

Court File No. CV-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, 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

QUESTIONING PURSUANT TO COURT ORDER OF:

JEFFREY MALJAARS

CALGARY, ALBERTA, CANADA

MARCH 22, 2018

VOLUME 1

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2 Receiver

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1 (PROCEEDINGS COMMENCED AT 1:50 P.M.)

2 JEFFREY MALJAARS, having
3 been duly sworn, questioned by Mr. van Zandvoort,
4 testified as follows:

5 Q MR. van ZANDVOORT: Good afternoon. Can you
6 state your full name for the record, please?

7 A Jeffrey Martin Maljaars.

8 Q Your date of birth, Mr. Maljaars?

9 MR. POPOWICH: Objection.

10 (OBJECTION TO A QUESTION)

11 Q MR. van ZANDVOORT: I'm going to direct this
12 question at your counsel.

13 I assume a blanket refusal is being given as well
14 on this examination for all requests for undertakings?

15 MR. POPOWICH: Of personal matters,
16 matters that aren't relevant into the factoring
17 arrangement are not going to be responded to.

18 Undertakings are not going to be responded to and
19 aren't part of the process, but as we are here and
20 cooperating, I will give a reconsideration to all as we
21 move forward.

22 Q MR. van ZANDVOORT: And you swore to tell the
23 truth today, Mr. Maljaars?

24 A Yes.

25 Q And your father is Robert or Bob Maljaars?

26 A Yes.

27 Q Where do you reside, Mr. Maljaars?

1 A I'm in British Columbia.

2 Q Sorry, where in British Columbia?

3 MR. POPOWICH: That's not necessary, is
4 it? And you know the answer, I believe.

5 (OBJECTION TO A QUESTION)

6 Q MR. van ZANDVOORT: Can you tell me, Mr.
7 Maljaars, where you reside?

8 MR. POPOWICH: Objection.

9 (OBJECTION TO A QUESTION)

10 Q MR. van ZANDVOORT: Are you the sole director
11 and officer of a numbered company called 1566496 Alberta
12 Ltd.?

13 A Yes.

14 Q What I'm going to show you here, and we will mark it as
15 an exhibit, counsel, is a Government of Alberta
16 Corporate Registration System Search, which shows
17 Jeffrey Maljaars as the sole shareholder and director of
18 the company. Is that accurate still?

19 A Yes.

20 Q You are the sole shareholder?

21 A Yes.

22 Q Today I'm just going to refer to this company as 156
23 Alberta. You understand that?

24 A Yes.

25 Q And the registered office of the company is listed at
26 number 600, 220 - 4th Street, South, Lethbridge?

27 MR. POPOWICH: Is that a question?

1 THE WITNESS: Is that a question?

2 Q MR. van ZANDVOORT: You are looking at the
3 search, sir. Does that remain the registered office of
4 156 Alberta?

5 A Yes.

6 Q What is located at that address?

7 A To the best of my understanding, that is where my dad
8 has an office at Frontline.

9 Q You said where your dad has an office at Frontline,
10 meaning Frontline Factoring?

11 A I believe so.

12 Q Why does your dad have an office at Frontline Factoring?

13 A I don't know.

14 Q Do you have an office at that address?

15 A No.

16 Q Then why is it listed as 156 Alberta's registered
17 office?

18 A I'm not sure.

19 Q Have you ever been to that address?

20 MR. POPOWICH: Why does that matter?

21 MR. van ZANDVOORT: Because he is the sole
22 director and shareholder of the company whose registered
23 office it is.

24 MR. POPOWICH: I'm not sure how that's
25 responsive, but it doesn't matter --

26 MR. van ZANDVOORT: -- a hundred percent
27 matters.

1 MR. POPOWICH: Counsel, because you state
2 that it matters isn't an answer. It's to beg a
3 question. If you can tell me how it is relevant to the
4 inquiries that you have here, we will go forward,
5 otherwise objection.

6 MR. van ZANDVOORT: All right, counsel --

7 (OBJECTION TO A QUESTION)

8 Q MR. van ZANDVOORT: Does 156 Alberta owe money
9 to Crystal Wealth?

10 A I'm not sure who the money is owed to.

11 Q What do you understand?

12 A I understand that it's my company that I was doing work
13 with my dad when I lived in Alberta. And he was taking
14 over the company on paper and he was managing it.

15 And we were in the process of selling it to him,
16 transferring all the shares to him, and I had a personal
17 guarantee on this -- whatever the money is owed to.

