							
51,409 CRY5 WLTH MED/S-A /N'FRAC	AAG300A	10.136	521,098.34	10.053	516,820.15	24.16	0.00
85,542 CRY5 WLTH MTG STGY/N'FRAC	AAG210A	10.077	862,042.95	10.078	862,076.73	40.30	0.00
TOTAL MUTUAL			1,383,141.29		1,378,896.88	64.46	0.00
TOTAL CANADIAN EQUITY			1,383,141.29		1,378,896.88	64.46	0.00
TOTAL PORTFOLIO			2,143,146.84		2,138,902.43	100.0	0.00
ACCRUED INCOME					0.00		
TOTAL PORTFOLIO VALUE					2,138,902.43		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
Bk Margin - Spectrum	cs	1.0000000
OPERATING CASH-CAD	0	1.0000000

APR-21-17 4:34 pm

Price Report for Securities with no Trades
On 04/20/17

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Account: CW H YLD Mortgage Strategy 310

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
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There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

CW INFRASTRUCTURE STRATEGY 330
VALUATION PACKAGE

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1. MULTI SERIES PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: CW Infrastructure Strategy 330

Portfolio Holdings:

CASH	2,087,301.60	
INVESTMENTS	315,000.00	

Total Portfolio Holdings:		2,402,301.60

Non-Portfolio Holdings:

ACCRUED INTEREST - DOM. BONDS	13,946.30	
ACC INT- INFRASTRUCTURE LOANS	193,782.09	
INFRASTRUCTURE LOANS PRINCIPAL	5,154,571.33	

Total Net Non-Portfolio Items:	5,362,299.72	

Total NAV		7,764,601.32
Total NAV (unrounded)		7,764,601.32
USD FX Rate	0.7418	

Accrued Expense Summary For All Classes:

ACCRUED OPERATING EXPENSES	-1,544.51
ACCRUED MANAGEMENT FEES	-9,178.60
ACCRUED AUDIT FEES	-4,936.55

	-15,659.66

Account: CW Infrastructure Strategy 330

CW Infrastr Strategy CL F 1330 (AAG1330)

Allocation Percentage - Series	9.4642%
Total Portfolio Holdings:	734,440.73
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-195.45
ACCRUED MANAGEMENT FEES	-421.88
ACCRUED AUDIT FEES	-273.74
PAYABLE - DISTRIBUTIONS	-0.02
Total Non-Portfolio Holdings:	-891.09
NET ASSET VALUE - SERIES (POST-INCENTIVE)	733,549.64
CLOSING UNITS	73,131.21
NAVPS	10.030600
PREVIOUS NAVPS	10.014850
% CHANGE	0.1573%
PRE-INCENTIVE PRICE	10.030600

CW Infrastructure Strategy CLA (AAG330A)

Allocation Percentage - Series	90.5358%
Total Portfolio Holdings:	7,030,160.59
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-1,349.06
ACCRUED MANAGEMENT FEES	-8,756.72
ACCRUED AUDIT FEES	-4,662.81
PAYABLE - DISTRIBUTIONS	0.06
Total Non-Portfolio Holdings:	-14,768.53
NET ASSET VALUE - SERIES (POST-INCENTIVE)	7,015,392.06
CLOSING UNITS	694,490.45
NAVPS	10.101500
PREVIOUS NAVPS	10.088330
% CHANGE	0.1305%
PRE-INCENTIVE PRICE	10.101500

APR-21-17 4:34 pm

THE INVESTMENT ADMINISTRATION SOLUTION INC.
P O R T F O L I O V A L U A T I O N (D E T A I L)
BASED ON TRADE DATE as of APR-20-17

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Crystal Wealth
Infrastructure Strategy Fund

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH MARGIN		1.000	2,087,300.31	1.000	2,087,300.31	86.89	0.00
US CASH MARGIN		1.000	0.96	1.000	1.29	0.00	0.00
TOTAL CASH			2,087,301.60		2,087,301.60	86.89	0.00
FIXED INCOME							
BONDS & DEBENTURES							
CORP - BONDS & DEBENTURES							
315,000 CIMC CN 8 09/28/18	CIMC CN 8 0	100.000	315,000.00	100.000	315,000.00	13.11	13946.30
TOTAL FIXED INCOME			315,000.00		315,000.00	13.11	13946.30
TOTAL PORTFOLIO			2,402,301.60		2,402,301.60	100.0	13946.30
ACCRUED INCOME					13,946.30		
TOTAL PORTFOLIO VALUE					2,416,247.90		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
US CASH MARGIN	U	1.3481001

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Price Report for Securities with no Trades
On 04/20/17

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Account: CW Infrastructure Strategy 330

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
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There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

CW ENLIGHTENED HEDGE FUND 340
VALUATION PACKAGE

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1. PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: CW Enlightened Hedge Fund 340

Portfolio Holdings:

CASH	531,692	
INVESTMENTS	1,561,271	

Total Portfolio Holdings:		2,092,964

Non-Portfolio Holdings:

ACCRUED INTEREST - BANK (CAD)	568,797	
ACCRUED INT - US REAL ESTATE	503,909	
FACTORING CONTRACTS - CAD	2,992,362	
LOAN TO REAL ESTATE LP	46,000	
US REAL ESTATE LP	7,751,575	

		11,862,643
ACCRUED MANAGEMENT FEES	-15,774	
ACCRUED OPERATING EXPENSES	-2,649	
ACCRUED AUDIT FEES	-18,234	

		-36,657

Total Net Non-Portfolio Items:		11,825,986

Total NAV	13,918,950
Total NAV (unrounded)	13,918,949.61

Closing Units	1,253,174.91
NAVPS	11.106950
Previous NAVPS	10.975350
% Change	1.2000
USD FX Rate	0.7418

Crystal Wealth
Enlightened Hedge Fund

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH MARGIN		1.000	531,626.78	1.000	531,626.78	25.40	0.00
US CASH MARGIN		1.000	48.60	1.000	65.52	0.00	0.00
TOTAL CASH			531,692.30		531,692.30	25.40	0.00
CANADIAN EQUITY COMMON STOCK							
TECHNOLOGY							
799,400 HealthSpace Data Systems Ltd	HS CN	0.078	62,514.00	0.060	47,964.00	2.29	0.00
Materials							
162 611802 BC LTD Two	BC 2	1591.000	257,837.46	1653.130	267,906.25	12.80	0.00
162 611802 BC LTD Three	BC 3	1630.750	264,393.50	1642.190	266,248.26	12.72	0.00
125,000 APPIA ENERGY CORP 31MAY17	API CN RSTD	0.200	25,000.00	0.255	31,875.00	1.52	0.00
221 INCA ONE GOLD Purchase Ag 2	I0G 2	1605.860	354,895.06	1638.970	362,212.37	17.31	0.00
TOTAL Materials			902,126.02		928,241.88	44.35	0.00
Consumer Discretionary							
200,004 RONIN8 TECHNOLOGIES	RO8 SUB	0.500	100,002.00	0.500	100,002.00	4.78	0.00
Financials							
134,300 3D SIGNATURE INC 17APR17	DXD-RSTD	0.750	100,725.00	0.690	92,667.00	4.43	0.00
TOTAL COMMON STOCK			1,165,367.02		1,168,874.88	55.85	0.00
WARRANT/RIGHT MATERIALS							
125,000 WTS-APPIA ENERGY CORP 31JAN22	API CN-0.30	0.000	0.00	0.000	0.00	0.00	0.00
FINANCIALS							
134,300 WTS-3D SIGNATURES 16DEC18	DXD CN-0.92	0.000	0.00	0.000	0.00	0.00	0.00
TOTAL WARRANT/RIGHT			0.00		0.00	0.00	0.00
FUND MUTUAL							
4,282 COLUMBIA STREET CAPITAL FUND LP COL CN UNIT		11.678	50,000.00	12.377	52,990.67	2.53	0.00
TOTAL CANADIAN EQUITY			1,215,367.02		1,221,865.55	58.38	0.00
FOREIGN EQUITY US EQUITY							
Materials							
200 GOLD Onstar Exploration Two	STAR 2	950.000U	248,900.00	1258.830U	339,405.77	16.22	0.00
TOTAL FOREIGN EQUITY			248,900.00		339,405.77	16.22	0.00
TOTAL PORTFOLIO			1,995,959.32		2,092,963.62	100.0	0.00
ACCRUED INCOME					0.00		
TOTAL PORTFOLIO VALUE					2,092,963.62		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
US CASH MARGIN	U	1.3481001

APR-21-17 4:37 pm

Price Report for Securities with no Trades
On 04/20/17

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Account: CW Enlightened Hedge Fund 340

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
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There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

CW CONSCIOUS CAP START F 350
VALUATION PACKAGE

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1. MULTI SERIES PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: CW Conscious Cap Start F 350

Portfolio Holdings:

CASH	27,905.12	
INVESTMENTS	658,198.28	

Total Portfolio Holdings:		686,103.40

INTRA FUND LOANS PAYABLE	-274,000.00	
INT PAY ON INTRA FUND LOANS	-2,897.15	

		-276,897.15

Total Net Non-Portfolio Items:		-276,897.15
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Total NAV		409,206.25
Total NAV (unrounded)		409,206.25
USD FX Rate	0.7418	

Accrued Expense Summary For All Classes:

ACCRUED OPERATING EXPENSES	-80.27
ACCRUED MANAGEMENT FEES	-268.24
ACCRUED AUDIT FEES	-197.38

	-545.89

Account: CW Conscious Cap Start F 350

CW Conscious Cap St CL F 1350 (AAG1350)

Allocation Percentage - Series	96.4117%
Total Portfolio Holdings:	394,517.32
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-77.35
ACCRUED MANAGEMENT FEES	-249.67
ACCRUED AUDIT FEES	-190.34
Total Non-Portfolio Holdings:	-517.36

NET ASSET VALUE - SERIES (POST-INCENTIVE)	393,999.96
CLOSING UNITS	26,766.60
NAVPS	14.719830
PREVIOUS NAVPS	14.732100
% CHANGE	-0.0833%
PRE-INCENTIVE PRICE	14.719830

CW Conscious Cap F CL A 350 (AAG350A)

Allocation Percentage - Series	3.5883%
Total Portfolio Holdings:	14,688.93
Non-Portfolio Holdings:	
ACCRUED OPERATING EXPENSES	-2.92
ACCRUED MANAGEMENT FEES	-18.57
ACCRUED AUDIT FEES	-7.04
Total Non-Portfolio Holdings:	-28.53

NET ASSET VALUE - SERIES (POST-INCENTIVE)	14,660.40
CLOSING UNITS	1,000.00
NAVPS	14.660400
PREVIOUS NAVPS	14.676200
% CHANGE	-0.1077%
PRE-INCENTIVE PRICE	14.660400

APR-21-17 4:34 pm

THE INVESTMENT ADMINISTRATION SOLUTION INC.
P O R T F O L I O V A L U A T I O N (D E T A I L)
BASED ON TRADE DATE as of APR-20-17

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Crystal Wealth Conscious
Capital Strategy

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH MARGIN		1.000	27,905.12	1.000	27,905.12	4.07	0.00
TOTAL CASH			27,905.12		27,905.12	4.07	0.00
CANADIAN EQUITY COMMON STOCK Financials							
336,571 POND TECHNOLOGIES INC	POND CN	1.334	448,986.20	1.880	632,753.48	92.22	0.00
WARRANT/RIGHT FINANCIALS							
212,040 POND TECHNOLOGIES INC 1NOV18	POND-2.50	0.000	0.00	0.120	25,444.80	3.71	0.00
TOTAL CANADIAN EQUITY			448,986.20		658,198.28	95.93	0.00
TOTAL PORTFOLIO			476,891.32		686,103.40	100.0	0.00
ACCRUED INCOME					0.00		
TOTAL PORTFOLIO VALUE					686,103.40		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
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APR-21-17 4:34 pm

Price Report for Securities with no Trades
On 04/20/17

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Account: CW Conscious Cap Start F 350

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
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There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

ACM INCOME FUND 700
VALUATION PACKAGE

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1. PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: ACM Income Fund 700

Portfolio Holdings:

CASH	371,053	
INVESTMENTS	10,458,518	

Total Portfolio Holdings:		10,829,570

Non-Portfolio Holdings:

DISTRIBUTIONS RECEIVABLE (CAD)	0	

		0
PAYABLE - DISTRIBUTIONS	0	
ACCRUED MANAGEMENT FEES	-12,439	
ACCRUED MANAGEMENT FEES - CONT	11,911	
ACCRUED OPERATING EXPENSES	-2,076	
ACCRUED AUDIT FEES	-11,549	

		-14,153

Total Net Non-Portfolio Items:		-14,153

Total NAV	10,815,417
Total NAV (unrounded)	10,815,417.25

Closing Units	1,056,200.62
NAVPS	10.239930
Previous NAVPS	10.218990
% Change	0.2000
USD FX Rate	0.7418

ACM Income Fund

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH MARGIN		1.000	368,113.00	1.000	368,113.00	3.40	0.00
US CASH MARGIN		1.000	2,180.48	1.000	2,939.51	0.03	0.00
TOTAL CASH			371,052.51		371,052.51	3.43	0.00
CANADIAN EQUITY FUND							
MUTUAL							
28,570 CRY5 ENLGHTND /NL/N'FRAC	AAG340	10.296	294,164.32	11.107	317,328.01	2.93	0.00
40,849 CRY5 MEDICAL STGY /N'FRAC	AAG250A	13.186	538,614.20	13.716	560,297.40	5.17	0.00
229,668 CRY5 WLTH EN F/S-A/N'FRAC	AAG240	9.987	2,293,596.57	10.565	2,426,338.59	22.40	0.00
655,974 CRY5 WLTH MED/S-A /N'FRAC	AAG300A	10.124	6,641,115.29	10.053	6,594,528.64	60.89	0.00
49,895 MLI YLD OPP-F /NL/N'FRAC	MMF4624	11.101	553,893.58	11.224	560,025.18	5.17	0.00
TOTAL MUTUAL			10,321,383.96		10,458,517.82	96.56	0.00
TOTAL CANADIAN EQUITY			10,321,383.96		10,458,517.82	96.56	0.00
TOTAL PORTFOLIO			10,692,436.47		10,829,570.33	100.0	0.00
ACCRUED INCOME					0.00		
TOTAL PORTFOLIO VALUE					10,829,570.33		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
US CASH MARGIN	U	1.3481001

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Price Report for Securities with no Trades
On 04/20/17

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Account: ACM Income Fund 700

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
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There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

ACM GROWTH FUND 710
VALUATION PACKAGE

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1. PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: ACM Growth Fund 710

Portfolio Holdings:

CASH	-2,040,779	
INVESTMENTS	13,674,671	

Total Portfolio Holdings:		11,633,892

Non-Portfolio Holdings:

DISTRIBUTIONS RECEIVABLE (CAD)	0	

		0
PAYABLE - DISTRIBUTIONS	64	
ACCRUED MANAGEMENT FEES	-13,466	
ACCRUED MANAGEMENT FEES - CONT	5,680	
ACCRUED OPERATING EXPENSES	-2,242	
ACCRUED AUDIT FEES	-14,865	

		-24,828

Total Net Non-Portfolio Items:		-24,828

Total NAV	11,609,064
Total NAV (unrounded)	11,609,064.11

Closing Units	1,195,161.08
NAVPS	9.713390
Previous NAVPS	9.980950
% Change	-2.6800
USD FX Rate	0.7418

ACM Growth Fund

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH TWO		1.000	0.01	1.000	0.01	0.00	0.00
CANADIAN CASH MARGIN		1.000	-1,736,958.85	1.000	-1,736,958.85	-14.9	0.00
US CASH MARGIN		1.000	-225,369.26	1.000	-303,820.32	-2.61	0.00
TOTAL CASH			-2,040,779.16		-2,040,779.16	-17.5	0.00
CANADIAN EQUITY							
COMMON STOCK							
Energy							
249,700 NexGen Energy Ltd	NXE CN	2.296	573,329.11	3.110	776,567.00	6.68	0.00
Materials							
25,000 CONTINENTAL GOLD INC	CNL CN	4.010	100,250.00	3.330	83,250.00	0.72	0.00
400,000 DENISON MINES CORP	DML CN	0.629	251,581.18	0.800	320,000.00	2.75	0.00
200,000 Fission Uranium Corp	FCU CN	0.970	194,000.00	0.790	158,000.00	1.36	0.00
150,000 Ivanhoe Mines Ltd	IVN CN	4.177	626,500.00	5.060	759,000.00	6.52	0.00
343,500 Leading Edge Materials Corp	LEM CN	0.661	227,100.00	0.640	219,840.00	1.89	0.00
5,000 NORBORD INC.	OSB CN	39.780	198,900.00	40.200	201,000.00	1.73	0.00
73,300 Pacific Booker Minerals Inc	BKM CN	4.113	301,494.35	0.810	59,373.00	0.51	0.00
2,500,000 UEX CORPORATION	UEX CN	0.245	613,333.34	0.290	725,000.00	6.23	0.00
TOTAL Materials			2,513,158.87		2,525,463.00	21.71	0.00
Health Care							
250,000 Emblem Corp	EMC CN	3.645	911,216.99	2.640	660,000.00	5.67	0.00
1,000,000 Patient Home Monitoring Corp	PHM CN	0.250	250,000.00	0.235	235,000.00	2.02	0.00
320,000 PROMETIC LIFE SCIENCES	PLI CN	2.184	698,900.38	2.120	678,400.00	5.83	0.00
TOTAL Health Care			1,860,117.37		1,573,400.00	13.52	0.00
TOTAL COMMON STOCK			4,946,605.35		4,875,430.00	41.91	0.00
FUND							
MUTUAL							
149,011 CRY5 ENLGHTND /NL/N'FRAC	AAG340	10.123	1,508,439.30	11.107	1,655,058.84	14.23	0.00
237,770 CRY5 WLTH EN F/S-A/N'FRAC	AAG240	9.904	2,354,850.95	10.565	2,511,932.95	21.59	0.00
56,974 CRY5 WLTH MED/S-A /N'FRAC	AAG300A	10.123	576,763.83	10.053	572,760.69	4.92	0.00
0 CRY5 WLTH MTG STGY/N'FRAC	AAG210A	9.296	0.66	10.078	0.72	0.00	0.00
125,089 SEN MNY MKT-I /NL/N'FRAC	NCE819	10.000	1,250,888.98	10.000	1,250,889.10	10.75	0.00
18,559 SEN P/M GW-I /NL/N'FRAC	NCE803A	53.023	984,064.87	50.918	944,994.80	8.12	0.00
112,783 SPR SIL EQ-F /NL/N'FRAC	SPR423	7.099	800,609.24	7.031	792,977.55	6.82	0.00
37,313 WESTWOOD E/M-F /NL/N'FRAC	NBC769	13.400	500,014.96	13.230	493,656.68	4.24	0.00
TOTAL MUTUAL			7,975,632.79		8,222,271.33	70.67	0.00
TOTAL FUND			7,975,632.79		8,222,271.33	70.67	0.00
TOTAL CANADIAN EQUITY			12,922,238.14		13,097,701.33	112.5	0.00
FOREIGN EQUITY							
US EQUITY							
Energy							
266,542 Torchlight Energy Resources In	TRCH US	1.432U	512,816.42	1.580U	567,733.97	4.88	0.00
Materials							
11,390 Pacific Booker Minerals Inc	PBMLF US	5.918U	67,400.55	0.602U	9,235.96	0.08	0.00
TOTAL FOREIGN EQUITY			580,216.97		576,969.93	4.96	0.00
TOTAL PORTFOLIO			11,461,675.95		11,633,892.10	100.0	0.00
ACCRUED INCOME					0.00		
TOTAL PORTFOLIO VALUE					11,633,892.10		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
CANADIAN CASH TWO	C2	1.0000000
US CASH MARGIN	U	1.3481001

Account: ACM Growth Fund 710

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
Pacific Booker Minerals Inc	PBMLF US	USD	0.54400	0.65900	0.60150

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

ABSOLUTE SUSTAINABLE DIV 780
VALUATION PACKAGE

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1. PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: Absolute Sustainable Div 780

Portfolio Holdings:

CASH	121,340	
INVESTMENTS	6,524,987	

Total Portfolio Holdings:		6,646,327

Non-Portfolio Holdings:

ACCruED DIVIDENDS - DOMESTIC	407	
ACCruED DIVIDENDS - FOREIGN	3,068	

		3,475
DIVIDEND TAX WITHHOLDING PAYAB	-460	
ACCruED MANAGEMENT FEES	-8,048	
ACCruED OPERATING EXPENSES	-1,249	
ACCruED AUDIT FEES	-9,870	

		-19,627

Total Net Non-Portfolio Items:		-16,153

Total NAV	6,630,175
Total NAV (unrounded)	6,630,174.64

Closing Units	604,116.94
NAVPS	10.974990
Previous NAVPS	10.739060
% Change	2.2000
USD FX Rate	0.7418

Absolute Sustainable
Dividend Fund 780

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH MARGIN		1.000	115,375.86	1.000	115,375.86	1.74	0.00
US CASH MARGIN		1.000	4,424.29	1.000	5,964.39	0.09	0.00
TOTAL CASH			121,340.25		121,340.25	1.83	0.00
CANADIAN EQUITY COMMON STOCK							
Energy							
3,720 ENBRIDGE INCOME FUND	ENF CN	30.619	113,902.10	33.690	125,326.80	1.89	0.00
2,000 PEMBINA PIPELINE CORP	PPL CN	38.965	77,930.00	44.190	88,380.00	1.33	0.00
TOTAL Energy			191,832.10		213,706.80	3.22	0.00
Materials							
4,000 SILVER WHEATON CORP.	SLW CN	26.469	105,874.01	28.630	114,520.00	1.72	280.00
Industrials							
2,860 Canadian National Railway Compa	CNR CN	86.550	247,531.80	100.360	287,029.60	4.32	0.00
3,525 TOROMONT INDUSTRIES	TIH CN	36.071	127,150.80	45.250	159,506.25	2.40	0.00
TOTAL Industrials			374,682.60		446,535.85	6.72	0.00
Consumer Discretionary							
2,905 Magna International Inc	MG CN	55.507	161,247.75	55.410	160,966.05	2.42	0.00
1,150 DOLLARAMA INC	DOL CN	94.577	108,763.50	119.000	136,850.00	2.06	126.50
2,000 GILDAN ACTIVEWEAR INC	GIL CN	35.427	70,854.50	37.420	74,840.00	1.13	0.00
8,200 Sleep Country Canada Holdings	ZZZ CN	29.630	242,966.00	35.790	293,478.00	4.42	0.00
TOTAL Consumer Discretionary			583,831.75		666,134.05	10.03	126.50
TOTAL COMMON STOCK			1,256,220.46		1,440,896.70	21.69	406.50
FUND MUTUAL							
7,548 ABSOLUTE SUSTAINABLE PROPERTY	AAG786	10.028	75,690.33	10.028	75,692.61	1.14	0.00
TOTAL CANADIAN EQUITY			1,331,910.79		1,516,589.31	22.83	406.50
FOREIGN EQUITY US EQUITY							
Materials							
830 PPG INDUSTRIES	PPG US	101.236U	110,543.08	106.370U	119,019.85	1.79	0.00
Industrials							
860 3M COMPANY	MMM US	180.602U	207,433.84	191.160U	221,624.42	3.33	0.00
1,120 ILLINOIS TOOL WORKS	ITW US	113.248U	167,492.35	134.580U	203,198.59	3.06	0.00
720 SNAP-ON INC	SNA US	175.730U	165,217.12	173.130U	168,045.53	2.53	0.00
TOTAL Industrials			540,143.31		592,868.54	8.92	0.00
Consumer Discretionary							
3,260 NIKE INC -CL B	NKE US	56.364U	241,897.73	56.400U	247,867.08	3.73	0.00
1,320 TJX COMPANIES INC	TJX US	78.395U	134,807.28	78.170U	139,102.90	2.09	0.00
TOTAL Consumer Discretionary			376,705.01		386,969.98	5.82	0.00
Consumer Staples							
2,835 CVS Health Corp	CVS US	94.908U	353,398.12	79.430U	303,570.64	4.57	1910.93
1,015 PEPSICO	PEP US	103.146U	137,156.83	113.590U	155,427.65	2.34	0.00
1,245 PROCTER & GAMBLE CO	PG US	82.764U	134,235.48	89.330U	149,930.10	2.26	1157.41
1,550 UNILEVER PLC ADR	UL US	44.445U	89,839.35	50.440U	105,397.16	1.59	0.00
TOTAL Consumer Staples			714,629.78		714,325.55	10.76	3068.34
Health Care							
750 CELGENE CORP	CELG US	119.880U	118,968.81	123.270U	124,635.22	1.88	0.00
1,175 ELI LILLY AND CO	LLY US	82.027U	126,648.35	81.940U	129,794.40	1.95	0.00
1,300 GILEAD SCIENCES INC	GILD US	74.742U	128,568.72	66.500U	116,543.25	1.75	0.00
2,500 GLAXOSMITHKLINE PLC	GSK US	38.799U	129,854.03	40.710U	137,202.89	2.06	0.00
1,805 Johnson & Johnson	JNJ US	114.746U	270,226.52	121.870U	296,548.79	4.46	0.00
5,390 PFIZER INC	PFE US	31.755U	224,953.54	33.740U	245,163.60	3.69	0.00
TOTAL Health Care			999,219.97		1,049,888.15	15.79	0.00
Information Technology							
750 ADOBE SYSTEMS	ADBE US	129.770U	130,642.62	131.420U	132,875.49	2.00	0.00
280 Alphabet Inc. - CL C	GOOG US	769.959U	281,307.06	841.650U	317,695.97	4.78	0.00
1,950 APPLE INC	AAPL US	116.341U	299,783.58	142.440U	374,445.59	5.63	0.00
8,135 APPLIED MATERIALS	AMAT US	30.507U	328,217.05	39.890U	437,465.43	6.58	0.00
550 Broadcom Ltd	AVGO	179.380U	130,545.58	218.210U	161,792.91	2.43	0.00
1,500 Facebook Inc	FB US	121.545U	239,917.64	143.800U	290,785.19	4.38	0.00
1,500 MICROSOFT CORP	MSFT US	65.566U	132,014.54	65.500U	132,450.83	1.99	0.00
2,200 Splunk Inc	SPLK US	56.644U	164,892.46	62.030U	183,969.83	2.77	0.00
TOTAL Information Technology			1,707,320.53		2,031,481.24	30.56	0.00

APR-21-17 4:40 pm

THE INVESTMENT ADMINISTRATION SOLUTION INC.
 P O R T F O L I O V A L U A T I O N (D E T A I L)
 BASED ON TRADE DATE as of APR-20-17

Page: 2

Absolute Sustainable
 Dividend Fund 780

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
TOTAL US EQUITY			4,448,561.68		4,894,553.31	73.64	3068.34
INTERNATIONAL EQUITY							
HEALTH CARE							
2,320 Novo Nordisk A/S	NVO US	50.091U	152,075.64	36.400U	113,844.36	1.71	0.00
TOTAL FOREIGN EQUITY			4,600,637.32		5,008,397.67	75.35	3068.34
TOTAL PORTFOLIO			6,053,888.36		6,646,327.23	100.0	3474.84
ACCRUED INCOME					3,474.84		
TOTAL PORTFOLIO VALUE					6,649,802.07		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
US CASH MARGIN	U	1.3481001

APR-21-17 4:40 pm

Price Report for Securities with no Trades
On 04/20/17

Page 1

Account: Absolute Sustainable Div 780

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
---------------	--------	----------	-----	-----	-------

There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

ABSOLUTE SUSTAINABLE PROPERTY
VALUATION PACKAGE

TABLE OF CONTENTS

=====

1. PORTFOLIO VALUATION
2. PORTFOLIO VALUATION (DETAIL)
3. PRICE REPORT FOR SECURITIES WITH NO TRADES

Account: Absolute Sustainable Property

Portfolio Holdings:

CASH	245,796
------	---------

Non-Portfolio Holdings:

ACCRUED USER FEES - INFRA LOAN	94,740
INFRASTRUCTURE LOANS PRINCIPAL	2,000,000
COST OF MORTGAGES - RES MORT	2,219,879

4,314,619

ACCRUED MANAGEMENT FEES	-5,596
ACCRUED LOSS PROVISION	-1,964
ACCRUED OPERATING EXPENSES	-870
ACCRUED AUDIT FEES	-4,049

-12,480

Total Net Non-Portfolio Items:

4,547,935

Total NAV
Total NAV (unrounded)

4,547,935
4,547,934.78

Closing Units
NAVPS
Previous NAVPS
% Change
USD FX Rate

453,502.90
10.028460
10.017000
0.1100
0.7418

Absolute Sustainable
Property Fund 786

PERCENTAGE BASED ON: MARKET VALUE

PV/SHARES	SECURITY NAME	TICKER	AVERAGE COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	ACCRUED INCOME
CANADIAN CASH MARGIN			1.000	198,111.26	1.000	198,111.26	80.60	0.00
Bk Margin - Spectrum			1.000	47,684.43	1.000	47,684.43	19.40	0.00
TOTAL CASH				245,795.69		245,795.69	100.0	0.00
TOTAL PORTFOLIO				245,795.69		245,795.69	100.0	0.00
ACCRUED INCOME						0.00		
TOTAL PORTFOLIO VALUE						245,795.69		

EXCHANGE RATES TO REPORTING CURRENCY: CANADIAN CASH MARGIN

CURRENCY	INDICATOR	EXCHANGE RATE
Bk Margin - Spectrum	cs	1.0000000

Account: Absolute Sustainable Property

SECURITY NAME	TICKER	CURRENCY	BID	ASK	PRICE
---------------	--------	----------	-----	-----	-------

There are no securities with no trades

* Previous price (close or average of bid and ask, whichever is the most recent) used when there is no bid or ask.

APPENDIX 9

Crystal Wealth Funds
Summary of April 20th Package
As at April 20, 2017

Fund	Cash & MM (CAD)	On-Book Assets							Off-Book Assets							Accruals		Total
		Inter-fund Investments	Gold Contracts	Equities & Warrants	Private Equities & Warrants	Convertible Debentures	USD Futures	External Mutual Funds	Residential Mortgages	Commercial Loans	Factoring Contracts	Medical Factoring Contracts	US Real Estate LP Units	Media Loans	Other Loans	Interest	Other	
Mortgage Fund	\$ 1,217,989	\$ 2,055,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 522,765	\$ 14,322,861	\$ 8,543,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 376,060	\$ 44,162	\$ 27,082,935
Resource Fund	185,489	262,171	-	1,600,698	-	50,000	(4,718)	-	-	-	-	-	-	-	-	966	(6,799)	2,087,807
Factoring Fund	411,706	2,952,804	6,996,654	988,026	-	30,000	(8,233)	67,405	-	168,513	22,821,205	-	2,898,415	-	-	1,883,555	(1,085,882)	38,124,168
Medical Fund	449,770	1,526,605	-	7,846	-	-	(18,812)	25,288	-	-	-	6,470,773	-	-	-	806,780	1,840	9,270,090
Bullion Fund	268,830	-	763,006	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,280)	1,029,555
Media Fund	731,305	1	-	-	-	-	(23,509)	1,042,228	-	-	-	-	-	38,975,415	-	14,545,124	(803,721)	54,466,843
High Yield Mortgage Fund	760,006	1,378,897	-	-	-	-	-	-	2,467,144	550,000	-	-	-	-	274,000	53,675	(41,557)	5,442,165
Infrastructure Fund	2,087,302	-	-	-	-	315,000	-	-	-	5,154,571	-	-	-	-	-	207,728	-	7,764,601
Hedge Fund	531,692	-	1,235,773	272,508	-	-	-	52,991	-	-	2,992,362	-	7,751,575	-	46,000	1,072,706	(36,657)	13,918,950
Conscious Capital Fund	27,905	-	-	-	658,198	-	-	-	-	-	-	-	-	-	(274,000)	-	(2,897)	409,206
ACM Income Fund	371,053	9,898,493	-	-	-	-	-	560,025	-	-	-	-	-	-	-	-	(14,153)	10,815,417
ACM Growth Fund	(2,040,779)	4,739,753	-	5,452,400	-	-	-	3,482,518	-	-	-	-	-	-	-	-	(24,828)	11,609,064
Sustainable Dividend Fund	121,340	75,693	-	6,449,294	-	-	-	-	-	-	-	-	-	-	-	3,475	(19,627)	6,630,175
Sustainable Property Fund	245,796	-	-	-	-	-	-	-	2,219,879	2,000,000	-	-	-	-	-	94,740	(12,480)	4,547,935
	\$ 5,369,403	\$ 22,890,015	\$ 8,995,432	\$ 14,770,773	\$ 658,198	\$ 395,000	\$ (55,272)	\$ 5,753,219	\$ 19,009,884	\$ 16,416,584	\$ 25,813,567	\$ 6,470,773	\$ 10,649,990	\$ 38,975,415	\$ 46,000	\$ 19,044,809	\$ (2,004,879)	\$ 193,198,912

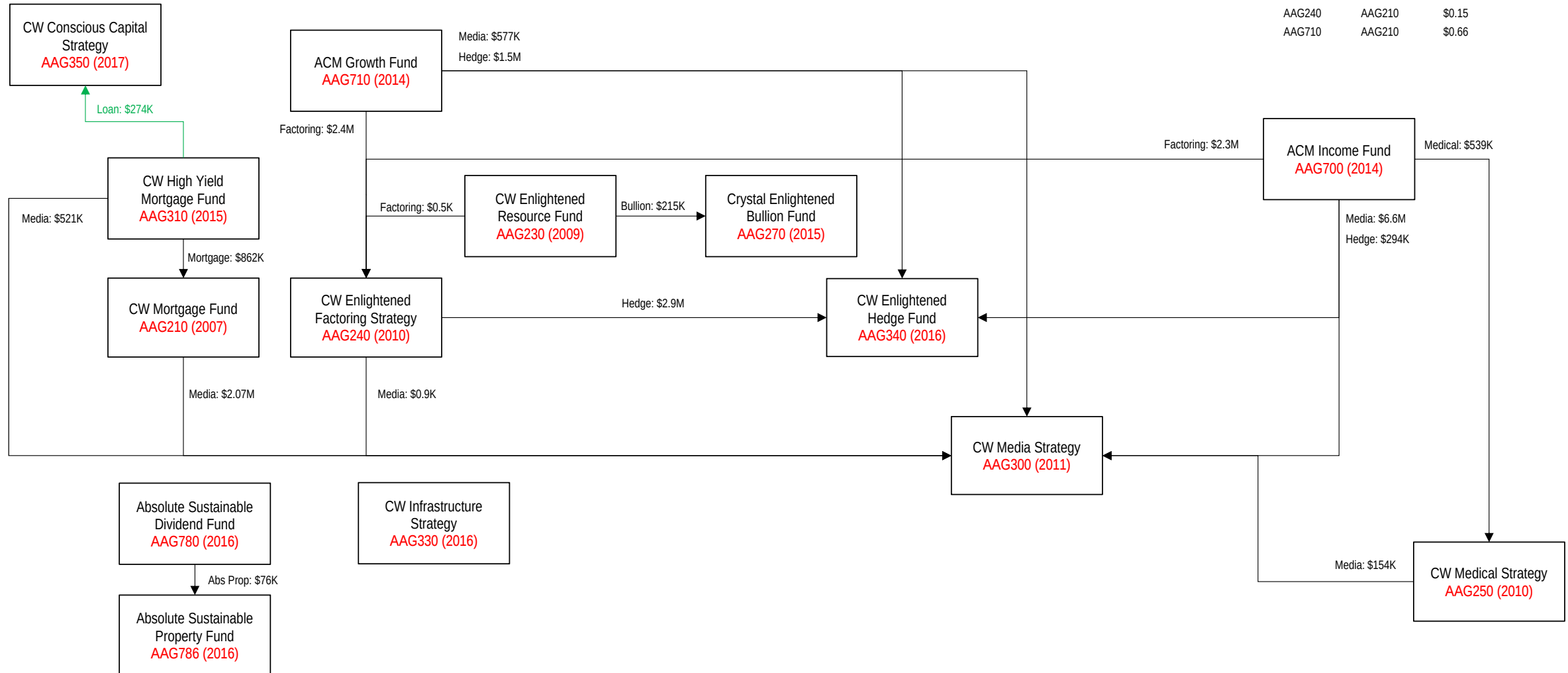
USD to CAD Rate: 1.3481001

APPENDIX 10

Crystal Wealth Management System Limited
Draft Preliminary Inter-Fund Summary
Values as at April 20, 2017

DRAFT: FOR DISCUSSION PURPOSES ONLY

Zero Unit Holdings Valued < \$1		
Investor	Investee	Value
AAG250	AAG230	\$0.19
AAG230	AAG210	\$0.19
AAG240	AAG210	\$0.15
AAG710	AAG210	\$0.66



APPENDIX 11

Spot Price (USD)1,281.89
NAV date:20-Apr-17
USD/CAD1.3481001

USD/CAD			1.3481001			NAV Valuation												
Code	Fund	Contract Name for NAV	Price to use for contract for NAV	Market Value Native Currency	Market Value Fund Currency	Issue Date	Maturity Date	No Days	Currency	Spot price/oz at time of purchase	% discount as per contract	Negotiated Purchase Price/oz	Total purchase \$ amt	# ounces	Daily Gold Contract Price Increase	Spot Price Gold	Discounted Contract Price	Checked by JB
STAR 1	AAG240	Onstar Exploration One	\$ 1,272.81	\$ 2,545,611.51	\$3,431,739.13	26-Aug-16	31-May-17	278	USD	\$ 1,320.00		\$ 1,000.00	\$ 2,000,000.00	2,000.00	\$ 1.15	\$ 1,281.89	\$ 1,272.81	ok
STAR 2	AAG240	Onstar Exploration Two	\$ 1,258.83	\$ 1,007,064.52	\$1,357,623.77	25-Sep-16	31-May-17	248	USD	\$ 1,320.00		\$ 950.00	\$ 760,000.00	800.00	\$ 1.49	\$ 1,281.89	\$ 1,258.83	ok
STAR 3	AAG240	Onstar Exploration Three	\$ 1,318.72	\$ 1,318,715.64	\$1,318,715.64	02-Dec-16	31-May-17	180	CAD	\$ 1,560.21		\$ 500.00	\$ 500,000.00	1,000.00	\$ 5.89	\$ 1,728.12	\$ 1,318.72	ok
BC 4	AAG240	611802 BC 4	\$ 1,650.94	\$ 555,242.80	\$ 555,242.80	02-Apr-17	02-May-17	30	CAD	\$ 1,664.25	2%	\$ 1,630.97	\$ 548,526.15	336.32	\$ 1.11	\$ 1,728.12	\$ 1,650.94	ok
SH 1	AAG240	Solid Holdings	\$ 1,684.81	\$ 333,315.68	\$ 333,332.68	14-Apr-17	14-May-17	30	CAD	\$ 1,712.20	2%	\$ 1,677.96	\$ 331,960.89	197.84	\$ 1.14	\$ 1,728.12	\$ 1,684.81	ok
BC 2	AAG270	611802 BC Ltd 2	\$ 1,653.13	\$ 166,420.64	\$ 166,420.64	28-Mar-17	28-Apr-17	31	CAD	\$ 1,674.74	5%	\$ 1,591.00	\$ 160,166.27	100.67	\$ 2.70	\$ 1,728.12	\$ 1,653.13	ok
IOG 1	AAG270	Inca One Gold	\$ 1,638.97	\$ 596,586.79	\$ 596,585.79	31-Mar-17	30-Apr-17	30	CAD	\$ 1,655.53	3%	\$ 1,605.86	\$ 584,534.53	364.00	\$ 1.66	\$ 1,728.12	\$ 1,638.97	ok
IOG 2	AAG340	Inca One Gold	\$ 1,638.97	\$ 362,211.41	\$ 362,211.41	31-Mar-17	30-Apr-17	30	CAD	\$ 1,655.53	3%	\$ 1,605.86	\$ 300,746.71	221.00	\$ 1.66	\$ 1,728.12	\$ 1,638.97	ok
BC 3	AAG340	611802 BC Ltd 3	\$ 1,642.19	\$ 266,248.91	\$ 266,248.91	16-Apr-17	16-May-17	30	CAD	\$ 1,716.58	5%	\$ 1,630.75	\$ 264,393.50	162.13	\$ 2.86	\$ 1,728.12	\$ 1,642.19	ok
BC 2	AAG340	611802 BC Ltd 2	\$ 1,653.13	\$ 267,906.32	\$ 267,906.32	28-Mar-17	28-Apr-17	31	CAD	\$ 1,674.74	5%	\$ 1,591.00	\$ 257,837.95	162.06	\$ 2.70	\$ 1,728.12	\$ 1,653.13	ok
STAR 2	AAG340	Onstar Exploration	\$ 1,258.83	\$ 251,766.13	\$ 339,405.94	25-Sep-16	31-May-17	248	USD	\$ 1,320.00		\$ 950.00	\$ 190,000.00	200.00	\$ 1.49	\$ 1,281.89	\$ 1,258.83	ok

5,544.02

Combined Market Values
AAG240 \$ 6,996,654
AAG270 \$ 763,006
AAG340 \$ 1,235,773

APPENDIX 12

APPENDIX A

Below is the price of the Gold contract to be fixed at the close of the London Market, as per the initial contract signed by the parties, dated .

On the London Market closed for the day at CAD\$

\$ - % or \$ = \$

\$ / \$ = or oz. or \$.

So this thirty (30) day Gold Purchase Agreement is for oz of gold.

