

***ONTARIO*
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

ANTHONY WHITEHOUSE

Plaintiff

and

BDO CANADA LLP

Defendant

**MOTION RECORD OF THE PLAINTIFFS
VOLUME 2 OF 20**

June 15, 2018

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Lawyers for the Defendant
BDO Canada LLP

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This is Exhibit "B" referred to in the
Affidavit of Marlie Patterson-Earle sworn before
me, this 14th day of June, 2018


.....
A COMMISSIONER FOR TAKING AFFIDAVITS
Iris Graham

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, c. S.5, AS AMENDED**

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**

**APPLICATION RECORD
VOLUME 1 OF 8**

Date: April 25, 2017

ONTARIO SECURITIES COMMISSION
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*Lawyers for the Applicant,
Ontario Securities Commission*

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Lawyers for 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, and Crystal Wealth Retirement One Fund

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Proposed Receiver

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Lawyers for Chrysalis Yoga Inc.

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

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**

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Tab No.	Description
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AA	Notice of Application un-issued
A	Affidavit of Marcel Tillie sworn April 17, 2017

- Exhibit 1 -** Commission Temporary Order dated April 7, 2017 and Commission Temporary Order dated April 6, 2017
- Exhibit 2 -** Freeze Directions dated April 6, 2017, April 7, 2017; Property Direction dated April 13, 2017
- Exhibit 3 -** National Registration Database (“NRD”) printout showing the categories of registration for Crystal Wealth and the provinces in which it is registered.
- Exhibit 4 -** Table showing Assets Under Management of Crystal Wealth Funds as at January 31, 2017
- Exhibit 5 -** Risk Assessment Questionnaire for Crystal Wealth dated June 28, 2016
- Exhibit 6 -** Crystal Wealth Management System Limited Audited Financial Statements for the years ended December 31, 2015 and 2014
- Exhibit 7 -** Ownership of Securities and Derivatives for Crystal Wealth with effective dates of November 8, 2016 and August 13, 2012, printed from NRD
- Exhibit 8 -** Offering Memorandum of Crystal Wealth Media Strategy dated November 21, 2016
- Exhibit 9 -** NRD printout showing the categories of registration for Smith and the provinces in which he is registered
- Exhibit 10 -** (i) Corporation Profile Report for CLJ Everest dated January 3, 2017, (ii) a draft letter from BDO Canada LLP (“BDO”) to Crystal Wealth dated September 24, 2014 “Re: Qualified small business corporation shares”, (iii) an email from Smith to BDO dated February 2, 2015 “Re: Valuation Services” with a Balance Sheet and Profit and Loss of Crystal Wealth and (iv) Form 33-109F5-Change of Registration Information for Crystal Wealth dated November 8, 2016
- Exhibit 11 -** Corporation Profile Report for 1150752 Ontario Limited dated February 2, 2017
- Exhibit 12 -** Excerpts from the OMIs for each of the Crystal Wealth Funds
- Exhibit 13 -** (i) a listing of the reports of distribution, Form 45-106F1, submitted by Crystal Wealth indicating the exemptions relied on for sales of units of each of the Funds for the years 2014 to 2016; (ii) Forms 45-106F1 for the Crystal Wealth Funds for

2016

Exhibit 14 - Offering Memorandum of Crystal Wealth Media Strategy dated August 31, 2012

Exhibit 15 - Offering Memorandum of Crystal Wealth Media Strategy dated September 27, 2015

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Exhibit 16 - Offering Memorandum of Crystal Wealth Media Strategy dated May 6, 2016

Exhibit 17 - Production Loan Administration Agreement effective August 12, 2011 (the “PLAA”) between the Media Fund and MHC effective as of August 12, 2011

Exhibit 18 - Listings of Film Loans purchased by the Media Fund and the Mortgage Fund to date produced by Crystal Wealth in response to Staff’s summonses

Exhibit 19 - Listings of Film Loans purchased by the Media Fund and the Mortgage Fund to date produced by MHC in response to Staff’s summonses

Exhibit 20 - MHC’s Federal Corporation Information, Extraprovincial Company Summary, and Corporation Profile Report

Exhibit 21 - Bron Studios’ BC Company Summary

Exhibit 22 - Bron Animation’s BC Company Summary and Ontario Corporation Profile Report

Exhibit 23 - Printout from the IMDb website of films for which Aaron Gilbert is the producer/executive producer

Exhibit 24 - Corporation profile reports for five underlying borrowers indicating Gilbert’s positions with each of the production companies

Exhibit 25 - Stephen Thibault’s biography from Bron Studios’ website; BC Company Summary for Bron Media Corp

Exhibit 26 - June 30, 2016 Unaudited Financial Statements of the Media Fund; Financial Statements for the Media Fund for the year ended December 31, 2015 (the “2015 Media Fund Financial Statements”)

- Exhibit 27 -** Highlights Report from the prepared by BDO with respect to the 2015 Media Fund Audit
- Exhibit 28 -** Email from Smith dated March 7, 2016, entitled “Media Strategy Recovery Expectations” attaching a spreadsheet entitled “Media Loans – Summary at 31 Dec 2015”
- Exhibit 29 -** Schedule of Media Loans Owned by Crystal Wealth Media Strategy as at December 31, 2015
- Exhibit 30 -** BDO’s retrospective review for the Media Fund as at December 31, 2015
- Exhibit 31 -** Email dated April 1, 2016, entitled “FW: MEDIA HOUSE GUARANTEE”, attaching a guarantee letter to Smith from Gilbert dated March 31, 2016, obtained from BDO and a copy of the MHC Guarantee annotated by BDO obtained from the working papers prepared in connection with the 2015 Media Fund Audit
- Exhibit 32 -** Spreadsheet “Fair Value of Media Loans”
- Exhibit 33 -** Document 2_07—“Use of Experts—Management” from the 2015 BDO Audit Working Papers
- Exhibit 34 -** Audit of Estimates—FV of Media Loans from the 2015 BDO Audit Working Papers
- Exhibit 35 -** Email chain between Smith and MHC dated February 13, 2014 “RE: CWSYMF RESULTS TRACKING – Q4 2013”.
- Exhibit 36 -** Email chain between Smith and MHC dated February 23, 2014 “RE: Henchmen – Tax Credit Agreements”.
- Exhibit 37 -** Email chain between Smith, BDO and MHC dated February 12, 2015 “Re: Year end summary for auditors”
- Exhibit 38 -** Email chain between Smith and MHC dated December 30, 2015 “Re: Crystal Wealth Media Fund”
- Exhibit 39 -** Email from Smith to Gilbert, copying others, including Thibault, dated August 3, 2016, and attaching expected receipts for remaining territories
- Exhibit 40 -** Email from Smith to Gilbert and Thibault, copying others, dated August 9, 2016 “Sales Agent Conversations”

- Exhibit 41 -** (i) Email from Smith to Gilbert dated November 17, 2016 “Fwd: AFM Meeting Notes” attaching “AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes”; and (ii) a Schedule of Film Loan Outstanding Principal and Interest at December 16, 2016 with Fair Value Analysis
- Exhibit 42 -** Chart prepared by Staff of the weekly NAV per unit of the Media Fund from September, 10, 2011 to March 11, 2017 based on data from Morningstar Canada
- Exhibit 43 -** Excerpts of a compelled interview of Carmen Macoretta on April 12, 2017
- Exhibit 44 -** Outstanding Items List dated April 7, 2017
- Exhibit 45 -** Email from Smith to Macoretta dated March 31, 2017, copying Rick Chittley-Young and Scott Jarrett
- Exhibit 46 -** Printout from NRD printed April 17, 2017, regarding Wells Asset Management
- Exhibit 47 -** Email received by BDO from Smith dated March 30, 2017, forwarding an email dated February 9, 2017 from Dale Wells, copying Gilbert and Thibault, re: “Fwd: CW/Wells Movie Proposal” with an attached schedule “Final WAM Purchase of CW Movies.xlsx”
- Exhibit 48 -** Excerpt from the compelled examination of Macoretta held on April 12, 2017

VOLUME 3

B Affidavit of Michael Ho sworn April 17, 2017

- Exhibit 1 -** Confidential offering memorandum for the Crystal Wealth Strategic Yield Media Fund dated August 31, 2012
- Exhibit 2 -** Crystal Wealth’s Corporation Profile Report; Ownership of Securities and Derivatives for Crystal Wealth with effective dates of November 8, 2016 and August 13, 2012; MHC’s Federal Corporation Information, Extraprovincial Company Summary, and Corporation Profile Report; Bron Studios’ BC Company Summary; Bron Animation’s BC Company Summary and Ontario Corporation Profile Report; BC Company Summary for Bron Media Corp. and Thibault’s biography from Bron Studios’ website.

- Exhibit 3 -** Screenshot with the file information for the Spreadsheet
- Exhibit 4 -** Crystal Wealth Film Loan Schedule produced by Crystal Wealth to Staff
- Exhibit 5 -** MHC Film Loan Schedule produced by MHC to Staff
- Exhibit 6 -** TD Bank's customer information enquiry in relation to CLJ Everest
- Exhibit 7 -** Printout from the Chrysalis Yoga website
- Exhibit 8 -** Copies of the e-mail chain dated September 18, 2015 and the attached spreadsheet titled "LOAN PORTFOLIO.xlsx" (the "Spreadsheet") produced by MHC to Staff
- Exhibit 9 -** BC Company Summary for Henchmen Productions Inc. dated March 28, 2017
- Exhibit 10 -** A copy of the BC Company Summary for Kingdom Productions Inc. dated October 21, 2016
- Exhibit 11 -** BC Company Summary for Mercy Productions Inc., now Para Productions BC Inc. dated October 21, 2016
- Exhibit 12 -** BC Company Summary for Mighty Productions 3 Inc. dated March 28, 2017
- Exhibit 13 -** BC Company Summary for Star Hunters 1 Productions Inc. dated October 21, 2016
- Exhibit 14 -** Henchmen CAD - Tax Credit Loan and Security Agreement dated October 7, 2013
- Exhibit 15 -** Henchmen USD - Tax Credit Loan and Security Agreement dated September 17, 2013

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- Exhibit 16 -** Kingdom - Loan and Security Agreement dated October 23, 2014
- Exhibit 17 -** Mercy - Loan and Security Agreement dated October 23, 2014
- Exhibit 18 -** Mighty Monsters - Tax Credit Loan and Security Agreement dated October 16, 2014

- Exhibit 19 -** Hunters of the Stars - Promissory Note dated August 21, 2014
- Exhibit 20 -** Uniform Application of Registration/Approval dated February 10, 1998 and filed with the Commission
- Exhibit 21 -** Henchmen Film Project Schedule
- Exhibit 22 -** Account statements for the Media Fund NBCN Account for the months of October and November 2013 and January to June 2014
- Exhibit 23 -** Account statement for the Bron Animation Account for the period of January 1, 2013 to March 27, 2017
- Exhibit 24 -** RBC client profile for Bron Animation
- Exhibit 25 -** Account statements for Smith's TD Account for the period of January 1, 2014 to November 9, 2016

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- Exhibit 26 -** Mercy and Kingdom Film Projects Schedule
- Exhibit 27 -** Account statements for Media Fund NBCN Account for the months of October, November and December 2014 and January 2015
- Exhibit 28 -** Account statements for the MHC RBC Account for the period of January 1, 2013 to March 27, 2017
- Exhibit 29 -** RBC client profile for MHC which is attached as Exhibit 29
- Exhibit 30 -** Account statements for the CLJ Everest TD Account for the period of January 1, 2014 to November 9, 2016
- Exhibit 31 -** Smith's TD Account Analysis
- Exhibit 32 -** Supporting documents for certain transactions in Smith's TD Account
- Exhibit 33 -** Account statements for the Smith Joint TD Account for the period of January 1, 2014 to November 7, 2016
- Exhibit 34 -** Account statements for Crystal Wealth's TD Bank account 5004279 for the period of January 1, 2013 to November 9, 2016
- Exhibit 35 -** Account statements for the Chrysalis Yoga Scotiabank

Account for the month of February 2014

- Exhibit 36 -** Corporation Profile Report for 1150752 Ontario Limited
- Exhibit 37 -** E-mail chain dated February 12, 2014 from Smith to Thibault
- Exhibit 38 -** E-mail chain dated February 13, 2014 and attached Wire Activity - Detail Report dated February 13, 2014
- Exhibit 39 -** E-mail dated February 27, 2014 from Smith to Thibault and the attached NBCN "Funds Out" document dated February 25, 2014
- Exhibit 40 -** E-mail chain dated February 27, 2017 from Thibault to Smith and RBC Wire information document
- Exhibit 41 -** Email chain dated January 15, 2014 and unsigned Promissory Note and Loan Agreement
- Exhibit 42 -** Email chain dated February 23, 2014
- Exhibit 43 -** Purchase Notice dated October 7, 2013
- Exhibit 44 -** Supplement to Master Assignment Agreement dated October 7, 2013
- Exhibit 45 -** Tax Credit Loan and Security Agreement dated as of October 7, 2013
- Exhibit 46 -** E-mail dated February 9, 2016 and an excerpt of the spreadsheet
- Exhibit 47 -** E-mail dated May 4, 2015

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- Exhibit 48 -** CLJ TD Account Analysis
- Exhibit 49 -** Supporting documents for certain transactions in the CLJ Everest TD Account
- Exhibit 50 -** Account statements for Chrysalis Yoga's Scotiabank Account for the month of Dec 2014
- Exhibit 51 -** Statements for the account of Crystal Wealth Marketing Inc. for TD Bank Account 5008285 for the period of July 24, 2014 to December 30, 2016

- Exhibit 52 -** Mortgage Procurement and Administration Agreement among Crystal Wealth, the Mortgage Fund, Spectrum-Canada Capital (2002) Corporation and Spectrum dated March 10, 2010
- Exhibit 53 -** Carol Matthews' Linked In profile
- Exhibit 54 -** E-mail dated October 30, 2014 produced by MHC
- Exhibit 55 -** Crystal Wealth Schedule of payments received on each of the Film Loans owned by the Media Fund as at December 16, 2016
- Exhibit 56 -** MHC schedule of payments received on each of the Film Loans owned by the Media Fund as at December 16, 2016
- Exhibit 57 -** Attachment referred to in the Crystal Wealth Film Loan Schedule (Exhibit 4) in regard to the production status of Mighty Mighty Monsters
- Exhibit 58 -** Purview Sales History Report dated April 11, 2017, and the Land Registry Office # 20 Parcel Register for the Mount Nemo Property
- Exhibit 59 -** Smith's profile from the National Registration Database printed on April 14, 2017
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- Exhibit 61 -** Land Registry Office Transfer documenting the sale of the Mount Nemo Property dated January 16, 2016
- Exhibit 62 -** Land Registry Office Charge/Mortgage dated January 16, 2016
- Exhibit 63 -** Land Registry Office Parcel Register dated January 16, 2015
- Exhibit 64 -** E-mail dated January 14, 2015
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- Exhibit 67 -** E-mail dated January 18, 2015
- Exhibit 68 -** Certificate of Direction for the Mount Nemo Property dated April 13, 2017

- Exhibit 69 -** Order exempting Crystal Wealth from compliance with ss. 111(2)(b), 111(2)(c) and subsection 111(3) of the Act dated April 29, 2005
- Exhibit 70 -** Listing of Inter-Fund Investments as at April 7, 2017
- Exhibit 71 -** Investor listing as at April 7, 2017 for the Crystal Wealth Funds provided by IFDS
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- Exhibit 73 -** Inter-Fund Loans Schedule
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- Exhibit 75 -** Financial statements for the year ended December 31, 2015 for the Medical Fund
- Exhibit 76 -** Financial statements for the year ended December 31, 2015 for the High Yield Mortgage Fund
- Exhibit 77 -** Financial statements for the year ended December 31, 2015 for the Factoring Fund
- Exhibit 78 -** An excerpt of the general ledger for the period of January 1 to November 30, 2016 for the Media Fund
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- Exhibit 79 -** An excerpt of the general ledger for the period of January 1 to November 30, 2016 for the Mortgage Fund
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- Exhibit 81 -** An excerpt of the general ledger for the period of January 1 to November 30, 2016 for the High Yield Mortgage Fund
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- Exhibit 84 -** Crystal Wealth Funds Cash and Investment Balances on April 7, 2017 Schedule
- Exhibit 85 -** A letter from the TD Bank with the account balance for a Mortgage Fund

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- Exhibit 86 -** Account statement for ACM Growth Fund's account at Interactive Brokers Canada Inc., dated April 4, 2017
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- Exhibit 90 -** A list showing the balances for the NBCN accounts held by the Crystal Wealth Funds, as at April 4, 2017
- Exhibit 91 -** Risk Assessment Questionnaire for Crystal Wealth submitted on June 28, 2016
- Exhibit 92 -** Confidential Offering Memorandum for Crystal Wealth Mortgage Strategy dated November 21, 2016
- Exhibit 93 -** Confidential Offering Memorandum for the Crystal Wealth Media Strategy dated November 21, 2016
- Exhibit 94 -** Confidential Offering Memorandum for the Crystal Wealth Medical Strategy
- Exhibit 95 -** Confidential Offering Memorandum for the Crystal Wealth Infrastructure Strategy dated November 21, 2016
- Exhibit 96 -** Email dated September 12, 2016
- Exhibit 97 -** A spreadsheet which shows purchases in the Media Fund on September 9 and 16, 2016
- Exhibit 98 -** Spreadsheet which shows redemptions from the Media Fund on September 9 and 16, 2016
- Exhibit 99 -** Account statement for the Media Fund NBCN Account for the month of September 2016

VOLUME 8

C

Supplementary Affidavit of Michael Ho sworn April 24, 2017

- Exhibit 1 -** Copies of an email chain dated April 7, 2017 attaching Temporary Orders dated April 6 and 7, 2017 and freeze directions addressed to Smith, Crystal Wealth, CLJ Everest

and Chrysalis Yoga

Exhibit 2 - Rule 1.5.1 *Service of Documents on Parties* from the Commission's Rules of Procedure

Exhibit 3 - Copies of Staff's email attaching the certificate of direction and order dated April 13, 2017, and Laura Paglia's response dated April 13, 2017, accepting service

Exhibit 4 - A copy of Paglia's April 17, 2017 email to Staff and attached certificate of direction

Exhibit 5 - Staff's email to Paglia dated April 17, 2017

Exhibit 6 - Paglia's response to Staff's April 17, 2017 email

Exhibit 7 - Copies of Kittell's April 19, 2017 email and letter, and the attached listing documents, agent file checklist and Agreement of Purchase and Sale

Exhibit 8 - Staff's email dated April 19, 2017 at 5:53 p.m.

Exhibit 9 - April 19, 2017 email chain from Paglia and Doane

Exhibit 10 - A copy of pages 63-66 of the transcript of the April 21, 2017 compelled examination of Steven Thibault

Exhibit 11 - A copy of pages 83-85 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017

Exhibit 12 - A copy of pages 93-95 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017

Exhibit 13 - A copy of page 72 of the transcript of the April 21, 2017 compelled examination of Steven Thibault

Exhibit 14 - A copy of page 77 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017

Exhibit 15 - A copy of page 81 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017

Exhibit 16 - A copy of pages 72-73 and 85 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017

Exhibit 17 - A copy of pages 75-76 of the transcript of the April 21, 2017 compelled examination of Steven Thibault

- Exhibit 18 -** A copy of page 76 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017
- Exhibit 19 -** A copy of pages 67-68 of the transcript of the April 21, 2017 compelled examination of Steven Thibault
- Exhibit 20 -** A copy of pages 139-141 of the transcript of the April 21, 2017 compelled examination of Steven Thibault and Exhibit 15 of the Examination
- Exhibit 21 -** A copy of pages 96-106 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017
- Exhibit 22 -** A copy of pages 91-95 of the transcript of the April 21, 2017 compelled examination of Steven Thibault
- Exhibit 23 -** A copy of pages 33-34 and 36-39 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017
- Exhibit 24 -** A copy of pages 82 and 102 of the transcript of the April 21, 2017 compelled examination of Steven Thibault
- Exhibit 25 -** A copy of pages 154-162 of the transcript of the April 21, 2017 compelled examination of Aaron Gilbert
- Exhibit 26 -** A copy of pages 103-104 of the transcript of the April 21, 2017 compelled examination of Steven Thibault
- Exhibit 27 -** A copy of pages 109-110 of the transcript of the April 21, 2017 compelled examination of Aaron Gilbert
- Exhibit 28 -** A copy of pages 115-120 of the transcript of the April 21, 2017 compelled examination of Steven Thibault
- Exhibit 29 -** A copy of page 122-124 of the transcript of the April 21, 2017 compelled examination of Steven Thibault
- Exhibit 30 -** A copy of page 161 of the transcript of the April 21, 2017 compelled examination of Aaron Gilbert
- Exhibit 31 -** A copy of page 142 of the transcript of the April 21, 2017 compelled examination of Steven Thibault
- Exhibit 32 -** A copy of pages 144-146 of the transcript of the April 21, 2017 compelled examination of Steven Thibault
- Exhibit 33 -** A copy of page 129 of the transcript of the April 21, 2017 compelled examination of Steven Thibault

- Exhibit 34 -** A copy of pages 134-137 of the transcript of the April 21, 2017 compelled examination of Steven Thibault and Exhibit 13 from the Examination
- Exhibit 35 -** A copy of pages 149-150 of the transcript of the April 21, 2017 compelled examination of Steven Thibault, and Exhibit 16 to the Examination
- Exhibit 36 -** A copy of pages 27, 86-87 of the transcript of Aaron Gilbert's compelled examination on April 21, 2017
- Exhibit 37 -** A copy of pages 36, 44-45 of the transcript of the April 21, 2017 compelled examination of Steven Thibault
- Exhibit 38 -** Grant Thornton Limited's signed consent dated April 24, 2017

D Affidavit of David Adler sworn April 24, 2017

- Exhibit 1 -** A copy of page 6 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill
- Exhibit 2 -** Corporation Profile Report Re: Chrysalis Yoga Inc. dated March 28, 2017
- Exhibit 3 -** A copy of pages 7-9 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill
- Exhibit 4 -** A copy of pages 10-13 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill
- Exhibit 5 -** A copy of pages 6, 12-13 and 15 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill
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- Exhibit 10 -** A copy of pages 15-16 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill

Exhibit 11 - Freeze Direction dated April 6, 2017

Exhibit 12 - A copy of pages 21-22 and 24 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill

Exhibit 13 - A copy of pages 27-30 and 40 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill

Exhibit 14 - A copy of page 38 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill

Exhibit 15 - A copy of pages 30-31 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill

Exhibit 16 - A copy of pages 21 and 41 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill

Exhibit 17 - A copy of pages 40-45 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill

Exhibit 18 - A copy of pages 31-32 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill

Exhibit 19 - A copy of pages 33-35 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill

Exhibit 20 - A copy of pages 35-37 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill

**E Notice of Application to continue the Freeze Directions
dated April 18, 2016**

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, c. S.5, AS AMENDED**

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**

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for a hearing before a judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario on Wednesday, April 26, 2017, at 10:00 a.m., or as soon after that time as the matter can be heard.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least two days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: April 25, 2017

Issued by _____
Local registrar

Address of
court office: 330 University Avenue
Toronto, Ontario
M5G 1R7

TO: ALL THE PARTIES ON THE ATTACHED SERVICE LIST

APPLICATION

1. THE APPLICANT MAKES APPLICATION FOR:

- a) An order, if necessary, abridging the time for service and filing of this notice of application and the application record and applicant's factum such that this application is properly returnable on April 26, 2017, or, in the alternative, validating service on the respondents, or in the further alternative, dispensing with same;
- b) An order that the within application be consolidated, or alternatively heard at the same time, with the application to extend Freeze Directions commenced by the applicant by way of a notice of application issued through this Honourable Court on April 18, 2017 (CV-17-11769-00CL) (the "**Continuation Application**"), such that the Continuation Application is properly returnable on Wednesday, April 26, 2017;
- c) An order pursuant to section 129 of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the "Act"):
 - i) appointing Grant Thornton Limited ("GTL") as receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Crystal Wealth Management System Limited ("**Crystal Wealth**"), Clayton Smith ("**Smith**"), CLJ Everest Ltd. ("**CLJ Everest**"), 1150752 Ontario Limited ("**115**"), 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, and Crystal Wealth Retirement One Fund (all entities listed after 115 being collectively referred to as the "**Funds**" or "**Crystal Wealth**

Funds", and collectively with Crystal Wealth, CLJ Everest, and 115, the "**Crystal Wealth Respondents**"), including, without limitation, all of the assets, securities, funds or other property held by the Crystal Wealth Respondents on behalf of or in trust for any other person or company, and including any and all funds, securities, or other property frozen by Freeze Directions (identified below in paragraphs 2(aa)(ii) to (aa)(x)) issued by the Ontario Securities Commission (the "**Commission**") against the Crystal Wealth Respondents on April 6 and 7, 2017 (the "**Crystal Wealth Freeze Directions**") (collectively referred to with the assets, undertakings and properties of the Crystal Wealth Respondents, the "**Property**"); and

- ii) appointing GTL as the Receiver of the account of the Respondent, Chrysalis Yoga Inc. ("**Chrysalis Yoga**"), No. 87296 00518 10 at Bank of Nova Scotia (the "**Chrysalis Account**"), and of all contents, including funds, contained in the Chrysalis Account, and directing Bank of Nova Scotia to pay all such funds in the Chrysalis Account to the Receiver or as the Receiver may otherwise direct in writing;
- d) An order pursuant to subsections 126(5) and 126(5.1) of the Act continuing the Freeze Directions (identified below in paragraphs 2(aa)(i). and 2(aa)(xi)) issued by the Commission with respect to Chrysalis Yoga (the "**Chrysalis Yoga Freeze Directions**") until further order of this Honourable Court, with the exception: (i) that the funds in the Chrysalis Account be paid to the Receiver or as the Receiver may otherwise direct in writing, and that the Receiver have unrestricted access to the Chrysalis Account and records in connection therewith in accordance with its appointment herein; and (ii) that Chrysalis Yoga shall be permitted to use a bank account opened by Chrysalis Yoga at the Canadian Imperial Bank of Commerce, account no. 05162 010 59 37914 (the "**Chrysalis Yoga CIBC Account**"), for the sole purpose of operating Chrysalis Yoga's yoga studio business, and on the following terms:
 - i) the sole source of the funds deposited into the Chrysalis Yoga CIBC Account shall be from: (i) the parents of Shanine Lee Dennill ("**Dennill**"),

Dennill being the principal of Chrysalis Yoga; or (ii) clients of the yoga studio operated by Chrysalis Yoga, and not, directly or indirectly, from Smith and entities connected with or related to him as particularized in sub-paragraph ii) below;

- ii) the Chrysalis Yoga CIBC Account shall not be used in any manner by, and the funds contained therein shall not be received from or distributed to, directly or indirectly, Smith or persons or entities connected with or related to Smith, including: (i) Crystal Wealth; (ii) any investment funds managed by Crystal Wealth including without limitation the Funds; (iii) CLJ Everest; (iv) 115; or (v) any other company associated with Smith; and
- iii) copies of monthly bank statements for the Chrysalis Yoga CIBC Account shall forthwith be provided on a monthly basis by Chrysalis Yoga to Staff of the Ontario Securities Commission (“**Staff**”), until such time as Staff revokes or varies this requirement in writing, or the Ontario Securities Commission or Ontario Superior Court of Justice (Commercial List) orders otherwise;
- e) An order authorizing the Receiver to complete, on behalf of CLJ Everest, the sale of the property located at 5043 Mount Nemo Crescent in Burlington, Ontario (the “**Mount Nemo Property**”) to Martin McCready (the “**Purchaser**”) pursuant to an agreement of purchase and sale dated April 12, 2017 (the “**Sale Agreement**”) and vesting title in the Mount Nemo Property to the Purchaser free and clear of any liens, claims, and encumbrances, and ordering that Smith, and any other occupants of the Mount Nemo Property, vacate the Mount Nemo Property forthwith so that the Receiver can deliver vacant possession of it in accordance with the Sale Agreement;
- f) For the sole purpose of giving effect to the transaction contemplated by subparagraph e) above, an order directing the Land Titles Division of the Halton Land Registry Office (No. 20) to remove from title to the Mount Nemo Property the Certificate of Direction issued by the Ontario Securities Commission on April

13, 2017 and registered on title to the Mount Nemo Property on the same date as instrument no. HR1446942 (identified below in paragraph 2(bb));

- g) An order authorizing the Receiver to make distributions from the sale proceeds of the Mount Nemo Property to the registered mortgagee of the Mount Nemo Property, without further order of the Court, subject to the Receiver satisfying itself as to the validity of such mortgage and the amounts claimed;
- h) If necessary, an order appointing GTL as interim Receiver of all of the Property of the Crystal Wealth Respondents and of the Chrysalis Account;
- i) Such further and other relief as counsel may advise and this Honourable Court may permit.

2. THE GROUNDS FOR THE APPLICATION ARE:

Investigation by the Ontario Securities Commission

- (a) Enforcement Staff of the Ontario Securities Commission (“**Staff**”) are conducting an investigation into the activities of Crystal Wealth and its principal, Smith, as well as the activities of companies connected to Smith, including CLJ Everest, for potential breaches of Ontario securities law;
- (b) Staff have obtained evidence that demonstrates:
 - i. that Smith, Crystal Wealth and CLJ Everest may have participated in a course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud contrary to s. 126.1(1)(b) of the Act;
 - ii. that Smith and Crystal Wealth may have failed to act fairly, honestly and in good faith with clients, contrary to section 2.1 of Rule 31-505 – *Conditions of Registration*;
 - iii. that Smith and Crystal Wealth may have failed to comply with the standard of care expected of an Investment Fund Manager (“**IFM**”) under s. 116 of the Act;

- iv. that Crystal Wealth failed to comply with the Funds' obligations to deliver the Funds' audited financial statements for the calendar year ending December 31, 2016, according to sections 2.1, 2.2 and 2.11 of National Instrument 81-106 – *Investment Fund Continuous Disclosure*; and
 - v. that Crystal Wealth failed to comply with its obligations to file its audited financial statements in compliance with subsection 21.10(3) of the Act and sections 12.10(2), 12.12, 12.13 and 12.14 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Obligations*;
- (c) Among other things, Staff have reason to believe that Smith and Crystal Wealth may have used investor monies from the largest of the funds managed by Crystal Wealth (the Media Fund, as defined below) for purposes other than those set out in the offering memorandum. As detailed below, Staff have reason to believe that Smith directed investor money from the Media Fund to a third party intermediary, and from there, the monies flowed to Smith (into his bank account) and his companies, CLJ Everest and 115, for uses unconnected with the business of the investment fund. Staff have traced some of these monies to the purchase of the Mount Nemo Property acquired by CLJ Everest, which Smith uses as his personal residence, and among other uses, to Chrysalis Yoga, a yoga studio for which Smith is described as the co-founder along with Dennill;
- (d) On Friday, April 21, 2017, an Assistant Investigator in the Enforcement Branch of the Commission conducted a compelled examination of Dennill, who testified that Smith has provided \$2.4 million to Chrysalis Yoga since its incorporation in 2009;

Smith

- (e) Smith is an Ontario resident and the directing mind of Crystal Wealth. Smith holds a controlling interest in the shares of Crystal Wealth and is the sole officer and director of Crystal Wealth;

- (f) Smith is registered in Ontario with the Commission as a dealing representative, an advising representative in the category of portfolio manager (“**PM**”), an advising representative in the category of Commodity Trading Manager, and as Crystal Wealth’s Chief Compliance Officer (“**CCO**”) and Ultimate Designated Person (“**UDP**”). As CCO and UDP, Smith bears responsibility for the firm’s compliance with Ontario securities laws;

Crystal Wealth

- (g) Crystal Wealth is a Burlington-based Ontario corporation, registered with the Commission in the categories of Exempt Market Dealer, Investment Fund Manager (“**IFM**”), PM and Commodity Trading Manager;
- (h) Crystal Wealth has approximately 1,265 portfolio management clients with assets under management (“**AUM**”) as at March 31, 2016 in discretionary accounts totaling \$139,524,613.77. Approximately 309 of these clients are located in Ontario. Crystal Wealth’s clients were invested through discretionary accounts and of those approximately 94% were invested in the Crystal Wealth Funds managed by Crystal Wealth;

The Crystal Wealth Funds

- (i) Crystal Wealth has created and manages the following 15 proprietary investment funds:
- i. Crystal Wealth Media Strategy (the “**Media Fund**”);
 - ii. Crystal Wealth Mortgage Strategy (the “**Mortgage Fund**”);
 - iii. Crystal Enlightened Resource & Precious Metals Fund (the “**Enlightened Resource Fund**”);
 - iv. Crystal Wealth Medical Strategy (the “**Medical Fund**”);
 - v. Crystal Wealth Enlightened Factoring Strategy (the “**Factoring Fund**”);
 - vi. ACM Growth Fund;

- vii. ACM Income Fund;
- viii. Crystal Wealth High Yield Mortgage Strategy (the “**High Yield Mortgage Fund**”);
- ix. Crystal Enlightened Bullion Fund;
- x. Absolute Sustainable Dividend Fund (the “**Sustainable Dividend Fund**”);
- xi. Absolute Sustainable Property Fund (the “**Sustainable Property Fund**”);
- xii. Crystal Wealth Enlightened Hedge Fund (the “**Hedge Fund**”);
- xiii. Crystal Wealth Infrastructure Strategy (the “**Infrastructure Fund**”);
- xiv. Crystal Wealth Conscious Capital Strategy (the “**Conscious Capital Fund**”); and
- xv. Crystal Wealth Retirement One Fund

(collectively, the “**Crystal Wealth Funds**” or the “**Funds**”);

- (j) The Crystal Wealth Funds are structured as open-ended mutual fund trusts, and distributed on an exempt basis, pursuant to offering memoranda (“**OMs**”). As the IFM of the Funds, Crystal Wealth manages the day-to day business of the Funds and oversees the Portfolio Manager function. As PM of the Funds, Crystal Wealth is required to make suitable investment decisions for the Funds’ portfolios consistent with the respective Fund’s investment objectives. As at January 30, 2017, the total Assets under Management (“**AUM**”) for all of the Crystal Wealth Funds was approximately \$177,237,747;

The Media Fund

- (k) The largest of the Crystal Wealth Funds is the Media Fund, which had an AUM of \$53,221,497 as at January 31, 2017. The business of the Media Fund involves the following:

- i. Investors with discretionary managed accounts provide funds to Crystal Wealth to manage on their behalf in accordance with their investment objectives and agreements governing their accounts;
- ii. As PM for the discretionary managed accounts, Crystal Wealth uses its discretionary authority to place investor funds into the proprietary funds it manufactures, such as the Media Fund;
- iii. The Media Fund's investment objective is to earn interest income from loans made for film productions ("Film Loans");
- iv. As PM for the Media Fund, Crystal Wealth decides in which Film Loans the Media Fund will invest;
- v. Media House Capital (Canada) Corp. ("MHC") enters into agreements with film production companies to lend them money so that they can produce a film. The end borrower is the production company;
- vi. MHC then sells those Film Loans to the Media Fund, and receives an up-front 10% fee, which is built into the principal of the Film Loan; and
- vii. By virtue of owning units of the Media Fund, investors indirectly own the value of the Film Loan, which is reflected in the NAV of the Media Fund;

CLJ Everest and 115

- (l) Smith's company, CLJ Everest, has the same registered office in Burlington, Ontario as 115. Smith is the sole shareholder, officer and director of CLJ Everest, which holds 28.26% of Crystal Wealth's outstanding shares and 100% of the shares of 115. 115 holds 63.5% of Crystal Wealth's outstanding shares;

Chrysalis Yoga

- (m) Chrysalis Yoga is a yoga studio in Burlington that was co-founded by Smith;

Transfers of Monies from the Media Fund to Smith and CLJ Everest

- (n) Staff's investigation has revealed that monies from the Media Fund, purportedly for the purchase of Film Loans, have flowed through either MHC or Bron Animation Inc. ("Bron Animation"), a company related to MHC, and ultimately into the accounts of Smith, CLJ Everest, 115, Chrysalis Yoga, and a joint account at TD Bank in the name of Smith and Lee Ann Smith;
- (o) Staff's investigation to date has revealed that at least \$9,634,200 was disbursed from the Media Fund's account, transferred to the accounts of MHC or Bron Animation, and from there Staff have traced \$329,930 into the account of Smith, and \$2,307,347.50 into the account of Smith's company, CLJ Everest. Staff have traced further transfers from the accounts of Smith and CLJ Everest totaling \$187,000 to Chrysalis Yoga and at least \$13,000 to a joint account in the name of Smith and Lee Ann Smith;
- (p) Staff are still investigating these and other transfers from the Media Fund's account;
- (q) Staff's investigation has also revealed that CLJ Everest acquired the Mount Nemo Property. CLJ Everest acquired this property through two payments totalling \$1,455,585.13 which were funded largely with monies transferred to CLJ Everest from the Media Fund;
- (r) On Smith's National Registration Database profile, the address for the Mount Nemo Property is listed as Smith's home address;

The Net Asset Value ("NAV") of the Media Fund

- (s) Staff also have concerns about the existence and valuation of the Film Loans acquired by the Media Fund and it appears to Staff that the net asset value ("NAV") of the Media Fund may have been and continues to be materially overstated. Staff's concerns arise from Staff's review of the audit of the Media Fund's Financial Statements for the year ended December 31, 2015, and from email correspondence in which Smith appeared to acknowledge significant

valuation issues with respect to certain Film Loans in the summer and fall of 2016;

- (t) If the Media Fund's NAV were incorrect by being overvalued, investors' purchases and redemptions of the Media Fund's units would have been executed at incorrect, inflated prices. In other words, those investors who redeemed their Media Fund units may have received excess proceeds to the detriment of remaining and new investors. Further, those new investors may have paid too much for their units. In addition, if the Media Fund's NAV were overstated, it would similarly impact Funds that were invested in the Media Fund, and potentially the NAVs of each of those Funds;