18 Q I'm going to ask you again. Have you ever been to that
19 registered office at 156 Alberta --

20 MR. POPOWICH: Counsel, you have already
21 gotten an objection.

22 MR. van ZANDVOORT: There is no basis to object
23 to a question as to whether or not he has been to his
24 own company's office --

25 MR. POPOWICH: Counsel, you can be as
26 upset as you want, but you can go to a court; okay?

27 MR. van ZANDVOORT: Nobody is upset, but I

1 would just like relevant questions responded to --

2 MR. POPOWICH: Counsel, do you want to
3 repeat again?

4 Q MR. van ZANDVOORT: Have you ever been to --

5 MR. POPOWICH: Objection three times.
6 That should be enough.

7 MR. van ZANDVOORT: You invited me to ask the
8 question.

9 MR. POPOWICH: No, I was talking about why
10 you want to say what you want to say. But I would have
11 thought once is enough.

12 (OBJECTION TO A QUESTION)

13 Q MR. van ZANDVOORT: I'm going to put Exhibit 13
14 in front of you, which is a document entitled Factoring
15 Agreement made January 8th, 2015 between Crystal
16 Enlightened Income Fund and 156 Alberta.

17 Can you flip to the signature page of that, Mr.
18 Maljaars?

19 MR. POPOWICH: Counsel, you had asked if
20 he was aware if any money was owed by the numbered
21 company --

22 MR. van ZANDVOORT: I'm asking a different
23 question. Do not interrupt --

24 MR. POPOWICH: Excuse me --

25 MR. van ZANDVOORT: Do not interrupt.

26 MR. POPOWICH: Excuse me. He is looking
27 at a document. I'm not aware of any money owed by 156

1 to Crystal wealth --

2 MR. van ZANDVOORT: I'm not asking --

3 MR. POPOWICH: Counsel have to ensure that
4 their questions are accurately reflected in the facts --

5 MR. van ZANDVOORT: Counsel needs to let
6 witnesses answer the questions asked of them and not
7 speak unnecessarily when questions are not directed to
8 them.

9 MR. POPOWICH: So we'll go again. If you
10 can show me where there is money owed to Crystal wealth
11 by the numbered company, you may ask that question.

12 MR. van ZANDVOORT: We are going to get there.

13 MR. POPOWICH: Show me now.

14 MR. van ZANDVOORT: Stop interrupting.

15 MR. POPOWICH: Show me. I'm not
16 interrupting. You haven't asked a question. He is
17 reading a document. Don't misstate to my witness --

18 MR. van ZANDVOORT: -- counsel, I'm asking
19 again to not interrupt.

20 MR. POPOWICH: Do it again. Show me in
21 the document, please.

22 Q MR. van ZANDVOORT: Please turn to the
23 signature page of Exhibit 13 --

24 MR. POPOWICH: Identify the signature page
25 for him, please.

26 MR. van ZANDVOORT: I just asked him to turn to
27 Exhibit 13 -- enough, Kip --

1 MR. POPOWICH: Sorry, it's Mr. Popowich
2 for the record. Let him know what the signature page is
3 that you want by number, please. This is easy.

4 MR. van ZANDVOORT: He seems to be looking at
5 the signature page. I think your client knows what a
6 signature page is.

7 MR. POPOWICH: I don't know that.

8 Q MR. van ZANDVOORT: Mr. Maljaars, you are
9 looking at a document at page 15 of the factoring
10 agreement I just put before you. There is a signature
11 in the name of Jeff Maljaars, president and director.
12 Is that your signature, sir?

13 A Yes.

14 Q Where were you when you signed this document?

15 MR. POPOWICH: Why is that relevant?

16 MR. van ZANDVOORT: Because I want to know the
17 circumstances surrounding his execution of the agreement
18 at issue giving rise to indebtedness of the Crystal
19 Wealth Enlightened Income Fund --

20 MR. POPOWICH: Why is that relevant?

21 Objection.

22 (OBJECTION TO A QUESTION)

23 Q MR. van ZANDVOORT: At Section 11.1 of this
24 document, it talks about security interest, Mr.
25 Maljaars. And you are not a lawyer, but your lawyer has
26 raised numerous objections to relevant questions --

27 MR. POPOWICH: I don't think he knows any

1 of that. He has no idea, and there has been one
2 objection today, and it was not -- it was a note saying
3 if you are going to say there is money owing to Crystal
4 wealth by the numbered company, you have to show me
5 where that is. Because there was a sale of an account
6 receivable.