APPENDIX B

The Parties will enter into monthly gold purchase/sale agreements renewing on the day of every month for a period of one (1) year, with a 30 day term each (the "Purchases") (see example below). Below are some points to provide greater certainty for the Parties:

- The initial purchase is estimated to be CAD\$ (the "Initial Amount").
 - There will be monthly sequential purchases during the Purchase period (see example below) based on the Initial Amount.
 - The settlement for each of the Purchases will be in cash; no settlement in physical gold.
 - The Parties will endeavor to avoid cheques swaps at the opening and closing (settlement) of each purchase during the Purchases period. This will reduce any potential timing issues surround re-investment at the open/close price and continuity of gold ounces.
 - The final settlement 30 days after the final and 12th purchase will terminate the Purchases period, where after settlement may be in physical gold.
 - This Purchases period allows the Parties to setup the methodology for physical receipt of gold, shipping, and storage, including agreements required with the refinery, as applicable.
 - The London Fixed close price will be used for each purchase on the purchase date or, if required, the next business day depending on market cut-off times (the "Purchase Date") for each of purchase.
 - The London Fixed close price will be used for each settlement on the settlement date or, if required, the next business day depending on market cut-off times (the "Settlement Date") for each settlement.
 - On settlement of each of the first and subsequent purchases, the Settlement Date will also be the next Purchase Date.
- During the Purchase period, the ounces purchased by Crystal Bullion Fund for each of the 12 purchases will cumulatively increase by the % discount.

Below is an example for both increasing and decreasing gold prices during the Purchase periods and impact on purchase amounts and ounces:

Model Increasing Value	Purchase amount (CAD)	CAD Price per ounce	less 5% discount	Ounces	Price per ounce variability (CAD) +10%	Settlement price variability (CAD) +10%
Initial	\$200,000	\$1600.22	\$1,520.21	131.56	\$1,672.23	\$219,999
2nd Purchase	\$219,999	\$1,672.23	\$1,588.62	138.48	\$1,747.48	\$241,991
3rd Purchase	\$241,991	\$1,747.48	\$1,660.11	145.77	\$1,826.12	\$266,619
Final Settlement	\$266,619	\$1,826.12	N/A	145.77		

Model Decreasing Value	Purchase amount (CAD)	CAD Price per ounce	less 5% discount	Ounces	Price per ounce variability (CAD) -10%	Settlement price variability (CAD) -10%
Initial	\$200,000	\$1600.22	\$1,520.21	131.56	\$1,368.19	\$179,999
2nd Purchase	\$179,999	\$1,368.19	\$1,299.78	138.48	\$1,169.80	\$161,993
3rd Purchase	\$161,993	\$1,169.80	\$1,111.31	145.77	\$1,000.18	\$145,796
Final Settlement	\$145,796	\$1,000.18	N/A	145.77		

APPENDIX 13

CAD Loans	Actual Amounts Owing (No Adjustments)			
Name of Film	Principal	Accrued Interest	Total Owing Native Currency	Total Owing CAD

Foreverland	\$ 995,679	\$ 639,141	\$ 1,634,820	\$ 1,634,820
Ginger and Rosa (PKA Bomb)	\$ 182,570	\$ 255,296	\$ 437,866	\$ 437,866
A Single Shot	\$ 2,215,855	\$ 1,632,179	\$ 3,848,034	\$ 3,848,034
Silent Night	\$ 1,000,000	\$ 972,444	\$ 1,972,444	\$ 1,972,444
Lullaby	\$ 2,488,134	\$ 2,056,910	\$ 4,545,043	\$ 4,545,043
Supremacy	\$ 589,660	\$ 133,480	\$ 723,140	\$ 723,140
Electric Slide	\$ 2,619,496	\$ 2,151,954	\$ 4,771,450	\$ 4,771,450
Elsa and Fred	\$ 1,752,602	\$ 870,882	\$ 2,623,484	\$ 2,623,484
Son of a Gun	\$ 1,457,853	\$ 800,452	\$ 2,258,305	\$ 2,258,305
Miss Julie	\$ 1,283,336	\$ 769,123	\$ 2,052,459	\$ 2,052,459
Henchmen	\$ 2,390,000	\$ 1,342,136	\$ 3,732,136	\$ 3,732,136
Welcome to Me	\$ 1,296,451	\$ 340,410	\$ 1,636,861	\$ 1,636,861
Kill Me Three Times	\$ 1,811,784	\$ 800,787	\$ 2,612,571	\$ 2,612,571
Parallel (PKA Mercy)	\$ 4,347,200	\$ 1,382,177	\$ 5,729,377	\$ 5,729,377
Collared (PKA Kingdom)	\$ 2,897,000	\$ 915,383	\$ 3,812,383	\$ 3,812,383
Havana the Series (AKA Rebels)	\$ 124,757	\$ 23,910	\$ 148,667	\$ 148,667
The Phenom	\$ 1,033,189	\$ 351,906	\$ 1,385,094	\$ 1,385,094
Vincent n Roxxy	\$ 1,435,624	\$ 149,618	\$ 1,585,242	\$ 1,585,242
Childhood of a Leader	\$ 2,031,299	\$ 298,297	\$ 2,329,596	\$ 2,329,596
The Willoughby's (PKA A Good Day's Work)	\$ 1,750,000	\$ 412,486	\$ 2,162,486	\$ 2,162,486
The Duel (AKA By Way of Helena)				
Total	\$ 50,001,458			

Estimated Future Receipts								
Remaining Territories Low Sales Estimates Total	Average % actual sale/low estimate for sold territories	Estimated Receivable Amount for Unsold Territories or Through Distribution Deals	Total amount uncollected for sold territories	Total (H+I)	% Fund will receive of future amounts	Owing to Fund - Collected from territories, not yet distributed to fund	Estimated amount fund will receive of expected future receipts up to amount owing at time of repayment	Total Estimated Recoverable as at 31 Dec 16

\$ 1,212,000	111%	\$ 1,345,320		\$ 1,345,320	86.5%		\$ 1,163,702	\$ 1,163,702
\$ 1,443,194	66%	\$ 953,778		\$ 953,778	90.0%		\$ 858,400	\$ 437,866
\$ -		\$ 3,000,000	\$ 119,428	\$ 3,119,428	77.9%		\$ 2,430,034	\$ 2,430,034
\$ 1,990,500	64%	\$ 1,267,561	\$ 2,000	\$ 1,269,561	74.7%		\$ 947,727	\$ 1,577,955
\$ 4,203,360	54%	\$ 2,269,814	\$ 480,384	\$ 2,750,198	83.7%		\$ 2,301,916	\$ 3,636,035
\$ 634,038	95%	\$ 602,336	\$ 27,489	\$ 629,825	79.4%		\$ 499,766	\$ 499,766
\$ 1,988,325	92%	\$ 1,829,259	\$ 696,556	\$ 2,525,815	84.8%	\$ 520,416	\$ 2,661,044	\$ 2,661,044
\$ 695,610	80%	\$ 556,488		\$ 556,488	72.4%		\$ 402,897	\$ 1,902,897
		\$ -		\$ -		\$ 2,258,305	\$ 2,258,305	\$ 2,258,305
\$ 1,379,790	99%	\$ 1,360,884	\$ 116,283	\$ 1,477,167	74.4%		\$ 1,099,012	\$ 1,099,012
Not applicable - still in production							\$ 3,732,136	\$ 3,732,136
\$ 4,033,808	48%	\$ 1,956,120	\$ -	\$ 1,956,120	79.9%		\$ 1,562,940	\$ 1,309,489
\$ 3,602,880	69%	\$ 2,485,987		\$ 2,485,987	89.9%	\$ 1,062,182	\$ 3,297,085	\$ 2,612,571
Not applicable - still in production							\$ 5,729,377	\$ 5,729,377
Not applicable - still in production							\$ 3,812,383	\$ 3,812,383
n/a - Tax Credit Loan							\$ 148,667	\$ 148,667
\$ 1,772,083	110%	\$ 1,945,072	\$ 1,480,517	\$ 3,425,589	83.6%		\$ 2,863,792	\$ 1,385,094
\$ 1,567,920	101%	\$ 1,583,599	\$ 720,576	\$ 2,304,175	83.7%		\$ 1,927,443	\$ 1,585,242
\$ 1,613,290	154%	\$ 2,484,467	\$ 64,778	\$ 2,549,245	88.0%		\$ 2,243,335	\$ 1,863,677
Not applicable - still in production							\$ 2,162,486	\$ 2,162,486
\$ 3,029,088	60%	\$ 1,817,453	\$ 297,571	\$ 2,115,024	81.7%	\$ 76,061	\$ 1,804,035	\$ 1,804,035
							\$ 43,906,484	\$ 43,811,774

Estimated Timeline for Recovery			
Next 12 Months	12 -24 Months	24 - 36 Months	Comments per the MHC May 23, 2017 Email

\$ 581,850.90	\$ 581,850.90		Terminated the sales agent in August of last year. Have been attempting to sell directly. Still needs to be set up with a new sales agent, if possible. MHC may also try to package the film out via a library type transaction. CWF would not directly be able to do this type of transaction.
\$ 437,866			terminated sales agent in 2016 and replaced with Hanway who is selling the whole Sally Potter (the director) library. MHC stewarded the whole transaction and negotiated terms with Hanway. Revised CAMA sent to CWF's representative February 13, 2017 – do not know current status.
\$ 2,430,034			
\$ 1,577,955			
\$ 3,636,035			Terminated three different sales agency agreements and replaced all with West End Films (who is also selling By Way of Helena internationally). WEF has already started to make sales. Have approved a revised Sales Agent Agreement and sent to CWF for their approval. It had been important to conclude these agreements prior to Cannes so as to not lose sales, but MHC used its relationship with WEF to ask them to proceed as if the sales agent agreements had been concluded so as to not lose this opportunity. MHC will then need to revise all three CAMAs.
\$ 499,766			
\$ 1,330,522.11	\$ 1,330,522.11		
\$ 1,902,897			Terminated three different sales agency agreements and replaced all with West End Films (who is also selling By Way of Helena internationally). WEF has already started to make sales. Have approved a revised Sales Agent Agreement and sent to CWF for their approval. It had been important to conclude these agreements prior to Cannes so as to not lose sales, but MHC used its relationship with WEF to ask them to proceed as if the sales agent agreements had been concluded so as to not lose this opportunity. MHC will then need to revise all three CAMAs.
\$ 2,258,305			
\$ 549,506.01	\$ 549,506.01		Terminated three different sales agency agreements and replaced all with West End Films (who is also selling By Way of Helena internationally). WEF has already started to make sales. Have approved a revised Sales Agent Agreement and sent to CWF for their approval. It had been important to conclude these agreements prior to Cannes so as to not lose sales, but MHC used its relationship with WEF to ask them to proceed as if the sales agent agreements had been concluded so as to not lose this opportunity. MHC will then need to revise all three CAMAs.
	\$ 1,866,068	\$ 1,866,068	Production company of this movie is owned by Bron entities (Bron shares common ownership with MHC.). Bron is working on a plan to present to Grant Thornton to repay these loans and have them discharged where Bron will finance out the loans and directly track and receive the provincial and federal receivable credits thereafter
\$ 1,309,489			1. MHC have been working with bankruptcy counsel (the domestic distributor of the picture went into Chapter 7 – i.e. a full liquidation). In April 2017 MHC asked for a full release of the film from the trustee. MHC is awaiting a response. If MHC does not receive a response by the end of May, an action will be filed with the court.
\$ 2,612,571			
	\$ 2,864,689	\$ 2,864,689	Production company of this movie is owned by Bron entities (Bron shares common ownership with MHC.). Bron is working on a plan to present to Grant Thornton to repay these loans and have them discharged where Bron will finance out the loans and directly track and receive the provincial and federal receivable credits thereafter
	\$ 1,906,191	\$ 1,906,191	Production company of this movie is owned by Bron entities (Bron shares common ownership with MHC.). Bron is working on a plan to present to Grant Thornton to repay these loans and have them discharged where Bron will finance out the loans and directly track and receive the provincial and federal receivable credits thereafter
\$ 148,667			Had been following up and reporting to Clayton Smith on balance outstanding (approx. \$100,000). Producer set up a payment plan directly with Mr. Smith. MHC was informed of this in March 2017
\$ 1,385,094			Domestic distributor refused to pay – had to issue demand letters, etc. Did not reduce amount due, but domestic distributor refused to accept a reliance letter for lead actor. Had to deal with an uncleared music cue and a laggard of a lead actor to conclude distribution agreement. The distributor is paying pursuant to a payment plan negotiated while delivery was unaccepted. Now that it has been accepted, payments need to be accelerated. These negotiations have not commenced
\$ 792,621.00	\$ 792,621.00		In the US, MHC worked with the sales agent to conclude a US deal with Vertical and HBO. MHC is working with the sales agent, Fortitude, to supplement their efforts in an attempt to leverage this title with other films where sales have not yet been made.
\$ 1,863,677			After production incurred overages, maintained the holdback amounts and administered additional payments until sales agent accepted delivery in May 2016.
	\$ 1,081,243	\$ 1,081,243	Production company of this movie is owned by Bron entities (Bron shares common ownership with MHC.). Bron is working on a plan to present to Grant Thornton to repay these loans and have them discharged where Bron will finance out the loans and directly track and receive the provincial and federal receivable credits thereafter
\$ 1,804,035			delivery has been a big problem on this picture. About \$275,000 still outstanding. MHC has renegotiated the territory definition with the domestic distributor, obtained additional licenses from music providers, renegotiated producer agreements, obtained consents from editors, NOT obtained consent from a different editor and cut him out of the credits – redelivering the film now; in the middle of negotiations between the bank lender and Lions Gate about their standstill provision and need to obtain more minor/guardian consents because the director put his kids in the film. Many, many moving parts here. Have been dealing with it for six + months.
\$ 25,120,892	\$ 10,972,691	\$ 7,718,191	

USD Loans	Actual Amounts Owng (No Adjustments)			
Name of Film	Principal	Accrued Interest	Total Owng Native Currency	Total Owng CAD

The English Teacher	\$ 486,054	\$ 304,320	\$ 790,373	\$ 1,061,234
Henchmen	\$ 750,000	\$ 482,456	\$ 1,232,456	\$ 1,654,819
Hunters of Stars	\$ 1,648,000	\$ 589,241	\$ 2,237,241	\$ 3,003,943
Mighty Mighty Monsters	\$ 1,066,288	\$ 352,820	\$ 1,419,108	\$ 1,905,436
Total				\$ 7,625,432

Estimated Future Receipts								
Remaining Territories Low Sales Estimates Total	Average % actual sale/low estimate for sold territories	Estimated Receivable Amount for Unsold Territories or Through Distribution Deals	Total amount uncollected for sold territories	Total (H+I)	% Fund will receive of future amounts	Owing to Fund - Collected from territories, not yet distributed to fund	Estimated amount fund will receive of expected future receipts up to amount owing at time of repayment	Total Estimated Recoverable as at 31 Dec 16

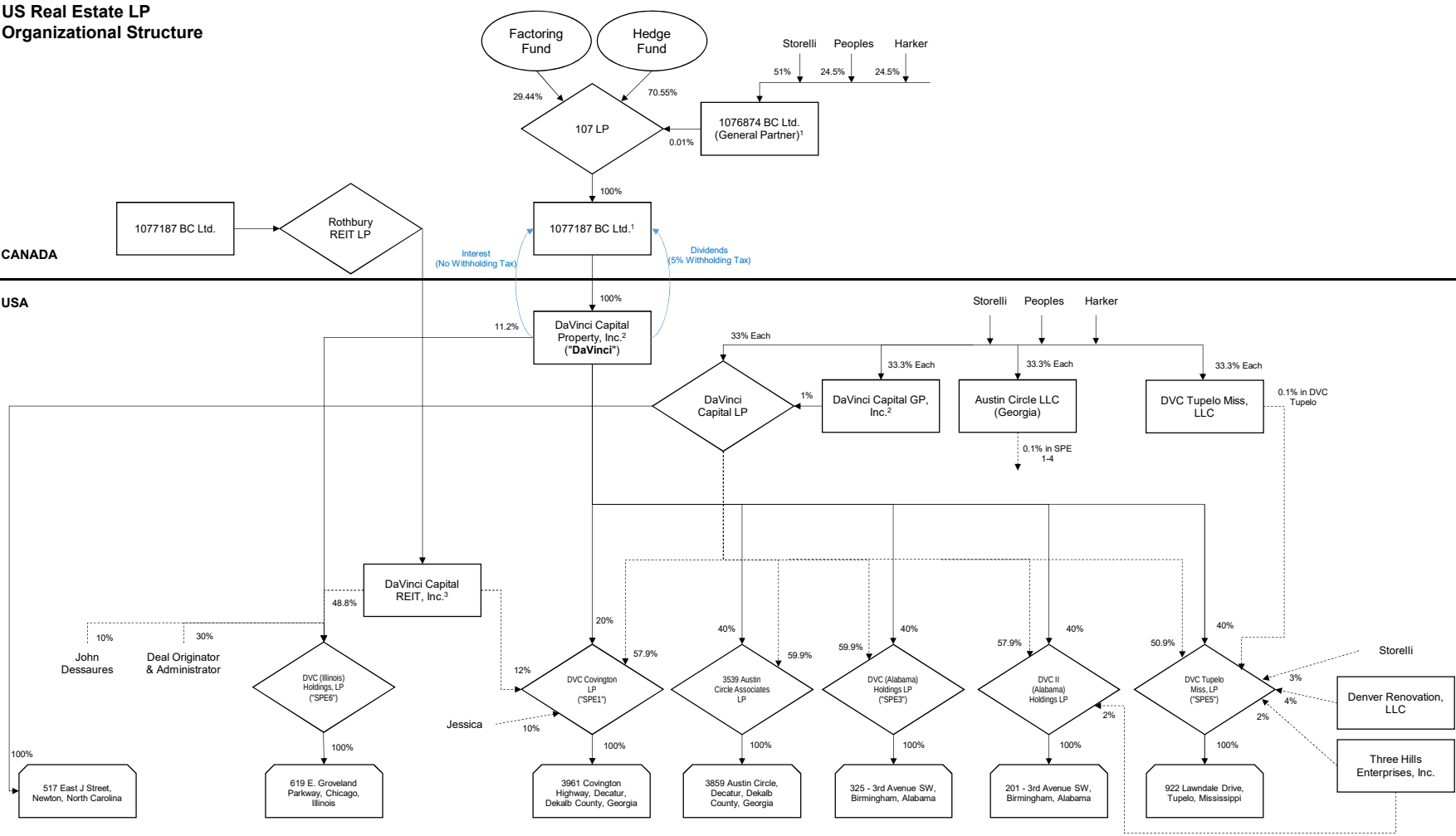
\$ 240,192	92%	\$ 220,977		\$ 220,977	78.5%		\$ 173,356	\$ 848,987
Not applicable - still in production							\$ 1,654,819	\$ 1,654,819
Not applicable - still in production							\$ 3,003,943	\$ 3,003,943
Not applicable - still in production							\$ 1,905,436	\$ 1,905,436
							\$ 94,550,522	\$ 95,036,734

Estimated Timeline for Recovery			MHC Comments per May 23, 2017
Next 12 Months	12 -24 Months	24 - 36 Months	

\$ 848,987			on this and at least 12 more pictures have either renewed the UCC1 security registrations or filed UCC3 registrations assigning the registration to CWF. In March of this year, Clayton Smith and Paco Alvarez had a conference call with the producers of this film where they were presented with some ideas to help clean up the balance. Last year MHC reached out to a foreclosure attorney and MHC investigated the possibility of foreclosing on the collateral, but did not know the company's current liabilities (tax, guild, etc.) and felt foreclosure to be too risky.
	\$ 827,410	\$ 827,410	Production company of this movie is owned by Bron entities (Bron shares common ownership with MHC.). Bron is working on a plan to present to Grant Thornton to repay these loans and have them discharged where Bron will finance out the loans and directly track and receive the provincial and federal receivable credits thereafter
	\$ 1,501,971	\$ 1,501,971	Production company of this movie is owned by Bron entities (Bron shares common ownership with MHC.). Bron is working on a plan to present to Grant Thornton to repay these loans and have them discharged where Bron will finance out the loans and directly track and receive the provincial and federal receivable credits thereafter
	\$ 952,718	\$ 952,718	
\$ 51,090,771	\$ 25,227,481	\$ 18,718,481	

APPENDIX 14

US Real Estate LP
Organizational Structure



1 - Directors and Officers
Storelli - President & Secretary and Director
Peoples - Director

2 - Directors and Officers
Harker - President & Secretary and Director
Storelli - Director
Peoples - Director

3 - Directors and Officers
George Moen - President and Director
Steven Lee - Secretary and Treasurer
Storelli - Director

APPENDIX 15

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

JUSTICE ■■■

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■■■, THE ■■■ DAY

OF ■■■, 2017

ONTARIO SECURITIES COMMISSION

Applicant

- and -

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

Respondents

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

CREDITOR CLAIMS PROCEDURE ORDER

THIS MOTION, made by Grant Thornton Limited ("**GTL**"), in its capacity as the Court-appointed receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of each of the Respondents except the Respondent, Chrysalis Yoga Inc. ("**Chrysalis Yoga**") (each of the Respondents except for Chrysalis Yoga being individually and collectively, the "**Crystal Wealth Group**"), for an order approving a procedure for the determination and resolution of claims filed by non-investor creditors against

the Crystal Wealth Group and authorizing the Receiver to administer the claims process in accordance with its terms, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated June 22, 2017 and the appendices thereto (collectively, the "**First Report**"), and on hearing the submissions of counsel for the Receiver, and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Diana Saturno sworn June 22, 2017, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that for the purposes of this Order, the following terms shall have the following meanings:

- (a) "**Appointment Date**" means April 26, 2017;
- (b) "**Appointment Order**" means the Appointment Order made by the Honourable Justice Newbould dated April 26, 2017 in the within proceeding;
- (c) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (d) "**Claim**" means any right of any Person against the Crystal Wealth Group in connection with any indebtedness, liability or obligation of any kind of the Crystal Wealth Group, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future that could be asserted by way of set-off, counterclaim

or otherwise, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Appointment Date or which would have been claims provable in bankruptcy had the Crystal Wealth Group, or any individual entity included therein, as the case may be, become bankrupt on the Appointment Date (each, a **"Creditor Claim"** and, collectively, the **"Creditor Claims"**), provided, however, that "Claim" shall not include an Excluded Claim. For greater certainty, a claim of a Known Creditor arising from a lease, contract, employment agreement or other agreement which was terminated or disclaimed by the Receiver between the Appointment Date and the date of this Order, is included in the definition of a **"Claim"** and **"Creditor Claim"**;

- (e) **"Claims Bar Date"** means **5:00 p.m. (Toronto time) on August 3, 2017**, or any later date ordered by the Court;
- (f) **"Claims Package"** means a package of information to be provided by the Receiver, which package shall include a copy of this Order without attachments, an Instruction Letter, a Proof of Claim, and such other materials as the Receiver may consider appropriate or desirable;
- (g) **"Claims Procedure"** means the procedures outlined in this Order, including the Schedules;
- (h) **"Claims Procedure Order"** means this Order;
- (i) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- (j) **"Creditor"** means any Person having a Claim;
- (k) **"Excluded Claim"** means any claims of an investor in any entity comprising the Crystal Wealth Group (each, an **"Investor"**) with respect to such Investor's investment;
- (l) **"Instruction Letter"** means a letter to Creditors regarding the Claims Procedure containing instructions regarding the completion and return of a Proof of Claim, substantially in the form attached as **Schedule "B"** hereto;

- (m) **"Investor"** has the meaning ascribed to that term in paragraph 2(k) of the Claims Procedure Order;
- (n) **"Known Creditors"** means:
 - (i) those Creditors which the books and records of the Crystal Wealth Group disclose were owed monies by the Crystal Wealth Group as of the Appointment Date and which monies remain unpaid in whole or in part, excluding Investors;
 - (ii) any Person which commenced a legal proceeding against the Crystal Wealth Group which legal proceeding was commenced and served upon the Crystal Wealth Group prior to the Appointment Date;
 - (iii) any Person which is party to a lease, contract, employment agreement or other agreement of the Crystal Wealth Group which was terminated or disclaimed by the Receiver between the Appointment Date and the date of this Order; and
 - (iv) any other Creditor actually known to the Receiver as of the date of this Order;
- (o) **"Notice of Dispute"** means a notice delivered to the Receiver by a Creditor disputing a Notice of Revision or Disallowance, which notice shall be substantially in the form attached hereto as **Schedule "E"** and shall set out the reasons for the dispute;
- (p) **"Notice of Revision or Disallowance"** means a notice informing a Creditor that the Receiver has revised or disallowed all or any part of such Creditor's Claim, which notice shall be substantially in the form attached hereto as **Schedule "D"** and shall set out the reasons for such revision and/or disallowance;
- (q) **"Notice to Creditors"** means the notice publicizing this Claims Procedure to be published in accordance with this Order, substantially in the form of the notice attached as **Schedule "A"**;

- (r) **"Person"** means any individual, general or limited partnership, firm, association, joint venture, trust, entity, corporation, limited or unlimited liability company, unincorporated organization, trade union, pension plan administrator, pension plan regulator, governmental authority or agency, employee or other association, or any other juridical entity howsoever designated or constituted;
- (s) **"Proof of Claim"** means the form of Proof of Claim to be completed and filed by a Creditor setting forth its purported Claim, substantially in the form attached as **Schedule "C"**;
- (t) **"Proven Claim"** means the amount and classification of any Creditor's Claim as finally determined in accordance with this Claims Procedure;
- (u) **"Receivership Proceedings"** means the receivership proceedings commenced in respect of the Crystal Wealth Group by way of the Appointment Order; and
- (v) **"Receiver's Website"** means <http://www.grantthornton.ca/crystalwealth>.

NOTICE TO CREDITORS AND OTHERS

3. THIS COURT ORDERS that:

- (a) the Receiver shall, no later than five Business Days following the making of this Order, post a copy of this Order (together with all Schedules) on the Receiver's Website;
- (b) the Receiver shall send to each of the Known Creditors (in each case, for which it has an address) a copy of the Claims Package by July 10, 2017;
- (c) the Receiver shall, no later than July 10, 2017, cause to be published the Notice to Creditors in The Globe and Mail; and
- (d) the Receiver shall, provided such request is received prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request therefore a copy of the Claims Package to any Person claiming to be a Creditor and requesting such material.

PROOFS OF CLAIM

4. **THIS COURT ORDERS** that all Creditors shall file with the Receiver a Proof of Claim within the time periods herein stipulated.

DEADLINE FOR FILING OR PROOF OF CLAIM

5. **THIS COURT ORDERS** that all Proofs of Claim, together with supporting documentation in respect of such Claim, must be filed with the Receiver by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission, so that such Proof of Claim is received by the Receiver by no later than the Claims Bar Date.

6. **THIS COURT ORDERS** that any Creditor that does not file a Proof of Claim, together with supporting documentation in respect of such Claim,

- (a) shall be and is hereby forever barred from asserting or enforcing any Claim against the Crystal Wealth Group;
- (b) shall not be entitled to receive any distributions from any of the Crystal Wealth Group's estates; and
- (c) shall not be entitled to any further notice in, and shall not be entitled to participate as a creditor in, the Receivership Proceedings.

DETERMINATION OF CLAIMS AGAINST THE CRYSTAL WEALTH GROUP

7. **THIS COURT ORDERS** that the Receiver shall review all Proofs of Claim filed on or before the Claims Bar Date and may accept, revise or disallow (in whole or in part) the amount and/or status of a Claim set out in any Proof of Claim. If the Receiver determines to revise or disallow a Claim, the Receiver shall send a Notice of Revision or Disallowance to the Creditor. At any time, the Receiver may request additional information with respect to any Claim, and may request that the Creditor file a revised Proof of Claim, as the case may be.

8. **THIS COURT ORDERS** that the Receiver may attempt to consensually resolve the classification and amount of any Claim with the Creditor prior to accepting, revising or disallowing such Claim.

9. **THIS COURT ORDERS** that where a Proof of Claim has been revised or disallowed (in whole or in part) by a Notice of Revision or Disallowance, the revised or disallowed portion of

that Claim shall not establish a Proven Claim unless the Creditor has disputed the revision or disallowance and proven the revised or disallowed Claim (or portion thereof) in accordance with paragraphs 12-14 of this Order.

NOTICES OF DISPUTE

10. **THIS COURT ORDERS** that if a Creditor disputes the Notice of Revision or Disallowance and intends to contest the Notice of Revision or Disallowance then such Creditor shall deliver a Notice of Dispute by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission so that such Notice of Dispute is received by the Receiver by no later than 5:00 p.m. (Toronto time) on the day which is ten (10) Business Days after the Receiver delivered the Notice of Revision or Disallowance or such later date as the Receiver may agree in writing or the Court may order. The filing of a Notice of Dispute with the Receiver within the time limited therefore shall constitute an application to have the amount or status of such Claim determined as set out in paragraphs 12-14 hereof.

11. **THIS COURT ORDERS** that where a Creditor that receives a Notice of Revision or Disallowance fails to file a Notice of Dispute with the Receiver within the time frame required by paragraph 10 above, the amount and status of such Creditor's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and such amount and status, if any, shall constitute such Creditor's Proven Claim.

RESOLUTION OF CLAIMS

12. **THIS COURT ORDERS** that as soon as practicable after the delivery of the Notice of Dispute to the Receiver, the Receiver may:

- (a) attempt to consensually resolve the classification and amount of the Claim with the Creditor; and/or
- (b) schedule an appointment with the Court for the purpose of scheduling a motion to have the classification and/or amount of the Claim determined by the Court, and at such motion the Creditor shall be deemed to be the applicant and the Receiver shall be deemed to be the respondent.

13. **THIS COURT ORDERS** that notwithstanding the other provisions of this Order, the Receiver may make a motion to the Court for a final determination of a Claim at any time, whether or not a Notice of Revision or Disallowance has been sent by the Receiver.

14. **THIS COURT ORDERS** that in the event that the dispute between the Creditor and the Receiver is not settled within a time period or in a manner satisfactory to the Receiver or the Creditor, the Receiver or the Creditor may make a motion to the Court for the final determination of the Creditor's Claim.

ADEQUACY OF INFORMATION/CURRENCY

15. **THIS COURT ORDERS** that:

- (a) the Receiver may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Claim; and
- (b) any Creditor Claims denominated in a currency other than Canadian dollars shall, for the purposes of this Order, be converted to, and constitute obligations in, Canadian dollars, such calculation to be effected by the Receiver using the Bank of Canada noon spot rate on the Appointment Date.

NOTICE OF TRANSFEREES

16. **THIS COURT ORDERS** that the Receiver shall not be obligated to give notice to or otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof unless:

- (a) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Receiver; and
- (b) the Receiver shall have acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim.

Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to the written acknowledgement by the Receiver of such transfer or assignment.

17. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or

Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Receiver shall in each such case not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with paragraph 16 of this Order and the Receiver has acknowledged in writing such transfer or assignment, the person last holding such Claim in whole as the Creditor in respect of such Claim may by notice in writing to the Receiver direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Creditor, such transferee, or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order.

18. **THIS COURT ORDERS** that the Receiver is under no obligation to give notice to any Person other than the Creditor holding the Claim and shall, without limitation, have no obligation to give notice to any Person holding a security interest, lien, or charge in, or a pledge or assignment by way of security in, a Claim.

19. **THIS COURT ORDERS** that the transferee or assignee of any Claim:

- (a) shall take the Claim subject to the rights and obligations of the transferor/assignor of the Claim, and subject to the rights of any Crystal Wealth Group entity against any such transferor or assignor, including any rights of set-off which any Crystal Wealth Group entity had against such transferor or assignor; and
- (b) cannot use any transferred or assigned claim to reduce any amount owing by the transferee or assignee to any Crystal Wealth Group entity, whether by way of set-off, application, merger, consolidation or otherwise.

PROTECTIONS FOR RECEIVER

20. **THIS COURT ORDERS** that in carrying out the terms of this Order:

- (a) the Receiver shall have all of the protections given to it by the Appointment Order or as an officer of this Court, including the stay of proceedings in its favour;

- (b) the Receiver shall incur no liability or obligation as a result of the carrying out of the provisions of this Order;
- (c) the Receiver shall be entitled to rely on the Crystal Wealth Group's books and records, and any information provided by the Crystal Wealth Group, all without independent investigation; and
- (d) the Receiver shall not be liable for any claims or damages resulting from any errors or omissions in such books or records.

DIRECTIONS

21. **THIS COURT ORDERS** that the Receiver may, at any time, and with such notice as this Court may require, seek directions from this Court with respect to this Order, the Claims Procedure set out herein and the forms attached as Schedules hereto, including with respect to the appointment of a claims officer if the Receiver deems it necessary or appropriate.

SERVICE AND NOTICE

22. **THIS COURT ORDERS** that the Receiver be at liberty to deliver the Claims Package, and any letters, notices or other documents to Creditors or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of the Crystal Wealth Group and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by prepaid ordinary mail, on the fourth (4th) Business Day after mailing.

23. **THIS COURT ORDERS** that any notice or other communication (including, without limitation, Proofs of Claim and Notices of Dispute) to be given under this Order by a Creditor to the Receiver shall be in writing substantially in the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed to:

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

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

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

Any such notice or other communication by a Creditor shall be deemed received only upon actual receipt thereof by the Receiver during normal business hours on a Business Day.

MISCELLANEOUS

24. **THIS COURT ORDERS** that this Claims Procedure Order does not and is not intended to provide for the calculation or methodology of determining distributions but solely for providing a process for submitting and adjudicating Claims. The Receiver will request additional relief from this Court with respect to determining a final basis for calculating and determining ultimate distributions, if any, to Creditors.

25. **THIS COURT ORDERS** that Claims on behalf of any of the Crystal Wealth Group entities against any other of the Crystal Wealth Group entities shall be deemed filed and accepted by the Receiver in amounts determined by the Receiver on the basis of the books and records of the Crystal Wealth Group, without the need for the Receiver to file Proofs of Claim with respect to such Claims.

26. **THIS COURT ORDERS** that the Receiver may set off (whether by way of legal, equitable or contractual set-off) against the Claims of any Creditor, any claims of any nature whatsoever that any of the Crystal Wealth Group entities may have against such Creditor arising prior to the entry of this Claims Procedure Order, provided that such set-off satisfies the requirements for legal, equitable or contractual set-off to the extent permitted by applicable law as may be determined by the Court. If there is any dispute between the Receiver and the applicable Creditor, however, neither the failure to assert set-off nor the allowance of any Claim hereunder shall constitute a waiver or release by the Receiver of any such claim that the Receiver may have against such Creditor.

27. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the

United States of America, and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

SCHEDULE "A"

NOTICE TO CREDITORS

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

AND IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 129 OF THE *SECURITIES ACT*, R.S.O. 1990, C. S.5, AS AMENDED

RE: NOTICE OF CLAIMS PROCEDURE

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made [REDACTED], 2017 (the "**Claims Procedure Order**"). All the creditors of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited (individually and collectively, the "**Crystal Wealth Group**") should have received a claims package by mail from Grant Thornton Limited, Court-appointed receiver and manager (in such capacity, the "**Receiver**") of the Crystal Wealth Group. Creditors may also obtain the Claims Procedure Order and a claims package from the Receiver's website at www.grantthornton.ca/crystalwealth or by contacting the Receiver by telephone at (866) 448-5867 or by email at crystalwealth@grantthornton.ca.

Completed documents must be received by the Receiver by 5:00 p.m. (Toronto time) on August 3, 2017 (the "**Claims Bar Date**"). It is your responsibility to complete the appropriate documents and ensure that the Receiver receives your completed documents by the Claims Bar Date.

Among those creditors who do not need to file a Proof of Claim are investors in the Crystal Wealth Group and whose claim derives from such investor's investment in the Crystal Wealth Group. Please consult the Claims Procedure Order made on [REDACTED], 2017 for details with respect to this and other exemptions.

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

DATED at Toronto this ____ day of _____, 2017.

SCHEDULE "B"

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE

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

AND IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 129 OF THE SECURITIES ACT, R.S.O. 1990, C. S.5, AS AMENDED

A. CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) made [REDACTED], 2017 (the "**Claims Procedure Order**"), Grant Thornton Limited, the Court-appointed receiver and manager (in such capacity, the "**Receiver**") of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited (individually and collectively, the "**Crystal Wealth Group**"), has been authorized to conduct a claims procedure (the "**Claims Procedure**") for the determination of certain claims against the Crystal Wealth Group.

This letter provides instructions for understanding and completing a Proof of Claim. Please note that capitalized terms which are not defined in this Instruction Letter shall have the meanings ascribed to them in the Claims Procedure Order.

The Claims Procedure is intended for any Person with any Claim (as defined in the Claims Procedure Order) of any kind or nature whatsoever, other than an Excluded Claim, whether unliquidated, contingent or otherwise against one or more of the entities within the Crystal Wealth Group (collectively, the "**Claims**"). Please review the Claims Procedure Order on the Receiver's Website (www.grantthornton.ca/crystalwealth) for the complete definition of Claim and Excluded Claim.

If you have any questions regarding the Claims Procedure, please consult the Receiver's Website or contact the Receiver at the address provided below.

All notice and enquiries with respect to the Claims Procedure should be addressed to

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

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

Attention: Jason Knight
E-mail: jason.knight@ca.gt.com or crystalwealth@grantthornton.ca
Toll-Free Telephone Number: 1-866-448-5867

B. FOR CREDITORS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against the Crystal Wealth Group, you will have to file a Proof of Claim with the Receiver. **Your Proof(s) of Claim must be received by 5:00 p.m. (Toronto time) on August 3, 2017, the Claims Bar Date. Pursuant to the Claims Procedure Order, failure to submit a Proof of Claim by the Claims Bar Date will result in such Claim being barred and extinguished, released and discharged forever.**

Additional Proof of Claim forms and other information, including the Claims Procedure Order, can be obtained from the Receiver's Website at www.grantthornton.ca/crystalwealth, or by contacting the Receiver at the telephone number indicated above and providing particulars as to your name, address and contact information.

It is your responsibility to ensure that the Receiver receives your Proof of Claim by the Claims Bar Date.

SCHEDULE "C"

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

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____
2. Full Mailing Address of the Creditor (the original Creditor and not the Assignee):

3. Telephone number: _____
4. E-mail address: _____
5. Facsimile number: _____
6. Attention (Contact Person): _____
7. Has the Claim been sold or assigned by the Creditor to another party [check (✓) one]?
Yes: _____ No: _____

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

8. Full Legal Name of Assignee(s): _____
(If Claim has been assigned, insert full legal name of assignee(s) of Claim (if all or a portion of the Claim has been sold). If there is more than one assignee, please attach a separate sheet with the require information)
9. Full Mailing Address of Assignee(s):

- _____

10. Telephone number of Assignee(s): _____
11. E-mail address: _____
12. Facsimile number: _____
13. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, _____
[name of Creditor or Representative of the Creditor],
of _____ do hereby certify that:
[City or Province]

(a) I [check (✓) one]

☐ am the Creditor of the Crystal Wealth Group; OR

☐ am _____ (state position or title) of
_____ (name of creditor);

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

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

(i) TOTAL CLAIM: \$ _____ CAD

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

D. NATURE OF CLAIM:

(check (✓) one and complete appropriate category)

☐ A. UNSECURED CLAIM OF \$ _____

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

(Check (✓) appropriate description)

- ☐ Regarding the amount of \$_____, I do not claim a right to a priority.
- ☐ Regarding the amount of \$_____, I claim a right to a priority under section 136 of the Bankruptcy and Insolvency Act (Canada) (the "BIA") or would claim such a priority if this Proof of Claim were being filed in accordance with that Act.

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

☐ B. SECURED CLAIM OF \$_____

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

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

E. PARTICULARS OF CLAIM:

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

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

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

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

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

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

F. FILING OF CLAIM:

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

G. EXCLUDED CLAIMS

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

Dated at _____ this _____ day of _____, 2017.

Signature of Creditor

SCHEDULE "D"

NOTICE OF REVISION OR DISALLOWANCE OF CLAIM
REFERENCE NUMBER _____

TO: [insert name of creditor]

Grant Thornton Limited, in its capacity as receiver and manager (in this capacity, the "**Receiver**") of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited (individually and collectively, the "**Crystal Wealth Group**"), hereby gives you notice that the Receiver has reviewed your Proof of Claim, as the case may be, and has revised or rejected your Claim or any part thereof or any information relating thereto, as follows:

The Proof of Claim as Submitted	The Claim as Accepted

Reasons for Revision or Disallowance:

[insert explanation]

If you do not agree with this Notice of Revision or Disallowance, please take notice of the following:

1. If you dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (Toronto time) on _____, being the day which is ten Business Days after the Notice of Revision or Disallowance is sent by the Receiver (see paragraph 10 of the Claims Procedure Order), notify the Receiver by delivery of a Notice of Dispute in accordance with the Claims Procedure Order made on _____, 2017 (which Order can be found on the Receiver's Website at www.grantthornton.ca/crystalwealth). The form of Notice of Dispute is enclosed.
2. IF YOU DO NOT DELIVER A NOTICE OF DISPUTE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU AND YOUR CLAIM SHALL BE DEEMED TO BE AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.

DATED at Toronto, this _____, day of _____, 2017.

**GRANT THORNTON LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF THE CRYSTAL WEALTH
GROUP**

SCHEDULE "E"**NOTICE OF DISPUTE**

We hereby give you notice of our intention to dispute the Notice of Revision or Disallowance bearing Reference Number _____ and dated _____ issued in respect of our claim.

