

December 20, 2019

TO: THE INVESTORS IN THE CRYSTAL WEALTH FUNDS

- and to –

CRYSTAL WEALTH DISCRETIONARY ACCOUNT HOLDERS

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The purpose of this notice is to provide an update on the administration of the receivership proceedings with respect to the Crystal Wealth Funds.

2019 Income Tax Slips

As you are aware, the Receiver issued the First Interim Distribution and the Second Interim Distribution on January 18, 2018 and September 27, 2018, respectively, for which tax slips were provided to investors in early 2019. As there was no interim distribution in 2019, the Receiver will not be issuing tax slips for the 2019 tax year.

Update on the Receiver's Realization Actions

In our previous communications, Investors were advised that the Receiver would be making further efforts to advance its investigations and realizations regarding the Off-Book Investments. Such efforts would include, among other things, issuing demands, commencing litigation and commencing bankruptcy proceedings against certain companies and individuals, all in order to enhance investigative powers and/or determine the financial wherewithal of such companies and individuals for potential return to the Crystal Wealth Funds. The commencing of litigation or bankruptcy proceedings was determined on a case by case basis depending on our investigation into the merits of the claim, the financial situation of each person or entity and the level of cooperation from same. The Receiver's efforts to date are summarized in the table below.

In some cases, as noted below, the Receiver was able to avoid litigation or bankruptcy proceedings by negotiating settlements.

All of the following actions are on-going. The Receiver will provide a further update on such matters at an appropriate time.

Proposed Class Action and Receiver's Action against BDO Canada LLP

As previously communicated, Adair Goldblatt Bieber LLP ("**AGB**") is the Receiver's lawyer of record in an Ontario Superior Court of Justice action (the "**Receiver's Action**", and together with the Proposed Class Action, the "**BDO Actions**") against BDO Canada LLP ("**BDO**"). As noted in the Fourth Report, similar to the Proposed Class Action, the Receiver's Action pertains to the audit services provided by BDO prior to the receivership proceedings, but was brought on behalf of the Company and the Crystal Wealth Funds (as opposed to the investors directly).

On December 9 and 10, 2019, the Honourable Justice Perell heard the certification motion in the Proposed Class Action. Justice Perell reserved his decision, and the outcome of the motion has therefore yet to be released.

Information regarding the BDO Actions can be accessed at: www.agbllp.com/class-actions.html (the “**AGB Case Website**”). Investors are encouraged to continue to monitor the AGB Case Website for further developments concerning the BDO Actions.

Should you have any questions regarding the Proposed Class Action and/or the Receiver’s Action, please contact either Nathaniel Read-Ellis or Simon Bieber of AGB:

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Status of Litigation and Bankruptcy Proceedings

Debtor Entity/Entities or Defendant(s)	Crystal Wealth Group Claimant(s)	Court File No./Estate No.	Update
1566496 Alberta Ltd.	Crystal Wealth Enlightened Factoring Strategy (the “ Factoring Fund ”)	Court of Queen’s Bench of Alberta (“ ABQB ”) – Court File No. 1801-12360; Estate No. 094942	Bankruptcy Order obtained on application of the Receiver on September 14, 2018. The Bowra Group Inc. has been appointed as trustee of the bankrupt’s estate.
647497 B.C. Ltd.	Factoring Fund	Supreme Court of British Columbia – Court File No. VER-S-B-55205; Estate No. 11-2430287	Bankruptcy Order obtained on application of the Receiver on October 2, 2018. The Bowra Group Inc. has been appointed as trustee of the bankrupt’s estate.
Restoration Energy Inc.	Factoring Fund and Crystal Wealth Enlightened Hedge Fund (the “ Hedge Fund ”)	ABQB – Court File No. 1801-12359; Estate No. 094943	Bankruptcy Order obtained on application of the Receiver on September 14, 2018. The Bowra Group Inc. has been appointed as trustee of the bankrupt’s estate.
1092545 B.C. Ltd.	Factoring Fund	Ontario Superior Court of Justice (Commercial List) – Court File No. CV-17-11779-00CL; BCSC – Court File No. B-190369;	Judgment obtained by the Receiver against 1092545 B.C. Ltd. on August 20, 2018. Bankruptcy Order obtained on application of the Receiver on July 4, 2019. The Bowra Group Inc. has been appointed as trustee of the bankrupt’s estate.