7 He doesn't know what was on the record or what
8 the objections were.

9 MR. van ZANDVOORT: You are giving a lot of
10 evidence today, sir.

11 MR. POPOWICH: That's not evidence. How
12 is that evidence, counsel? How is it evidence?

13 MR. van ZANDVOORT: Let's discuss.

14 MR. POPOWICH: Counsel --

15 Q MR. van ZANDVOORT: At Section 11.1 of the
16 factoring agreement which you signed, it says: As
17 security for all of the obligations of the merchant,
18 being 156 Alberta, to the factor, which is by Crystal
19 Enlightened Income Fund, now known as the factoring
20 fund, the merchant, 156 Alberta, hereby grants to the
21 factor for itself and its affiliates a continuing
22 security interest in all of the collateral as defined by
23 Section 11.3.

24 I want to know the circumstances about the
25 registered office. Whether you have been there and the
26 ownership of that office to determine whether or not it
27 forms part of the collateral under this agreement.

1 MR. POPOWICH: Pardon me? Objection.

2 You are trying to suggest the registered office
3 is collateral. Counsel, take a walk, take a deep
4 breath.

5 MR. van ZANDVOORT: Counsel, I don't appreciate
6 your tone, I don't appreciate your rudeness. I don't
7 appreciate the fact that you are not taking my view of
8 this examination seriously.

9 We are trying to understand what collateral is
10 there, including at the registered office of your
11 client's company, which would be inventory of the
12 merchant.

13 How is it not relevant to know what's at this
14 office and whether your client has even been to his own
15 registered office?

16 MR. POPOWICH: Take a rest. And if you
17 want to see what if anything is in there, you may. But
18 you may not ask him, and it's irrelevant whether he has
19 been there or not.

20 MR. van ZANDVOORT: Counsel --

21 MR. POPOWICH: If you are looking for
22 collateral and if you are going to show me a single
23 request to exercise on the collateral, we'll continue.

24 Of course I'm being protective. That is my job,
25 counsel.

26 MR. van ZANDVOORT: Obstructionist would be the
27 more appropriate word --

1 MR. POPOWICH: You can try whatever you
2 want. I invite you to put it before a judge.

3 MR. van ZANDVOORT: Thank you. I know my
4 rights.

5 MR. POPOWICH: Are you sure?

6 MR. van ZANDVOORT: Be a professional, Kip.

7 MR. POPOWICH: I am. So no first names.
8 Put your hand down now.

9 (OBJECTION TO A QUESTION)

10 Q MR. van ZANDVOORT: Have you been to the
11 registered office of your company 156 Alberta --

12 MR. POPOWICH: For the fourth time,
13 objection.

14 (OBJECTION TO A QUESTION)

15 Q MR. van ZANDVOORT: what property or assets of
16 your company 156 Alberta are stored at its registered
17 office?

18 MR. POPOWICH: Objection.

19 (OBJECTION TO A QUESTION)

20 Q MR. van ZANDVOORT: Are any of its assets
21 stored at its registered office?

22 MR. POPOWICH: Objection.

23 (OBJECTION TO A QUESTION)

24 Q MR. van ZANDVOORT: what is kept at the
25 registered office of the company?

26 MR. POPOWICH: Objection.

27 (OBJECTION TO A QUESTION)

1 Q MR. van ZANDVOORT: And on November 22nd, 2017,
2 the receiver sent you a letter demanding that 156
3 Alberta repay the indebtedness owing. I'm going to show
4 you a copy of the --

5 MR. POPOWICH: I would like to see the
6 report --

7 MR. van ZANDVOORT: Mr. Popowich, you need to
8 stop interrupting so the reporter can get the questions
9 down on the transcript.

10 Mr. Maljaars is here. He is director and
11 shareholder of a company that's done sophisticated
12 business. He is capable of answering questions.

13 MR. POPOWICH: So would you please repeat
14 the question back, which was?

15 (QUESTION READ BACK)

16 MR. POPOWICH: I think you better be
17 accurate in what you said.

18 I would ask the question again, and I would be
19 very careful to ensure --

20 MR. van ZANDVOORT: This is my examination.
21 Can you just sit there and mind your role, please, sir?

22 MR. POPOWICH: I would be very careful to
23 ensure that the question doesn't state facts that are
24 untrue.

25 (OBJECTION TO A QUESTION)

26 Q MR. van ZANDVOORT: Do you recall receiving
27 that letter, sir?

1 A I don't recall it.

2 Q Do you receive the mail at 220 - 4th Street, South,
3 number 600 in Lethbridge, Alberta?

4 A This company is basically my dad's company doing all the
5 work, so if that was mailed to the registered corporate
6 office, I wouldn't have seen it.