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Name of Creditor: _____

(Signature of individual completing this Dispute)

Date

(Please print name)

Telephone Number: _____

Email address: _____

Facsimile Number: _____

Full Mailing Address: _____

THIS FORM IS TO BE RETURNED BY PREPAID ORDINARY MAIL, COURIER, PERSONAL DELIVERY OR ELECTRONIC OR DIGITAL TRANSMISSION AND MUST BE RECEIVED NO LATER THAN 5:00 P.M. (TORONTO TIME) ON _____, BEING THE DAY WHICH IS TEN BUSINESS DAYS AFTER THE NOTICE OF REVISION OR DISALLOWANCE IS SENT BY THE RECEIVER (PURSUANT TO PARAGRAPH 10 OF THE CLAIMS PROCEDURE ORDER WHICH IS POSTED ONLINE AT www.grantthornton.ca/crystalwealth) TO:

Grant Thornton Limited

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

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

Attention: Jason Knight

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

ONTARIO SECURITIES COMMISSION

and CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

Short Title of Proceedings

Applicant

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at TORONTO

CLAIMS PROCEDURE ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, 181 Bay Street
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
E-mail: sgraff@airdberlis.com

Mark van Zandvoort (LSUC # 59120U)
Tel: (416) 865-4742
Fax: (416) 863-1515
E-mail: mvanzandvoort@airdberlis.com

Kyle Plunkett (LSUC # 61044N)
Tel: (416) 865-3406
Fax: (416) 863-1515
E-mail: kplunkett@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as Receiver and Manager of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752 Ontario Limited

APPENDIX 16

AIRD & BERLIS LLP

Barristers and Solicitors

Mark van Zandvoort
Direct: 416.865.4742
E-mail: mvanzandvoort@airdberlis.com

April 28, 2017

BY REGISTERED MAIL and BY EMAIL

Martin McCready
207 Rosewood Road
Hamilton, ON
L8K 3J3
tchr_62@hotmail.com

Dear Mr. McCready:

**Re: Receivership of CLJ Everest Limited/Sale of 5043 Mount Nemo Crescent,
Burlington, Ontario to Martin McCready pursuant to an Agreement of
Purchase and Sale dated April 12, 2017 (the "Sale Agreement")**

We are the lawyers for Grant Thornton Limited, in its capacity as receiver and manager of the assets, undertakings and properties of CLJ Everest Ltd. ("**CLJ Everest**"), Clayton Smith, and Crystal Wealth Management System Limited, among other entities set out in the Order (Appointing Receiver) (the "**Appointment Order**") issued by the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) on April 26, 2017. The Appointment Order, and Vesting Order referenced below, can be found on the Receiver's Case Website www.grantthornton.ca/crystalwealth.

Pursuant to a Vesting Order issued by the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) on April 26, 2017 (the "**Vesting Order**"), the Receiver was authorized by the Court to complete, on behalf of CLJ Everest, the sale transaction of the property located at 5043 Mount Nemo Crescent in Burlington, Ontario (the "**Property**") to you, as purchaser, as contemplated by the agreement of purchase and sale dated April 12, 2017 (the "**Sale Agreement**"). A copy of the Sale Agreement is enclosed. It is the Receiver's intention to proceed with the transaction as set out by the Sale Agreement, which has a completion date of 6 p.m. today, April 28, 2017.

We received an email at 8:20 p.m. yesterday evening (April 27, 2017) from Jo-Anne Smith, the listing agent for the Property, informing us that while she had advised you that the transaction contemplated by the Sale Agreement was proceeding, you nevertheless called her at 8:22 a.m. yesterday morning on April 27, 2017 to inform Ms. Smith that you would not be proceeding to complete the transaction. We accordingly sent an email to Stephen Frankel, whom we understood to be a lawyer whom you may have engaged in connection with the Sale Agreement.

At 7:28 a.m. this morning, Mr. Frankel wrote to us advising that he has not received instructions from you, and has not been retained.

April 28, 2017
Page 2

At 9:20 a.m. and 9:21 a.m. this morning, Bruce Bando, a representative of the Receiver, attempted to contact you by telephone at 905-912-8177, which number Ms. Smith advises us is your cell phone number. Mr. Bando has advised us that, on both occasions, he received the message "Call cannot be completed as dialed".

Accordingly, given your advice to Ms. Smith that you do not intend to proceed with the transaction contemplated by the Sale Agreement, and given that you have failed to engage counsel for the purposes of completing the transaction, please be advised that the Receiver is treating your anticipatory breaches as a repudiation of the Sale Agreement, thereby discharging the Receiver from proceeding with the Sale Agreement while reserving the Receiver's right to pursue damages from you without the need to tender.

Yours truly,

AIRD & BERLIS LLP



Mark van Zandvoort

MVZ/ds

- c. Grant Thornton Limited, in its capacity as receiver and manager of the assets, undertakings, and properties of CLJ Everest Ltd.

Encl.

29158788.1



AGENT FILE CHECKLIST

EMAIL to: deals@yourchoicerealty.ca

FAX to: 416.479.0634

PLEASE NOTE: if any information or documentation is missing, this transaction will be returned to you and will not be processed until all paperwork is complete. The following documents MUST be included in this package:

- | | |
|---|--|
| ☒ Copy of All Documents (Agreement, Waivers, Amendments) | ☒ Buyer Representation/Customer Srvc Agmnt |
| ☒ Confirmation of Co-Op & Representation (List or Sell) | ☒ Schedule 'B' |
| ☐ Receipt and Copy of the Deposit Cheque | ☒ Working With A Realtor (List or Sell) |
| ☐ Receipt of Funds (FINTRAC) (if on Buyers Side/Dbl End) | ☒ Registrant Statement as Buyer/Seller (if Applicable) |
| ☒ Individual/Corp Identification Info Record(1 from each party) | |

Address: 5043 Mount Nemo Crescent, Burlington, Ontario L7M 0T7 **Real Estate Board:** OMDREB

MLS #: 30556103, 30561153 Exclusive:	Sale Price: \$3,350,000.00
Firm: April 13, 2017	Offer Date: April 12, 2017
Conditions:	Closing Date: April 28, 2017
	Further Deposit Due Date: April 18, 2017
Vendor's Name(s): CLJ Everest Ltd.	Purchaser's Name(s): Martin McCreedy

COMMISSION BREAKDOWN

YCR 4 % + H.S.T.

CO-OP BROKER % + H.S.T.

+/- (Mktg Fee)

- (Mktg Fee)

Special Instructions: Commission to Your Choice Realty is 4 % of Selling Price plus HST
(\$134,000.00 plus \$17,420.00 = \$151,420.00)

LISTING AGENT

Name: Jo-Anne Smith

Broker: Your Choice Realty Corp

Phone #: 905-337-5930 Fax #: 905-332-3468

SELLER'S LAWYER

Agent to Fax Copy to Lawyer (w/Listing Agreement)

Date Copy was faxed: April 17, 2017

Name: Greg Brechin - Brechin & Huffman

Phone #: 905-681-2476 Fax #: 905-333-4298

AGENT REFERRAL INFORMATION

Listing or Selling % or \$

Name:

Broker:

Phone #:

BUYER'S AGENT

Name: Jo-Anne Smith providing customer service

Broker: Your Choice Realty Corp

Phone #: 905-337-5930 Fax #: 905-337-3468

BUYER'S LAWYER

Agent to Fax Copy to Lawyer Directly

Date Copy was faxed: April 17, 2017

Name: Stephan Frankel - Frankel Law Offices

Phone #: 905-522-3972 Fax #: 905-528-2767

PURCHASER'S INFORMATION

(SIN # must be provided for Purchaser to get Interest on Deposit)

SIN #:

Address:

Phone #:

SUBMITTED BY, NAME: Jo-Anne Smith DATE: April 15, 2017

NO COMMISSION CHEQUE WILL BE ISSUED UNLESS ALL REQUIRED DOCUMENTS ARE IN THE FILE.

Form 100

for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 12 day of April, 2017

BUYER, Martin McCreath (Full legal names of all Buyers), agrees to purchase from

SELLER, CLJ Everest Ltd. (Full legal names of all Sellers), the following

REAL PROPERTY:

Address 5043 Mount Nemo Crescent

(situated on the East side of Mount Nemo Crescent)

in the City of Burlington

and having a frontage of 312 ft more or less by a depth of 716 ft more or less

and legally described as PTLT 1 CON 4 NS DES AS PTS 1, 2 & 3 ON 20R16429; BURLINGTON ST EASEMENT IN

GROSS OVER PT 2 ON 20R16429 AS IN HR436235

(the "property")

PURCHASE PRICE:

Three Dollars (CDN\$) 3,350,000.00
Three Million Three Hundred and Fifty thousand Dollars

DEPOSIT: Buyer submits Upon Acceptance (hereby/Upon Acceptance/as otherwise provided for in this Agreement)

One Hundred thousand Dollars (CDN\$) 100,000.00

by negotiable cheque payable to Your Choice Realty Corp. "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULES: 2 attached hereto form(s) part of this Agreement.

1. **IRREVOCABILITY:** This offer shall be irrevocable by Buyer until 6 p.m. on the 15 day of April, 2017 after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the 28 day of April, 2017.

Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S): [Signature]

INITIALS OF SELLER(S): [Signature]

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3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. ~~Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized as the agent for either the Buyer or the Seller for the purpose of giving and receiving notices.~~ Any notice, whether given or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counteroffer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgment below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No. _____
(For delivery of Documents to Seller)

FAX No. _____
(For delivery of Documents to Buyer)

Email Address: OakvilleAndBeyond@gmail.com
(For delivery of Documents to Seller)

Email Address: lchr_62@hotmail.com
(For delivery of Documents to Buyer)

4. **CHATELAINS INCLUDED:** Viking Range, Viking Refrigerator / Freezer, Bosch B/I D/W, Panasonic B/I Microwave, all ELF, Window Treatments, All TVs in Barn, Appliances & Cabinetry in Bar Area of Barn, Sound System in Barn, 2 GDOs (no remotes), Pool Heater & Accessories, Hot Tub, Central Vac & Attachments, ~~Riding Lawn Mower and Trailer, Snowblower, Reclining Lounge Chairs & Lawn Furniture in Barn, Hanging Lounge Chair in Entrance, Exercise Equipment in Barn, 5 Mango Wood Kitchen Chairs currently in kitchen,~~ All Water Treatment Equipment

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:** Tall Wine Cooler in Barn

6. **RENTAL ITEMS (including Lease, Leases to, Through):** The following equipment is rented and ~~not~~ included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable.

The Buyer agrees to complete and execute such documentation as may be required to facilitate such assumption.

7. **HST:** If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be included in _____ of the Purchase Price. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the sale of the property is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S): [Signature]

INITIALS OF SELLER(S): [Signature]

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8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 21st day of April, 2017, (Requisition Date) to examine the title to the property at Buyer's own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy Buyer that there are no outstanding

work orders or deficiency notices affecting the property, and that its present use (Single Family Residential) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with, (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility, (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties, and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property, if within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (title insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Cooperating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1997, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller. The Buyer acknowledges having the opportunity to include a requirement for a property inspection report in this Agreement and agrees that except as may be specifically provided for in this Agreement, the Buyer will not be obtaining a property inspection or property inspection report regarding the property.

14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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- 15. PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at Seller's expense to obtain any necessary consent by completion.
- 16. DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O. 1990.
- 17. RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada; (b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 18. ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
- 19. PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 20. TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 21. TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
- 22. FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless the spouse of the Seller has executed the consent hereinafter provided.
- 23. UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
- 24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice.
- 25. CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
- 26. AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added in this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 27. TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

[Handwritten initials]

INITIALS OF SELLER(S):

[Handwritten initials]



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28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein

SIGNED, SEALED AND DELIVERED in the presence of:

(Witness) Tomla Carson

(Witness)

IN WITNESS whereof I have hereunto set my hand and seal:

(Buyer) Martin McCready

(Buyer)

(Seal)

DATE April 12, 2017

(Seal)

DATE

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of:

(Witness) [Signature]

(Witness)

IN WITNESS whereof I have hereunto set my hand and seal:

(Seller) CLJ Everest Ltd

(Seller)

(Seal)

DATE 13 Apr 17

(Seal)

DATE

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness)

(Spouse)

(Seal)

DATE

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 7:00 a.m. 13 day of April, 2017.

(Signature of Buyer)

INFORMATION ON BROKERAGE(S)	
Listing Brokerage <u>Your Choice Realty Corp., Brokerage</u>	Tel. No. <u>(905) 337-5930</u>
<u>Jo-Anne Smith</u>	(Salesperson / Broker Name)
Co-op/Buyer Brokerage	Tel. No.
	(Salesperson / Broker Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Seller) CLJ Everest Ltd.

DATE 13 Apr 17

(Seller)

Address for Service

Tel. No.

Seller's Lawyer Grey Brechin

Address 3365 Hurvister Rd #109

Email gbrechin@bhlawinc

Tel. No. 905-681-2476 FAX No.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Buyer) Martin McCready

DATE April 13/17

(Buyer)

Address for Service

207 Rosewood Rd, Hamilton

Tel. No.

Buyer's Lawyer Stephan M. Frankel

Address 105 Main St Suite 1001, Hamilton

Email Stephan@FrankelLaw.ca

Tel. No. 905-522-3972 FAX No.

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Cooperating Brokerage shown on the foregoing Agreement of Purchase and Sale.
In consideration for the Cooperating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLSP Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLSP Rules and shall be subject to and governed by the MLSP Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale Acknowledged by:

(Authorized to bind the Listing Brokerage) [Signature]

(Authorized to bind the Cooperating Brokerage)

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Schedule A
Agreement of Purchase and Sale

✓ The Oakville, Milton

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Martin McCready,

and

SELLER, CLJ Everest Ltd.,

for the purchase and sale of **5043 Mount Nemo Crescent**

Burlington

L7M0T7

dated the **12** day of **April**

2017

Buyer agrees to pay the balance as follows:

1. The Buyer agrees to pay the balance of the purchase price, subject to adjustments, to the Seller on completion of this transaction, with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
2. The Buyer agrees that he has been advised by the Listing Sales Representative to have a home inspection done by a Certified Home Inspector and that he, being a home inspector himself, has declined having an independent home inspection done and has done his own due diligence with respect to the condition of the house, barn and any other structures on the property.
3. The Buyer agrees that he has been advised to have a Condition with respect to suitable financing in the offer and that he has declined as he is satisfied with his own situation with respect to financing the purchase of the property.
4. The Buyer agrees that he has done his own due diligence with respect to the zoning of the property.

5. THE BUYER AGREES TO DELIVER DEPOSIT CHECKS
TO YAK CHANG REALTY CORP. BY 6pm. TUES
APRIL 18. 4/18/17 CS

This form must be initialed by all parties to the Agreement of Purchase and Sale

INITIALS OF BUYER(S):

M. McCready

INITIALS OF SELLER(S):

CLJ Everest Ltd.



Ontario
Real Estate
Association

Schedule B
Agreement of Purchase and Sale

Form 105
For use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Martin McCready, and

SELLER, CLJ Everest Ltd.

for the property known as 5043 Mount Nemo Crescent, Burlington, Ont

dated the 12th day of April, 2017

INTEREST BEARING TRUST ACCOUNT DISCLOSURE

The parties to this agreement hereby acknowledge and agree that the deposit holder Your Choice Realty Corp. shall place the deposit into its interest bearing real estate trust account, which earn interest at the current rate of prime less 2% per annum. The parties to this agreement agree that should the amount of interest calculated be more than \$285.00 the deposit holder shall pay the beneficial owner of the trust money the interest accrued on the successful completion of this transaction; and that this Schedule forms part of the terms of the trust. The parties further agree that the deposit holder will retain any interest earned unless the beneficial owner provides the Deposit Holder with valid SIN Number(s) for use on the T5 forms, no earlier or later than 10 days prior to the completion of the transaction by registered mail to the Brokerage's Corporate Office as registered with RECO.

All Parties hereby acknowledge that no information provided by Your Choice Realty Corp. is to be construed as being expert legal, financial, tax, building condition, current/future zoning or environmental advice. Each party to the agreement has been advised to seek independent professional advice in the above noted fields before entering into this agreement.

All Parties hereby acknowledge that any measurements and information provided by Your Choice Realty Corp. in the MLS listing, feature sheet, any pre-listing Home Inspection Report, and any other marketing materials has been obtained from sources deemed reliable, however, it has been provided to the Buyer for general informational purposes only and as such, Your Choice Realty Corp. does not warrant its accuracy nor make any representations or warranties regarding contents of same. Reliance upon any and all information contained in the marketing materials is at the Buyer's risk and as such the Buyer is advised to verify any measurements or other information upon which he or she is relying.

The Buyer/Lessor acknowledges that Seller/Landlord, Listing and Cooperating Brokerages are making no representation with regards to zoning by-laws and if applicable retrofit requirements of the subject property's current permitted legal use as well as any proposed or future use by the Buyer/Tenant. The Buyer/Tenant agrees to hold the Seller/Landlord, Listing and Cooperation Brokerages harmless from any liabilities arising from the Buyer's use of the subject property.

All Parties hereby agree to allow the Listing and Cooperating Brokerages in this transaction to use the statistical information about the sale or lease of this property in their future marketing materials.

SALE TRANSACTIONS: DEPOSITS \$1000 OR GREATER ARE REQUIRED TO BE CERTIFIED FUNDS. NO PERSONAL OR CORP. CHEQUES WILL BE ACCEPTED FOR AMOUNTS \$1000 OR GREATER.

RENTAL TRANSACTIONS: ALL DEPOSITS ARE REQUIRED TO BE CERTIFIED FUNDS REGARDLESS OF THE AMOUNT. NO PERSONAL OR CORP. CHEQUES WILL BE ACCEPTED

In the event that any deposit cheque made payable to Your Choice Realty Corp. is non negotiable an additional \$25 administrative fee will be due by Payor.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):



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Form 105, Revised 2008 Page 1 of 1

WEBForms™ Dec2010

Confirmation of Co-operation and Representation

✓ The Oakville, Milton

BUYER: Martin McCready

SELLER: CJI Everest Ltd.

For the transaction on the property known as: 5043 Mount Nemo Crescent

Burlington

L7M0T7

DEFINITIONS AND INTERPRETATIONS: For the purposes of this Confirmation of Co-operation and Representation:

"Seller" includes a vendor, a landlord, or a prospective, seller, vendor or landlord and "Buyer" includes a purchaser, a tenant, or a prospective, buyer, purchaser or tenant, "sale" includes a lease, and "Agreement of Purchase and Sale" includes an Agreement to Lease. Commission shall be deemed to include other remuneration.

The following information is confirmed by the undersigned salesperson/broker representative(s) of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 2002 (REBBA 2002) and Regulations.

1. LISTING BROKERAGE

a) ☒ The Listing Brokerage represents the interests of the Seller in this transaction. It is further understood and agreed that:

- 1) ☐ The Listing Brokerage is not representing or providing Customer Service to the Buyer.
(If the Buyer is working with a Co-operating Brokerage, Section 3 is to be completed by Co-operating Brokerage)
- 2) ☒ The Listing Brokerage is providing Customer Service to the Buyer

b) ☐ **MULTIPLE REPRESENTATION:** The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage. However, the Listing Brokerage shall not disclose:

- That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
- The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- The price the Buyer should offer or the price the Seller should accept;
- And, the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

Additional comments and/or disclosures by Listing Brokerage: (e.g. The Listing Brokerage represents more than one Buyer offering on this property.)

2. PROPERTY SOLD BY BUYER BROKERAGE - PROPERTY NOT LISTED

☐ The Brokerage represents the Buyer and the property is not listed with any real estate brokerage. The Brokerage will be paid (does/does not)

- OR:
- ☐ by the Seller in accordance with a Seller Customer Service Agreement
 - ☐ by the Buyer directly

Additional comments and/or disclosures by Buyer Brokerage: (e.g. The Buyer Brokerage represents more than one Buyer offering on this property.)

INITIALS OF BUYER(S)/SELLER(S)/BROKERAGE REPRESENTATIVE(S) (Where applicable)


BUYER


CO-OPERATING/BUYER BROKERAGE


SELLER


LISTING BROKERAGE

3. Co-operating Brokerage completes Section 3 and Listing Brokerage completes Section 1.

CO-OPERATING BROKERAGE- REPRESENTATION:

- a) ☐ The Co-operating Brokerage represents the interests of the Buyer in this transaction.
b) ☐ The Co-operating Brokerage is providing Customer Service to the Buyer in this transaction.
c) ☐ The Co-operating Brokerage is not representing this Buyer and has not entered into an agreement to provide customer service(s) to the Buyer.

CO-OPERATING BROKERAGE- COMMISSION:

- a) ☐ The Listing Brokerage will pay the Co-operating Brokerage the commission as indicated in the MLS® information for the property
to be paid from the amount paid by the Seller to the Listing Brokerage.
(Commission As Indicated In MLS® Information)
b) ☐ The Co-operating Brokerage will be paid as follows:

Additional comments and/or disclosures by Co-operating Brokerage: (e.g., The Co-operating Brokerage represents more than one Buyer offering on this property.)

Commission will be payable as described above, plus applicable taxes.

COMMISSION TRUST AGREEMENT: If the above Co-operating Brokerage is receiving payment of commission from the Listing Brokerage, then the agreement between Listing Brokerage and Co-operating Brokerage further includes a Commission Trust Agreement, the consideration for which is the Co-operating Brokerage procuring an offer for a trade of the property, acceptable to the Seller. This Commission Trust Agreement shall be subject to and governed by the MLS® rules and regulations pertaining to commission trusts of the Listing Brokerage's local real estate board, if the local board's MLS® rules and regulations so provide. Otherwise, the provisions of the OREA recommended MLS® rules and regulations shall apply to this Commission Trust Agreement. For the purpose of this Commission Trust Agreement, the Commission Trust Amount shall be the amount noted in Section 3 above. The Listing Brokerage hereby declares that all monies received in connection with the trade shall constitute a Commission Trust and shall be held, in trust, for the Co-operating Brokerage under the terms of the applicable MLS® rules and regulations.

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

(Name of Cooperating/Buyer Brokerage) Tel: _____ Fax: _____ Date: _____ (Authorized to bind the Cooperating/Buyer Brokerage) _____ (Print Name of Broker/Salesperson Representative of the Brokerage)	Your Choice Realty Corp., Brokerage (Name of Listing Brokerage) 3145 Walkers Line Burlington Tel: (905) 337-5930 Fax: (905) 332-3468 _____ (Authorized to bind the Listing Brokerage) Jo-Anne Smith (Print Name of Broker/Salesperson Representative of the Brokerage)
--	---

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction)

The Buyer/Seller consent with their initials to their Brokerage representing more than one client for this transaction.

BUYER'S INITIALS

SELLER'S INITIALS

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

(Signature of Buyer) <u>Martin McCready</u>	Date: <u>April 13/17</u>	(Signature of Seller) <u>CLJ Everest Ltd.</u>	Date: <u>13 Apr 17</u>
(Signature of Buyer) _____	Date: _____	(Signature of Seller) _____	Date: _____

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**Registrant's Disclosure of Interest
Disposition of Property**

This Statement is made in accordance with the requirements of the Real Estate and Business Brokers Act and Code of Ethics Regulations of the Province of Ontario.

I, Jo-Anne Smith declare that I am a registered
(Name of Registrant)

Real Estate Salesperson representing YOUR CHOICE REALTY CORP.
(Brokerage/Broker/Salesperson) (Name of Brokerage)

in connection with a proposed Offer to Purchase/Lease/Exchange/Option your Property known as 5043 Mount Nemo Cres.,
Burlington, Ont.

Please be advised that I own the Property or that I have an interest in the Property.

NOTE: If the Registrant's interest is indirect, explain the nature of the interest in accordance with the definition of a "Related Person", as defined in the Code of Ethics Regulations of the Real Estate and Business Brokers Act.

EXPLANATION: The owner of the property is my brother
and I am representing him in the sale of the
property.

I hereby declare that the following is a full disclosure of all facts within my knowledge that affect or will affect the value of your Property:

AND

(Attach Appendix "A" if necessary)

For the purposes of this Registrant's Statement as Seller, "Seller" includes vendor, landlord and lessor, and "Buyer" includes purchaser, tenant and lessee.

[Signature]
(Signature of Registrant who is making this Declaration)

DATE: April 12/17

[Signature]
(Signature of Broker of Record/Manager of Brokerage) Catherine Johnson

DATE: _____

(Title)

ACKNOWLEDGEMENT

I/We, the undersigned, as Buyer(s) in this transaction have read and clearly understand this statement and acknowledge this date having received a copy of same PRIOR TO BEING PRESENTED WITH AN OFFER TO PURCHASE, LEASE, EXCHANGE OR OPTION.

[Signature]
(Witness)

[Signature]
(Buyer)

DATE: Apr. 12/17

(Witness)

(Buyer)

DATE: _____



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Buyer Customer Service Agreement
For Use When the Buyer is Not Represented
By the Brokerage

The Oakville, Milton

This Is A Non-Exclusive Buyer Customer Service Agreement

BETWEEN:

BROKERAGE: Your Choice Realty Corp., Brokerage, Tel.No. (905) 337-5930

ADDRESS: 3145 Walkers Line

Burlington

L7M0E1

Fax.No. (905) 332-3468

hereinafter referred to as the Brokerage.

AND:

BUYER(S): Martin McCready, hereinafter referred to as the Buyer, for the purpose of locating a real property meeting the following general description:

Property Type (Use): Single Family Residential

Geographic Location: 5043 Mount Nemo Crescent, Burlington, Ontario

In consideration of the Brokerage providing customer service to the Buyer for the purchase or lease of a real property of the general description indicated above, the Buyer acknowledges and agrees to the terms as stated in this Agreement.

This non-exclusive Buyer Customer Service Agreement:

commences at 9 a.m. on the 11 day of April, 2017,

and expires at 11:59 p.m. on the 31 day of May, 2017 (Expiry Date).

{ Buyer acknowledges that the time period for this Agreement is negotiable between the Buyer and the Brokerage, however, in accordance with the Real Estate and Business Brokers Act of Ontario (2002), if the time period for this Agreement exceeds six months, the Brokerage must obtain the Buyer's initials. }


(Buyer's initials)

The Buyer hereby warrants that the Buyer is not a party to a buyer representation agreement with any other registered real estate brokerage for the purchase or lease of a real property of the general description indicated above.

- 1. DEFINITIONS AND INTERPRETATIONS:** For the purposes of this Agreement ("Authority" or "Agreement"): "Buyer" includes purchaser and tenant, a "seller" includes a vendor, a landlord or a prospective seller, vendor or landlord and a "real estate board" includes a real estate association. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised, and a lease includes any rental agreement, sub-lease or renewal of a lease. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context.
- 2. COMMISSION:** For a Buyer Customer Service Agreement between Buyer and Brokerage, there is no requirement for the Buyer to pay the Brokerage compensation for the customer service provided by the Brokerage, unless otherwise agreed to in writing.
- 3. REPRESENTATION AND CUSTOMER SERVICE:** The Buyer acknowledges that the Brokerage has provided the Buyer with written information explaining agency relationships, including information on Seller Representation, Sub-Agency, Buyer Representation, Multiple Representation and Customer Service. The Buyer acknowledges that the Brokerage will be providing customer service to the Buyer and will not be representing the interests of the Buyer in a transaction. The Brokerage may be representing the interests of the seller as an agent or sub-agent. When the Brokerage is representing the seller, the seller is considered to be the Brokerage's client, and the Brokerage's primary duties are to protect and promote the interests of the seller/client. The Brokerage will disclose all pertinent information to a seller/client obtained from or about the Buyer. Even though the Brokerage's primary duties may be to the seller, the Brokerage may provide many valuable customer services to the Buyer.

When providing customer service to the Buyer, the Brokerage's duties to the Buyer include:

- the **Ethical** duty to deal fairly, honestly and with integrity;
- the **Legal** duty to exercise due care when answering questions and providing information; and
- the **Legal** duty to avoid misrepresentation.

The Buyer acknowledges that the Buyer may not be shown or offered all properties that may be of interest to the Buyer. The Buyer hereby agrees that the terms of any buyer's offer or agreement to purchase or lease the property will not be disclosed to any other buyer.

The Buyer understands and agrees that the Brokerage also provides representation and customer service to other buyers and sellers. If the Brokerage represents or provides customer service to more than one seller or buyer for the same trade, the Brokerage shall, in writing, at the earliest practicable opportunity and before any offer is made, inform all sellers and buyers of the nature of the Brokerage's relationship to each seller and buyer.

INITIALS OF BROKERAGE:



INITIALS OF BUYER(S):





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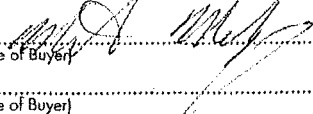
4. **INDEMNIFICATION:** The Brokerage and representatives of the Brokerage are trained in dealing in real estate but are not qualified in determining the physical condition of the land or any improvements thereon. The Buyer agrees that the Brokerage and representatives of the Brokerage will not be liable for any defects, whether latent or patent, to the land or improvements thereon. All information supplied by the seller or landlord or the listing brokerage may not have been verified and is not warranted by the Brokerage as being accurate and will be relied on by the Buyer at the Buyer's own risk. The Buyer acknowledges having been advised to make their own enquiries to confirm the condition of the property.
5. **FINDERS FEE:** The Buyer acknowledges that the Brokerage may be receiving a finder's fee, reward and/or referral incentive, and the Buyer consents to any such benefit being received and retained by the Brokerage in addition to the commission as described above.
6. **CONSUMER REPORTS:** The Buyer is hereby notified that a Consumer Report containing credit and/or personal information may be referred to in connection with this Agreement and any subsequent transaction.
7. **USE AND DISTRIBUTION OF INFORMATION:** The Buyer consents to the collection, use and disclosure of personal information by the Brokerage for such purposes that relate to the real estate services provided by the Brokerage to the Buyer including, but not limited to: locating, assessing and qualifying properties for the Buyer; advertising on behalf of the Buyer; providing information as needed to third parties retained by the Buyer to assist in a transaction (e.g., financial institutions, building inspectors, etc...); and such other use of the Buyer's information as is consistent with the services provided by the Brokerage in connection with the purchase or prospective purchase of the property.
- The Buyer agrees that the sale and related information regarding any property purchased by the Buyer through the Brokerage may be retained and disclosed by the Brokerage and/or real estate board(s) (if the property is an MLS® Listing) for reporting, appraisal and statistical purposes and for such other use of the information as the Brokerage and/or board deems appropriate in connection with the listing, marketing and selling of real estate, including conducting comparative market analyses.
- The Buyer acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.
8. **CONFLICT OR DISCREPANCY:** If there is any conflict or discrepancy between any provision added to this Agreement and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any provisions added to this Agreement, shall constitute the entire Agreement between the Buyer and the Brokerage. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein.
9. **ELECTRONIC COMMUNICATION:** This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Buyer by electronic means shall be deemed to confirm the Buyer has retained a true copy of the Agreement.
10. **ELECTRONIC SIGNATURES:** If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the *Electronic Commerce Act 2000, S.O. 2000, c17* as amended from time to time.
11. **SCHEDULE(S):** attached hereto form(s) part of this Agreement.

THE BROKERAGE AGREES TO ASSIST THE BUYER IN LOCATING A REAL PROPERTY OF THE GENERAL DESCRIPTION INDICATED ABOVE AND TO PROVIDE CUSTOMER SERVICE TO THE BUYER IN AN ENDEAVOUR TO PROCURE THE ACCEPTANCE OF AN AGREEMENT TO PURCHASE OR LEASE A PROPERTY ACCEPTABLE TO THE BUYER.

(Authorized to bind the Brokerage)  DATE April 12/17 Jo-Anne Smith
(Name of Person Signing)

THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME AND I ACKNOWLEDGE THIS DATE I HAVE SIGNED UNDER SEAL. Any representations contained herein are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:

(Signature of Buyer)  (Seal) DATE April 12/17
(Signature of Buyer) (Seal) DATE

Address.....

Tel. No. FAX No.

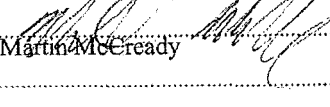
DECLARATION OF INSURANCE

The broker/salesperson, Jo-Anne Smith
(Name of Broker/Salesperson)
hereby declares that he/she is insured as required by the Real Estate and Business Brokers Act (REBBA) and Regulations.

(Signature(s) of Broker/Salesperson)

ACKNOWLEDGEMENT

The Buyer(s) hereby acknowledge that the Buyer(s) fully understand the terms of this Agreement and have received a true copy of this Agreement on the 12th day of April, 20 17

(Signature of Buyer)  Date: April 12/17
(Signature of Buyer) Date:



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Form 810

for use in the Province of Ontario

The REALTOR® Consumer Relationship

In Ontario, the real estate profession is governed by the Real Estate and Business Brokers Act, 2002, and Associated Regulations (REBBA 2002 or Act), administered by the Real Estate Council of Ontario (RECO). All Ontario REALTORS® are registered under the Act and governed by its provisions. REBBA 2002 is consumer protection legislation, regulating the conduct of real estate brokerages and their salespeople/brokers. The Act provides consumer protection in the form of deposit insurance and requires every salesperson/broker to carry errors & omission (E&O) insurance.

When you choose to use the services of a REALTOR®, it is important to understand that this individual works on behalf of a real estate brokerage, usually a company. The brokerage is operated by a Broker of Record, who has the ultimate responsibility for the employees registered with the brokerage. When you sign a contract, it is with the brokerage, not with the salesperson/broker employee.

The Act also requires that the brokerage (usually through its REALTORS®) explain the types of service alternatives available to consumers and the services the brokerage will be providing. The brokerage must document the relationship being created between the brokerage and the consumer, and submit it to the consumer for his/her approval and signature. The most common relationships are "client" and "customer", but other options may be available in the marketplace.

Client

A "client" relationship creates the highest form of obligation for a REALTOR® to a consumer. The brokerage and its salespeople/brokers have a fiduciary (legal) relationship with the client and represent the interests of the client in a real estate transaction. The REALTOR® will establish this relationship with the use of a representation agreement, called a Listing Agreement with the seller and a Buyer Representation Agreement with the buyer. The agreement contains an explanation of the services the brokerage will be providing, the fee arrangement for those services, the obligations the client will have under the agreement, and the expiry date of the agreement. Ensure that you have read and fully understand any such agreement before you sign the document.

Once a brokerage and a consumer enter into a client relationship, the brokerage must protect the interests of the client and do what is best for the client. A brokerage must strive for the benefit of the client and must not disclose a client's confidential information to others. Under the Act, the brokerage must also make reasonable efforts to determine any material facts relating to the transaction that would be of interest to the client and must inform the client of those facts. Although they are representing the interests of their client, they must still treat all parties to the transaction with fairness, honesty, and integrity.

Customer

A buyer or seller may not wish to be under contract as a client with the brokerage but would rather be treated as a customer. A REALTOR® is obligated to treat every person in a real estate transaction with honesty, fairness, and integrity, but unlike a client, provides a customer with a restricted level of service. Services provided to a customer may include showing the property or properties, drafting the offer, presenting the offer, etc. Brokerages use a Customer Service Agreement to document the services they are providing to a buyer or seller customer.

Under the Act, the REALTOR® has disclosure obligations to a customer and must disclose material facts known to the brokerage that relate to the transaction.

What Happens When...

Buyer(s) and the seller(s) are sometimes under contract with the same brokerage when properties are being shown or an offer is being contemplated. There can also be instances when there is more than one offer on a property and more than one buyer and seller are under a representation agreement with the same brokerage. This situation is referred to as multiple representation. Under the Act, the REALTORS® and their brokerage must make sure all buyers, sellers, and their REALTORS® confirm in writing that they acknowledge, understand, and consent to the situation before their offer is made. REALTORS® typically use what is called a Confirmation of Co-operation and Representation form to document this situation.

Offer negotiations may become stressful, so if you have any questions when reference is made to multiple representation or multiple offers, please ask your REALTOR® for an explanation.

Critical Information

REALTORS® are obligated to disclose facts that may affect a buying or selling decision. It may be difficult for a REALTOR® to judge what facts are important. They also may not be in a position to know a fact. You should communicate to your REALTOR® what information and facts about a property are important to you in making a buying or selling decision, and document this information to avoid any misunderstandings and/or unpleasant surprises.

Similarly, services that are important to you and are to be performed by the brokerage, or promises that have been made to you, should be documented in your contract with the brokerage and its salesperson/broker.

To ensure the best possible real estate experience, make sure all your questions are answered by your REALTOR®. You should read and understand every contract before you finalize it.

Acknowledgement by: Martin McCready

(Names)

I/we have read, understand, and have received a copy of Working with a REALTOR®

Sellers: As seller(s), I/we understand that

Buyers: As buyer(s), I/we understand that

Your Choice Realty Corp.

(Name of Brokerage)

(initial one)

Is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other sellers and buyers.

(initial one)

Is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other buyers and sellers.

Is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner.

Is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner.

(Signature) (Date)

(Signature) (Date)

(Signature) (Date)

(Signature) (Date)

Please note that Federal legislation requires REALTORS® to verify the identity of sellers and buyers with whom they are working. For the purposes of this information, the term "seller" can be interpreted as "landlord" and "buyer" can mean "tenant." This form is for information only and is not a contract.

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Form 810

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The Act also requires that the brokerage (usually through its REALTORS®) explain the types of service alternatives available to consumers and the services the brokerage will be providing. The brokerage must document the relationship being created between the brokerage and the consumer, and submit it to the consumer for his/her approval and signature. The most common relationships are "client" and "customer", but other options may be available in the marketplace.

Client

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Once a brokerage and a consumer enter into a client relationship, the brokerage must protect the interests of the client and do what is best for the client. A brokerage must strive for the benefit of the client and must not disclose a client's confidential information to others. Under the Act, the brokerage must also make reasonable efforts to determine any material facts relating to the transaction that would be of interest to the client and must inform the client of those facts. Although they are representing the interests of their client, they must still treat all parties to the transaction with fairness, honesty, and integrity.

Customer

A buyer or seller may not wish to be under contract as a client with the brokerage but would rather be treated as a customer. A REALTOR® is obligated to treat every person in a real estate transaction with honesty, fairness, and integrity, but unlike a client, provides a customer with a restricted level of service. Services provided to a customer may include showing the property or properties, drafting the offer, presenting the offer, etc. Brokerages use a Customer Service Agreement to document the services they are providing to a buyer or seller customer.

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What Happens When...

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Offer negotiations may become stressful, so if you have any questions when reference is made to multiple representation or multiple offers, please ask your REALTOR® for an explanation.

Critical Information

REALTORS® are obligated to disclose facts that may affect a buying or selling decision. It may be difficult for a REALTOR® to judge what facts are important. They also may not be in a position to know a fact. You should communicate to your REALTOR® what information and facts about a property are important to you in making a buying or selling decision, and document this information to avoid any misunderstandings and/or unpleasant surprises.

Similarly, services that are important to you and are to be performed by the brokerage, or promises that have been made to you, should be documented in your contract with the brokerage and its salesperson/broker.

To ensure the best possible real estate experience, make sure all your questions are answered by your REALTOR®. You should read and understand every contract before you finalize it.

Acknowledgement by:

I/we have read, understand, and have received a copy of Working with a REALTOR®

Sellers: As seller(s), I/we understand that

YOUR CHANCE REALTY CORP.
(Name of Brokerage)

(initial one)

x CS

Is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other sellers and buyers.

Is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner

[Signature]

13 Apr 17
(Date)

(Signature)

(Date)

Buyers: As buyer(s), I/we understand that

(Name of Brokerage)

(initial one)

[Signature]

Is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other buyers and sellers.

Is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner.

[Signature]

[Date]
(Date)

(Signature)

(Date)

Please note that Federal legislation requires REALTORS® to verify the identity of sellers and buyers with whom they are working. For the purposes of this information, the term "seller" can be interpreted as "landlord" and "buyer" can mean "tenant." This form is for information only and is not a contract.

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APPENDIX 17

From: Knight, Jason
Sent: Tuesday, May 2, 2017 8:36 PM
To: [Redacted]
Cc: Bando, Bruce
Subject: Request for Listing Proposals re: Award Winning 1874 Harris-Thomas Estate
Attachments: 5043 Mt. Nemo Crescent - Appendix A.PDF; 5043 Mt. Nemo Crescent - Appendix B.PDF

Good evening Don,

**RE: CLJ Everest Ltd.
5043 Mount Nemo Crescent
Burlington, Ontario**

Grant Thornton Limited was appointed as receiver and manager (the “**Receiver**”) of all of the assets, undertakings, and properties of CLJ Everest Ltd.(“**CLJ**”), among other entities, pursuant to a court order dated April 26, 2017 (the “**Receivership Order**”), which can be found on the following website: www.grantthornton.ca/crystalwealth. CLJ’s primary asset is the “Burlington Heritage Preservation Award” winning circa 1874 Harris-Thomas Estate located at 5043 Mount Nemo Crescent in Burlington, Ontario (the “**Estate**”).

The Estate includes a restored 4,625 sq. ft., 4 bedroom, 4 bathroom home along with a 10,000 sq. ft. historical post and beam barn complete with 5,000 sq. ft. of additional finished living space, both situated on 5 acres of land located minutes from Burlington, Ontario. In addition, the Estate has a large outdoor entertainment space consisting of a saltwater in-ground pool with a waterfall, open cabana with cooking and dining facilities, and a saltwater hot tub. The location of the Estate is noted in **Appendix A**.

The Receiver intends to engage a broker to conduct the sales process with respect to the Estate in a Court-approved sales process (the “**Sales Process**”). Prospective brokers wishing to submit a listing proposal for the Estate to the Receiver must make their submission no later than 5:00 pm on May 9, 2017. Proposals should include, but not be limited to, the items noted below.