Inter-Fund Investments and Loans

- (u) As at April 7, 2017, there were investments by Crystal Wealth Funds in the units of other Crystal Wealth Funds ("Inter-Fund Investments") totalling \$22,694,777.01. Of that amount, seven of the Crystal Wealth Funds held \$11,218,727.32 in units of the Media Fund, three of the Crystal Wealth Funds held \$4,894,288.43 in units of the Factoring Fund and three Funds held \$4,841,079.30 in units in the Enlightened Hedge Fund. The extent and amount of Inter-Fund Investments is dynamic;

Failure to File or Deliver Financial Statements for Crystal Wealth and 12 of the 15 Funds

- (v) Crystal Wealth was required to file audited annual financial statements for the year ended December 31, 2016 by March 31, 2017. The Crystal Wealth Funds were required to deliver their audited annual financial statements for the year ended December 31, 2016 by March 31, 2017;
- (w) The 2016 financial statements for Crystal Wealth and the Crystal Wealth Funds were not delivered or filed prior to March 31, 2017. Crystal Wealth's auditor, was unable to complete audits of the 2016 financial statements for the Funds by March 31, 2017 other than for three Funds – the Sustainable Dividend Fund, the Conscious Capital Fund, and the Enlightened Resource Fund. Collectively, these

three Funds represented 4.8% of the AUM of the Crystal Wealth Funds at January 31, 2017;

- (x) BDO has advised Staff that it could not complete the audits of the 2016 financial statements for 12 of the 15 Funds, and for Crystal Wealth, as a result of Crystal Wealth's failure to furnish information requested by the auditor;

The Commission's Temporary Order

- (y) On April 7, 2016, Staff obtained a temporary order (the "**Temporary Order**") providing that trading of units of all of the Crystal Wealth Funds cease, that trading in securities held by the Crystal Wealth Funds cease, and prohibiting the trading in or acquisition of securities by Smith and Crystal Wealth, with limited exceptions that permit Smith and Crystal Wealth to liquidate exchange-traded securities in the Funds with such proceeds being deposited into the account of the relevant fund (the Temporary Order modified and replaced a temporary order issued by the Commission on April 6, 2017);
- (z) The Temporary Order also imposed terms and conditions on Crystal Wealth's registration, including the restriction on Crystal Wealth from accepting new clients, opening new client accounts, or accepting new client monies;

Freeze Directions and Certificate of Direction Issued By the Commission

- (aa) As a result of this information, Staff sought and on April 6 and 7, 2017, the Commission issued, the following Freeze Directions:
 - i. Pursuant to s. 126(1)(a) of the Act, that the Bank of Nova Scotia, branch at 4519 Dundas Street, Burlington, Ontario, retain all funds, securities or property on deposit or under the bank's control in the name of or otherwise under the control of Chrysalis Yoga, including in the specified account;
 - ii. Pursuant to s. 126(1)(a) of the Act, that Interactive Brokers Canada Inc. retain all funds, securities or property on deposit or under the brokerage's

control in the name of or otherwise under the control of ACM Growth Fund, Crystal Wealth Management System Limited, Crystal Wealth Strategic Yield Media Fund, Crystal Wealth Medical Income Fund and Crystal Enlightened Resource and Precious Metals Fund, including in the specified accounts;

- iii. Pursuant to s. 126(1)(a) of the Act, that NBCN Inc. retain all funds, securities or property on deposit or under the brokerage's control in the name of or otherwise under the control of the Crystal Wealth Funds or Crystal Wealth, including in the specified accounts;
- iv. Pursuant to s. 126(1)(a) of the Act, that the Royal Bank of Canada, 200 Bay Street, Toronto, Ontario branch retain all funds, securities or property on deposit or under the bank's control in the name of or otherwise under the control of Crystal Wealth, including in the specified accounts;
- v. Pursuant to s. 126(1)(a) of the Act, that the TD Bank Group retain all funds, securities or property on deposit or under the bank's control in the name of or otherwise under the control of Smith, including in the specified account;
- vi. Pursuant to s. 126(1)(a) of the Act, that the TD Bank Group retain all funds, securities or property on deposit or under the bank's control in the name of or otherwise under the control of CLJ Everest, Crystal Wealth, Smith and Lee Ann Smith, including in the specified accounts;
- vii. Pursuant to s. 126(1)(a) of the Act, that the TD Bank Group retain all funds, securities or property on deposit or under the bank's control in the name of or otherwise under the control of Crystal Wealth Mortgage Strategy, including in the specified account;
- viii. Pursuant to s. 126(1)(b) and (c) of the Act, that Smith refrain from withdrawing any funds, securities or property from the listed institutions, and directing Smith to maintain funds, securities or property and refrain

from disposing of transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property;

- ix. Pursuant to s. 126(1)(b) and (c) of the Act, that Crystal Wealth refrain from withdrawing any funds, securities or property from the listed institutions, and directing Crystal Wealth to maintain funds, securities or property and refrain from disposing of transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property;
- x. Pursuant to s. 126(1)(b) and (c) of the Act, that CLJ Everest refrain from withdrawing any funds, securities or property from the listed institution, and directing CLJ Everest to maintain funds, securities or property and refrain from disposing of transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property;
- xi. Pursuant to s. 126(1)(b) and (c) of the Act, that Chrysalis Yoga refrain from withdrawing any funds, securities or property from the listed institution, and directing Chrysalis Yoga to maintain funds, securities or property and refrain from disposing of transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property;

(collectively, the “**Freeze Directions**”);

- (bb) Staff also sought and on April 13, 2017, the Commission issued a Certificate of Direction pursuant to subsections 126(1)(a) and 126(4) of the Act to permit the registration of a Certificate of Direction on title to the Mount Nemo Property, which Certificate was registered on title on April 13, 2017;
- (cc) The Commission issued the Certificate of Direction on the basis that it was expedient for the due administration of Ontario securities law or the regulation of the capital markets in Ontario;

- (dd) Despite the Freeze Directions, Staff has learned that Smith has caused CLJ Everest to enter into the Sale Agreement with the Purchaser, with a completion date for the transaction of Friday, April 28, 2017;
- (ee) Staff are of the view that Smith, Crystal Wealth and CLJ Everest's conduct has negatively affected the reputation and integrity of Ontario's capital markets;
- (ff) Based on the conduct of the Crystal Wealth Respondents, and Smith in particular to date, the interests of existing investors will not be served by maintaining the *status quo*. A Receiver is necessary to ensure that all investors' assets are dealt with appropriately and fairly in the circumstances;
- (gg) The gravity of the breaches of the Act suggested by the evidence put forward by Staff means that there are serious concerns about the ability of Smith and Crystal Wealth to operate in the capital markets in a manner that complies with securities laws. The interests of existing investors and the integrity of the capital markets would be better served if they were not to continue in positions of trust with respect to the assets of the Funds or the monies of investors;
- (hh) The proposed Receivership Order will ensure that investors' interests are protected while Staff's investigation and enforcement efforts continue, and that the Funds and their assets are properly administered by the Receiver in compliance with Ontario securities law and in the best interests of all stakeholders. In the circumstances, anything less than the appointment of a receiver would not provide the necessary oversight or control over the financial affairs of the Crystal Wealth;
- (ii) The Continuation Application and the within application: (i) have questions of fact in common; and (ii) contain claims for relief arising out of the same transactions or occurrences;
- (jj) Consolidating the within application and the Continuation Application would avoid unnecessary costs or delay;
- (kk) Sections 1.1, 21.10(3), 116, 126, 126.1(1), 128 and 129 of the Act;

- (ll) Section 2.1 of OSC Rule 31-505 – *Conditions of Registration*;
- (mm) Sections 2.1, 2.2 and 2.11 of National Instrument 81-106 – *Investment Fund Continuous Disclosure*;
- (nn) Sections 12.10(2), 12.12, 12.13 and 12.14 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Obligations*;
- a) Rules 1.04, 2.03, 3.02, 6.01, 14.05 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- b) Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- a) The affidavit of Marcel Tillie sworn April 17, 2017, and the exhibits attached thereto;
- b) The affidavit of Michael Ho sworn April 17, 2017, and the exhibits attached thereto;
- c) The supplementary affidavit of Michael Ho sworn April 24, 2017, and the exhibits attached thereto;
- d) The affidavit of David Adler sworn April 24, 2017, and the exhibits attached thereto;
- e) The consent of GTL to act as Receiver;
- f) The notice of application issued by the Commission in the Continuation Application; and
- g) Such other material as counsel for the Applicant may submit and this Honourable Court may permit.

April 25, 2017

ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
Toronto ON M5H 3S8

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*Lawyers for the Applicant,
Ontario Securities Commission*

ONTARIO SECURITIES COMMISSION

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

Applicant

Respondents

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto**

**NOTICE OF APPLICATION
(Returnable April 26, 2017)**

ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
Toronto ON M5H 3S8

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*Lawyers for the Applicant,
Ontario Securities Commission*

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) , THE
JUSTICE) DAY OF , 2017

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
(Appointing Receiver)

THIS APPLICATION made by the Ontario Securities Commission (the “**Commission**”) for an Order pursuant to section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “*Securities Act*”) appointing Grant Thornton Limited (“**GTL**”) as: (i) receiver and manager (in such capacities, 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**”); and (ii) Receiver of the account of the Respondent, Chrysalis Yoga, No. 87296 00518 10 at Bank of Nova Scotia (the “**Chrysalis Account**”), and of all contents, including funds, contained in the Chrysalis Account, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the application record of the Commission, including the affidavit of Marcel Tillie sworn April 17, 2017 and the exhibits thereto, the affidavit of Michael Ho sworn April 17, 2017 and the exhibits thereto, the supplementary affidavit of Michael Ho sworn April 24, 2017 and the exhibits thereto, the affidavit of David Adler sworn April 24, 2017 and the exhibits thereto, the consent of GTL to act as the Receiver, and the factum and brief of authorities of the Commission, and on hearing the submissions of counsel for the Commission, counsel for the Crystal Wealth Group, and counsel for Chrysalis Yoga,

CONSOLIDATION

1. **THIS COURT ORDERS** that the application to extend Freeze Directions commenced by the Commission by way of a notice of application issued through this Honourable Court on April 18, 2017 (Court File No. CV-17-11769-00CL) is hereby consolidated with the within application and that they proceed as one application identified by Court File No. .

SERVICE

2. **THIS COURT ORDERS** that the time for service and filing of the Commission’s notice of application, application record, and factum is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

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APPOINTMENT

3. **THIS COURT ORDERS** that pursuant to section 129 of the *Securities Act*, GTL is hereby appointed Receiver, without security, of:

- (a) all of the present and future assets, undertakings and properties of the Crystal Wealth Group of every nature and kind whatsoever, whether in the possession or under the control of the Crystal Wealth Group or any other Person (as defined herein) and wherever situate including all proceeds thereof (the “**Property**”), including, without limitation, cash, deposit instruments, securities or other property held by the Crystal Wealth Group on behalf of or in trust for any other person or entity and the funds, securities, or other property frozen by Freeze Directions issued by the Commission on April 6 and 7, 2017 which are attached hereto as Schedule “A”; and
- (b) as the Receiver of the Chrysalis Account, and of all contents, including funds, contained in the Chrysalis Account (hereinafter included in all references to the Property).

4. **THIS COURT ORDERS** that all institutions holding funds on deposit to the credit of the Crystal Wealth Group, or any of them, including the institutions which are the subject of the Freeze Directions attached hereto as Schedule “A”, are directed to pay all such funds to the Receiver or as the Receiver may otherwise direct in writing.

5. **THIS COURT ORDERS** that the the Freeze Directions issued by the Commission on April 6, 2017 with respect to Chrysalis Yoga, copies of which are attached hereto as Schedule “B”, shall continue until further order of this Court, with the exception:

- (a) that the funds contained in the Chrysalis Account shall be paid by Bank of Nova Scotia to the Receiver or as the Receiver may otherwise direct in writing, and that the Receiver shall have unrestricted access to the Chrysalis Account and records in connection therewith; and

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- (b) Chrysalis Yoga shall be permitted to use a bank account opened by Chrysalis Yoga at the Canadian Imperial Bank of Commerce, account no. 05162 010 59 37914 (the “**Chrysalis Yoga CIBC Account**”), for the sole purpose of operating Chrysalis Yoga’s yoga studio business, provided that:
- (i) the sole sources of the funds deposited into the Chrysalis Yoga CIBC Account shall be: (i) the parents of Shanine Lee Dennill; or (ii) clients of the yoga studio operated by Chrysalis Yoga, and not, directly or indirectly, from the Respondent Clayton Smith (“**Smith**”) and entities connected with or related to Smith as further particularized in sub-paragraph 5(b)(ii) below;
- (ii) the Chrysalis Yoga CIBC Account shall not be used in any manner by, and the funds contained therein shall not be received from or distributed to, directly or indirectly, Smith or persons or entities connected with or related to Smith, including, without limitation: (i) the Crystal Wealth Group; (ii) any investment funds managed by Crystal Wealth Management System Limited; or (iii) any other company associated with Smith; and
- (iii) copies of monthly bank statements for the Chrysalis Yoga CIBC Account shall forthwith be provided on a monthly basis by Chrysalis Yoga to Staff of the Ontario Securities Commission (“**Staff**”), until such time as Staff revokes or varies this requirement in writing, or the Ontario Securities Commission or Ontario Superior Court of Justice (Commercial List) orders otherwise.

RECEIVER’S POWERS

6. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality

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of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Crystal Wealth Group, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Crystal Wealth Group;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, legal counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Crystal Wealth Group or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Crystal Wealth Group and to exercise all remedies of the Crystal Wealth Group in collecting such monies, including, without limitation, to enforce any security held by the Crystal Wealth Group;

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- (g) to settle, extend or compromise any indebtedness owing to the Crystal Wealth Group;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Crystal Wealth Group, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Crystal Wealth Group, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000;
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause; and
 - (iii) including liquidating exchange traded securities and derivatives held by the Respondents, Crystal Wealth Media Strategy, Crystal

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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, and Crystal Wealth Retirement One Fund, within 60 days of the Receiver's appointment, or within such longer period of time as the Receiver deems advisable;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with any person or entity deemed necessary or advisable by the Receiver on all matters as the Receiver deems appropriate relating to the Property, the affairs of the Crystal Wealth Group, and the receivership, and to share information with such persons and entities, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental or regulatory authority and any renewals

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thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Crystal Wealth Group;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Crystal Wealth Group, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Crystal Wealth Group;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Crystal Wealth Group may have;
- (r) without limiting the generality of clause 6(m) above, to share information, meet with and discuss with any regulatory bodies and their advisors, including without limitation the Commission and any other regulatory authorities as the Receiver deems appropriate on all matters relating to the Property, the affairs of the Crystal Wealth Group, and the receivership of the Crystal Wealth Group, subject to such terms as to confidentiality as the Receiver deems advisable, including, without limitation, the Communications Protocol attached as Schedule "C" hereto;
- (s) to examine under oath any person the Receiver reasonably considers to have knowledge of the affairs of the Crystal Wealth Group, including, without limitation, any present or former director, officer, employee or person registered or previously registered with the Commission or subject to or formerly subject to the jurisdiction of the Commission or any other regulatory body respecting the Property and affairs of the Crystal Wealth Group;
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (u) and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion

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of all other Persons (as defined below), including the Crystal Wealth Group, and without interference from any other Person.

7. **THIS COURT ORDERS** that the Receiver may engage as its legal counsel Aird & Berlis LLP, notwithstanding that Aird & Berlis LLP has had an advisory role with respect to the Commission.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

8. **THIS COURT ORDERS** that (i) the Respondents, (ii) all of their current and former directors, officers, employees, persons registered or previously registered or subject or formerly subject to the jurisdiction of the Commission or any other regulatory body, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

9. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not required, to take possession and control of any monies, funds, deposit instruments or securities held by or in the name of the Crystal Wealth Group, or any of them, or by a third party for the benefit of the Crystal Wealth Group, or any of them, including without limitation the monies, funds, deposit instruments, or securities held in the accounts listed on the attached Schedule "**D**".

10. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Respondents, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 10 or in paragraph 11 of this Order shall require the delivery of

Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure, and that, without limiting the generality of subparagraph 6(r) or this paragraph 10 of this Order, the process for the Commission's review of information that may include documents over which privilege may be claimed, which process is attached as Schedule "E" hereto, is hereby approved.

11. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

12. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

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NO PROCEEDINGS AGAINST THE RECEIVER

13. **THIS COURT ORDERS** that no proceeding or enforcement process in any court, tribunal, regulatory or administrative body (each, a "Proceeding") shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE CRYSTAL WEALTH GROUP OR THE PROPERTY

14. **THIS COURT ORDERS** that no Proceeding against or in respect of the Crystal Wealth Group or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Crystal Wealth Group or the Property are hereby stayed and suspended pending further Order of this Court, provided that nothing herein shall prevent the commencement or continuation of any investigation or proceedings against the Respondents or any of them by or before any regulatory body including, without limitation, the Commission or the Enforcement Staff of the Ontario Securities Commission.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that all rights and remedies against the Crystal Wealth Group, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), and further provided that nothing in this paragraph shall: (i) empower the Receiver or the Crystal Wealth Group to carry on any business which the Crystal Wealth Group is not lawfully entitled to carry on; (ii) exempt the Receiver or the Crystal Wealth Group from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

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NO INTERFERENCE WITH THE RECEIVER

16. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Crystal Wealth Group, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Crystal Wealth Group or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Crystal Wealth Group are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Crystal Wealth Group's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Crystal Wealth Group or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

18. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

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EMPLOYEES

19. **THIS COURT ORDERS** that all employees of the Crystal Wealth Group shall remain the employees of the Crystal Wealth Group until such time as the Receiver, on the Crystal Wealth Group's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay.

PIPEDA

20. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* and any other applicable privacy legislation, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Crystal Wealth Group, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

21. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “Possession”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the

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Canadian Environmental Protection Act, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act*, and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

22. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by any applicable legislation.

RECEIVER'S ACCOUNTS

23. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver's Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.

24. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

25. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates

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and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

26. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.

27. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

28. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "F" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

29. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

30. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in these proceeding, the service of

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documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure (the "Rules"). Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL; www.grantthornton.ca/crystalwealth.

31. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, and any notices or other correspondence, by forwarding a notice with a link to the Case Website to the Crystal Wealth Group's creditors or other interested parties by email, facsimile transmission, or ordinary mail to their respective addresses as last shown on the records of the Crystal Wealth Group, or as otherwise ordered by the Court, and that any such service or distribution by email, facsimile transmission, or ordinary mail shall be deemed to be received on the next business day following the date of sending thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

32. **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.

33. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Crystal Wealth Group.

34. **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.

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35. **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.

36. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than thirty (30) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"
FREEZE DIRECTIONS - CRYSTAL WEALTH GROUP

See attached.



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen uest
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Web site: www.osc.gov.on.ca

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED
192 Plains Road East
Burlington, Ontario
L7T 2C3

C/O: CLAYTON SMITH
192 Plains Road East
Burlington, Ontario
L7T 2C3

RE: Accounts at NBCN Inc., Royal Bank of Canada, The Toronto Dominion Bank and
Interactive Brokers Canada Inc.

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring,

dissipating or otherwise dealing with or diminishing the value of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise, except that Crystal Wealth may dispose of securities and derivatives already held in Brokerage Accounts identified on Schedule "A" as at the date of the Directions on behalf of one or more of the following funds:

Crystal Wealth Media Strategy (the "Media Fund")
Crystal Wealth Mortgage Strategy (the "Mortgage Fund")
Crystal Enlightened Resource & Precious Metal Fund (the "Enlightened Resource Fund")
Crystal Wealth Medical Strategy (the "Medical Fund")
Crystal Wealth Enlightened Factoring Strategy (the "Factoring Fund")
ACM Growth Fund
ACM Income Fund
Crystal Wealth High Yield Mortgage Strategy (the "High Yield Mortgage Fund")
Crystal Enlightened Bullion Fund (the "Enlightened Bullion Fund")
Absolute Sustainable Dividend Fund (the "Sustainable Dividend Fund")
Absolute Sustainable Property Fund (the "Sustainable Property Fund")
Crystal Wealth Enlightened Hedge Fund (the "Enlightened Hedge Fund")
Crystal Wealth Infrastructure Strategy (the "Infrastructure Fund")
Crystal Wealth Conscious Capital Strategy (the "Conscious Capital Fund")
Crystal Wealth Retirement One Fund (the "Retirement Fund")

(collectively the "Funds"),

provided that any disposition of securities on behalf of the Funds occurs through the facilities of a recognized exchange and all proceeds of such sales are maintained in the account of the Fund on whose behalf the trade is executed.

DATED at Toronto this 6th day of April, 2017.

M. Dunn

SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
NBCN Inc.	Crystal Wealth Management System Limited	27Q000A
NBCN Inc.	Crystal Wealth Management System Limited	27QCNAA
NBCN Inc.	Crystal Wealth Management System Limited	27QTAAA
NBCN Inc.	Crystal Wealth Management System Limited	27QAABC
NBCN Inc.	Crystal Wealth Management System Limited	27QCNCA
Royal Bank of Canada	Crystal Wealth Management System Limited	00002 1304211
Royal Bank of Canada	Crystal Wealth Management System Limited	00002 1304260
The Toronto Dominion Bank	Crystal Wealth Management System Limited	5004279-0122
Interactive Brokers Canada Inc.	Crystal Wealth Management System Limited	F4795511
The Toronto Dominion Bank	Crystal Wealth Mortgage Strategy	5266530-0125
Interactive Brokers Canada Inc.	ACM Growth Fund	U1446894
Interactive Brokers Canada Inc.	Crystal Wealth Strategic Yield Media Fund	U4657920
Interactive Brokers Canada Inc.	Crystal Wealth Medical Income Fund	U4895282
Interactive Brokers Canada Inc.	Crystal Enlightened Resource and Precious Metals Fund	U4804316

Institution	Account Name	Account Number
NBCN Inc.	Crystal Wealth Media Strategy	27Q003E
NBCN Inc.	Crystal Wealth Media Strategy	27Q003F
NBCN Inc.	Crystal Wealth Mortgage Strategy	27Q050E
NBCN Inc.	Crystal Wealth Mortgage Strategy	27Q050F
NBCN Inc.	Crystal Enlightened Resource & Precious Metal Fund	27Q070E
NBCN Inc.	Crystal Enlightened Resource & Precious Metal Fund	27Q070F
NBCN Inc.	Crystal Wealth Medical Strategy	27Q080E
NBCN Inc.	Crystal Wealth Medical Strategy	27Q080F
NBCN Inc.	Crystal Wealth Enlightened Factoring Strategy	27Q090E
NBCN Inc.	Crystal Wealth Enlightened Factoring Strategy	27Q090F
NBCN Inc.	ACM Growth Fund	27QA23E
NBCN Inc.	ACM Growth Fund	27QA23F
NBCN Inc.	ACM Income Fund	27QA24E
NBCN Inc.	ACM Income Fund	27QA24F
NBCN Inc.	Crystal Wealth High Yield Mortgage Strategy	27QB26E
NBCN Inc.	Crystal Wealth High Yield Mortgage Strategy	27QB26F

Institution	Account Name	Account Number
NBCN Inc.	Crystal Enlightened Bullion Fund	27QC25E
NBCN Inc.	Crystal Enlightened Bullion Fund	27QC25F
NBCN Inc.	Absolute Sustainable Dividend Fund	27QD93A
NBCN Inc.	Absolute Sustainable Dividend Fund	27QD93B
NBCN Inc.	Absolute Sustainable Property Fund	27QD94A
NBCN Inc.	Absolute Sustainable Property Fund	27QD94B
NBCN Inc.	Crystal Wealth Enlightened Hedge Fund	27QF14E
NBCN Inc.	Crystal Wealth Enlightened Hedge Fund	27QF14F
NBCN Inc.	Crystal Wealth Infrastructure Strategy	27QG01E
NBCN Inc.	Crystal Wealth Infrastructure Strategy	27QG01F
NBCN Inc.	Crystal Wealth Conscious Capital Strategy	27QH93E
NBCN Inc.	Crystal Wealth Conscious Capital Strategy	27QH93F
NBCN Inc.	Crystal Wealth Retirement Retirement One Fund	27QB27E
NBCN Inc.	Crystal Wealth Retirement Retirement One Fund	27QB27F



Ontario
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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: CLAYTON SMITH
5043 Mount Nemo Crescent
Burlington, Ontario
L7M 0T7

RE: Accounts at The Toronto Dominion Bank

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

DATED at Toronto this 6th day of April, 2017.

M. Dunn

SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
The Toronto Dominion Bank	Clayton Edward Smith	6045439-2228
The Toronto Dominion Bank	Clayton Edward Smith and Lee Ann Smith	0523771-0122



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20 Queen Street West
Toronto ON M5H 3S8

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Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: CLJ EVEREST LTD.
5043 Mount Nemo Crescent
Burlington, Ontario
L7M 0T7

C/O: CLAYTON SMITH
5043 Mount Nemo Crescent
Burlington, Ontario
L7M 0T7

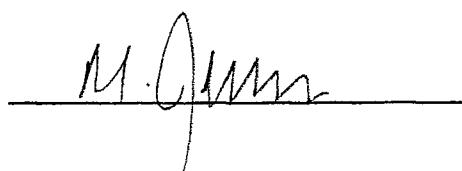
RE: Accounts at The Toronto Dominion Bank

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds,

securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

DATED at Toronto this 6th day of April, 2017.

A handwritten signature in black ink, appearing to read "M. Dunn", is written over a horizontal line. The signature is cursive and includes a small loop above the letter "D".

8.

SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
The Toronto Dominion Bank	CLJ Everest Ltd	5002640-0122



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: Branch Manager
Royal Bank of Canada
200 Bay Street
Main Floor
Toronto, Ontario
M5J 2J5

RE: Crystal Wealth Management System Limited

All Accounts and Sub Accounts under Nos. (1) 00002 1304211 and (2) 00002 1304260

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **Crystal Wealth Management System Limited** including any funds, securities or property on deposit in accounts with the following numbers:

**00002 1304211, and
00002 1304260**

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of Royal Bank of Canada.

DATED at Toronto this 6th day of April, 2017.

M. Dunn



Ontario
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Commission

Commission des
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de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen uest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: Branch Manager
Interactive Brokers Canada Inc.
1800 McGill College Avenue
Suite 2106
Montreal, Quebec
H3A 3J6

RE: 1. ACM Growth Fund,
2. Crystal Wealth Management System Limited,
3. Crystal Wealth Strategic Yield Media Fund,
4. Crystal Wealth Medical Income Fund, and
5. Crystal Enlightened Resource and Precious Metals Fund

All Accounts and Sub Accounts under Nos. (1) U1446894, (2) F4795511, (3) U4657920,
(4) U4895282 and (5) U4804316

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of ACM Growth Fund, Crystal Wealth Management System Limited, Crystal Wealth Strategic Yield Media Fund, Crystal Wealth Medical Income Fund and Crystal Enlightened Resource and Precious Metals Fund (the "Funds") including any funds, securities or property on deposit in accounts with the following numbers:

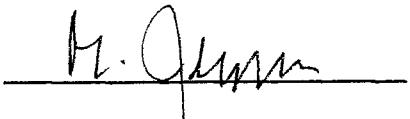
U1446894,
F4795511,
U4657920,
U4895282, and
U4804316

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise, with the exception that securities other than units of Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metal 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 (collectively the "Crystal Wealth Funds"), held in the name of, or otherwise under the control of, or on behalf of any of the Funds in the accounts at the brokerage may be sold provided that the disposition occurs through the facilities of a recognized exchange and all proceeds of such sales are maintained in the account where such securities were held.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of Interactive Brokers Canada Inc.

DATED at Toronto this 6th day of April, 2017.

A handwritten signature in black ink, appearing to read "H. Dunn", is written over a horizontal line.



Ontario
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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: Branch Manager
NBCN Inc.
The Exchange Tower
130 King Street West
Suite 3000
PO Box 21
Toronto, Ontario
M5X 1J9

RE: 1. Crystal Wealth Media Strategy,
2. Crystal Wealth Mortgage Strategy,
3. Crystal Enlightened Resource & Precious Metal Fund,
4. Crystal Wealth Medical Strategy,
5. Crystal Wealth Enlightened Factoring Strategy,
6. ACM Growth Fund,
7. ACM Income Fund,
8. Crystal Wealth High Yield Mortgage Strategy,
9. Crystal Enlightened Bullion Fund,
10. Absolute Sustainable Dividend Fund,
11. Absolute Sustainable Property Fund,
12. Crystal Wealth Enlightened Hedge Fund,
13. Crystal Wealth Infrastructure Strategy,
14. Crystal Wealth Conscious Capital Strategy,
15. Crystal Wealth Management System Limited, and
16. Crystal Wealth Retirement One Fund

All Accounts and Sub Accounts under Nos. (1) 27Q003E and 27Q003F, (2) 27Q050E and 27Q050F, (3) 27Q070E and 27Q070F, (4) 27Q080E and 27Q080F, (5) 27Q090E and 27Q090F, (6) 27QA23E and 27QA23F, (7) 27QA24E and 27QA24F, (8) 27QB26E and 27QB26F, (9) 27QC25E and 27QC25F, (10) 27QD93A and 27QD93B, (11) 27QD94A and 27QD94B, (12) 27QF14E and 27QF14F, (13) 27QG01E and 27QG01F, (14) 27QH93E and 27QH93F, (15) 27Q000A, 27QCNA, 27QTAAA, 27QAABC and 27QCNCA, and (16) 27QB27E and 27QB27F

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metal 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** (collectively the "Funds") and **Crystal Wealth Management System Limited** including any funds, securities or property on deposit in accounts with the following numbers:

27Q003E and 27Q003F,
27Q050E and 27Q050F,
27Q070E and 27Q070F,
27Q080E and 27Q080F,
27Q090E and 27Q090F,
27QA23E and 27QA23F,
27QA24E and 27QA24F,
27QB26E and 27QB26F,
27QC25E and 27QC25F,
27QD93A and 27QD93B,
27QD94A and 27QD94B,
27QF14E and 27QF14F,
27QG01E and 27QG01F,
27QH93E and 27QH93F,
27Q000A, 27QCNA, 27QTAAA, 27QAABC and 27QCNCA, and
27QB27E and 27QB27F

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise, with the exception:

- (1) securities other than units of the Funds held in the name of or otherwise under the control of or on behalf of any of the Funds in the accounts at the brokerage may be sold provided that the sale or disposition occurs through the facilities of a recognized

exchange and all proceeds of such sales or distributions are maintained in the account where such securities were held; and

- (2) of managed accounts, except managed accounts in the name or for the benefit of Clayton Edward Smith, Crystal Wealth Management System Limited, CLJ Everest Ltd., Chrysalis Yoga Inc., 1150752 Ontario Limited and Lee Ann Smith.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of NBCN Inc.

DATED at Toronto this 6th day of April, 2017.

M. Dunn



Ontario
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Commission des
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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: Branch Manager
TD Bank Group
2931 Walkers Line
Burlington, Ontario
L7M 4M6

RE: Clayton Edward Smith
All Accounts and Sub Accounts under No. 6045439-2228

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **Clayton Edward Smith** including any funds, securities or property on deposit in accounts with the following number:

6045439-2228

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of TD Bank Group.

DATED at Toronto this 6th day of April, 2017.

M. Dunn



Ontario
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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: Branch Manager
TD Bank Group
20 Main Street East
Grimsby, Ontario
L3M 1M9

RE: 1. CLJ Everest Ltd
2. Crystal Wealth Management System Limited
3. Clayton Edward Smith and Lee Ann Smith

All Accounts and Sub Accounts under Nos. (1) 5002640-0122, (2) 5004279-0122 and (3)
0523771-0122

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of CLJ Everest Ltd, Crystal Wealth Management System Limited and Clayton Edward Smith and Lee Ann Smith including any funds, securities or property on deposit in accounts with the following numbers:

5002640-0122,
5004279-0122, and
0523771-0122

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of TD Bank Group.

DATED at Toronto this 6th day of April, 2017.

M. O'Leary



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: Branch Manager
TD Bank Group
55 King Street West
Toronto, Ontario
M5K 1A2

RE: Crystal Wealth Mortgage Strategy
All Accounts and Sub Accounts under No. 5266530-0125

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **Crystal Wealth Mortgage Strategy** including any funds, securities or property on deposit in accounts with the following number:

5266530-0125

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of TD Bank Group.

DATED at Toronto this 6th day of April, 2017.

M. Gunn

SCHEDULE "B"
FREEZE DIRECTIONS OVER CHRYSSALIS YOGA

See attached.



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

Phone: 416-263-7653
Fax: 416-593-2319

Web site: www.osc.gov.on.ca

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: CHRYSALIS YOGA INC.
4040 Palladium Way
Burlington, Ontario
L7M 0C2

C/O: Shanine Lee Dennill
4040 Palladium Way
Burlington, Ontario
L7M 0C2

RE: Accounts at The Bank of Nova Scotia

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

DATED at Toronto this 6th day of April, 2017.

M. Dunn

11

SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
The Bank of Nova Scotia	Chrysalis Yoga Inc.	87296 00518 10



Ontario
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Commission des
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de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: Branch Manager
Bank of Nova Scotia
4519 Dundas Street
Burlington, Ontario
L7M 5B4

RE: Chrysalis Yoga Inc.
All Accounts and Sub Accounts under No. 87296 00518 10

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of Chrysalis Yoga Inc. including any funds, securities or property on deposit in accounts with the following number:

87296 00518 10

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of Bank of Nova Scotia.

DATED at Toronto this 6th day of April, 2017.

M. Dunn

SCHEDULE "C"
COMMUNICATIONS PROTOCOL

WHEREAS:

1. Pursuant to Orders of the Honourable Justice _____ of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated _____, 2017 (the "**Appointment Order**"), Grant Thornton Limited has been appointed as Receiver of a bank account No. 87296 00518 10 at Bank of Nova Scotia in the name of Chrysalis Yoga Inc., and of all of the assets, undertakings and properties (collectively, the "**Property**") of:
 - (i) Clayton Smith;
 - (ii) Crystal Wealth Management System Limited;
 - (iii) CLJ Everest Ltd.;
 - (iv) 1150752 Ontario Limited;
 - (v) Crystal Wealth Media Strategy;
 - (vi) Crystal Wealth Mortgage Strategy;
 - (vii) Crystal Enlightened Resource & Precious Metals Fund;
 - (viii) Crystal Wealth Medical Strategy;
 - (ix) Crystal Wealth Enlightened Factoring Strategy;
 - (x) ACM Growth Fund;
 - (xi) ACM Income Fund;
 - (xii) Crystal Wealth High Yield Mortgage Strategy;
 - (xiii) Crystal Enlightened Bullion Fund;
 - (xiv) Absolute Sustainable Dividend Fund;
 - (xv) Absolute Sustainable Property Fund;
 - (xvi) Crystal Wealth Enlightened Hedge Fund;
 - (xvii) Crystal Wealth Infrastructure Strategy;
 - (xviii) Crystal Wealth Conscious Capital Strategy,
 - (xix) Crystal Wealth Retirement One Fund,

C - 2 -

- (collectively, the “**Crystal Wealth Group**”);
2. The Receiver was initially appointed pursuant to an Application of the Ontario Securities Commission (the “**OSC**”) under section 129 of the *Securities Act* (Ontario);
 3. The OSC has commenced an investigation into the activities of Crystal Wealth Management Systems Limited (“**Crystal Wealth**”) and its principal, Clayton Smith (“**Smith**”), as well as the activities of companies connected to Smith, which investigation is ongoing.
 4. In the course of the Receiver’s appointment it receives, reviews and is otherwise advised of confidential information (including personal information), documents and/or materials (collectively, the “**Confidential Information**”), including without limitation Confidential Information relating to (i) the business, operations, financial condition and/or affairs of the Crystal Wealth Group; and (ii) former and current officers, directors, employees, clients, investors, shareholders and/or creditors of the Crystal Wealth Group;
 5. Pursuant to paragraph 6(r) of the Appointment Order, the Receiver is authorized to share information, meet with and discuss with any regulatory bodies (“**Regulators**”) and their advisors, including without limitation the OSC and any other regulatory authorities as the Receiver deems appropriate, on all matters relating to the Property, the affairs of the Crystal Wealth Group and the receivership of the Crystal Wealth Group, subject to such terms as to confidentiality as the Receiver deems advisable;
 6. The Receiver is of the view that if so requested by the OSC or any other Regulator, the Receiver should have the authority to provide the requesting Regulator with information and documentation regarding the Crystal Wealth Group (the “**Information**”, which term includes, without limitation, Confidential Information), on and subject to the terms of this protocol; and
 7. Staff of the OSC seeks approval of this protocol by the Court.

NOW THEREFORE:

1. The Receiver may provide Information to the OSC or a Regulator upon request by the OSC or the Regulator; provided that the Receiver determines in its sole discretion that provision of such Information (i) is in the best interests of the estate herein, (ii) would not breach or lie prohibited by any agreement to which the Receiver is a party or by the laws of any jurisdiction to which the Receiver (which term includes any of its officers, partners, employees and agents) may be subject; and (iii) would not result in the breach of any duty or obligation of confidentiality to which the Receiver (which term includes any of its officers, partners, employees and agents) may be subject or which the Receiver may owe pursuant to the laws of Canada or of any other jurisdiction.
2. The Regulator will deal with any Information provided by the Receiver in a manner consistent with any law to which the OSC or Regulator is subject, including, without limitation, the *Securities Act* (Ontario) and subject to any specific confidentiality

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requirements imposed by the Receiver in respect of any such Information provided to the Regulator.

3. The Receiver is in no way responsible or liable for any incorrect and/or incomplete Information.
4. The Receiver shall have no liability arising from (i) the disclosure of Information to the Regulator; (ii) the content of the Information; (iii) the use of the Information by the Regulator; or (iv) any disclosure of the Information by the OSC or Regulator.