7 Q It does say: "Attention Jeff Maljaars, president." It
8 was never brought to your attention?

9 A I don't recall it.

10 Q Do you know if anyone from 156 Alberta, either yourself
11 or your father or anyone else, ever responded to this
12 letter?

13 A I don't know that.

14 Q Now, in this letter, 156 Alberta was requested to
15 repurchase the receivables from the fund. Was any
16 monies paid to the fund to repay the receivables, to
17 your knowledge?

18 A No.

19 MR. POPOWICH: That was a request to
20 repurchase.

21 MR. van ZANDVOORT: Okay.

22 Q Aside from yourself and your father, is anyone else
23 affiliated with 156 Alberta?

24 A I don't know.

25 Q You don't know?

26 A I don't know.

27 MR. van ZANDVOORT: Madam reporter, I don't know

1 -- we will mark the letter of November 22nd, 2017 to 156
2 Alberta from the receiver as Exhibit 15.

3 EXHIBIT NUMBER 15:

4 CORPORATE REGISTRATION SYSTEM SEARCH
5 FOR 156 ALBERTA

6 EXHIBIT NUMBER 16:

7 LETTER OF NOVEMBER 22ND, 2017 TO 156
8 ALBERTA

9 MR. van ZANDVOORT: My apologies, because
10 Exhibit 15 is the Corporate Registration System Search
11 for 156.

12 Q MR. van ZANDVOORT: Just returning to the
13 corporate registration search, Mr. Maljaars, the mailing
14 address is listed as a different address, PO Box 219,
15 Station Main in Lethbridge, Alberta. Do you see that,
16 sir?

17 A Yes.

18 Q Did you set up that PO box?

19 A No.

20 Q who would have set that up; do you know?

21 A My father.

22 Q Is the mail from that PO box forwarded to you?

23 A No.

24 Q Is that PO box still active, to your knowledge?

25 A I don't know.

26 Q who looks after the financial records of 156 Alberta?
27 Is that you or something your father does?

1 A My father.

2 Q Do you deal with an accountant for the company?

3 A No.

4 Q When you signed the factoring agreement at Exhibit 13,
5 did you understand what that document was?

6 A No.

7 Q Did somebody ask you to sign it?

8 A My dad.

9 Q Did he tell you what it was for?

10 A I don't remember.

11 Q Were you paid any money for signing it?

12 A No.

13 Q Have you ever had any communications with Jerry Froese?

14 MR. POPOWICH: In respect to that? In
15 respect to that agreement?

16 Q MR. van ZANDVOORT: Do you know who Jerry
17 Froese is from Frontline Factoring Inc.?

18 A I know Jerry Froese.

19 Q How do you know Jerry Froese?

20 A Family friend.

21 Q How long have you known him?

22 MR. POPOWICH: That's irrelevant.

23 (OBJECTION TO A QUESTION)

24 Q MR. van ZANDVOORT: Did you have any
25 interactions with Jerry Froese around the time that you
26 signed the factoring agreement under Exhibit 13?

27 MR. POPOWICH: with respect to that

1 agreement?

2 MR. van ZANDVOORT: That's what I just said.

3 MR. POPOWICH: No, you just said around
4 the time. So with respect to the agreement, no problem.

5 THE WITNESS: I don't recall. Can I see
6 that agreement?

7 Q MR. van ZANDVOORT: Of course.

8 A What is the date on this signature? Thank you.

9 Q Did that help refresh your memory?

10 A I'm not certain.

11 Q Have you ever prepared any invoices for 156 Alberta?

12 A No.

13 Q Who prepares the invoices for 156 Alberta Inc.?

14 A My father.

15 Q Do you know that for a fact?

16 A Sorry, I can't answer that. I don't know what invoices
17 you are referring to. I just know he has been managing
18 the company for about four years.

19 Q Have you ever provided any services of any kind to Dome
20 Mountain Resources of Canada Inc.?

21 MR. POPOWICH: Him personally?

22 Q MR. van ZANDVOORT: Or through 156 Alberta.

23 A I don't understand the question.

24 Q Have you provided, either yourself personally or on
25 behalf of 156 Alberta, any consulting services to Dome
26 Mountain Resources of Canada Inc.?

