

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE  
JUSTICE KOEHNEN

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TUESDAY, THE 2ND DAY  
OF JUNE, 2020

**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 (“**GTL**”), in its capacity as the Court-appointed receiver and manager (in such capacity, 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, *inter alia*, approving the Fifth Report of the Receiver dated May 19, 2020 (the “**Fifth Report**”) and the activities of the Receiver set out in the Fifth Report, approving the BDO Settlement Agreement (as defined in the Fifth Report), approving the Receiver’s proposed third interim distribution, and

for other relief requested by the Receiver in its Notice of Motion dated May 22, 2020, was heard this day by tele-conference at 330 University Avenue, Toronto, Ontario.

**ON READING** the Fifth Report, including the affidavit of Bruce Bando sworn March 27, 2020 (the “**Bando Affidavit**”), and the affidavit of Shakaira John sworn March 19, 2020 (the “**John Affidavit**”), and on hearing the submissions of counsel for the Receiver and such other counsel who were present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service of Bradley Cook sworn May 22, 2020, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the Receiver’s motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Fifth Report and the activities of the Receiver described therein be and are hereby approved.

3. **THIS COURT ORDERS** that the Settlement Agreement (as defined in the Fifth Report) entered into by the Receiver and BDO Canada LLP (“**BDO**”) be and is hereby approved on a contingent basis, subject to the following:

(a) the Ontario Securities Commission (“**OSC**”) approving that at least \$2,500,000.00 of an Administrative Monetary Penalty agreed to between the OSC and BDO be paid to the Receiver for the purposes of distribution to unitholders of the Crystal Wealth Funds (the “**AMP Payment**”); and

(b) the Receiver obtaining the AMP Payment.

4. **THIS COURT ORDERS** that the amount of the AMP Payment, as received by the Receiver, shall be distributed to the unitholders in accordance with paragraph 9 without any deduction for legal fees or expenses, including any expenses related to the distribution of the amounts (the “**AMP Contingency**”).

5. **THIS COURT ORDERS** that upon receipt of the AMP Payment by the Receiver, the Receiver shall provide written notice of such receipt to BDO, which written notice shall be made by email to the lawyer for BDO, Andrea Laing ([andrea.laing@blakes.com](mailto:andrea.laing@blakes.com)) (the “**Written Notice**”).

6. **THIS COURT DECLARES** that the terms of the Settlement Agreement are fair and reasonable for the circumstances of this proceeding.

7. **THIS COURT ORDERS** that the Settlement Agreement – including, without limitation the Releases provided for therein – is approved by this Court on a final basis and that the Receiver is authorized and directed to comply with its obligations thereunder at the time of the Receiver or its lawyers sending the Written Notice referred to in paragraph 5 above, thereby constituting Final Commercial List Approval, as defined in sub-paragraph 1(b) of the Settlement Agreement.

8. **THIS COURT ORDERS** that the Amended Fee Agreement with AGB LLP (as defined in the Fifth Report) entered into by the Receiver and AGB LLP in settlement of any and all claims to compensation or payment otherwise that AGB LLP has pursuant to the AGB LLP Engagement Letter attached as Confidential Appendix “1” to the Fourth Report, be and is hereby approved.

9. **THIS COURT ORDERS** that the Receiver’s methodology and proposal to make an interim distribution to investors of certain Crystal Wealth Funds, as set out in the Fifth Report, be and is hereby approved, and that the Receiver is hereby authorized to make such interim distribution to such investors.

10. **THIS COURT ORDERS** that the Confidential Appendices to the Fifth Report be and are hereby sealed until further Order of the Court.

11. **THIS COURT ORDERS** that the Receiver’s Interim Statement of Receipts and Disbursements through to February 29, 2020, as appended to the Fifth Report, be and is hereby approved.

12. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period June 1, 2018 to February 29, 2020, as described in the Fifth Report and as set out in the Bando Affidavit, be and are hereby approved.

13. **THIS COURT ORDERS** that the fees and disbursements of Aird & Berlis LLP, the lawyers for the Receiver, for the period April 24, 2018 to February 28, 2020, as described in the Fifth Report and as set out in the John Affidavit, be and are hereby approved.

14. **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.

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

16. **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.

17. **THIS COURT ORDERS** that, this order is effective from today's date and is not required to be entered.



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**ONTARIO  
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**Proceedings commenced at Toronto**

**ORDER**

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*Lawyers for Grant Thornton Limited, in its capacity as  
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System Limited, 1150752 Ontario Limited et. al*

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