SCHEDULE "D"
DEPOSIT ACCOUNTS

As provided at paragraph 9 of the Order to which this Schedule is attached, the Receiver is hereby empowered and authorized, but not required, to take possession and control of any monies, funds, deposit instruments, or securities held by or in the name of the Crystal Wealth Group, or any of them, or by a third party for the benefit of the Crystal Wealth Group, or any of them, including without limitation the monies, funds, deposit instruments, or securities held in the following accounts:

Institution	Account Name	Account Number
Bank of Nova Scotia	Chrysalis Yoga Inc.	87296 00518 10
Royal Bank of Canada	Crystal Wealth Management System Limited	00002 1304211
Royal Bank of Canada	Crystal Wealth Management System Limited	00002 1304260
TD Bank Group	Clayton Edward Smith	6045439-2228
TD Bank Group	CLJ Everest Ltd.	5002640-0122
TD Bank Group	Crystal Wealth Management System Limited	5004279-0122
TD Bank Group	Crystal Wealth Mortgage Strategy	5266530-0125
TD Bank Group	Clayton Edward Smith and Lee Ann Smith	0523771-0122
TD Bank Group	1150752 Ontario Limited	5001601-0122
Interactive Brokers Canada Inc.	ACM Growth Fund	U1446894
Interactive Brokers Canada Inc.	Crystal Wealth Management System Limited	F4795511
Interactive Brokers Canada Inc.	Crystal Wealth Strategic Yield Media Fund	U4657920
Interactive Brokers Canada	Crystal Wealth Medical	U4895282

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Institution	Account Name	Account Number
Inc.	Income Fund	
Interactive Brokers Canada Inc.	Crystal Enlightened Resource and Precious Metals Fund	U4804316
NBCN Inc.	Crystal Wealth Media Strategy	27Q003E
NBCN Inc.	Crystal Wealth Media Strategy	27Q003F
NBCN Inc.	Crystal Wealth Mortgage Strategy	27Q050E
NBCN Inc.	Crystal Wealth Mortgage Strategy	27Q050F
NBCN Inc.	Crystal Enlightened Resource & Precious Metals Fund	27Q070E
NBCN Inc.	Crystal Enlightened Resource & Precious Metals Fund	27Q070F
NBCN Inc.	Crystal Wealth Medical Strategy	27Q080E
NBCN Inc.	Crystal Wealth Medical Strategy	27Q080F
NBCN Inc.	Crystal Wealth Enlightened Factoring Strategy	27Q090E
NBCN Inc.	Crystal Wealth Enlightened Factoring Strategy	27Q090F
NBCN Inc.	ACM Growth Fund	27QA23E
NBCN Inc.	ACM Growth Fund	27QA23F
NBCN Inc.	ACM Income Fund	27QA24E
NBCN Inc.	ACM Income Fund	27QA24F
NBCN Inc.	Crystal Wealth High Yield Mortgage	27QB26E

Institution	Account Name	Account Number
NBCN Inc.	Crystal Wealth High Yield Mortgage	27QB26F
NBCN Inc.	Crystal Enlightened Bullion Fund	27QC25E
NBCN Inc.	Crystal Enlightened Bullion Fund	27QC25F
NBCN Inc.	Absolute Sustainable Dividend Fund	27QD93A
NBCN Inc.	Absolute Sustainable Dividend Fund	27QD93B
NBCN Inc.	Absolute Sustainable Property Fund	27QD94A
NBCN Inc.	Absolute Sustainable Property Fund	27QD94B
NBCN Inc.	Crystal Wealth Enlightened Hedge Fund	27QF14E
NBCN Inc.	Crystal Wealth Enlightened Hedge Fund	27QF14F
NBCN Inc.	Crystal Wealth Infrastructure Strategy	27QG01E
NBCN Inc.	Crystal Wealth Infrastructure Strategy	27QG01F
NBCN Inc.	Crystal Wealth Conscious Capital Strategy	27QH93E
NBCN Inc.	Crystal Wealth Conscious Capital Strategy	27QH93F
NBCN Inc.	Crystal Wealth Management System Limited	27Q000A
NBCN Inc.	Crystal Wealth Management System Limited	27QCNA

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Institution	Account Name	Account Number
NBCN Inc.	Crystal Wealth Management System Limited	27QTAAA
NBCN Inc.	Crystal Wealth Management System Limited	27QAABC
NBCN Inc.	Crystal Wealth Management System Limited	27QCNC
NBCN Inc.	Crystal Wealth Retirement One Fund	27QB27E
NBCN Inc.	Crystal Wealth Retirement One Fund	27QB27F

SCHEDULE "E"

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

PRIVILEGE PROTOCOL FOR RECEIVER PRODUCTION

This Protocol identifies how Staff of the Ontario Securities Commission (“**Staff**”) intend to address any potentially solicitor-client privileged documents that may be obtained from the Receiver in Staff’s investigation of Crystal Wealth Management Systems Limited (“**Crystal Wealth**”) and its principal, Clayton Smith (“**Smith**”), as well as the activities of companies connected to Smith. Generally, Staff will make best efforts to identify, in accordance with this Protocol, any documents over which privilege may be claimed prior to reviewing them and exclude those documents from Staff’s review. Staff will advise the Receiver of any privilege issues that may arise as a result of the review and will consult with the Receiver on those issues that are not otherwise addressed in this Protocol.

A. HARD COPY DOCUMENTS

1. The investigating team (the “**Team**”) will endeavor not to request any hard copy documents from the Receiver that could be privileged.
2. Prior to requesting any documents, the Team will review any index provided by the Receiver. The Team will also not review any documents or folders obtained that on their face may contain privileged advice. For example, folders labelled “**Privileged and Confidential**” will not be reviewed and will be immediately returned to the Receiver.
3. Hard copy documents obtained from the Receiver will be scanned by the Technology & Evidence Control Unit (“**TEC**”) and added to the main database of documents (the “**Main Database**”).

B. E-MAILS

4. Upon request by the Team, the Receiver will provide electronic documents, which include the emails of certain custodians. These electronic documents will not have been reviewed for privilege prior to production.
5. TEC will upload the electronic documents into a database (the “**Receiver Database**”) that is segregated from the Main Database. The Team will never have access to the Receiver Database.
6. TEC may “**de-dupe**” the electronic documents in the Receiver Database.
7. TEC will run searches through the Receiver Database to attempt to identify potentially privileged electronic documents (the “**Blind Search**”). The search terms for the Blind Search will be provided by the Team, based on its knowledge of the file (see Appendix

“A”). This list will be supplemented with a list of Ontario law firms provided by TEC.¹ Electronic documents that do not include “hits” from the Blind Search will be added to the Main Database and can be reviewed by the Team.

8. TEC will generate a summary report of the emails in the Receiver Database that contain “hits” from the Blind Search. The Report will set out the address fields (i.e., “To”; “From”; “CC” and “BCC”). A Team member will review the report to determine which emails have also been addressed to third parties and will code those emails as “Third Party”. Those emails may also be added to the Main Database and can be reviewed by the Team.
9. With regard to the remaining electronic documents in the Receiver Database, that is those which generated a “hit” in the Blind Search, the Team will discuss next steps with the Receiver before taking any steps with respect to these documents. Options to consider may include, but are not limited to, delaying the assessment of privilege issues in the Receiver Database to a later time when a privilege holder is able to review or initiating a privilege review with the use of a “Filter Lawyer”.

IDENTIFICATION AND SEGREGATION OF POTENTIALLY PRIVILEGED DOCUMENTS DURING REVIEW

1. In the event a Team member comes across a potentially privileged document in the Main Database, the Team member will stop reviewing the document immediately, record the document ID and advise litigation counsel, who will advise the Receiver.
2. If the potentially privileged document identified was originally a hard copy document, TEC will remove the electronic version from the Main Database and will identify the original document from the boxes provided by the Receiver. TEC will secure the document in an envelope, which will be returned to the Receiver with a completed chain of custody form.
3. If the potentially privileged document identified was originally an electronic document, TEC will remove the document from the Main Database and put it back into the Receiver Database, to which the Team has no access.
4. If possible, TEC may extract information such as name of lawyer, name of law firm, email address and, upon direction by litigation counsel, use the information to run further Blind Searches in the Main Database to segregate any similar, additional documents identified. These electronic documents will be dealt with as described in item 8, above.

Staff reserve the right to challenge at a later date any claim of solicitor client privilege that may be made over any documents identified as potentially privileged in accordance with this

¹ List downloaded from Korbitec Inc. (ACL or Automated Civil Litigation software) on July 27, 2016. The list for the Blind Search shall not include Kelly Margaritas, Margaritis Law, Stephanie McManus, or Compliance Support Services.

Protocol. Staff also acknowledge that production of a document by the Receiver does not constitute a waiver of solicitor-client privilege with respect to it.

APPENDIX "A"**PRIVILEGE SEARCH TERMS
LAWYERS AND LAW FIRMS**

From following list, search:

- (a) last name of known lawyer
- (b) portions of law firm email address
- (c) email address of known lawyer (to the extent not covered by (b))

	Name of Lawyer	Law Firm	Email Address
1.	Laura Paglia	Borden Ladner Gervais LLP	lPaglia@blg.com
2.	Suzanne Kittell	Borden Ladner Gervais LLP	SKittell@blg.com
3.	Kathryn M. Fuller	Borden Ladner Gervais LLP	kfuller@blg.com
4.	Martin J. Doane	Martin J. Doane, Barrister & Solicitor	mjd@martinjdoane.com
5.	Jeremy Devereux	Norton Rose Fulbright Canada LLP	Jeremy.devereux@nortonrosefulbright.com
6.	Bruce O'Toole	Crawley MacKewn Brush LLP	botoole@cmblaw.ca
7.	Ellen Bessner	Babin Bessner Spry	ebessner@babinbessnerspry.com
8.	Nigel Campbell	Blake, Cassels & Graydon LLP	nigel.comapbell@blakes.com
9.	Doug McLeod	Blake, Cassels & Graydon LLP	Doug.mcleod@blakes.com

SCHEDULE "F"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Grant Thornton Limited is the receiver and manager (in such capacities, the "Receiver") of the assets, undertakings and properties of all of the Respondents, except the Respondent Chrysalis Yoga Inc., including all proceeds thereof (collectively, the "Property", which term shall include the funds contained in the account of Chrysalis Yoga Inc. bearing No. 87296 00518 10 at Bank of Nova Scotia), appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the _____ day of _____, 2017 (the "Order") made in an application having Court file number 17-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly] not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20 ____.

GRANT THORNTON LIMITED, solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:

Name:

Title:

ONTARIO SECURITIES COMMISSION

Applicant

and CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

Respondents

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at TORONTO**

APPOINTMENT ORDER

ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
Toronto ON M5H 3S8

Catherine Weiler (LSUC # 52424M)
Tel: (416) 204-8985
Fax: (416) 593-8321
Email: cweiler@osc.gov.on.ca

Yvonne B. Chisholm (LSUC No. #37040F)
Tel: (416) 593-2363
Fax: (416) 593-8321
Email: ychisholm@osc.gov.on.ca

*Lawyers for the Applicant,
Ontario Securities Commission*

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) DAY, THE DAY
JUSTICE) OF ,

B E T W E E N:

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 APPLICATION made by the Ontario Securities Commission (the "Commission"):

- a) Authorizing Grant Thornton Limited, in its capacity as the Court-appointed receiver and manager (in such capacity, the "**Receiver**") over the properties, assets and undertakings of each of the Respondents other than the Respondent,

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Chrysalis Yoga Inc. (“**Chrysalis Yoga**”, the other Respondents being referred to collectively as the “**Crystal Wealth Group**”), to complete, on behalf of CLJ Everest Ltd. (the “**Vendor**”), the sale transaction (the “**Transaction**”) of the property located at 5043 Mount Nemo Crescent in Burlington, Ontario (the “**Mount Nemo Property**”) to Martin McCready (the “**Purchaser**”) as contemplated by an agreement of purchase and sale dated April 12, 2017 (the “**Sale Agreement**”);

- b) Vesting title in the Purchaser the Vendor’s right, title and interests in and to the assets described in the Sale Agreement (the “**Purchased Assets**”); and
- c) Authorizing the Receiver to make distributions from the sale proceeds of the Real Property (as defined herein) to the registered mortgagee of the Mount Nemo Property, without further order of the Court, subject to the Receiver satisfying itself as to the validity of such mortgage and the amounts claimed;

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Marcel Tillie sworn April 17, 2017 and the exhibits thereto, the affidavit of Michael Ho sworn April 17, 2017 and the exhibits thereto, the supplementary affidavit of Michael Ho sworn April 24, 2017 and the exhibits thereto, the affidavit of David Adler sworn April 24, 2017 and the exhibits thereto, and the consent of GTL to act as the Receiver, and on hearing the submissions of counsel for the Commission and counsel for the Crystal Wealth Group,

1. **THIS COURT ORDERS AND DECLARES** that the Receiver is hereby authorized, on behalf of the Vendor, to complete the Transaction contemplated by the Sale Agreement with such amendments to the Sale Agreement, except as to purchase price, as the Receiver may deem necessary. The Receiver, in its own name or on behalf of the Vendor, is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

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2. **THIS COURT ORDERS** that Clayton Smith and any other occupants of the Mount Nemo Property forthwith vacate the Mount Nemo Property so that the Receiver may deliver vacant possession of it in accordance with the Sale Agreement.

3. **THIS COURT ORDERS THAT** the Land Titles Division of the Halton Land Registry Office (No. 20) remove from title to the Mount Nemo Property the Certificate of Direction issued by the Ontario Securities Commission on April 13, 2017 and registered on title to the Mount Nemo Property on the same date as instrument no. HR1446942.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Vendor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "B" hereto 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; (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; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon the registration in the Land Titles Division of the Halton Land Registry Office (No. 20) of an application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

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6. **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 the delivery of the Receiver's Certificate all Claims and Encumbrances 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 person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

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

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 the Vendor and shall not be void or voidable by creditors of the Vendor, 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.

9. **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.

Schedule A – Form of Receiver's Certificate

Court File No.

**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, AND CRYSTAL WEALTH RETIREMENT ONE FUND and CHRYSALIS YOGA INC.

Respondents

RECEIVER'S CERTIFICATE**RECITALS**

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (the "Court") dated April 26, 2017, Grant Thornton Limited was appointed as the receiver and manager (in such capacity, the "Receiver") of the undertaking, property and assets of CLJ Everest Ltd. (the "Vendor").

B. Pursuant to an Order of the Court dated April 26, 2017, the Court authorized the Receiver to complete the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale between the Vendor and Martin McCready (the "Purchaser") dated April 12, 2017 (the "Sale Agreement") and provided for the vesting in the Purchaser of the Vendor's right, title and

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interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the purchase price for the Purchased Assets pursuant to the Sale Agreement; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on closing pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

GRANT THORNTON LIMITED, in its capacity as Receiver of the undertaking, property and assets of the Vendor, and not in its personal capacity

Per: _____

Name: _____

Title: _____

Schedule B – Purchased Assets**PIN 07198-0202 (LT)**

PT LT 1 , CON 4 NS DES AS PTS 1, 2 & 3 ON 20R16429; BURLINGTON. S/T EASEMENT IN GROSS OVER PT 2 ON 20R16429 AS IN HR436235.

Municipally known as 5043 Mount Nemo Cres., Burlington, Ontario

Schedule C – Claims to be deleted and expunged from title to Real Property

1. Instrument No. HR1241568, registered on January 16, 2015, is a Transfer/Deed of Land in favour of CLJ Everest Ltd., for consideration of \$2,700,000.
2. Instrument No. 1241569, registered on January 16, 2015, is a Charge/Mortgage of Land, in the amount of \$1,331,250, in favour of Home Trust Company.
3. Instrument No. HR1446942, registered on April 13, 2017, is a Certificate in favour of the Ontario Securities Commission.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**
(unaffected by the Vesting Order)

1. Instrument Number 119980 being a By Law registered on January 25, 1961 in favour of The Corporation of the City of Burlington re: Subdivision Control.
2. Instrument Number 20R16429 being a Registered Plan, registered on November 18, 2005 in favour of The Corporation of the City of Burlington.
3. Instrument Number HR436235 being a Transfer Easement registered on December 5, 2005 in favour of The Corporation of the City of Burlington re sewers, drains, etc. for maintenance and repair.

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- AND -

**CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED,
CLAYTON SMITH, CLJ EVEREST LTD and 1150752 ONTARIO LIMITED**

**AFFIDAVIT OF MARCEL TILLIE
(Sworn April 17, 2017)**

I, **MARCEL TILLIE**, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a Senior Forensic Accountant with staff of the Enforcement Branch (“Staff”) of the Ontario Securities Commission (the “Commission”) and have been employed by the Commission since April 2000. I have worked in the Enforcement Branch since March 2007. I am a Chartered Professional Accountant (CPA, CA) and received my designation in 1989. I am a member of the Chartered Professional Accountants, Ontario.
2. I am a Senior Forensic Accountant assigned to the Crystal Wealth Management System Limited (“Crystal Wealth”) file. As such, I have personal knowledge of the matters referred to in this affidavit, save for those matters of which I have been advised and do believe.
3. I have been involved in an investigation into the activities of Crystal Wealth and its principal, Clayton Smith (“Smith”), as well as the activities of companies connected

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to Smith, CLJ Everest Ltd (“CLJ Everest”) and 1150752 Ontario Limited (“115 Limited”), in regard to certain investment funds managed by Crystal Wealth. Staff’s investigation into these matters is ongoing.

A. THE TEMPORARY ORDER AND FREEZE DIRECTIONS

4. Based on Staff’s investigation conducted to date, Staff applied for and obtained from the Commission a temporary order on April 7, 2017 (the “Temporary Order”) against Smith, Crystal Wealth, CLJ Everest Ltd and 1150752 Ontario Limited (“115 Limited”) pursuant to section 127(5) of the *Securities Act*, R.S.O. 1990, c S.5 as amended (the “Act”). The Temporary Order modified and replaced the temporary order issued by the Commission on April 6, 2017.¹

5. The Temporary Order prohibits all trading, including redemptions and distributions, and acquisitions of securities of the following funds:

Crystal Wealth Media Strategy (the “Media Fund”);
Crystal Wealth Mortgage Strategy (the “Mortgage Fund”);
Crystal Enlightened Resource & Precious Metal Fund (the “Enlightened Resource Fund”);
Crystal Wealth Medical Strategy (the “Medical Fund”);
Crystal Wealth Enlightened Factoring Strategy (the “Factoring Fund”);
ACM Growth Fund;
ACM Income Fund;
Crystal Wealth High Yield Mortgage Strategy (the “High Yield Mortgage Fund”);
Crystal Enlightened Bullion Fund;

¹ Attached as Exhibit “1” are copies of the Temporary Order, issued on April 7, 2017, and the temporary order signed on the April 6, 2017.

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Absolute Sustainable Dividend Fund (the “Sustainable Dividend Fund”);
Absolute Sustainable Property Fund (the “Sustainable Property Fund”);
Crystal Wealth Enlightened Hedge Fund (the “Hedge Fund”);
Crystal Wealth Infrastructure Strategy (the “Infrastructure Fund”);
Crystal Wealth Conscious Capital Strategy (the “Conscious Capital Fund”); and
Crystal Wealth Retirement One Fund

(collectively with any other investment funds managed or advised by Crystal Wealth, the “Crystal Wealth Funds” or the “Funds”).

6. The Media Fund is the largest of the Funds and is described in greater detail beginning at paragraph 26.

7. The Temporary Order also prohibits, among other things, all trading in securities held by the Crystal Wealth Funds, and the acquisition of securities by Crystal Wealth on behalf of the Crystal Wealth Funds.

8. The Temporary Order contains narrow exceptions for Crystal Wealth to be able to liquidate positions in exchange-traded securities already held by the Funds, provided the monies remain in the respective Fund’s account.

9. Terms and conditions on Crystal Wealth’s registration in the Temporary Order prevent Crystal Wealth from accepting new clients, opening new client accounts or accepting new client monies.

10. Pursuant to s. 126(1) of the Act, Staff also obtained freeze directions in respect of the bank and/or brokerage accounts of the Crystal Wealth Funds, Crystal Wealth, Smith, Smith’s company, CLJ Everest, and a yoga studio connected to Smith, Chrysalis

Yoga Inc. ("Chrysalis Yoga") (collectively, the "Freeze Directions"), as well as property directions in respect of a residential property owned by Smith's company, CLJ Everest.² Staff intend to seek to continue the Freeze Directions and the property direction in the Superior Court of Justice.

11. In the balance of this Affidavit, I describe Crystal Wealth, Smith, entities related to him and the Crystal Wealth Funds. In particular, I describe certain concerns with respect to the net asset value ("NAV") of the Media Fund. I conclude by noting that the Funds and Crystal Wealth have not delivered or filed audited financial statements as required under Ontario securities law.

B. CRYSTAL WEALTH, SMITH, CLJ EVEREST, 115 LIMITED AND THE CRYSTAL WEALTH FUNDS

i. Crystal Wealth

12. Crystal Wealth is a Burlington-based Ontario corporation, registered with the Commission in the categories of Exempt Market Dealer ("EMD"), Investment Fund Manager ("IFM"), Portfolio Manager ("PM") and Commodity Trading Manager. Crystal Wealth is also registered in British Columbia, Manitoba, Newfoundland and Labrador, Quebec and Saskatchewan.³

13. Crystal Wealth has created its own proprietary funds (the Crystal Wealth Funds) and also manages those Funds. Crystal Wealth is the IFM and the PM for 15 Crystal Wealth Funds that are structured as open-ended mutual fund trusts, and distributed on

² Attached as Exhibit "2" are copies of the Freeze Directions obtained by Staff dated April 6, 2017, April 7, 2017 and the property direction dated April 13, 2017.

³ Attached as Exhibit "3" is a copy of the National Registration Database ("NRD") printout showing the categories of registration for Crystal Wealth and the provinces in which it is registered.

an exempt basis, pursuant to offering memoranda (“OMs”). As the IFM of the Funds, Crystal Wealth manages the day-to day business of the Funds and oversees the PM function. As PM of the Funds, Crystal Wealth is required to make suitable investment decisions for the Funds’ portfolios consistent with the respective Fund’s investment objectives. As at January 30, 2017, the total Assets under Management (“AUM”) for all of the Crystal Wealth Funds was approximately \$177,237,747.⁴

14. Crystal Wealth has approximately 1,265 portfolio management clients⁵ with AUM as at March 31, 2016 in discretionary accounts totalling \$139,524,613.77.⁶ Approximately 309 of these clients are located in Ontario.⁷ Crystal Wealth’s clients are invested through discretionary accounts, and of those, approximately 94% are invested in the Crystal Wealth Funds.⁸

15. Crystal Wealth reported gross revenue of \$2,489,310 for the year ended December 31, 2015, comprised predominantly of \$2,307,588 in management fees.⁹

⁴ Attached as Exhibit “4” is a table showing the AUM by Fund as at January 30, 2017.

⁵ Attached as Exhibit “5” – is a Risk Assessment Questionnaire submitted by Crystal Wealth on June 28, 2016, Page 24 – Questions for Portfolio Managers and Restricted Portfolio Managers, Question 6 – Residency of Clients

⁶ Exhibit 5 - Risk Assessment Questionnaire, Page 22 – Questions for Portfolio Managers and Restricted Portfolio Managers, Question 1 – Assets Under Management

⁷ Exhibit 5 - Risk Assessment Questionnaire, Page 24 – Questions for Portfolio Managers and Restricted Portfolio Managers, Question 6 – Residency of Clients

⁸ Exhibit 5 - Risk Assessment Questionnaire for Crystal Wealth dated June 28, 2016, Page 9 – IFM Section: Questions for Investment Fund Managers, Question 1 – Assets under management (AUM), \$131,660,119.84 AUM as at March 31, 2016 held by 13 non-prospectus qualified funds, representing approximately 94.4% of the AUM in discretionary accounts.

⁹ Attached as Exhibit “6” are the audited financial statements for Crystal Wealth for the years ended December 31, 2015 and 2014.

ii. **Smith**

16. Smith holds a controlling interest in the shares of Crystal Wealth¹⁰ and is the sole officer and director of Crystal Wealth.¹¹

17. Smith is an Ontario resident. An OM for the Media Fund dated November 21, 2016 describes Smith as the principal of Crystal Wealth,¹² who “founded the Manager in 1998 and has been President and Chief Executive Officer since its creation.”¹³

18. Smith is registered in Ontario with the Commission as a dealing representative, an advising representative in the category of PM, an advising representative in the category of Commodity Trading Manager, and as the firm’s Chief Compliance Officer (“CCO”) and Ultimate Designated Person (“UDP”). As CCO and UDP, Smith bears responsibility for the firm’s compliance with Ontario securities laws. Smith is also registered in Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Quebec and Saskatchewan.¹⁴

¹⁰ Attached as Exhibit “7” are copies of Ownership of Securities and Derivatives for Crystal Wealth with effective dates of November 8, 2016 and August 13, 2012, printed from NRD; Smith is the currently the beneficial owner of 91.76 % of Crystal Wealth’s shares, prior to November 8, 2016, Smith was the beneficial owner of 65.5% of Crystal Wealth’s shares

¹¹ Exhibit 7 - copies of Ownership of Securities and Derivatives for Crystal Wealth with effective dates of November 8, 2016 and August 13, 2012.

Attached as Exhibit “8” is a copy of the November 21, 2016 Offering Memorandum for the Media Fund which was printed from the Crystal Wealth Website, <http://crystalwealth.com>, on April 10, 2017.

¹² Exhibit 8 - November 21, 2016 Offering Memorandum for the Media Fund, Page 6

¹³ Exhibit 8 - November 21, 2016 Offering Memorandum for the Media Fund, Page 6

¹⁴ Attached as Exhibit “9” is a copy of the NRD printout showing the categories of registration for Smith and the provinces in which he is registered.

iii. CLJ Everest

19. Smith's holding company, CLJ Everest, has its registered office in Burlington, Ontario. Smith is the sole shareholder, officer and director of CLJ Everest, which holds 28.26% of Crystal Wealth's outstanding shares and 100% of the shares of 115 Limited.¹⁵

iv. 115 Limited

20. 115 Limited is 100% owned by CLJ Everest. Smith is the sole officer and director of 115 Limited, which holds 63.5% of Crystal Wealth's outstanding shares.¹⁶

v. The Crystal Wealth Funds

21. As indicated, approximately 94% of client monies in discretionary accounts funds are invested in Crystal Wealth's Funds. Crystal Wealth is the Trustee, Manager, Portfolio Adviser and Promoter of the Crystal Wealth Funds, and for some Funds is the Commodity Trading Manager. All of the OMs state that as Manager of the Crystal Wealth Funds, Crystal Wealth is to "exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably

¹⁵ Attached as Exhibit "10" are (i) a Corporation Profile Report for CLJ Everest dated January 3, 2017, (ii) a draft letter from BDO Canada LLP ("BDO") to Crystal Wealth dated September 24, 2014 "Re: Qualified small business corporation shares", (iii) an email from Smith to BDO dated February 2, 2015 "Re: Valuation Services" with a Balance Sheet and Profit and Loss of Crystal Wealth and (iv) Form 33-109F5-Change of Registration Information for Crystal Wealth dated November 8, 2016.

¹⁶ Attached as Exhibit "11" is a Corporation Profile Report for 115 Limited dated February 2, 2017. Exhibit 10 – Exhibit "A" to Form 33-109F5 disclosing percentage of voting securities of Crystal Wealth held by 115 Limited as 63.5%

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prudent professional investment funds manager would exercise in comparable circumstances.”¹⁷ This obligation is also codified in s. 116 of the Act.

22. Crystal Wealth also has obligations in its role as PM to the Crystal Wealth Funds. In that capacity, it is “responsible for execution of the Fund’s investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio.”¹⁸ Crystal Wealth’s advising representatives perform all portfolio management functions for the Crystal Wealth Funds “in-house” and, according to Crystal Wealth, as at June 28, 2016, there were four individuals registered with the firm as advising representatives and one individual registered as an associate advising representative.¹⁹

23. The majority of units in the Funds were sold pursuant to the accredited investor exemption in s. 73.3(2) of the Act and, where the purchasers resided outside of Ontario, pursuant to s. 2.3 of in National Instrument 45-106—*Prospectus Exemptions* (“NI 45-106”). Crystal Wealth has also relied on the minimum amount exemption in s. 2.10 of NI 45-106 (prior to May 5, 2015)²⁰ and the additional investment in investment funds exemption in s. 2.19 of NI 45-106.²¹

¹⁷ Attached as Exhibit “12” are excerpts from the OMs for each of the Crystal Wealth Funds.

¹⁸ Exhibit 12 - Excerpts from the OMs for each of the Crystal Wealth Funds

¹⁹ Exhibit 5 – Risk Assessment Questionnaire, Page 15 – IFM Section: Questions for Investment Fund Managers, Question 9 – Funds’ investment portfolios and Risk Assessment Questionnaire, Page 25 – Questions for Portfolio Managers and Restricted Portfolio Managers, Question 10 – Portfolio Managers

²⁰ The s. 2.10 exemption is no longer available to individual clients as of May 5, 2015

²¹ Generally speaking, an accredited investor is one who owns a prescribed minimum of net pre-tax financial assets of \$1,000,000, of net pre-tax assets of \$5,000,000 or has net pre-tax income of \$200,000;

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24. Crystal Wealth continues to manufacture new funds. In 2016, five new funds were created, the latest of which being is the Conscious Capital Fund.²²

25. Many of the Funds invest in illiquid securities in alternative asset classes, such as film loans, mortgages, medical receivables and factoring receivables.²³

vi. The Media Fund

26. The largest of the Crystal Wealth Funds is the Media Fund, which had an AUM of \$53,221,497 as at January 31, 2017.²⁴ Staff are aware of four OMs for the Media Fund.²⁵ Each of these OMs state that the Media Fund's investment objective "is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in asset-backed debt obligations of motion pictures and series television productions."²⁶

27. In 2016, the total sales of units in the Media Fund was \$31,725,749.08.²⁷

the minimum amount exemptions relates to a minimum investment of \$150,000; and the additional investment exemption relates to additional investments by an investor who has already invested a minimum of \$150,000 in an investment fund.

Attached as Exhibit "13" are (i) a listing of the reports of distribution, Form 45-106F1, submitted by Crystal Wealth indicating the exemptions relied on for sales of units of each of the Funds for the years 2014 to 2016 (ii) Forms 45-106F1 for the Crystal Wealth Funds for 2016.

²² Exhibit 13 – Forms 45-106F1 for the Sustainable Dividend Fund, Sustainable Property Fund, Hedge Fund, Infrastructure Fund and Conscious Capital Fund.

²³ Exhibit 12 – Excerpts of the Cover Pages for the OMs of the Media Fund, Medical Fund, Factoring Fund and Mortgage Fund.

²⁴ Exhibit 4 – Schedule of AUM's by Fund as at January 30, 2017.

²⁵ Attached as Exhibits "14, 15 and 16" are the August 31, 2012 OM (the "August 2012 OM") and the September 27, 2015 and May 6, 2016 OMs for the Media Fund, respectively.

²⁶ Exhibit 14 – August 2012 OM; Exhibit 15 – September 27, 2015 OM for the Media Fund; Exhibit 16 – May 6, 2016 OM for the Media Fund; and Exhibit 8 – November 21, 2016 OM for the Media Fund

²⁷ Exhibit 13 – Form 45-106F1 for the Media Fund for 2016.

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Nature of an Investment in Media Fund Units

28. The following is an overview of an investment in the Media Fund for a client with a discretionary account with Crystal Wealth:

- (i) Investors with discretionary managed accounts provide funds to Crystal Wealth to manage on their behalf in accordance with their investment objectives and agreements governing their accounts.
- (ii) As PM for the discretionary managed accounts, Crystal Wealth uses its discretionary authority to place investor funds into the proprietary funds it manufactures, such as the Media Fund.
- (iii) The Media Fund's investment objective is to earn interest income from loans made for film productions ("Film Loans").
- (iv) As PM for the Media Fund, Crystal Wealth decides in which Film Loans the Media Fund will invest.
- (v) Media House Capital (Canada) Corp. ("MHC") enters into agreements with film production companies to lend them money so that they can produce a film. The end borrower is the production company.
- (vi) MHC then sells those Film Loans to the Media Fund, and receives an up-front 10% fee, which is built into the principal of the Film Loan.
- (vii) By virtue of owning units of the Media Fund, investors indirectly own the value of the Film Loan, which is reflected in the NAV of the Media Fund.

MHC's Role for the Media Fund

29. MHC is described as "a management firm that specializes in film finance and production."²⁸ According to the Media Fund's August 2012 OM, MHC was to source potential investments for the Media Fund, and monitor those investments on an ongoing

²⁸ Exhibit 14 – August 2012 OM, Page 2

basis. Specifically, according to the August 2012 OM, the “Fund currently intends to purchase the majority of its loans from MHC.”²⁹ MHC is not registered with the Commission and is based in Burnaby, British Columbia.³⁰

30. The Media Fund and MHC entered into a Production Loan Administration Agreement effective August 12, 2011 (the “PLAA”).³¹ Pursuant to the PLAA, MHC was required to:

- (i) evaluate and propose to the Media Fund production loan investments that it or its affiliates will have entered into;³²
- (ii) evaluate each loan investment according to prescribed due diligence guidelines;
- (iii) manage and service each loan purchased by the Media Fund, including managing, collection of payments of principal and interest;³³ and
- (iv) provide the Media Fund with monthly reports on the loans.³⁴

31. In return for its services, MHC charges a “loan facilitation fee” of up to 10% of the loan amount to the production company (the underlying borrower).³⁵ In other words, MHC receives the fee up front when the Media Fund purchases a film loan and the amounts are disbursed.

²⁹ Exhibit 14 – August 2012 OM, Page 2

³⁰ Exhibit 14 – August 2012 OM, Page 2

³¹ Attached as Exhibit “17” is the PLAA between the Media Fund and MHC effective as of August 12, 2011.

³² Exhibit 17 – PLAA , Page 3, Section 2.1

³³ Exhibit 17 – PLAA , Page 5, Section 4.1

³⁴ Exhibit 17 – PLAA , Pages 5-6, Section 4.2

³⁵ Exhibit 17 – PLAA , Page 7, Section 4.6

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32. The Media Fund has purchased 24 Film Loans from MHC, the most recent purchase being the Film Loan for “Childhood of a Leader” in January 2015. The Mortgage Fund has also purchased one Film Loan from MHC.³⁶

MHC, the Bron Companies, Gilbert and Thibault

33. Smith principally dealt with Aaron Gilbert (“Gilbert”) and Stephen Thibault (“Thibault”) of MHC regarding the purchase, monitoring and administration of the Film Loans.

34. For the period July 13, 2015 to April 7, 2016, MHC was named Bron Capital Partners Corp. and for the period January 11, 2011 to July 7, 2013 it was named Media House Capital (Canada) Corporation. Gilbert is the sole director of MHC.³⁷

35. Gilbert is the President and one of three directors of Bron Studios Inc. (“Bron Studios”), a British-Columbia based production company.³⁸

36. Bron Animation Inc. (“Bron Animation”) is a company affiliated with Bron Studios.³⁹

37. Not only is Gilbert the sole director of MHC and a director of Bron Studios and Bron Animation, Gilbert plays a role in most of the films which are invested in by the

³⁶ Attached as Exhibits “18” and “19” are listings of Film Loans purchased by the Media Fund and the Mortgage Fund to date, which were produced by both Crystal Wealth and MHC, respectively, in response to Staff’s summonses.

³⁷ Attached as Exhibit “20” are MHC’s Federal Corporation Information, Extraprovincial Company Summary, and Corporation Profile Report.

³⁸ Attached as Exhibit “21” is Bron Studios’ BC Company Summary

³⁹ Attached as Exhibit “22” are Bron Animation’s BC Company Summary and Ontario Corporation Profile Report.

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Media Fund. Gilbert is listed as a producer or executive producer on 19 of the 25 film productions for which Film Loans have been purchased by the Media Fund and the Mortgage Fund. For five of the productions, he is a director or officer of the production company (the underlying borrowers).⁴⁰

38. Thibault is employed by MHC and is an Executive Vice President for Bron Media Corp., and formerly VP Finance at MHC.⁴¹

C. NET ASSET VALUE OF THE MEDIA FUND

39. At June 30, 2016, the Media Fund reported investments in Film Loans at fair value of \$50,557,162, representing 91.2% of total assets of the Media Fund.⁴²

Concerns that the NAV of the Media Fund is Overstated

40. I have reviewed certain documents relating to the audit of the 2015 Media Fund Financial Statements (the “2015 Media Fund Audit”) conducted by BDO Canada LLP (“BDO”). BDO concluded through the 2015 Media Fund Audit that there was a material difference between the estimated fair value of the Film Loans and their cost and that the assumption that cost approximates fair value is not reasonable.⁴³

⁴⁰ Attached as Exhibit “23” are a print out from the IMDb website of films for which Gilbert is the producer, also attached as Exhibit “24” are the corporation profile reports for five underlying borrowers indicating Gilbert’s positions with each of the production companies.

⁴¹ Attached as Exhibit “25” are Thibault’s biography from Bron Studios’ website <http://bronstudios.com/staff/steven-thibault/>, and the BC Company Summary for Bron Media Corp.

⁴² Attached as Exhibit “26” are the June 30, 2016 Unaudited Financial Statements of the Media Fund and the Financial Statements for the Media Fund for the year ended December 31, 2015 (the “2015 Media Fund Financial Statements”); At December 31, 2015 the investment in Film Loans at fair value was \$50,283,984, representing 86.3% of total assets.

⁴³ Attached as Exhibit “27” is the Highlights Report prepared by BDO with respect to the 2015 Media Fund Audit.

41. As a result of my review of certain documents relating to the 2015 Media Fund Audit, I have concerns about the existence and valuation of the Film Loans. It appears that the NAV of the Media Fund may have been materially overstated.