27 A Personally on behalf of 156? No.

1 Q Do you know what Dome Mountain Resources of Canada Inc.
2 is?

3 A No.

4 Q Have you ever heard of that company?

5 A I have heard the name.

6 Q Have you heard of Gavin Mines Inc.?

7 A Yes.

8 Q What is that?

9 A I've heard the name. I'm not sure what it is.

10 Q At page 110 of the receiver's second report to the
11 court, it lists a number of invoices issued by 156
12 Alberta to Dome Mountain Resources of Canada Inc.

13 Do you see those listed?

14 A Yes.

15 Q Did you have any involvement in the issuance of those
16 invoices?

17 A Not that I'm aware of.

18 Q During that time period of February 2015 to April 2016
19 when those invoices were issued, were you doing anything
20 on behalf of 156 Alberta in connection with Dome
21 Mountain?

22 A No.

23 Q Do you know during that time period what your father was
24 doing, if anything, with Dome Mountain?

25 A No.

26 Q What do you do for a living?

27 A I cut firewood.

1 Q Self-employed or you have --

2 A Yes.

3 Q Just from your land?

4 MR. POPOWICH: Does it matter? No, guys,
5 come on.

6 (OBJECTION TO A QUESTION)

7 Q MR. van ZANDVOORT: Do you have any expertise
8 or experience in the mining industry?

9 A No.

10 Q You kind of laughed. I just thought --

11 MR. POPOWICH: He cuts firewood, gents.

12 THE WITNESS: I'm forestry, lumber.

13 Q MR. van ZANDVOORT: Do you have access or have
14 you ever had access to a bank account in the name of 156
15 Alberta?

16 A Yes.

17 Q Where was that account?

18 A In Lethbridge when I opened the company.

19 Q Is that account still in existence?

20 A To the best of my knowledge, yeah.

21 Q At what financial institution?

22 A TD.

23 Q What do you use that bank account for?

24 A I don't use it.

25 Q Aside from -- so the firewood you cut, do you resell it
26 or is it firewood you cut and you sell for profit or --
27 you said you are self-employed --

1 A That's my business --

2 Q Yes. I assume you receive your income from that
3 business?

4 A Yes.

5 Q Have you ever received any payments from your father?

6 MR. POPOWICH: For what?

7 MR. van ZANDVOORT: well, he says that his
8 father --

9 MR. POPOWICH: For firewood.

10 MR. van ZANDVOORT: No, not from firewood.

11 From the bank account of his company that only
12 his father controls.

13 THE WITNESS: To the best of my
14 knowledge, no.

15 Q MR. van ZANDVOORT: Have you ever received any
16 payments in excess of a thousand dollars from your
17 father or Frontline Factoring?

18 A For what?

19 MR. POPOWICH: Yeah. So I don't think
20 that's a proper question. We can focus inquiries on
21 what's at issue here, but family arrangements and
22 payments over the course of time, who knows, counsel.

23 MR. van ZANDVOORT: So I think here is the
24 dilemma. Mr. Maljaars has a company that has done
25 factoring arrangements with Frontline and with Crystal
26 wealth. He doesn't seem to know anything about it.

27 So the only thing I can ask Mr. Maljaars that

1 would of course be relevant is has he received payments
2 -- because we know we have established over the last
3 couple of days that through these factoring
4 arrangements, money from Crystal wealth went to 156
5 Alberta and it was used to pay both Gavin Mines and it
6 was used to pay, we know, Mr. McBean.

7 I don't know if any payments also made its way to
8 Mr. Maljaars here.

9 MR. POPOWICH: That's okay. And I think
10 what the evidence actually is is that all the money goes
11 back to the mine or to Mr. McBean.

12 You can ask him if to his knowledge he has
13 received any money through factoring arrangements from
14 Frontline. That's okay with me.

15 MR. van ZANDVOORT: well, he is not going to
16 know because he's already said he doesn't understand any
17 of these arrangements.

18 Q I'm just going to ask you again, sir. Have you ever
19 received a payment of in excess of a thousand dollars
20 from either your father, from your company, 156 Alberta,
21 or from Frontline Factoring Inc.?