Debtor Entity/Entities or Defendant(s)	Crystal Wealth Group Claimant(s)	Court File No./Estate No.	Update
		Estate No. 11-254179	
Solid Holdings Ltd.	Factoring Fund	BCSC – Court File No. B-180514; British Columbia Court of Appeal – Court File No. CA45889	Bankruptcy Order obtained on application of the Receiver on February 1, 2019; affirmed by British Columbia Court of Appeal on June 16, 2019. The Bowra Group Inc. has been appointed as trustee of the bankrupt's estate.
Onstar Exploration Ltd.	Factoring Fund, Hedge Fund, and Crystal Enlightened Bullion Fund (the "Bullion Fund")	BCSC – Court File No. B-190401; Estate No. 11-254183	Bankruptcy Order obtained on application of the Receiver on September 16, 2019. The Bowra Group Inc. has been appointed as trustee of the bankrupt's estate.
611802 B.C. Ltd	Factoring Fund, Hedge Fund, and Bullion Fund	(BCSC – Court File No. 55863)	Bankruptcy Order obtained on application of the Receiver on August 6, 2019. The Bowra Group Inc. has been appointed as trustee of the bankrupt's estate.
Dome Mountain Resources of Canada Inc.	Factoring Fund and Hedge Fund	(BCSC – Court File No. 56246)	On December 12, 2019, the Receiver filed an application for a Bankruptcy Order against Dome Mountain Resources of Canada Inc., returnable January 15, 2020.
Martin McCready	CLJ Everest Ltd.	Ontario Superior Court of Justice ("ONSC") – Court File Nos. CV-18-1601019-00CL; 31-OR-208382-T	Judgment obtained by the Receiver against Martin McCready on January 11, 2019. Bankruptcy Order obtained on application of the Receiver on July 16, 2019.
Jeffrey Maljaars, Robert Maljaars, Marion DenHollander, and Darcy Pahl	Factoring Fund and Hedge Fund	ONSC (Commercial List) – Court File No. CV-18-604459-00CL	On September 4, 2018, the Receiver commenced an action in the ONSC (Commercial List) against Jeffrey Maljaars, Robert Maljaars, Marion DenHollander, and Darcy Pahl pursuant to their guarantor obligations to the Factoring and Hedge Funds, as applicable. On December 3, 2019, the Receiver obtained Default Judgment against Robert Maljaars and Darcy Pahl. The action remains ongoing as against Marion DenHollander and Jeffrey Maljaars, who have delivered statements of defence in the proceeding.

Debtor Entity/Entities or Defendant(s)	Crystal Wealth Group Claimant(s)	Court File No./Estate No.	Update
Zomongo.TV Corp., Zomongo.TV Holdings Corp., Zomongo Inc., David DenHollander, Marion DenHollander, Jeremy Ostrowski, and Jocelyne Hughes-Ostrowski	Factoring Fund and Hedge Fund	ONSC (Commercial List) – Court File No. CV-19-00612240-0000	On January 9, 2019, the Receiver commenced an action in the ONSC (Commercial List) against Zomongo.TV Corp., Zomongo.TV Holdings Corp., Zomongo Inc., David DenHollander, Marion DenHollander, Jeremy Ostrowski, and Jocelyne Hughes-Ostrowski, in connection with the defendants' obligations to the Factoring Fund and Hedge Fund pursuant to the defendants' liabilities to the Funds, as applicable, pursuant to certain Factoring Agreements, letter agreement, and guarantees. The Receiver's action was stayed against Jeremy Ostrowski, who made an assignment in bankruptcy on April 18, 2019. On December 3, 2019, Default Judgment was obtained by the Receiver against Zomongo.TV Corp., Zomongo.TV Holdings Corp., Zomongo Inc., and Jocelyne Hughes-Ostrowski. The action remains ongoing as against Marion DenHollander and David DenHollander, who have delivered statements of defence in the proceeding.
Frontline Factoring Inc. and Jerry Froese	Factoring Fund and Hedge Fund	ONSC (Commercial List) – Court File No. CV-18-00608752-00CL	On September 4, 2018, the Receiver commenced an action in the ONSC (Commercial List) against Frontline Factoring Inc. ("Frontline") and Jerry Froese, in connection with the defendants' involvement and conduct with respect to and arising from the Factoring Procurement and Administration Agreement entered into by Frontline and the Funds. The action remains ongoing, and Frontline and Mr. Froese have delivered statements of defence in the proceeding.
Advanced Metal Concepts and Fabrication Ltd.	Factoring Fund	N/A	On February 12, 2019, after undertaking due diligence into the status of Advanced Metal Concepts and Fabrication Ltd., the Receiver agreed to assign the indebtedness owing by Advanced Metal to the Factoring Fund to a third party, in consideration of \$350,000.
Inca One Gold Corp.	Factoring Fund, Hedge Fund, and Bullion Fund	N/A	On October 30, 2019, the Receiver agreed to a confidential resolution with Inca One Gold Corp., details of which will be reported to the Court at a subsequent date.