- Company description and background.
- Experience in selling estates in the Burlington and surrounding areas.
- Strategic marketing plan with target market and timelines.
- Recommendation on obtaining Estate and building assessment reports, including:
 - Building Condition Report
 - Environmental Site Assessment
- Copies of the following documents to be used
 - Listing Agreement
 - Confidentiality Agreement for interested parties
- Form of reporting to the Receiver during the Sales Process.
- Indications of value, supported by market comparables and including an initial target range of listing prices.
- Fee structure.
- Three (3) references.
- Profile of team members.

The Receiver will provide additional information upon the return of a fully executed Confidentiality Agreement as provided in **Appendix B**.

Should you have any questions, please contact Jason Knight via e-mail at Jason.Knight@ca.gt.com or via telephone at (416) 369-7017.

Regards,

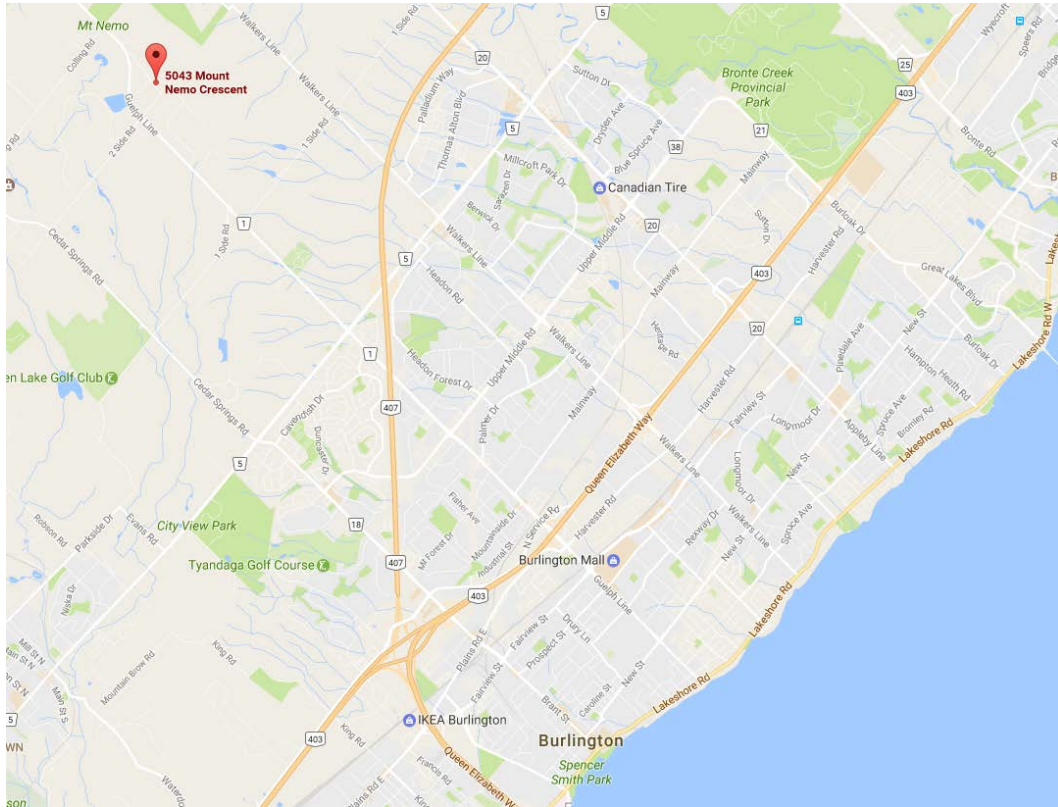
GRANT THORNTON LIMITED

In its capacity as the Court-Appointed Receiver
of CLJ Everest Ltd. and
not in its personal or corporate capacity

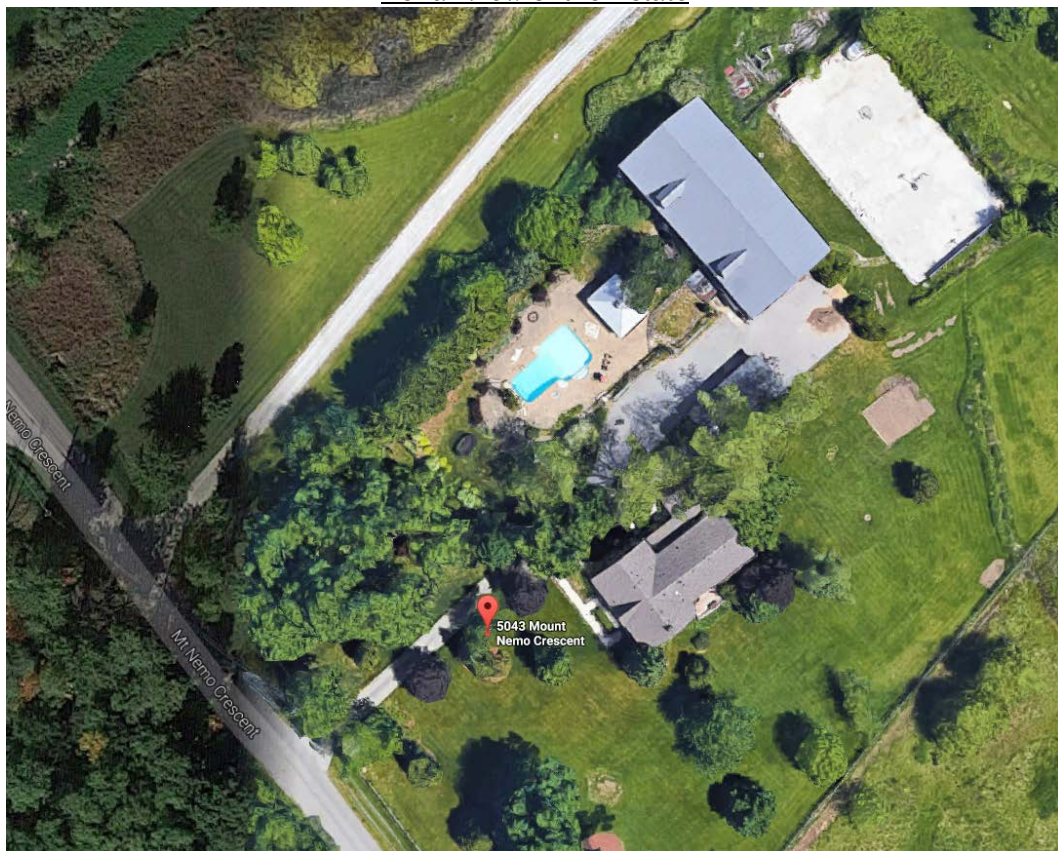
Jason Knight, CPA, CA | Manager

Recovery & Reorganization
Grant Thornton Limited
11th Floor | 200 King Street West | Box 11 | Toronto | ON | M5H 3T4

Location of the Estate



Aerial View of the Estate



Appendix B

Confidentiality Agreement

Grant Thornton Limited
Court-Appointed Receiver of CLJ Everest Ltd.
11th Floor, 200 Kings St. W., Box 11
Toronto, ON M5H 3T4
Fax: (416) 369-7017
E-Mail: Jason.Knight@ca.gt.com

Attention: Jason Knight

Dear Sirs:

RE: Confidentiality Agreement

Grant Thornton Limited was appointed as receiver and manager (the “**Receiver**”) of all of the assets, undertakings, and properties of CLJ Everest Ltd. (“**CLJ Everest**”), among other entities, pursuant to a court order dated April 26, 2017 (the “**Receivership Order**”), which can be found at the following website: www.grantthornton.ca/crystalwealth. CLJ Everest’s primary asset is an estate located at 5043 Mount Nemo Crescent in Burlington, Ontario (the “**Estate**”).

In this regard, we have requested that you provide us with certain information and documentation relating to the Estate in order that we may evaluate it for the purpose of submitting a proposal to render services to the Receiver. Any information or documentation received by us from the Receiver or any of the Receiver’s agents, representatives or counsel, including without limitation:

- any information, oral or written, which may be provided to us during the course of our evaluation of the Estate, whether provided by the Receiver or any of the Receiver’s agents, representatives or counsel;
- all analyses, notes, summaries, compilations, data, forecasts, studies or other documentation prepared by us or our representatives containing or based upon, in whole or in part, any such furnished information or reflecting our review of, and interest in, the Estate, including any such notes, analyses, etc. in machine readable form stored in any computer memory, on any magnetic, optical or magneto-optical disk or in or on any other contrivance whatsoever;
- non-public financial and business information and documents hereafter furnished to us or obtained by us from the Receiver or any of the Receiver’s agents, representatives or counsel,

(all such information and documentation being hereafter collectively referred to as “**Information**”) will be subject to this Agreement.

As a condition of and in consideration of the provision of such Information, we agree as follows:

1. All Information will be kept confidential and will not, without the prior written consent of Receiver, be disclosed by us or our Representatives (as hereafter defined) in any manner whatsoever, in whole or in part, other than to the Representatives (subject to the limitations set forth below) and no Information shall be used by us or our Representatives other than in connection with our evaluation. We recognize and acknowledge the competitive value and confidential nature of the Information, and that the Information and all rights, title and interest thereto shall remain the exclusive property of CLJ Everest.
2. Neither we nor our officers, directors, employees, agents, professional advisors, affiliates, parents, subsidiaries together with their respective officers, directors, employees, professional advisors and agents or representatives (hereinafter collectively referred to as the “**Representatives**”) will directly or indirectly, deal with, use, exploit, or disclose or release to any third party, any of the Information now or hereafter received or obtained by us, without your prior written consent, provided however, that any such Information may be disclosed to our Representatives, who we

determine need to know such Information, solely for the purpose of evaluating the possible transaction described above, it being agreed that such individuals shall be similarly obligated to treat such information confidentially in accordance with the terms hereof. We will maintain a list, available to you, of individuals to whom such Information is disclosed. All obligations as to non-disclosure by us shall cease as to any part of such Information to the extent that such Information is generally available to and known by the public (other than as a result of its disclosure by us or our Representatives), is available to us on a non-confidential basis from a source other than CLJ Everest or the Receiver, unless such source was prohibited from disclosing such information to us by a contractual or fiduciary obligation; or has been independently acquired or developed by us or our Representatives without breaching any of our obligations under this Agreement. We will be responsible for any breach of this Agreement by our Representatives.

3. In the event that we or anyone to whom we transmit the Information pursuant to this Agreement is required by law to disclose any of the Information, we will provide you with prompt written notice so that you may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that such a protective order or other remedy is not obtained, or that you waive compliance with the provisions of this Agreement, we or our Representatives will furnish only that portion of the Information which is legally required and we will use our best efforts to obtain reliable assurance that confidential treatment will be accorded the Information.
4. If a transaction is not consummated by us or upon your request, we will return to the Receiver all copies of the Information in our possession or in the possession of our Representatives, and we will destroy all copies of any analyses, compilations, studies or other documents prepared by us for our internal use which are based in whole or in part on such Information. Return of such documents shall in no event relieve us of any obligation of confidentiality contained herein in respect of such Information.
5. It is understood and agreed that we will not approach CLJ Everest, its employees, their principals or their owners, either directly or indirectly. Other than in connection with a transaction involving the Estate or with the prior consent of the Receiver, we will not directly or indirectly solicit, hire or contract for the services of any employee or owners of CLJ Everest during the two year period following our execution of this Agreement.
6. Without the prior written consent of the Receiver, we will not, and will direct our Representatives not to, disclose to any person either the fact that disclosures or negotiations are taking place concerning a possible transaction in respect of the Estate, or any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof.
7. That in the event a transaction shall not be consummated, neither we nor our Representatives shall use any of the Information in furtherance of our business, or the business of anyone else, unless such Information has become public other than as a result of acts by us or our Representatives.
8. It is understood that the Receiver will arrange for appropriate contacts for due diligence purposes. All communications regarding a possible transaction, requests for additional Information, request for meetings, and discussions or questions regarding sale procedures, will be submitted or directed to the Receiver.
9. We understand and acknowledge that the Receiver, CLJ Everest and their directors, officers and employees make no representation or warranty, expressed or implied, as to the accuracy or completeness of the Information and shall have no liability to us or any other person resulting from our use of the Information. Only those representations or warranties that are made to a broker in a broker agreement when and if executed, and subject to such limitations and restrictions as may be specified in such an agreement, shall have any legal effect.

10. We hereby agree to indemnify the Receiver and CLJ Everest (or either one of them) against any damages, liability or expense (including legal fees and disbursements) caused to them, or their respective agents and arising from any breach by us of our obligations under the terms of this Agreement.
11. We acknowledge that disclosure of the Information or other breach of this Agreement would cause serious and irreparable damage and harm to CLJ Everest and that remedies at law would be inadequate to protect against breach of this Agreement, and each agrees in advance to the granting of injunctive relief in favour of the Receiver and/or CLJ Everest for any breach of the provisions of this Agreement and to the specific enforcement of the terms of this Agreement, without proof of actual damages, in addition to any other remedy to which the Receiver and/or CLJ Everest would be entitled.
12. We acknowledge that the Receiver is acting solely in its capacity as the Court-appointed receiver of CLJ Everest and without personal or corporate liability.
13. This Agreement shall be in full force and effect for a period commencing on the date hereof and expiring on the earlier of (i) the date we close a transaction with respect to the Estate, and (ii) the fifth anniversary of the date hereof.
14. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and we irrevocably attorn to the jurisdiction of courts of such province.
15. We acknowledge that we and our Representatives are bound by all applicable privacy legislation with respect to any “personal information” (as such term is defined in the *Personal Information Protection and Electronic Documents Act*) disclosed under this Agreement.
16. We acknowledge that this Agreement does not impose any obligation upon the Receiver or CLJ Everest to provide Information to us.
17. We accept the Information furnished and to be furnished concerning the Estate subject to the conditions set forth in this letter.
18. No copies or any reproductions of any of the Information will be made or allowed to be made except: (a) in the form of notes, analyses or compilations made by our Representatives during the inspection or examination of the Information to assist us in our evaluation, or (b) as permitted in writing by the Receiver.
19. No failure or delay by either party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise preclude any other or further exercise of any right, power or privilege under this Agreement. Any waiver of any breach of this Agreement by us or our Representatives shall be of no effect unless in writing and no such waiver shall operate or be construed as a waiver as of the same or any other breach on a subsequent occasion.
20. In the event that any one or more of the provisions, or parts of any provisions, contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, the same shall not invalidate or otherwise affect any other provisions hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
21. The agreements made in this Agreement will ensure to the benefit of, and may be enforced by, the Receiver and CLJ Everest and their respective successors and assigns. This Agreement shall not be assigned by us without the prior consent of the Receiver.

The undersigned hereby confirms that the foregoing accurately reflects its understanding of the matters hereinbefore set forth and described and agrees to be bound by the terms thereof.

DATED this ____ day of _____, 2017.

Corporation Name: _____

Contact Person:

Name: _____

Title: _____

Signature: _____

29187791.2

APPENDIX 18

From: Clayton Smith <claytons@crystalwealth.com>

Sent: May 1, 2017 11:34 AM

To: Clayton Smith

Subject: Crystal Wealth Update

Hello,

It is with a heavy heart that I have to tell you the following unfortunate and unsettling news.

On April 6, 2017, the Ontario Securities Commission (OSC) placed a temporary halt on all trading in all Crystal Wealth mutual funds. In the absence of any information from the OSC, we presumed the reason was that BDO Dunwoody had not completed their audits of the funds' and Crystal Wealth's financial statements that were due on March 31, 2017. We didn't immediately notify everyone because we anticipated that the halt would be lifted in short order once BDO completed their audits.

Approximately two weeks later, the OSC sent our legal counsel their allegations of wrongdoing which include the following two items:

- That I have mis-priced the Crystal Wealth Media Strategy in a material way; and
- That certain personal loans I have in place with another company are inappropriate because the Crystal Wealth Media Strategy has invested in loans to certain movie productions which are managed by the principals of that other company.

On advice of legal counsel, I cannot say anything more about these allegations at this time other than to stress that I have not been given the opportunity to respond to their allegations, and I will be fighting to explain why I don't believe their assessment of the pricing of the Media Strategy is correct and also to correct their errors in characterization of the personal loans. At this point, I don't know when I will be given the opportunity to respond.

During the period from April 6th onwards, we have been fighting to get exemptions from the halt to allow systematic withdrawals by investors for their monthly living expenses as well as to allow redemptions for hardship purposes and the response from the OSC was no.

On the afternoon of April 25th, my legal counsel was advised by the OSC that there would be a court appearance the next morning to get an order issued putting Crystal Wealth and all of our funds into

receivership. I was advised by counsel not to contest the order as my cooperation would assist in getting funds unfrozen more quickly, and would be noted by the OSC as we move through responding to their allegations. Besides which, we were not provided with very much time to prepare any sort of contest anyway.

I attended court on the morning of April 26th, the judge rubber-stamped the order that had been prepared by the OSC, and Grant Thornton was appointed as receiver over Crystal Wealth and all of our funds. Grant Thornton has not filled me in on their plan but the two options at this point seem to be either finding a buyer for Crystal Wealth to take over the management of our funds or winding down our funds.

Grant Thornton (GT) is now in our offices every day and we are working with them to help them understand our business, and hopefully to influence them to conduct their wind-down and liquidation in a measured and logical way in order to protect our investors wealth.

The speed and severity of the OSC's actions have caught us all by surprise, and I am truly sorry for the inconvenience of all of this and the anxiety that it may produce, and I want to assure you that we are doing everything we can to help the receiver move quickly and efficiently and smartly to realize full value for your investments and to return that cash to you as quickly as possible. There is always the risk that, depending on how the liquidation is done, 100% of the value of the funds will not be realized, but I do believe that if done in a proper way, BT should be able to realize close to 100% value on the investments.

GT will be communicating with you shortly regarding their process and plan.

I am happy to discuss with you if you'd like to ask any questions. The best way would be to send me an email and I will call in between meetings with the receivers.

Sincerely,

Clayton Smith, CAIA
Chief Executive Officer
Crystal Wealth
192 Plains Rd. E.
Burlington, ON L7T 2C3
(P) 905-332-4414
(C) 905-517-6172
(F) 905-332-6028
(TF) 877-299-2854

www.crystalwealth.com

If you no longer wish to receive electronic communications from Crystal Wealth, please reply with UNSUBSCRIBE as the subject.

APPENDIX 19

From: Bando, Bruce
Sent: Wednesday, May 10, 2017 2:51 PM
To: Clayton Smith
Cc: Steve Graff; Mark van Zandvoort; Krieger, Jonathan; Knight, Jason
Subject: Crystal Wealth Management System Limited

Clayton,

The Receiver has learned that you recently sent the below email correspondence to one or more investors in the Crystal Wealth Funds, as such term is defined in the Order (Appointing Receiver) issued by the Honourable Justice Newbould on April 26, 2017 (the “**Appointment Order**”). In accordance with the Appointment Order, we require that you to immediately provide the Receiver copies of any and all communications you have sent to any one or more investors in the Crystal Wealth Funds, or to clients of Crystal Wealth Management System Limited (the “**Company**”). It is the Receiver’s view that your message below contains certain false and misleading statements, and has interfered with the actions and steps taken by the Receiver, in breach of the Appointment Order.

In accordance with the Appointment Order, the Receiver hereby demands that you cease all communications with investors in the Crystal Wealth Funds, and with the Company’s clients, unless you have been expressly authorized by the Receiver, in writing, to engage in such communications and such communication is pre-approved by the Receiver. Should you receive any communications from investors in the Crystal Wealth Funds, or from the Company’s clients, please refer them to:

- Email: crystalwealth@grantthornton.ca
- Toll-Free Telephone Number: 1-866-448-5867

Finally, be advised that should the Receiver learn that you have engaged in any further communications with investors in the Crystal Wealth Funds, or with the Company’s clients without the Receiver’s consent and approval, the Receiver may move, without delay, to seek the appropriate relief from the Ontario Superior Court of Justice (Commercial List).

We look forward to promptly receiving from you the information and documentation requested above.

Regards,

Bruce S. Bando, CPA, CA, CIRP, LIT | Vice President
Grant Thornton Limited

APPENDIX 20

From: Clayton Smith <crystalwealthceo@gmail.com>
Sent: Thursday, May 18, 2017 11:27 AM
To: Paco Alvarez; Knight, Jason
Subject: Media strategy consulting contract

Follow Up Flag: Follow up
Flag Status: Completed

Jason,

I'm connecting you with Paco Alvarez who is on contract with the Crystal Wealth Media Strategy to provide certain consulting services to the fund including aiding with collections on existing projects.

Please advise whether you require details of the contract from me.

In accordance with the receivership order, I have instructed Paco to continue his services and that GT would be compensating him under the same receivership order.

Thank you,

Clayton Smith
905-517-6172

APPENDIX 21

From: Bando, Bruce
Sent: Saturday, May 20, 2017 10:03 AM
To: crystalwealthceo@gmail.com; claytons-A6GJ1L@mailbox.insight.ly
Cc: Steve Graff; Mark van Zandvoort; Krieger, Jonathan; Knight, Jason
Subject: Re: Receivership of Crystal Wealth Management System Limited and the Crystal Wealth Funds (CV-17-11779-00CL)
Attachments: Crystal Wealth Management System Limited

Clayton,

In response to your email below and further to the Receiver's email of May 10, 2017, copy attached, we reiterate that you have no authority to represent or speak on behalf of the Receiver, including with respect to whom will be compensated under Justice Newbould's Order (Appointing Receiver) issued April 26, 2017 (the "Appointment Order"). Please provide the Receiver with a copy of Mr. Alvarez' contract, or if you do not have a copy in your possession, provide particulars of the contractual relationship and direct the Receiver as to where it may locate the contract.

Moreover, you are not to use the email address "crystalwealthceo@gmail.com", or any other email address containing the words "crystal wealth". The words "crystal wealth" are trademarked and registered by Crystal Wealth Management System Limited. These words are considered "Property" as defined in the Appointment Order and, accordingly, fall under the authority of the Receiver.

As requested in the attached May 10th email, please immediately provide the Receiver copies of any and all communications you have sent to any one or more investors in the Crystal Wealth Funds, or to clients of Crystal Wealth Management System Limited.

Please govern yourself accordingly.

Thank you.

Bruce S. Bando, CPA, CA, CIRP, LIT | Vice President Grant Thornton Limited 11th Floor | 200 King Street West | Box 11 | Toronto | ON | M5H 3T4

APPENDIX 22



DELIVERED VIA REGISTERED MAIL & E-MAIL

May 16, 2017

Clayton Smith
747 Sales Court
Milton, ON
L9T 0Z2

Grant Thornton Limited
11 Floor, 200 King Street West
Box 11
Toronto, ON
M5H 3T4
T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

Dear Mr. Smith

**Re: Receivership of Crystal Wealth Management System Limited (the
"Company") – Court File No. CV-17-11779-00CL**

We are writing with respect to the Order (Appointing Receiver) of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on April 26, 2017 (the "**Order**").

Pursuant to the Order, Grant Thornton Limited was appointed as receiver and manager (in such capacities, the "**Receiver**") of all of the assets, undertakings and properties of the Company.

Notice of Termination of Employment

Paragraph 19 of the Order provides that all employees of the Company shall remain the employees of the Company until such time as the Receiver, on the Company's behalf, may terminate the employment of the employees.

This letter is to confirm that effective May 10, 2017 (the "**Effective Date**"), your employment with the Company was terminated.

Accrued Wages/Salary and Vacation Pay To Date

While the Receiver has no liability for any employee-related liabilities pursuant to s. 19 of the Order, we can confirm that any unpaid wages or salary accrued to the Effective Date since the date of the Order shall be paid on your next regularly scheduled pay-date in accordance with the Company's past payment practices. For clarity, wages (or salary) does not include any severance and termination pay under the Ontario *Employment Standards Act* or otherwise for which you may have a claim. You will also be paid vacation pay accrued to the Effective Date since the date of the Order, which will be paid on your next regularly scheduled pay-date in accordance with the Company's payment practices.

Please note that your benefits, if any, have also been terminated effective May 10, 2017. The Receiver will work with the Company's payroll administrator to ensure that you receive your T4 and record of employment forms in the near term.

5043 Mount Nemo Crescent, Burlington, Ontario (“Mount Nemo”)

On April 28, 2017, the Receiver attended at Mount Nemo and noticed, among others, the following parked on the premises:

- Sunseeker By Forest River Recreational Vehicle (the “**Sunseeker**”):
 - VIN: 1FDXE4FS4EDA51612
 - Ontario Licence Plate: BVCD 847
- Haulin white two wheel covered trailer (the “**Haulin Trailer**”)
 - Ontario Trailer Licence Plate: L52 87V

On that day, the Receiver secured the Sunseeker and Haulin Trailer by locking all of the doors, but was not in possession of the keys to same.

Subsequently, the Receiver attended Mount Nemo at approximately 11:00am on May 7, 2017 and noticed that the Sunseeker and Haulin Trailer were no longer on the premises.

The Receiver has confirmed through the Ontario Government database that the registered owner of both the Sunseeker and Haulin Trailer is Clayton Smith. The Receiver hereby requests that you preserve the Sunseeker and Haulin Trailer, aside from reasonable wear and tear, at a location of your choice until such time that the Receiver provides further direction. Please contact the undersigned to provide the location where the Sunseeker and Haulin Trailer will be located.

Should you have any questions, we request that you contact Jason Knight of the Receiver’s office at (416) 369-7017.

Sincerely,

GRANT THORNTON LIMITED,
In its capacity as the Court-appointed Receiver and Manager of
Crystal Wealth Management System Limited,
and not in its personal or corporate capacity and without
personal or corporate liability



Jason Knight, CPA, CA
Manager

APPENDIX 23

STATUTORY DECLARATION

CANADA	)	IN THE MATTER OF THE RECEIVERSHIP OF
	)	CLAYTON SMITH, et al. –
	)	COURT FILE NO. CV-17-11779-00CL
	)	
PROVINCE OF ONTARIO	)	
	)	
	)	
TO WIT	)	
	)	

I, **CLAYTON SMITH**, residing at 747 Sales Court, Milton, ON, L9T 0Z2, DO SOLEMNLY DECLARE THAT:

For the purpose of this declaration “property” includes money, shares, bonds, investments, goods, things in action, land and every description of property, whether real or personal, moveable or immovable, legal or equitable, and whether situated in Canada or elsewhere and includes obligations, easements and every description of estate, interest and profit, present or future, vested or contingent, in, arising out of, or incidental to such property (collectively, “**Property**”):

1. I have not within the five years preceding the date hereof:

- (a) owned or maintained any bank account (whether savings, chequing or otherwise) with any bank, trust company, loan association or similar financial institution engaged in the business of maintaining bank accounts (“**Bank Account**”) except with respect to those bank accounts set forth in **Schedule “A”** annexed hereto;
- (b) had the power, right or authority to issue cheques or withdraw funds from any Bank Account owned and/or operated solely by any other person;
- (c) owned any automotive save for those set forth in **Schedule “B”** annexed hereto;
- (d) owned or had any legal or equitable interest in any real estate (directly or as beneficiary) situate in Canada or elsewhere, except as shown in **Schedule “C”** annexed hereto;
- (e) rented or had access privileges to any safety deposit boxes except those boxes rented to me or which I had access privileges to at the locations set out in **Schedule “D”** annexed hereto;
- (f) transferred, delivered, conveyed or made available or caused to be transferred, delivered, conveyed or made available, directly or indirectly, any Property for my benefit or for the benefit of my spouse or former spouse, issue or any person who is or whom I knew or believed to be my next of kin of any degree of consanguinity (collectively, “**Family**”), except as set forth in **Schedule “E”** annexed hereto;
- (g) transferred, delivered, conveyed or made available or caused to be transferred, delivered, conveyed or made available, directly or indirectly, any Property to any person, firm, trust, corporation or any other entity whatsoever (including, without limitation, my spouse, ex-spouse, issue, or any corporation affiliated with them) in consideration of and as a result of which I, my spouse, ex-spouse, issue, or any

individual comprising the Family, either directly or indirectly, received a benefit or consideration, except as set forth in **Schedule "F"** annexed hereto;

- (h) loaned to any person, firm or corporation any monies except as set out in **Schedule "G"** annexed hereto;
 - (i) owned or had any interest in any registered or unregistered pension fund, mutual funds, retirement fund or annuity, retirement savings plan or other savings plan, except as set out in **Schedule "H"** annexed hereto.
2. **Schedule "I"** annexed hereto is a true and complete list of all of my direct and indirect liabilities and indebtedness, and creditors with respect thereto (each in excess of \$1,000 CAD as at the date of this Statutory Declaration). I am indebted to such creditors in the amounts set out opposite their respective names.
 3. Annexed hereto as **Schedule "J"** is a statement of all General Household Items and Vehicles and Shares in which I have an interest in, whether legal, beneficial, direct, indirect or otherwise, as at the date hereof except for Property otherwise disclosed herein;
 4. I, in my personal capacity, have not within the last 5 years forgiven any person with respect to any debt, obligation or covenant relating to any Property or any interest therein;
 5. Annexed hereto as **Schedule "K"** is a list of all income, dividends, money, compensation, bonuses, salary and similar benefits and entitlements (collectively, "**Income**") received by me in the past 5 years and the names of the persons who pay me such Income.
 6. To the best of my knowledge, information and belief I have no contingent liabilities except to those persons listed in **Schedule "L"** annexed hereto.
 7. Annexed hereto as **Schedule "M"** is a list of all insurance policies owned on the valuation date indicating company and policy number, kind of policy, owner, beneficiary, face amount and cash surrender value.
 8. I do not, as at the date of this Statutory Declaration, have any interest, direct or indirect, beneficial, legal or otherwise, in any agreement, which, upon completion, would result in me becoming a legal or beneficial owner, whether directly or indirectly, of any Property, except as set out in **Schedule "N"** annexed hereto.
 9. I have not within the five years next preceding the date hereof, granted or caused to be granted a mortgage, charge, lien or any encumbrance whatsoever against any Property which I have any interest in, whether legal, beneficial, direct, indirect or otherwise, except as set out in **Schedule "O"** annexed hereto.

AND I MAKE THIS SOLEMN DECLARATION conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

DECLARED before me at
the City of
in the Province of Ontario
this day of May, 2017

)
)
)
)
)

Clayton Smith

A Commissioner, etc.

SCHEDULE "A"

<u>Name of Financial Institution</u>	<u>Type of Account</u>	<u>Account No.</u>	<u>Amount in Account</u>
--------------------------------------	------------------------	--------------------	--------------------------

SCHEDULE “B”

<u>Type of Vehicle</u>	<u>Year</u>	<u>Estimated Value</u>	<u>Liens</u>
------------------------	-------------	------------------------	--------------

SCHEDULE "C"

Location of Real Estate & Legal Description	Type & Proportion of Interest	Estimated Value	Mortgages & Lender
---	-------------------------------------	-----------------	-----------------------

SCHEDULE “D”

<u>Financial Institution</u>	<u>Address</u>	<u>Box No.</u>	<u>Contents</u>
------------------------------	----------------	----------------	-----------------

SCHEDULE "E"

<u>Description of Property</u>	<u>Name of Person to Whom Property was Transferred</u>	<u>Estimated Value</u>	<u>Date of Transfer</u>
------------------------------------	--	----------------------------	-----------------------------

SCHEDULE "F"

<u>Description of Property</u>	<u>Name of Person to Whom Property was Transferred</u>	<u>Estimated Value</u>	<u>Date of Transfer</u>
------------------------------------	--	----------------------------	-----------------------------

SCHEDULE "G"

<u>Name of Borrower</u>	<u>Date of Loan</u>	<u>Amount of Loan</u>
-------------------------	---------------------	-----------------------

SCHEDULE “H”

<u>Type of Plan and No.</u>	<u>Name of Financial Institution</u>	<u>Estimated Amount in Plan (Principal and Interest)</u>
-----------------------------	--	--

SCHEDULE "I"

Name of Creditor

Amount

Type of Liability

SCHEDULE "J"

<u>Item</u>	<u>Particulars</u>	<u>Estimated Market Value</u>	<u>Valuation Date</u>
Household Contents			
Jewellery			
Works of Art			
Vehicles & Boats			
Shares			
Other special items			
Totals			

SCHEDULE “K”

Type of <u>Compensation</u>	Amount <u>(weekly, bi-weekly, etc)</u>	Name of Person <u>Paying Income</u>
--------------------------------	---	--

SCHEDULE "L"

Name of
Creditor

Amount of
Contingent Liability

Type of
Contingent Liability

SCHEDULE "M"

<u>Company & Policy No. Date</u>	<u>Kind of Policy</u>	<u>Owner</u>	<u>Beneficiary</u>	<u>Face Amount</u>	<u>Cash Surrender Value as of Valuation</u>
--	---------------------------	--------------	--------------------	--------------------	---

SCHEDULE "N"

Description
of Agreement and Property

Estimated
Value of Property

Type & Proportion of
Interest

SCHEDULE "O"

<u>Location of Real Estate & Legal Description</u>	<u>Type & Proportion of Interest</u>	<u>Estimated Value</u>	<u>Description of Encumbrance</u>
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APPENDIX 24

Court File Number: CV-17-11779-00CL

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

OSC

Plaintiff(s)

AND

CRYSTAL WEALTH. MT

Defendant(s)

Case Management ☐ Yes ☐ No by Judge: _____

Counsel	Telephone No:	Facsimile No:
M. van Zandvoort P. Weeber (OSC)	416-865-4742 416-204-8881	
Clayton Smith (self-rep)	905-512-6172	

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
☐ Adjourned to: _____
☐ Time Table approved (as follows):

On April 26, 2017 Nowbould J. appointed Grant Stratton as Receiver of the ~~Albion~~ company. Mr. Smith is the majority shareholder of the ~~Albion~~ company. Mr. Smith advises that his counsel has resigned and that he has been unable, to date, to retain new counsel. Mr. Smith has indicated an intention to bring a motion to vary certain terms of the receivership order, specifically to access funds for retaining counsel and for

May 24/17
Date

[Signature] RST.
Judge's Signature

☒ Additional Pages 172

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

personal living expenses.

Newbould J. had set May 24, 2017 as the date for such a motion. However, Mr. Smith was advised on May 18, 2017 that his counsel was resigning and he is not in a position to proceed today (no materials have been filed).

Mr. Smith has indicated that he will prepare his own ~~motion~~ ^{motion} materials.

The motion materials are to be served and filed with the Court by close of business on Thursday June 1, 2017. Parties to attend a 9:30 appointment on Friday June 2, 2017 to review statements and to set a schedule for the hearing of the motion, if necessary.

No judge is seized of this matter.

* Counsel advised that newship order affects

The Crystal Wealth Group of Companies and Mr. Smith personally

[Signature]

[Signature]

APPENDIX 25

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

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

Respondents

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

NOTICE OF MOTION

**THE RESPONDENTS, EXCEPT CHRYSALIS YOGA INC. (the
“CRYSTAL WEALTH GROUP”)** will make a motion on Friday, the 2nd day of June,
2017, at 9:30 a.m. or as soon thereafter as the motion can be heard before a judge presiding
over the Commercial List at 330 University Avenue, Toronto, Ontario

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An order to have the Freeze Directions, Receivership Order and Vesting Order
rescinded in their entireties.

2. An order to have all vested assets including cash, property, equipment, facilities, et. al. returned to their original, rightful owners forthwith, with no holdback of accrued Receiver fees, and said fees to form part of the general unsecured liabilities of the particular Respondents.
3. An injunction against any party continuing or starting a civil action against any of the Respondents.
4. An order for Crystal Wealth to appoint, within 20 days, an individual (the "Overseer") acceptable to the OSC to oversee the execution by Crystal Wealth of the following proposed course of action:
 - a. Immediately distribute the available net cash in each Fund to Unitholders in each Fund on a pro rata basis. As new net cash becomes available, until the meetings discussed in 4 below, Crystal Wealth to distribute net cash to Unitholders at its discretion.
 - b. Terminate the engagement with BDO regarding the 2016 audits they have not completed for Crystal Wealth or the Funds. Pay BDO only for the three successfully completed audits.
 - c. Immediately appoint a new auditor to first and foremost audit the current balance sheets of the Funds in order to give Investors comfort regarding the status of their investments. Upon completion of the current balance sheet audit, proceed with a full audit of the 2016 financial statements for those Funds not yet completed by BDO as well as Crystal Wealth.
 - d. As soon as practicable, hold meetings for the Unitholders of each Fund to have the rightful owners of the Fund vote on how to proceed. Three options are:
 - i. Wind down the Fund;

- ii. Continue the Fund under the management and trusteeship of Crystal Wealth; and
 - iii. Appoint another qualified registrant to take over the management and trusteeship of the Fund.
 - e. Until such time as the above meetings are held, maintain the trading halt in order to ensure all existing Unitholders are treated fairly.
 - f. Unwind the interfund investments in the Media Fund by allocating direct investments in the Media Fund, on a pro rata basis to all Investors in the other Crystal Wealth Funds that own the Media Fund.
5. An order that until the appointment of the Overseer, the Continuation Order regarding the Halt Order only remain in effect with a variance that Crystal Wealth may also sell securities that do not trade on an exchange and any cash in Managed Account Client accounts can be disbursed to those clients.
 6. An order that once the Overseer has been appointed, the Continuation Order in its entirety be rescinded.
 7. An order allowing Crystal Wealth to retroactively charge the Funds the normal management fees that would have accrued from the period April 1, 2017 to the present.
 8. An order to the Receiver to immediately remove the page from their website dealing with the Crystal Wealth receivership:
https://grantthornton.ca/services/reorg/bankruptcy_and_insolvency/crystalwealth ;
 9. An order causing the OSC and the Receiver to return all electronic data belonging to the Respondents gathered during the Receiverships, and to erase same from their databases; and

10. An order for the OSC to hold in trust until the conclusion of their investigation the net proceeds from the eventual sale of the Mount Nemo Property, with net proceeds being equivalent to the gross sale price minus the following:

- i. real estate commissions and other closing costs such as legal;
- ii. repayment of the first mortgage to Home Trust;
- iii. \$225,000 to settle lump sum spousal support payment to Lee-Ann Smith, ex-spouse of Smith, in accordance with the separation agreement negotiated prior to April 6, 2017;
- iv. \$200,000 to be released to Smith to cover legal fees and living expenses;

11. Such other orders as may be necessary to effect the above relief.

12. Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THIS MOTION ARE:

- a) Lack of proper legal representation to defend against the prior actions by the Applicant due to financial constraints created by the actions themselves.
- b) Presentation of evidence contradicting the Applicant's claim that the conditions in Section 129 of the *Act* were actually met.
- c) Rule 37.14 of the Rules of Civil Procedure, R.R.O. 1990, Regulation 194.

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

- a) The Application Record, previously filed with the Court.
- b) The Motion Record, contained herein.
- c) The Factum of the Crystal Wealth Group, contained herein.
- d) The Factum of the Applicant.
- e) Such further and other material as the Honourable Court may permit.

Date: June 1, 2017

CLAYTON SMITH

Tel: (905) 517-6172
Email: catalystrising99@gmail.com

Representing the Crystal Wealth Group

TO: ONTARIO SECURITIES COMMISSION

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

Catherine Weiler
Email: cweiler@osc.gov.on.ca

Yvonne Chisholm
Email: yvonne.chisholm@osc.gov.on.ca

Lawyers for the Applicant, Ontario Securities Commission

AND TO: GRANT THORNTON LIMITED

19th Floor, Royal Bank Plaza
South Tower, 200 Bay Street
Toronto, ON M5J 2P9

Jonathan Krieger

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

Bruce S. Bando

Tel: (416) 369-6418
Email: bruce.bando@ca.gt.com

Court-Appointed Receiver

AND TO: AIRD & BERLIS LLP

Barristers and Solicitors
Brookfield Place
Suite 1800, 181 Bay Street
Toronto, ON M5J 2T9

Steven L. Graff

Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Mark van Zandvoort

Tel: (416) 865-4742

Fax: (416) 863-1515

Email: mvanzandvoort@airdberlis.com

Kyle Plunkett

Tel: (416) 865-3406

Fax: (416) 863-1515

Email: kplunkett@airdberlis.com

Lawyers for the Court-Appointed Receiver

AND TO: CHRYSALIS YOGA INC.

4040 Palladium Way, Unit 11

Burlington, ON L7M

Tel: 905-309-9111

Email: shanine@chrysalisyoga.ca

ONTARIO SECURITIES COMMISSION

and

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

Applicant

Respondents

CV-17-11779-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST Proceedings commenced at Toronto NOTICE OF MOTION CRYSTAL WEALTH GROUP Clayton Smith Tel: (905) 517-6172 Email: catalystrising99@gmail.com Self-representing the Crystal Wealth Group	
---	--

APPENDIX 26

June 2, 2017

This 9:30 AM appointment
is adjourned to

June 23/17 at 9:30 AM
at which time counsel
will give me a
progress report.

Harry J

APPENDIX 27

From: [Redacted]
Sent: Wednesday, May 17, 2017 6:02 PM
To: Crystal Wealth <Crystal.Wealth@ca.gt.com>
Subject: Fw: Legal Representation Regarding Crystal Wealth Receivership

Hi Joe, received this today and am more confused than ever. I wish the crystal wealth investors were connected. I know this lawyer has worked for Mr. Smith in the past, I don't feel like trusting a crook again. I want to do everything possible to preserve what ever is left of our investment. Please can you give me some advice, answer his claims about Grant Thornton, etc. Is this simply a stalling tactic so Smith and his buddies can get whatever they can out of the situation. Thanks,

[Redacted]

On Wednesday, May 17, 2017 1:30 PM, Al Housego <crystalwealthupdates@gmail.com> wrote:

Crystal Wealth Investors,

Regarding the receivership of Crystal Wealth Ltd.

Through the action of the portfolio managers of Crystal Wealth (who share a common objective with all investors) a lawyer specializing in securities litigation in Toronto has been contacted and is getting involved in our case. His name is Alistair Crawley of Crawley Mackwen Brush.