42. For the existence of the Film Loans, BDO relied only on a confirmation from Thibault by e-mail dated April 2, 2016 regarding the outstanding principal and interest of the loans, rather than confirmations from the film production companies (the underlying borrowers).⁴⁴

43. In determining the fair value of the Film Loans, Crystal Wealth relied on expected future sales of the underlying films received from MHC.⁴⁵ BDO tested the accuracy of forecasted 2015 Film Loan receipts of \$31.8 million at December 31, 2014 by comparing them to the actual 2015 Film Loan receipts of \$6.6 million,⁴⁶ and found that actual receipts were \$25.2 million less than originally forecasted.⁴⁷

44. Based on my review of the 2015 audit file for the Media Fund, approximately \$4.5 million in NAV appears to have be unsupported by BDO's audit:

a. The estimated fair value of the Film Loans recorded in the 2015 Media Fund Financial Statements included a value of \$1.5 million assigned to a guarantee from MHC (the "MHC Guarantee"). However, the MHC Guarantee was

⁴⁴ Attached as Exhibit "28" is an email from Smith dated March 7, 2016, entitled "Media Strategy Recovery Expectations" attaching a spreadsheet entitled "Media Loans – Summary at 31 Dec 2015". Attached as Exhibit "29" is a schedule of Media Loans Owned by Crystal Wealth Media Strategy as at December 31, 2015.

⁴⁵ Exhibit 34 – Audit of Estimates – FV of Media Loans, Page 1

⁴⁶ Exhibit 34 – Audit of Estimates – FV of Media Loans, Page 2

⁴⁷ Attached as Exhibit "30" is a copy of BDO's retrospective review for the Media Fund as at December 31, 2015.

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executed on March 31, 2016 and thus did not exist at the Media Fund's 2015 year end.⁴⁸

b. The book value of the Film Production Loans exceeded the estimated fair value range by \$2,943,337.⁴⁹ However, the excess was not adjusted in the 2015 Media Fund Financial Statements. Rather, it was reflected in the notes to the 2015 Media Fund Financial Statements "Potential change in valuation" of \$3.0 million.⁵⁰

45. BDO relied on MHC as an objective expert in their knowledge of the film industry and for independent confirmation with respect to the existence and collectability of the Film Loans.⁵¹ This is concerning, as further explained below.

46. Notwithstanding BDO's conclusion that based on its retrospective review, the forecasted 2015 Film Loan receipts "differed from actual by a material amount" further leading to a high degree of estimation uncertainty, BDO continued to rely on forecasted Film Loan receipts in the 2015 Media Loan Audit.⁵²

⁴⁸ Attached as Exhibit "31" are an email dated April 1, 2016, entitled "FW: MEDIA HOUSE GUARANTEE", attaching a guarantee letter to Smith from Gilbert dated March 31, 2016, obtained from BDO and a copy of the MHC Guarantee annotated by BDO obtained from the working papers prepared in connection with the 2015 Media Fund Audit (the "2015 Audit Working Papers").

⁴⁹ Exhibit 32 – spreadsheet "Fair Value of Media Loans" Excess of Book value over Low-end fair value range of 5,180,725 minus the provision of 2,237,389 equals 2,943,337 identified as "Range"

⁵⁰ Exhibit 26 – 2015 Media Fund Financial Statements, Page 16; Attached as Exhibit "29" is a spreadsheet obtained from the 2015 Audit Working Papers entitled "Fair Value of Media Loans".

⁵¹ Attached as Exhibit "33" is Document 2_07—"Use of Experts–Management" from the 2015 BDO Audit Working Papers.

Attached as Exhibit "34" is "Audit of Estimates–FV of Media Loans" from the 2015 BDO Audit Working Papers; Exhibit 34 – Audit of Estimates – FV of Media Loans, Page 1.

⁵² Exhibit 34 – Audit of Estimates – FV of Media Loans, Page 2

Concerns that MHC may not be independent and collaborated with Smith to respond to BDO

47. As noted above, BDO relied on MHC as an objective expert in their knowledge of the film industry and for independent confirmation with respect to the existence and collectability of the Film Loans.

48. However, emails between Smith and MHC appear to show that they coordinated responses to BDO inquiries for the 2013, 2014 and 2015 Media Fund Audits.

49. In relation to the 2013 Media Fund Audit:

- (i) Smith noted to Thibault that one of the Media Fund's "pre-requisites is to have a 2:1 min coverage against low sales estimates." Smith continued, "yet the following do not have this coverage", and listed Foreverland, Lullaby and Electric Slide. Smith questioned if the figures were incorrect or if the loans were actually off-side. After Thibault responded to Smith's questions, **Smith replied to Thibault "I will play with the spreadsheet and send it back to you to send directly to the auditors so we are using the same one and so they get it directly from you."**⁵³
- (ii) Smith told MHC that "We have to get the paperwork in order ASAP for the Henchmen [film project] advances as the auditors will ask for it and the start Monday."⁵⁴

50. In relation to the 2014 Media Fund Audit:

- (i) Smith asked that MHC send to BDO a report of all media project loans administered by MHC on behalf of the Media Fund. BDO subsequently asked MHC for a copy of the MHC – CWSYMF Q4 Summary worksheet. Smith then asked Thibault "**If at all possible, could you please email the report to me to do a quick review**

⁵³ Attached as Exhibit "35" is the email chain between Smith and MHC dated February 13, 2014 "RE: CWSYMF RESULTS TRACKING – Q4 2013". Emphasis added.

⁵⁴ Attached as Exhibit "36" is the email chain between Smith and MHC dated February 23, 2014 "RE: Henchmen – Tax Credit Agreements".

prior to sending to Selena just so I can catch anything that might jump out at her?"⁵⁵

51. In relation to the 2015 Media Fund Audit:

- (i) Smith wrote to Gilbert, "This is what I'm dealing with on this end. **I'm not going to write the fund down by another \$2 million in addition to the \$2.2 million I already have accrued as a loan loss provision, but as you can see, we are going to have to provide some significant support documents for the auditors when they come third week in January to value Foreverland and Electric Slide at closer to what is owed us.**"⁵⁶

Smith's communications regarding the value of the Film Loans

52. Smith, Gilbert and Thibault appeared to acknowledge significant valuation issues with respect to certain Film Loans in the summer and fall of 2016. For instance, in an email dated August 3, 2016, Smith asked Gilbert if his interpretation of the expected receipts for the Film Loan for "Electric Slide" were correct, and if correct, whether it would mean a loss in value of \$3,686,000.⁵⁷

53. On August 9, 2016, six days later, Smith emailed Gilbert and Thibault, regarding "Sales Agent Conversations" related to the Film Loans. Smith wrote: "I have to admit **I wish the reports and expectations from the sales agents were more**

⁵⁵ Attached as Exhibit "37" is the email chain between Smith, BDO and MHC dated February 12, 2015 "Re: Year end summary for auditors". Selena Mastroianni was a member of the BDO audit team. Emphasis added.

⁵⁶ Attached as Exhibit "38" is the email chain between Smith and MHC dated December 30, 2015 "Re: Crystal Wealth Media Fund". Emphasis added.

⁵⁷ Attached as Exhibit "39" is an email from Smith to Gilbert, copying others, including Thibault, dated August 3, 2016, and attaching expected receipts for remaining territories.

positive and optimistic and it looks like we'll have to write down a significant amount of our earlier loans.”⁵⁸

54. On November 17, 2016, Smith forwarded an email to Gilbert received from Paco Alvarez (“Alvarez”) on November 14, 2016, attaching notes of Alvarez’s meetings with sales agents and collection agents.⁵⁹ Alvarez was hired by Smith to assess the collectability of the Film Loans and assist with collections. Alvarez’s meeting notes raise concerns about the collectability of the outstanding principal and accrued interest of several of the Film Loans. Below is a table setting out the outstanding principal and interest on certain Film Loans owned by the Media Fund, and certain comments from Alvarez’s meeting notes regarding that film:

	Outstanding Dec 16,⁶⁰		
Film Loan	Principal	Interest	Comments
Electric Slide	\$2,619,496	\$2,115,289	“Deal was for a \$500,000 MG, but only paid \$250,000. Movie didn’t perform, according to Kirk, nobody wants it.” ⁶¹
The Phenom	\$1,033,189	\$341,260	“Pascal claims Media House Capital will be paid back, mainly through US Deal ... Note: I don’t understand the math on how the loan will be retired” and “Pascal claims there are no more deals to be had.” ⁶²

⁵⁸ Attached as Exhibit “40” is an email from Smith to Gilbert and Thibault, copying others, dated August 9, 2016 “Sales Agent Conversations”. Emphasis added.

⁵⁹ Attached as Exhibit “41” are (i) an email from Smith to Gilbert dated November 17, 2016 “Fwd: AFM Meeting Notes” attaching “AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes” and (ii) a Schedule of Film Loan Outstanding Principal and Interest at December 16, 2016 with Fair Value Analysis

⁶⁰ Exhibit 41 - Schedule of Film Loan Outstanding Principal and Interest at December 16, 2016 with Fair Value Analysis

⁶¹ Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 1

⁶² Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 1

Kill Me 3 Times	\$1,811,784	\$780,711	“not many unsold territories left: Greece, Spain, Italy.” ⁶³
Welcome to Me	\$1,296,451	\$329,130	“not many unsold territories left: France, Greece, Spain, Italy.” ⁶⁴
Miss Julie Lullaby Elsa & Fred	\$1,283,336 \$2,488,134 \$1,752,602	\$753,352 \$2,025,608 \$850,722	“Not much potential on any of the movies, there[sic] were previously with other sales companies.” ⁶⁵
Childhood of A Leader	\$2,031,299	\$282,253	“Rest of the territories haven’t responded to the movie, specially France” and “Trying to get digital deals, \$5 – 10K range.” ⁶⁶

55. Regarding Electric Slide, Lullaby, and Elsa and Fred, Crystal Wealth has indicated that the estimated potential losses of \$825,038, \$141,124 and \$267,445, respectively are fully covered by a loan loss provision of \$2,253,113, as at December 16, 2016.⁶⁷

56. The NAV per unit of the Media Fund has remained relatively stable for each of series A and F units since their respective launches in 2011 and 2016, notwithstanding these communications about the collectability of the loans. For the period of September 3, 2011 to March 11, 2017, the NAV per series A unit of the Media Fund has been in the range of \$10 - \$10.26 per unit. Similarly, the NAV per series F unit of the Media

⁶³ Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 3

⁶⁴ Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 3

⁶⁵ Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 3

⁶⁶ Exhibit 41 - AFM 2016 / Crystal Wealth Media Strategy Meeting – Meeting Notes, Page 4

⁶⁷ Exhibit 41 - Schedule of Film Loan Outstanding Principal and Interest at December 16, 2016 with Fair Value Analysis

Fund has been in the range of \$10 - \$10.15 for the period of September 10, 2016 to March 11, 2017.⁶⁸

57. If the Media Fund's NAV is incorrect by being overvalued, investors' purchases and redemptions of the Media Fund's units would have been executed at incorrect, inflated prices. In other words, those investors who redeemed their Media Fund units may have received excess proceeds to the detriment of remaining and new investors. Further, those new investors may have paid too much for their units. In addition, if the Media Fund's NAV is overstated, it would similarly impact Funds that were invested in the Media Fund, and potentially the NAVs of each of those Funds.

D. FAILURE TO DELIVER OR FILE FINANCIAL STATEMENTS

58. As a registered IFM, Crystal Wealth was required to file audited annual financial statements for the year ended December 31, 2016 by March 31, 2017.⁶⁹ The Crystal Wealth Funds were required to deliver their audited annual financial statements for the year ended December 31, 2016 by March 31, 2017.⁷⁰

59. I have been advised by Carmen Macoretta ("Macoretta"), a BDO senior manager, that the 2016 financial statements for Crystal Wealth and the Crystal Wealth

⁶⁸ Attached as Exhibit "42" is a chart prepared by Staff of the weekly NAV per unit of the Media Fund from September, 10, 2011 to March 11, 2017 based on data from Morningstar Canada, an independent investment research provider.

⁶⁹ Subsection 21.10(3) of the Act and sections 12.10 and 12.14 of National Instrument 31-103—*Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103").

⁷⁰ Sections 2.1 and 2.2 of National Instrument 81-106—*Investment Fund Continuous Disclosure* ("NI 81-106"). As the Funds are not prospectus-qualified, they need not deliver their financial statements with the Commission provided they satisfy the exemption in s. 2.11 of NI 81-106, which would allow the Funds to deliver their financial statements within 90 days of year end directly to securityholders.

Funds were not delivered or filed prior to March 31, 2017.⁷¹ I was also advised by BDO that the reason why those financial statements were not delivered or filed is that BDO was unable to complete their audits of the 2016 financial statements for the Funds by March 31, 2017, other than for three Funds – the Sustainable Dividend Fund, the Conscious Capital Fund, and the Enlightened Resource Fund. Collectively, these three Funds represented 4.8% of the AUM of the Crystal Wealth Funds at January 31, 2017.⁷²

60. I was advised by Macoretta that 2016 audits of the remaining Crystal Wealth Funds could not be completed because Crystal Wealth had not provided various items which BDO had requested. Macoretta provided a copy of BDO's Outstanding Items List as at April 7, 2017.⁷³

61. I was advised by Macoretta that towards the March 31, 2017 deadline, Smith's reactions to BDO's requests for information became "a lot more concerning, upsetting, aggressive". Smith sent an email to Macopretta dated March 31, 2017, copying Macorreta's superiors, stating:

With all due respect, it seems like you're deliberately trying to piss me off and block us from completing the financial statements. You have the original fully executed loan agreements between the two parties that outlines the security on each of the loans as well as the interest rates. I understand having to confirm with the other party the outstanding amounts at year end but that should be sufficient, and in prior years, it was ok to get

⁷¹ Attached at Exhibit "43" are excerpts of a compelled interview of Carmen Macoretta on April 12, 2017

⁷² Exhibit 4 - AUM by Fund as at January 30, 2017 – AUM of the Sustainable Dividend Fund, the Conscious Capital Fund, and the Enlightened Resource Fund were \$5,948,550, \$401,305 and \$2,121,573, respectively. The total AUM of the three Funds of \$8,471,428 represents 4.8% of the total AUM of all the Crystal Wealth Funds of \$171,237,747

⁷³ Attached at Exhibit "44" is the Outstanding Items List dated April 7, 2017.

these confirms after statements were issued if we were having trouble getting them on time from third parties.

I've cc'd Scott and Rick, one of who I presume to be your superior, because I can't believe that they are ok with the nazi approach you are taking to our audit with no quarter given in any respect and I can't believe they are ok with your actions driving away my business for years to come.⁷⁴

62. Macoretta also advised of a potential transaction involving the principal assets of the Media Fund arranged by Smith and Dale Wells ("Wells"), a former advisor with Crystal Wealth, who started a registered firm called Wells Asset Management in Alberta.⁷⁵ The transaction would involve the sale of six Film Loans owned by the Media Fund to Wells for approximately \$0.80 on the dollar. Wells had clients who were invested in the Media Fund. The objective of the transaction was for Wells to redeem his clients out of the Media Fund.⁷⁶ I am unaware of whether this transaction was consummated.

I make this affidavit in furtherance of the investigation and enforcement efforts as authorized by the Commission.

SWORN BEFORE ME in the
City of Toronto, in the Province of
Ontario, this 17th day of April, 2017

)
)
)
MARCEL TILLIE, CPA, CA

J. Ho
A Commissioner for taking affidavits

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario
Ontario Securities Commission.
Expires May 31, 2017.

⁷⁴ Attached at Exhibit "45" is a copy of the email from Smith to Macoretta dated March 31, 2017, copying Rick Chittley-Young and Scott Jarrett. Emphasis added.

⁷⁵ Attached as Exhibit "46" is a printout from NRD printed April 17, 2017, regarding Wells Asset Management

⁷⁶ Attached at Exhibit "47" is an email received by BDO from Smith dated March 30, 2017, forwarding an email dated February 9, 2017 from Dale Wells, copying Gilbert and Thibault, re: "Fwd: CW/Wells Movie Proposal" with an attached schedule "Final WAM Purchase of CW Movies.xlsx"; Attached at Exhibit "48" is an excerpt from the compelled examination of Macoretta held on April 12, 2017

This is Exhibit "1" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017

Lily Julia Ho
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

**IN THE MATTER OF
CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED**

**TEMPORARY ORDER
(Subsections 127(1) and 127(5))**

WHEREAS:

1. it appears to the Ontario Securities Commission (the "Commission") that:
 - a. Crystal Wealth Management System Limited ("Crystal Wealth") is a Burlington-based Ontario corporation, registered in the categories of Exempt Market Dealer ("EMD"), Investment Fund Manager ("IFM"), Portfolio Manager ("PM") and Commodity Trading Manager;
 - b. Crystal Wealth is the trustee, IFM, PM and promoter, and for some funds is also the commodity trading manager, for the following 15 investment funds, which are structured as open-ended mutual fund trusts:

Crystal Wealth Media Strategy
Crystal Wealth Mortgage Strategy
Crystal Enlightened Resource & Precious Metal 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

- 2 -

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

(collectively with any other investment funds managed or advised by Crystal Wealth, the “Crystal Wealth Funds”);

- c. Clayton Smith (“Smith”) is an Ontario resident and is the sole officer and director of Crystal Wealth. Smith is registered in Ontario as a dealing representative, an advising representative in the category of PM, an advising representative in the category of Commodity Trading Manager, and as Crystal Wealth’s Chief Compliance Officer (“CCO”) and Ultimate Designated Person (“UDP”);
- d. CLJ Everest Ltd, (“CLJ Everest”) is an Ontario company, with a registered office in Burlington. Smith is the sole officer and director of CLJ Everest. CLJ Everest holds 28.26% of Crystal Wealth’s shares and 100% of the shares of 1150752 Ontario Limited (“115 Limited”);
- e. 115 Limited holds 63.5% of Crystal Wealth’s outstanding shares;
- f. Smith and Crystal Wealth (collectively, the “Respondents”) may have participated in a course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud contrary to subsection 126.1(1)(b) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”); failed to act fairly, honestly and in good faith with clients, contrary to section 2.1 of Rule 31-505 – *Conditions of Registration*; and failed to comply with the standard of care expected of an IFM under section 116 of the Act;
- g. Crystal Wealth may have failed to comply with the Funds’ obligations to deliver the Funds’ audited financial statements for the calendar year ending December 31,

- 3 -

2016, according to sections 2.1, 2.2 and 2.11 of National Instrument 81-106 – *Investment Fund Continuous Disclosure*;

- h. Crystal Wealth may have failed to comply with its obligations to file its audited financial statements in compliance with subsection 21.10(3) of the Act and sections 12.10(2), 12.12, 12.13 and 12.14 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Obligations*;
 - i. Crystal Wealth and Smith may have acted contrary to the public interest.
 - j. Smith may have authorized, permitted or acquiesced in Crystal Wealth's contraventions of the Act and if so, may be deemed to have failed to comply with Ontario securities law pursuant to section 129.2 of the Act;
 - k. Staff are conducting an investigation into the conduct described above;
2. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act;
 3. the Commission is of the opinion that it is in the public interest to make this Order;
 4. by Authorization Order made March 24, 2017, pursuant to subsection 3.5(3) of the Act, each of Maureen Jensen, Monica Kowal, D. Grant Vingoe, Philip Anisman, Robert P. Hutchison, Janet Leiper, Timothy Moseley, and Mark J. Sandler, acting alone, is authorized to make orders under section 127 of the Act.

IT IS ORDERED pursuant to section 127 of the Act that:

1. pursuant to paragraphs 2 and 2.1 of subsection 127(1), all trading, including redemptions and distributions, or acquisitions of the securities of Crystal Wealth Funds shall cease;
2. pursuant to paragraphs 2 and 2.1 of subsection 127(1) all trading in securities held by the Crystal Wealth Funds, or the acquisition of securities by Crystal Wealth on behalf of the Crystal Wealth Funds shall cease;

- 4 -

3. pursuant to paragraphs 2 and 2.1 of subsection 127(1), the trading in or the acquisition of any securities or derivatives by Smith, CLJ Everest and 115 Limited shall cease;
4. pursuant to subsection 127(2), as an exception to the prohibition on trading securities and derivatives in paragraphs 2 and 3 above, Crystal Wealth in its capacity as portfolio manager for the Funds may, and Clayton Smith in his capacity as advising representative may, if in compliance with Ontario securities law, place orders to sell securities and derivatives already held as of the date of this temporary order by the Crystal Wealth Funds, provided that the sales occur through the facilities of a recognized exchange and all proceeds of such sales remain in the account of the respective Crystal Wealth Fund for which the order was placed until further order of the Commission;
5. pursuant to subsection 127(2), as an exception to the prohibition on trading securities and derivatives in paragraphs 2 and 3 above, Smith in his capacity as advising representative may, if in compliance with Ontario securities law, place orders to sell securities and derivatives already held by clients in discretionary accounts for which Crystal Wealth is the portfolio manager (the "Managed Accounts"), provided that the sales occur through the facilities of a recognized exchange;
6. pursuant to subsection 127(2), the following terms and conditions apply to the registration of Crystal Wealth as an exempt market dealer:
 - a. Crystal Wealth and any dealing representatives shall not accept any new money for investment from any existing clients, and shall not accept any new clients or open any new client accounts of any kind;
7. pursuant to subsection 127(2), the following terms and conditions apply to the registration of Crystal Wealth as a portfolio manager and investment fund manager:
 - a. Crystal Wealth's activities as a portfolio manager and investment fund manager shall be applied exclusively to the Managed Accounts and to the Crystal Wealth Funds, subject to the restrictions on trading set out in paragraph 2 and the exception in paragraph 4;

- 5 -

- b. Crystal Wealth and any advising representatives shall not accept any new money for investment from any existing clients, shall not accept any new clients or open any new client accounts of any kind;
8. pursuant to subsection 127(6) of the Act, this Order shall take effect immediately and shall expire on the 15th day after its making unless extended by the Commission.

DATED at Toronto, this 7th day of April, 2017.

M. Dunn



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

**IN THE MATTER OF
CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED**

**TEMPORARY ORDER
(Subsections 127(1) and 127(5))**

WHEREAS:

1. it appears to the Ontario Securities Commission (the "Commission") that:
 - a. Crystal Wealth Management System Limited ("Crystal Wealth") is a Burlington-based Ontario corporation, registered in the categories of Exempt Market Dealer ("EMD"), Investment Fund Manager ("IFM"), Portfolio Manager ("PM") and Commodity Trading Manager;
 - b. Crystal Wealth is the trustee, IFM, PM and promoter, and for some funds is also the commodity trading manager, for the following 15 investment funds, which are structured as open-ended mutual fund trusts:
 - Crystal Wealth Media Strategy
 - Crystal Wealth Mortgage Strategy
 - Crystal Enlightened Resource & Precious Metal 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

- 2 -

Absolute Sustainable Property Fund
Crystal Wealth Enlightened Hedge Fund
Crystal Wealth Infrastructure Strategy
Crystal Wealth Conscious Capital Strategy
Crystal Wealth Retirement One Fund

(collectively the "Crystal Wealth Funds");

- c. Clayton Smith ("Smith") is an Ontario resident and is the sole officer and director of Crystal Wealth. Smith is registered in Ontario as a dealing representative, an advising representative in the category of PM, an advising representative in the category of Commodity Trading Manager, and as Crystal Wealth's Chief Compliance Officer ("CCO") and Ultimate Designated Person ("UDP");
- d. CLJ Everest Ltd, ("CLJ Everest") is an Ontario company, with a registered office in Burlington. Smith is the sole officer and director of CLJ Everest. CLJ Everest holds 28.26% of Crystal Wealth's shares and 100% of the shares of 1150752 Ontario Limited ("115 Limited");
- e. 115 Limited holds 63.5% of Crystal Wealth's outstanding shares;
- f. Smith and Crystal Wealth (collectively, the "Respondents") may have participated in a course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud contrary to subsection 126.1(1)(b) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"); failed to act fairly, honestly and in good faith with clients, contrary to section 2.1 of Rule 31-505 – *Conditions of Registration*; and failed to comply with the standard of care expected of an IFM under section 116 of the Act;
- g. Crystal Wealth may have failed to comply with the Funds' obligations to deliver the Funds' audited financial statements for the calendar year ending December 31, 2016, according to sections 2.1, 2.2 and 2.11 of National Instrument 81-106 – *Investment Fund Continuous Disclosure*;
- h. Crystal Wealth may have failed to comply with its obligations to file its audited financial statements in compliance with subsection 21.10(3) of the Act and

- 3 -

- sections 12.10(2), 12.12, 12.13 and 12.14 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registration Obligations*;
- i. Crystal Wealth and Smith may have acted contrary to the public interest.
 - j. Smith may have authorized, permitted or acquiesced in Crystal Wealth's contraventions of the Act and if so, may be deemed to have failed to comply with Ontario securities law pursuant to section 129.2 of the Act;
 - k. Staff are conducting an investigation into the conduct described above;
2. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act;
 3. the Commission is of the opinion that it is in the public interest to make this Order;
 4. by Authorization Order made March 24, 2017, pursuant to subsection 3.5(3) of the Act, each of Maureen Jensen, Monica Kowal, D. Grant Vingoe, Philip Anisman, Robert P. Hutchison, Janet Leiper, Timothy Moseley, and Mark J. Sandler, acting alone, is authorized to make orders under section 127 of the Act.

IT IS ORDERED pursuant to section 127 of the Act that:

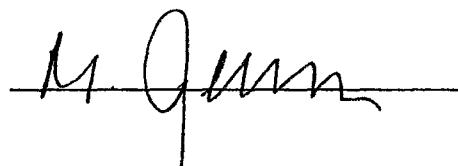
1. pursuant to paragraphs 2 and 2.1 of subsection 127(1), all trading, including redemptions and distributions, or acquisitions of the securities of Crystal Wealth Funds shall cease;
2. pursuant to paragraphs 2 and 2.1 of subsection 127(1) all trading in securities held by the Crystal Wealth Funds, or the acquisition of securities by Crystal Wealth on behalf of the Crystal Wealth Funds shall cease;
3. pursuant to paragraphs 2 and 2.1 of subsection 127(1), the trading in or the acquisition of any securities or derivatives by Smith, CLJ Everest and 115 Limited shall cease;
4. pursuant to subsection 127(2), as an exception to the prohibition on trading securities and derivatives in paragraph 3 above, Crystal Wealth in its capacity as portfolio manager for the Funds and Smith in his capacity as advising representative may, if in compliance with Ontario securities law, place orders to sell securities and derivatives already held as of the date of this temporary order by the Crystal Wealth Funds, or held by clients in

- 4 -

discretionary accounts for which Crystal Wealth is the portfolio manager (the "Managed Accounts"), provided that the sales occur through the facilities of a recognized exchange and all proceeds of such sales remain in the account of the respective Crystal Wealth Fund or Managed Account client for whom the order was placed until further order of the Commission;

5. pursuant to subsection 127(2), the following terms and conditions apply to the registration of Crystal Wealth as an exempt market dealer:
 - a. Crystal Wealth and any dealing representatives shall not accept any new money for investment from any existing clients, and shall not accept any new clients or open any new client accounts of any kind;
6. pursuant to subsection 127(2), the following terms and conditions apply to the registration of Crystal Wealth as a portfolio manager and investment fund manager:
 - a. Crystal Wealth's activities as a portfolio manager and investment fund manager shall be applied exclusively to the Managed Accounts and to the Crystal Wealth Funds, subject to the restrictions on trading set out in paragraph 2 and the exception in paragraph 4;
 - b. Crystal Wealth and any advising representatives shall not accept any new money for investment from any existing clients, shall not accept any new clients or open any new client accounts of any kind;
7. pursuant to subsection 127(6) of the Act, this Order shall take effect immediately and shall expire on the 15th day after its making unless extended by the Commission.

DATED at Toronto, this 1st day of April, 2017.



This is Exhibit "2" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017

Juli Ho
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: Branch Manager
Bank of Nova Scotia
4519 Dundas Street
Burlington, Ontario
L7M 5B4

RE: Chrysalis Yoga Inc.
All Accounts and Sub Accounts under No. 87296 00518 10

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **Chrysalis Yoga Inc.** including any funds, securities or property on deposit in accounts with the following number:

87296 00518 10

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of Bank of Nova Scotia.

DATED at Toronto this 6th day of April, 2017.

M. Dunn



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: Branch Manager
Interactive Brokers Canada Inc.
1800 McGill College Avenue
Suite 2106
Montreal, Quebec
H3A 3J6

RE: 1. ACM Growth Fund,
2. Crystal Wealth Management System Limited,
3. Crystal Wealth Strategic Yield Media Fund,
4. Crystal Wealth Medical Income Fund, and
5. Crystal Enlightened Resource and Precious Metals Fund

All Accounts and Sub Accounts under Nos. (1) U1446894, (2) F4795511, (3) U4657920,
(4) U4895282 and (5) U4804316

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **ACM Growth Fund, Crystal Wealth Management System Limited, Crystal Wealth Strategic Yield Media Fund, Crystal Wealth Medical Income Fund and Crystal Enlightened Resource and Precious Metals Fund** (the "Funds") including any funds, securities or property on deposit in accounts with the following numbers:

U1446894,
F4795511,
U4657920,
U4895282, and
U4804316

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise, with the exception that securities other than units of **Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metal 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** (collectively the "Crystal Wealth Funds"), held in the name of, or otherwise under the control of, or on behalf of any of the Funds in the accounts at the brokerage may be sold provided that the disposition occurs through the facilities of a recognized exchange and all proceeds of such sales are maintained in the account where such securities were held.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of Interactive Brokers Canada Inc.

DATED at Toronto this 6th day of April, 2017.

M. Quinn



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen uest
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**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: Branch Manager
NBCN Inc.
The Exchange Tower
130 King Street West
Suite 3000
PO Box 21
Toronto, Ontario
M5X 1J9

RE: 1. Crystal Wealth Media Strategy,
2. Crystal Wealth Mortgage Strategy,
3. Crystal Enlightened Resource & Precious Metal Fund,
4. Crystal Wealth Medical Strategy,
5. Crystal Wealth Enlightened Factoring Strategy,
6. ACM Growth Fund,
7. ACM Income Fund,
8. Crystal Wealth High Yield Mortgage Strategy,
9. Crystal Enlightened Bullion Fund,
10. Absolute Sustainable Dividend Fund,
11. Absolute Sustainable Property Fund,
12. Crystal Wealth Enlightened Hedge Fund,
13. Crystal Wealth Infrastructure Strategy,
14. Crystal Wealth Conscious Capital Strategy,
15. Crystal Wealth Management System Limited, and
16. Crystal Wealth Retirement One Fund

All Accounts and Sub Accounts under Nos. (1) 27Q003E and 27Q003F, (2) 27Q050E and 27Q050F, (3) 27Q070E and 27Q070F, (4) 27Q080E and 27Q080F, (5) 27Q090E and 27Q090F, (6) 27QA23E and 27QA23F, (7) 27QA24E and 27QA24F, (8) 27QB26E and 27QB26F, (9) 27QC25E and 27QC25F, (10) 27QD93A and 27QD93B, (11) 27QD94A and 27QD94B, (12) 27QF14E and 27QF14F, (13) 27QG01E and 27QG01F, (14) 27QH93E and 27QH93F, (15) 27Q000A, 27QCNA, 27QTAAA, 27QAABC and 27QCNA, and (16) 27QB27E and 27QB27F

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **Crystal Wealth Media Strategy, Crystal Wealth Mortgage Strategy, Crystal Enlightened Resource & Precious Metal 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** (collectively the "Funds") and **Crystal Wealth Management System Limited** including any funds, securities or property on deposit in accounts with the following numbers:

**27Q003E and 27Q003F,
27Q050E and 27Q050F,
27Q070E and 27Q070F,
27Q080E and 27Q080F,
27Q090E and 27Q090F,
27QA23E and 27QA23F,
27QA24E and 27QA24F,
27QB26E and 27QB26F,
27QC25E and 27QC25F,
27QD93A and 27QD93B,
27QD94A and 27QD94B,
27QF14E and 27QF14F,
27QG01E and 27QG01F,
27QH93E and 27QH93F,
27Q000A, 27QCNA, 27QTAAA, 27QAABC and 27QCNA, and
27QB27E and 27QB27F**

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise, with the exception:

(1) securities other than units of the Funds held in the name of or otherwise under the control of or on behalf of any of the Funds in the accounts at the brokerage may be sold provided that the sale or disposition occurs through the facilities of a recognized

exchange and all proceeds of such sales or distributions are maintained in the account where such securities were held; and

- (2) of managed accounts, except managed accounts in the name or for the benefit of Clayton Edward Smith, Crystal Wealth Management System Limited, CLJ Everest Ltd., Chrysalis Yoga Inc., 1150752 Ontario Limited and Lee Ann Smith.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of NBCN Inc.

DATED at Toronto this 6th day of April, 2017.

M. Dunn



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
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**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: Branch Manager
Royal Bank of Canada
200 Bay Street
Main Floor
Toronto, Ontario
M5J 2J5

RE: Crystal Wealth Management System Limited

All Accounts and Sub Accounts under Nos. (1) 00002 1304211 and (2) 00002 1304260

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **Crystal Wealth Management System Limited** including any funds, securities or property on deposit in accounts with the following numbers:

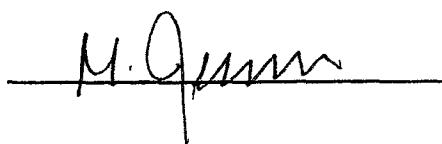
**00002 1304211, and
00002 1304260**

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of Royal Bank of Canada.

DATED at Toronto this 6th day of April, 2017.

A handwritten signature in black ink, appearing to read "M. Gunn", is written over a horizontal line. The signature is cursive and somewhat stylized, with a vertical line descending from the middle of the "G".



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen uest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: Branch Manager
TD Bank Group
2931 Walkers Line
Burlington, Ontario
L7M 4M6

RE: Clayton Edward Smith
All Accounts and Sub Accounts under No. 6045439-2228

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **Clayton Edward Smith** including any funds, securities or property on deposit in accounts with the following number:

6045439-2228

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of TD Bank Group.

DATED at Toronto this 6th day of April, 2017.

M. Gunn



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: Branch Manager
TD Bank Group
20 Main Street East
Grimsby, Ontario
L3M 1M9

RE: 1. CLJ Everest Ltd
2. Crystal Wealth Management System Limited
3. Clayton Edward Smith and Lee Ann Smith

All Accounts and Sub Accounts under Nos. (1) 5002640-0122, (2) 5004279-0122 and (3)
0523771-0122

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **CLJ Everest Ltd, Crystal Wealth Management System Limited and Clayton Edward Smith and Lee Ann Smith** including any funds, securities or property on deposit in accounts with the following numbers:

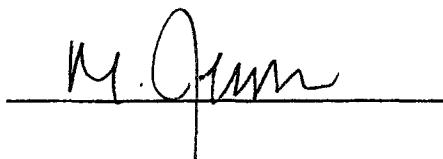
5002640-0122,
5004279-0122, and
0523771-0122

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of TD Bank Group.

DATED at Toronto this 6th day of April, 2017.

A handwritten signature in black ink, appearing to read "M. Dunn", is written over a horizontal line. A vertical line extends downwards from the middle of the signature line.



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen uest
Toronto ON M5H 3S8

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION
(Subsection 126(1))

TO: Branch Manager
TD Bank Group
55 King Street West
Toronto, Ontario
MSK 1A2

RE: Crystal Wealth Mortgage Strategy
All Accounts and Sub Accounts under No. 5266530-0125

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **Crystal Wealth Mortgage Strategy** including any funds, securities or property on deposit in accounts with the following number:

5266530-0125

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of TD Bank Group.

DATED at Toronto this 6th day of April, 2017.

M. Dunn



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen uest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: CLAYTON SMITH
5043 Mount Nemo Crescent
Burlington, Ontario
L7M 0T7

RE: Accounts at The Toronto Dominion Bank

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

DATED at Toronto this 6th day of April, 2017.

M. Quinn

SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
The Toronto Dominion Bank	Clayton Edward Smith	6045439-2228
The Toronto Dominion Bank	Clayton Edward Smith and Lee Ann Smith	0523771-0122



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Toronto ON M5H 3S8

Phone: 416-263-7653
Fax: 416-593-2319

Web site: www.osc.gov.on.ca

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED
192 Plains Road East
Burlington, Ontario
L7T 2C3

C/O: CLAYTON SMITH
192 Plains Road East
Burlington, Ontario
L7T 2C3

RE: Accounts at NBCN Inc., Royal Bank of Canada, The Toronto Dominion Bank and Interactive Brokers Canada Inc.

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring,

dissipating or otherwise dealing with or diminishing the value of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise, except that Crystal Wealth may dispose of securities and derivatives already held in Brokerage Accounts identified on Schedule "A" as at the date of the Directions on behalf of one or more of the following funds:

Crystal Wealth Media Strategy (the "Media Fund")
Crystal Wealth Mortgage Strategy (the "Mortgage Fund")
Crystal Enlightened Resource & Precious Metal Fund (the "Enlightened Resource Fund")
Crystal Wealth Medical Strategy (the "Medical Fund")
Crystal Wealth Enlightened Factoring Strategy (the "Factoring Fund")
ACM Growth Fund
ACM Income Fund
Crystal Wealth High Yield Mortgage Strategy (the "High Yield Mortgage Fund")
Crystal Enlightened Bullion Fund (the "Enlightened Bullion Fund")
Absolute Sustainable Dividend Fund (the "Sustainable Dividend Fund")
Absolute Sustainable Property Fund (the "Sustainable Property Fund")
Crystal Wealth Enlightened Hedge Fund (the "Enlightened Hedge Fund")
Crystal Wealth Infrastructure Strategy (the "Infrastructure Fund")
Crystal Wealth Conscious Capital Strategy (the "Conscious Capital Fund")
Crystal Wealth Retirement One Fund (the "Retirement Fund")

(collectively the "Funds"),

provided that any disposition of securities on behalf of the Funds occurs through the facilities of a recognized exchange and all proceeds of such sales are maintained in the account of the Fund on whose behalf the trade is executed.

DATED at Toronto this 6th day of April, 2017.