22 MR. POPOWICH: That's just too broad,
23 counsel. So objection.

24 (OBJECTION TO A QUESTION)

25 Q MR. van ZANDVOORT: Have you ever received a
26 payment from Frontline Factoring Inc.?

27 MR. POPOWICH: For what?

1 MR. van ZANDVOORT: He wants to answer the
2 question, so --

3 MR. POPOWICH: No, no.

4 MR. van ZANDVOORT: You are cutting him off.

5 MR. POPOWICH: So do we have a time?

6 Q MR. van ZANDVOORT: within the last -- since
7 the first invoice was issued by your company, 156
8 Alberta --

9 MR. POPOWICH: So he doesn't know the
10 date, so if you tell him the date, that's all right with
11 me.

12 MR. van ZANDVOORT: what do you mean? He does,
13 because I just pointed to the term --

14 MR. POPOWICH: I don't know how to break
15 this to you, counsel. This is your record and a report.

16 Assuming you have correctly identified this,
17 there might have been an invoice. I have no idea.

18 So I have no problem if you ask him if since the
19 27th of February, 2015, did you receive a payment
20 personally on behalf of 156 from Frontline, no problem.

21 MR. van ZANDVOORT: Let me ask my question.

22 Q Have you received a payment in excess of a thousand
23 dollars from either your father, from your company, 156
24 Alberta, or from Frontline Factoring since February of
25 2015?

26 MR. POPOWICH: You can answer with respect
27 to Frontline.

1 THE WITNESS: Answering from Frontline
2 personally, I have not received money.

3 Q MR. van ZANDVOORT: who has? You emphasize
4 personally.

5 A That was the question; right? Have I personally
6 received money, so no.

7 Q So you haven't personally received any money from
8 Frontline.

9 Did you receive money from either your company or
10 your father?

11 MR. POPOWICH: Since then?

12 Q MR. van ZANDVOORT: Since February 2015.

13 A From my company, no.

14 Q From your father?

15 A Maybe personally. But that's not relevant.

16 Q How much? Why is that not relevant?

17 A That's my personal life from whatever bank account he
18 might have paid me from. So father to son, that's not
19 an answer.

20 Q I agree it's not an answer. How much have you received
21 from him since February 2015?

22 A I don't know.

23 Q Approximately.

24 A I don't like guessing.

25 Q More or less than \$10,000?

26 A Less.

27 Q More or less than \$5,000?

1 MR. POPOWICH: we have him guessing --
2 Q MR. van ZANDVOORT: where is your bank account,
3 sir?
4 A TD.
5 Q where? what branch?
6 MR. POPOWICH: That's enough.
7 (OBJECTION TO A QUESTION)
8 Q MR. van ZANDVOORT: In B.C. or Alberta?
9 MR. POPOWICH: That's enough.
10 (OBJECTION TO A QUESTION)
11 Q MR. van ZANDVOORT: Do you know David
12 DenHollander?
13 A Yes.
14 Q How do you know him?
15 A Family friend.
16 Q Have you ever had any business dealings with David
17 DenHollander's companies?
18 A No.
19 Q Do you know if your father has ever had any business
20 dealings with David DenHollander or his companies?
21 A No.
22 Q So how long has Mr. DenHollander been a family friend?
23 MR. POPOWICH: Does that matter?
24 MR. van ZANDVOORT: It does.
25 MR. POPOWICH: No.
26 (OBJECTION TO A QUESTION)
27 Q MR. van ZANDVOORT: Do you know what Mr.

1 DenHollander does for a living?

2 A No.

3 Q Do you know what Mr. Froese does for a living?

4 A No.

5 Q Do you know a Darcy Pahl?

6 A Yes.

7 Q How do you know Mr. Pahl?

8 A Family friend.

9 Q Have you ever done any business with Darcy Pahl?

10 A No.

11 Q Do you know what Mr. Pahl does for a living?

12 A No.

13 Q How long has Mr. Pahl been a family friend?

14 MR. POPOWICH: Again, it doesn't matter.

15 (OBJECTION TO A QUESTION)

16 Q MR. van ZANDVOORT: Do you know Lloyd
17 Tattersal?

18 A No.

19 Q Do you know Al Housego?

20 A Yes.

21 Q How do you know Al Housego?

22 A Family friend.

23 Q Have you ever done any business with Mr. Housego or his
24 companies?

25 A Apparently.

26 Q You are motioning at the record --

27 A 156 and Crystal you mentioned.

1 Q Do you understand what those business arrangements were?

2 A No.

3 Q Do you know that your company, 156 Alberta, received
4 money through the Crystal wealth income funds through
5 that arrangement?