I feel it is imperative that we have legal representation to ensure that our best interests are being protected. The appointment of Alistair would give him the authority to oversee all decisions proposed by Grant Thornton regarding our/your portfolio assets.

We are deeply concerned that Grant Thornton is moving too slowly to evaluate the fund investments because it appears their intention is to liquidate all the assets inside the Crystal Wealth funds. This could have a negative impact to you as the investor as you could sustain substantial losses if the assets are sold at a discount to provide liquidity.

As your Portfolio Manager I strongly recommend you appoint Alistair Crawley as your lawyer to represent you and be your advocate. Without Mr. Crawley it will be highly unlikely that we will be able to avoid liquidation.

Mr. Crawley has taken on our case pro-bono until such time that he is appointed by the Superior Court of Ontario with our support. Once appointed he will charge fees payable by the receiver.

Mr. Crawley has scheduled a meeting with Grant Thornton on Monday May 22, 2017 and would like to go into the meeting armed with the backing of as many investors as possible.

Please go to the following link to appoint Alistair Crawley to be your legal representative.

<https://fs29.formsite.com/InvestorContact/form1/index.html>

Please fill out one per client and fill one out for your company.

Sincerely,

Al Housego

crystalwealthupdates@gmail.com
250-546-0244

APPENDIX 28

From: Bando, Bruce
Sent: Thursday, May 18, 2017 6:03 PM
To: crystalwealthupdates@gmail.com
Cc: Krieger, Jonathan; Knight, Jason
Subject: Re: Receivership of Crystal Wealth Management System Limited and the Crystal Wealth Funds (CV-17-11779-00CL)

Dear Mr. Housego,

Your email below has been forwarded to the attention of the Receiver by an investor of certain of the Crystal Wealth Funds. While the Receiver is supportive of Crystal Wealth clients and investors seeking independent legal advice, the Receiver is concerned about the inaccurate statements which you have communicated to investors in your email below, and which have given rise to confusion within the investor body.

For example, the Receiver does not have a meeting schedule with Alistair Crawley of Crawley MacKewn Brush LLP. Rather, as is indicated in the Receiver's Notice to Investors (the "**May 17th Notice**") which was published on the Receiver's Case Website yesterday (www.grantthornton.ca/crystalwealth), while the Receiver is not foreclosed to the concept of introducing representative counsel to this mandate, the Receiver believes it is premature to do so at this stage. It is also concerning that you have incorrectly advised investors that the cost of Mr. Crawley's fees, if appointed by the Court as representative counsel, will be payable by the Receiver. To the contrary, the cost of representative counsel is a cost that is usually directly born by investors from the proceeds of realization of their investment, which is one of the reasons the Receiver believes it would be inappropriate to have representative counsel appointed at this stage.

To avoid further confusion from arising within the investor body, please refrain from communicating directly with Crystal Wealth clients and investors concerning the receivership proceedings and activities of the Receiver, without first consulting and obtaining the Receiver's advanced approval in writing of your proposed communication so that the Receiver may confirm the accuracy of the information which you propose to communicate. Please also refrain from using the email address "crystalwealthupdates@gmail.com", or any other email address containing the words "crystal wealth". Formal updates to investors issued by the Receiver concerning the status of Crystal Wealth and the Crystal Wealth Funds are published by the Receiver on its Case Website as is set out above. Finally, please provide the Receiver forthwith with the complete list of names and email addresses of the recipients to your email below, so that the Receiver may forward this email response to those recipients for their reference.

The Receiver looks forward to receiving your prompt cooperation and compliance with the foregoing, failing which, the Receiver hereby reserves its rights to bring your non-compliance to the attention of the Court and to seek the appropriate relief against you.

Yours truly,

Grant Thornton Limited,

In its capacity as the Court-appointed Receiver and Manager of
Crystal Wealth Management System Limited and the Crystal Wealth Funds,
and not in its corporate or personal capacity

Bruce S. Bando, CPA, CA, CIRP, LIT | Vice President
Grant Thornton Limited

APPENDIX 29

From: Crystal Wealth
Sent: Wednesday, May 24, 2017 5:26 PM
To: Crystal Wealth
Subject: FW: Receivership of Crystal Wealth Management System Limited and the Crystal Wealth Funds (CV-17-11779-00CL)

Dear Investors of the Crystal Wealth Funds,

Grant Thornton Limited, in its capacity as the court-appointed receiver and manager of the assets, undertakings, and properties (in such capacity, the “**Receiver**”) of Crystal Wealth Management System Limited and the Crystal Wealth Funds, has learned that Al Housego sent the below communication to each of you on Wednesday, May 17, 2017. For your reference, the Receiver has sent the below response to Mr. Housego.

Please continue to monitor the Receiver’s Case Website at: www.grantthornton.ca/crystalwealth for updates in connection with the Receiver’s activities and the receivership proceedings of Crystal Wealth and the Crystal Wealth Funds. Additionally, you may contact the Receiver at the following telephone number and email address:

Toll Free Number: 1-866-448-5867
Email: crystalwealth@grantthornton.ca

Yours truly,

Grant Thornton Limited,

In its capacity as the Court-appointed Receiver and Manager of
Crystal Wealth Management System Limited and the Crystal Wealth Funds,
and not in its corporate or personal capacity

APPENDIX 30

May 16, 2017

Sent via Email: sgraff@airdberlis.com

Steven L. Graff
Aird & Berlis LLP
181 Bay Street
Suite 1800
Toronto ON M5J 2T9

Dear Mr. Graff:

**Re: Ontario Securities Commission v. Crystal Wealth Management Limited
et al**

Since we spoke on Thursday we have canvassed investors in the Crystal Wealth Funds, primarily through their former Crystal Wealth advisors, and received a significant indication of support for the appointment of our firm as representative counsel. As of 5pm today, we have heard from 87 investors with approximately \$71 million invested in the Crystal Wealth Funds who support our appointment as representative counsel. We have also received a number of unsolicited calls and referrals of Crystal Wealth clients/investors who are concerned about the status of their investments.

We appreciate the significant challenge that Grant Thornton's mandate presents and we understand that a communications strategy with investors may not be the immediate priority. However, the fact is that investors are extremely concerned. They want to know the value of their investments in the different Crystal Wealth Funds. They are particularly concerned about whether steps are being taken now to preserve the value of their assets and whether there are portfolio managers actively managing the Funds. They want to know whether the receiver will consider alternatives to the liquidation of Fund assets if there are viable alternatives available to maximise value. They are anxious to know the potential time frame for the receivership and how the process will unfold.

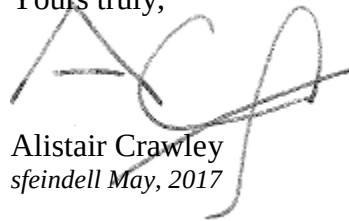
There appear to be a number of sophisticated investors with significant amounts invested in the Crystal Wealth Funds as well as individuals who are retired and

whose investments in the Funds represent the majority of their investable assets. These investors appear to be motivated in having their voice heard in the receivership process. As representative counsel we can assist in conveying investor concerns and reporting back on what actions are being taken. We see no reason to delay taking this step.

We expect that our services will be retained with respect to this matter in some capacity. Our preference is to work collaboratively with your firm and Grant Thornton as representative counsel to achieve the optimal outcome for investors. Alternatively, we will bring a motion to seek appointment.

Accordingly, we would like to meet with you and Jonathan Krieger to discuss implementing a representative counsel mandate on a cooperative basis.

Yours truly,

A handwritten signature in dark ink, appearing to read 'ACF', with a large, sweeping flourish extending from the bottom right.

Alistair Crawley
sfeindell May, 2017

APPENDIX 31

AIRD & BERLIS LLP

Barristers and Solicitors

Steven L. Graff
Direct: 416.865.7726
E-mail: sgraff@airdberlis.com

May 17, 2017

BY EMAIL

Alistair Crawley
Crawley MacKewn Brush LLP
Suite 800 – 179 John Street
Toronto, ON M5T 1X4

Dear Mr. Crawley:

**Re: Ontario Securities Commission v. Crystal Wealth Management System
Limited et al. (CV-17-11779-00CL)**

Thank you for your letter dated May 16, 2017.

As we discussed during our conference call with you and the Receiver on Thursday, while we are not foreclosed to the idea of appointing representative counsel, it is premature in our view to do so at this juncture. We say this for several reasons.

First and of utmost significance, the Receiver is working diligently to analyze the Crystal Wealth Funds and is in the process of: (i) determining the holdings of each of the Funds; and (ii) in the course of doing so, it is formulating a strategy to maximize recovery for investors. In this regard, we understand that the Receiver will be releasing a further update to investors today containing additional information concerning the Funds, and the Receiver's intentions with respect to its proposed course of action with respect to the Funds and their respective holdings. In the Receiver's view, an effort at this stage to appoint representative counsel will only serve to unnecessarily distract the Receiver from fulfilling its mandate, at an unnecessary and significant cost to the detriment of the investors of the Crystal Wealth Funds.

Secondly, the Receiver has been contacted by other law firms who have similarly expressed an interest in fulfilling the role of representative counsel, having themselves been contacted by investors of the Crystal Wealth Funds. At least two of such firms have experience in serving as representative counsel for an investor group in an unrelated receivership. Nevertheless, the same message has been provided by the Receiver to each of these firms, namely, that while the Receiver has not foreclosed the idea of representative counsel being appointed at the appropriate time, it is premature and unproductive at this stage to do so.

While we appreciate your acknowledgement as to the significance of the Receiver's mandate, rest assured, Grant Thornton Limited is well equipped to satisfy its court-appointed role, and to devise an approach which maximizes recovery for Crystal Wealth clients/investors. A communication strategy with investors has been put into place, with a telephone number (1-866-448-5867) and email address (crystalwealth@grantthornton.ca) having been set up by the Receiver, both of which were contained in the May 1st and May

10th Notices to Investors published on the Receiver's Case Website. As indicated above, it is anticipated that a further Notice to Investors will be published on the Receiver's Case Website today providing a further update to investors with respect to the status of the Funds.

As you know, we have been amenable to date in engaging in discussions with you in order to provide you with information concerning the Receiver's progress. We would be happy to continue such periodic discussions, which we assume will be of interest to you given your expectation that you will be retained in this matter in some capacity.

That being said, the Receiver is of the view that if you were to bring a motion at this stage to have your firm appointed as representative counsel, the unintended consequence will be that significant resources and costs will need to be diverted to the motion and away from the Receiver's current activities, which will be to the detriment of Crystal Wealth clients and investors.

In light of the foregoing, we do not believe that a further meeting is warranted at this time. Should you nevertheless intend on bringing a motion seeking the appointment of your firm as representative counsel, please do so in collaboration with our office and the Receiver, so that we may attempt to minimize the disruption to the Receiver's current activities and the costs and resources which will inevitably need to be expended in addressing the motion.

Yours truly,

AIRD & BERLIS LLP



Steven L. Graf

SLG/mm

cc. *Mark van Zandvoort, Aird & Berlis LLP*
cc. *Jonathan Krieger and Bruce Bando, Grant Thornton Limited*

29321579.2

APPENDIX 32

May 19, 2017

Sent via Email: sgraff@airdberlis.com

Steven L. Graff
Aird & Berlis LLP
181 Bay Street
Suite 1800
Toronto ON M5J 2T9

Dear Mr. Graff:

**Re: Ontario Securities Commission v. Crystal Wealth Management Limited
et al**

We have reviewed your correspondence from May 17, 2017 as well as the Notice to Investors of the same date posted on the Grant Thornton website. In our view, the Receiver is being unnecessarily defensive. The appointment of representative counsel is not a challenge to Grant Thornton's role as Receiver. Such appointments are routine in securities firm receiverships as Grant Thornton well knows. We also question the appropriateness of the Receiver warning investors off seeking representative counsel. The suggestion that it will cost investors "hundreds of thousands of dollars" is extravagant and unwarranted.

Our initial question posed to OSC Staff and to Grant Thornton was simple: will Grant Thornton have professional portfolio managers with expertise in the investment strategy of each Crystal Wealth Fund review and advise with respect to the portfolios of each Fund? This question has not been answered.

We had offered to assemble a team of portfolio managers with the requisite expertise to assist. We have been told that this is either unnecessary or untimely. We respectfully disagree.

As the subject matter of the receivership comprises investment funds invested in alternative -investment strategies, it appears to us to be prudent and consistent with the reasonable expectations of investors and the applicable regulatory standards in

National Instrument 31-103 to have qualified portfolio managers¹ review and manage the Funds they are invested in. In particular, there may be investment decisions that need to be made to maintain the value of the Fund portfolios while Grant Thornton develops its overall plan.

We cannot tell from the three Notices to Investors or from our communications with Grant Thornton through your office, whether qualified portfolio managers have been engaged to review and manage the portfolios of the Crystal Wealth Funds. We can only infer that they have not.

For example, four of the Funds (i) CW Enlightened Factoring Strategy – AAG240 (ii) CW Enlightened Hedge Fund – AAG340 (iii) CW Enlightened Bullion Fund – AAG340 (iv) CW Enlightened Resource & Precious Metals Fund – AAG230, were managed by Al Housego, a registered portfolio manager employed by Crystal Wealth. We understand that Mr. Housego has not been contacted by Grant Thornton or by any third party portfolio managers retained by Grant Thornton with respect to the management of these Funds. He has not been asked whether any investment decisions or other actions are required to properly position the portfolios in anticipation of a prolonged interruption or potential termination of the investment strategy of each Fund. We would expect that any portfolio manager advising with respect to these Funds would have wanted to speak to Mr. Housego.

If we are incorrect in our assumption that no qualified portfolio managers have been engaged could you please advise and identify who is serving as the portfolio manager, or de facto portfolio manager, for each of the Funds.

Our second question is whether Grant Thornton will consider alternatives to the liquidation and winding up of each Fund? To date, Grant Thornton's communications only speak to monetization or realization of the Funds. One alternative that deserves consideration is the retention of a new IFM and PM for some or all of the Funds. In our view, a consideration of alternatives should be made with the assistance of advice from professional portfolio managers with expertise in the investment strategy of each Fund. It may be appropriate to seek approval from unitholders of each Fund, as was done in the receivership of the Juniper Funds.

Our third question is whether Grant Thornton plans to address each Fund on an individual stand-alone basis or whether it intends to aggregate the assets of some or all of the Funds. The May 17, 2017 Notice to Investors implies that Grant

¹ Registration as a portfolio manager requires meeting minimum proficiency requirements and a minimum period of "relevant investment management experience". Section 3.12 of 31-103CP refers to "relevant investment management experience" as "securities research and analysis experience, demonstrating an ability in, and understanding of, portfolio analysis or portfolio security selection" or "management of investment portfolios on a discretionary basis, including investment decision making, rebalancing and evaluating performance." The requirements may vary based on the level of specialization.

Thornton is approaching its mandate on a Fund-by-Fund basis but is not clear. Investors are concerned about this, particularly investors who are not invested in the Media Strategy Fund.

Reference is made in the Investor Notice to “certain Crystal Wealth Funds” which can be monetized immediately and will result in investors in those Funds recovering all or almost all of their investment. This is no doubt intended to be encouraging news, except that Grant Thornton does not identify the Funds in question. Similarly, investors are advised that “certain” of the Crystal Wealth Funds will be better suited to a more protracted realization process. The Mortgage Strategy Fund and Media Strategy Fund are identified but no other Funds are mentioned. Investors are left not knowing whether the Funds they are invested in are going to be monetized and distributed immediately or be subject to a more protracted realization process. Nor does the Receiver advise as to whether the Funds subject to the protracted realization process are going to be treated on a stand-alone basis.

The communication to investors regarding the approach that will be taken to the Funds in the May 17 Notice is opaque at best.

It is important to recognise that the investors in the Crystal Wealth Funds did not request that a Receiver be appointed. Investors we have spoken to are confused as to why alleged misconduct on the part of Clayton Smith should result in their investments being subsumed within a receivership process that is completely out of their control and which lacks the transparency they were accustomed to as investors in the Funds. Before the receivership, investors were unitholders in individual open-ended mutual fund trusts, with a registered IFM and a registered PM managing each Fund pursuant to a specified investment strategy. They had the protection of the provisions of the Master Declaration of Trust. Now their assets are under the sole control of Grant Thornton, which is not a registered IFM or PM. It is understandable that investors are concerned and would like greater transparency with respect to the management of their investments within the receivership.

We take note of the comments in your correspondence that a contested motion to appoint representative counsel would distract the Receiver and be counter-productive to the interests of Crystal Wealth investors. Of course, this only needs to be the case if the Receiver actively opposes the appointment of representative counsel. In our view this would be a problem of the Receiver’s own making. We have continued to receive indications of support for the appointment of our firm as representative counsel notwithstanding the May 17, 2017 Investor Notice advising them not to.

We are going to consider our position and will advise next week.

Yours truly,

A handwritten signature in dark ink, appearing to be 'AC' with a large flourish extending from the 'C'.

Alistair Crawley
sfeindell May, 2017

Copy to: Mark van Zandvoort – Aird & Berlis
Melissa MacKewn – Crawley MacKewn Brush

APPENDIX 33

AIRD & BERLIS LLP

Barristers and Solicitors

Steven L. Graff
Direct: 416.865.7726
E-mail: sgraff@airdberlis.com

May 19, 2017

BY EMAIL

Alistair Crawley
Crawley MacKewn Brush LLP
Suite 800 – 179 John Street
Toronto, ON M5T 1X4

Dear Mr. Crawley:

**Re: Ontario Securities Commission v. Crystal Wealth Management System
Limited et al. (CV-17-11779-00CL)**

Thank you for your letter of today's date.

We are surprised by the aggressive tone of your letter. Your comments that the Receiver is being defensive, or that Grant Thornton somehow perceives the potential appointment of representative counsel as a challenge to its role as Receiver, are both unfounded. In the Receiver's Notice to Investors dated May 17, 2017, Grant Thornton clearly expressed that it has "*worked on a number of mandates where representative counsel plays an important role for investors*". The fact is, however, that the Receiver believes it is premature to introduce representative counsel at this stage, and to unnecessarily levy the cost of representative counsel to investors at this time.

We wish to be clear that while we have taken the liberty of responding to your correspondence to date, we are doing so on a gratuitous basis and as an indulgence only. We have yet to receive any information to indicate that your firm has been engaged in connection with this proceeding. Many investors of the Crystal Wealth Funds continue to follow the communication protocol set out in the Notices to Investors published on the Receiver's Case Website, and are making inquiries directly with the Receiver. The Receiver continues to respond to such communications with diligence.

With respect to your inquiries concerning whether the Receiver will have professional portfolio managers review and advise with respect to the portfolios of each Fund, the Receiver has continued to consult with such potential third party advisors, including this week, to investigate the merits of such an engagement. As we advised you during our conference call with the Receiver on May 11, 2017, the Receiver also continues to utilize the expertise of its own internal advisors who have portfolio management expertise.

The Receiver has intentionally not consulted with Mr. Housego, given the Receiver's view that it is neither necessary nor desirable to seek Mr. Housego's consultation in order for the Receiver to review and make appropriate decisions in connection with the Funds.

With respect to your inquiry concerning whether the Receiver will consider alternatives to the liquidation and winding up of each of the Crystal Wealth Funds, we again confirm that

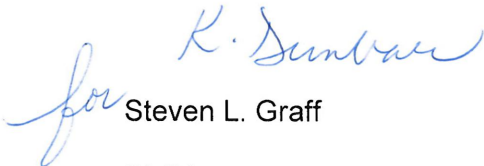
the Receiver is considering all alternatives by which to best monetize the Funds. We wish to remind you that monetization ought not to be equated with immediate liquidation, a point which was expressed by the Receiver in its May 17th Notice to Investors. While the Receiver is considering all alternatives, including the prospect of portfolio sales in addition to the divestiture of the Funds' securities, the Receiver does not currently intend to appoint a new IFM and PM for the Funds. To this point in time, the Receiver has approached its review of each Crystal Wealth Fund on a stand-alone basis, which remains the Receiver's current intention.

As indicated in the Receiver's May 10th Notice to Investors, the Receiver's review of the business and affairs of Crystal Wealth and of the Crystal Wealth Funds has been complicated by the fact that the Company and the Funds' books and records were in disarray. Rest assured, however, the Receiver has undertaken an accelerated review despite these obstacles, and will continue to exercise its professional discretion to devise an appropriate plan that will ultimately lead to a distribution of proceeds to investors.

Lastly, with respect to your comment that the "*the investors in the Crystal Wealth Funds did not request that a Receiver be appointed*", we remind you that the Receiver was appointed by Justice Newbould given His Honour's finding that the appointment was "*fully justified*", and that the requirements of s. 129 of the Ontario *Securities Act* had been met. As you know, such requirements include that the Court be satisfied that the receiver's appointment is in the best interests of security holders.

Yours truly,

AIRD & BERLIS LLP

for Steven L. Graff

SLG/mm

- c. Mark van Zandvoort, Aird & Berlis LLP
- c. Jonathan Krieger and Bruce Bando, Grant Thornton Limited

APPENDIX 34

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

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

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

Respondents

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

AFFIDAVIT OF JONATHAN KRIEGER

I, JONATHAN KRIEGER, of the City of Toronto, in the Province of Ontario, **MAKE
OATH AND SAY** as follows:

1. I am a Senior Vice President of Grant Thornton Limited, ("GTL") which was appointed as receiver and manager ("Receiver") without security, of all the assets, undertakings and properties of each of the Respondents (collectively, "Crystal Wealth"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe such to be true.

2. Attached and marked as Exhibit "A" to this my affidavit is a summary billing setting out the fees and disbursements of GTL incurred in its role as Receiver of Crystal Wealth from April 25, 2017 to May 31, 2017, in the amount of \$214,276.91, disbursements of \$1,556.00 and HST of \$28,058.28 for a total of \$243,891.19. The average hourly rate is \$357.63.

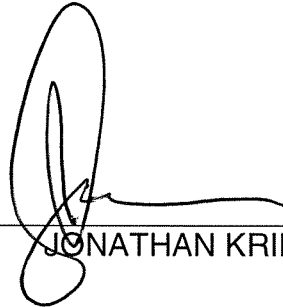
3. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

4. This affidavit is sworn in connection with the approval of the fees and disbursements of GTL and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 21st day of June, 2017.



Commissioner for Taking Affidavits,
etc.



JONATHAN KRIEGER

David Lawrence Goldband, a Commissioner, etc.,
Province of Ontario, for Grant Thornton Limited.
Expires April 1, 2019.

Exhibit "A" to the Affidavit of Jonathan Krieger,
sworn before me this 21st day of June, 2017.

A handwritten signature in dark ink, appearing to read "D. Goldband", is written above a horizontal line.

Commissioner for Taking Affidavits, etc.

**David Lawrence Goldband, a Commissioner, etc.,
Province of Ontario, for Grant Thornton Limited.
Expires April 1, 2019.**

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

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

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

Respondents

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

BILL OF COSTS

**BN 12738 4717 RT0001
Client #225805
Invoice#DRAFT**

To professional services rendered as Court-Appointed Receiver and Manager of the
Respondents for the period from April 25, 2017 to May 31, 2017.

<u>Date</u>	<u>Description</u>	<u>Hours</u>
April 25, 2017	<u>Jonathan Krieger</u> Call with OSC re: considerations of appointment; Correspondence with A&B re: form of order, other materials; Meet at A&B re: matters related to CW application; Review of records, review and comment on materials; Correspondence with counsel.	2.50 hours
April 26, 2017	<u>Arsheel Muhit</u> Internal team meetings with J. Krieger and B. Bando; attendance at Company; Discussions with Clayton Smith; taking possession of the property, talking to employees, discussing strategy going forward, Prepare investment process flowchart.	5.00 hours
April 26, 2017	<u>Bruce Bando</u> First day matters to include team meetings/discussions, asset preservation and security, computer backups, employee matters, meeting and various discussions with C. Smith re: understanding the business, calls to NBCN and IFDS, review of backup, e Service matters and numerous internal discussions and correspondence and same with Counsel.	8.00 hours
April 26, 2017	<u>Jonathan Krieger</u> Attendance in Court re: Application of OSC; Meeting with team re: project planning; Meeting with C. Smith and counsel re: understanding of operations; Correspondence and discussions with counsel re: matters related to appointment; Call from E. Bessner re: matters related to her client's interests; Discussions and calls with teams re: matters related to considerations on site; Preparation of brief reporting to OSC; Correspondence with team and counsel re: access to records.	3.80 hours
April 26, 2017	<u>Joseph Kim</u> Meeting with team re: engagement planning.	0.70 hours
April 26, 2017	<u>Rania Erian</u> Create webpage and upload legal documents; Meeting re initial file engagement; Create client and jobs in system.	1.00 hours

April 26, 2017	<u>Rosa Wilford</u>	Review internal instructions re: various bank accounts; Meetings with team, review court order, prepare schedules, emails, phone calls and general banking administration.	5.00 hours
April 27, 2017	<u>Arsheel Muhit</u>	Prepare investment flowcharts for all mutual funds; discussions with Clayton Smith; correspondence with counsel and internal team; organizing documents received from smith.	8.00 hours
April 27, 2017	<u>Bruce Bando</u>	Various correspondence and discussions with agent and Counsel re: C. Smith property and APS; To all matters regarding possession and security to include numerous discussions re: computer and email backups and dealing with C. Smith issue; Discussion on process maps; Tending to numerous investor an IA issues; Discussion and correspondence IFDS and their counsel; Discussion and correspondence NBNC; IA matters; Employee matters and finalize letters; Communications matters.	8.70 hours
April 27, 2017	<u>Jason Knight</u>	Internal meeting re: receivership proceedings; Reviewing correspondence related to OSC Application Record; Drafting correspondence re: insurance coverage; Drafting correspondence re: taking possession of Mount Nemo residence.	2.50 hours
April 27, 2017	<u>Jonathan Krieger</u>	Correspondence and calls with Joanne Smith re: status of transaction on Mt. Nemo Road; Review of documentation thereto; Further discussion with Joanne Smith re: property; Correspondence with C. Smith re: matters related to understanding of operations; Correspondence with team re: access to data; Correspondence with C. Smith re: issues related to accounts; Call from interested party re: CW business; Correspondence with counsel re: considerations with task letters.	3.00 hours

April 28, 2017

Bruce Bando

- Conference calls with Counsel on numerous issues and various correspondence; Investor inquires; Various discussions and correspondence on computer backups; Review and amend banking letters freezing accounts; Correspondence IFDS; Correspondence NBCN; Review and execute temporary employment letters; Attend to all matters pertaining to a resignation; Various correspondence with Company; Correspondence and discussion with the landlord; Various correspondence with real estate agent and to all matters re: securing the house.

7.90 hours

April 28, 2017

Jason Knight

- Onsite at business premises; Taking possession of 5043 Mt. Nemo residence and taking pictures of same; Discussion with employees re: various matters; Correspondence with insurance broker re: coverage at 5043 Mt. Nemo residence; Correspondence with payroll contractor re: CW employee payroll; Discussions with employees re: various matters; Correspondence with real estate agent to remove property from secured garage; Uploading pictures taken of 5043 Mt. Nemo residence and organizing same; Returning to 5043 Mt. Nemo residence to remove real estate agent property from locked garage; Correspondence internal re: various matters related to Crystal Wealth.

10.60 hours

April 28, 2017

Jonathan Krieger

- Review of correspondence from company re: matters related to Investors' accounts, insurance; Correspondence from counsel re: information required; Review of draft letters to banks and brokerage accounts; Discussion with team re: IT considerations on site; Correspondence re: matters related to banking; Communication to OSC; Correspondence with counsel re: additional information required to determine action plan.

1.60 hours

April 28, 2017

Mandi Quirk

- Call with CRA and OSB re: company claims.

0.40 hours

April 28, 2017

Rosa Wilford

- Review internal instructions; re various bank accounts; meetings with team, draft Bank letters, emails re freeze of accounts and direction for securities funds, phone calls and general banking administration.

3.00 hours

April 29, 2017	<u>Bruce Bando</u>	• Prepare materials for soliciting agent submissions; Review fund information received from the Company and summarize; Review application materials.	5.10 hours
April 30, 2017	<u>Bruce Bando</u>	• Review correspondence re: Mount Nemo property from agent; Send precedent material for preparation of sales information for prospective brokers; Discussion on insurance matters; Various discussions regarding IT backups; Text C. Smith; Correspondence Counsel, review draft communication to investors and IA's and suggest changes; Various correspondence from investors; Internal discussion on issues for tomorrow.	3.60 hours
April 30, 2017	<u>Jason Knight</u>	• Correspondence with employees re: accounts transfer requests; Correspondence internal; Preparing documents for tender process re: 5043 Mt. Nemo residence; Reviewing correspondence and documents prepared by counsel.	2.10 hours
April 30, 2017	<u>Jonathan Krieger</u>	• Correspondence from investors; Correspondence with counsel re: forms of Notice to investors and CW representatives, comments thereto; Correspondence with team re: tasks for week ahead.	1.10 hours
May 1, 2017	<u>Bruce Bando</u>	• Numerous discussions and correspondence with Counsel and internally regarding investor communication, newspaper advertisement and website notice to include transfer form; Review process maps; Various discussions and correspondence re: backups; Trust account matters; Various investor calls; Correspondence regarding NBCN and IFDS; Review draft communication to IA's; Review fund listing from Company.	8.70 hours
May 1, 2017	<u>Jason Knight</u>	• Onsite; Assisting employees in reactivating their emails and drop box accounts; Meetings and discussions with employees re: various items; Internal conference call re: next steps and items to complete today; Discussions with investors; Discussions and correspondence with landlord; Completing insurance request forms for 5043 Mt. Nemo residence.	7.70 hours

May 1, 2017	<u>Jonathan Krieger</u>	Correspondence with counsel re: investor communications and comments thereto; Review and comment on investor rep communications; Correspondence with team re: investor queries; Correspondence re: website postings; Correspondence re: matters related to Notice to Investors; Team meeting.	1.40 hours
May 1, 2017	<u>Joseph Kim</u>	Meeting with team, call with counsel, and review of documentation.	3.00 hours
May 1, 2017	<u>Rania Erian</u>	Request a toll free number and an email to be created; Record the phone message for the toll free number; Format and merge letter to Registered Representatives; Update website with new information; Communicate with National Post and Globe and Mail to have an Ad placed on the paper for Thursday May 4.	1.00 hours
May 1, 2017	<u>Rosa Wilford</u>	Review internal instructions; Meeting, draft letter and prepare Bank forms for new account, email bank. Setup account estate in ascend and general banking administration; Review internal and Bank emails; Review correspondences and respond, setup banking schedules.	4.75 hours
May 2, 2017	<u>Bruce Bando</u>	Broker review and selections and discussion thereof; Numerous discussions and correspondence with Counsel re: IFDS, NBCN, investor database and update matters, OSC matters, IA matters, individual fund matters; Various internal discussions; Investor call matters, status, review and execute Notices; Correspondence fund contacts; Correspondence OSC; Correspondence NBCN; Correspondence creditors.; Review of various files and research funds; Newspaper advertisement review.	10.00 hours

May 2, 2017	<u>Jason Knight</u> Reviewing correspondence from investors, creditors, counsel, and employees of CW; Finalizing teaser document for 5043 Mt. Nemo residence and sending same to real estate contacts (based on developed short list); Internal correspondence re: various items; Correspondence with employees re: mailing lists to be developed for investors; Reviewing correspondence from NBCN re: transition of accounts to control of GTL.	3.30 hours
May 2, 2017	<u>Jonathan Krieger</u> Review of Correspondence re: matters related to investor communications, Notice to investors and advisors; Correspondence from OSC; Correspondence with team re: matters related to C. Smith communications; Calls from interested parties; Correspondence re: banking; Review of correspondence from IFDS; Correspondence with counsel re: considerations and potential meeting with representative counsel.	1.60 hours
May 2, 2017	<u>Joseph Kim</u> Return investor calls and complete termination notices.	8.00 hours
May 2, 2017	<u>Rosa Wilford</u> Review email from Bank and respond to queries; Correspondences with Bank, review print screens for expecting wires, prepare deposits, posting entries, email re notification of wires, respond to queries, and general banking administration.	2.10 hours
May 3, 2017	<u>Bruce Bando</u> Numerous discussions with Counsel on IA's, IFDS; NBCN, investors, asset realization alternatives; books and records, BCSC, hedging question; Discussion with interested parties; Correspondence IA; Discussion with investor and internal tracking thereof; Mailing to investors; Review Burlington lease; Mail redirection; Discussion with Interactive Broker and review thereof; Correspondence NBCN; Review termination notices; Various correspondence J. Smith; Discussion interested agents; Internal discussion re: same.	6.80 hours

May 3, 2017	<u>Jason Knight</u>	Correspondence with insurance brokers re: coverage for 5043 Mount Nemo Crescent; Reviewing various correspondence; Internal discussion re: items to complete and fund structure; Reviewing lease agreement for 192 Plains Rd East (office); Reviewing confidentiality agreements sent by contacted real estate brokers and filing same; Correspondence with existing broker.	2.40 hours
May 3, 2017	<u>Jonathan Krieger</u>	Correspondence with team re: matters related to trading accounts; Correspondence with counsel re: matters related to account management, meeting with IAs; Correspondence with team re: calls from investors; Correspondence from investors; Correspondence re: matters related to access to data; Correspondence and discussions with Canadian and U.S. corporate finance transactions team re: trading strategy.	1.20 hours
May 3, 2017	<u>Joseph Kim</u>	Return investor calls.	8.00 hours
May 3, 2017	<u>Mandi Quirk</u>	Draft marketing material for property sale; Review of Company records.	3.00 hours
May 3, 2017	<u>Rosa Wilford</u>	Review email from Bank with team and respond to email.	1.00 hours
May 4, 2017	<u>Bruce Bando</u>	Meeting with Company re: fund by fund review and review various supporting documents; Correspondence re: back up matters; Various correspondence and discussion with NBCN; Various matters pertaining to the investor mailing; Pond Technology matters; Payroll matters; Trust account matters; Various internal discussions; IB matters; Investor inquiries; Various correspondence Counsel; Correspondence IFDS matters and redacting Appendix; Review and approve Notices.	8.50 hours

May 4, 2017	<u>Jason Knight</u>	Onsite at Crystal Wealth premises; Meeting with C. Smith and J. Bentley to discuss fund composition along with various other items related to the funds: Reviewing payroll information provided for Crystal Wealth employees and providing instructions internally to process same; Finalizing insurance coverage for 5043 Mount Nemo Crescent; Correspondence with brokers, reviewing received confidentiality agreements and filing same on network.	6.40 hours
May 4, 2017	<u>Jonathan Krieger</u>	Review of correspondence from team re: accounts; Review of correspondence from counsel; Correspondence re: matters related to Mt. Nemo from J. Smith; Correspondence re: matters related to status of information on investor accounts and need for more complete information from Company; Correspondence with CF team re: strategy; Call with D. Ullmann re: matters related to his client's previous role and interest; Correspondence with party related to CW investments and previous relationship; Correspondence with team re: investor communications.	1.70 hours
May 4, 2017	<u>Joseph Kim</u>	Return investor calls.	5.00 hours
May 4, 2017	<u>Mandi Quirk</u>	Add graphics and finalize marketing package; Sent to J. Knight for final edits.	2.40 hours
May 4, 2017	<u>Rosa Wilford</u>	Review of email from bank, respond to email and inform team re expecting bank transfer; Review internal instructions; Draft letter and prepare Bank forms for new account. Correspondences with Bank, fax, setup account estate and general banking administration. Cheque Processing; Complete receipt requisition forms and post entries. Complete cheque requisition forms, re: payment of invoices; prepare and issue cheques, transfer, payroll, respond to internal email, phone call and general banking administration; Review of email from bank, respond to email and inform team re expecting bank transfer.	3.65 hours
May 4, 2017	<u>Valerie Naccarato</u>	Deposit at bank.	0.10 hours

May 5, 2017	<u>Bruce Bando</u>	Investor matters; Various correspondence NBCN; Review and execute Directions; Investment review matters and various discussions thereof; Correspondence Counsel; Press matters.	5.20 hours
May 5, 2017	<u>Jason Knight</u>	Discussion re: matters related to funds; Drafting fund summary diagram to outline interfund holdings; Internal discussions re: information requested but yet to be received; Correspondence with insurance provider re: coverage on Mount Nemo property; Discussion with brokerage firm to obtain new account information after reset of same; Correspondence with real estate agents re: sale of Mount Nemo property.	5.30 hours
May 5, 2017	<u>Jonathan Krieger</u>	Calls from CW investors re: matters related to their accounts; Discussion with team re: matters related to structure of investments; Correspondence with parties interested in portfolio; Correspondence with team re: matters related to investor communications; Correspondence re: matters related to account holdings; Review of Correspondence to C. Smith and response from team; Correspondence with broker re: Mt. Nemo property; Review of CW portfolio matters; Correspondence with team re: investor mailing.	1.90 hours
May 5, 2017	<u>Joseph Kim</u>	Return investor calls.	3.00 hours
May 5, 2017	<u>Lucia Pileggi</u>	Preparation of documents re: investor communications.	4.00 hours
May 5, 2017	<u>Rania Erian</u>	Prepare and send notice to investors; Prepare Affidavit of Mailing.	4.00 hours
May 5, 2017	<u>Valerie Naccarato</u>	Assist with investor notices.	4.00 hours
May 6, 2017	<u>Bruce Bando</u>	Draft correspondence to various parties regarding the receivership; Fund flow matters.	1.00 hours

May 6, 2017	<u>Jason Knight</u>	Developing fund summary workbook; Correspondence with real estate agents re: 5043 Mount Nemo residence.	5.80 hours
May 6, 2017	<u>Jonathan Krieger</u>	Review of materials re: investment structure; Correspondence with team; Correspondence with investor.	0.70 hours
May 7, 2017	<u>Bruce Bando</u>	Various correspondence investment administrators; Various correspondence Counsel; Various internal discussions and review of fund worksheet; Various correspondence previous agent; Tour premises.	2.80 hours
May 7, 2017	<u>Jason Knight</u>	Internal discussion re: fund summary and plan of the upcoming week; Correspondence with real estate agents re: site visit to 5043 mount nemo.	0.80 hours
May 8, 2017	<u>Bruce Bando</u>	Various discussions on broker tours; Various discussions and execute Cancellation of Listing Agreement; Review NBCN materials; Attend meeting with NBCN; Conference call with Aird & Berlis and various discussions and correspondence; Service List matters; Various correspondence with C. Smith; Dropbox and fund review matters; Conference call with Squire Financial; Conference call with Spectrum; Various investor and transfer matters; Freezing of account matters; Review funds.	10.70 hours
May 8, 2017	<u>Jason Knight</u>	Onsite at 192 Plains Road East, Burlington; Discussion internal re: fund summary and completion of same; Meetings with real estate brokers at 5043 Mount Nemo residence and conducting tour of property; Discussions with employees re: various items; Correspondence with book keeper re: books and records and login information for accounting system; Reviewing information uploaded by C. Smith re: funds; Drafting correspondence to utilities companies re: transfer of accounts to Receiver's name; Discussion with landlord of premises re: utilities and payment of rent; Locating files; Internal discussions re: various items; Reviewing correspondence re: various matters.	11.00 hours

May 8, 2017	<u>Jonathan Krieger</u>	Review of correspondence related to property; Correspondence with team re: communication to agent; Conference call with counsel re: position with respect to funds, interested parties.	1.20 hours
May 8, 2017	<u>Joseph Kim</u>	Return investor calls; Prepare fund summary.	5.00 hours
May 8, 2017	<u>Rosa Wilford</u>	Sort statements, prepare account schedule, allocate bank accounts, Bank letter, email team and general banking administration; Review and respond to phone call from bank, and reply via email.	3.00 hours
May 9, 2017	<u>Bruce Bando</u>	Correspondence J. Smith; Brief review of submissions; Discussion with agent; Continue with review of funds to include supporting documentation regarding the media fund; Dropbox access and backup matters; Banking matters and transfer of balances; Correspondence investors and providers; Correspondence NBCN on specific issues and resolution thereof; Prepare for and attend conference call with OSC; Various correspondence Counsel and review thereof; Correspondence OSC on preliminary analysis.	8.10 hours
May 9, 2017	<u>Jason Knight</u>	Onsite in Burlington at CW premises; Reviewing correspondence; Internal discussions re: investor calls; Reviewing fund document and updating master fund document tracker; Drafting emails to third parties re: setting up a call to discuss their involvement with CW and to obtain documents they may have; Reviewing financial information provided by CW book keeper; Corresponding with brokers re: proposal for 5043 Mount Nemo; Correspondence with NBCN re: share certificates and warrants; Correspondence with utilities providers for 5043 Mount Nemo and 192 Plain Road East; Correspondence internal re: various matters; Reviewing correspondence from counsel re: various matters.	8.30 hours

May 9, 2017

Jonathan Krieger

- Review of correspondence from C. Smith; Correspondence with team re: holdings within funds; Call re: matters related to intercompany relationship; Correspondence re: matters related to requirements of NBCN, IFDS; Correspondence with team re: matters related to onsite requirements; Conference call with OSC, counsel; Correspondence and calls from investors.
- 1.50 hours

May 9, 2017

Joseph Kim

- Return investor calls, cash position of each funds workbook; Preparation of investor database.
- 7.00 hours

May 9, 2017

Rosa Wilford

- Review internal email instructions; Complete receipt requisition forms and post entries. Complete cheque requisition forms, transfer funds, prepare and issue cheques and general banking administration; Respond to internal emails and provide banking details with supporting reports; Respond to phone call and emails from Bank, report to team, update bank schedule, follow up on expecting freeze fund transfers and general banking administration; Respond to phone call from Money Mart; requesting to authenticate chq # 100002 payable to Smith, Clayton, review account and advise.
- 2.60 hours

