

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**



THE HONOURABLE
JUSTICE PATTILLO

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TUESDAY, THE 15th DAY
OF MAY, 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**

VESTING ORDER

THIS MOTION, made by Grant Thornton Limited in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of: (i) each of the Respondents except the Respondent, Chrysalis Yoga Inc. ("**Chrysalis Yoga**") (the Respondents except for Chrysalis Yoga being collectively referred to as 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**"), for an Order, *inter alia*, vesting in Xynergy Medical Capital LLC (the "**Purchaser**") the right, title and

interest in and to the Geodata Participation (the "**Purchased Assets**"), as such term is defined in the Bill of Sale dated July 10, 2017 entered into by the Receiver, as vendor on behalf of the Crystal Wealth Medical Strategy, and the Purchaser, as purchaser, and as amended by an Amendment to the Bill of Sale dated January 26, 2018 (together, the "**Sale Agreement**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report of the Receiver dated May 3, 2018 and the Supplement to the Third Report of the Receiver dated May 14, 2018, 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 affidavits of Diana Saturno sworn May 3, 2018 and May 14, 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 which is the subject of the Sale Agreement (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.
3. **THIS COURT ORDERS AND DECLARES** that all of the right, title and interest in and to the Purchased 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; and (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, *nunc pro tunc* as of July 10, 2017.

4. **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 July 10, 2017 all Claims 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 Receiver immediately prior to the sale.

5. **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 Respondents and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Respondents;

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 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.

6. **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.

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

MAY 15 2018

PER / PAR:



	ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST Proceedings commenced at Toronto VESTING 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 <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 & 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>
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