6 A Yes.

7 Q What did you understand as to why that was happening?

8 A I understood that my dad was using my company because I
9 was selling it to him and that his transactions were
10 none of my business or interest.

11 Q How long has Mr. Housego been a family friend?

12 MR. POPOWICH: Again, that doesn't matter.

13 (OBJECTION TO A QUESTION)

14 Q MR. van ZANDVOORT: How long has, to your
15 knowledge, your father known Mr. Housego?

16 MR. POPOWICH: Again, so uncalled.

17 (OBJECTION TO A QUESTION)

18 Q MR. van ZANDVOORT: Do you know Clayton Smith?

19 A No.

20 Q Do you know Stephen Bandola?

21 A No.

22 Q Do you know Jeff Wilkie?

23 A No.

24 Q Do you know Jordan McBean?

25 A No.

26 Q Have you ever heard the name?

27 A No.

1 Q Do you know what your father does for a living?

2 A No.

3 Q Do you know if your father has any investments with
4 David DenHollander?

5 A No.

6 Q Do you know about an olive oil farm in Chili called
7 Laguna Torca?

8 A Yes.

9 Q What do you know about it?

10 MR. POPOWICH: why?

11 Q MR. van ZANDVOORT: Because it appears from Mr.
12 DenHollander's e-mail marked as --

13 And I'll put it before your client --

14 -- marked as Exhibit 12, that your father and Mr.
15 DenHollander and Mr. Housego, amongst others, have an
16 investment in this farm in Chili.

17 MR. POPOWICH: How has that got anything
18 to do with the receivership here of Crystal wealth?

19 MR. van ZANDVOORT: I think what you are hearing
20 here, counsel, is a concern that one of these
21 significant financial arrangements entered into by your
22 client's company, he has absolutely no idea about.

23 MR. POPOWICH: I got that. So what does
24 that have to do with a Chilean olive farm, my friend?

25 MR. van ZANDVOORT: There's a lot of money
26 owing from --

27 MR. POPOWICH: I got it. Sorry, by which

1 company?

2 MR. van ZANDVOORT: By 156 Alberta.

3 MR. POPOWICH: So who does it owe money
4 to?

5 MR. van ZANDVOORT: Crystal wealth.

6 MR. POPOWICH: Show me.

7 MR. van ZANDVOORT: well, they have asked for
8 the repurchase regarding their account --

9 MR. POPOWICH: Okay, that's different.

10 That's your request for a repurchase. That's not a
11 debt.

12 And counsel, you have to be very, very careful
13 again in stating --

14 MR. van ZANDVOORT: Counsel, I understand
15 what you are doing here. I get it. It has
16 absolutely --

17 MR. POPOWICH: No, I want you to be held
18 to your ethical obligations -- we are done.

19 MR. van ZANDVOORT: I am acting in my ethical
20 obligations.

21 MR. POPOWICH: well, then, state the
22 facts. If you can show me a debt -- I read the
23 agreement that says nonrecourse financing, plus you can
24 ask somebody to re-buy it --

25 MR. van ZANDVOORT: That's your legal
26 position --

27 MR. POPOWICH: It's not a legal position,

1 it's the words in the agreement.

2 MR. van ZANDVOORT: Counsel, you are not judge
3 and jury --

4 MR. POPOWICH: I'm sorry, I'm telling you
5 what's in the agreement --

6 MR. van ZANDVOORT: If you are going to refuse
7 the question --

8 MR. POPOWICH: I'm telling you what's in
9 the agreement, so I've already done that -- objection.

10 (OBJECTION TO A QUESTION)

11 MR. van ZANDVOORT: So that's no questions
12 about Laguna Torca, to be clear?

13 MR. POPOWICH: Unless you can tell me what
14 it's got to do with anything relating to this matter.

15 MR. van ZANDVOORT: And clear --

16 MR. POPOWICH: No, counsel, when you say
17 clearly, it means you ain't and you struggle with the
18 relevance, if I may say.

19 (OBJECTION TO A QUESTION)

20 Q MR. van ZANDVOORT: The money that 156 Alberta
21 received through its factoring arrangements with the
22 factoring agreement executed that you signed with
23 Crystal Enlightened Income Fund, I want to know where
24 that money went and I want to know if it was used to
25 purchase Laguna Torca.

26 How you say that's not relevant, counsel, I'm not
27 sure. So again, is it a refusal to answer questions

1 about Laguna Torca?