M. Quinn

SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
NBCN Inc.	Crystal Wealth Management System Limited	27Q000A
NBCN Inc.	Crystal Wealth Management System Limited	27QCNAA
NBCN Inc.	Crystal Wealth Management System Limited	27QTAAA
NBCN Inc.	Crystal Wealth Management System Limited	27QAABC
NBCN Inc.	Crystal Wealth Management System Limited	27QCNCA
Royal Bank of Canada	Crystal Wealth Management System Limited	00002 1304211
Royal Bank of Canada	Crystal Wealth Management System Limited	00002 1304260
The Toronto Dominion Bank	Crystal Wealth Management System Limited	5004279-0122
Interactive Brokers Canada Inc.	Crystal Wealth Management System Limited	F4795511
The Toronto Dominion Bank	Crystal Wealth Mortgage Strategy	5266530-0125
Interactive Brokers Canada Inc.	ACM Growth Fund	U1446894
Interactive Brokers Canada Inc.	Crystal Wealth Strategic Yield Media Fund	U4657920
Interactive Brokers Canada Inc.	Crystal Wealth Medical Income Fund	U4895282
Interactive Brokers Canada Inc.	Crystal Enlightened Resource and Precious Metals Fund	U4804316

Institution	Account Name	Account Number
NBCN Inc.	Crystal Wealth Media Strategy	27Q003E
NBCN Inc.	Crystal Wealth Media Strategy	27Q003F
NBCN Inc.	Crystal Wealth Mortgage Strategy	27Q050E
NBCN Inc.	Crystal Wealth Mortgage Strategy	27Q050F
NBCN Inc.	Crystal Enlightened Resource & Precious Metal Fund	27Q070E
NBCN Inc.	Crystal Enlightened Resource & Precious Metal Fund	27Q070F
NBCN Inc.	Crystal Wealth Medical Strategy	27Q080E
NBCN Inc.	Crystal Wealth Medical Strategy	27Q080F
NBCN Inc.	Crystal Wealth Enlightened Factoring Strategy	27Q090E
NBCN Inc.	Crystal Wealth Enlightened Factoring Strategy	27Q090F
NBCN Inc.	ACM Growth Fund	27QA23E
NBCN Inc.	ACM Growth Fund	27QA23F
NBCN Inc.	ACM Income Fund	27QA24E
NBCN Inc.	ACM Income Fund	27QA24F
NBCN Inc.	Crystal Wealth High Yield Mortgage Strategy	27QB26E
NBCN Inc.	Crystal Wealth High Yield Mortgage Strategy	27QB26F

Institution	Account Name	Account Number
NBCN Inc.	Crystal Enlightened Bullion Fund	27QC25E
NBCN Inc.	Crystal Enlightened Bullion Fund	27QC25F
NBCN Inc.	Absolute Sustainable Dividend Fund	27QD93A
NBCN Inc.	Absolute Sustainable Dividend Fund	27QD93B
NBCN Inc.	Absolute Sustainable Property Fund	27QD94A
NBCN Inc.	Absolute Sustainable Property Fund	27QD94B
NBCN Inc.	Crystal Wealth Enlightened Hedge Fund	27QF14E
NBCN Inc.	Crystal Wealth Enlightened Hedge Fund	27QF14F
NBCN Inc.	Crystal Wealth Infrastructure Strategy	27QG01E
NBCN Inc.	Crystal Wealth Infrastructure Strategy	27QG01F
NBCN Inc.	Crystal Wealth Conscious Capital Strategy	27QH93E
NBCN Inc.	Crystal Wealth Conscious Capital Strategy	27QH93F
NBCN Inc.	Crystal Wealth Retirement Retirement One Fund	27QB27E
NBCN Inc.	Crystal Wealth Retirement Retirement One Fund	27QB27F



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20 Queen Street West
Toronto ON M5H 3S8

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Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: CLJ EVEREST LTD.
5043 Mount Nemo Crescent
Burlington, Ontario
L7M 0T7

C/O: CLAYTON SMITH
5043 Mount Nemo Crescent
Burlington, Ontario
L7M 0T7

RE: Accounts at The Toronto Dominion Bank

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds,

securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

DATED at Toronto this 6th day of April, 2017.

M. J. M.

SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
The Toronto Dominion Bank	CLJ Everest Ltd	5002640-0122



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

Phone: 416-263-7653
Fax: 416-593-2319

Web site: www.osc.gov.on.ca

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

FREEZE DIRECTION

(Subsection 126(1))

TO: CHRYSALIS YOGA INC.
4040 Palladium Way
Burlington, Ontario
L7M 0C2

C/O: Shanine Lee Dennill
4040 Palladium Way
Burlington, Ontario
L7M 0C2

RE: Accounts at The Bank of Nova Scotia

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") you are directed to refrain from withdrawing any funds, securities or property from the institutions listed in Schedule "A" to this Freeze Direction including from, but not limited to, the accounts listed in Schedule "A" to this Freeze Direction until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

TAKE NOTICE THAT pursuant to subsection 126(1) of the Act you are directed to maintain funds, securities or property, and you are directed to refrain from disposing of, transferring, dissipating or otherwise dealing with or diminishing the value of those funds, securities or property until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

DATED at Toronto this 6th day of April, 2017.

M. Dunn

SCHEDULE "A" TO FREEZE DIRECTION

Institution	Account Name	Account Number
The Bank of Nova Scotia	Chrysalis Yoga Inc.	87296 00518 10



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22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

IN THE MATTER OF CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

**FREEZE DIRECTION
(Subsection 126(1))**

TO: Branch Manager
TD Bank Group
55 King Street West
Toronto, Ontario
M5K 1A2

RE: Crystal Wealth Mortgage Strategy
All Accounts and Sub Accounts under No. 5266530-1025

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **Crystal Wealth Mortgage Strategy** including any funds, securities or property on deposit in accounts with the following number:

5266530-1025

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of TD Bank Group.

DATED at Toronto this 7th day of April, 2017.

M. O'Leary



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

**IN THE MATTER OF
CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED,
CLAYTON SMITH, CLJ EVEREST LTD. and 1150752 ONTARIO LIMITED**

**CERTIFICATE OF DIRECTION
(Subsections 126(1) and 126(4))**

TO: Land Titles Division of the Halton Land Registry Office (No. 20)

TAKE NOTICE that, pursuant to subsection 126(1) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), you are hereby directed to register this Certificate of Direction on title to the following lands:

07198-0202 (LT)

PT LT 1 , CON 4 NS DES AS PTS 1, 2 & 3 ON 20R16429; BURLINGTON. S/T EASEMENT IN GROSS OVER PT 2 ON 20R16429 AS IN HR436235.

Municipally known as 5043 Mount Nemo Cres., Burlington, Ontario

AND FURTHER TAKE NOTICE that pursuant to subsection 126(4) of the Act, this Certificate of Direction shall have the same effect as a certificate of pending litigation until the Ontario Securities Commission authorizes the removal of this Certificate of Direction from the title to the property or until the Ontario Superior Court orders otherwise.

DATED at Toronto, this day of April, 2017.

13th

G. L. Liga

This is Exhibit "3" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017

Lily Ho
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission,
Expires May 31, 2017.

Registration information was last refreshed on 2017-04-12 18:30 PST.

National Registration Search

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Only a registrant with "current registration" is allowed to advise or deal in securities in Canada.

Firm Registration Record

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[Click !\[\]\(acc43f68a9ecb242e1a9944e5f274d00_img.jpg\) for details](#)

Name: CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED 

NRD #: 8000

Other name(s) and/or previous name(s):

- Crystal Wealth

CURRENT REGISTRATION

Firm: **CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED**

Head Office:
192 Plains Road East
Burlington ON L7T 2C3 CAN
Phone: (905)332-4414

Alberta

Registered Individuals

Categories 

- Exempt Market Dealer
- Portfolio Manager

Terms & Conditions

1. This firm is subject to custom terms and conditions that address a unique situation. Please see specific terms and conditions. ([Click for Details](#))

British Columbia

Registered Individuals

Categories 

- Exempt Market Dealer
- Portfolio Manager

Terms & Conditions

1. This firm is subject to custom terms and conditions that address a unique situation. Please see specific terms and conditions. ([Click for Details](#))

Manitoba**Registered Individuals**Categories 

- Exempt Market Dealer
- Portfolio Manager

Terms & Conditions

1. This firm is subject to custom terms and conditions that address a unique situation. Please see specific terms and conditions. ([Click for Details](#))

Newfoundland and Labrador**Registered Individuals**Categories 

- Investment Fund Manager

Terms & Conditions

1. This firm is subject to custom terms and conditions that address a unique situation. Please see specific terms and conditions. ([Click for Details](#))

Ontario**Registered Individuals**Categories 

- Investment Fund Manager
- Exempt Market Dealer
- Portfolio Manager
- Commodity Trading Manager

Terms & Conditions

1. This firm is subject to custom terms and conditions that address a unique situation. Please see specific terms and conditions. ([Click for Details](#))

Québec**Registered Individuals**Categories 

- Investment Fund Manager

Terms & Conditions

1. This firm is subject to custom terms and conditions that address a unique situation.

Saskatchewan

Registered Individuals

Categories

- Exempt Market Dealer
- Portfolio Manager

Terms & Conditions

1. This firm is subject to custom terms and conditions that address a unique situation. Please see specific terms and conditions. ([Click for Details](#))

[Back to results](#)

This is Exhibit "4" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017

Lily Ho
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

Assets Under Management of Crystal Wealth Funds

As at January 31, 2017:	Total Net Assets*
	\$
Crystal Wealth Mortgage Strategy	25,385,451
Crystal Enlightened Resource & Precious Metals Fund	2,121,573
Crystal Wealth Medical Strategy	8,948,803
Crystal Wealth Enlightened Factoring Strategy	35,499,182
Crystal Wealth Media Strategy	53,221,497
ACM Growth Fund	11,462,719
ACM Income Fund	10,047,259
Crystal Wealth Retirement One Fund	847,514
Crystal Wealth High Yield Mortgage Strategy	4,838,560
Crystal Enlightened Bullion Fund	824,601
Absolute Sustainable Dividend Fund	5,948,550
Absolute Sustainable Property Fund	Unknown
Crystal Wealth Enlightened Hedge Fund	11,450,716
Crystal Wealth Infrastructure Strategy	6,240,017
Crystal Wealth Conscious Capital Strategy	401,305
Total	177,237,747

*Per information extracted from Morningstar, an independent investment research provider, on April 5, 2017

This is Exhibit "5" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017

Lily Julia Ho
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

Submission ID: RAQ1466084534686-758

Submission Date: 2016-06-28 09:51:48.303

GENERAL SECTION: QUESTIONS FOR ALL REGISTRANTSCertification

This certification must be completed by your ultimate designated person.

I certify that I have reviewed the Risk Assessment Questionnaire completed by our firm. To the best of my knowledge, the responses to the Risk Assessment Questionnaire are complete, accurate, free from any misstatements and are not misleading in any respect.

Name: Clayton Smith

Phone number: 905-332-4414

Date: 2016-06-27

Important information

This questionnaire is intended for investment fund managers, portfolio managers, exempt market dealers, restricted portfolio managers, and restricted dealers. Please verify the information below. If there are any discrepancies, contact Susan Pawelek at (416) 593-3680, Jeff Sockett at (416) 593-8162, or Louise Harris at (416) 593-2359 immediately, and do not proceed with answering the questions.

Company name CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED

NRD number 8000

Registered as

- | | |
|------------------------------|-------------------------------------|
| Investment fund manager | <input checked="" type="checkbox"/> |
| Portfolio manager | <input checked="" type="checkbox"/> |
| Exempt market dealer | <input checked="" type="checkbox"/> |
| Restricted portfolio manager | <input type="checkbox"/> |
| Restricted dealer | <input type="checkbox"/> |

NRD: National Registration Database

Question 1 – Revenue

Fill in the table below.

	Amount in financial (fiscal) year 2015 (in CAD dollars)	Amount in financial (fiscal) year 2014 (in CAD dollars)
Total gross revenue of your firm	\$2,489,310.00	\$1,906,461.00
Specified Ontario revenue	\$2,489,310.00	\$1,803,512.00

Specified Ontario revenue: Definition of specified Ontario revenue can be found under section 1.1 of Ontario Securities Commission (OSC) Rule 13-502 Fees. Refer to the OSC website for the rule http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20150416_13-502_fees.htm

Question 2 – Board of directors

(A) Does your firm have a board?

 a) Yes b) No

(B) Fill in the table below.

Enter zero in the fields that are not applicable to you.

Total number of board of directors	Number of board of directors who are independent of your firm, entities related to your firm and your investment funds
1	0

Question 3 – Special committees

Does your firm have committees responsible for the following functions? Check all that apply.

- a) Risk management
- b) Policy review
- c) New product review
- d) Investment
- e) Valuation
- f) Audit
- g) Other - provide details in comment box below
- h) None

Other committees that your firm has

Marketing and Administration

Questions 4 to 7 below relate to registrants that advise or deal in derivatives, or act as a counterparty or otherwise participate in a transaction involving derivatives.

Question 4 – Over-the-counter (OTC) derivatives

Do you deal, advise or act as a counterparty in transactions involving OTC derivatives? Check all that apply.

- a) Yes - we deal in OTC derivatives
- b) Yes - we advise in OTC derivatives
- c) Yes - we are a counterparty to transactions involving OTC derivatives
- d) Yes - other, please briefly explain in comment box below
- e) No

Question 5 – Exchange-traded derivatives (commodity futures contracts and options)

Do you deal or advise in exchange-traded derivatives? Check all that apply.

- a) Yes - we deal in exchange-traded derivatives
- b) Yes - we advise in exchange-traded derivatives
- c) Yes - other, please briefly explain in comment box below
- d) No

We only advise in exchange-traded derivatives for several of our investment funds and only use currency futures to hedge foreign exchange exposure on non-Canadian assets. We do not advise in exchange-traded derivatives for speculative purposes.

Question 6 – Reporting counterparties

If you answered yes to question 4, are you a **reporting counterparty** or do you anticipate becoming a reporting counterparty to comply with the OTC derivatives reporting requirements in OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (OSC Rule 91-507)?

- a) Yes
- b) No – indicate which firm(s) act(s) as your reporting counterparty in comment box below
- c) Not applicable – did not answer yes to question 4

A reporting counterparty: A counterparty to a transaction as determined under section 25 of OSC Rule 91-507 that is required to report derivatives data under section 26 of OSC Rule 91-507. Please refer to the OSC website for the rule. http://www.osc.gov.on.ca/en/SecuritiesLaw_rule_20150212_91-507_derivatives-data-reporting.htm

Question 7 – Legal entity identifier

If you answered yes to question 4, do you have a **legal entity Identifier** (LEI)?

- a) Yes
 b) No
 c) Not applicable - did not answer yes to question 4

A **legal entity Identifier**: A 20-character code used to identify entities that enter into financial transactions. It is an initiative endorsed by the Group of Twenty Finance Ministers and Central Bank Governors (G20) and administered by the Global LEI System as a public good. Refer to the OSC website for further details http://www.osc.gov.on.ca/en/Derivatives_legal-entity-identifier_index.htm

Question 8 – Excess working capital calculation

(A) Has your firm's excess working capital (as calculated using **Form 31-103F1**) been less than zero at any time in the last two years ending March 31, 2016 (including a deficiency that was rectified within 48 hours)?

- a) Yes - provide details in comment box below
 b) No

Our firm was capital deficient on June 30, 2014 by \$4,086.

(B) If you answered Yes to Part (A), have you notified the regulator or, in Quebec, the securities regulatory authority of this deficiency?

- a) Yes
 b) No
 c) Not applicable - our firm's excess working capital has not been less than zero in the stated period

Form 31-103F1: Form 31-103F1 Calculation of Excess Working Capital

Question 9 – Marketing

(A) Fill in the table below.

Marketing practice	Does your firm and/or registered individuals use this marketing practice?
Word of mouth	Yes
Cold calling, including the use of telemarketing firms	No
Electronic media (e.g. websites, email)	Yes
Social media sites (e.g. blogs, LinkedIn, Twitter, Facebook)	Yes
Printed media (e.g. newspapers, magazines, brochures, pamphlets)	Yes
Audio/visual media (e.g. TV, radio)	No
Presentations to prospective clients, seminars, conferences, tradeshow booths	Yes
Presentations to prospective clients in conjunction with an issuer	No
Billboards, free bulletin boards in public spaces (e.g. malls, supermarkets, community centres)	No
Other - provide details in comment box below	No

Describe other marketing practices used by your firm:

[Large empty box for comments]

Question 10 – Referral arrangements

Do you have any **referral arrangements** for which you pay a **referral fee**?

- a) No

b) Yes - fill in parts (A) and (B) below

(A) The total number of referral arrangements as at March 31, 2016:

4

(B) Fill in the table below.

Name of other regulator and the registered referral party:

Jeffrey Mushaluk is licensed to sell insurance through the insurance council of British Columbia.

Referral arrangements: For guidance on referral arrangements, please refer to section 13.7 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) and section 13.7 of the Companion Policy to NI 31-103 on the OSC's website: http://www.osc.gov.on.ca/documents/en/Securities-Catagory3/ni_20150111_31-103_unofficial-consolidated.pdf

Referral fee means any form of compensation, direct or indirect, and cash or non-cash including but not limited to warrants/options, merchandise, gifts, travel expenses, meals, entertainment, paid for the referral of a client to or from a registrant.

MFDA: Mutual Fund Dealers Association of Canada

MFDA: Mutual Fund Dealers Association of Canada
IROC: Investment Industry Regulatory Organization of Canada

FSCO: The Financial Services Commission of Ontario

OSFI: The Office of the Superintendent of Financial Institutions

SEC: U.S. Securities and Exchange Commission

Question 11 – Finder's fees

Do you have any arrangements for which you pay a **finder's** fee, solicitation fee or similar fee (other than a referral arrangement as described in question 10)?

- a) No

(A) The number of finders you have as at March 31, 2016.

10. The following table shows the number of hours worked by 1000 workers in a certain industry.

(B) Fill in the table below.

Name _____

0

\$0.00

Name of other regulator and the finder:

10. The following table summarizes the results of the study. The first column lists the variables, the second column lists the sample size, and the third column lists the estimated effect sizes.

A finder: A person who identifies/solicits potential purchasers of securities

MFDA: Mutual Fund Dealers Association of Canada

IIROC: Investment Industry Regulatory Organization of Canada

FSCO: The Financial Services Commission of Ontario

OSFI: The Office of the Superintendent of Financial Institutions
252 H.S. Smith, 1st Floor, Ottawa, Ontario K1A 0E6

SEC: U.S. Securities and Exchange Commission
FINRA: Financial Industry Regulatory Authority

Question 12 – Cybersecurity

Does your firm do any of the following? Check all that apply.

- a) Conduct risk assessments to identify cybersecurity threats, vulnerabilities and potential consequences
- b) Use antivirus software
- c) Require passwords to gain access to computers and other mobile devices
- d) Back up data on a daily basis
- e) Use cloud services (e.g. iCloud or Dropbox)
- f) Include cybersecurity within due diligence exercise when engaging a third party service provider (i.e. custodians, sub-advisers, etc.)
- g) Maintain cyber-insurance coverage
- h) Use encryption on all computers, tablets, smartphones and other electronic devices used to access client information
- i) Have a response plan for a cybersecurity incident
- j) Not applicable, we do not do any of the above

Question 13 – Cybersecurity Training

Does your firm have training programs regarding the following? Check all that apply.

- a) Cybersecurity
- b) The secured disposal of electronic data storage devices
- c) Detecting unauthorized activity on networks or devices
- d) Continued operation during a cybersecurity event
- e) Oversight of third party information technology or data service providers (e.g. vetting, contract with service provider or vendor, confidentiality agreements)
- f) Loss of electronic devices (e.g. loss of a device containing personally identifiable information)
- g) Accessing client communications or client information from a device not dedicated to business usage (e.g. home laptop, public computer at an airport)
- h) No training programs for any of the above

Question 14 – Complaints

(A) Fill in the table below.

Percentage (%) of complaints (i.e. total number of complaints received divided by total number of clients/investors)	In the twelve month period ending	
	March 31, 2016	March 31, 2015
	0.00 %	0.00 %

(B) Is your firm a participating member of Ombudsman for Banking Services and Investments (OBSI)?

- a) Yes
 - b) No - my firm deals exclusively with permitted clients other than individuals and the firm is relying on the permitted client exemption as set out in section 13.16(8) of NI 31-103
 - c) No - explain in comment box below
 - d) Not applicable – my firm is registered solely as an investment fund manager
-

Question 15 - Claims

Which statement best describes any pending litigation and/or claims against your firm?

- a) No claims or litigation outstanding
- b) Potentially some claims or litigation outstanding
- c) Some claims or litigation outstanding
- d) Potentially significant claim(s) or litigation outstanding
- e) Significant claim(s) or litigation outstanding

Question 16 – Breaches of securities law

Are you aware of any ongoing or pending investigations, allegations of breaches of securities legislation, or breaches of the rules of an SRO against your firm and/or **specified affiliates**, registered individuals or permitted individuals?

- a) Yes – the firm, Canadian specified affiliate, registered individual or permitted individual
- b) Yes – United States specified affiliate
- c) Yes – foreign specified affiliate
- d) No

Specified affiliate: A person or company that is a parent of the firm, a **specified subsidiary** of the firm, or a specified subsidiary of the firm's parent.

Specified subsidiary: A person or company of which another person or company has **significant control**.

Significant control: A person or company has significant control of another person or company if the person or company:

- directly or indirectly holds voting securities representing more than 20 per cent of the outstanding voting rights attached to all outstanding voting securities of the other person or company, or
- directly or indirectly is able to elect or appoint a majority of the directors (or individuals performing similar functions or occupying similar positions) of the other person or company.

Question 17 - Compliance staff

(A) Fill in the table below.

Number of full time equivalent (FTE) staff working as part of your firm's compliance function as at March 31, 2016 (e.g. your CCO, employees supporting CCO to carry out compliance duties, registered individual supervising activities of other registered individuals, etc.)

2.25

Example of FTE: Employee A spends 50% of their time on compliance activities. Employee B spends 75% of their time on compliance activities. Employee A + Employee B = 1.25 FTE

Percentage turnover of compliance staff in the last two years as of March 31, 2016 0.00 %

(B) Has your firm identified a qualified individual who has the experience and education required to act as CCO if the current CCO leaves?

- a) Yes
- b) No

Question 18 – Other business activities

Fill in the table below for any of your registered or permitted individuals that engage in other employment or business activities in addition to your firm's registered business activities.

Enter zero in the rows that are not applicable to your firm.

Type of other business activity	Number of registered individuals (including CCO and UDP) that engage in the other business activity
a) Engage in activities in the financial industry and/or licensed in another industry (e.g. insurance, mortgage brokerage, financial planning, real estate, consulting)	2
b) Engage in other activities that may influence potential clients (e.g. teacher, health care provider, trustee, having power of attorney, religious leader, not for profit organization leader)	0
c) Provide other professional services (e.g. practising lawyer, accountant)	0
d) An employee, director, or the mind and management of an issuer product that you distribute	0
e) Engage in business activities other than those described above, provide details in comment box below	4

The four engaged in OBAs identified in (e) own other businesses (such as holding companies) that are completely unrelated to our firm's registered business activities and on which they spend a small proportion of their time (<10%) and therefore do not present a conflict of interest. One of those four individuals is also an occasional yoga and meditation teacher.

Question 19 – Compliance Resources

Describe the compliance resources used to ensure ongoing compliance with securities law.

- a) Receive training and/or review newsletters or periodic updates from external legal counsel, provide the name of the legal counsel in the comment box below
- b) Receive training and/or review newsletters or periodic updates from a compliance consultant, provide the name of the compliance consultant in the comment box below
- c) Internal compliance staff (besides Chief Compliance Officer)
- d) Internal legal counsel
- e) Maintain membership in any industry associations (e.g. Portfolio Management Association of Canada, Investment Funds Institute of Canada, Private Capital Markets Association of Canada, National Exempt Market Association)
- f) Attend OSC Registrant Outreach programme
- g) Other – provide details in comment box below
- h) None of the above

Other compliance resources

Name of legal counsel

Name of compliance consultant

Question 20 – Background checks

How do you perform background checks prior to sponsoring an individual for registration? Check all that apply.

- a) Reference check
- b) Prior employer check, including obtaining reason why individual left
- c) Credit check
- d) Confirmation of proficiency requirements/courses
- e) Disciplinary history
- f) Proof of course completion
- g) A copy of the Form 33-109F1 (termination notice), if applicable
- h) Other – provide details in comment box below
- i) Not applicable – do not have any other registered employees

We conduct multiple interviews of the individual with different firm individuals to check for consistency of responses.
Also, the individual must complete form 33-109F4 on which they must disclose any prior bankruptcies or credit proposals, non-payment of a financial obligation >\$10,000, garnishment, judgement, directions to pay as well as a full criminal history disclosure.

IFM SECTION: QUESTIONS FOR INVESTMENT FUND MANAGERS**Certification**

This certification must be completed by your ultimate designated person if your firm **manages non-prospectus qualified funds**.

I certify that I have attached the Excel spreadsheet containing all the requested fund-level information for all non-prospectus qualified funds managed by our firm. To the best of my knowledge, the responses to the fund-level questions are complete, accurate, free from any misstatements and are not misleading in any respect.

NAME Clayton Smith

DATE 2016-06-27

Question 1 – Assets under management (AUM)

Fill in the table below for all the funds that you manage.

For investment funds that have a fund-of-fund structure, the AUM should only be counted once if you are the investment fund manager of both the top fund and the underlying fund.

Enter zero in the rows that are not applicable to you.

Type of fund	AUM as at March 31, 2016 (in CAD dollars)	Number of funds as at March 31, 2016	AUM as at March 31, 2015 (in CAD dollars)	Number of funds as at March 31, 2015
--------------	--	---	--	---

Prospectus qualified funds:

Open-end/conventional mutual funds (other than money market funds)	\$0.00	0	\$0.00	0
Money market funds	\$0.00	0	\$0.00	0
Closed-end funds	\$0.00	0	\$0.00	0
Exchange-traded funds	\$0.00	0	\$0.00	0
Commodity pools	\$0.00	0	\$0.00	0
Labour-sponsored investment funds	\$0.00	0	\$0.00	0
Scholarship plans	\$0.00	0	\$0.00	0
Flow-through limited partnerships	\$0.00	0	\$0.00	0
Other - complete row and specify fund type in comment box below	\$0.00	0	\$0.00	0
Sub-total	\$0.00	0	\$0.00	0

Non-prospectus qualified funds:

Alternative strategies funds	\$80,622,085.05	8	\$67,912,308.00	5
Money market funds	\$0.00	0	\$0.00	0
Pooled funds (other than alternative strategies funds or money market funds)	\$51,038,034.79	5	\$45,398,504.00	4
Flow-through limited partnerships	\$0.00	0	\$0.00	0
Other - complete row and specify fund type in comment box below	\$0.00	0	\$0.00	0
Sub-total	\$131,660,119.84	13	\$113,310,812.00	9
Total	\$131,660,119.84	13	\$113,310,812.00	9

Alternative strategies funds: Investment pools that use alternative investment strategies not generally available to traditional mutual funds such as taking both long and short positions and using arbitrage, leverage, options, futures, bonds and other financial instruments to capitalize on market conditions.

If you manage any **non-prospectus qualified funds**, fill in the Excel spreadsheet that was sent to you in an email dated May 18, 2016, and attach the completed spreadsheet using the attach function below – click on the icon with the paperclip to attach your file. (Click on the trash icon to remove the attachment. Click on the eyeglasses icon to open the attachment.)

[da_20160518_raq-non-prospectus.xlsx](#)

Types of other prospectus qualified funds

Types of other non-prospectus qualified funds

Question 2 – Business structure

Is your firm also the portfolio manager responsible for managing directly all or some of the funds that you indicated in question 1?

a) Yes – indicate the AUM of those funds in the table below (exclude the AUM managed by third-party portfolio managers)

b) No

Enter zero in the row that is not applicable to you.

Type of fund	AUM as at March 31, 2016 (in CAD dollars)
Prospectus qualified funds	\$0.00
Non-prospectus qualified funds	\$131,660,119.84
Total	\$131,660,119.84

Question 3 – Performance returns

Fill in the tables below for your prospectus qualified and non-prospectus qualified funds (include funds with at least a full year of performance only).

Enter zero in the rows that are not applicable to you.

Prospectus qualified funds			
Range of annual performance returns	Number of funds within annual performance range in calendar year 2015	Number of funds within annual performance range in calendar year 2014	Number of funds within annual performance range in calendar year 2013
Greater than or equal to 80%	0	0	0
60% to less than 80%	0	0	0
40% to less than 60%	0	0	0
20% to less than 40%	0	0	0
0% to less than 20%	0	0	0
-20% to less than 0%	0	0	0
-40% to less than -20%	0	0	0
-60% to less than -40%	0	0	0
-80% to less than -60%	0	0	0
Less than or equal to -80%	0	0	0
Total	0	0	0

Enter zero in the rows that are not applicable to you.

Non-prospectus qualified funds			
Range of annual performance returns	Number of funds within annual performance range in calendar year 2015	Number of funds within annual performance range in calendar year 2014	Number of funds within annual performance range in calendar year 2013
Greater than or equal to 80%	0	0	0
60% to less than 80%	0	0	0
40% to less than 60%	0	0	0
20% to less than 40%	0	0	0
0% to less than 20%	5	4	3
-20% to less than 0%	2	1	0
-40% to less than -20%	0	0	1
-60% to less than -40%	0	0	0
-80% to less than -60%	0	0	0
Less than or equal to -80%	0	0	0
Total	7	5	4

Question 4 – Custodian information

(A) Fill in the table below for your investment funds.

(If your investment funds have a fund-of-fund structure and you are **also** the investment fund manager of the underlying funds, provide the custodian information separately by using one row for the top funds and another row for the underlying funds. However, if you are **not** the investment fund manager of the underlying funds, provide the custodian information for the top funds only.)

Not applicable – we do not use a custodian, provide explanation in comment box below , e.g. held in fund's name on issuer's book

Explain why a custodian is not applicable for your investment funds

Indicate type of custodian and name of its regulator if type of custodian chosen is "Other"

For more information about the study, please contact Dr. John Smith at (555) 123-4567 or via email at john.smith@researchinstitute.org.

(B) Are there any parties other than your firm who have signing authority over the custodial accounts?

a) Yes – provide details in comment box below, including name of the other parties and nature of relationship with your firm

b) Not applicable – no other parties have signing authority except your firm

Names of the other parties who have signing authority over the custodial accounts and nature of relationship with your firm

For more information about the study, please contact Dr. Michael J. Hwang at (319) 356-4550 or via email at mhwang@uiowa.edu.

(C) Indicate how securities and cash in your investment funds are held. Check all that apply.

a) In a separate custodial account in the name of the investment fund

b) In an account in the name of your firm in trust for investment funds, describe how this is used in comment box below.

c) Other, provide details in comment box below

Describe use of the account if b) is selected

Describe other if c) is selected

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Question 5 – Trust accounts

Do you use trust accounts to process investor transactions (e.g. purchases, redemptions and cash distributions)?

- a) Yes – fill in the table below

b) No – provide explanation in comment box below

Explain why trust accounts are not used to process investor transactions

Full legal name of the trust account	Beneficial owners of the trust account	Is this trust account used solely for processing investor transactions related to your funds? If no, provide details in comment box below	Are there any parties other than your firm who have signing authority over the trust account? If yes, provide details in comment box below
Crystal Wealth Management System Limit	Crystal Wealth on behalf of the Unitholders	Yes	Yes

Provide a description, if trust accounts are used for other purposes

Name of other parties who have signing authority and their relationship with you

Certain trust accounting department individuals at our unitholder recordkeeper, trust accountant and transfer agent, International Financial Data Services.

Question 6 – Service providers

Provide details of your service providers in the table below.

If a function is performed by more than one service provider, provide details of the other service providers in comment box below.

	Name of service provider	Related to registrant?	If related, provide nature of relationship
Fund accounting	The Investment Administration Solution	No	
Transfer agency	International Financial Data Services	No	
Trust accounting	International Financial Data Services	No	
Portfolio management	Crystal Wealth Management System Limit	Yes	same entity
Audit (investment fund manager)	BDO Dunwoody	No	
Audit (funds)	BDO Dunwoody	No	
Legal	Borden Ladner Gervais	No	
Consultant - describe type of services in comment box below	Compliance Support Services and Margaritis Law	No	
Trustee for the fund(s) if set up as trusts	Crystal Wealth Management System Limit	Yes	same entity

Details of other service providers if more than one service provider is engaged to perform a particular function

Description of the type of services provided by the consultant

Compliance Support Services and Margaritis Law provide compliance function assistance.

Question 7 – Change in service providers

Has there been a change in any of your service providers in the last 2 years ending March 31, 2016?

a) Yes - fill in the table below

b) No

	Was there a change in service provider in the last two years ending March 31, 2016?	Name of the previous service provider	Reason(s) for the change
Fund accounting	Yes	Crystal Wealth Management System Limit	Outsourcing accounting function
Transfer agency	No		
Trust accounting	No		
Portfolio management	No		
Audit (investment fund manager)	No		
Audit (funds)	No		
Legal	No		
Consultant	Yes	none	We wanted assistance with updating and reviewing our financial statements
Trustee for the fund(s) if set up as trusts	No		

Use comment box below if you require additional space

Question 8 – Oversight of service providers

(A) How do you oversee the service provider who performs the fund accounting function? Check all that apply.

- a) Review daily reports provided by the service provider
- b) Review weekly reports provided by the service provider
- c) Review monthly reports provided by the service provider
- d) Review quarterly reports provided by the service provider
- e) Meet with key personnel of the service provider
- f) Continuous communication via email and/or phone
- g) Annual performance review of the service provider
- h) Other - provide details in comment box below
- i) Not applicable - our firm performs this function in-house

Provide details below if "other" is selected

(B) How do you oversee the service provider who performs the trust accounting function? Check all that apply.

- a) Review daily reports provided by the service provider
- b) Review weekly reports provided by the service provider
- c) Review monthly reports provided by the service provider
- d) Review quarterly reports provided by the service provider
- e) Meet with key personnel of the service provider
- f) Continuous communication via email and/or phone
- g) Annual performance review of the service provider
- h) Other - provide details in comment box below
- i) Not applicable - our firm performs this function in-house

Provide details below if "other" is selected

(C) How do you oversee the service provider who performs the transfer agency function? Check all that apply.

- a) Review daily reports provided by the service provider
- b) Review weekly reports provided by the service provider
- c) Review monthly reports provided by the service provider
- d) Review quarterly reports provided by the service provider
- e) Meet with key personnel of the service provider
- f) Continuous communication via email and/or phone
- g) Annual performance review of the service provider
- h) Other - provide details in comment box below
- i) Not applicable - our firm performs this function in-house

Provide details below if "other" is selected

Question 9 – Funds' investment portfolios

How do you monitor the investment portfolios of your funds? Check all that apply.

- a) Periodic review of portfolios for compliance with stated investment objectives and restrictions
- b) Periodic review of portfolios to ensure investment risks are being managed adequately and appropriately
- c) Periodic review of fund performance
- d) Meet with portfolio managers to discuss any of the above periodically
- e) Continuous communication with the portfolio managers via email and/or phone
- f) Annual compliance certificate provided by portfolio managers
- g) Other - provide details in comment box below
- h) Not applicable - reviews are not completed

Provide details below if "other" is selected

All portfolio management functions are performed in-house by Crystal Wealth Advising Representatives who are monitoring the portfolios daily. F is not applicable since all portfolio managers are in-house.

Question 10 – Receipt of trade orders

How do you receive trade orders from investors? Indicate the approximate volume of trades received in the past 12 months ending March 31, 2016.

Enter zero in the rows that are not applicable to you.

Volume of trades in each category (as a percentage of total trade transactions)	
a) FundSERV	97 %
b) Fax	3 %
c) Email	0 %
d) Phone	0 %
e) Mail	0 %
f) Other – provide details in comment box below	0 %
g) Not applicable – trades are processed directly through a stock exchange	0 %
Total volume	100 %

Provide details below if "other" is selected

Question 11 – Distribution of funds

How are your funds distributed? Check all that apply.

- a) We distribute through our dealer registration
- b) We distribute by relying on the exemption under section 8.6 of NI 31-103
- c) Related dealers
- d) Third-party dealers
- e) Other – provide details in comment box below

Provide details if "other" is selected

Question 12 – Private or illiquid securities

Fill in the table below for all non-prospectus qualified funds that you manage.

Enter zero in the rows that are not applicable to you.

Percentage of private or illiquid securities held in non-prospectus qualified funds	Number of non-prospectus qualified funds that hold private or illiquid securities in the respective range as at March 31, 2016	Total AUM of non-prospectus qualified funds that hold private or illiquid securities in the respective range as at March 31, 2016 (in CAD Dollars)	Total dollar amount of private or illiquid securities held in non-prospectus qualified funds in the respective range as at March 31, 2016 (in CAD dollars)
No private or illiquid securities (0%)	5	\$39,345,171.02	\$0.00
Less than 10%	1	\$2,531,692.57	\$15,461.00
10% to less than 25%	1	\$10,181,498.38	\$2,069,256.00
25% to less than 50%	0	\$0.00	\$0.00
Greater than or equal to 50%	6	\$129,725,605.26	\$114,160,604.00
Total	13	\$181,783,967.23	\$116,245,321.00

Illiquid asset: Illiquid asset is defined under section 1.1 of National Instrument 81-102 *Investment Funds*, refer to the OSC website:
http://www.osc.gov.on.ca/documents/en/Securities-Category8/ni_20140922_81-102_81-102cp-unofficial-consolidated.pdf

Question 13 – Valuation of securities

How do you value securities where a public price is not available? Check all that apply.

- a) Independent dealer quotes
- b) Quotes from counterparties to OTC transactions
- c) Internal valuation models
- d) Independent valuation agents
- e) Financial information from manager of underlying fund in a fund-of-fund structure
- f) At cost until an event occurs which would prompt a change in price
- g) Input from investment committee (e.g. discussions with management of the investee company(s), research by the traders, discussions with portfolio managers)
- h) Input from valuation committee
- i) Other - provide details in the comment box below
- j) Not applicable

Provide details below if "other" is selected

For mortgages and other private debt instruments, securities are valued at outstanding principal plus accrued interest unless there is incontrovertible proof that the security is worth some other amount due to impairment.

