

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE

JUSTICE

S.F. Donahy

TUESDAY, THE 20<sup>th</sup> DAY

OF FEBRUARY, 2018

**BETWEEN:**

**ONTARIO SECURITIES COMMISSION**

**Applicant**

- and -

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

## Respondents

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

## ORDER

THIS MOTION, made by Grant Thornton Limited in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertaking, property and assets of certain of the Respondents, including the entities listed in Schedule “A” attached hereto (collectively and individually, the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Sale Agreement**”) between the Receiver and Bron Releasing Inc. (the “**Purchaser**”) dated February 2, 2018 and appended to the

Supplement to the Second Report of the Receiver dated February 8, 2018 (the "**Supplement to the Second Report**"), and vesting in the Purchaser the right, title and interest in and to the Sale Assets (as defined in the Sale Agreement, and subject to the provisions thereof) (the "**Sale Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Supplement to the Second Report and on hearing the submissions of counsel for the Receiver, and such other counsel who were present, no one else appearing for any other person on the service list, although properly served as appears from the affidavit of Timothy Jones sworn February 9, 2018, filed:

1. **THIS COURT ORDERS AND DECLARES** that, except where otherwise indicated, capitalized terms used but not defined in this Order shall have the meanings ascribed thereto in the Sale Agreement.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized, ratified and approved, with such minor amendments as the Receiver may deem necessary. The Receiver 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 Sale Assets to the Purchaser.
3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "**Receiver's Certificate**"), all of the right, title and interest in and to the Sale Assets 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 and any other orders of the Court in these proceedings; (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"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Sale Assets are hereby expunged and discharged as against the Sale Assets.

4. **THIS COURT ORDERS** that, following delivery of the Receiver's Certificate, the Respondents, the Receiver, any trustee in bankruptcy that may be appointed in respect of any of the Respondents, and all other Persons (except the Purchaser, its successors and assigns) who might claim under or through them (including pursuant to section 38 of the *Bankruptcy and Insolvency Act* (Canada)) be and are hereby restrained from commencing, asserting, continuing or otherwise pursuing any Claims (as defined in the Sale Agreement) against any Subject Party; provided, for certainty, nothing in this Order shall limit or affect the Receiver or any other Person's (except the Purchaser, its successors and assigns) ongoing right to commence, assert, continue, or pursue Excluded Claims against any Third Party in accordance with the Sale Agreement.

5. **THIS COURT ORDERS AND DECLARES** that, notwithstanding anything to the contrary contained herein, nothing in this Order shall affect the Production Liens, including the relative priority thereof.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims (including without limitation claims of investors or creditors) against the Media Fund and any other Debtor with an interest in the Sale Assets (if any), the net proceeds from the sale of the Sale Assets shall stand in the place and stead of the Sale Assets as an asset of the Media Fund or such other Debtor (if any), as applicable, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances against the Media Fund and such other Debtor (if any) shall attach to the net proceeds from the sale of the Sale Assets with the same priority as they had with respect to the Sale Assets immediately prior to the sale, as if the Sale Assets had not been sold and remained in the possession or control of the Media Fund and such other Debtor (if any), as applicable, 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.

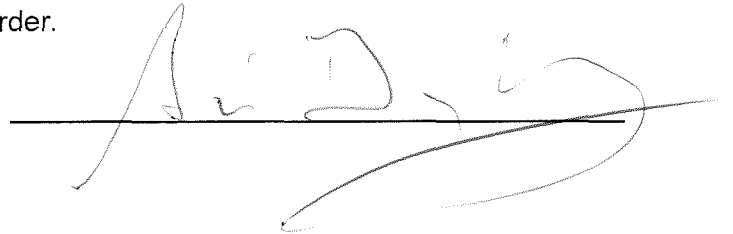
8. **THIS COURT ORDERS** that, notwithstanding:

(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 Media Fund or any other Respondent and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Media Fund or any other Respondent;

the vesting of the Sale Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Respondents and shall not be void or voidable by creditors of any of the Respondents, 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.

A large, stylized handwritten signature in black ink, written over a horizontal line.

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

FEB 20 2018

PER / PAR:

A handwritten signature in black ink, consisting of a stylized 'M' or 'B' shape.

## **SCHEDULE A**

- Crystal Wealth Management System 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

**Schedule "B" - Form of Receiver's Certificate**

Court File No. 17-11779-00CL

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

**BETWEEN:**

**ONTARIO SECURITIES COMMISSION**

**Applicant**

**- and -**

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

**Respondents**

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

**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 (the "Receiver") of the undertaking, property and assets of certain of the Respondents, including the Respondents listed in Schedule "A" attached hereto (collectively and individually, the "**Debtor**").

B. Pursuant to an Order of the Court dated **[DATE]**, 2018 (the "**Approval Order**"), the Court approved the asset purchase agreement made as of February 2, 2018 (the "**Sale Agreement**") between the Receiver and Bron Releasing Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of all of the right, title and interest in and to the Sale Assets, which vesting is to be effective with respect to the Sale 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 Sale Assets; (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 Sale Assets payable on the Closing Date 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 Crystal Wealth Management  
System Limited and the other entities listed  
in Schedule "A" attached hereto, and not in  
its personal capacity**

Per: \_\_\_\_\_

Name:

Title:

**SCHEDULE C  
CLAIMS**

None.

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| <p><b>ONTARIO</b><br/><b>SUPERIOR COURT OF JUSTICE</b><br/><b>COMMERCIAL LIST</b></p> <p><b>Proceedings commenced at Toronto</b></p> <p><b>APPROVAL AND VESTING ORDER</b></p> <p><b>AIRD &amp; BERLIS LLP</b><br/>Barristers and Solicitors<br/>Brookfield Place<br/>Suite 1800, 181 Bay Street<br/>Toronto, ON M5J 2T9</p> <p><b>Steven L. Graff (LSUC # 31871V)</b><br/>Tel: (416) 865-7726<br/>Fax: (416) 863-1515<br/>E-mail: <a href="mailto:sgraff@airdberlis.com">sgraff@airdberlis.com</a></p> <p><b>Mark van Zandvoort (LSUC # 59120U)</b><br/>Tel: (416) 865-4742<br/>Fax: (416) 863-1515<br/>E-mail: <a href="mailto:mvanzandvoort@airdberlis.com">mvanzandvoort@airdberlis.com</a></p> <p><b>Timothy Jones (LSUC # 72265S)</b><br/>Tel: (416) 865-3086<br/>Fax: (416) 863-1515<br/>E-mail: <a href="mailto:tjones@airdberlis.com">tjones@airdberlis.com</a></p> <p><i>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 &amp; 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</i></p> |  |
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