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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AIDE-MÉMOIRE OF THE RECEIVER
(Motion returnable August 1, 2025)

July 31, 2025

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Lawyers for Grant Thornton Limited, in its capacity as Receiver and Manager of Crystal Wealth Management System Limited et al.

OVERVIEW

1. Grant Thornton Limited ("**GTL**"), as the receiver of the Crystal Wealth Group, brings this motion for an order, *inter alia,* (a) approving the Sixth Report of the Receiver, dated July 23, 2025; (b) approving the Receiver's proposed final distribution to investors; (c) approving the fees and disbursements of the Receiver and its counsel; and (d) discharging GTL as Receiver. [1]

2. This aide-mémoire has been prepared to assist the Court in advance of the hearing of the motion. As outlined below, the motion is unopposed, with the sole exception being a claim raised by West's estate with respect to the West Pond Loan Funds.

3. The Receiver and West's estate have agreed to address this sole remaining issue, by amending paragraph 5 of the proposed Discharge Order to account for the procedure outlined in paragraph 7 below. This revised Discharge Order, together with redlines to both the Draft Order filed in the Receiver's Motion Record and to the Model Discharge Order, have been uploaded to Case Centre at Tabs 57, 58, and 59, respectively.

PROPOSED DISTRIBUTION AND DISCHARGE

4. Crystal Wealth Management System Limited (the "**Company**") was registered with the Ontario Securities Commission ("**OSC**") as an investment fund manager, and managed various investment funds structured as mutual fund trusts in which units were distributed to investors.[2]

5. The Receiver was appointed by Order of the Honourable Justice Newbould dated April 26, 2017 on application of the OSC.[3] Since the Receiver's appointment, after exhausting realization efforts, the Receiver has monetized and distributed approximately $103,603,000 to investors, and

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[1] This aide-mémoire employs the same defined terms used in the Sixth Report, unless otherwise noted.

[2] Motion Record ("**MR**"), Tab B, Sixth Report at paras. 31-37, Case Center ("**CC**") pp. A31-A37.

[3] MR, Tab B, Sixth Report at para. 2, Appendix 2 and Appendix 4 - First Report, paras. 5-6, CC pp. A26, A121-137 and A196-197.

is proposing to distribute a further $12.4 million to investors after a holdback of $500,000 for fees.[4]

6. The relief sought on this motion by the Receiver has not been opposed, subject to a request by a potential creditor of the Company to temporarily holdback funds from the final distribution in the amount of approximately $1,356,000[5] (defined in the Sixth Report as the "**West Pond Loan Funds**"). More specifically, the estate of Suzanne West ("**West**"), advised the Receiver through counsel following service of the Sixth Report that West's estate executors are looking for documents to support a potential claim in relation to an interest in a loan advanced by the Company (the "**Pond Loan**"). The Receiver has no record of West paying her principal contribution to the Company, and has accordingly proposed to release these funds (the West Pond Loan Funds) to investors.[6]

7. To proceed with the final distribution, the Receiver has agreed with West's estate that:

a) the Receiver will temporarily holdback 22.2% of the payments that it received from the Pond Loan which the Receiver allocated to West's potential participation interest in the Pond Loan, after allocation for professional fees, in the amount of approximately $1,356,000 (the West Pond Loan Funds) from the final distribution to investors, to provide West's estate with time to complete its review;

b) if West's estate does not deliver a proof of claim and responding materials by August 18, 2025, the Receiver shall be at liberty to proceed with distributing the West Pond

[4] MR, Tab B, Sixth Report at paras. 38, 42-46 and 324, CC pp. A36-A38 and A95.

[5] The Sixth Report at paragraph 109, A55, indicates that the West Pond Loan Funds total $1,454,190. However, the Receiver has subsequently determined that this amount ought to be approximately $1,356,000, after a *pro rata* allocation to the West Pond Loan Funds is made on account of professional costs incurred by the Receiver in its dealing with Pond in the Receivership.

[6] MR, Tab B, Sixth Report at paras. 102-106, CC pp. A54-A55.

Loan Funds to investors, and any future claim of West's estate to the West Pond Loan Funds shall be barred;

c) if West's estate delivers a proof of claim and responding materials by August 18, 2025, the Receiver shall be permitted to allow or disallow all or part of the claim following its review without further Order of this Court, and to distribute the West Pond Loan Funds accordingly if agreement is reached with West's estate; and

d) the Receiver and West's estate shall return to the Court if the Receiver disallows all or part of West's estate's claim to the West Pond Loan Funds and in the event that no agreement is reached with West's estate as contemplated in c) above.

8. As indicated in paragraph 3 above, the foregoing procedure has been included in paragraph 5 of the revised draft Discharge Order uploaded to Case Centre, which has been approved by counsel to West's estate.

9. The Receiver has sold or realized upon the Property to the best of its ability and, subject to the completion of the Remaining Duties, the administration has otherwise come to an end.[7]

10. The Discharge Order, as revised, tracks the language in the Model Order.[8]

11. The Receiver respectfully requests that this Court issue the Discharge Order in the form attached at Tab 57 of Case Centre.

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[7] MR, Tab B, Sixth Report at para. 378, CC pp. A108.

[8] Redline – Revised Discharge Order to Model Order, CC pp. A1682-A1691.

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