NOTE: Total AUM in question 12 does not equal total AUM in questions 1 and 2 because in questions 1 and 2, we took out any related party fund investments so as not to double count AUM.

Question 14 – Management expense ratios (MER)

Fill in the table below for all investment funds that you manage.

Enter zero in the rows that are not applicable to you.

MER of funds	Number of funds as at March 31, 2016	AUM of funds as at March 31, 2016
--------------	---	--------------------------------------

Exchange-traded funds/index funds:

0% to less than 0.5%	0	\$0.00
0.5% to less than 0.75%	0	\$0.00
0.75% to less than 1%	0	\$0.00
1% to less than 1.5%	0	\$0.00
1.5% to less than 2%	0	\$0.00
2% and greater	0	\$0.00
Sub-total	0	\$0.00

Funds other than exchange-traded funds/index funds :

0% to less than 2%	0	\$0.00
2% to less than 3%	7	\$91,872,095.91
3% to less than 4%	3	\$42,556,520.94
4% to less than 5%	3	\$47,355,350.38
5% to less than 6%	0	\$0.00
6% and greater	0	\$0.00
Sub-total	13	\$181,783,967.23
Total	13	\$181,783,967.23

Question 15 – Fund fees and expenses

How are fees and expenses charged to your investment funds? Check all that apply.

- a) Charging an all-inclusive fixed rate administration fee
- b) Charging direct expenses for services provided by third party suppliers
- c) Charging operating expenses using a rate capped by the firm
- d) Allocating the firm's overhead expenses for functions performed in-house
- e) Other – provide details in comment box below
- f) Not applicable - provide details in comment box below

Provide details if "other" is selected

The MER is comprised of the fixed management fee rate plus a blended HST rate based on province of residence of unitholders plus variable expenses that are paid to third party suppliers.

Provide details if "not applicable" is selected

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Question 16 – Performance fees

Fill in the table below. Enter zero if none of your investment funds were subject to performance fees.

	Calendar year 2015	Calendar year 2014	Calendar year 2013
Total AUM of funds subject to performance fees	\$0.00	\$0.00	\$0.00
Number of funds subject to performance fees	0	0	0
Performance fees charged to funds (i.e. performance fees earned by your firm)	\$0.00	\$0.00	\$0.00

Question 17 – Fund terminations

(A) Did you terminate any of your investment funds in the past 12 months ending March 31, 2016?

 a) Yes, fill in the tables in parts (A) and (B) below b) No

Name of terminated fund	AUM of terminated fund prior to termination (in CAD dollars)	Reason fund was terminated
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		

(B) Fill in the table below for each fund termination reported in part (A).

Total costs relating to fund's termination (in CAD dollars)	Termination costs paid by:		
	Investment fund manager (in CAD dollars)	Terminated fund (in CAD dollars)	Other parties (in CAD dollars) Provide the name of other parties in comment box below
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			

Name of other parties who paid the termination costs

Question 18– Fund mergers

(A) Did you merge any of your funds in the past 12 months ending March 31, 2016?

 a) Yes, fill in the tables in parts (A) and (B) below b) No

Name of non-continuing fund	Name of continuing fund	AUM of non-continuing fund prior to merger (in CAD dollars)	AUM of continuing fund prior to merger (in CAD dollars)	Reason funds were merged
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

(B) Fill in the table below for each fund merger reported in part (A).

Total costs relating to the fund merger (in CAD dollars)	Merger costs paid by:			
	Investment fund manager (in CAD dollars)	Non-continuing fund (in CAD dollars)	Continuing fund (in CAD dollars)	Other parties (in CAD dollars) Provide name of other parties in the comment box below
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

Name of other parties who paid the merger costs

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Question 19 – Net asset value (NAV) errors

Did you have any NAV errors (as determined in accordance with your internal policies) in the past 12 months ending March 31, 2016?

- a) Yes – Provide details in the table below
 b) No

Total number of NAV errors	Total number of NAV restatements required due to NAV errors	Dollar amount reimbursed to funds due to NAV errors (in CAD dollars)	Dollar amount reimbursed to investors due to NAV errors (in CAD dollars)

Question 20 – Independent review committee (IRC)

(A) Did you refer any conflict of interest matters to your funds' IRC (other than matters that had been addressed by standing instructions already) in the past 12 months ending March 31, 2016?

- a) Yes
 b) No
 c) Not applicable - our funds do not have an IRC

(B) Did the IRC of your funds provide any of the following reports in the past 12 months ending March 31, 2016? Check all that apply.

- a) A written report to your firm, indicating a breach of your policies or procedures as a result of the IRC's assessment
 b) A written report to your firm, indicating a breach of a condition imposed by the IRC in a recommendation or approval
 c) A written report to securityholders, indicating that you acted in a conflict of interest matter to which the IRC did not give a positive recommendation
 d) A written report to securityholders, indicating that you acted in a conflict of interest matter and that you did not meet a condition imposed by the IRC in its standing instructions
 e) None – the IRC reports did not contain any of the above
 f) Not applicable - our funds do not have an IRC

Question 21 – Mutual fund sales practices

(A) Did you participate in activities relating to mutual fund sales practices in calendar year 2015?

- a) Yes, fill in the table below
 b) No

Part (B)

Enter zero in the rows that are not applicable to you.

Type of activity	Amount spent on each type of activity in calendar year 2015 (in CAD dollars)
Cooperative marketing practices, section 5.1 of National Instrument 81-105 Mutual Fund Sales Practices (NI 81-105)	\$471.27
Mutual fund sponsored conferences, section 5.2 of NI 81-105	\$0.00
Third party sponsored educational events, section 5.3 of NI 81-105	\$0.00
Industry association sponsored events, section 5.4 of NI 81-105	\$0.00
Participating dealer sponsored events, section 5.5 of NI 81-105	\$0.00
Promotional items and business promotion activities, section 5.6 of NI 81-105	\$0.00
TOTAL	\$471.27

Refer to OSC website for NI 81-105 http://www.osc.gov.on.ca/documents/en/Securities-Category8/rule_20090918_81-105_unofficial-consolidated.pdf

Question 22 – Automated Compliance System

Do you use an automated system to assist you in the following? Check all that apply.

- a) Complying with NI 81-102 requirements
- b) Complying with offering documents of the investment funds you manage
- c) Monitoring fluctuations in the net asset value of an investment fund
- d) Monitoring fluctuations in the price of securities
- e) Reconciling between different systems (fund accounting records vs custodian records)
- f) Identifying unitholders switching in/out of funds and other trading patterns
- g) Other – provide details in comment box below
- h) Not applicable – our firm does not use automated systems

Describe how you use the automated system to monitor compliance

Questions for Portfolio Managers and Restricted Portfolio Managers

In this section, please include information about your advisory services only (for example, where you provide discretionary investment management for individual and institutional clients, including investment funds). Information about your dealing activities, if applicable, (for example, where you are distributing securities of an investment fund to a client who does not have a managed account with your firm) should be included in the Questions for Exempt Market Dealers.

Question 1 – Assets Under Management

Provide your assets under management (AUM) for your Canadian advisory services as of the dates indicated below.

Enter zero in rows that are not applicable to you.

Type of Client	AUM as at March 31, 2016 (in CAD dollars)	AUM as at March 31, 2015 (in CAD dollars)
Individuals	\$7,864,493.93	\$9,009,353.45
Institutional	\$131,660,119.84	\$113,310,719.21
Total	\$139,524,613.77	\$122,320,072.66

Individuals are natural persons and their personal holding companies, foundations, or trusts.

Institutions include non-individuals such as investment funds, pension plans, corporations, university endowments, and charitable organizations.

Question 2 – Type of Authority and Products

(A) Do you have discretionary trading authority over client assets?

- a) Yes
 b) No
 c) Not applicable - provide details in the comment box below

(B) As a result of your discretionary trading authority, what type of securities do your clients hold in their accounts?

Enter zero in rows that are not applicable to you.

Product	Approximate percentage of total AUM
Equities (exchange traded)	3 %
Equities (non-exchange traded)	0 %
Fixed income	56 %
Prospectus qualified funds (excluding exchange traded funds)	6 %
Exchange traded funds	1 %
Non-prospectus qualified funds	28 %
Cash equivalents	6 %
Other (describe below)	0 %
Total	100 %

Question 3 – Investment Strategies

Do you use any of the following investment strategies? Check all that apply.

Note: If you use derivatives to obtain leverage, check both a) and d).

- a) Margin or leverage
 b) Short selling
 c) Complex strategies (e.g. arbitrage, computerized trading, high-frequency trading)
 d) Derivatives (e.g. options, swaps)
 e) Not applicable – do not use any of these strategies

Question 4 – Related or Connected Issuers

(A) Do you advise clients in securities of any **related** or **connected issuers**? For example, do your clients' accounts hold investment funds that your firm manages or securities of companies you are related or connected to?

- a) Yes - provide the name of the issuer(s) and the nature of the relationship in the comment box below
- b) No - we have related and connected issuers, however we do not advise in any of them
- c) Not applicable - we do not have any related or connected issuers

The following are pooled funds managed by Crystal Wealth and offered by way of Offering Memorandum which may be held by discretionary clients of Crystal Wealth:

Crystal Wealth Mortgage Strategy; Crystal Wealth Enlightened Resource and Precious Metals Fund; Crystal Wealth Enlightened Factoring Strategy; Crystal Wealth Medical Strategy; Crystal Wealth Media Strategy; ACM Growth Fund; ACM Income Fund; Crystal Wealth High Yield Mortgage Strategy; Crystal Wealth Retirement ONE Fund; Crystal Wealth Enlightened Bullion Fund; Absolute Sustainable Property Fund; Absolute Sustainable Dividend Fund; Crystal Wealth

B) If you advise clients in securities of **related** or **connected issuers**, how are these products distributed? Check all that apply.

- a) We distribute through our dealer registration
- b) We distribute by relying on the exemption under section 8.6 of NI 31-103
- c) Related party dealers
- d) Third party dealers
- e) Not applicable - we do not advise clients in any related or connected issuers
- f) Other - provide details in the comment box below

Related Issuer: A person or company is a related issuer of another person or company if:

1. the person or company is an **influential securityholder** of the other person or company
2. the other person or company is an influential securityholder of the person or company
3. each of them is a related issuer of the same third person or company

Influential securityholder: Influential securityholder is defined in section 1.1 of NI 33-105, please refer to the OSC website: http://www.osc.gov.on.ca/documents/en/Securities-Category3/rule_20090918_33-105_unofficial-consolidated.pdf

Connected Issuer: Connected issuer is defined in section 1.1 of NI 33-105, please refer to the OSC website: http://www.osc.gov.on.ca/documents/en/Securities-Category3/rule_20090918_33-105_unofficial-consolidated.pdf

Question 5 – Involvement in Companies

Are you actively involved in the management of the companies you invest in for clients? Check all that apply.

- a) Representation on the board of directors
- b) Direct involvement in the appointment of managers
- c) A say in material management decisions
- d) Other - provide details in the comment box below
- e) No - not actively involved in the management of companies invested in

Question 6 – Residency of Clients

Provide the residency of the firm's portfolio management clients in the table below.

Provide the number of clients (i.e. not the number of client accounts, or the number of client households). Note that investment funds are included in the definition of client (but not the investors in the investment fund, unless they also have a managed account with you).

Enter zero in the rows that are not applicable to you.

	Number of clients
a) Ontario	309
b) In Canada but outside Ontario	956
c) United States	0
d) Europe - list country of residence below	0
e) Asia - list country of residence below	0
f) Other - list country of residence below	0
Total:	1,265

Countries in Europe

Countries in Asia

Other countries

Question 7 - Client Age

Provide the percentage of your individual clients that are 60 or older.

43 %

Question 8 – Hold or Access to Client Assets

Check all of the boxes below that apply to your firm's portfolio management client assets, excluding assets of the investment funds you manage.

(If a client opens a custodial account at a broker and provides you with discretionary trading authority over that account, it does not mean that you have access to the client's assets for the purpose of this question.)

- a) You hold clients' securities certificates for any period of time (e.g. physical possession of share certificates on your premises or at your lawyer's premises)
- b) You receive and hold clients' cash for any period of time (e.g. cash pending investments in a trust account or a cheque made payable to you)
- c) You accept clients' cash from a custodian (e.g. client's money is deposited in a trust account prior to issuing a cheque to the client)
- d) You have, in any capacity, legal ownership of clients' cash or securities
- e) You have the authority to withdraw cash or securities from client accounts (e.g. under a power of attorney)
- f) You act in the capacity of a trustee or executor for clients
- g) You have the ability to access clients' online accounts using the clients' personal user names and passwords
- h) You provide bill-paying services for clients (e.g. you have the authority to withdraw cash from the clients' account to pay bills on behalf of the clients)
- i) You have the authority to debit client accounts other than for your portfolio management fees
- j) You hold client assets in your firm's name in an omnibus account at a custodian
- k) Use a custodian that is not independent from you that allows you to access client assets
- l) You have access in any other ways not described above (provide details in the comment box below)
- m) Not applicable – none of the above apply to our firm

Question 9 – Custodian Information

(A) Provide the following information with respect to the custodian(s) used by your portfolio management clients (e.g. managed account clients) to hold assets of their investment portfolios. Do not include the custodian information for the investment funds that you manage (this information is collected in the investment fund manager set of questions)

Not applicable – client assets are not held by a custodian (explain why in the comment box below, e.g. held in client name on issuer's books)

NOTE: The AUM in the table below represent the AUM of managed account clients that are not invested in our own pooled funds as that AUM is reflected in the IFM section and we didn't want to double count.

Full legal name of custodian	Amount of assets held with the custodian as at March 31, 2016 (in CAD dollars)	Is the custodian functionally independent from your firm?	Type of custodian	Country where custodian is domiciled	Did your firm direct or arrange the use of this custodian?
National Bank Correspondent Netwo	\$7,864,493.93	Yes	IROC member	Canada	Yes
Total	\$7,864,493.93				

Type of custodian and name of its regulator if type of custodian chosen is "Other".

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(B) Indicate how client securities and cash are held. Check all that apply.

- a) In a separate custodial account in the name of the client
- b) In an account in the name of your firm in trust for clients, describe how this is used in the comment box below
- c) Other, provide details in the comment box below

Describe use of the account if b) is selected

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Describe other if c) is selected

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Question 10 - Portfolio Managers

Indicate the number of advising representatives and associate advising representatives at your firm.

Enter zero in the rows that are not applicable to you.

	Number
Advising representatives	4
Associate advising representatives	1
Total	5

Question 11 – Direct Electronic Access

(A) Do you have any trading arrangements for direct electronic access to marketplaces?

- a) Yes - provide the name(s) of the dealer(s) through which you have this access in the comment box below
 b) No

Please note that direct electronic access **excludes** orders using an order execution service or other electronic access arrangements in which a portfolio manager uses the website of a dealer to enter orders. Since these services and arrangements do not permit the portfolio manager to enter orders using a participant dealer's marketplace participant identifier.

(B) Are you a **marketplace participant**?

- a) Yes – provide information below
 b) No

If yes, provide a **high level** description of your:

- i) risk management and supervisory controls (including automated pre-trade controls); and
ii) policies and procedures

that are designed to manage the financial, regulatory and other risks associated with marketplace access as required under section 3 of NI 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces*.

Marketplace participant means a member of an exchange, a user of a quotation and trade reporting system, or a subscriber of an alternative trading system as defined in section 1.1 of National Instrument 21-101 *Marketplace Operation* (NI 21-101). Please refer to the OSC website for NI 21-101 http://www.osc.gov.on.ca/documents/en/Securities-Category2/ni_20151001_21-101_unofficial-consolidation-forms-cp.pdf

Question 12 – Trading and Brokerage Practices

Which of the following apply to your trading and brokerage practices for client accounts? Check all that apply.

- a) Have an approved list of broker-dealers that is reviewed at least annually
 b) Document in writing, at least annually, your evaluation if best execution is achieved
 c) Trading is done by staff other than those responsible for investment decision making
 d) Do not use client brokerage commissions to pay for eligible research and order execution goods and services (soft dollar arrangements)
 e) Do not use affiliated dealers
 f) Do not cross trade between eligible client accounts
 g) Not applicable (e.g. trading is done by another party such as a sub-adviser)

Question 13 – Trade Order/Portfolio Management Systems

A) Do you use an automated trade order management system for placing trades, allocating trades and trade processing?

- a) Yes
 b) No - we primarily use manual processes
 c) Other - provide details in the comment box below
 d) Not applicable - trading is done by another party (e.g. sub-adviser)

B) If you use an automated trade order or portfolio management system, does it have programmed compliance rules that you use?

- a) Yes
 b) No
 c) Not applicable - we do not use an automated system

C) How do you monitor compliance with client investment objectives and restrictions? Check all that apply.

- a) Pre-trade
 b) Post-trade
 c) Periodic review of client holdings with rebalancing
 d) Not applicable – reviews are not completed

Question 14 – Performance Data

A) Do you market performance returns?

- a) Yes
 b) No

B) Do you market hypothetical performance returns (e.g. back tested, model portfolio)?

- a) Yes
 b) No

C) Do you market performance returns of a past firm?

- a) Yes
 b) No

Question 15 – Know Your Client (KYC) Information

A) How do you collect and document KYC information for clients (e.g. investment needs and objectives, financial circumstances, risk tolerance, and if the client is an insider)? Check all that apply.

- a) Collect KYC information in face-to-face meetings and document KYC information in writing
- b) Collect KYC information on a telephone call or video call with clients and document KYC information in writing
- c) KYC information is collected from clients by email, texting, or online without directly speaking to an advising representative
- d) KYC information is collected by someone other than you, such as a referral agent (provide details in the comment box below)
- e) KYC information is collected but is not documented in writing
- f) No formal process for collecting and documenting KYC information
- g) For clients that are investment funds, the KYC information is documented in the fund's offering documents

B) How do you ensure each client's KYC information is up-to-date? Check all that apply.

- a) Rely on the client to notify you if their circumstances have changed and update the client's KYC documentation
- b) Periodically contact the client (at least annually) in face-to-face meetings or with telephone or video calls to assess if their circumstances have changed and update the client's KYC documentation
- c) Periodically contact the client (at least annually) via email, texting or online to ask if their circumstances have changed and update the client's KYC documentation
- d) KYC information is kept up-to-date by someone other than you (provide details in the comment box below)
- e) For clients that are investment funds, review any changes in KYC information in fund's offering documents

B) c) This is done either by email or by regular mail.

Question 16 – Know Your Product

What are the components of your know your product process? Check all that apply.

- a) Not applicable – do not have an investment review process (explain why in the comment box below)
- b) Rely on due diligence conducted by, or analyst report or assessment prepared by, another registered firm or credit rating agency
- c) Use a list of criteria to accept or reject an investment
- d) Analyze investments recommended to clients (e.g. financial information, risk factors, investment objectives, investment structure and features)
- e) Meet with management to review corporate structure, corporate strategy, management reputation, experience and business plans
- f) Assess quality of issuer's underlying operations and risks of the issuer
- g) Analyze issuer's financial statements to understand the issuer's current and expected financial condition, profitability, liquidity, operating cash flow and debt covenants
- h) In addition to conducting the initial product due diligence, continue to monitor the financial condition (e.g. review ongoing financial statements) and progress of the products

With respect to b), I would prefer to use the word, "consider" rather than "rely on" as any third party reports would be only one input in our KYP process.

Question 17 – Online Business Activity

Does your firm engage in any of the following advising activities online (i.e. use of the internet, such as a website or portal, for the delivery of your advisory services)? Check all that apply.

- a) Collecting, documenting and updating KYC information
- b) Suitability analysis and assessment
- c) Providing general advice in securities, not tailored to an individual and their circumstances
- d) Providing specific advice in securities, tailored to an individual and their circumstances
- e) Other services (describe briefly in the comment box below)
- f) None of the above

Question 18– Personal Trading

Which of the following apply to your employee personal trading practices? Check all that apply.

- a) Employees are required to follow written personal trading policies and procedures and a code of ethics
- b) Employees subject to personal trading policies and procedures are required to pre-clear personal trades
- c) Records of employee trades subject to personal trading policies and procedures are reviewed on a regular basis
- d) Not applicable, we do not permit employee personal trading
- e) None of the above

QUESTIONS FOR EXEMPT MARKET DEALERS AND RESTRICTED DEALERS**Question 1 – Business Model**(A) Which of the following **business models** best describes your dealer activities from April 1, 2014 to present? Check all that apply.

- a) Service oriented – Mergers and acquisitions: provide assistance in mergers and acquisitions and disposition of corporations; find potential buyers/investors for acquisitions or divestitures
- b) Service oriented – Debt/equity financing: provide advice on capital structuring to raise financing and/or distribute private placements; find potential lenders/investors to invest in debt/equity securities
- c) Service oriented – Relationship facilitator: facilitate relationships between investors and registrants, or investors and third parties; do not distribute securities or products
- d) Product distribution – Distributor of prospectus-qualified products
- e) Product distribution – Distributor of prospectus-exempt products
- f) Facilitating secondary market trading of prospectus-exempt products
- g) Other business activities conducted by the firm for which the firm is compensated – provide details in the comment box below
- h) Have not commenced any business activities. State in the comment box below when you intend to begin business activities and why you are currently registered as an EMD

Describe other business model

Describe when you intend to begin business activities and why you are currently registered as an EMD

Business model: For more information on business models, see Ontario Securities Commission (OSC) Staff Notice 11-758 – *Review of Limited Market Dealers* on the OSC website at: <http://www.osc.gov.on.ca/en/15613.htm>

Prospectus-qualified products: Investment products (including mutual funds) offered by prospectus

Prospectus-exempt products: Investment products sold under National Instrument 45-106 prospectus exemptions

(B) Does your firm currently, or plan to, trade or facilitate trading/sale of investment products in any of the following ways? Check all that apply.

- a) Via an online portal or platform – crowdfunding platform under Multilateral Instrument 45-108 Crowdfunding (NI 45-108)
- b) Via an online portal or platform – to sell/distribute/trade a security in reliance on a prospectus exemption under National Instrument 45-106 Prospectus Exemptions (NI 45-106)
- c) Via an online portal or platform to facilitate peer-to-peer lending or any other form of matching of borrowers to lenders
- d) None of the above

Refer to OSC website for NI 45-108 http://www.osc.gov.on.ca/en/SecuritiesLaw_mi_20160114_45-108_crowdfunding.htm**Question 2 – Investor Clients**

Provide the number of investor clients the firm has had over the 12 months ending March 31, 2016 in each of the following categories:

Enter zero in the rows that are not applicable to you.

	Number of investor clients
a) Clients that meet the permitted client definition	0
b) Clients that meet the accredited investor definition but are not permitted clients	3
c) Other - clients that are not included in a) or b) above	0
Total:	3

Permitted client: For a definition of permitted client, see section 1.1 of NI 31-103 on the OSC website at: http://www.osc.gov.on.ca/documents/en/Securities-Category3/ni_20150111_31-103_unofficial-consolidated.pdf

Accredited Investor: For a definition of accredited investor, see section 1.1 of National Instrument NI 45-106. For further information on key capital raising prospectus exemptions in Ontario see the OSC website at: http://www.osc.gov.on.ca/en/SecuritiesLaw_ni_20160128_45-106_key-capital-prospectus-exemptions.htm

Question 3 – Investor Client Residency

Please provide the residency of the firm's investor clients, and capital raised from those clients, over the last 12 months in the table below:

Enter zero in the rows that are not applicable to you.

	Number of investor clients in various locations	Capital raised from investors in various locations (for the year ending March 31, 2016)
a) Ontario	3	\$0.00
b) In Canada but outside Ontario		
Alberta	0	\$0.00
British Columbia	0	\$0.00
Quebec	0	\$0.00
Other provinces	0	\$0.00
c) United States	0	\$0.00
d) Europe – list country of residence in comment box below	0	\$0.00
e) Asia – list country of residence in comment box below	0	\$0.00
f) Other – list country of residence in comment box below	0	\$0.00
Total:	3	\$0.00

Europe – list countries of residence

Asia – list countries of residence

Other – list countries of residence

Question 4 – Prospectus Exemptions

(A) What prospectus exemptions do you rely on, or intend to rely on, to sell/distribute/trade investment products and/or provide services to your clients? Check all that apply.

- a) Section 2.3 of National Instrument 45-106 Prospectus Exemptions (NI 45-106) - accredited investor exemption
- b) Section 2.10 of NI 45-106 - minimum investment of \$150,000
- c) Section 2.4 of NI 45-106 - private issuer exemption
- d) Section 2.5 of NI 45-106 – friends, family and business associates exemption
- e) Section 2.9 of NI 45-106 - offering memorandum exemption
- f) Multilateral Instrument 45-108 Crowdfunding
- g) Multilateral CSA Notice 45-316 - Start-up Crowdfunding Registration and Prospectus Exemptions- for clients in British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick and Nova Scotia
- h) Other exemptions, including any exemptions granted by the Commission – provide details in comment box below
- i) Not applicable – do not rely on any prospectus exemptions – explain in comment box below why a prospectus exemption is not required

Details of other exemptions, including any exemptions granted by the Commission

Details of why you do not rely on any prospectus exemptions

(B) Fill in the table below for investor clients and investment products sold

Enter zero in the rows that are not applicable to you.

Prospectus Exemption	Number of investor clients	Capital raised for year ending March 31, 2016
a) Section 2.3 of NI 45-106 – accredited investor exemption	3	\$0.00
b) Section 2.10 of NI 45-106 - minimum investment of \$150,000	0	\$0.00
c) Section 2.4 of NI 45-106 - private issuer exemption	0	\$0.00
d) Section 2.5 of NI 45-106 – friends, family and business associates exemption	0	\$0.00
e) Section 2.9 of NI 45-106 – offering memorandum exemption:		
i) Non-eligible investor	0	\$0.00
ii) Eligible investor – did not receive advice	0	\$0.00
iii) Eligible investor – received advice from a registered portfolio manager, investment dealer or exempt market dealer.	0	\$0.00
f) Multilateral Instrument 45-108 Crowdfunding	0	\$0.00
g) Multilateral CSA Notice 45-316 - Start-up Crowdfunding Registration and Prospectus Exemptions - for clients in British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick and Nova Scotia	0	\$0.00
h) Other exemptions, including any exemptions granted by the Commission	0	\$0.00
TOTAL	3	\$0.00

For further information on key capital raising prospectus exemptions in Ontario see the OSC website at: http://www.osc.gov.on.ca/en/SecuritiesLaw_ni_20160128_45-106_key-capital-prospectus-exemptions.htm

Question 5 – Hold or Access to Client Assets

Check all of the boxes below that apply to your firm's dealer client assets. In your response, consider any registered or permitted individuals with access to client assets.

- a) You hold clients' securities certificates for any period of time (e.g. physical possession of share certificates on your premises or at your lawyer's premises)
- b) You receive and hold clients' cash for any period of time (e.g. cash pending investments in a trust account or a cheque made payable to you)
- c) You accept client cash from a custodian (e.g. client's money is deposited in a trust account prior to issuing a cheque to the client)
- d) You have, in any capacity, legal ownership of clients' cash or securities
- e) You have, in any capacity, the authority to withdraw funds or securities from client accounts (e.g. under a power of attorney)
- f) You act in the capacity of a trustee or executor for clients
- g) You hold client assets in your firm's name in an omnibus account at a custodian
- h) You have, in any capacity, signing authority on bank accounts for issuers distributed by your firm
- i) You use a custodian that is not independent from you and allows you to access client assets
- j) You have access in any other ways not described above, provide details in comment box below
- k) Not applicable – none of the above apply to our firm

Describe your access to client assets in ways other than described above:

Question 6 – Dealing Representatives

Please enter the number of dealing representatives, including dealing representatives dually registered as UDP and/or CCO, currently registered in Canada by province/country in which they reside.*

* If a dealing representative is registered in more than one province, please only include the dealing representative once in the province/other country where he/she resides.

Enter zero in the rows that are not applicable to you.

	<u>Number of dealing representatives resident in</u>
a) Ontario	4
b) In Canada but outside Ontario	
(i) Alberta	2
(ii) British Columbia	1
(iii) Quebec	0
(iv) Other provinces	0
c) Other country - list country of residence in comment box below	0
Total dealing representatives registered in Canada	7

List other countries where dealing representatives reside

Question 7 – Role of the Chief Compliance Officer

Does your chief compliance officer also act as a dealing representative for your firm?

- a) Yes
 b) No

Question 8 – Size of Dealer Activities – Revenue

Provide the following information in the table below.

Enter zero in the rows below where there was no revenue earned during the period.

In the table below, do NOT include fees earned as a portfolio manager or investment fund manager if you are registered in one or both of those categories. For example, do not include management fees earned as a portfolio manager on assets under management or performance fees for surpassing a high-water mark.

Include revenues for the business activities of your EMD operations during the period. For example, include sales commissions or trailer fees for investment products sold/traded/distributed, success fees for an M&A transaction, the value of warrants/options for an equity financing transaction, fees for soliciting investors to purchase an investment product, and fees for facilitating a secondary market transaction.

a) Service oriented – Mergers and acquisitions: provide assistance in mergers and acquisitions and disposition of corporations; find potential buyers/investors for acquisitions or divestitures

b) Service oriented – Debt/equity financing: provide advice on capital structuring to raise financing and/or distribute private placements; find potential lenders/investors to invest in debt/equity securities

c) Service oriented – Relationship facilitator: facilitate relationships between investors and registrants, or investors and third parties; do not distribute securities or products

d) Distributor of **prospectus-qualified products**

e) Distributor of **prospectus-exempt products**

f) Facilitating secondary market trading of prospectus-exempt products

g) Other – provide details below

Year ended March 31,		
2016 Revenue	2015 Revenue	
\$0.00		\$0.00
\$0.00		\$0.00
\$0.00		\$0.00
\$0.00		\$0.00
\$0.00		\$0.00
\$0.00		\$0.00
Total revenue for the year ended:	\$0.00	\$0.00
Net income (loss) for the year ended:	\$0.00	\$0.00

Other revenue – describe the nature of these revenues

Prospectus-qualified products: Investment products (including mutual funds) offered by prospectus

Prospectus-exempt products: Investment products sold under a prospectus exemption

Question 9 – Capital Raised

How much capital has your firm raised from investors in the last two years ending March 31, 2016?

- a) Not applicable - do not raise capital from investors
 b) Less than \$1 million
 c) \$1 million but less than \$5 million
 d) \$5 million but less than \$20 million
 e) \$20 million or more

Question 10 – Investment Products – Types of Products

Select the types of investment products you have sold/distributed/traded in the last two years ending March 31, 2016, and whether these products are those of your related/connected issuers.

- a) Not applicable – do not sell/distribute/trade investment products
 b) Sell/distribute/trade investment products –provide information in the table below:

Type of investment products	(A) Do you sell/distribute/trade the following types of products?	(B) Are these products of your related / connected issuers?
Asset backed securities	No	No
Blind pools / capital pool companies	No	No
Common or preferred shares	No	No
Contracts for difference	No	No
Debt securities (e.g. promissory notes, bonds, debentures, etc.)	Yes	No
Foreign exchange contracts (forex or FX)	No	No
Guaranteed debts	No	No
Life settlements	No	No
Limited partnerships	No	No
Mortgage investment entities	No	No
Mutual funds, other investment funds (e.g. hedge funds, pooled funds, etc.)	No	No
Other derivatives	No	No
Principal protected notes / principal at risk notes	No	No
Private equity / venture capital funds	No	No
Structured products	No	No
Tax sheltered products / charity / not-for-profit	No	No
Listed securities traded on or off the exchange or other marketplace (e.g. an ATS)	No	No
Debt securities traded on or off an exchange or other marketplace (e.g. an ATS)	No	No
Trusts	No	No
Other – describe in comment box below	No	No

Other – describe the types of investment products

Question 11 – Investment Products – Types of Business or Industry of Products

Select the types of business / industry of the investment products you have sold/distributed/traded in the last two years ending March 31, 2016, and whether these products are those of your related/connected issuers.

- a) Not applicable – do not sell/distribute/trade investment products
 b) Sell/distribute/trade investment products – please provide information in the following table:

Type of business / industry of the investment products	(A) Do you sell/distribute/trade products of the following types of business / industry?	(B) Are these products of your related / connected issuers?
Financial services - consumer loans, factoring (purchase of accounts receivables)	No	No
Financial services - non-conventional loans financing	No	No
Mining - exploration, development or production	No	No
Oil & gas	No	No
Alternative energy (e.g. solar, wind)	Yes	No
Real estate investment trusts	No	No
Real estate - land development / construction development	No	No
Real estate - rental/leasing	No	No
Manufacturing & Industrial	No	No
Technology (e.g. software, mobile apps)	No	No
Other - describe in comment box below	No	No

Other – describe the business / industry of investment products

Question 12 – Investment Products – Types of Issuers

If you sell/distribute/trade investment products, which type of issuer products do you sell/distribute/trade? Choose one of the following:

- a) Not applicable – do not sell/distribute/trade investment products
 - b) Sell/distribute/trade products of related/connected issuers only (i.e. do not sell/distribute/trade products of third party issuers)
 - c) Sell/distribute/trade products of third party issuers only (i.e. do not sell/distribute/trade products of related/connected issuers)
 - d) Sell/distribute/trade products of both related/connected issuers and third party issuers

Related issuer: A person or company is a related issuer of another person or company if:

- Related issuer.** A person or company is a related issuer of another person or company if:

 1. the person or company is an influential securityholder of the other person or company
 2. the other person or company is an influential securityholder of the person or company
 3. each of them is a relevant issuer of the same third person or company

Influential securityholder: Influential securityholder is defined in section 1.1 of NI 33-105, please refer to the OSC website: http://www.osc.gov.on.ca/documents/en/Securities-Catagory3/rule_20090918_33-105_unofficial-consolidated.pdf

Connected Issuer: An issuer where the direct or indirect relationship between the issuer and your firm or an entity related to your firm (or registered individual/permited individual) would cause a reasonable investor to question the independence of your firm's/registered individuals' activities in connection with a distribution of that issuer. Connected issuer is defined in section 1.1 of NI 33-105, please refer to the OSC website: http://www.osc.gov.on.ca/documents/en/Securities-Category3/rule_20090918_33-105_unofficial-consolidated.pdf

Question 13 – Investment Products – Top 10 Third Party Issuer Products

If (a) or (b) in Question 12 was selected, you will not be required to answer this question.

If you select (c) or (d) in Question 12, proceed with responding to this question.

For the third party issuer products that you have sold/distributed/traded, please provide details about the top 10 products for which you raised the most capital and the corresponding revenue in the last two years ending March 31, 2016:

Other types of product – indicate the names, and describe the nature of the investment products in comment box below.

We have worked with this issuer to help them do capital structuring and seek bank or other institutional financing. No capital was raised in the last two years and no revenue earned by Crystal Wealth during that period.

Other business / industry – indicate the names and describe the nature of business / industry

Question 14 – Investment Products – Top 10 Related/Connected Issuer Products

If (a) or (c) in Question 12 was selected, you will not be required to answer this question.
 If you select (b) or (d) in Question 12, proceed with responding to this question.

For the related/connected issuer products that you have sold/distributed/traded, please provide details about the top 10 products for which you raised the most capital in the last two years ending March 31, 2016:

Product name of related/connected issuer	Amount of capital raised in the last two years ending March 31, 2016	Amount of revenue earned in the last two years ending March 31, 2016	Type of product (select one type from the list below)	Type of business / industry (select one type from the list below)
\$0.00	\$0.00			

Other types of product – indicate the names and describe the nature of the investment products

Other business / industry – indicate the names and describe the nature of business / industry

Question 15 – Distribution of Related and Connected Issuers

If (a) or (c) in Question 12 was selected, you will not be required to answer this question.
If you select (b) or (d) in Question 12, proceed with responding to this question.

(A) Do any third party dealers sell/distribute/trade the products of your related/connected issuers?

- a) Yes
 b) No

(B) What percentage of your revenue is derived from selling/distributing/trading products of related/connected issuers?

- a) Less than 25%
 b) 25% but less than 50%
 c) 50% or more
 d) Not applicable – no commission or other form of compensation is earned on the sale/distribution/trade of products of related/connected issuers

(C) How long have you been selling/distributing/trading products of related/connected issuers?

- a) Less than 1 year
 b) 1 to less than 5 years
 c) 5 to less than 10 years
 d) 10 years or more

(D) How many related/connected issuer products are currently being sold/distributed/traded to investors?

- a) Zero
 b) 1 - 5 (please list names of related/connected issuers in comment box below)
 c) 6 - 10 (please list names of related/connected issuers in comment box below)
 d) 11 - 30 (please list names of related/connected issuers in comment box below)
 e) 31 or more (please list names of related connected issuers in comment box below)

List names of related/connected issuers currently being sold

(E) How many related/connected issuer investment products are no longer being sold/distributed/traded to investors but are still active companies?

- a) Zero
 b) 1 - 5
 c) 6 - 10
 d) 11 - 30
 e) 31 or more

Question 16 – Delivery of audited financial statements

If you sell/distribute/trade investment products, are issuers' audited financial statements provided to each investor client? Check all that apply.

- a) Not applicable – do not sell/distribute/trade investment products
- b) No – do not provide audited financial statements of issuers to clients
- c) Yes – provide audited financial statements of third party issuers at time of sale
- d) Yes – provide audited financial statements of third party issuers annually to each client
- e) Yes – provide audited financial statements of related/connected issuers at time of sale
- f) Yes – provide audited financial statements of related/connected issuers annually to each client

Question 17 – Loans or advances from issuers

If you sell/distribute/trade investment products, have you, your registered individuals or permitted individuals received loans or advances from the issuers, or affiliates, of these products? Check all that apply.

- a) Not applicable – do not sell/distribute/trade investment products
- b) Yes – received loans or advances from related/connected issuers. Provide names of issuers in comment box below
- c) Yes – received loans or advances from third party issuers. Provide names of issuers in comment box below
- d) No – have not received loans or advances from related/connected or third party issuers

Received loans or advances from the following related/connected issuers

Received loans or advances from the following third party issuers

Question 18 – Returns of Investment Products Sold

Do you sell/distribute/trade investment products that offer a fixed return (e.g. bonds or notes)? Check all that apply.