May 10, 2017

Bruce Bando

- Continue with review of funds; Various correspondence regarding Dropbox matters; Conference call with Xynergy; Discussion re: Frontline Factoring; Various correspondence re: Media House; Various correspondence NBCN regarding transactions; Various correspondence C. Smith; Attend to termination matters to include review and amending letter; IFDS matters; Review and finalize investor notice and place on website; Review investor tracker; Discussions re: investor database; Numerous correspondence and discussion with Counsel on the foregoing.
- 7.70 hours

May 10, 2017	<u>Jason Knight</u>	Onsite at CW Burlington office: Reviewing various correspondence; Discussion with C. Smith re: F/X contracts for funds and the exposure of same; Discussion with NBCN re: cancellation of accounts held by CW employees and advisors; Reviewing information provided by C. Smith re: various funds; Discussion with third party provider for Medical Fund; Discussion with third party provider for Factoring Fund; Terminating employees and providing them information regarding next steps; Collecting laptops and critical files and boxing same to return to GTL offices; Various internal discussions.	10.10 hours
May 10, 2017	<u>Jonathan Krieger</u>	Review of correspondence from C. Smith; Review of matters re: CLJ property and discussion with team; Correspondence re: matters related to investment holdings and action items; Correspondence with J. Smith re: matters related to cancellation of listing.	0.80 hours
May 10, 2017	<u>Joseph Kim</u>	Return investor calls; Attend Premises to review records.	7.50 hours
May 10, 2017	<u>Rosa Wilford</u>	Correspondences with Bank; Emails and phone calls to and from same; review emails and print screens, prepare receipt requisition forms, posting entries, update schedule, email to team re confirmation of receipts, and general banking administration.	2.20 hours
May 10, 2017	<u>Valerie Naccarato</u>	General banking administration.	0.20 hours
May 11, 2017	<u>Bruce Bando</u>	Review summary of broker submissions; Prepare for and attend conference call with the OSC; Fund matters and discussions thereof; Insurance matters; Investor correspondence and discussions; Payroll matters; Discussion with financial professional; Various correspondence NBCN; Correspondence IFDS, review documents and discussions re: investor database; Review correspondence Squire Financial; Review documents.	8.80 hours

May 11, 2017	<u>Jason Knight</u>	Organizing Company records; Review real estate broker summary sheet internally re: 5043 Mt. Nemo; Review correspondence from insurance broker re: coverage of 5043 Mt. Nemo; Review various correspondence from counsel, third parties and internal; Discussions internal re: fund summary sheet; Review documents related to funds and documenting same into fund summary sheet.	9.80 hours
May 11, 2017	<u>Jonathan Krieger</u>	Meeting with counsel re: open matters related to administration; Correspondence with team re: next steps with respect to funds; Conference call with A. Crawley re: matters related to his interest in the administration; Meeting with S. Azam and his counsel re: CW portfolio and investor matters.	2.20 hours
May 11, 2017	<u>Joseph Kim</u>	Return calls from investors, summarize broker submissions for Mount Nemo Property.	7.50 hours
May 11, 2017	<u>Mark Wentzell</u>	Call with contact colleague regarding investments; Additional calls from investors and refer them to website.	0.30 hours
May 12, 2017	<u>Bruce Bando</u>	Review submissions and summary and various discussions thereof; Fund matters and discussions thereof; Various correspondence and discussions investors and advisors; Various correspondence and discussions NBCN; Correspondence Pond Technologies; Correspondence Spectrum; Deposits and Fund matters; Various internal discussions on status as well as various correspondence and discussion with Counsel.	5.40 hours
May 12, 2017	<u>Jason Knight</u>	Internal discussions re: review of real estate proposals; Internal meeting re: items outstanding and priorities to complete; Correspondence with third party mortgage providers re: documents to be received; Reviewing correspondence from NBCN re: investors and transfers and providing directions on same; Correspondence with NBCN re: access to Net Rep; Organizing and storing laptops and hard drives obtained from CW offices.	4.95 hours

May 12, 2017	<u>Jonathan Krieger</u>	Correspondence with team re: matters related to investor queries; Correspondence from counsel re: same; Review of information related to investment structure and Correspondence from investment advisor.	0.60 hours
May 12, 2017	<u>Joseph Kim</u>	Return investor calls, call brokers for additional costs in marketing plan, meeting with J. Knight and B. Bando, call ADT security for change in account and contacts.	8.00 hours
May 15, 2017	<u>Bruce Bando</u>	Various correspondence re: funds and underlying investments; Investor Advisor matters; Prospective purchaser matters; Correspondence BDO; Correspondence counsel to Media House.	1.50 hours
May 15, 2017	<u>Jason Knight</u>	Reviewing information related to funds and summarizing same in workbook; Discussions internal re: various items; Correspondence with third party provider re: trust accounts and transferring balances to NBCN; Drafting letter to mortgage provider with directions on transferring funds to NBCN; Revising and finalizing employee termination letters; Correspondence with payroll employee re: preparation of ROE's, T4's, and payroll and drafting email to provide directions; Drafting email to various third party providers re: documents requested.	10.10 hours
May 15, 2017	<u>Jonathan Krieger</u>	Correspondence and call with OSC re: matters related to notice to investment advisors; Correspondence with Transactions team.	0.50 hours
May 15, 2017	<u>Joseph Kim</u>	Return investor calls, call with ADT security; Review Company records; Search trademarks and copyright associated with CW, taking possession checklist.	8.50 hours
May 15, 2017	<u>Rosa Wilford</u>	Review internal email instructions; Complete cheque requisition forms, prepare and issue cheques and general banking administration.	0.50 hours

May 16, 2017	<u>Bruce Bando</u>	IFDS matters; Attend to questions from the OSC; RIF and other matters with NBCN; Discussion and correspondence with 2G Capital; Correspondence investor; Other investor matters; Review fund tracking and discussions thereof; Conference call with Media House and discussion with Counsel thereafter; Conference call with Counsel on Rep Counsel; Review investor letter.	6.50 hours
May 16, 2017	<u>Jason Knight</u>	Drafting correspondence to gold contract contacts; Correspondence with contracted individual re: termination of employees and preparation of ROE's, T4's and final pay; Review of various correspondence from NBCN, counsel, internal, and third party providers; Reviewing documentation re: funds and populating summary workbook.	7.10 hours
May 16, 2017	<u>Jonathan Krieger</u>	Discussions with counsel; Calls to interested parties in funds; Correspondence with team re: asset review; Meeting with team re: worksheet preparation and review of fund holdings; Correspondence to OSC re: query; Conference call with counsel re: matters related to funds, position of lawyer contacted by Investment advisors; Draft update Notice to Investors.	2.70 hours
May 16, 2017	<u>Joseph Kim</u>	Return investor calls, complete investor ownership by fund workbook.	8.00 hours
May 17, 2017	<u>Bruce Bando</u>	Conference call with potential portfolio manager; Review and finalize notice to investors; Review and finalize letter to independent advisors; Internal meeting re: specific tasks; RIF matters; Correspondence Counsel on BCSC and other matters; Calls and correspondence to investors. Fund matters.	6.00 hours

May 17, 2017

Jonathan Krieger

- Correspondence from and to counsel re: findings in books and records; Call with investment consultant re: matters related to portfolio, considerations in holdings; Correspondence re: regulatory matters; Correspondence with team re: investor database; Correspondence re: matters related to property, insurance; Correspondence re: matters related to Notice to Investors; Finalize Notice to Investors; Review of correspondence from A. Crawley re: matters related to his interest in the CW file; Review of proposed response from counsel thereto; Correspondence from investors; Discussion with counsel re: A. Crawley conflict of interest. 1.90 hours

May 17, 2017

Joseph Kim

- Return investor calls, interfund transactions by date, search contact info for 4 CW advisors, upload documents to data room. 7.00 hours

May 17, 2017

Mandi Quirk

- Case website management. 0.80 hours

May 17, 2017

Rosa Wilford

- General banking administration. 0.25 hours

May 18, 2017

Bruce Bando

- Correspondence Counsel; Correspondence C. Smith requesting Statutory Declaration; To all matters to address correspondence from IA to include review of draft response from Counsel and then release; Numerous matters re: investor calls and correspondence, database of emails and general email release; Prepare for and attend call with Oom Energy counsel; Prepare for and attend meeting with Pond Technologies; Various correspondence and discussion with NBCN on deposit treatment; Dropbox matters with Counsel; Correspondence prospective purchaser; Discussion Counsel on IA registration; Various correspondence and discussions with Counsel on the foregoing. 6.70 hours

May 18, 2017	<u>Jason Knight</u> Reviewing documents related to funds and populating summary workbook; Preparing short term strategy for funds and identifying liquid assets; Sending follow up correspondence to third party providers re: information; Reviewing master investor list prepared and troubleshooting issues with same; Setting up drop box for counsel to review documents related to fund assets; Internal meetings re: various items and discussions.	11.80 hours
May 18, 2017	<u>Jonathan Krieger</u> Review of correspondence from OSC and respond thereto; Review of correspondence from former investment advisor under CW and correspondence with counsel re: proposed response; Correspondence from investors; Meeting with parties re: Pond Technologies.	1.70 hours
May 18, 2017	<u>Joseph Kim</u> Return investor calls, complete interfund summary by date, create investor master list with updated email, draft email to be sent out to investors.	9.00 hours
May 19, 2017	<u>Bruce Bando</u> Various matters regarding investors and discussion same; Discussions and correspondence IA; Various correspondence NBCN; Fund matters and review of status; Former employee matters; Discussions with Counsel on AC matters.	4.50 hours
May 19, 2017	<u>Jason Knight</u> Correspondence with contractor re: employee payroll; Setting up site visits and monitoring of Mount Nemo residence and CW Office; Correspondence with entities involved in gold contracts; Discussion with counsel re: employee on leave; Correspondence with third party providers re: source documents; Reviewing documents and making changes to summary workbook.	5.10 hours
May 19, 2017	<u>Jonathan Krieger</u> Correspondence with M. Van Zandvoot re: matters related to A. Crawley correspondence; Correspondence with team re: responses to investors; Correspondence from investors re: matters related to conflicting information provided by former representatives; Correspondence with team re: investor communications; Correspondence with team re: investor database.	1.30 hours

May 19, 2017	<u>Joseph Kim</u>	Return investor calls, edit master email list to remove bounced emails, and add emails recorded on investor call sheet.	7.50 hours
May 20, 2017	<u>Bruce Bando</u>	Internal correspondence on proposed agenda for meeting with the OSC; Correspondence to and from Clayton Smith; Correspondence Counsel; Correspondence Counsel.	0.50 hours
May 20, 2017	<u>Jason Knight</u>	Reviewing correspondence re: various items; Review documentation and updating investment summary workbook for upcoming meeting.	2.90 hours
May 21, 2017	<u>Bruce Bando</u>	Review Funds workbook and related supporting documents.	5.00 hours
May 22, 2017	<u>Bruce Bando</u>	Continue with review of Funds workbook and discussion re: same; Review Media, Mortgage and Settlement NBCN accounts; Correspondence prospective purchaser.	4.50 hours
May 22, 2017	<u>Jason Knight</u>	Updated fund summary for meeting with OSC based on internal comments; Circulating revised summary for internal review.	1.70 hours
May 22, 2017	<u>Jonathan Krieger</u>	Correspondence with team re: fund summaries and review documents.	0.40 hours
May 23, 2017	<u>Bruce Bando</u>	Prepare for and attend meeting with the OSC; Fund review matters; Correspondence and discussion with prospective purchasers; Correspondence Media House; Internal discussion on next steps; Various discussions Counsel; Payroll and remittance matters; Banking matters.	6.00 hours

May 23, 2017

Jason Knight

- Drafting schedule C for agreement of purchase and sale; Correspondence with brokers re: proposal process; Revising listing agreement provide by selected agent; Preparing materials for OSC meeting and making minor changes to fund summary; Correspondence with third party providers re: information received and outstanding; Correspondence with gold contract providers re: discussion times; Discussion with contractor re: site visits and status of properties; Attending meeting with the OSC and counsel; General correspondence re: various items.

7.00 hours

May 23, 2017

Jonathan Krieger

- Correspondence from counsel re: position of Receiver with respect to funds; Preparation for and attendance at meeting with OSC, counsel; Review of worksheet with team re: asset strategy; Correspondence with Transactions team re: matters related to fund management considerations; Correspondence from investors; Review of correspondence from Media House re: considerations re: Media Fund investments and issues thereto.

3.40 hours

May 23, 2017

Rosa Wilford

- Review correspondence; complete receipt requisition forms, post entries, update receipt schedule and general banking administration; Review internal email instructions: complete cheque requisitions form, prepare cheques, draft letter, review banking, prepare source deduction schedules, respond to enquiries, complete receipt requisition forms, post entries, update receipt schedule and general banking administration.

2.75 hours

May 24, 2017

Bruce Bando

- Various matters pertaining to Court today; Various investor calls and correspondence and internal discussions thereof; Various matters and tending to resolution of inquiries of Clayton Smith and various discussions and correspondence Counsel thereof; Prepare and release email correspondence re: correction to Al Housego's email; Review and approve disbursement; Discussion re: IT backup; Correspondence NBCN re: transfer out; Tend to documentation of illiquid investments for counsel review; Correspondence potential purchaser.

6.00 hours

May 24, 2017	<u>Jason Knight</u> Review gold agreements with gold producers and having phone conversations with representatives of same related to Factoring Strategy; Responding to inquiries from investors; Phone conversations with investment advisor and investors re: various items and updated on the proceedings; Correspondence re: employment matters; Reviewing payroll remittances for payroll remitted by the Receiver; Drafting first report to court; Drafting correspondence to benefits provider re: termination of same and pro rata employee premiums; Drafting letter to CW employee re: termination of employment; Assisting in formatting investor master list with contact information for same; Drafting email re: response to investment advisor email; Reviewing emails of previous employees re: key word searches.	10.70 hours
May 24, 2017	<u>Jonathan Krieger</u> Correspondence with counsel re: matters related to Court attendance; Review of correspondence re: fund summary; Review of correspondence from OSC; Correspondence from C. Smith re: matters related to request for information; Calls from investors; Correspondence re: matters related to court reporting and discussion with team re: information to present to Court.	2.10 hours
May 24, 2017	<u>Joseph Kim</u> Return investor call, consolidate Al Housego email to master list, and send email to investors.	7.00 hours
May 24, 2017	<u>Mark Wentzell</u> Correspondence with investors and review investment advisor (BC based) with Bruce Bando.	0.40 hours
May 24, 2017	<u>Rosa Wilford</u> Review internal email instructions; review banking with team; Complete cheque requisition forms, prepare and issue cheques and general banking administration.	0.70 hours
May 25, 2017	<u>Arsheel Muhit</u> Preparation of document re: CW structure.	0.25 hours

May 25, 2017	<u>Bruce Bando</u>	Review and discussion on Listing Agreement; Fund matters to include discussion on Media and Mortgage Funds; Various correspondence Counsel and C. Smith; Various correspondence NBCN to include correspondence and discussion on in kind, other transfers (i.e. Wells) and independent advisor issues; Correspondence IFDS and their counsel.	4.10 hours
May 25, 2017	<u>Jason Knight</u>	Reviewing Listing Agreement provided by selected Broker and revising same; Drafting Schedule A to Listing Agreement; Reviewing drafted documents internally for comments; Reviewing documentation provided by factoring contract administrator; Reviewing documents as they relate to the Mortgage Fund; Call with counsel re: commercial loans included in Mortgage Fund; Reviewing weekly reporting provided by third party mortgage administrators of certain investments; Phone conversation with investor re: proceedings and matters related to investments; Drafting Receiver's First Report; Reviewing correspondence from C. Smith, counsel, NBCN and other parties re: various items; Conference call with counsel re: transfer of accounts and IFDS' involvement in same; Assisting in developing SRD for Receiver's First Report.	6.80 hours
May 25, 2017	<u>Jonathan Krieger</u>	Review of correspondence with Mr. Smith; Correspondence with counsel; Correspondence re: matters related to fund summary; Correspondence re: matters related to Pond position.	1.20 hours
May 25, 2017	<u>Joseph Kim</u>	Return investor calls, and work on R&D workbook.	7.00 hours
May 25, 2017	<u>Rosa Wilford</u>	Review internal email instructions re Banking: complete cheque requisitions form and prepare cheque; General banking administration.	0.50 hours

May 26, 2017	<u>Bruce Bando</u>	Review and amend Alberta Securities Commission forms; Correspondence IFDS re: in kind transfers; Various correspondence and discussion with NBCN re: same; Prepare and finalize correspondence to independent investment advisors; Various correspondence C. Smith re: files; Various correspondence T. Johnston; Discussion S. Azam; Various correspondence and discussion with Counsel on the foregoing matters and Media Fund matters.	4.00 hours
May 26, 2017	<u>Jason Knight</u>	Discussion with Broker re: Listing Agreement and making revisions to same based on conversation; Providing Listing Agreement to counsel for review and comment; Isolating files to be provided to C. Smith based on request received; Reviewing correspondence from counsel; Conference call with Pond Technologies re: outstanding loans; Review of general correspondence from counsel, investment advisors, and other stakeholders; Internal discussions & meetings re: various items.	3.40 hours
May 26, 2017	<u>Jonathan Krieger</u>	Review of documentation re: reporting requirements; Correspondence with B, Bando thereto.	0.20 hours
May 26, 2017	<u>Joseph Kim</u>	Return investor calls.	5.50 hours
May 26, 2017	<u>Rania Erian</u>	Finalize letters to investors and general administration.	0.20 hours
May 28, 2017	<u>Jason Knight</u>	Correspondence with counsel and reviewing correspondence received.	0.30 hours
May 29, 2017	<u>Bruce Bando</u>	Various correspondence investors, Counsel, OSC and C. Smith on various matters.	0.50 hours
May 29, 2017	<u>Joseph Kim</u>	Return investor calls.	4.00 hours

May 29, 2017	<u>Rosa Wilford</u>	Review emails and general banking administration.	0.25 hours
May 30, 2017	<u>Bruce Bando</u>	Mortgage renewal discussion; Correspondence independent advisor termination; Review and amend NRD forms and discussion with regulator; Complete Form 33 109F1 and discussion with Counsel re: same; Various discussions regarding investors; Review correspondence re: stock option grants from A. Housego and discussion Counsel re: same; Correspondence regarding Media Fund; Meeting with prospective purchaser; Conference call Frontline Factoring; Conference call Pond Technologies; Correspondence prospective purchaser; Correspondence BDO.	5.00 hours
May 30, 2017	<u>Jason Knight</u>	Call with counsel re: commercial loans; Drafting correspondence to Spectrum re: commercial loans in residential portfolio managed by same; Correspondence with third party fund investment administrators re: various items and setting up meetings with same; Making changes to fund summary and distribute same to counsel; Correspondence with contracted individual re: payroll; Conference call with third party fund administrator; Conference call with Pond Technologies re: loans balance owing; Drafting First Report.	4.50 hours
May 30, 2017	<u>Jonathan Krieger</u>	Correspondence from counsel re: investor queries, comments from C. Smith; Correspondence re: responses required; Meeting with interested party in assets; Discussion with team re: access to data; Correspondence with team re: position of Pond Technologies.	1.40 hours
May 30, 2017	<u>Joseph Kim</u>	Return investor calls.	3.50 hours
May 30, 2017	<u>Rosa Wilford</u>	General banking administration.	0.30 hours

May 31, 2017

Bruce Bando

- Review changes to the MLS and execute same; Prepare for and attend conference call with Spectrum; Various discussions regarding investor and NBCN inquiries; Prepare for and attend conference call with Counsel; Prepare for and attend conference call with BDO and follow up with Counsel thereafter; Pond matters, review information and documents and then correspondence with Counsel; Correspondence re: stock options; Website matters.

5.70 hours

May 31, 2017

Jason Knight

- Reviewing counsel's comments re: Listing Agreement and related documents and incorporating changes; Prepare documents to be executed internally by the Receiver; Reviewing landscaping quote for Mount Nemo property; Call with third party responsible for management of investments contained with the fund; Conference call with Spectrum re: renewals of mortgages, reporting received, and various other items; Reviewing documentation related to loan to Pond Technologies and participation agreements for same; Compiling document summarizing the Pond Technologies loans; General correspondence; Discussion internally re: transfer of managed accounts to registered representatives; Drafting overview of funds section in First Report; Conference call with counsel re: strategy and other various items with respect to the proceedings; Call with CW auditors re: status of audits and proceedings in general; Internal meeting re: various NBCN items.

9.50 hours

May 31, 2017

Jonathan Krieger

- Review of correspondence and documentation re: fund holdings; Correspondence re: matters related to Pond; Correspondence re: investor database and queries re: matters related to transfer of accounts.

1.30 hours

May 31, 2017

Joseph Kim

- Return investor and advisor calls; Internal meeting.

2.50 hours

Total Time Summary

J. Krieger, Sr. Vice President	44.90	hours @	\$	575.00	\$	25,817.50
M. Wentzell, Sr. Vice President	0.70	hours @	\$	525.00	\$	367.50
B. Bando, Vice President	183.50	hours @	\$	495.00	\$	90,832.50
J. Knight, Manager	171.95	hours @	\$	275.00	\$	47,286.25
R. Wilford, Manager	33.55	hours @	\$	250.00	\$	8,387.50
A. Muhit, Sr. Associate	13.25	hours @	\$	200.00	\$	2,650.00
J. Kim, Sr. Associate	132.20	hours @	\$	200.00	\$	26,440.00
M. Quirk, Associate	6.60	hours @	\$	120.00	\$	792.00
V. Naccarato, Analyst	4.30	hours @	\$	120.00	\$	516.00
L. Pillegi, Analyst	2.00	hours @	\$	120.00	\$	240.00
R. Erian, Analyst	6.20	hours @	\$	120.00	\$	744.00
	<u>599.15</u>				\$	<u>204,073.25</u>
5% Technology and Administration Fees					\$	<u>10,203.66</u>
					\$	<u>214,276.91</u>

Disbursements

Mail redirections	\$	323.30
Vehicle Information package	\$	35.40
USB keys	\$	199.98
Courier	\$	75.70
Travel	\$	<u>921.62</u>
	\$	1,556.00

Subtotal	\$	215,832.91
HST (13%)	\$	<u>28,058.28</u>
Total	\$	<u><u>243,891.19</u></u>

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

Respondents

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

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

Proceedings commenced at Toronto

AFFIDAVIT OF JONATHAN KRIEGER

AIRD & BERLIS LLP

Barristers and Solicitors
Brookfield Place
Suite 1800, 181 Bay Street
Toronto, ON M5J 2T9

Steven L. Graff

Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Mark van Zandvoort

Tel: (416) 865-4742
Fax: (416) 863-1515
Email: mvanzandvoort@airdberlis.com

Kyle Plunkett

Tel: (416) 865-3406
Fax: (416) 863-1515
Email: kplunkett@airdberlis.com

Lawyers for the Court-Appointed Receiver

APPENDIX 35

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

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

Respondents

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

**AFFIDAVIT OF STEVEN L. GRAFF
(sworn June 22, 2017)**

**I, STEVEN L. GRAFF, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY AS FOLLOWS:**

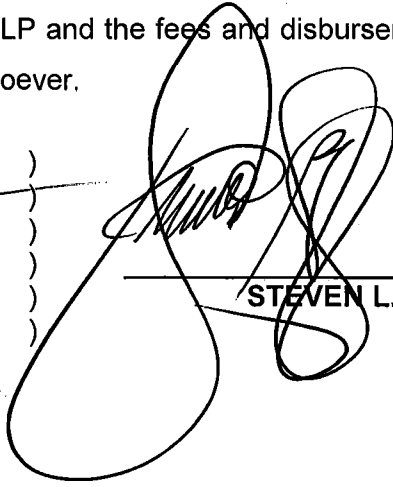
1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacities, the "**Receiver**"), without security, of: (i) all of the assets, undertakings, and properties of each of the Respondents, except the Respondent, Chrysalis Yoga Inc. ("**Chrysalis Yoga**") (each of the Respondents except for Chrysalis Yoga being individually and collectively, the "**Crystal Wealth Group**"); and (ii) the account of the Respondent, Chrysalis Yoga, No. 87296 00518 10 at Bank of Nova Scotia (the "**Chrysalis Account**").

2. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the Receiver, detailing its services rendered and disbursements incurred, namely:
- (a) an account dated May 31, 2017 in the amount of \$173,308.86 in respect of the period from April 24, 2017 to May 31, 2017; and
 - (b) an account dated June 21, 2017 in the amount of \$13,291.53 in respect of the period from May 25, 2017 to May 31, 2017 (time not captured on previous account),
- (together, the "**Statements of Account**"). Attached hereto and marked as **Exhibit "A"** to this Affidavit are copies of the Statements of Account. The average hourly rate of Aird & Berlis LLP is \$447.00.
3. Attached hereto and marked as **Exhibit "B"** to this Affidavit is a chart detailing the lawyers, law clerks and articling and summer students who have worked on this matter.
4. This Affidavit is made in support of a motion to, *inter alia*, approve the Statements of Accounts of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
this 22nd day of June 2017)

A commissioner, etc.

Mark van Zandvoort



STEVEN L. GRAFF

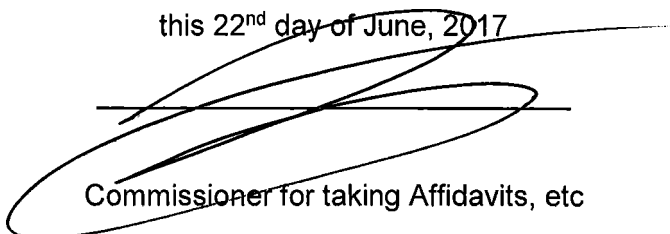
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF STEVEN L. GRAFF

Sworn before me

this 22nd day of June, 2017



Commissioner for taking Affidavits, etc

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

507

Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, ON
Canada M5H 3T4

Attention: Mr. Jonathan Krieger

Account No.: 566274

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 25227/137794

May 31, 2017

Re: Receivership of Crystal Wealth Management System Limited, et al

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended May 31, 2017

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	24/04/17	\$775.00	2.00	\$1,550.00	Attend at Court on 9:30 am appointment to obtain time for Wednesday Receivership Application
MJVZ	24/04/17	\$425.00	0.60	\$255.00	Revisions to factum; email to T. Jones regarding implementing same and circulating blackline to send to OSC following Court attendance
MJVZ	24/04/17	\$425.00	9.30	\$3,952.50	Numerous emails and conference calls from and to Y. Chisholm, C. Weiler, J. Tan, J. Krieger, S. Graff, M. Doane, J. Krieger and T. Jones in connection with Receivership Appointment hearing and materials including factum, notice of application, Orders and review and implement comments provided in connection with Order and Notice including with respect to inclusion of Chrysalis Yoga account and review of GT materials provided in connection with revisions to Orders including joint administration Order; revisions to draft Orders and Consent in connection with same and emails with M. Chiaravolloti concerning same and particulars for Vesting Order; instruct T. Jones regarding finalizing and delivering Brief of Authorities and review of same; review notice of application regarding

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					freeze directions and amend notice of application; circulating of revised documents and blacklines to C. Weiler and team and to J. Krieger; review of revised factum as emailed by C. Weiler
MC	25/04/17	\$300.00	0.20	\$60.00	Email from M. Van Zandvoort and reply; Review vesting order and confirm correctness of schedules; Email to M. Van Zandvoort
SLG	25/04/17	\$775.00	3.50	\$2,712.50	Prepare for Court attendance; review all documentation, records and orders
MJVZ	25/04/17	\$425.00	0.20	\$85.00	Email to J. Wainwright attaching factum and advising of circumstances to obtain input in anticipation of receivership; email from J. Wainwright
MJVZ	25/04/17	\$425.00	0.30	\$127.50	Request obtain and review profile reports for Spectrum-Canada Mortgages Services Inc. and Spectrum-Canada Capital (2002) Corporation; emails with M. Chiaravalloti regarding amendments to Vesting Order incorporating permitted encumbrances on title
MJVZ	25/04/17	\$425.00	0.20	\$85.00	Conference call with S. Graff
MJVZ	25/04/17	\$425.00	0.30	\$127.50	Conference call with S. Graff and J. Krieger regarding managed accounts and draft Appointment Order
MJVZ	25/04/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding materials for hearing
MJVZ	25/04/17	\$425.00	0.20	\$85.00	Further conference call with S. Graff and J. Krieger regarding para. 6 Appointment Order
MJVZ	25/04/17	\$425.00	0.70	\$297.50	Further conference calls with S. Graff and J. Krieger concerning revisions to Order
MJVZ	25/04/17	\$425.00	6.30	\$2,677.50	Numerous emails with J. Krieger, C. Weiler, J. Tan, and S. Graff concerning comments and revisions to draft Appointment Order and Vesting Order; email to C. Weiler regarding notice of application; emails with T. Jones and S. Graff concerning appointment of receiver over C. Smith; revisions to Notice of

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Application as requested by J. Krieger and email to C. Weiler attaching revised Notice and explanation for same; further review C. Weiler revisions to Notice of Application and incorporate same and email back revised Notice and blackline and to C. Weiler; revise draft Appointment Order and draft Vesting Order incorporating comments sent by J. Tan, C. Weiler, and J. Krieger; email same with blacklines to C. Weiler and J. Krieger; receive and review final factum; numerous other emails from and to Y. Chisholm, C. Weiler, J. Tan, J. Krieger, S. Graff, and T. Jones concerning matters for hearing tomorrow including materials and exchange of blacklines and position of respondents and correspondence from respondents
MJVZ	25/04/17	\$425.00	1.70	\$722.50	Receive and review Ho supplementary affidavit and Adler affidavits and exhibits in preparation for hearing tomorrow
SLG	26/04/17	\$775.00	2.50	\$1,937.50	Prepare for and attend Court on motion to appoint GTL as Receiver of Crystal Wealth
SLG	26/04/17	\$775.00	2.30	\$1,782.50	Discussion with M. van Zandvoort re privilege issues; discussion with M. van Zandvoort and B Miller re task and term agreement; consider issues re IA's and movement of client base; address hard drive copying and security issues
RTH	26/04/17	\$695.00	0.30	\$208.50	Review documents
TSJ	26/04/17	\$250.00	1.70	\$425.00	Issue order; scan order into system; research certain issue regarding privilege protocols
TSJ	26/04/17	\$250.00	2.10	\$525.00	Prepare for and attend court
MJVZ	26/04/17	\$425.00	2.10	\$892.50	Preparation for hearing this morning and meeting with S. Graff regarding same; email from Y. Chisholm and J. Tan regarding amendment to Order
MJVZ	26/04/17	\$425.00	2.50	\$1,062.50	Attend at application hearing before Justice Newbould and meeting with J. Krieger and C. Smith; arrange for issuance and entering of Orders

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	26/04/17	\$425.00	0.60	\$255.00	Emails with J. Krieger regarding materials for website; emails with all parties delivering Orders and endorsement from today
MJVZ	26/04/17	\$425.00	0.20	\$85.00	Conference call to R. Hooke with S. Graff regarding real estate closing; email to R. Hooke regarding same attaching APS
MJVZ	26/04/17	\$425.00	0.20	\$85.00	Instruct D. Saturno regarding transcription of Newbould J. endorsement and review of same
MJVZ	26/04/17	\$425.00	0.20	\$85.00	Emails from C. Weiler and S. Graff regarding records
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Emails from J. Krieger and E. Bessner
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Further email from E. Bessner
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Email from E. Bessner
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Voicemail from M. Westgate and emails with S. Graff regarding same
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Conference call with M. Westgate
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Email from M. Westgate
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Email to M. Westgate
MJVZ	26/04/17	\$425.00	0.30	\$127.50	Emails with J. Wainwright and J. Krieger and B. Bando regarding [REDACTED] [REDACTED]
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Email from E. Bessner
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding [REDACTED]
MJVZ	26/04/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding [REDACTED]
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Conference call with J. Wainwright
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Conference call with T. Jones regarding [REDACTED] [REDACTED]
MJVZ	26/04/17	\$425.00	0.20	\$85.00	Conference call with E. Bessner

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	26/04/17	\$425.00	1.60	\$680.00	Reporting email to J. Krieger regarding [REDACTED] email from J. Krieger concerning [REDACTED] review update from J. Krieger regarding [REDACTED] email from B. Bando; email from S. Graff regarding [REDACTED]; emails with B. Miller regarding same; email from A. Muhit attaching term sheet, review and revise term sheet and meeting with B. Miller regarding same; email [REDACTED] to B. Bando and J. Krieger; email from B. Bando
MJVZ	26/04/17	\$425.00	0.40	\$170.00	Email from J. Wainwright and emails to J. Wainwright attaching Order and IAs
MJVZ	26/04/17	\$425.00	1.10	\$467.50	Review emails from B. Bando and C. Smith regarding privilege issues; emails with B. Bando regarding same; emails with B. Bando and J. Krieger regarding back-up issues; email to S. Graff regarding same; review jurisprudence concerning privilege issue sent by T. Jones
MJVZ	26/04/17	\$425.00	0.30	\$127.50	Emails with J. Krieger regarding service list and update same and email service list to J. Krieger
MJVZ	26/04/17	\$425.00	0.20	\$85.00	Conference call with I. Aversa regarding privilege claim issue
MJVZ	26/04/17	\$425.00	0.30	\$127.50	Conference call with S. Graff regarding back-up issue
MJVZ	26/04/17	\$425.00	0.10	\$42.50	Review J. Krieger email [REDACTED]
MJVZ	26/04/17	\$425.00	0.30	\$127.50	Further conference call with S. Graff regarding [REDACTED]
MJVZ	26/04/17	\$425.00	0.20	\$85.00	Conference calls with S. Graff regarding [REDACTED]
IEA	27/04/17	\$475.00	0.50	\$237.50	Emails and discussions with M. van Zandvoort and client
SLG	27/04/17	\$775.00	0.30	\$232.50	Conference call with B. Miller and M. van Zandvoort re [REDACTED]
RTH	27/04/17	\$695.00	0.10	\$69.50	Telephone call from M. van Zandvoort

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
TSJ	27/04/17	\$250.00	2.20	\$550.00	Review and summarize investor agreements; emails with M. van Zandvoort re: same
BHM	27/04/17	\$725.00	0.40	\$290.00	Discussion with M. van Zandvoort
BHM	27/04/17	\$725.00	0.60	\$435.00	Review of termination letter and discussion with Mark van Zandvoort
BHM	27/04/17	\$725.00	0.40	\$290.00	Attendance on call with receiver
BHM	27/04/17	\$725.00	1.40	\$1,015.00	Meeting and discussion with M. van Zandvoort and J. Wainwright
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Conference call with B. Brando regarding [REDACTED]
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Conference call with B. Brando regarding [REDACTED]
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Conference call with B. Brando regarding [REDACTED]
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Conference call to M. Doane
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Email to M. Doane regarding back up
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Conference call with M. Doane
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Follow-up email to M. Doane further to conference call
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Email from M. Doane
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Emails from C. Smith and B. Bando regarding [REDACTED]
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Email from J. Wainwright; email to J. Wainwright in response
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Further email from J. Wainwright; email to J. Wainwright in response
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Email to B. Bando requesting executing agreements for IAs
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Email from B. Bando concerning [REDACTED]
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Emails from C. Smith and B. Bando regarding mortgages

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	27/04/17	\$425.00	0.40	\$170.00	Conference calls with B. Miller regarding [REDACTED]
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Conference call with I. Aversa regarding [REDACTED]
MJVZ	27/04/17	\$425.00	1.70	\$722.50	Draft termination letter and meeting with B. Miller regarding same
MJVZ	27/04/17	\$425.00	1.40	\$595.00	Meeting with J. Wainwright and B. Miller on [REDACTED]
MJVZ	27/04/17	\$425.00	0.50	\$212.50	Meeting with B. Miller and conference call with B. Miller and S. Graff
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Conference call with I. Aversa regarding [REDACTED]
MJVZ	27/04/17	\$425.00	0.80	\$340.00	Draft Termination letter to employees; review WEPA and BIA regarding same; emails with I. Aversa regarding same
MJVZ	27/04/17	\$425.00	1.60	\$680.00	Further emails from B. Bando and C. Smith attaching Investment Counsel Agreement and contracts for S. Whale; J. Mushaluk; T. Johnston; Johnston amendment; G. Reiner; and A. Housego; review of same and instruct T. Jones regarding preparation of summary of IA contracts
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Review further emails between C. Smith and B. Bando; emails with J. Wainwright regarding same
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Email to J. Krieger re [REDACTED]; email from J. Krieger concerning [REDACTED]
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Emails with B. Bando regarding [REDACTED]
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Conference call with R. Hooke regarding Mount Nemo Property
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Email to J. Krieger regarding [REDACTED]; email from J. Krieger regarding conference call
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Conference call with B. Miller and J. Krieger

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Further emails with J. Krieger regarding [REDACTED] [REDACTED] email from S. Graff regarding reservation of rights
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Conference call to G. Brechin
MJVZ	27/04/17	\$425.00	0.50	\$212.50	Email to G. Brechlin
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Email from G. Brechlin; further emails with G. Brechlin
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Email to M. Doane regarding Mount Nemo Transaction
MJVZ	27/04/17	\$425.00	0.80	\$340.00	Emails from C. Smith regarding Mount Nemo Property; emails to and from J. Smith regarding Mount Nemo property; review documentation emailed by J. Smith and comparison of unsigned version from application record
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Emails with B. Bando regarding [REDACTED]
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Conference call with B. Miller
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Conference calls and office conferences with T. Jones regarding [REDACTED]
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Review email from C. Weiler regarding Temporary Order restrictions
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Review summary prepared by J. Wainwright setting out registered individuals for CW and nature of registrations
MJVZ	27/04/17	\$425.00	0.30	\$127.50	Review and consider letter from E. Bessner
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Email from M. Westgate
MJVZ	27/04/17	\$425.00	0.80	\$340.00	Caselaw research regarding anticipatory breach of APS and reservation of rights to pursue damages
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Review and consider email from E. Bessner and voicemail from E. Bessner

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	27/04/17	\$425.00	0.60	\$255.00	Email to J. Krieger setting out proposed response to E. Bessner; email from J. Krieger regarding [REDACTED] and email to E. Bessner
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Email to E. Bessner
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Email to J. Krieger and B. Bando setting out [REDACTED] email from B. Bando and J. Krieger [REDACTED]
MJVZ	27/04/17	\$425.00	0.20	\$85.00	Email to S. Frankel regarding Mount Nemo Property; emails with S. Graff regarding contacting Frankel and letter to McCreedy
MJVZ	27/04/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]; email to B. Bando regarding [REDACTED]
JAW	27/04/17	\$695.00	2.60	\$1,807.00	Review Crystal Wealth documents; Miscellaneous emails to and from M. Van Zandvoort; Meeting with M. Van Zandvoort and B. Miller; Draft chart re: OSC registrations
SLG	28/04/17	\$775.00	0.40	\$310.00	Various emails from M. van Zandvoort re status and communication; emails from M. Doane
RTH	28/04/17	\$695.00	0.10	\$69.50	Email from M. van Zandvoort
TSJ	28/04/17	\$250.00	1.10	\$275.00	Review and summarize investor agreements; draft finalized summary; review references in affidavit record to certain individual and discuss same with M. van Zandvoort
BHM	28/04/17	\$725.00	1.60	\$1,160.00	Various discussions with and meetings with M. van vanZandvoort and J. Wainwright
BHM	28/04/17	\$725.00	0.80	\$580.00	Review of issues
BHM	28/04/17	\$725.00	0.60	\$435.00	Review of notices
MJVZ	28/04/17	\$425.00	0.20	\$85.00	Review summary prepared by T. Jones regarding [REDACTED]
MJVZ	28/04/17	\$425.00	0.10	\$42.50	Email from S. Frankel regarding Mount Nemo property

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	28/04/17	\$425.00	0.20	\$85.00	Email to J. Krieger and B. Bando regarding [REDACTED] email from J. Krieger; email from B. Bando; emails with S. Graff regarding contacting McCready
MJVZ	28/04/17	\$425.00	0.10	\$42.50	Emails with J. Smith regarding email address set out for Buyer in notice provision of the APS
MJVZ	28/04/17	\$425.00	0.10	\$42.50	Emails from C. Smith and B. Bando
MJVZ	28/04/17	\$425.00	0.10	\$42.50	Emails with B. Bando regarding [REDACTED]
MJVZ	28/04/17	\$425.00	1.00	\$425.00	Draft letter to M. McCready; emails with S. Graff regarding same and revisions to draft letter; email draft letter to J. Krieger and B. Bando; receive [REDACTED] and finalize draft letter and arrange for delivery and service; emails with process server regarding same; draft covering email
MJVZ	28/04/17	\$425.00	0.20	\$85.00	Email from A. Jaborek attaching APS and review of same
MJVZ	28/04/17	\$425.00	1.00	\$425.00	Review diagram in anticipation of conference call with B. Bando and conference call with B. Bando, B. Miller and J. Wainwright and follow-up emails to B. Bando, B. Miller and J. Wainwright and to S. Graff in connection with same
MJVZ	28/04/17	\$425.00	0.10	\$42.50	Conference call to B. Bando regarding [REDACTED]
MJVZ	28/04/17	\$425.00	0.30	\$127.50	Email from M. Doane regarding publishing of personal information; emails with S. Graff regarding same and email to M. Doane
MJVZ	28/04/17	\$425.00	0.10	\$42.50	Email from C. Smith and to B. Bando regarding insurance issue
MJVZ	28/04/17	\$425.00	0.50	\$212.50	Various emails from and to J. Wainwright, B. Miller and S. Graff regarding approach [REDACTED] and emails with J. Krieger and B. Bando regarding same