Debtor Entity/Entities or Defendant(s)	Crystal Wealth Group Claimant(s)	Court File No./Estate No.	Update
OOM Energy Group	Crystal Wealth Mortgage Strategy (the “ Mortgage Fund ”), Crystal Wealth Infrastructure Strategy (the “ Infrastructure Fund ”), and Absolute Sustainable Property Fund	N/A	The Receiver and its counsel are continuing to explore recovery options with respect to the OOM Energy Loans.
Pond Technologies Inc.	Mortgage Fund and Crystal Wealth High Yield Mortgage Strategy (the “ High Yield Mortgage Fund ”)	N/A	The Receiver continues to receive periodic payments in connection with the Pond Loan Amendments.
1076874 Properties Limited Partnership (US Real Estate LP)	Factoring Fund and Hedge Fund	ONSC (Commercial List) – Court File No. CV-19-00630036-00CL	On October 29, 2019, the Receiver commenced an action in the Ontario Superior Court of Justice (Commercial List) against 1076874 Properties Limited Partnership, and certain other persons and entities involved with and/or related to the US Real Estate LP (Alberto Storelli, Joseph Harker, Brian Peoples, 1076874 B.C. Ltd., 1077187 B.C. Ltd., DaVinci Capital Property, Inc., Rothbury REIT Limited Partnership, Rothbury Capital Corp. and DaVinci Capital REIT Inc.). At this time, despite service of the Statement of Claim, none of the defendants have defended the action. Should defences not be filed in accordance with the required timelines, the Receiver will seek default judgment.
Xynergy Medical Capital LLC	Crystal Wealth Medical Strategy	N/A	The Receiver continues to engage with Xynergy Medical Capital LLC in connection with realization efforts pursuant to the Master Medical Receivables Purchase and Administration Agreement made effective as of March 31, 2016, and including with respect to the Medical Fund’s interest in certain NFL Participation Agreements, being funding agreements entered into between NFL players and KrunchCash Capital LLC (an entity associated with Xynergy).

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Single Source Services Ltd.	Factoring Fund	N/A	On December 10, 2019, the Receiver submitted a claim to Caterpillar Financial Services Limited (" Cat Finance ") to surplus proceeds of \$41,849.37 arising out of Cat Finance's recent seizure and sale of particular collateral held by Single Source Services Ltd. The Receiver is awaiting confirmation from Cat Finance with respect to the Factoring Fund's claimed entitlement to the surplus funds.
Clayton Smith	Crystal Wealth Management System Limited and all Crystal Wealth Funds	N/A	Enforcement Staff of the Ontario Securities Commission commenced and concluded its own investigation into the conduct of Clayton Smith, which resulted in a Settlement Agreement in which Mr. Smith was sanctioned and reprimanded for his conduct. The Settlement Agreement, and the OSC's Oral Reasons for Approval of Settlement and the resulting Order, can be accessed at https://www.osc.gov.on.ca/documents/en/Proceedings-SET/set_20180528_smithc.pdf , https://www.osc.gov.on.ca/en/Proceedings_oth_2018_0614_smithc.htm , and https://www.osc.gov.on.ca/en/Proceedings_rad_2018_0614_smithc.htm , respectively. The Receiver has conducted an examination under oath of Clayton Smith and detailed investigations into Crystal Wealth Management System Limited and the Crystal Wealth Funds. The Receiver has brought this matter to the attention of the Ontario Provincial Police.
Al Housego	Crystal Wealth Management System Limited and certain Crystal Wealth Funds	N/A	On April 12, 2018, the Receiver conducted an examination under oath of Al Housego, at which time Mr. Housego testified that he was the subject of a securities commission investigation in British Columbia. The full transcript from the examination of Mr. Housego can be accessed on the Receiver's Case Website: https://docs.grantthornton.ca/document-folder/viewer/docul8LWsxWwho7J/209622021879615015?_ga=2.9065397.1615974802.1558975228-455411779.1525375598 .

Please contact the Receiver at any time should you have any questions.

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Receiver's Case Website: www.GrantThornton.ca/CrystalWealth

DATED at Toronto, Ontario, this 20th day of December, 2019.

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