- a) Yes – return offered is 12% or more (list names of products in comment box below)
- b) Yes – return offered is at least 8% but less than 12% (list names of products in comment box below)
- c) Yes – return offered is at least 4% but less than 8%
- d) Yes – return offered is less than 4%
- e) Not applicable – do not sell/distribute/trade investment products that offer a fixed return

List of products that offer a return of 12% or more

List of products that offer a return of at least 8% but less than 12%

Question 19 – Sales Commissions

What is the range of sales commissions that you receive on investment products sold/distributed/traded? Check all that apply.

- a) None - do not receive a sales commission
- b) Less than 3%
- c) 3% but less than 6%
- d) 6% but less than 11%
- e) 11% or more – list names of issuers in comment box below
- f) Receive other forms of compensation for investment products sold/distributed/traded– please describe below.
- g) Not applicable – do not sell investment products

List of issuers that paid sales commissions of 11% or more

Other forms of compensation received for sale of investment products (e.g. success fee, flat fee per subscription, shares/options/warrants) and approximate dollar value

Question 20 – Trailing Commissions

What is the range of trailing commission that you receive on the investment products sold/distributed/traded? Check all that apply.

- a) None – do not receive a trailing commission
- b) Less than 2%
- c) 2% but less than 5%
- d) 5% or more
- e) Not applicable – do not sell/distribute/trade investment products

Question 21 – Process for Collecting and Documenting Know Your Client (KYC) Information

How do you collect and document KYC information? Check all that apply.

- a) Collect KYC information in face-to-face meetings with clients and document KYC information in writing
- b) Collect KYC information via other means (e.g. e-mail, telephone, video call) and document KYC information in writing
- c) Collect KYC information on online platform (e.g. website, portal) for clients to enter and/or upload KYC information without directly dealing with a dealing representative
- d) KYC collected by someone other than a dealing representative outside of your firm (e.g. financial planner)
- e) KYC collected by someone other than a dealing representative within your firm (e.g. administrative staff)
- f) KYC information is collected but is not documented in writing
- g) No formal process for collecting and documenting KYC information
- h) Not applicable – no clients since firm obtained registration

Question 22 – Qualification for Prospectus Exemption

How do you determine whether a client qualifies for a prospectus exemption under NI 45-106? Check all that apply.

- a) Self-certification - Clients confirm their qualification for a prospectus exemption by checking a box or initialling in a subscription agreement or other document, which also identifies applicable category of the selected exemption
- b) Your firm makes its own written assessment of your client's qualification for a prospectus exemption
- c) There is no process in place to ascertain your client's qualification for a prospectus exemption
- d) Not applicable – sell/distribute/trade securities in reliance on exemptions other than the NI 45-106 prospectus exemptions
- e) Not applicable – do not sell/distribute/trade investment products

For further information on key capital raising prospectus exemptions in Ontario see the OSC website at: http://www.osc.gov.on.ca/en/SecuritiesLaw_ni_20160128_45-106_key-capital-prospectus-exemptions.htm

Question 23 – Know Your Product (KYP)

What are the components of your KYP process? Check all that apply.

- a) Not applicable – do not have an investment review process
- b) Do not have an investment review process because we distribute related issuers
- c) Rely on due diligence conducted by, or analyst report or assessment prepared by, another registered firm
- d) Rely on due diligence conducted by, or analyst report or assessment prepared by, issuer or unregistered third party
- e) Use a list of criteria to accept or reject an investment
- f) Analyze investment products recommended to clients (e.g. financial information, risk factors, investment objectives, investment structure and features)
- g) Have professional staff (e.g. CFA, CPA, CA, etc.) with adequate skills and experience to properly analyze investments to clients
- h) Meet with management to review corporate structure, corporate strategy, management reputation, experience and business plans
- i) Conduct an on-site visit with management
- j) Review and assess any applicable laws or regulations that may apply
- k) Review and assess the completeness and adequacy of the documents provided to investors and marketing materials relating to the investment
- l) Assess the existence of any conflicts of interest arising from factors such as the compensation structure and how to deal with these issues
- m) Compliance staff review and approve the investment
- n) Perform background check of issuers and their principals (e.g. internet search, cease trade order check, disciplined person check, etc.)
- o) Perform a criminal record check of issuers principals
- p) Analyze issuer's past and expected use of investor proceeds
- q) Assess quality of issuer's underlying operations and risks of the issuer
- r) Analyze issuer's financial statements to understand the issuer's current and expected financial condition, profitability, liquidity, operating cash flow and debt covenants
- s) Understand the fees and costs paid to the registrant, issuer and other parties (e.g. commissions, sales charges, trailer fees, management fees, incentive fees, referral fees, embedded fees, executive compensation)
- t) In addition to conducting the initial product due diligence, continue to monitor the financial condition (i.e. ongoing review of financial statements) and progress of the products
- u) Have a training program for employees who recommend investments to clients

Question 24 - Types of Documents Provided to Clients

What type of disclosure do you provide to your investor clients about the investment products you sell/distribute/trade and/or the services you provide? Check all that apply.

- a) Offering memorandum
- b) Term sheets
- c) Subscription agreements
- d) Client agreements
- e) Relationship disclosure information/documents
- f) Completed copy of Form 45-106F9 Risk Acknowledgment Form
- g) Other written material
- h) None of the above but verbal disclosure

Question 25 – Investor Client Age

Provide the percentage of your individual investor clients that are 60 or older.

0 %

Final Overall Feedback

1. On the spreadsheet, three of our pooled funds were only launched in 2015 and therefore did not have a full year of operations. I have estimated what the annual MER would be for those funds. They are the Crystal Wealth High Yield Mortgage Strategy, Crystal Wealth Retirement One Fund and Crystal Enlightened Bullion Fund.
2. For the IFM section, question 12, I have not netted the related party investments so the total AUM is different than the summary provided earlier in the IFM section.
3. For the PM section, question 1, I have netted the individuals total AUM by how much is invested in our pooled funds and netted the related party investments in our funds (institutional section) so as to avoid double-counting AUM.
4. For the EMD section, question 9, I would have answered \$0 if that were an option as we have not yet raised any capital through our EMD activities but we have been actively trying.

This is Exhibit "6" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017

Lily Ho
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

**Crystal Wealth Management
System Limited
Financial Statements**
For the years ended December 31, 2015 and 2014

Crystal Wealth Management System Limited
Financial Statements
For the years ended December 31, 2015 and 2014

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BDO Canada LLP
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 Burlington ON L7N 3N8 Canada

Independent Auditor's Report

To the Shareholders of
 Crystal Wealth Management System Limited

We have audited the accompanying financial statements of Crystal Wealth Management System Limited (the "Company"), which comprise the statements of financial position as at December 31, 2015 and 2014, and the statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management to meet the requirements of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, based on the financial reporting framework specified in subsection 3.2(3)(a) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for financial statements delivered by registrants.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting framework specified in subsection 3.2(3)(a) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for financial statements delivered by registrants, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Crystal Wealth Management System Limited as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with the financial reporting framework specified in subsection 3.2(3)(a) of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for financial statements delivered by registrants.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of presentation. The financial statements are prepared to assist Crystal Wealth Management System Limited to meet the requirements of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the shareholders of Crystal Wealth Management System Limited and the Ontario Securities Commission and should not be used by parties other than the shareholders of Crystal Wealth Management System Limited or the Ontario Securities Commission.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
 Burlington, Ontario
 March 30, 2016

Crystal Wealth Management System Limited Statements of Financial Position

December 31	2015	2014
-------------	------	------

Assets**Current**

Cash	\$ 56,827	\$ 142,296
Accounts receivable	288,136	241,289
Loan receivable (Note 4)	113,623	65,377
Income taxes recoverable	-	12,850
Prepaid expenses	<u>105,501</u>	<u>10,237</u>
	<u>564,087</u>	<u>472,049</u>

Non-current

Equipment (Note 3)	<u>12,206</u>	<u>10,345</u>
	<u>\$ 576,293</u>	<u>\$ 482,394</u>

Liabilities and Shareholders' Equity (Deficiency)**Current**

Accounts payable and accrued liabilities	\$ 296,759	\$ 242,042
--	------------	------------

Non-current

Due to related party (Note 5)	39,617	53,301
Subordinated loans (Note 6)	<u>466,500</u>	<u>163,000</u>
	<u>802,876</u>	<u>458,343</u>

Shareholders' equity (deficiency)

Share capital (Note 7)	493,360	493,360
Deficit	<u>(719,943)</u>	<u>(469,309)</u>
	<u>(226,583)</u>	<u>24,051</u>
	<u>\$ 576,293</u>	<u>\$ 482,394</u>

On behalf of the Board:

"Clayton Smith" Clayton Smith, Director

**Crystal Wealth Management System Limited
Statements of Changes in Shareholders' Equity (Deficiency)**

For the years ended December 31	2015	2014
Share capital		
Balance, beginning and end of year	<u>\$ 493,360</u>	<u>\$ 493,360</u>
Deficit		
Balance, beginning of year	(469,309)	(315,747)
Dividends paid (\$0.08/share)	-	(40,000)
Net and comprehensive loss for the year	<u>(250,634)</u>	<u>(113,562)</u>
Balance, end of year	<u>(719,943)</u>	<u>(469,309)</u>
Total shareholders' equity (deficiency)	\$ (226,583)	\$ 24,051

The accompanying notes are an integral part of these financial statements.

Crystal Wealth Management System Limited Statements of Comprehensive Loss

<u>For the years ended December 31</u>	<u>2015</u>	<u>2014</u>
Revenue		
Management fees (Note 5)	\$ 2,307,588	\$ 1,726,775
Consulting fees	-	8,925
Trustee fees (Note 5)	65,833	49,166
Accounting fees (Note 5)	115,395	107,949
Interest	<u>494</u>	<u>13,646</u>
	<u>2,489,310</u>	<u>1,906,461</u>
Expenses		
Commissions and trailer fees	122,601	133,675
Consulting fees	1,140,757	792,103
Depreciation	4,704	3,775
Interest and bank charges	20,360	9,354
Liability insurance	24,509	24,249
Management fees (Note 10)	-	200,000
Marketing	162,734	190,357
Office and telephone	183,940	155,041
Professional fees	192,068	119,902
Rent	71,345	36,847
Salaries and benefits	<u>816,926</u>	<u>364,587</u>
	<u>2,739,944</u>	<u>2,029,890</u>
Loss before income taxes	(250,634)	(123,429)
Income tax recovery (Note 11)	-	(9,867)
Net and comprehensive loss for the year	\$ (250,634)	\$ (113,562)

The accompanying notes are an integral part of these financial statements.

Crystal Wealth Management System Limited Statements of Cash Flows

For the years ended December 31	2015	2014
Cash flows from operating activities		
Net and comprehensive loss for the year	\$ (250,634)	\$ (113,562)
Add: Adjustments to reconcile net loss for the year to net cash used in operating activities		
Depreciation	4,704	3,775
Interest expense	20,360	9,354
Income tax recovery	-	(12,850)
Changes in non-cash working capital balances		
Accounts receivable	(46,847)	(167,903)
Prepaid expenses	(95,264)	(7,361)
Accounts payable and accrued liabilities	54,717	74,649
Income taxes received (paid)	<u>12,850</u>	<u>(9,893)</u>
	<u>(300,114)</u>	<u>(223,791)</u>
Cash flows from investing activities		
Loan receivable	(48,246)	(65,377)
Purchase of equipment	(6,565)	(7,913)
Repayment from related parties	-	115,102
	<u>(54,811)</u>	<u>41,812</u>
Cash flows from financing activities		
Advances from (repayments to) related party	(13,684)	53,301
Dividends paid	-	(40,000)
Proceeds from subordinated loans	303,500	95,000
Interest paid	<u>(20,360)</u>	<u>(9,354)</u>
	<u>269,456</u>	<u>98,947</u>
Decrease in cash for the year	(85,469)	(83,032)
Cash, beginning of year	142,296	225,328
Cash, end of year	\$ 56,827	\$ 142,296

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

1. Incorporation and Operations

Crystal Wealth Management System Limited (the "Company") is an investment fund manager incorporated under the Business Corporations Act (Ontario) on March 31, 1998. The Company was granted registration as an Investment Fund Manager ("IFM") with the Ontario Securities Commission at their principal office located at 3385 Harvester Road, Suite 200, Burlington, Ontario.

The Company provides management, trustee and accounting services to the ACM Growth Fund, ACM Income Fund, Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund), Crystal Enlightened Resource and Precious Metals Fund, Crystal Enlightened Factoring Strategy (Formerly Crystal Enlightened Income Fund), Crystal Wealth Medical Strategy (Formerly Crystal Wealth Medical Income Fund), Crystal Wealth Media Strategy (Formerly Crystal Wealth Strategic Yield Media Fund), Crystal Wealth Retirement One Fund, Crystal Wealth High Yield Mortgage Strategy and Crystal Enlightened Bullion Fund (commonly known as the "Funds"), as well as to individual investors.

The financial statements of the Company for the year ended December 31, 2015 were approved by the Board of Directors on March 30, 2016.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

Basis of Presentation

The financial statements have been prepared in accordance with the financial reporting framework specified in paragraph 3.2(3)(a) of National Instrument 52-107, *Acceptable Accounting Principles and Auditing Standards* for financial statements delivered by registrants (hereinafter the "special framework"). The special framework requires the financial statements to be prepared in accordance with International Financial Reporting Standards (IFRS) except that any investments in subsidiaries, jointly controlled entities and associates must be accounted for as specified for separate financial statements in IAS 27.

The Company's functional and presentation currency is the Canadian dollar.

Basis of Measurement

The financial statements have been prepared on the historical cost basis.

Critical Estimates and Judgments

The preparation of financial statements in compliance with the special framework requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

2. Significant Accounting Policies (Continued)

Equipment

Equipment is initially recorded at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized in net income and is based on the estimated useful life of the asset and is calculated as follows:

Office equipment	- 20% diminishing balance
Computer equipment	- 30% diminishing balance

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if necessary.

Revenue Recognition

Management fees are calculated as a percentage of the net asset value ("NAV") of the respective investment funds under management and are recognized on an accrual basis over the period during which the related services were rendered, paid monthly in arrears. The relevant management fee ratios are charged at 2.00% to 2.20%. Management fees for private clients are charged at 1.50% of Assets Under Management ("AUM").

All other fees are recorded on a monthly basis when service has been performed and collection is reasonably assured. Interest income is recognized as earned.

Income Taxes

Income tax expense comprises of current and deferred taxes. Current taxes and deferred taxes are recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The amount of the deferred tax asset or liability is measured at the amount expected to be recovered from or paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date and are expected to apply when the liabilities/(assets) are settled/(recovered).

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

2. Significant Accounting Policies (Continued)

Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in the Company's financial statements in the period in which the dividends are approved by the Board of Directors of the Company.

Leases

Leases, in which substantially all the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are charged to the statement of comprehensive loss on a straight-line basis over the period of the lease.

Financial Instruments

Classification and Measurement

Financial assets and financial liabilities are initially measured at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

Financial Assets

Financial assets are classified into one of four categories:

- i) Held-to-maturity ("HTM");
- ii) Fair value through profit or loss ("FVTPL");
- iii) Loans and receivables; and
- iv) Available-for-sale ("AFS").

Financial Assets at Fair Value Through Profit or Loss

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. These instruments are accounted for at fair value with the change in the fair value recognized in the statement of comprehensive loss during the year. Attributable transaction costs are recognized in the statement of comprehensive loss when incurred.

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

2. Significant Accounting Policies (Continued)

Financial Instruments (continued)

Classification and Measurement (continued)

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Loans and receivables are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method. Transaction costs incurred to acquire financial instruments classified as loans and receivables are included in the underlying balance. Cash, accounts receivable and loan receivable are classified as loans and receivables.

The Company does not have any financial assets classified as held-to maturity or available for sale financial assets.

Financial Liabilities

Financial liabilities are classified into one of two categories:

- i) Fair value through profit or loss; and
- ii) Other financial liabilities.

Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities that are incurred with the intention of generating profits in the near term are classified as fair value through profit or loss. Financial liabilities classified as FVTPL include derivative liabilities that are not accounted for as hedging instruments, obligations to deliver financial assets borrowed by a short seller and financial liabilities that are part of a portfolio of identified financial instruments that are managed together with the intention of generating profits in the near term. These instruments are accounted for at fair value with the change in the fair value recognized in the statement of comprehensive loss during the year. Attributable transaction costs are recognized in the statement of comprehensive loss when incurred. No financial liabilities are classified as fair value through profit or loss.

Other Financial Liabilities

Other liabilities are accounted for at amortized cost using the effective interest rate method. Accounts payable and accrued liabilities, due to related party and subordinated loans are classified as other financial liabilities. Transaction costs are included in the underlying balance.

Determination of Fair Value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

Fair Value Hierarchy

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets/liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

2. Significant Accounting Policies (Continued)

Financial Instruments (continued)

Fair Value Hierarchy (continued)

The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

At year end, the Company did not have any financial instruments measured at fair value.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancel or expire.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

At each reporting date, the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or receivable by the Company on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. The Company has no impairment loss from financial assets.

Impairment of Non-financial Assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of the asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

2. Significant Accounting Policies (Continued)

Impairment of Non-financial Assets (continued)

For the purpose of assessing the value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company has no impairment loss from non-financial assets.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Where discounting is used, the increase in the provision due to passage of time is recognized as a finance cost and included in interest expense.

Employee Compensation and Benefits

Wages, salaries, bonuses, payroll taxes and levies and paid annual leaves are accrued in the year in which the associated services are rendered by employees and when a reliable estimate of the obligation can be made.

Related Parties

For the purpose of these financial statements, a party is considered related to the Company if such party or the Company has the ability to, directly or indirectly, control or exercise significant influence over the other entity's financial and operating decisions, or if the Company and such party are subject to common significant influence. Related parties may be individuals or other entities.

Future Accounting Policies Issued but not yet Effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been early adopted by the Company.

Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards, amendments, and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 amends the requirements for classification and measurement of financial assets, impairment, and hedge accounting. IFRS 9 introduces an expected loss model of impairment and retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through profit or loss and fair value through other comprehensive income. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The effective date for IFRS 9 is January 1, 2018. The Company is in the process of evaluating the impact of the new standard.

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

2. Significant Accounting Policies (Continued)

Future Accounting Policies Issued but not yet Effective (continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 is based on the core principle to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 focuses on the transfer of control. IFRS 15 replaces all of the revenue guidance that previously existed in IFRSs. The effective date for IFRS 15 is January 1, 2017. The Company is in the process of evaluating the impact of the new standard.

Amendments to IAS 1 Presentation of Financial Statements

The amendments to IAS 1 are a part of a major initiative to improve disclosure requirements in IFRS financial statements. The amendments clarify the application of materiality to note disclosure and the presentation of line items in the primary statements provide options on the ordering of financial statements and additional guidance on the presentation of other comprehensive income related to equity accounted investments. The effective date for these amendments is January 1, 2016. The Company is in the process of evaluating the impact of these amendments.

IFRS 16 Leases

IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016, and will replace IAS 17 Leases ("IAS 17"). IFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is in the process of evaluating the impact of IFRS 16 on its financial statements.

**Crystal Wealth Management System Limited
Notes to Financial Statements**

December 31, 2015 and 2014

3. Equipment

	Office Equipment	Computer Equipment	Total
Year ended December 31, 2014			
Cost			
Balance January 1, 2014	\$ 47,045	\$ 38,534	\$ 85,579
Additions	-	7,913	7,913
Balance December 31, 2014	<u>47,045</u>	<u>46,447</u>	<u>93,492</u>
Depreciation and impairment losses			
Balance January 1, 2014	42,430	36,942	79,372
Depreciation for the year	923	2,852	3,775
Balance December 31, 2014	<u>43,353</u>	<u>39,794</u>	<u>83,147</u>
At December 31, 2014			
Cost	47,045	46,447	93,492
Accumulated Depreciation	43,353	39,794	83,147
Net book value	<u>\$ 3,692</u>	<u>\$ 6,653</u>	<u>\$ 10,345</u>
Year ended December 31, 2015			
Cost			
Balance January 1, 2015	\$ 47,045	\$ 46,447	\$ 93,492
Additions	-	6,565	6,565
Balance December 31, 2015	<u>47,045</u>	<u>53,012</u>	<u>100,057</u>
Depreciation and impairment losses			
Balance January 1, 2015	43,353	39,794	83,147
Depreciation for the year	739	3,965	4,704
Balance December 31, 2015	<u>44,092</u>	<u>43,759</u>	<u>87,851</u>
At December 31, 2015			
Cost	47,045	53,012	100,057
Accumulated Depreciation	44,092	43,759	87,851
Net book value	<u>\$ 2,953</u>	<u>\$ 9,253</u>	<u>\$ 12,206</u>

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

4. Loan Receivable

The loan receivable is due on demand, non-interest bearing and repayable within the next 12 months.

5. Related Party Transactions and Balances

	2015	2014
Loan from shareholder, unsecured, bearing interest at 5% annually, no fixed terms of repayment	<u>\$ 39,617</u>	<u>\$ 53,301</u>

The shareholder has waived its right to demand repayment of the above loan for the next twelve months. During the year, the Company received \$Nil (2014 - \$3,600) in interest.

The Company acts as a manager for the Funds in accordance with the respective agreements between the Funds and the Company. Under the agreements, the Company is responsible for management services, administration (for which it is reimbursed) and the distribution of securities of the Funds. The management fees are earned from the Funds. As at December 31, 2015, the Company has \$258,361 (2014 - \$203,000) receivable from the Funds, which is included in accounts receivable. The Company also acts as trustee for the Funds, for which it received \$65,833 (2014 - 49,166) in compensation. The Company also provides accounting services to the Funds for which it received \$115,395 (2014 - \$107,949). Effective January 1, 2016, the Company no longer provided trustee or accounting services to the Funds.

Pursuant to the Management Agreement between the Company and the Funds, the Funds are responsible for all expenses relating to the operation and the carrying on of their business, including legal fees and audit fees, interest, taxes and administrative costs relating to the redemption of securities as well as the cost of financial and other reports and compliance with applicable laws, regulations and policies. The Company acts as agent of behalf of the Funds for the ongoing allocation and payment of these expenses.

The Company is reimbursed by the Funds for all reasonable costs, expenses and liabilities incurred for performance of extraordinary services on behalf of the Funds in connection with the discharge by the Company of its management duties. Such costs and expenses may include, without limitation: mailing and printing expenses for reports to unitholders and other unitholder communications; a reasonable allocation of salaries, benefits and consulting fees; independent directors of the Manager and other administrative expenses.

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

5. Related Party Transactions and Balances (Continued)

Related Party Transactions (continued)

The Funds reimburse the Company for all amounts paid by the Company, which are expenses of the initial issue expenses of the offering of units under the Funds' offering memorandum, including the costs of creating and organizing the Fund, the costs of printing and preparing the offering memorandum, legal expenses of the Fund, certain expenses incurred by the agents of the Funds' initial offering and any expenses incurred in connection therewith.

6. Subordinated Loans

	<u>2015</u>	<u>2014</u>
Loan payable, unsecured, quarterly principal repayments of \$6,250, due September 2016, bearing interest at 10% per annum	\$ 30,500	\$ 49,250
Loans payable, unsecured with no fixed terms of repayment bearing interest at 5% per annum	<u>436,000</u>	<u>113,750</u>
	<u>\$ 466,500</u>	<u>\$ 163,000</u>

Repayment of the loans is subject to the approval of the regulator and the shareholders have waived the right to demand repayment in the next twelve months. During the year, the Company paid \$20,000 (2014 - \$6,500) in interest.

7. Share Capital

	<u>2015</u>	<u>2014</u>
Authorized		
Unlimited number of Class A common shares without par value		
Unlimited number of Class B common shares without par value		
Issued		
470,000 Class A common shares	\$ 463,758	\$ 463,758
30,000 Class B common shares	<u>29,602</u>	<u>29,602</u>
	<u>\$ 493,360</u>	<u>\$ 493,360</u>

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

8. Capital Management

The Company's objectives, when managing capital, are to safeguard the Company's ability to continue operations as a going concern and to comply with regulatory capital requirements to which the Company is subject.

The Company's capital is comprised of shareholders' equity (deficiency) of \$(226,583) (2014 - \$24,051) and subordinated loans of \$466,500 (2014 - \$163,000) and due to related party of \$39,617 (2014 - \$53,301). The capital at December 31, 2015 was \$279,534 (2014 - \$240,352). There have been no changes in how the Company defines capital or how it manages capital in the year.

The Company's management team is responsible for approving the Company's management objectives and policies and for overseeing the effective management of capital. The Company's capital objectives are met by ensuring that adequate cash generated from operations is available to meet funding requirements.

The Company was in compliance with its externally imposed capital requirements at December 31, 2015. The capital requirements are as follows:

- a) Maintain a minimum working capital of \$100,000 calculated pursuant to a prescribed formula in connection with its registration as an investment fund manager.
- b) Hold a minimum financial institution bond or insurance which contains prescribed clauses that provide for a double aggregate limit or a full reinstatement of coverage. The Company maintains a double aggregate limit of liability coverage.

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

9. Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Equity Market Risk

Market risk arises from the possibility that changes in security market prices will affect the level of assets under management ("AUM") of the funds. Fund AUM levels are directly related to equity and fixed income market performance, the Company's ability to retain existing AUM and attract new AUM. Changes in AUM levels will affect reported earnings. The Company manages market risks by managing a diverse selection of investment products and maintaining strong broker relationships. This risk has not changed from the previous year.

Liquidity Risk

The Company has financial liabilities outstanding, including accounts payable and accrued liabilities, subordinated loans and lease obligations. The Company manages its liquidity risk by reviewing liquidity resources, ensuring cash flows from operations and holdings of cash are sufficient to meet liabilities when they are due as well as ensuring adequate funds exist to support business strategies and operations growth. This risk has not changed from the previous year.

The following table lists the Company's contractual obligations as at December 31, 2015:

	2016	2017	2018 and Thereafter	Total
Accounts payable and accrued liabilities	\$ 296,759	\$ -	\$ -	\$ 296,759
Subordinated loans	- 466,500	466,500	-	466,500
Due to related party	- 39,617	39,617	-	39,617
Lease obligations	31,263	5,153	10,306	46,722
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 328,022	\$ 511,270	\$ 10,306	\$ 849,598

The following table lists the Company's contractual obligations as at December 31, 2014:

	2015	2016	2017 and Thereafter	Total
Accounts payable and accrued liabilities	\$ 242,042	\$ -	\$ -	\$ 242,042
Subordinated loan	- 163,000	163,000	-	163,000
Due to related party	- 53,301	53,301	-	53,301
Lease obligations	52,890	5,153	15,458	73,501
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 294,932	\$ 221,454	\$ 15,458	\$ 531,844

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

9. Risk Management (Continued)

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to accounts receivable that relate to base fees receivable from the Funds, which are managed by the Company. Management believes such accounts receivable and loans receivable are subject to minimal credit risk. This risk has not changed from the previous year.

10. Compensation of Key Management

Key management includes the Company's officers and directors. Internal directors are not eligible for director compensation. There were no post-employment or termination benefits paid. Salaries of the officer and director were \$200,000 (2014 - \$200,000).

11. Income Taxes

The difference between the Company's effective income tax rates and the amounts that would result from the application of the statutory income tax rates arises from the following:

	2015	2014
Loss before income taxes	\$ (250,634)	\$ (123,429)
Effective statutory combined rate	15.5 %	15.5 %
Income taxes using the Company's statutory rate	<u>(38,848)</u>	<u>(19,131)</u>
Non-deductible items and others	(3,746)	4,174
Unrecognized loss carryforwards	<u>42,594</u>	<u>5,090</u>
Income tax recovery	<u>\$ -</u>	<u>\$ (9,867)</u>

The Company has non-capital losses available for income tax purposes of approximately \$273,661 (2014 - \$32,836). These amounts can be used to reduce taxable income of future years. The potential income tax benefits arising from the foregoing are not recorded in these financial statements. Non-capital losses carried forward will expire, if not applied, as follows:

2034	\$ 32,836
2035	<u>240,825</u>
	<u>\$ 273,661</u>

Crystal Wealth Management System Limited Notes to Financial Statements

December 31, 2015 and 2014

12. Commitments

The Company is committed to future operating lease payments for its premises and equipment, pursuant to which minimum annual lease payments are as follows:

	Annual	Total
Less than 1 year	\$ 31,263	\$ 31,263
Between 1 and 5 years	<u>5,153</u>	<u>15,459</u>
	<hr/> <u>\$ 46,722</u>	

During the year, the Company paid \$59,102 (2014 - \$36,847) of lease payments, which are included in rent expense.

13. Funds Under Management

The Company has interests in the following funds through management fee agreements: ACM Growth Fund, ACM Income Fund, Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund), Crystal Enlightened Resource and Precious Metals Fund, Crystal Wealth Enlightened Factoring Strategy (Formerly Crystal Enlightened Income Fund), Crystal Wealth Medical Strategy (Formerly Crystal Wealth Medical Income Fund), Crystal Wealth Media Strategy (Formerly Crystal Wealth Strategic Yield Media Fund), Crystal Wealth Retirement One Fund, Crystal Wealth High Yield Mortgage Strategy and Crystal Enlightened Bullion Fund.

The Company is subject to the terms and conditions of the management fee agreements as well as each fund's respective offering memorandums, dated September 27, 2015 for all of the funds, except Crystal Enlightened Bullion Fund, which is dated July 17, 2015.

Details of the management fee agreements are as follows:

Management fees are calculated as a percentage of the net asset value ("NAV") of the respective investment funds under management and are recognized on an accrual basis over the period during which the related services were rendered, paid monthly in arrears. The relevant management fee ratios are charged at 2.00% to 2.20%. Management fees for private clients are charged at 1.50% of Assets Under Management ("AUM").

The Company's earnings from its interests in the funds are dependent upon the assets under management in each of the funds. The amount of assets under management are primarily impacted by equity and fixed income market performance.

The funds are financed through the investments of their unitholders.

The Company acts as an agent for the Fund and has discretion about the assets in which to invest. The Company collects fees which are commensurate with the services provided. The Company's remuneration does not expose the Company to significant variability of returns from the Funds.

This is Exhibit "7" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017


Lily Julia Ho
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.


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[INDIVIDUAL INFORMATION](#)
[ADMIN TOOLS](#)

Name
Residential Address
Personal Information
Citizenship
Registration Jurisdictions
Registration Categories
Address for Service
Terms and Conditions
Proficiency
Location of Employment
Current Employment
Previous Employment
Resignations and Terminations
Regulatory Disclosure
Criminal Disclosure
Civil Disclosure
Financial Disclosure
Ownership of Securities and Derivatives Firms
Regulatory Notes
Regulatory Actions

**438951 - SMITH,
CLAYTON**
**8000 - CRYSTAL WEALTH MANAGEMENT
SYSTEM LIMITED**
**Item 17 - Ownership of Securities and Derivatives
Firms**
Schedule N
[VIEW HISTORY](#)
Ownership of Securities and Derivatives Firms

Firm Name: Crystal Wealth Management System Limited

What is your relationship to the firm and the period of this relationship?

Partner

From :

To :

Major shareholder

From : 1998/03

To :

Provide the following information:

- a) State the number, value, class and percentage of securities, or the amount of partnership interest you own or propose to acquire when you are registered or approved as a result of the review of this form. If acquiring shares when you are so approved or registered, state the source (for example, treasury shares, or if upon transfer, state name of transferor).

Indirect ownership of 91.76% of the outstanding voting shares.

- b) State the market value (approximate, if necessary) of any subordinated debentures or bonds of the firm to be held by you or any other subordinated loan to be made by you to the firm:

N/A

- c) If another person or firm has provided you with funds to invest in the firm, provide the name of the person or firm and state the relationship between you and that person or firm:

N/A

- d) Are the funds to be invested (or proposed to be invested) guaranteed directly or indirectly by any person or firm?

No

- e) Have you directly or indirectly given up any rights relating to these securities or this partnership interest, or do you, when you are registered or approved as a result of the review of this form, intend to give up any of these rights (including by hypothecation, pledging or depositing as collateral the securities or partnership interest with any firm or person)?

No

- f) Is a person other than you the beneficial owner of the shares, bonds, debentures, partnership units or notes held by you?

No

Effective Date: 2016/11/08

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ADMIN TOOLS

Name
Residential Address
Personal Information
Citizenship
Registration Jurisdictions
Registration Categories
Address for Service
Terms and Conditions
Proficiency
Location of Employment
Current Employment
Previous Employment
Resignations and Terminations
Regulatory Disclosure
Criminal Disclosure
Civil Disclosure
Financial Disclosure
Ownership of Securities and Derivatives Firms
Regulatory Notes
Regulatory Actions

438951 - SMITH,
CLAYTON8000 - CRYSTAL WEALTH MANAGEMENT
SYSTEM LIMITED**Item 17 - Ownership of Securities and Derivatives Firms****Schedule N****Ownership of Securities and Derivatives Firms**

Firm Name: Crystal Wealth Management System Limited

What is your relationship to the firm and the period of this relationship?

Partner

From :

To :

 Major shareholder

From : 1998/03

To :

Provide the following information:

- a) State the number, value, class and percentage of securities, or the amount of partnership interest you own or propose to acquire when you are registered or approved as a result of the review of this form. If acquiring shares when you are so approved or registered, state the source (for example, treasury shares, or if upon transfer, state name of transferor).

Indirect ownership of 270,000 Class A common (voting) shares representing 63.5% of the outstanding voting shares.

- b) State the market value (approximate, if necessary) of any subordinated debentures or bonds of the firm to be held by you or any other subordinated loan to be made by you to the firm:

N/A

- c) If another person or firm has provided you with funds to invest in the firm, provide the name of the person or firm and state the relationship between you and that person or firm:

N/A

- d) Are the funds to be invested (or proposed to be invested) guaranteed directly or indirectly by any person or firm?

No

- e) Have you directly or indirectly given up any rights relating to these securities or this partnership interest, or do you, when you are registered or approved as a result of the review of this form, intend to give up any of these rights (including by hypothecation, pledging or depositing as collateral the securities or partnership interest with any firm or person)?

No

- f) Is a person other than you the beneficial owner of the shares, bonds, debentures, partnership units or notes held by you?

No

Effective Date: 2012/08/13

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This is Exhibit "8" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017


Lily Julia Ho
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

CONFIDENTIAL OFFERING MEMORANDUM

November 21, 2016

Continuous Offering

This Confidential Offering Memorandum constitutes a private offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Confidential Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus, advertisement or public offering of the securities referred to herein. No securities commission or similar regulatory authority has reviewed this Confidential Offering Memorandum or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. Persons who will be acquiring securities pursuant to this Confidential Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada.

The securities offered hereunder will be issued under exemptions from the prospectus requirements of applicable securities laws and will be subject to certain resale restrictions. This Confidential Offering Memorandum is confidential. By their acceptance hereof, prospective subscribers agree that they will not transmit, reproduce or make available to anyone this Confidential Offering Memorandum or any information contained herein.

CRYSTAL WEALTH MEDIA STRATEGY (previously, "Crystal Wealth Strategic Yield Media Fund")

Investment Objective:	The investment objective of the Crystal Wealth Media Strategy (the Fund) is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in asset-backed debt obligations of motion pictures and series television productions.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	The Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to continue to be low.
Suitability:	The Fund is suitable for anyone with greater than a one year investment horizon; however suitability must always take into account the investor's particular circumstances.

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Item 1 Use of Proceeds

The Fund will invest the net proceeds from the issue of Units in accordance with its investment objectives and strategies set out herein. See Item 2.2, Our Business. The net proceeds of this offering cannot be determined because Units are being offered on a continuous basis and there is no minimum offering. Sales commissions will vary depending on the fee negotiated by you with your dealer. See Item 6, Compensation Paid to Dealers. Because Units are offered on a continuous basis, other offering costs are treated as fees and expenses of the Fund. See Item 4.8, Fees and Expenses.

Item 2 Business of The Fund**2.1 Legal Structure**

The Fund is an open-ended mutual fund trust formed under the laws of the Province of Ontario as of September 2, 2011 [as “**Crystal Wealth Strategic Yield Media Fund**”] under a master declaration of trust (such document, as amended and restated December 17, 2007, and as it may be further amended from time to time is called the **Declaration of Trust** in this Offering Memorandum). Crystal Wealth Management System Limited (**Crystal Wealth** or the **Manager**) is the trustee and manager of the Fund.

2.2 Our Business*Investment Objective*

The investment objective of the Fund is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in asset-backed debt obligations of motion pictures and series television productions.

Investment Strategy

To achieve the Fund’s investment objective, it is intended that the Fund will purchase existing notes and other debt obligations, primarily notes evidencing short to medium term loans (12 - 48 months) that have been made to independent producers used to fund a portion of the production costs to complete motion pictures and series television productions. The Fund will not be in the business of making loans, but rather purchasing already existing securities such as notes and other debt obligations. The debt obligations that the Fund purchases will be secured by some or all of the following:

- All tangible and intangible assets of the Borrower (production) held by the lender including all of the Borrower’s rights, titles and interests in and to the production together with the copyrights and related intellectual property rights embodied therein;
- Specified receivables or sales proceeds emanating from the unsold distribution rights of the productions in different geographical territories of the world, subordinated to no other investors until recouped in full with interest, less any third party costs which may include approved sales agents, distributors, guilds and unions; and
- On an ancillary or secondary basis, the Federal, Provincial and State tax credit or government rebate programs.

There is no certainty that the value of the collateral will be sufficient to cover the amount owing.

A Borrower is the person who had obtained a loan, which debt obligation was subsequently sold or assigned to the Fund.

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The debt obligations which the Fund will purchase may carry unsecured contractual rights to receive a percentage of the net profits of particular projects, offering the Fund potential additional ongoing revenue should the productions be very successful. There is no guarantee that any amounts will be generated from this contractual net profit participation and the Fund will not account for any amounts therein in the valuation of its investments until such time as they are earned or receivable thereto.