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	28/04/17	\$425.00	0.20	\$85.00	Emails from B. Bando and C. Smith regarding Mount Nemo Property and [REDACTED]
MJVZ	28/04/17	\$425.00	0.20	\$85.00	Review draft letter prepared by J. Wainwright to clients/investors in preparation for attendance on conference call with J. Krieger and B. Bando
MJVZ	28/04/17	\$425.00	1.10	\$467.50	Meeting with B. Miller and J. Wainwright and conference call with B. Miller, J. Wainwright, J. Krieger, J. Knight, and B. Bando and email to counsel to IFDS
MJVZ	28/04/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding [REDACTED]
MJVZ	28/04/17	\$425.00	0.10	\$42.50	Review email from B. Bando to C. Smith regarding no transactions during period of review
MJVZ	28/04/17	\$425.00	0.10	\$42.50	Review Extension Order and email sent by C. Weiler
MJVZ	28/04/17	\$425.00	0.40	\$170.00	Review email from B. Bando regarding [REDACTED]; email to Blaney McMurty and IFDS; email from B. Prentice; email to B. Prentice; email from D. Ullmann; email to S. Graff, B. Miller and to J. Wainwright regarding [REDACTED]
MJVZ	28/04/17	\$425.00	0.10	\$42.50	Review [REDACTED] sent by J. Krieger
MJVZ	28/04/17	\$425.00	0.20	\$85.00	Emails with S. Graff regarding next steps and conference call
JAW	28/04/17	\$695.00	2.50	\$1,737.50	Telephone call with M. Van Vandvoort, B. Miller and Grant Thornton; Draft letter to Crystal Capital Wealth clients; Conference call with Grant Thornton; Ongoing review of documents
SLG	29/04/17	\$775.00	1.00	\$775.00	Telephone call with M. van Zandvoort re [REDACTED]
TSJ	29/04/17	\$250.00	0.50	\$125.00	Review and summarize certain investor's holdings for M. van Zandvoort in response to inquiry

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	29/04/17	\$425.00	0.10	\$42.50	Review emails from Y. Chisholm and T. Murphy
MJVZ	29/04/17	\$425.00	0.10	\$42.50	Email from S. Graff [REDACTED]
MJVZ	29/04/17	\$425.00	0.10	\$42.50	Review email from [REDACTED] to S. Graff
MJVZ	29/04/17	\$425.00	0.10	\$42.50	Emails from J. Wainwright and B. Miller regarding [REDACTED]
MJVZ	29/04/17	\$425.00	0.20	\$85.00	Emails with T. Jones regarding [REDACTED]
MJVZ	29/04/17	\$425.00	1.00	\$425.00	Review IA Agreements and notes from Friday calls with B. Bando and J. Krieger in preparation for conference call with S. Graff
MJVZ	29/04/17	\$425.00	0.50	\$212.50	Conference call with S. Graff regarding [REDACTED]
MJVZ	29/04/17	\$425.00	0.30	\$127.50	Further conference call with S. Graff regarding [REDACTED]
BHM	30/04/17	\$725.00	0.40	\$290.00	Review of draft notices
BHM	30/04/17	\$725.00	0.20	\$145.00	Communicate with M. van Zandvoort
MJVZ	30/04/17	\$425.00	0.10	\$42.50	Emails with B. Bando regarding investor notice
MJVZ	30/04/17	\$425.00	2.40	\$1,020.00	Draft Notice to CW clients and investors and email same for comments to S. Graff, J. Wainwright, and B. Miller
MJVZ	30/04/17	\$425.00	0.50	\$212.50	Email from S. Graff providing comments on notice; revise Notice and circulate revised Notice and blackline
MJVZ	30/04/17	\$425.00	0.10	\$42.50	Emails with J. Wainwright regarding Notice and filing requirements
MJVZ	30/04/17	\$425.00	0.10	\$42.50	Emails with B. Miller regarding Notice
MJVZ	30/04/17	\$425.00	0.20	\$85.00	Conference call with S. Graff to finalize notice
MJVZ	30/04/17	\$425.00	0.70	\$297.50	Revise and finalize notice; email revised Notice with blackline to S. Graff, B. Miller, and J. Wainwright; email [REDACTED]

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	30/04/17	\$425.00	0.10	\$42.50	Email to J. Wainwright regarding [REDACTED]
MJVZ	30/04/17	\$425.00	0.20	\$85.00	Email to S. Graff regarding E. Bessner; emails with S. Graff regarding same
MJVZ	30/04/17	\$425.00	0.20	\$85.00	Email from B. Bando regarding [REDACTED]
MJVZ	30/04/17	\$425.00	2.50	\$1,062.50	Draft letter to registered individuals and release to be executed; email same to S. Graff, J. Wainwright, and B. Miller for comments; implement S. Graff revisions to letter
MJVZ	30/04/17	\$425.00	0.20	\$85.00	Further conference call with S. Graff regarding [REDACTED]
MJVZ	30/04/17	\$425.00	0.20	\$85.00	Email to B. Bando and J. Krieger [REDACTED]; emails from B. Bando, J. Krieger, and S. Graff
SLG	01/05/17	\$775.00	1.10	\$852.50	Several telephone calls with M. van Zandvoort re [REDACTED]; emails with B. Bando and emails with J. Wainwright
AEM	01/05/17	\$475.00	0.10	\$47.50	Discuss NRD access and change of chief authorized firm representative with J. Wainwright
BHM	01/05/17	\$725.00	0.40	\$290.00	Further review of various notices
BHM	01/05/17	\$725.00	0.30	\$217.50	Communications with M. van Zandvoort
MJVZ	01/05/17	\$425.00	0.10	\$42.50	Emails with B. Miller
MJVZ	01/05/17	\$425.00	0.20	\$85.00	Emails from J. Wainwright regarding [REDACTED]
MJVZ	01/05/17	\$425.00	0.40	\$170.00	Email from D. Saturno [REDACTED]; further correspondence from process server and with D. Saturno regarding [REDACTED]
MJVZ	01/05/17	\$425.00	0.20	\$85.00	Review and consider responses raised by [REDACTED]

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	01/05/17	\$425.00	0.10	\$42.50	Review further info from J. Wainwright regarding [REDACTED] email to J. Wainwright regarding same
MJVZ	01/05/17	\$425.00	0.30	\$127.50	Emails and conference call with S. Graff
MJVZ	01/05/17	\$425.00	0.20	\$85.00	Review email from E. Bessner; email to Receiver regarding [REDACTED]; email from B. Bando regarding [REDACTED]
MJVZ	01/05/17	\$425.00	0.10	\$42.50	Review J. Wainwright revisions to letter to registered investors
MJVZ	01/05/17	\$425.00	0.20	\$85.00	Conference call with B. Bando
MJVZ	01/05/17	\$425.00	0.10	\$42.50	Review email from C. Smith
MJVZ	01/05/17	\$425.00	0.40	\$170.00	Revise draft termination letter and email same to B. Miller for comments
MJVZ	01/05/17	\$425.00	0.10	\$42.50	Review B. Bando [REDACTED]
MJVZ	01/05/17	\$425.00	0.50	\$212.50	Meeting with J. Wainwright and conference call with J. Wainwright, B. Bando, and J. Knight
MJVZ	01/05/17	\$425.00	0.20	\$85.00	Conference call with B. Miller regarding [REDACTED]
MJVZ	01/05/17	\$425.00	0.10	\$42.50	Conference call with J. Wainwright regarding [REDACTED]
MJVZ	01/05/17	\$425.00	1.20	\$510.00	Receive and review J. Wainwright revisions to letter to registered individuals; further revise same and email to B. Bando; further emails from J. Wainwright concerning same and attaching acknowledgement to portfolio clients; revise same and conference call with J. Wainwright regarding revisions to same
MJVZ	01/05/17	\$425.00	0.30	\$127.50	Conference call with S. Graff regarding [REDACTED]
MJVZ	01/05/17	\$425.00	0.10	\$42.50	Conference call with B. Bando

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	01/05/17	\$425.00	0.30	\$127.50	Emails from J. Krieger and B. Bando regarding [REDACTED]; review J. Knight email [REDACTED]
MJVZ	01/05/17	\$425.00	0.40	\$170.00	Review confidentiality and teaser and emails with S. Graff regarding same
JAW	01/05/17	\$695.00	4.30	\$2,988.50	Review and respond to emails; Draft materials re: termination of registered status; Draft termination notice for Crystal Wealth clients; Conference call with Grant Thornton
SLG	02/05/17	\$775.00	1.40	\$1,085.00	Several emails with and discussion with M. van Zandvoort re [REDACTED]; address issues with FFAS and D. Ullman
MJVZ	02/05/17	\$425.00	0.10	\$42.50	Voicemail to D. Ullmann
MJVZ	02/05/17	\$425.00	0.30	\$127.50	Emails with D. Saturno regarding [REDACTED]
MJVZ	02/05/17	\$425.00	0.20	\$85.00	Email to B. Bando regarding teaser and confidentiality agreement
MJVZ	02/05/17	\$425.00	0.30	\$127.50	Emails with B. Bando regarding emails from C. Smith and requests to NBCN and IFDS
MJVZ	02/05/17	\$425.00	0.10	\$42.50	Emails with J. Krieger and S. Graff regarding [REDACTED]
MJVZ	02/05/17	\$425.00	0.10	\$42.50	Emails with D. Ullmann
MJVZ	02/05/17	\$425.00	0.20	\$85.00	Conference call with S. Graff
MJVZ	02/05/17	\$425.00	0.30	\$127.50	Conference call with D. Ullman and B. Prentice
MJVZ	02/05/17	\$425.00	0.20	\$85.00	Follow-up email to J. Krieger and B. Bando regarding [REDACTED]
MJVZ	02/05/17	\$425.00	0.50	\$212.50	Review email from B. Bando and correspondence from NBCN and proposed communication to clients; revise same and email to S. Graff and J. Wainwright

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	02/05/17	\$425.00	0.30	\$127.50	Review correspondence as sent by B. Bando with letters to registered individuals; email to E. Bossner regarding same and email to B. Bando regarding [REDACTED]
MJVZ	02/05/17	\$425.00	0.80	\$340.00	Review email from C. Weiler and from B. Bando and emails with J. Wainwright and S. Graff regarding same; review email from C. Smith and attachments regarding hedge and meet with S. Graff regarding [REDACTED]
MJVZ	02/05/17	\$425.00	0.20	\$85.00	Emails with B. Bando regarding [REDACTED]
MJVZ	02/05/17	\$425.00	0.20	\$85.00	Email to B. Bando regarding [REDACTED] conference call with B. Bando regarding [REDACTED]
MJVZ	02/05/17	\$425.00	0.20	\$85.00	Emails with B. Bando regarding [REDACTED]
MJVZ	02/05/17	\$425.00	0.20	\$85.00	Conference call with S. Graff and emails with S. Graff regarding [REDACTED]
MJVZ	02/05/17	\$425.00	0.10	\$42.50	Email to J. Wainwright regarding [REDACTED]
JAW	02/05/17	\$695.00	1.30	\$903.50	Review email correspondence; Review application record re: frozen accounts and managed account client relationships; Email to M. Van Zandvoort re: [REDACTED] Review ongoing emails re: derivative trading questions
SLG	03/05/17	\$775.00	2.50	\$1,937.50	Address various issues; lengthy telephone call with B. Bando re [REDACTED]
MJVZ	03/05/17	\$425.00	0.20	\$85.00	Correspondence with J. Wainwright
MJVZ	03/05/17	\$425.00	0.30	\$127.50	Conference calls with B. Bando and J. Wainwright regarding [REDACTED]
MJVZ	03/05/17	\$425.00	0.20	\$85.00	Receive and review emails from B. Bando and C. Smith regarding [REDACTED]
MJVZ	03/05/17	\$425.00	0.10	\$42.50	Review email from M. Doane regarding screening parameters

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	03/05/17	\$425.00	0.30	\$127.50	Review emails from T. Johnston and B. Bando regarding [REDACTED]
MJVZ	03/05/17	\$425.00	0.20	\$85.00	Review email from E. Bessner regarding scheduling meeting
MJVZ	03/05/17	\$425.00	0.10	\$42.50	Review email from B. Bando regarding [REDACTED]
MJVZ	03/05/17	\$425.00	0.10	\$42.50	Correspondence with A. Crawley
MJVZ	03/05/17	\$425.00	0.30	\$127.50	Receive correspondence from D. Ullmann; Email to D. Ullman regarding request for information
MJVZ	03/05/17	\$425.00	0.20	\$85.00	Email to B. Bando regarding [REDACTED]
MJVZ	03/05/17	\$425.00	0.50	\$212.50	Conference call with B. Bando, S. Graff, J. Krieger and J. Wainwright
MJVZ	03/05/17	\$425.00	0.30	\$127.50	Additional telephone calls with B. Bando and with J. Wainwright
MJVZ	03/05/17	\$425.00	1.80	\$765.00	Telephone call with S. Graff and B. Bando regarding [REDACTED]
MJVZ	03/05/17	\$425.00	0.30	\$127.50	Emails with E. Bessner, S. Graff, B. Bando, and J. Krieger regarding [REDACTED]
MJVZ	03/05/17	\$425.00	1.00	\$425.00	Draft and send response to D. Ullman and email to B. Bando regarding [REDACTED]
JAW	03/05/17	\$695.00	1.60	\$1,112.00	Review and respond to emails re: registered representatives; Review emails re: meeting with B. Bessner; Review and respond to email re: filing of 45-106 F1s with BCSC; Telephone call with M. Van Zandvoort and B. Bando re: [REDACTED]; Review email correspondence
JAW	03/05/17	\$695.00	0.50	\$347.50	Review email correspondence
JAW	03/05/17	\$695.00	-0.50	(\$347.50)	Review email correspondence
MJVZ	04/05/17	\$425.00	0.10	\$42.50	Email to A. Crawley

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	04/05/17	\$425.00	0.10	\$42.50	Correspondence with S. Graff regarding [REDACTED]
MJVZ	04/05/17	\$425.00	0.40	\$170.00	Correspondence with J. Krieger, B. Bando, and S. Graff regarding [REDACTED]
MJVZ	04/05/17	\$425.00	0.20	\$85.00	Correspondence with D. Ullmann regarding Exhibit 71
MJVZ	04/05/17	\$425.00	0.20	\$85.00	Review correspondence from J. Wainwright regarding [REDACTED]
MJVZ	04/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
JAW	04/05/17	\$695.00	0.30	\$208.50	Review emails; Draft email re: 45-106F1s
SLG	05/05/17	\$775.00	0.30	\$232.50	Review emails [REDACTED] emails to C. Smith from GTL
MJVZ	05/05/17	\$425.00	0.20	\$85.00	Emails with S. Graff regarding phone call with A. Crawley
MJVZ	05/05/17	\$425.00	0.20	\$85.00	Emails to A. Crawley and from A. Crawley regarding phone call
MJVZ	05/05/17	\$425.00	0.20	\$85.00	Review correspondence from S. Graff and B. Bando regarding [REDACTED]
MJVZ	05/05/17	\$425.00	0.20	\$85.00	Receive and review email from J. Krieger regarding [REDACTED] Email to S. Graff regarding [REDACTED]
MJVZ	07/05/17	\$425.00	0.20	\$85.00	Various emails with J. Krieger, S. Graff and B. Bando
SLG	08/05/17	\$775.00	1.30	\$1,007.50	Conference call with J. Krieger and B. Bando from GTL and M. van Zandvoort re: [REDACTED]
SLG	08/05/17	\$775.00	0.70	\$542.50	Conference call with M. van Zandvoort and A. Crowley re specialists in monetization and course of action and books and records

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	08/05/17	\$775.00	0.80	\$620.00	Discussion with B. Bando, M. van Zandvoort and E. Janey (IFDS counsel) re next steps, investors communications and continued work
AEM	08/05/17	\$475.00	1.40	\$665.00	Review schedules to reports of exempt distribution; E-mail P. Pulnyev regarding reports of exempt distribution
SRM	08/05/17	\$350.00	0.20	\$70.00	Obtain, review and report on corporate profile for Crystal Wealth Marketing Inc.
PP	08/05/17	\$180.00	2.50	\$450.00	Convert Schedule 1 to Form 45-406F1 for Crystal Wealth group of companies from new format to old format
MJVZ	08/05/17	\$425.00	0.60	\$255.00	Conference call with J. Krieger, B. Bando, and S. Graff regarding [REDACTED]
MJVZ	08/05/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding [REDACTED]
MJVZ	08/05/17	\$425.00	5.80	\$2,465.00	Various emails to and from B. Bando, D. Ullmann, S. Graff, B. Prentice, C. Weiler, C. Smith, J. Wainwright, F. Ferrer, TD Bank, D. Saturno, S. Morris and S. Bieber regarding various matters concerning receivership of Crystal Wealth and Crystal Wealth Funds and in anticipation of conference calls; review Globe article regarding Clayton Smith interview, Appointment Order, Crystal Wealth Marketing profile obtained, and draft fund summary in connection with same; instructing regarding service list updates
MJVZ	08/05/17	\$425.00	0.50	\$212.50	Conference call with S. Graff and with A. Crawley
MJVZ	08/05/17	\$425.00	0.20	\$85.00	Conference call with B. Bando regarding [REDACTED]
MJVZ	08/05/17	\$425.00	0.10	\$42.50	Conference call with I. Aversa regarding [REDACTED]
MJVZ	08/05/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding [REDACTED]
MJVZ	08/05/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding [REDACTED]

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	08/05/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding [REDACTED]
MJVZ	08/05/17	\$425.00	0.60	\$255.00	Meeting with S. Graff and conference call with S. Graff, D. Ullman, B. Prentice, and B. Bando regarding IFDS
MJVZ	08/05/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding [REDACTED]
MJVZ	08/05/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding [REDACTED]
MJVZ	08/05/17	\$425.00	4.20	\$1,785.00	Draft receiver response to C. Smith investor communication; draft Notice to Investors concerning C. Smith investor communication and email [REDACTED]
JAW	08/05/17	\$695.00	0.40	\$278.00	Review email from BLG; Email to securities clerk re: 45-106F1s; Follow-up emails re: same
SLG	09/05/17	\$775.00	1.20	\$930.00	Lengthy conference call (pre-prepared agenda) with reps of OSC to update status of receivership and address various issues
SLG	09/05/17	\$775.00	0.60	\$465.00	Draft email to C. Smith and Notice of Investor re C. Smith communications
AEM	09/05/17	\$475.00	0.30	\$142.50	Instruct P. Pulnyev; Discuss reports of exempt distribution with J. Wainwright
MJVZ	09/05/17	\$425.00	0.10	\$42.50	Receive and review email from J. Krieger
MJVZ	09/05/17	\$425.00	0.10	\$42.50	Review correspondence from B. Bando and C. Smith regarding dropbox access
MJVZ	09/05/17	\$425.00	0.20	\$85.00	Review email from B. Bando regarding [REDACTED] Email to B. Bando regarding [REDACTED]
MJVZ	09/05/17	\$425.00	0.20	\$85.00	Review various correspondence from S. Graff and B. Bando regarding [REDACTED]; Review notice to investors regarding [REDACTED]
MJVZ	09/05/17	\$425.00	0.20	\$85.00	Review correspondence from F. Ferrer and J. Wainwright regarding BC Securities Commission inquiry

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	09/05/17	\$425.00	0.20	\$85.00	Review B. Bando email and attached [REDACTED]
MJVZ	09/05/17	\$425.00	0.10	\$42.50	Review email from D. Saturno regarding [REDACTED]
MJVZ	09/05/17	\$425.00	0.10	\$42.50	Email from D. Saturno regarding service list
JAW	09/05/17	\$695.00	0.40	\$278.00	Review internal emails re: 45-106F1s; Telephone message to BCSC; Email to Grant Thornton re: status of revised schedules
SLG	10/05/17	\$775.00	2.00	\$1,550.00	Several telephone calls with M. van Zandvoort re [REDACTED] consider rep counsel issues and emails from A. Crawley and other investors; consider authority over discretionary accounts; coordinate call with Media House
TSJ	10/05/17	\$250.00	1.00	\$250.00	Review and revise reports of exempt distribution
BHM	10/05/17	\$725.00	0.20	\$145.00	Discussion with M. van Zandvoort
BHM	10/05/17	\$725.00	0.20	\$145.00	Review of draft termination letter
SRM	10/05/17	\$350.00	0.20	\$70.00	Obtain, review and report on corporate profile for 0714886 B.C. Ltd.
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Email from B. Bando regarding [REDACTED] and email to S. Graff regarding [REDACTED]
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Message from M. Findley and email to S. Graff regarding [REDACTED]
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Email from A. Crawley and email to S. Graff
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Email from [REDACTED] at [REDACTED] and email to S. Graff regarding same
MJVZ	10/05/17	\$425.00	0.30	\$127.50	Conference call with S. Graff regarding today's developments and next steps
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Further conference call with S. Graff regarding today's developments

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	10/05/17	\$425.00	0.50	\$212.50	Access and preliminary review of drop box; emails with S. Morris and S. Graff regarding same
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Conference call with B. Bando regarding [REDACTED]
MJVZ	10/05/17	\$425.00	0.70	\$297.50	Prepare and revise termination letter; conference calls and emails with B. Miller regarding [REDACTED]; email [REDACTED] to B. Bando; emails with J. Krieger regarding [REDACTED] and further conference call with B. Bando; revise letter and email [REDACTED] to B. Bando
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Email from C. Weller; email and telephone call with S. Graff regarding same
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Review email from B. Bando regarding [REDACTED]; emails with S. Graff regarding [REDACTED]
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Conference call with M. Finley
MJVZ	10/05/17	\$425.00	0.30	\$127.50	Conference call with B. Bando regarding [REDACTED], review notice and advise [REDACTED] review revised notice
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Reporting email to J. Krieger and B. Bando regarding [REDACTED]
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Emails with [REDACTED]
MJVZ	10/05/17	\$425.00	0.60	\$255.00	Email from B. Prentice regarding IFDS agreement; conference call with S. Graff regarding same; email to B. Prentice; further email from B. Prentice; further email to B. Prentice; email from B. Bando regarding [REDACTED]; email to B. Prentice and to D. Ullman regarding same
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding A. Crawley

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Emails with S. Graff, B. Bando, and J. Knight regarding [REDACTED]
MJVZ	10/05/17	\$425.00	0.30	\$127.50	Review appointment order regarding stay proceedings; emails with J. Knight and additional emails with S. Graff
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Emails from and to J. Krieger and from S. Graff regarding [REDACTED]
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Conference call with S. Graff
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding E. Bessner meeting and A. Crawley meeting
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Email to J. Wainwright regarding E. Bessner meeting
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Email to A. Crawley regarding conference call
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Email to S. Morris regarding profile for 0714886 BC LTD.; review email response from S. Morris and email to D. Saturno directing regarding updating service list
MJVZ	10/05/17	\$425.00	0.50	\$212.50	Email from [REDACTED] and email to S. Graff regarding same
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Emails with J. Knight and to S. Graff regarding [REDACTED]
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Email from and to B. Bando regarding [REDACTED] email to S. Graff regarding [REDACTED] further emails with B. Bando regarding [REDACTED]
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Review and consider email from B. Prentice
MJVZ	10/05/17	\$425.00	0.20	\$85.00	Emails with S. Graff regarding [REDACTED]
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding conference call
MJVZ	10/05/17	\$425.00	0.10	\$42.50	Email from A. Crawley
JAW	10/05/17	\$695.00	0.50	\$347.50	Review internal correspondence re: revised 45-106F1s

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	11/05/17	\$775.00	0.60	\$465.00	Attend meeting with C. Besner and client
SLG	11/05/17	\$775.00	0.60	\$465.00	Telephone call with A. Crawley, M. McKeown, M. van Zandvoort and GTL re rep counsel role and status
SLG	11/05/17	\$775.00	0.40	\$310.00	Review issues and various emails re IFDS etc
SLG	11/05/17	\$775.00	0.70	\$542.50	Conference call with C. Weiler and J. Tan and GTL re status of issues and documentation review and trading parameters
SRM	11/05/17	\$350.00	2.90	\$1,015.00	Begin review and organization of loan documents and emails re same
MJVZ	11/05/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding preparation for conference call with Receiver and Commission
MJVZ	11/05/17	\$425.00	0.70	\$297.50	Conference call with C. Weiler, S. Graff, J. Tan, J. Krieger, and B. Bando
MJVZ	11/05/17	\$425.00	0.10	\$42.50	Follow-up conference call with S. Graff
MJVZ	11/05/17	\$425.00	0.10	\$42.50	Email to J. Wainwright and from J. Wainwright regarding meeting with E. Bessner
MJVZ	11/05/17	\$425.00	0.30	\$127.50	Conference call with B. Bando; emails with S. Morris regarding document review
MJVZ	11/05/17	\$425.00	0.20	\$85.00	Email to J. Krieger and B. Bando regarding [REDACTED]
MJVZ	11/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
MJVZ	11/05/17	\$425.00	0.20	\$85.00	Email to B. Prentice regarding [REDACTED]
MJVZ	11/05/17	\$425.00	0.60	\$255.00	Email from B. Prentice regarding IFDS and attaching agreements; review of same
MJVZ	11/05/17	\$425.00	0.20	\$85.00	Email from B. Prentice attaching invoices; review of same and email to S. Graff regarding [REDACTED]
MJVZ	11/05/17	\$425.00	2.30	\$977.50	Meeting with S. Graff, J. Krieger, and B. Bando and conference call with A. Crawley and M. MacKewn; meeting with S. Graff, J. Krieger, B. Bando, E. Bessner, and S.

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Azan; follow-up conference calls with J. Wainwright and with S. Graff
MJVZ	11/05/17	\$425.00	0.20	\$85.00	Email to J. Wainwright regarding [REDACTED]
MJVZ	11/05/17	\$425.00	0.20	\$85.00	Review emails between B. Bando and S. Brotman; review emails from B. Bando regarding [REDACTED]
SLG	12/05/17	\$775.00	0.40	\$310.00	Review email to [REDACTED]; discussion with M. van Zandvoort
MJVZ	12/05/17	\$425.00	0.10	\$42.50	Email from Receiver regarding [REDACTED]
MJVZ	12/05/17	\$425.00	0.10	\$42.50	Emails with T. Jones regarding brief of authorities and email same to Receiver for Case Website
MJVZ	12/05/17	\$425.00	0.20	\$85.00	Review and consider emails from J. Wainwright regarding [REDACTED]
MJVZ	12/05/17	\$425.00	0.10	\$42.50	Email to J. Wainwright regarding [REDACTED]
MJVZ	12/05/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding [REDACTED]
MJVZ	12/05/17	\$425.00	0.30	\$127.50	Finalize [REDACTED] and email [REDACTED] to J. Krieger and B. Bando; email from J. Krieger; email response to investor
MJVZ	12/05/17	\$425.00	0.20	\$85.00	Conference calls with S. Graff regarding [REDACTED]
MJVZ	12/05/17	\$425.00	0.10	\$42.50	Email to B. Bando regarding [REDACTED]
MJVZ	12/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
MJVZ	12/05/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding [REDACTED]
MJVZ	12/05/17	\$425.00	0.10	\$42.50	Emails to B. Bando regarding [REDACTED]
MJVZ	12/05/17	\$425.00	0.10	\$42.50	Email from J. Wainwright regarding [REDACTED]

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	12/05/17	\$425.00	0.10	\$42.50	Email to J. Wainwright regarding [REDACTED] and reporting to Receiver regarding [REDACTED]
MJVZ	12/05/17	\$425.00	0.20	\$85.00	Emails to and from C. Weiler
MJVZ	12/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
MJVZ	12/05/17	\$425.00	1.20	\$510.00	Draft letter to registered individuals and email [REDACTED]
JAW	12/05/17	\$695.00	0.60	\$417.00	Review and respond to M. Van Zandvoort email; Internal review re: 45-106F1s; Email to M. Van Zandvoort re: same
MJVZ	14/05/17	\$425.00	0.10	\$42.50	Email from investor regarding service list
SLG	15/05/17	\$775.00	0.40	\$310.00	Review status and emails; participate in call with OSC re form and deregistration process
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Emails with S. Graff
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email to A. Crawley
MJVZ	15/05/17	\$425.00	0.30	\$127.50	Conference call with C. Weiler, A. McBain, V. Parish, J. Krieger, and S. Graff
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Follow-up conference call with S. Graff
MJVZ	15/05/17	\$425.00	0.20	\$85.00	Email to investor; instruct D. Saturno regarding updating service list; review revised service list
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email to [REDACTED]
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email from [REDACTED]
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email to B. Bando attaching revised service list
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Conference call with B. Miller
MJVZ	15/05/17	\$425.00	0.10	\$42.50	[REDACTED]
MJVZ	15/05/17	\$425.00	0.90	\$382.50	[REDACTED]
MJVZ	15/05/17	\$425.00	0.20	\$85.00	Review email from J. Knight and attached draft letter to C. Smith

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	15/05/17	\$425.00	0.30	\$127.50	Review draft letter/blackline and prior employment status letter and email comments to S. Graff concerning [REDACTED]
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Voicemail from and conference call with B. Bando
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email from J. Wainwright regarding [REDACTED]
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email from J. Wainwright regarding [REDACTED]
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email from A. McBain regarding gaining access to NRD
MJVZ	15/05/17	\$425.00	0.20	\$85.00	Email to J. Wainwright regarding [REDACTED]
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email from J. Wainwright regarding forms to be completed to effect new chief AFR to then designate A&B to complete the on-line 33-109 filings on Receiver's behalf
MJVZ	15/05/17	\$425.00	0.20	\$85.00	Email to J. Wainwright regarding [REDACTED]
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email from J. Wainwright regarding OSC compliance
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email from S. Brotman regarding conference call
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Emails with S. Graff regarding [REDACTED]
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
MJVZ	15/05/17	\$425.00	0.10	\$42.50	Email from C. Weiler regarding meeting
JAW	15/05/17	\$695.00	1.30	\$903.50	Review M. Van Zandvoort emails; Review draft letter to registered representatives; Email M. Van Zandvoort re: same; Email to Grant Thornton re: [REDACTED]; Email to Grant Thornton re: [REDACTED]; Telephone call to CSA help desk re: filing of NRD forms; Engaged re: same

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	16/05/17	\$775.00	0.40	\$310.00	Conference call with J. Krieger, B. Bando and M. van Zandvoort re [REDACTED]
SLG	16/05/17	\$775.00	0.30	\$232.50	Update from M. van Zandvoort re call with counsel for Media House
SLG	16/05/17	\$775.00	0.40	\$310.00	Discussion re approach to [REDACTED] [REDACTED]
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Email to S. Graff regarding employment matter
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Email to B. Bando
MJVZ	16/05/17	\$425.00	0.20	\$85.00	Email from S. Graff regarding [REDACTED] and email letter to B. Bando
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding [REDACTED]
MJVZ	16/05/17	\$425.00	0.50	\$212.50	Voicemail to B. Bando; revise letter to C. Smith and email [REDACTED] to B. Bando and J. Knight
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED] [REDACTED] th
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Email from [REDACTED]
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Emails from Y. Chisholm and S. Graff regarding [REDACTED]
MJVZ	16/05/17	\$425.00	0.20	\$85.00	Email from J. Knight attaching termination letters and review of same; email to J. Knight regarding [REDACTED]
MJVZ	16/05/17	\$425.00	0.80	\$340.00	Preparation for conference call with MHC and lawyers and Receiver
MJVZ	16/05/17	\$425.00	0.70	\$297.50	Conference call with MHC, B. Bando, and MHC lawyers
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Emails with S. Graff regarding conference call with MHC
MJVZ	16/05/17	\$425.00	0.20	\$85.00	Follow-up conference call with B. Bando
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding MHC

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	16/05/17	\$425.00	0.20	\$85.00	Conference call with B. Bando and S. Graff
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Follow-up conference call with S. Graff
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Email to J. Wainwright
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Emails from J. Wainwright and B. Bando regarding BCSC submission
MJVZ	16/05/17	\$425.00	0.40	\$170.00	Various emails with S. Morris and S. Graff regarding [REDACTED]
MJVZ	16/05/17	\$425.00	0.30	\$127.50	Receive and consider letter from A. Crawley; emails with S. Graff, J. Krieger, and B. Bando regarding [REDACTED]
MJVZ	16/05/17	\$425.00	0.40	\$170.00	Conference call with J. Krieger, B. Bando, S. Graff regarding [REDACTED]
MJVZ	16/05/17	\$425.00	0.10	\$42.50	Follow-up conference call with S. Graff
MJVZ	16/05/17	\$425.00	1.60	\$680.00	Draft letter to A. Crawley; review and revise same and emails to S. Graff regarding [REDACTED]
JAW	16/05/17	\$695.00	0.40	\$278.00	Voicemail from C. Zenith; Review M. van Zandvoort email; Draft email to Grant Thornton re: 45-106F1s; Telephone call with C. Zenith (BCSC)
AEG	17/05/17	\$295.00	3.40	\$1,003.00	Review Media House Capital (Canada) Corp. loan agreements and prepare summary of same; Email correspondence and discussions with M. van Zandvoort and S. Morris re the same; Discussions with P. Pulnyev re due diligence searches
SLG	17/05/17	\$775.00	0.60	\$465.00	Review and revise letter to A. Crawley and Notice to Investors (update) on GTL website
SRM	17/05/17	\$350.00	0.20	\$70.00	Discussion with A. Gebert re: review process and requirements
MJVZ	17/05/17	\$425.00	0.40	\$170.00	Receive and review email from J. Krieger regarding [REDACTED]; Revise Notice to Investors; Email to S. Graff regarding [REDACTED]

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	17/05/17	\$425.00	0.40	\$170.00	Revise letter to A. Crawley; Email S. Graff regarding [REDACTED]
MJVZ	17/05/17	\$425.00	0.30	\$127.50	Correspondence with A. Gebert regarding loan documents; conference call with A. Gebert regarding same
MJVZ	17/05/17	\$425.00	0.20	\$85.00	Review email from J. Wainwright regarding Form 45-106F1 Report; Various emails from B. Bando regarding [REDACTED]
MJVZ	17/05/17	\$425.00	0.10	\$42.50	Receive and review email from C. Weiler regarding motion
MJVZ	17/05/17	\$425.00	0.20	\$85.00	Receive correspondence from S. Graff and J. Krieger regarding [REDACTED] conference call with S. Graff regarding same; Receive and review correspondence to A. Crawley
MJVZ	17/05/17	\$425.00	0.10	\$42.50	Receive and review correspondence from B. Bando and S. Graff regarding [REDACTED]
MJVZ	17/05/17	\$425.00	0.10	\$42.50	Receive and review correspondence with J. Wainwright and C. Zenith regarding Form 45-106F1
MJVZ	17/05/17	\$425.00	0.10	\$42.50	Review correspondence with C. Weiler and D. Normandeau regarding security of assets
MJVZ	17/05/17	\$425.00	0.20	\$85.00	Email from B. Bando regarding [REDACTED]; Instruct A. Gebert regarding [REDACTED]
JAW	17/05/17	\$695.00	0.60	\$417.00	Review and respond to B. Bando email; Draft email to BCSC; Review and respond to B. Bando email re: [REDACTED]
AEG	18/05/17	\$295.00	7.10	\$2,094.50	Prepare draft statutory declaration for completion by Clayton Smith; Review Media House Capital (Canada) Corp. loan agreements and prepare summary of same; Email correspondence and discussions with M. van Zandvoort re the same; Instruct P. Pulnyev re searches

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	18/05/17	\$775.00	0.50	\$387.50	Telephone call with M. van Zandvoort; review of docs; email to registered rep; draft of same; consider rep counsel; discussion with J. Krieger
SLG	18/05/17	\$775.00	0.20	\$155.00	Emails from OSC re hearing and M. Doane
PP	18/05/17	\$180.00	1.00	\$180.00	Performed due diligence searches against Canadian entities in connection with Crystal Wealth Fund et al; Obtained result and reported on same
PP	18/05/17	\$180.00	0.80	\$144.00	Obtained corporate profiles for US entities in connection with Crystal Wealth Fund et al; Reviewed and reported on same
PP	18/05/17	\$180.00	0.30	\$54.00	Set up and submitted order to US Agent for UCC searches against US entities in connection with Crystal Wealth Fund et al.
PP	18/05/17	\$180.00	0.40	\$72.00	Obtained corporate profiles for entities in France and Norway in connection with Crystal Wealth Fund et al; Reviewed and reported on same
PP	18/05/17	\$180.00	0.90	\$162.00	Obtained corporate profiles for entities in UK in connection with Crystal Wealth Fund et al; Obtained due diligence searches against same entities; Reviewed and reported on same
PP	18/05/17	\$180.00	0.80	\$144.00	Obtained corporate profiles for entities in Australia in connection with Crystal Wealth fund et al; Obtained due diligence searches against same entities; Reviewed and reported on same
MJVZ	18/05/17	\$425.00	0.60	\$255.00	Correspondence with A. Gebert regarding [REDACTED]; review and revisions to stat dec and emails with A. Gebert re same; email to B. Bando regarding [REDACTED]
MJVZ	18/05/17	\$425.00	0.20	\$85.00	Correspondence with B. Bando, S. Graff, J. Krieger and J. Knight regarding [REDACTED]
MJVZ	18/05/17	\$425.00	0.40	\$170.00	Email correspondence with C. Weller and J. Krieger regarding [REDACTED]; Email to J. Krieger, B. Bando and S. Graff regarding [REDACTED] and to D. Saturno and C. Weller regarding motion

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	18/05/17	\$425.00	0.30	\$127.50	Correspondence with J. Kim, B. Bando and A. Gebert regarding [REDACTED]
MJVZ	18/05/17	\$425.00	0.20	\$85.00	Review correspondence from S. Morris and P. Pulnyev regarding searches
MJVZ	18/05/17	\$425.00	0.10	\$42.50	Review correspondence from Y. Chisholm regarding court attendance
MJVZ	18/05/17	\$425.00	0.10	\$42.50	Review correspondence from B. Bando and J. Krieger regarding [REDACTED]
MJVZ	18/05/17	\$425.00	0.10	\$42.50	Follow up with B. Bando regarding [REDACTED]
MJVZ	18/05/17	\$425.00	0.30	\$127.50	Instruct A. Gebert regarding summaries of loan agreements; further emails from A. Gebert and P. Pulnyev regarding same
MJVZ	18/05/17	\$425.00	0.10	\$42.50	Review email from B. Bando regarding Statutory Declaration
MJVZ	18/05/17	\$425.00	0.10	\$42.50	Email from C. Weiler regarding court attendance
MJVZ	18/05/17	\$425.00	0.30	\$127.50	Conference call with S. Graff
MJVZ	18/05/17	\$425.00	1.40	\$595.00	Draft response to A. Housego and review file correspondence in connection with same and email to B. Bando [REDACTED]
MJVZ	18/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
MJVZ	18/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
JAW	18/05/17	\$695.00	0.70	\$486.50	Telephone call with B. Bando; Draft NRD forms; Notes to file re: same; Review draft NRD forms
AEG	19/05/17	\$295.00	6.10	\$1,799.50	Review of loan documents and prepare summary of same; Various discussions with M. Van Zandvoort re the same; Telephone call with client, S. Graff and M. van Zandvoort; Discussions with P. Pulnyev re search summary and due diligence searches in foreign jurisdictions

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JKG	19/05/17	\$375.00	4.30	\$1,612.50	Reviewed and summarized loan agreements; Meeting and discussions with A. Gebert; Summarized loan agreements in due diligence chart; Emails re: searches
SLG	19/05/17	\$775.00	0.40	\$310.00	Telephone call with C. Weiler; emails to Commercial List Office; emails with S. Smith return date
SLG	19/05/17	\$775.00	0.90	\$697.50	Consider letter from A. Crawley; discussion with M. van Zandvoort; discussion with J. Krieger; draft response
SLG	19/05/17	\$775.00	0.50	\$387.50	Discussion with J. Knight and M. van Zandvoort re: [REDACTED]
MJVZ	19/05/17	\$425.00	0.10	\$42.50	Emails from A. Gebert, P. Pulnyev and N. Wilford
MJVZ	19/05/17	\$425.00	0.60	\$255.00	Email from and to A. Gebert and meeting with A. Gebert; conference call with S. Graff and with A. Gebert
MJVZ	19/05/17	\$425.00	0.10	\$42.50	Email from C. Weiler regarding motion
MJVZ	19/05/17	\$425.00	0.10	\$42.50	Further emails from A. Gebert and P. Pulnyev
MJVZ	19/05/17	\$425.00	0.60	\$255.00	Review and consider letter from A. Crawley; email same to Receiver; email from J. Krieger regarding [REDACTED] conference call with S. Graff regarding [REDACTED]
MJVZ	19/05/17	\$425.00	3.10	\$1,317.50	Review prior Notices to Investors and correspondence with A. Crawley; Draft letter to A. Crawley; email [REDACTED] to J. Krieger, B. Bando, and S. Graff; receive [REDACTED] from J. Krieger and S. Graff; finalize and email letter to S. Graff
MJVZ	19/05/17	\$425.00	0.10	\$42.50	Review email from S. Graff to Court regarding [REDACTED]
MJVZ	19/05/17	\$425.00	1.40	\$595.00	Email from J. Knight regarding [REDACTED] review attached employment documentation; conference call with J. Knight; draft termination letter; conference call with B. Miller; email [REDACTED] to J. Knight; further emails with J. Knight