2 MR. POPOWICH: He has already said he
3 doesn't know what if any money came in and what happened
4 in the bank; okay?

5 Two, you would have to establish that some money
6 went into Laguna Torca, and I think you have evidence on
7 that.

8 So objection. Keep fishing, my friend.

9 MR. van ZANDVOORT: It's not a fishing
10 expedition. It's an e-mail that says people put money
11 into this investment, and I want to ask about it.

12 MR. POPOWICH: Keep fishing.

13 MR. van ZANDVOORT: Enough counsel, come on.

14 MR. POPOWICH: Keep fishing. We are here
15 cooperating with you --

16 MR. van ZANDVOORT: You are not cooperating --
17 the receiver who wanted --

18 MR. POPOWICH: -- was an improper request
19 for an order and this is largely improper --

20 MR. van ZANDVOORT: There is nothing improper
21 about trying to find out what happened to significant
22 sums of investor money --

23 MR. POPOWICH: There is impropriety --

24 MR. van ZANDVOORT: Counsel, let me continue my
25 examination --

26 MR. POPOWICH: Counsel, you cannot stop
27 me. You may get up and walk out.

1 Madam reporter, my apologies.

2 THE COURT REPORTER: I may get up and walk out.

3 MR. POPOWICH: Thank you.

4 MR. van ZANDVOORT: That's a good time to take
5 a two-minute break.

6 (BRIEF ADJOURNMENT)

7 Q MR. van ZANDVOORT: Do you know who Chuck
8 Pinnell is?

9 A Yes.

10 Q How do you know Chuck Pinnell?

11 A A friend.

12 Q Your personal friend?

13 A Yeah.

14 Q Do you ever do business with Mr. Pinnell?

15 A No.

16 Q Do you know what Mr. Pinnell does for a living?

17 A No.

18 Q But he is your friend?

19 A Yes.

20 Q Where does Mr. Pinnell reside?

21 A To the best of my knowledge, he is in Kelowna.

22 Q Do you know if Mr. Pinnell does any business with your
23 father?

24 A I don't know that.

25 Q Do you know if Mr. Pinnell and Mr. Housego know one
26 another?

27 A I'm not sure.

1 Q Do you know Jeremy Ostrowski?

2 A No.

3 Q Do you know Stan Pletzer?

4 A No.

5 Q Do you know who Stephen Miller is?

6 A No.

7 Q Do you know who Allen Braun is?

8 A No.

9 Q Is Mr. Pinnell your friend or your father's friend?

10 A He is my friend.

11 Q Do you know if he knows your father?

12 A Yes. He introduced me.

13 Q Your father introduced you to Mr. Pinnell. For business
14 purpose or --

15 A Friend.

16 Q Like how good of friends? Like dinners together?

17 MR. POPOWICH: That's good enough.

18 (OBJECTION TO A QUESTION)

19 Q MR. van ZANDVOORT: Do you know who Jeff
20 Normando is?

21 A No.

22 Q Do you know who Paul Dick is?

23 A No.

24 Q Do you know who Ryan Waechter is?

25 A Yes.

26 Q who is that?

27 A A family friend.

1 Q Have you ever done any business with Mr. waechter?

2 A He has worked for me for one day before.

3 Q Chopping wood?

4 A Yes.

5 Q Does Mr. waechter know your father?

6 A Yes.

7 Q Did he become a family friend through your family's
8 business dealings with him?

9 MR. POPOWICH: That's irrelevant.

10 (OBJECTION TO A QUESTION)

11 Q MR. van ZANDVOORT: Subject to again answers to
12 undertakings, court motions, our rights to continue an
13 examination moving forward, that concludes my
14 examination. Thank you, Mr. Maljaars.

15 MR. POPOWICH: Madam reporter, apologies
16 and thank you.

17 (WHICH WAS ALL THE EVIDENCE TAKEN AT 2:50 P.M.)

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CERTIFICATE OF TRANSCRIPT

I, CATHY GINGRAS, hereby certify that the foregoing pages are a complete and accurate transcript of the proceedings taken down by me in shorthand and transcribed from my shorthand notes to the best of my skill and ability.

Dated at the City of Calgary, Province of Alberta, this 31st day of March, A.D. 2018.

Original Copy Signed

C. E. Gingras, CSR(A)

Court Reporter

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HELD MARCH 22, 2018**

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 EXHIBIT NUMBER 16:	
LETTER OF NOVEMBER 22ND, 2017 TO 156 ALBERTA ...	15

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