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					regarding [REDACTED]
MJVZ	19/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
MJVZ	19/05/17	\$425.00	0.10	\$42.50	Email from S. Graff and from A. Davids regarding MHC
MJVZ	19/05/17	\$425.00	0.10	\$42.50	Email from P. Pulnyev regarding additional searches regarding Media Fund
MJVZ	19/05/17	\$425.00	0.10	\$42.50	Email from A. Gebert regarding additional searches regarding Media Fund
MJVZ	19/05/17	\$425.00	0.30	\$127.50	Email from B. Bando and from A. Housego attaching investor list; draft response [REDACTED] and emails with S. Graff and B. Bando regarding [REDACTED]
MJVZ	19/05/17	\$425.00	0.20	\$85.00	Email from B. Bando re [REDACTED]; email to S. Graff setting out [REDACTED]
MJVZ	19/05/17	\$425.00	0.20	\$85.00	Email Conference call with J. Krieger and B. Bando re [REDACTED]
SRM	20/05/17	\$350.00	3.90	\$1,365.00	Review and provide summary of PPSA searches; Order, review and report on additional PPSA searches
MJVZ	20/05/17	\$425.00	0.10	\$42.50	Email from S. Graff regarding [REDACTED]
MJVZ	20/05/17	\$425.00	0.20	\$85.00	Email to B. Bando regarding [REDACTED]
MJVZ	20/05/17	\$425.00	0.10	\$42.50	Email from S. Graff regarding [REDACTED]
MJVZ	20/05/17	\$425.00	0.20	\$85.00	Email to B. Bando regarding [REDACTED]
MJVZ	20/05/17	\$425.00	0.10	\$42.50	Email from C. Weiler
MJVZ	20/05/17	\$425.00	0.10	\$42.50	Email from Y. Chisholm
MJVZ	20/05/17	\$425.00	0.20	\$85.00	Email to S. Graff regarding [REDACTED]

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	20/05/17	\$425.00	0.50	\$212.50	Review caselaw research prepared by T. Jones regarding C. Smith request to obtain access to funds and emails with T. Jones regarding follow-up research to be undertaken in connection with C. Smith proposed motion
MJVZ	20/05/17	\$425.00	0.20	\$85.00	Emails with S. Graff and to C. Weiler and Y. Chisholm
MJVZ	20/05/17	\$425.00	0.20	\$85.00	Various emails from S. Morris and A. Gebert regarding media fund security
MJVZ	20/05/17	\$425.00	0.10	\$42.50	Review further email from C. Weiler
MJVZ	20/05/17	\$425.00	0.10	\$42.50	Email from B. Bando
AEG	21/05/17	\$295.00	3.10	\$914.50	Engage in review loan documents re Media House Capital (Canada) Corp. loans and prepare summary of same; Review search summary and email correspondence re the same
MJVZ	21/05/17	\$425.00	0.10	\$42.50	Emails with T. Jones regarding follow-up research to be undertaken
MJVZ	21/05/17	\$425.00	0.10	\$42.50	Email from J. Krieger regarding [REDACTED]
AEG	22/05/17	\$295.00	2.20	\$649.00	Engage in review loan documents re Media House Capital (Canada) Corp. loans and prepare summary of same
SLG	22/05/17	\$775.00	0.30	\$232.50	Review emails on communications to investors and emails with OSC and C. Smith
MJVZ	22/05/17	\$425.00	0.20	\$85.00	Emails with T. Jones regarding follow-up research for motion
MJVZ	22/05/17	\$425.00	0.10	\$42.50	Email from C. Smith regarding motion
MJVZ	22/05/17	\$425.00	0.10	\$42.50	Email from C. Weiler regarding meeting
AEG	23/05/17	\$295.00	5.70	\$1,681.50	Engage in review of and summarize loan agreements and non-neg re Crystal Wealth Media Strategy Fund; Engage in review of due diligence searches re the same; Discussions with S. Morris, P. Pulynev re searches and summary

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SLG	23/05/17	\$775.00	2.50	\$1,937.50	Meeting at OSC re update on matter; review of analysis of holdings issues with rep counsel and C. Smith
SLG	23/05/17	\$775.00	0.30	\$232.50	Discussion with M. van Zandvoort re [REDACTED]
TSJ	23/05/17	\$250.00	3.10	\$775.00	Research legal tests associated with variation of receivership orders in preparation for May 24 motion; draft detailed summary email re: [REDACTED] for M. van Zandvoort; print and flag cases
SRM	23/05/17	\$350.00	0.20	\$70.00	Review and report on corporate profile for Creative Wealth Media Finance Corp.
JTN	23/05/17	\$325.00	0.90	\$292.50	Receipt and review of non-neg re Vincent-N-Roxy
PP	23/05/17	\$180.00	0.40	\$72.00	Reported on due diligence searches in France, Norway and Hungary
PP	23/05/17	\$180.00	2.70	\$486.00	Outlined UCC searches against all US entities in connection with Crystal Wealth Fund et al and reported on same
MJVZ	23/05/17	\$425.00	0.10	\$42.50	Review correspondence from P. Pulnyev regarding UK and AU summaries
MJVZ	23/05/17	\$425.00	0.40	\$170.00	Correspondence with C. Weiler and S. Graff, regarding [REDACTED]; Email to S. Graff regarding [REDACTED]; Email to C. Weiler regarding same; Review correspondence to and from C. Smith regarding same
MJVZ	23/05/17	\$425.00	0.30	\$127.50	Emails to B. Miller regarding [REDACTED]
MJVZ	23/05/17	\$425.00	0.20	\$85.00	Review various correspondence from C. Weiler and B. Bando regarding motion adjournment; email to Commercial List regarding same
MJVZ	23/05/17	\$425.00	0.20	\$85.00	Correspondence with B. Bando regarding [REDACTED]
MJVZ	23/05/17	\$425.00	0.30	\$127.50	Correspondence with A. Gebert regarding update on security review; Further email to A. Gebert regarding dropbox access; Email to A. Davids regarding same

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	23/05/17	\$425.00	0.10	\$42.50	Correspondence from J. Nicoara and C. Smith regarding court attendance
MJVZ	23/05/17	\$425.00	0.10	\$42.50	Email to J. Knight regarding follow up to meeting
MJVZ	23/05/17	\$425.00	0.20	\$85.00	Correspondence with C. Weiler and S. Graff regarding [REDACTED]
MJVZ	23/05/17	\$425.00	0.30	\$127.50	Review correspondence from A. Gebert and P. Pulnyev regarding UCC search summaries
MJVZ	23/05/17	\$425.00	0.20	\$85.00	Email to J. Krieger, J. Knight, and B. Bando regarding [REDACTED]
MJVZ	23/05/17	\$425.00	0.10	\$42.50	Conference call with J. Knight
MJVZ	23/05/17	\$425.00	0.10	\$42.50	Further conference call with J. Knight
MJVZ	23/05/17	\$425.00	0.10	\$42.50	Email from J. Knight
MJVZ	23/05/17	\$425.00	0.10	\$42.50	Review B. Bando email regarding [REDACTED]
MJVZ	23/05/17	\$425.00	0.10	\$42.50	Email to D. Saturno instructing regarding preparation of materials for tomorrow's court attendance
MJVZ	23/05/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding [REDACTED]
MJVZ	23/05/17	\$425.00	0.50	\$212.50	Preparation for meeting at OSC
MJVZ	23/05/17	\$425.00	2.90	\$1,232.50	Attend at Grant Thornton and meeting at Ontario Securities Commission
MJVZ	23/05/17	\$425.00	0.10	\$42.50	Voicemail from S. Azam; conference calls (2) to S. Azam (left voicemails)
MJVZ	23/05/17	\$425.00	0.10	\$42.50	Additional emails from A. Gebert and P. Pulnyev regarding security review
AEG	24/05/17	\$295.00	3.40	\$1,003.00	Engage in review of and summarize loan agreements re Crystal Wealth Media Strategy Fund; Engage in review of due diligence searches re the same; Various email correspondence re PPSA searches against foreign borrowers; Engage in review of UCC search summaries; Discussions with J. Nemers re loan

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					summary
SLG	24/05/17	\$775.00	0.80	\$620.00	Meeting with M. van Zandvoort; discuss emails; review issued re employment C. Smith
JTN	24/05/17	\$325.00	1.40	\$455.00	Engaged with continued review and summary of non-neg re VNR LLC
PP	24/05/17	\$180.00	0.30	\$54.00	Ordered corporate profiles for 1150752 Ontario Limited and CLJ Everest Ltd.; Obtained results and reported on same
MES	24/05/17	\$395.00	0.80	\$316.00	Receive instructions from M. van Zandvoort regarding; review of commercial loan agreements; Begin review
MJVZ	24/05/17	\$425.00	0.70	\$297.50	Prepare for hearing before Justice Morawetz; email to S. Graff regarding same
MJVZ	24/05/17	\$425.00	2.00	\$850.00	Attend at Commercial Court for motion before Justice Morawetz and emails with Receiver regarding same
MJVZ	24/05/17	\$425.00	0.40	\$170.00	Reporting emails to receiver concerning [REDACTED] and emails from J. Knight and B. Bando regarding [REDACTED]
MJVZ	24/05/17	\$425.00	0.20	\$85.00	Prepare letter to Service List; Instruct D. Saturno regarding same; Email letter to Service List; Review C. Smith's response
MJVZ	24/05/17	\$425.00	0.20	\$85.00	Email to J. Wainwright regarding Terminated Individual Filings; Review email from J. Wainwright regarding same
MJVZ	24/05/17	\$425.00	0.10	\$42.50	Email to C. Weiler attaching Endorsement of Justice Morawetz
MJVZ	24/05/17	\$425.00	0.30	\$127.50	Review correspondence from C. Smith to OSC; Email to S. Graff regarding [REDACTED]; Email to J. Krieger and B. Bando regarding [REDACTED]
MJVZ	24/05/17	\$425.00	0.50	\$212.50	Receive and review email from C. Smith regarding request for information; Correspondence with S. Graff regarding [REDACTED] Reporting email to J. Krieger and B. Bando regarding [REDACTED]; emails with J. Krieger regarding [REDACTED]

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	24/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
MJVZ	24/05/17	\$425.00	0.20	\$85.00	Email to B. Bando regarding [REDACTED]
MJVZ	24/05/17	\$425.00	0.30	\$127.50	Emails from M. Doane and B. O'Toole regarding removal from service list; emails to D. Saturno and P. Pulnyev regarding updating service list and obtaining relevant profiles; emails from P. Pulnyev and D. Saturno regarding same
MJVZ	24/05/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding [REDACTED]
MJVZ	24/05/17	\$425.00	0.50	\$212.50	Meeting with S. Graff regarding various matters concerning receivership administration
MJVZ	24/05/17	\$425.00	0.40	\$170.00	Meeting with A. Gebert to inquire as to status of security and loan review regarding Media Fund and emails and conference call with A. Gebert regarding same
MJVZ	24/05/17	\$425.00	0.30	\$127.50	Email to J. Knight regarding [REDACTED]
MJVZ	24/05/17	\$425.00	0.10	\$42.50	Review email from A. Gebert regarding PPSA searches and email to A. Gebert regarding same
MJVZ	24/05/17	\$425.00	0.10	\$42.50	Conference call with M. Spence regarding commercial loan review
MJVZ	24/05/17	\$425.00	0.20	\$85.00	Email to M. Spence regarding Commercial loan review; further emails with M. Spence and A. Gebert regarding same
MJVZ	24/05/17	\$425.00	0.20	\$85.00	Email to Receiver regarding [REDACTED]
MJVZ	24/05/17	\$425.00	0.10	\$42.50	Conference call with S. Azam
MJVZ	24/05/17	\$425.00	0.10	\$42.50	Conference call with S. Graff regarding [REDACTED]
MJVZ	24/05/17	\$425.00	0.10	\$42.50	Conference call with B. Bando

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	24/05/17	\$425.00	0.30	\$127.50	Review email from P. Pulynev containing summaries regarding Media Fund; email from A. Gebert regarding same; further emails from A. Gebert and S. Morris and to A. Gebert regarding same
MJVZ	24/05/17	\$425.00	0.60	\$255.00	Draft response to C. Smith and email Receiver [REDACTED]
MJVZ	24/05/17	\$425.00	0.10	\$42.50	Review C. Weiler response to C. Smith and email [REDACTED]
MJVZ	24/05/17	\$425.00	0.30	\$127.50	Reporting email to B. Bando regarding [REDACTED]
MJVZ	24/05/17	\$425.00	0.10	\$42.50	Email correspondence from and to B. Bando regarding [REDACTED]
MJVZ	24/05/17	\$425.00	0.20	\$85.00	Email to A. Davids regarding follow-up documentation to be provided by MHC
MJVZ	24/05/17	\$425.00	0.20	\$85.00	Email from B. Bando regarding [REDACTED]; email to C. Smith responding to information request
MJVZ	24/05/17	\$425.00	0.10	\$42.50	Review email from B. Bando [REDACTED]
JAW	24/05/17	\$695.00	0.40	\$278.00	Review M. Van Zandvoort email; Revise NRD forms; Email to client re: same
AEG	25/05/17	\$295.00	6.70	\$1,976.50	Engaged in review and summary of loan agreements re Crystal Wealth Media Strategy; Email correspondence re due diligence searches
SLG	25/05/17	\$775.00	0.40	\$310.00	Address movement of funds out; consider treatment and termination of reps and timing
SLG	25/05/17	\$775.00	0.80	\$620.00	Discussion with M. van Zandvoort re [REDACTED]; emails to OSC
JTN	25/05/17	\$325.00	2.40	\$780.00	Engaged with review of non-neg re Welcome to Me, LLC; Discussion with A. Gebert re same and related matters

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
PP	25/05/17	\$180.00	0.30	\$54.00	Obtained corporate profile for Cuatro Plus Films, LLC; Reviewed same; Ordered additional UCC searches from US agent
MES	25/05/17	\$395.00	0.40	\$158.00	Exchange emails with J. Knight; Telephone call with J. Knight and B. Bando
MJVZ	25/05/17	\$425.00	0.70	\$297.50	Draft letter to registered individuals; review prior correspondence with J. Wainwright regarding [REDACTED] and email to J. Wainwright regarding [REDACTED]
MJVZ	25/05/17	\$425.00	0.10	\$42.50	Conference call to B. Bando
MJVZ	25/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
MJVZ	25/05/17	\$425.00	0.30	\$127.50	Email from A. Davids regarding dropbox access; Email to A. Gebert regarding same; review of attachments
MJVZ	25/05/17	\$425.00	0.30	\$127.50	Email from B. Bando regarding [REDACTED] and consider same in connection with Appointment and Temporary Orders; Email to S. Graff regarding same
MJVZ	25/05/17	\$425.00	0.20	\$85.00	Email from A. Gebert regarding CAMAs; Correspondence with S. Morris regarding same
MJVZ	25/05/17	\$425.00	0.10	\$42.50	Review email from M. Spence regarding Mortgage Fund's commercial loans; Review email from J. Knight regarding [REDACTED]
MJVZ	25/05/17	\$425.00	0.20	\$85.00	Email to B. Bando regarding [REDACTED]
MJVZ	25/05/17	\$425.00	0.40	\$170.00	Email from B. Bando regarding [REDACTED]; Review documents regarding same
MJVZ	25/05/17	\$425.00	0.20	\$85.00	Receive and review email from B. Prentice; Correspondence with J. Wainwright regarding same
MJVZ	25/05/17	\$425.00	0.30	\$127.50	Correspondence with J. Wainwright regarding forms

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	25/05/17	\$425.00	0.50	\$212.50	Correspondence with J. Wainwright regarding [REDACTED] Email to B. Bando and J. Knight regarding [REDACTED] Further email to B. Bando [REDACTED]
MJVZ	25/05/17	\$425.00	0.40	\$170.00	Email to B. Bando regarding [REDACTED]
MJVZ	25/05/17	\$425.00	0.90	\$382.50	Email from C. Smith regarding request for full transcripts of interviews; Correspondence with B. Bando regarding [REDACTED] Further email to J. Krieger and B. Bando regarding [REDACTED] Review email from B. Bando regarding [REDACTED] Instruct T. Jones regarding same; emails with S. Graff regarding [REDACTED] email from Y. Chisholm
MJVZ	25/05/17	\$425.00	0.10	\$42.50	Further instruct T. Jones
MJVZ	25/05/17	\$425.00	0.20	\$85.00	Conference call with B. Bando and J. Knight and with J. Wainwright
MJVZ	25/05/17	\$425.00	0.10	\$42.50	Conference call with J. Wainwright regarding [REDACTED]
MJVZ	25/05/17	\$425.00	0.20	\$85.00	Conference call with J. Wainwright [REDACTED]
MJVZ	25/05/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding [REDACTED]
MJVZ	25/05/17	\$425.00	0.10	\$42.50	Further conference call with J. Wainwright regarding [REDACTED]
MJVZ	25/05/17	\$425.00	0.10	\$42.50	Conference call with J. Wainwright and B. Bando regarding [REDACTED]
MJVZ	25/05/17	\$425.00	0.40	\$170.00	Further conference call with S. Graff regarding various receivership issues
MJVZ	25/05/17	\$425.00	0.20	\$85.00	Receive and review follow-up correspondence from B. Prentice; email to J. Wainwright regarding same;

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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	25/05/17	\$425.00	0.40	\$170.00	Email from C. Smith regarding response to information request; emails with B. Bando and C. Smith
MJVZ	25/05/17	\$425.00	0.30	\$127.50	Review emails from T. Jones regarding response to information request
JAW	25/05/17	\$695.00	0.70	\$486.50	Review and respond to M. Van Zandvoort email re: [REDACTED] Telephone call with M. Van Zandvoort re: [REDACTED] Further telephone call and emails re: same
AEG	26/05/17	\$295.00	4.10	\$1,209.50	Engage in review and summary of loan agreements re Crystal Wealth Media Strategy; Engage in review of PPSA, UCC and UK searches; Discussions with S. Morris re summary chart and next steps; Various email correspondence re searches and registrations against various borrowers; Discussions with S. Graff and M. van Zandvoort re summary; Prepare form of letter to loan collection administrators;
SLG	26/05/17	\$775.00	0.80	\$620.00	Lengthy telephone call with M. van Zandvoort and A. Gebert [REDACTED]
SLG	26/05/17	\$775.00	0.20	\$155.00	Address with J. Tan requests for info by C. Smith and response
SRM	26/05/17	\$350.00	2.10	\$735.00	Review emails and searches; Emails to and from CT Corporation re: foreign searches; Meeting with A. Gebert re: loan summary and moving forward; Reviewing materials re: perfection of security in cross border transactions; Telephone call with M. van Zandvoort; Review loan summary; Obtaining profile for Hungary borrower
MES	26/05/17	\$395.00	0.20	\$79.00	Exchange emails with M. van Zandvoort regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.30	\$127.50	Receive and review email from C. Smith; Email to T. Jones regarding same; Instruct T. Jones regarding same; Email to B. Bando regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.20	\$85.00	Conference call with B. Bando regarding [REDACTED]

AIRD & BERLIS LLP
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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Correspondence with J. Wainwright regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Correspondence with S. Graff and J. Wainwright regarding [REDACTED]; emails with S. Graff and J. Wainwright regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Email to B. Bando regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Email to J. Wainwright and S. Graff regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.20	\$85.00	Conference call with B. Bando regarding [REDACTED] and email to B. Bando regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Conference call with B. Bando regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.30	\$127.50	Review email from S. Morris; Correspondence with S. Morris and A. Gebert regarding same regarding Media Fund
MJVZ	26/05/17	\$425.00	0.20	\$85.00	Receive and review email from J. Knight regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.50	\$212.50	Email from A. Gebert regarding loan review and summary; Conference call with A. Gebert and with A. Gebert and S. Graff regarding same
MJVZ	26/05/17	\$425.00	1.00	\$425.00	Email from J. Tan regarding information request; Emails with T. Jones regarding same; Conference calls with T. Jones regarding same; Conference call with S. Graff regarding same
MJVZ	26/05/17	\$425.00	0.50	\$212.50	Conference call with S. Graff and J. Tan
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Review email from B. Bando regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.20	\$85.00	Emails with B. Bando regarding [REDACTED]

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Review email from J. Tan to C. Smith and C. Smith response
MJVZ	26/05/17	\$425.00	0.20	\$85.00	Emails with M. Spence and S. Graff regarding [REDACTED]; further emails with M. Spence and S. Graff regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Review further emails between B. Bando and T. Johnston
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Emails with B. Bando regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.30	\$127.50	Email to B. Bando and J. Krieger regarding [REDACTED]
MJVZ	26/05/17	\$425.00	0.20	\$85.00	Draft follow-up email to A. Davids
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Email from A. Davids
MJVZ	26/05/17	\$425.00	0.30	\$127.50	Emails from and to S. Morris regarding security review; email from S. Graff regarding same; conference call with S. Morris regarding same
MJVZ	26/05/17	\$425.00	0.20	\$85.00	Emails with A. Gebert regarding draft letters and review of same
MJVZ	26/05/17	\$425.00	0.10	\$42.50	Email to J. Knight regarding [REDACTED]
JAW	26/05/17	\$695.00	0.30	\$208.50	Review and respond to M. van Zandvoort emails
AEG	27/05/17	\$295.00	2.10	\$619.50	Engage in review of loan agreements re Crystal Wealth Media Strategy fund re current loan collection administrators; Prepare draft letters to collection administrators; Revisions to loan summary document
MJVZ	27/05/17	\$425.00	0.10	\$42.50	Emails with S. Graff; email from A. Gebert attaching letters
MJVZ	28/05/17	\$425.00	0.10	\$42.50	Email from C. Smith; email to C. Smith
MJVZ	28/05/17	\$425.00	0.10	\$42.50	Email from J. Knight

AIRD & BERLIS LLP
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LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
AEG	29/05/17	\$295.00	0.40	\$118.00	Revisions to draft letter to collection administrators Flintage and Freeway re Media Fund loans
SLG	29/05/17	\$775.00	0.40	\$310.00	Telephone call with M. van Zandvoort re [REDACTED]
SLG	30/05/17	\$775.00	0.50	\$387.50	Telephone call with M. van Zandvoort re [REDACTED]
TSJ	30/05/17	\$250.00	3.30	\$825.00	Receive instructions from M. van Zandvoort; research and draft memo regarding law surrounding applications to vary receivership order
SRM	30/05/17	\$350.00	3.90	\$1,365.00	Review PPSA, UCC and United Kingdom registrations and note deficiencies and expiry dates; Order, review and report on profiles and PPSA searches for mortgage fund borrowers
CP	30/05/17	\$145.00	0.10	\$14.50	Order profile reports for Kanwal Development Inc. and MCSnoxrecovery Inc.
PP	30/05/17	\$180.00	0.30	\$54.00	Obtained corporate profile for Crystal Wealth Management Systems Limited; Reviewed, summarized and reported on same
SLG	31/05/17	\$775.00	1.20	\$930.00	Meeting with M. van Zandvoort and M. Spence to discuss status; call with B. Bando, K. Krieger and J. Knight re [REDACTED]
SRM	31/05/17	\$350.00	0.20	\$70.00	Review and report on corporate profile; Emails regarding address for service and status of loan summary
PP	31/05/17	\$180.00	0.50	\$90.00	Obtained Louisiana UCC search against Cuanthro Plus Films, LLC; Reviewed, outlined and reported on same

TOTAL: 330.10 \$148,742.50

Name	Hours	Rate	Value
Steven L. Graff (SLG)	39.40	\$775.00	\$30,535.00
Mark J. van Zandvoort (MJVZ)	166.50	\$425.00	\$70,762.50
Michelle Chiaravalloti (MC)	0.20	\$300.00	\$60.00
Randy T. Hooke (RTH)	0.50	\$695.00	\$347.50
Timothy S. Jones (TSJ)	15.00	\$250.00	\$3,750.00
Ian E. Aversa (IEA)	0.50	\$475.00	\$237.50
Barbra H. Miller (BHM)	7.50	\$725.00	\$5,437.50
Jennifer A. Wainwright (JAW)	18.90	\$695.00	\$13,135.50
Anne E. Miatello (AEM)	1.80	\$475.00	\$855.00
Shannon R. Morris (SRM)	13.80	\$350.00	\$4,830.00
Pavlo Pulnyev (PP)	11.20	\$180.00	\$2,016.00
Alyssa E. Gebert (AEG)	44.30	\$295.00	\$13,068.50
Jacqueline K. Goslett (JKG)	4.30	\$375.00	\$1,612.50
Jeremy T. Nemers (JTN)	4.70	\$325.00	\$1,527.50
Miranda E. Spence (MES)	1.40	\$395.00	\$553.00
Christina Pugliese (CP)	0.10	\$145.00	\$14.50

OUR FEE	\$148,742.50
HST at 13%	\$19,336.53

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Due Diligence	\$134.00
Search Under P.P.S.A.	\$230.50
Filing Fee	\$12.00
Agents Fees - Non Taxable	\$1,607.28

Total Agency Costs	\$1,983.78
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Subject to HST

Photocopies - Local	\$1,287.25
Photocopies	\$602.43
Imaging/Scanning	\$171.75
Binding and Tabs	\$118.25
Corporate Search	\$90.00
Due Diligence	\$296.00
Long Distance Charges	\$1.74
Teraview Search	\$6.00
Taxi	\$15.93
Postage	\$10.76
Other - Conveyancer	\$70.00
Agency Fee	\$50.00
Service Provider Fee	\$152.50

AIRD & BERLIS LLP
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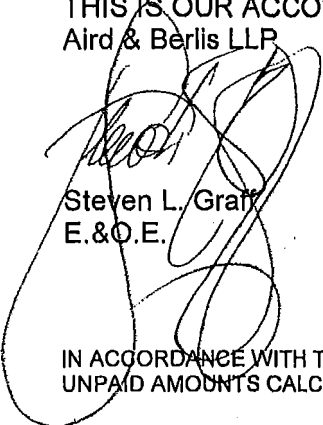
Total Disbursements
HST at 13%

\$2,872.61
\$373.44

AMOUNT NOW DUE

\$173,308.86

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



Steven L. Graff
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

29480275.1

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
 Toronto, Ontario, Canada M5J 2T9
 T 416.863.1500 F 416.863.1515
 airdberlis.com

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

Attention: Mr. Jonathan Krieger

Account No.: 567893

PLEASE WRITE ACCOUNT NUMBERS
 ON THE BACK OF ALL CHEQUES

File No.: 25227/137794

June 21, 2017

Re: Receivership of Crystal Wealth Management System Limited, et al

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended May 31, 2017

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
SRM	25/05/17	\$350.00	0.30	\$105.00	Researching security interest in France, Norway and Hungary
RTH	29/05/17	\$695.00	0.10	\$69.50	Email from M. van Zandvoort
MM	29/05/17	\$250.00	0.20	\$50.00	Reviewed file with T. Jones as per M. van Zandvoort
MJVZ	29/05/17	\$425.00	0.10	\$42.50	Email from S. Graff regarding [REDACTED]
MJVZ	29/05/17	\$425.00	0.30	\$127.50	Review prior correspondence with MHC and email to S. Graff regarding [REDACTED]
MJVZ	29/05/17	\$425.00	0.10	\$42.50	Email to J. Wainwright regarding [REDACTED]
MJVZ	29/05/17	\$425.00	0.10	\$42.50	Conference call to commercial list
MJVZ	29/05/17	\$425.00	0.10	\$42.50	Email to D. Saturno regarding [REDACTED]
MJVZ	29/05/17	\$425.00	0.10	\$42.50	Email from J. Wainwright regarding [REDACTED]
MJVZ	29/05/17	\$425.00	0.10	\$42.50	Email from A. McBain regarding change to AFR

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	29/05/17	\$425.00	0.10	\$42.50	Email to B. Bando regarding [REDACTED] [REDACTED]
MJVZ	29/05/17	\$425.00	0.60	\$255.00	Review and revise letters prepared by A. Gebert; Emails to S. Graff and to A. Gebert regarding same; Further emails with A. Gebert regarding same
MJVZ	29/05/17	\$425.00	1.10	\$467.50	Review and revise listing agreement and associated documents; Emails with S. Graff and to R. Hooke regarding [REDACTED]
MJVZ	29/05/17	\$425.00	0.60	\$255.00	Email from C. Smith regarding service and filing; Emails with S. Graff and from and to C. Weiler regarding same; Draft and send response to C. Smith and emails from C. Smith regarding same and review C. Weiler response
MJVZ	29/05/17	\$425.00	0.10	\$42.50	Email from S. Morris regarding loans
MES	30/05/17	\$395.00	3.30	\$1,303.50	Review commercial loan documents; Exchange emails with J. Knight; Telephone call with J. Knight; Compile list of missing documents and email to J. Knight
MJVZ	30/05/17	\$425.00	0.50	\$212.50	Draft letter to G. Reiner and review of referral agreement regarding same; Email to B. Bando regarding same
MJVZ	30/05/17	\$425.00	0.30	\$127.50	Receive email from S. Morris regarding letter to collection administrator; Conference call and email to S. Graff regarding same; Respond to S. Morris regarding same
MJVZ	30/05/17	\$425.00	0.20	\$85.00	Update meeting with M. Spence regarding status of mortgage fund review
MJVZ	30/05/17	\$425.00	0.10	\$42.50	Correspondence with B. Bando regarding [REDACTED] [REDACTED]

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	30/05/17	\$425.00	0.20	\$85.00	Conference call with S. Graff regarding Media Fund; Review and follow-up to A. Davids via email
MJVZ	30/05/17	\$425.00	0.10	\$42.50	Email to B. Bando regarding [REDACTED]
MJVZ	30/05/17	\$425.00	0.10	\$42.50	Email from J. Knight regarding [REDACTED] Review same
MJVZ	30/05/17	\$425.00	0.30	\$127.50	Follow up email to J. Knight regarding [REDACTED] Receive and review email [REDACTED] from J. Knight regarding same
MJVZ	30/05/17	\$425.00	0.20	\$85.00	Correspondence with J. Wainwright regarding [REDACTED] n
MJVZ	30/05/17	\$425.00	0.10	\$42.50	Email from B. Bando regarding [REDACTED]
MJVZ	30/05/17	\$425.00	0.20	\$85.00	Correspondence with B. Bando regarding [REDACTED] Correspondence with J. Wainwright regarding same
MJVZ	30/05/17	\$425.00	0.10	\$42.50	Correspondence with M. Spence regarding commercial loans
MJVZ	30/05/17	\$425.00	0.20	\$85.00	Conference call with S. Graff
MJVZ	30/05/17	\$425.00	0.40	\$170.00	Receive email from [REDACTED] regarding investor update; Review investor notices and draft response and email to S. Graff regarding same
MJVZ	30/05/17	\$425.00	0.30	\$127.50	Email to P. Pulnyev requesting updated profile report; Review response regarding same and update service list; Email updated service list to B. Bando
MJVZ	30/05/17	\$425.00	0.20	\$85.00	Review email from S. Morris regarding connection to Creative Wealth Media Finance Corp; Email from A. Gebert regarding same
MJVZ	30/05/17	\$425.00	0.10	\$42.50	Correspondence with C. Weiler regarding investor email

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	30/05/17	\$425.00	0.40	\$170.00	Review and consider emails from A. Davids regarding Reports and Portal; Email to S. Graff regarding same; Email from M. Melchior regarding same; Emails from B. Bando regarding same; Emails to S. Graff regarding same
MJVZ	30/05/17	\$425.00	0.20	\$85.00	Email to A. Gebert and S. Morris regarding [REDACTED] Emails from S. Morris and A. Gebert regarding same
MJVZ	30/05/17	\$425.00	0.30	\$127.50	Review email from T. Jones regarding Fraud and Legal Fees re: Smith proposed Motion
MJVZ	30/05/17	\$425.00	0.40	\$170.00	Conference call to T. Jones regarding factum for potential motion and meet with T. Jones to review draft of outline for same
MJVZ	30/05/17	\$425.00	0.20	\$85.00	Review email from T. Jones regarding motion
MJVZ	30/05/17	\$425.00	0.10	\$42.50	Review email from M. Spence regarding PPSA searches; Review email from S. Morris regarding same
MJVZ	30/05/17	\$425.00	0.10	\$42.50	Review email from M. Spence regarding follow up with J. Knight
MJVZ	30/05/17	\$425.00	0.30	\$127.50	Receive email from B. Bando regarding [REDACTED] Review same; Email to A. McBain regarding same
MJVZ	30/05/17	\$425.00	0.20	\$85.00	Receive email from B. Bando regarding [REDACTED] Review same and email to J. Wainwright regarding same
MJVZ	30/05/17	\$425.00	0.20	\$85.00	Review various emails from M. Spence and S. Morris regarding loans and PPSA searches and profiles
MJVZ	30/05/17	\$425.00	0.10	\$42.50	Review email from J. Wainwright regarding [REDACTED]

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JAW	30/05/17	\$695.00	0.90	\$625.50	Review email correspondence; Telephone message to B. Bando; Review email re: options; Internal review re: same; Telephone call with A. Altshuler re: CPC transactions
AEG	31/05/17	\$295.00	5.10	\$1,504.50	Email correspondence re Media Fund loan and security review; Review security documentation re Media Fund loans for each of By Way of Helena, Childhood of a Leader, Electric Slide and Elsa & Fred projects; Revisions to Media Fund loan and security summary re the same
MES	31/05/17	\$395.00	2.20	\$869.00	Meet with S. Graff and M. van Zandvoort to review status of file and strategy; Conference call with Grant Thornton; Review mortgage fund agreements
MJVZ	31/05/17	\$425.00	0.20	\$85.00	Email to R. Hooke regarding listing agreements; Review response regarding same
MJVZ	31/05/17	\$425.00	0.10	\$42.50	Review email from S. Morris regarding Profiles and PPSA searches
MJVZ	31/05/17	\$425.00	0.20	\$85.00	Email to J. Knight regarding [REDACTED] [REDACTED], Review response regarding same
MJVZ	31/05/17	\$425.00	0.20	\$85.00	Correspondence with B. Bando and J. Krieger regarding [REDACTED] [REDACTED] Emails with S. Graff regarding same
MJVZ	31/05/17	\$425.00	0.10	\$42.50	Correspondence with J. Wainwright regarding [REDACTED]
MJVZ	31/05/17	\$425.00	0.10	\$42.50	Review email from B. Bando regarding [REDACTED]rs

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	31/05/17	\$425.00	0.60	\$255.00	Review email to M. Meerstadt regarding access to reports and portal; Email to S. Graff regarding same; Email B. Bando regarding [REDACTED] Review email from A. Davids regarding same; Review email from J. Knight regarding [REDACTED]
MJVZ	31/05/17	\$425.00	0.10	\$42.50	Email to S. Morris regarding update
MJVZ	31/05/17	\$425.00	2.50	\$1,062.50	Correspondence with S. Graff and M. Spence regarding conference; Internal meeting with S. Graff and M. Spence; Draft agenda for call with Grant Thornton; Conference call with S. Graff, J. Krieger, M. Spence, B. Bando and J. Knight
MJVZ	31/05/17	\$425.00	0.20	\$85.00	Receive voicemail from B. Sarsh; Email to S. Graff regarding same; Review email from B. Sarsh; Email to J. Krieger and B. Bando regarding [REDACTED]
MJVZ	31/05/17	\$425.00	0.40	\$170.00	Receive and review email from A. Gebert regarding Media Fund update; Further correspondence with A. Gebert regarding same; Receive and review email from S. Morris regarding same; review fund documents in connection with same
MJVZ	31/05/17	\$425.00	0.20	\$85.00	Email to B. Sarsh to arrange a call and from B. Sarsh
MJVZ	31/05/17	\$425.00	0.40	\$170.00	Receive and review email from A. Davids regarding Media House Loan Administration; Email and instructions to S. Graff, A. Gebert, and S. Morris regarding [REDACTED] Review of fund documentation in connection with same
MJVZ	31/05/17	\$425.00	0.10	\$42.50	Review email from B. Prentice regarding NBCN

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
MJVZ	31/05/17	\$425.00	0.30	\$127.50	Receive and review email from C. Weiler regarding adjustments to Crystal Wealth website; Email to S. Graff and J. Wainwright regarding same; Correspondence with S. Graff regarding same
MJVZ	31/05/17	\$425.00	0.20	\$85.00	Conference call from B. Sarsh and to B. Sarsh
MJVZ	31/05/17	\$425.00	0.20	\$85.00	Conference call with B. Bando and J. Knight
MJVZ	31/05/17	\$425.00	0.40	\$170.00	Review and consider email from B. Bando regarding [REDACTED] and [REDACTED]; Emails with M. Spence regarding [REDACTED]
MJVZ	31/05/17	\$425.00	0.10	\$42.50	Review email from B. Bando regarding [REDACTED]
MJVZ	31/05/17	\$425.00	0.10	\$42.50	Review emails from B. Prentice and B. Bando
JAW	31/05/17	\$695.00	0.20	\$139.00	Review and respond to M. Van Zandvoort email
TOTAL:			28.50	\$11,551.00	

Name	Hours	Rate	Value
Shannon R. Morris (SRM)	0.30	\$350.00	\$105.00
Randy T. Hooke (RTH)	0.10	\$695.00	\$69.50
Meredith McCann (MM)	0.20	\$250.00	\$50.00
Mark J. van Zandvoort (MJVZ)	16.20	\$425.00	\$6,885.00
Alyssa E. Gebert (AEG)	5.10	\$295.00	\$1,504.50
Miranda E. Spence (MES)	5.50	\$395.00	\$2,172.50
Jennifer A. Wainwright (JAW)	1.10	\$695.00	\$764.50

OUR FEE \$11,551.00
HST at 13% \$1,501.63

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Filing Fee	\$2.16
Due Diligence	\$13.00

Total Agency Costs	\$15.16
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Subject to HST

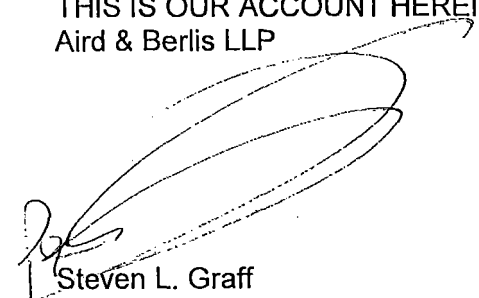
Name Search	\$69.00
Corporate Search	\$90.00
Due Diligence	\$39.00

Total Disbursements	\$198.00
HST at 13%	\$25.74

AMOUNT NOW DUE

\$13,291.53

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP



Steven L. Graff

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

29675524.1

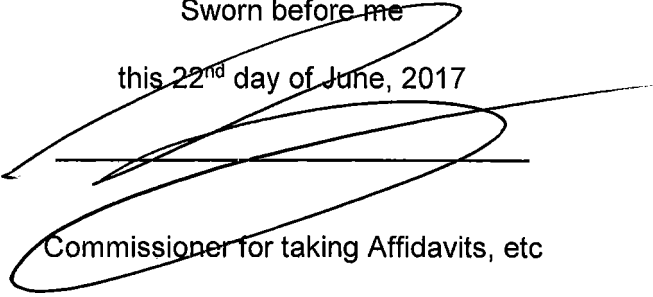
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF STEVEN L. GRAFF

Sworn before me

this 22nd day of June, 2017



Commissioner for taking Affidavits, etc

STATEMENT OF RESPONSIBLE INDIVIDUALS

Aird & Berlis LLP's professional fees herein are made with respect to the following individuals

Lawyer	Call to Bar	Hourly Rate	Total Time	Value
Miller, B	1988	\$725.00	7.5	\$ 5,437.50
Hooke, R. T	1989	\$695.00	0.6	\$ 417.00
Graff, S. L	1991	\$775.00	39.4	\$30,535.00
Wainwright, J. A	1992	\$695.00	20.0	\$13,900.00
Miatello, A	2007	\$475.00	1.8	\$ 855.00
Aversa, I	2008	\$475.00	0.5	\$ 237.50
van Zandvoort, M	2010	\$425.00	182.7	\$77,647.50
Spence, M. E	2011	\$395.00	6.9	\$ 2,725.50
Goslett, J	2012	\$375.00	4.3	\$ 1,612.50
Nemers, J	2014	\$325.00	4.7	\$ 1,527.50
Gebert, A. E	2016	\$295.00	49.4	\$14,573.00
Clerk/Student	Call to Bar	Hourly Rate	Total Time	Value
Jones, T. S	N/A	\$250.00	15.0	\$ 3,750.00
McCann, M.	N/A	\$250.00	0.2	\$ 50.00
Morris, S. R	N/A	\$350.00	14.1	\$ 4,935.00
Chiaravalloti, M	N/A	\$300.00	0.2	\$ 60.00
Pulnyev, P.	N/A	\$180.00	11.2	\$ 2,016.00
Pugliese, C	N/A	\$145.00	0.10	\$ 14.50

****Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.***

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

AFFIDAVIT OF STEVEN L. GRAFF

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place

181 Bay Street, Suite 1800

Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)

Tel: (416) 865-7726

Fax: (416) 863-1515

E-mail: sgraff@airdberlis.com

Mark van Zandvoort (LSUC # 59120U)

Tel: (416) 865-4742

Fax: (416) 863-1515

E-mail: mvanzandvoort@airdberlis.com

Kyle Plunkett (LSUC # 61044N)

Tel: (416) 865-3406

Fax: (416) 863-1515

E-mail: kplunkett@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as Receiver and Manager of Crystal Wealth Management System Limited, Clayton Smith, Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metals Fund, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Enlightened Bullion Fund, Absolute Sustainable Dividend Fund, Absolute Sustainable Property Fund, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Conscious Capital Strategy, Crystal Wealth Retirement One Fund, CLJ Everest Ltd., and 1150752

Ontario Limited

CONFIDENTIAL APPENDIX 1

(Subject to a request for a sealing order)

CONFIDENTIAL APPENDIX 2

(Subject to a request for a sealing order)

CONFIDENTIAL APPENDIX 3

(Subject to a request for a sealing order)