The Fund does not intend to participate in unsecured equity-based investments in productions. Rather, the Fund invests in notes and other debt obligations that have a high ratio of projected collateral sales proceeds to debt (as outlined under Investment Strategy above.) The Fund will require that it is the first party to be paid out by the proceeds of the sale of distribution rights. In most cases, the successful repayment of the debt obligations does not rely on the film generating a high level of box office performance.

In analyzing the potential deals in which to invest, the Manager will look at, among other things, the following factors:

- The face value of the debt obligation compared to the overall budget of the production, with the objective being a maximum debt/budget ratio of 35%;
- The identity of the other financiers involved in the project to date;
- Track record of the producer;
- Experience of the sales agent together with minimum sales projections that will provide adequate debt coverage of the loan, with the objective being a minimum of 200%;
- The credibility of the sales estimates of the sales agent/distributor for the unsold territories;
- Key attachments, which include marketable talent (actors), and key crew members behind the camera (director, director of photography, production designer, etc.);
- Quality of the distributors and broadcasters pre-sold to date;
- Term of the debt, including projected timeline of recoupment with interest; and
- Other typical factors with respect to debt such as loan to value, personal guarantees of the producers, capital position of the production.

The Manager may, at its discretion, invest in other income-generating securities in order to try to maintain some liquidity of the Fund or to diversify the investment portfolio in the event of a downturn in the film and TV media market. These investments may include individual securities such as exchange-traded funds, bonds, T-Bills or other mutual funds managed by Crystal Wealth. The Manager will attempt to maintain sufficient cash and cash equivalents ("Cash Equivalents") such as a line of credit, treasury bills and other money market instruments to fund redemption requests for Units representing up to 5% of the Fund's net assets at all times.

Investment Restrictions

Securities legislation imposes several restrictions on the Fund including the following: (a) the Fund is prohibited from acquiring 20% or more (alone or together with any related mutual fund) of the voting securities of an issuer and (b) the Fund cannot invest in issuers of which the Manager or its associates own a significant interest (>10% voting securities). The Manager has received regulatory relief from the Ontario Securities Commission which permits the Fund to invest in underlying Crystal Wealth funds in excess of these limits.

The Fund does not engage in short sales or in securities lending.

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Investment Process

The Manager will monitor the Fund's asset mix and its risk and reward profile in the context of the state of the economy, the general financial markets and the independent film industry market in particular.

The Manager has entered into an agreement dated August 12, 2011 with Bron Capital Partners (formerly, "Media House Capital (Canada) Corp." (BCP), an independent company that specializes in the structuring, sourcing and administration of the loans in the independent film market underlying the debt obligations. The role of BCP is to source, advise in connection with the procurement of and service the debts through to maturity. BCP will monitor and periodically report on the performance, including the actual sales performance compared to target projections of those investments on an ongoing basis on behalf of the Fund, notifying the Manager of recommended action steps and facilitating taking action where necessary to ensure the successful completion of the Fund's investments.

Once a potential debt investment is sourced for the Fund by BCP or another administration company, the Manager will perform its due diligence and examine how the new debt fits into the overall investment portfolio from a diversification point of view. If the Fund invests in the debt, MHC will assist the Manager with servicing and monitoring the underlying loan until maturity and repayment.

The Manager may, at its discretion, invest in other securities in order to maintain the liquidity of the Fund or to further diversify the investment portfolio of the Fund. The Manager will, at all times, select investments to include in the portfolio which assist in meeting the investment objective of the Fund.

Investments in Other Funds Managed by Crystal Wealth

The Manager has obtained certain regulatory relief under which the assets of the Fund may be invested in units of other mutual funds managed by Crystal Wealth (an **Underlying Crystal Wealth Fund**). No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of the Underlying Crystal Wealth Fund, and no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would be a duplicate fee payable by the Underlying Crystal Wealth Fund for the same service. Specifically, any management fees charged to the Underlying Crystal Wealth Fund attributable to the assets of the Fund that are invested in the Underlying Crystal Wealth Fund and the HST payable thereon will be rebated back to the Fund at the end of each month in the form of a management fee rebate that will be reinvested in additional units of the Underlying Crystal Wealth Fund on behalf of the Fund.

The proportion of the Fund's assets invested in an Underlying Crystal Wealth Fund will be at the discretion of the Manager and consistent with the investment objectives of the Fund. The Fund is permitted to invest up to 100% of its assets in any one or a combination of Underlying Crystal Wealth Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

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Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Media Property Servicing Company ("MPSC")

The Manager will be relying on the expertise of BCP, a management firm that specializes in film finance and production in order to source potential investments for the Fund and monitor those investments on an ongoing basis. The Fund currently intends to purchase the majority of its loans from BCP. BCP operates in British Columbia and Ontario, with its registered office in Burnaby, British Columbia. While the current agreement with BCP is not exclusive and the Fund may enter into similar arrangements or engage other MPSCs going forward, the Fund is not currently a party to other similar arrangements.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services (IFDS), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

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Fund Accountant

Fund accounting services are provided by The Investment Administration Solution Inc. (IAS), 400-330 Bay St., Toronto, Ontario, M5H 2S8.

2.3 Material Agreements

Master Declaration of Trust

The following constitutes a summary of the general provisions of the Declaration of Trust. The Declaration of Trust sets out the powers and duties of the manager and the trustee of the Fund, the attributes of the Units, procedures for the purchase, exchange and redemption of Units, recordkeeping, calculation of the Fund's income and other administrative procedures. It also contains provisions for the selection of a successor trustee if Crystal Wealth should resign. Specific provisions of the Declaration of Trust dealing with series of Units and the rights of Unitholders are discussed under Item 4.1, Units.

The Declaration of Trust provides that the Fund or a series of Units of the Fund may be terminated on reasonable notice to investors and the subsequent distribution of the Fund's or series' net assets to investors.

The Declaration of Trust provides the trustee with a right of indemnification in carrying out its duties under the Declaration of Trust, provided that the trustee does not breach its standard of care.

Master Management Agreement

Crystal Wealth has entered into a Master Management Agreement dated as of April 12, 2007 and as amended from time to time by the parties (the **Management Agreement**) to facilitate the administration and portfolio management of the Fund. Under the Management Agreement, the Manager is responsible for providing directly, or for arranging other persons or companies to provide, administration of the Fund, investment portfolio advisory services, distribution services for the promotion and sale of the Fund's Units and other operational services. The Management Agreement contains a schedule of the management fee rates and sets out the operating expense reimbursement arrangements where applicable. The Fund pays the Manager an annual management fee of 2.0% of the average assets under management ("AUM") of Series A units of the Fund plus HST and an annual management fee of 1.0% of the AUM of Series F units of the Fund plus HST .

The Management Agreement will continue in effect unless and until terminated with respect to the Fund on at least 60 days' prior written notice. The Management Agreement may be terminated immediately upon written notice if any party is in breach of its terms and the breach has continued for at least 30 days without being remedied.

Under the Management Agreement, the Manager and its agents are not liable for any loss sustained by reason of the adoption or implementation of any investment policy or the purchase, sale or retention of any portfolio investment on behalf of the Fund. However, this limitation of liability does not protect the Manager against any liability to the Fund or Unitholders by reason of wilful misfeasance, bad faith or negligence in the performance of its duties under the Management Agreement.

Custodian Agreement

The Manager entered into a custodian services agreement with NBCN on July 26, 2004, under which NBCN will act as custodian of the assets of the Fund. For its services, NBCN receives a fee agreed to from time to time by NBCN and the Manager.

Securityholder Services Agreement

The Manager entered into a securityholder services agreement with IFDS on February 17, 2004 to have IFDS act as registrar, transfer agent, order processing and distribution disbursement agent and to perform certain administrative, trust accounting and other services with respect to the Fund. For its services, IFDS receives a fee agreed to from time to time by IFDS and the Manager.

Media Property Servicing Agreement

The Fund has entered into a Production Loan Administration Agreement with BCP dated August 12, 2011. BCP will not receive a fee from the Fund for its services, as it would have already been compensated by way of a loan facilitation fee, paid by the Borrower, of up to 10% of the face value of any loans that the Fund purchases from BCP. The Fund currently intends to purchase the majority of its loans from BCP. BCP will source, evaluate and present to the Fund all of the notes or debt obligations evidencing the loans that it or its affiliates have entered into. The Fund will then be entitled (but not obligated) to purchase the notes or debt obligations. BCP will manage and service the underlying loans purchased by the Fund. The Agreement may be terminated by the Fund if BCP acts unlawfully, dishonestly, in bad faith or is grossly negligent with respect to its business or if BCP materially breaches the agreement and that breach is not remedied within 30 days after written notice of the breach. The Agreement may also be terminated by either party on 90 days notice. The Fund may dispose of any debt it purchases if the underlying loan is in default or otherwise triggers an event of default.

Item 3 Directors, Management, Promoters and Principal Holders**3.1 Principal Holders**

As of the date of this Offering Memorandum, no person directly or indirectly beneficially owns or controls 10% or more of any series of Unit other than Crystal Wealth Retirement ONE Fund, which holds approximately 26% of the Series A Units and ACM Income Fund which holds approximately 12% of the Series A Units. Each of Crystal Wealth Retirement ONE Fund and ACM Income Fund are investment funds managed by the Manager.

3.2 Experience of the Manager and Lead Portfolio Strategist

The principal of the Manager is Clayton Smith, who is also the lead portfolio strategist. Mr. Smith has a broad background of investment and financing experience. Mr. Smith founded the Manager in 1998 and has been President and Chief Executive Officer since its creation. Prior to that, Mr. Smith was a financial planner for 4 years. Before entering the financial services industry, Mr. Smith served as an officer in the Canadian Armed Forces after attending Royal Military College.

3.3 Interests of Management and Conflicts of Interest

As stated, the Manager is engaged in activities as an investment fund manager, portfolio manager, distributor and promoter of Crystal Wealth investment funds and as an exempt market dealer. The Manager and its principals do not devote their time exclusively to the affairs of the Fund and they perform

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services for other persons and entities including other Crystal Wealth investment funds. The Manager is entitled to receive management and administrative services fees from Crystal Wealth investment funds and other client portfolios. From time to time, investment opportunities and transaction participation may have to be allocated among the investment funds and other client portfolios for which the Manager has responsibility. If this were to occur, the Manager will make the appropriate allocations in accordance with its written policies and in a manner which it considers to achieve a fair and equitable result for all affected client portfolios.

In its capacity as an exempt market dealer, the Manager and its dealing representatives may distribute units of the Fund and of other investment funds and pooled investment vehicles managed or sponsored by the Manager. Dealing representatives of the Manager are permitted to charge or receive an up-front placement fee for such distribution, to be negotiated with the investor, but not to exceed 5% of the total subscription amount. If the dealing representative and the investor agree to a placement fee, such fee is deducted and paid to the dealing representative and only the net amount is invested in the Fund. The Manager receives no separate placement fees but does receive a management fee which is charged to the Fund.

In its capacity as a portfolio manager, the Manager may manage the investment portfolios of clients on a discretionary basis, and in so doing may select the Fund or other Crystal Wealth investment funds for such managed accounts.

As described under "Our Business -- Investments in Other Funds Managed by Crystal Wealth", the Fund may invest in other Funds of which the Manager is the trustee and manager, although there is no duplication of management fees.

Due to the relationships described above, **the Fund may be considered to be a related or connected issuer of the Manager under applicable securities legislation.**

Additional information as to real and potential conflicts of interest, and the Manager's policies and procedures for addressing them, including the Manager's co-investment, personal trading, portfolio valuation, brokerage (order flow) allocation and soft dollar policies, are available by contacting the Manager.

3.4 *Penalties, Sanctions and Bankruptcy*

No director or senior officer or control person of Crystal Wealth or person holding a sufficient number of Units of the Fund to affect materially the control of the Fund has, in the last 10 years, been declared bankrupt or been subject to any penalties or sanctions imposed by a court or regulatory authority or been a director, senior officer or control person of any issuer that has been subject to any penalties or sanctions imposed by a court or by a regulatory authority while the director, officer or control person was a director, officer or control person of such issuer.

Item 4 Securities Offered

4.1 *Terms of Securities*

The securities being offered under this Offering Memorandum are Series A and Series F units of the Fund.

Units

An investment in the Fund is represented by Units. The Fund is permitted to have an unlimited number of series of Units and is authorized to issue an unlimited number of Units of each series. All series of Units of the Fund will be invested in the same portfolio of assets. To date, the Fund has created only one series of Units.

At a meeting of Unitholders, each Unitholder will have one vote for each dollar value of all Units owned by such Unitholder as determined based on the series net asset value per Unit at the close of business on the record date for voting for such meeting, with no voting rights being attributed to portions of a dollar of such value. Unitholders have limited voting rights.

Unitholders are also entitled to participate pro rata based on the Units held by them in distributions made out of the Fund (other than Management Fee Distributions, as described herein) and, on liquidation of its net assets (on a series by series basis). No certificates are issued by the Fund to represent the outstanding Units. Each Unit is transferable only in accordance with Declaration of Trust and subject to securities legislation, is not subject to future calls or assessments, and entitles the holder to rights of redemption.

Offering Price

The price of the Units of the Fund is an amount equal to the net asset value per Unit (**NAVPU**) determined from time to time. Currently, the NAVPU will be determined weekly, on the last business day of each week (each, a **Valuation Date**).

The NAVPU will also be determined on the last business day of each month and on any other day as the Manager in its discretion determines, but these dates will not be considered Valuation Dates for the purposes of Unitholder transactions.

4.2 Computation of Net Asset Values

The net asset value of the Fund (the **NAV**) and the net asset value per unit (**NAVPU**) will be calculated by the Manager or its agent in Canadian dollars on each Valuation Date by taking the value of all assets less the liabilities of the Fund.

In calculating the NAV of the Fund at any time:

- (a) the value of cash, promissory notes, receivables, prepaid expenses, dividends and interest declared or accrued but not yet received, will be deemed to be the face value thereof unless the Manager or its agent considers otherwise;
- (b) the value of treasury bills and other money market instruments will be the cost of such instruments plus the accrued interest up to and including the Valuation Date;
- (c) the value of any other securities for which there is a published market will be the closing market price for such securities (or if there is no closing price the average of the closing bid and ask prices) on the Valuation Date; provided that if in the opinion of the Manager or its agent, such price does not properly reflect the price which would be received by the Fund upon disposal of the securities, the Manager or its agent may place such value upon such securities as appears to the Manager or its agent to most closely reflect the fair value of such securities;

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- (d) the value of any other property for which a current third party valuation is available will be the value as determined by the third party valuator;
- (e) the value of all other property will be the value that the Manager or its agent determines in its reasonable discretion most accurately reflects its fair value;
- (f) the value of any asset measured in a foreign currency will be calculated by converting the value in the foreign currency into Canadian dollars using the rate of exchange current on the Valuation Date as determined by the Manager or its agent;
- (g) each transaction of purchase or sale of portfolio securities effected by the Fund will be reflected in the computation of the NAV not later than the first computation of such NAV made after the date on which such transaction becomes binding;
- (h) the issue or redemption of Units of the Fund will be reflected in the computation of the NAV no later than the next computation of such NAV made after the time as at which a NAVPU is determined for the purpose of the issue or redemption of the Units of the Fund; and
- (i) liabilities include only those expenses paid or payable by the Fund, including accrued contingent liabilities and management fees where they are known.

The NAVPU will be the NAV of the portfolio assets of the Fund attributable to the series divided by the number of Units of the series outstanding on the relevant Valuation Date.

A NAV will not be calculated if redemptions have been suspended by the Manager.

The value given to any pooled fund investments held by the Fund on a Valuation Date, including an Underlying Crystal Wealth Fund, is derived from the most recent net asset value information available to Crystal Wealth on that Valuation Date. Often, the only valuation information available is an estimate of the net asset value of the applicable pooled fund as of the Valuation Date, which in turn is based on estimated values of the pooled fund's underlying investments. These underlying investments may be difficult to value, as they may be illiquid and may trade infrequently or not at all. In some cases, subsequent information provided by the pooled fund may show an actual value that is different from the estimated value previously provided. No adjustment will be made to the number of Units purchased or redeemed by an investor in the Fund because of the use of estimated values in determining the net asset value of the Fund and the net asset value of each series of Units of the Fund.

4.3 *Redemption of Units*

A Unitholder may, upon request to the Manager in a manner and form acceptable to the Manager, redeem a portion or all of its Units at a redemption price equal to the NAVPU on the Valuation Date next following the date on which the request for redemption is received by the Manager, less any accrued and applicable fees and taxes. If the request is received by the Manager prior to 4:00 p.m. ET, on a Valuation Date, the redemption will be processed on that Valuation Date. Proceeds of redemption will be paid within three Business Days from such date either by cheque or electronic payment, as the Unitholder requests. No interest will be paid to the Unitholder on account of any delay in forwarding the proceeds of redemption to the Unitholder. If Units were purchased by cheque and then redeemed within seven business days of the purchase, the Fund may hold the redemption proceeds until the purchase cheque has cleared, which may take up to 10 business days for cheques drawn on a Canadian chartered bank and up to 45 business days for all other cheques.

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The Manager has the right to cause redemptions of Units to be suspended for the whole or any part of a period during which normal trading is suspended on any exchange or market on which securities representing more than 50% by value or underlying market exposure of the total assets of the Fund are traded. Any redemptions that would otherwise have taken place during the period of suspension will be effected at the close of business on the Valuation Date immediately following the termination of suspension unless, prior to that date, a Unitholder has withdrawn his or her redemption order.

The Manager has the right to cause redemptions of Units to be suspended if it receives redemption requests for Units representing more than the sum of amounts immediately available under the Fund's lines of credit, if any, and any cash on hand, treasury bills, bankers acceptances and other money market instruments (**Cash Equivalents**) that the Fund owns on any given Valuation Date. The purpose of this right is to safeguard against illiquidity in the Fund, and is in place to protect Unitholders who are not redeeming Units from the Fund. Without this right, the Manager could be forced to liquidate a portion of the Fund's portfolio at what could potentially be a reduced value. This right gives the Manager the ability to wait for new subscription proceeds to fund the redemptions; wait for a portion of the portfolio to mature; or effect an orderly sale of a portion of the portfolio. It is the Manager's intention to attempt to maintain a laddered structure to the Fund's portfolio with a portion of the portfolio maturing each month. Any redemptions that would otherwise have taken place during the period of suspension will be effected at the close of business on the Valuation Date immediately following the termination of suspension unless, prior to that date, a Unitholder has withdrawn his or her redemption request.

The Manager may, at any time and from time to time, by giving ten business days prior written notice to Unitholders, redeem all or any portion of the outstanding Units of a series on the next Valuation Date for a redemption price per Unit equal to the NAVPU for Units of that series calculated for such day. Among other reasons, the Manager could exercise this right if a particular series has so few Units outstanding that the Manager in its discretion deems it uneconomic to continue to offer the series. Alternatively, the Manager could exercise this right of redemption for tax purposes.

The Manager is also entitled to require the redemption of all or any part of the Units held by a Unitholder at any time in its discretion.

The Manager is entitled to require the redemption of all of the Units held by a Unitholder at any time that the Unitholder's account falls below \$5,000 in market value. Prior to exercising this right of redemption, the Manager will provide the Unitholder with 10 business days' prior notice to allow such Unitholder an opportunity to increase the value of its account to \$5,000 by purchasing more Units of the Fund.

4.4 Systematic Withdrawal Plans

Unitholders may make regular redemptions through a Systematic Withdrawal Plan (**SWP**). Once a SWP is authorized, the Manager will make automatic redemptions from the Unitholder's account according to the schedule chosen by the Unitholder. SWPs are available monthly or quarterly on any Friday of the month. If the selected Friday is not a business day, the SWP will be run on the Valuation Date immediately preceding it. In addition, all of the conditions, features, fees and charges discussed elsewhere in this Offering Memorandum apply to Units redeemed under the SWP program.

4.5 Distributions

The Fund intends to distribute to Unitholders in each taxation year such portion of its net income, including net realized capital gains, as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each taxation year. Distributions will be made monthly on the last Friday of the month. If the last Friday of the month is not a Business Day, the distribution will be

made on the Valuation Date immediately preceding it. In December of each year, the distribution will take place on a date between December 15 and December 31 to be determined by the Manager. The Manager may, at its discretion, decide to distribute to Unitholders a portion of its net income, including net realized capital gains, at other times during the year as well.

The Fund shall deduct or withhold from any distribution to a Unitholder who is, or is deemed to be, a non-resident of Canada for purposes of the Tax Act, or is a partnership that is not a "Canadian partnership" within the meaning of the Tax Act, any taxes or other amounts required to be deducted or withheld therefrom by the Fund under the Tax Act or any other applicable tax legislation. The Fund shall remit such deducted or withheld taxes or other amounts to the appropriate tax authority on behalf of the Unitholder. Any such taxes or other amounts remitted by the Fund shall be considered to have been paid by the Fund to the Unitholder in satisfaction of any distribution to the Unitholder by the Fund.

All distributions made by the Fund to each series of Units will be automatically reinvested in additional Units of the same series at the NAVPU thereof unless a Unitholder elects to receive his or her distribution in cash.

4.6 Short Term Trading Fee

In order to protect the interests of the majority of Unitholders of the Fund and to discourage short term trading in the Fund, Unitholders may be subject to a short-term trading fee. If a Unitholder redeems Units within 180 days of such Units having been acquired, the Fund may deduct and retain for the benefit of the remaining Unitholders 5% of the value of the Units redeemed.

4.7 Restriction on Non-Resident Unitholders

In order to ensure that the Fund qualifies as a "mutual fund trust" within the meaning of the Tax Act at all times, the Manager has the right, in accordance with the Declaration of Trust governing the Fund, not to accept a subscription for Units from, or issue or register a transfer of Units to, a Unitholder who is, or is deemed to be, a non-resident of Canada for purposes of the Tax Act, or is a partnership that is not a "Canadian partnership" within the meaning of the Tax Act. In addition, under certain circumstances, the Manager may require that such a Unitholder redeem its Units.

4.8 Fees and Expenses

Management Fee: The Manager is entitled to charge the Series A Units of the Fund a management fee at a maximum annual rate of 2% plus HST and the Series F Units of the Fund a management fee at a maximum annual rate of 1% plus HST. The base Trailer Fee on Series A Units (as described in Item 6) is paid by the Manager from out of this management fee. The management fee accrues daily and is payable monthly in arrears.

Trustee Fees: Crystal Wealth acts as trustee for the Fund and has chosen not to accept any compensation from the Fund for this service.

Management Fee Distributions: The Manager may, in its sole and absolute discretion, rebate part of its management fee to select Unitholders, effectively reducing the management fee that those Unitholders are paying. The amount of the reduction is distributed by the Fund (the **Management Fee Distribution**) to the investor for whose benefit the fees were reduced. Where applicable, Management Fee Distributions will be calculated on each business day and distributed on a regular basis by the Fund to the applicable investor, generally, first out of the net income of the Fund, including net realized capital gains of the Fund, and then as a return of capital. All Management Fee Distributions will be reinvested in additional

Units of the same series of Units of the Fund unless otherwise requested. The amount of the Management Fee Distribution will generally be treated for purposes of the Tax Act as income, capital gains or return of capital to the Unitholder receiving it.

Operating Expenses: The ongoing expenses of the Fund will be borne by the Fund, including without limitation, trustee fees, the fees and expenses of legal counsel and the Fund's auditors, communications to Unitholders, custodial arrangements, fund accounting fees, registrar and transfer agency fees, administration and recordkeeping, interest, brokerage fees, regulatory fees and taxes of all kinds to which the Fund is or might be subject to. The Fund is required to pay harmonized sales tax (HST) on the management fee and most of the other fees and expenses which it pays.

4.9 Subscription Procedure

Continuous Offering

Units of the Fund are offered on a continuous basis under this Offering Memorandum. This offering is being conducted pursuant to the prospectus exemption available under Section 2.3 (accredited investor) (**the Accredited Investor Exemption**) and Section 2.10 (minimum amount - \$150,000) (**the \$150,000 Exemption**) of National Instrument 45-106 *Prospectus Exemptions (NI 45-106)*.

The Manager may from time to time establish minimum initial investment amounts and minimum additional investment amounts. The Manager may in its discretion waive such minimum requirements on a temporary basis or on a case by case basis.

The Manager reserves the right to accept or reject subscriptions, to change the minimum amounts for investments in the Fund and to discontinue the offering of Units of the Fund at any time and from time to time. Any monies received with rejected subscriptions will be refunded within two business days, without interest or deduction.

Subscriptions may be placed by investors either directly with the Manager or through registered dealers or entities that are exempt from dealer registration. Prospective investors who wish to subscribe for Units must complete, execute and deliver the Subscription Agreement that accompanies this Offering Memorandum to the Manager or their dealer (as appropriate) and tender the subscription amount in a manner acceptable to the Manager. Units will be issued at the NAVPU on the Valuation Date next following receipt by the Manager of a subscription request (unless received on a Valuation Date prior to 4:00 p.m. E.T., in which case the Units will be issued on such Valuation Date). All subscriptions for Units of the Fund must be forwarded by dealers, without charge, the same day that they are received, to the Manager on behalf of the Fund.

A subscriber has the right to cancel the subscription by sending written notice of cancellation before midnight of the second business day after the subscriber signs the Subscription Agreement. Any subscription proceeds received will be held in trust for that period, and will be promptly returned to the subscriber without interest or deduction if the subscriber exercises his or her cancellation rights.

Additional Investments

Additional investments in the Fund are generally permitted in any amount, subject to any minimum holding prescribed from time to time by the Manager. Each additional investment can only be made pursuant to a prospectus exemption which is available at the time of the additional investment. For example, investors purchasing in reliance on the Accredited Investor exemption will be requested to represent that they continue to qualify as Accredited Investors at the time of each additional investment.

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Non accredited investors are able to make additional investments of any amount (subject to minimums prescribed by the Manager) provided that the investor is holding Units of the Fund with an acquisition cost or net asset value of \$150,000 or more.

At the time of making each additional investment in the Fund, each investor will be deemed to have repeated to the Fund the covenants and representations contained in the Subscription Agreement, delivered by the investor to the Fund at the time of the initial purchase.

The Manager reserves the right to change the minimum amount for additional investments in the Fund at any time and from time to time.

Following each purchase of Units, investors will receive written confirmation indicating details of the purchase transaction, including the dollar amount of the purchase order, the net asset value per unit and the number of Units purchased. For additional investments, the written confirmation will indicate the cumulative total of all Units held by the investor.

Pre-authorized Chequing Plan

Provided a Unitholder continues to have the status of an "accredited investor" or otherwise meets the prescribed investment qualifications, Unitholders may make regular purchases through a Pre-authorized Chequing Plan (PAC). Where the Unitholder is an individual investor relying on the Accredited Investor exemption, further arrangements, including the continued or ongoing provision of the prescribed risk acknowledgement form, may be required in order to comply with such exemption. Once a PAC is authorized, the Manager will make automatic withdrawals from the Unitholder's bank account according to the schedule chosen by the Unitholder and invest this sum in Units of the Fund. PAC withdrawals can be made monthly or quarterly, on any Friday in the month or quarter. If the chosen Friday is not a business day, the PAC will run on the next Valuation Date thereafter. In addition, all of the conditions, features, fees and charges discussed elsewhere in this Offering Memorandum apply to Units purchased under the PAC program.

Item 5 Certain Canadian Federal Income Tax Considerations

5.1 Disclaimer

An investment in Units of the Fund may give rise to tax consequences for Unitholders under the Tax Act and any applicable provincial, territorial, local or foreign tax laws. Prospective Unitholders are urged to consult with their own tax advisors with respect to the tax consequences of investing in Units of the Fund under the Tax Act and any applicable provincial, territorial, local or foreign tax laws based on their own particular circumstances.

5.2 Summary of Certain Canadian Federal Income Tax Considerations

The following is, as of the date of this Offering Memorandum, a general summary of certain Canadian federal income tax considerations generally applicable under the Tax Act to the Fund and Unitholders who at all relevant times, for purposes of the Tax Act, (i) are the beneficial owners of the Units, (ii) are individuals (other than trusts) resident in Canada, (iii) hold their Units as capital property, and (iv) deal at arm's length and are not affiliated with the Fund and its affiliates. Generally, Units will be considered to be capital property to the Unitholder thereof for purposes of the Tax Act provided that they are not held in the course of carrying on a business and have not been acquired in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their

Units, and any other “Canadian security” (as defined in the Tax Act) owned by such Unitholders in the taxation year in which the election is made, and in all subsequent taxation years, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors regarding the potential application and consequences of this election in their particular circumstances.

This summary is not applicable to a Unitholder that has entered or will enter into a “derivative forward agreement” as that term is defined in the Tax Act with respect to the Units. Such Unitholders should consult their own tax advisors.

This summary is based on provisions of the Tax Act in force on the date of this Offering Memorandum and the current published administrative policies and assessing practices of the Canada Revenue Agency (the “CRA”) publicly available prior to the date of this Offering Memorandum. This summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Offering Memorandum (the “Tax Proposals”) and assumes that the Tax Proposals will be enacted in their current form. There can be no assurance that any Tax Proposals will be enacted in their current form or at all. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in law whether by legislative, governmental, or judicial decision or action, or changes in the administrative policies and assessing practices of the CRA. In addition, this summary does not take into account any other federal or any provincial, territorial, local or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is based on the assumption that the Fund is and will continue to qualify at all times as a mutual fund trust for purposes of the Tax Act. This summary is also based on the assumption that the Fund has not been established or will not be maintained primarily for the benefit of non-residents of Canada for purposes of the Tax Act. If the Fund were not to qualify as a mutual fund trust under the Tax Act, then the Canadian federal income tax considerations would be materially different from those described herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding, or disposing of Units will vary depending on the Unitholder's particular circumstances, including the provinces in which the Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser of Units. Prospective Unitholders should consult their own tax advisors for advice with respect to the tax consequences to them of an investment in Units, based on their particular circumstances.

Status of the Fund

To qualify as a mutual fund trust for purposes of the Tax Act (i) the Fund must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its fund in property (other than real property or an interest in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in an immovable) that is capital property of the Fund or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of Units. The Fund must also not be established or maintained primarily for the benefit of non-residents of Canada in order to qualify as a mutual fund trust for purposes of the Tax Act. The Manager intends to ensure that the Fund will continue to qualify as a mutual fund trust at all times for purposes of the Tax Act.

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the particular year, including net realized taxable capital gains, less the portion thereof that it claims in respect of amounts paid or payable to Unitholders in the year. It is the Fund's intention to make distributions payable to Unitholders in such amounts in each taxation year and to deduct such amounts in computing its income in each taxation year as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each taxation year other than such tax on net realized capital gains that will be recoverable by the Fund in respect of such taxation year by reason of the capital gains refund mechanism under the Tax Act.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income, in accordance with the detailed rules under the Tax Act. The Fund may generally deduct the costs and expenses paid by the Fund in respect of the offering of its Units and not reimbursed at a rate of 20% per year, pro-rated where the Fund's taxation year is less than 365 days. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with detailed rules and limitations in the Tax Act.

In determining the income of the Fund, gains or losses realized upon the disposition or deemed disposition of a security will constitute capital gains or losses of the Fund in the taxation year in which realized unless the Fund is considered to be trading or dealing in such securities or otherwise carrying on an investment business of buying and selling securities or the Fund has acquired such securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Fund intends to purchase and will purchase securities with the objective of earning income over the life of the Fund and will take the position that gains and losses realized on the disposition or deemed disposition thereof are capital gains and capital losses.

Upon the actual or deemed disposition of a security, the Fund will realize a capital gain (or capital loss) to the extent the proceeds of disposition exceed (or are less than) the adjusted cost base of such security immediately before such disposition and any reasonable costs of disposition. One-half of the amount of any capital gain (a "taxable capital gain") realized by the Fund in a taxation year must be included in computing the Fund's income for the year, and one-half of the amount of any capital loss (an "allowable capital loss") realized by the Fund in a taxation year must be deducted against capital gains realized by the Fund in that taxation year. Allowable capital losses for a taxation year in excess of taxable capital gains in that year may be carried back and deducted by the Fund in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net realized taxable capital gains of the Fund in accordance with the provisions of the Tax Act.

The Fund will be entitled, for each taxation year throughout which it is a mutual fund trust, to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of its Units during the year ("capital gains refund"). The capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of securities in connection with a redemption of Units.

Taxation of Unitholders

Unitholders will generally be required to include, in computing their income for a taxation year, the amount of the Fund's net income for the taxation year of the Fund ending in, or coincidently with, the Unitholders' taxation year, including net realizable taxable capital gains, paid or payable to them

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(including by way of a Management Fee Distribution), whether or not reinvested in additional Units of the Fund or paid in cash or additional Units.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year in order to enable the Fund to utilize, in the taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. Such amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder's income. However, the adjusted cost base (within the meaning of the Tax Act) of the Unitholder's Units will be reduced by such amount (other than the non-taxable portion of the Fund's net realized capital gains as discussed below).

Provided that appropriate designations are made by the Fund, such portion of (i) the taxable dividends received or deemed to be received by the Fund on shares of taxable Canadian corporations (as defined in the Tax Act), and (ii) the net realized taxable capital gains of the Fund, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply, including the enhanced gross-up and dividend tax credit rules in respect of dividends designated in accordance with the Tax Act as "eligible dividends" (as defined in the Tax Act).

The non-taxable portion of the Fund's net realized capital gains, the taxable portion of which was designated in respect of a Unitholder in the year, that is paid or payable (whether in cash or additional Units) to the Unitholder in the taxation year will not be included in the Unitholder's income for the year. Such amount, however, will generally reduce the adjusted cost base of the Unitholder's Units. Any distributions by the Fund to a Unitholder by way of a return of capital will not be included in computing the Unitholder's income but will reduce the Unitholder's adjusted cost base of its Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain.

At the time a purchaser acquires Units of the Fund, the net asset value of the Units may reflect accrued income and capital gains and realized income and capital gains which have not been distributed. When and if such income and capital gains are distributed by the Fund to Unitholders, the income and the taxable portion of the capital gains will have to be included in the purchaser's income.

Any upfront sales charges paid by Unitholders on the acquisition of Units of the Fund are not deductible by Unitholders but can generally be added to the adjusted cost base of the Units purchased. In determining the adjusted cost base of Units for purposes of the Tax Act, the cost of newly-acquired Units must be averaged with the adjusted cost base of all other Units of the Fund held by the Unitholder as capital property at such time. The cost of Units acquired as a distribution of income or capital gains from the Fund will generally be equal to the amount of the distribution. Any additional Units acquired by a Unitholder on the reinvestment of distributions will generally have a cost equal to the amount reinvested.

Upon the actual or deemed disposition of a Unit, including the redemption of a Unit by the Fund, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit exceed (or are less than) the adjusted cost base of the Unit to the Unitholder immediately before such disposition and any reasonable costs of disposition. Under the Tax Act, one-half of any capital gain ("taxable capital gain") realized is generally included in a Unitholder's income and one-half of any capital loss ("allowable capital loss") realized must be deducted from taxable capital gains in accordance with the provisions of the Tax Act. Allowable capital losses realized in a particular taxation year in excess of taxable capital gains realized in that year may be carried back and deducted in any of the three

preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the rules in the Tax Act.

In general terms, net income of the Fund paid or payable to a Unitholder that is designated as taxable dividends from Canadian corporations or as net realized taxable capital gains as well as taxable capital gains realized by a Unitholder on a disposition or deemed disposition of its Units may increase the Unitholder's liability for alternative minimum tax.

Unitholders will be advised each year of the amount of net income, taxable dividends from taxable Canadian corporations, net realized capital gains and returns of capital paid or payable to them.

5.3 *Eligibility for Investment*

Provided that the Fund continues to qualify as a mutual fund trust at all times for purposes of the Tax Act, Units of the Fund should be qualified investments for a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a deferred profit sharing plan, a registered education savings plans, a registered disability savings plan and a tax-free savings account ("TFSA").

Notwithstanding the foregoing, the annuitant of a RRSP or RRIF or the holder of a TFSA will be subject to a penalty tax if Units of the Fund are held in a RRSP, RRIF or TFSA, as the case may be, and are a "prohibited investment" for such RRSP, RRIF or TFSA under the Tax Act. Units of the Fund will not be a prohibited investment for a RRSP, RRIF or TFSA provided the annuitant or holder, as the case may be, deal's at arm's length with the Fund for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Fund. In addition, Units of the Fund will generally not be a prohibited investment if such Units are "excluded property" as defined in the Tax Act. Unitholders should consult their own tax advisors as to whether Units of the Fund will be a prohibited investment in their particular circumstances.

Item 6 Compensation Paid to Dealers

6.1 *Sales Charge*

Registered dealers (each, a **Dealer**), whose dealing representatives sell Series A Units of the Fund may, with the agreement of the investor, charge an up-front fee to investors of up to 5% of the total subscription amount. As described under Item 3.3 Interests of Management and Conflicts of Interest, although a placement fee may be charged by a dealing representative of the Manager, the Manager itself does not charge or receive a separate placement fee.

6.2 *Trailer Fees*

The Manager will pay a monthly fee (the **Trailer Fee**) to Dealers to compensate the Dealers for ongoing services to their clients in respect of an investment in Series A Units of the Fund. The Trailer Fee is calculated based upon a percentage of the average daily value of the Series A Units of the Fund held by the clients of the Dealers. The Trailer Fee will be paid at a rate of up to 1.0% per annum.

Item 7 Risk Factors

An investment in the Fund involves certain risks. Investors should consider the following risk factors before investing.

7.1 Issuer Risks

General. Although the Fund intends to invest in a diversified portfolio of investments designed to mitigate short-term risk, investing in the Fund entails certain risks and is only suitable for investors who understand and are capable of bearing the risks of an investment in the Fund. All investments in securities and other financial instruments risk the loss of invested capital. There is no assurance that the Fund will achieve its overall investment objective. Prospective investors should carefully consider the following risk factors, which do not purport to be a complete list of the potential risks and conflicts of interest involved in an investment in the Fund. The NAVPU will vary directly with the market value and return of the investment portfolio of the Fund.

Reliance on Crystal Wealth. The Fund will be dependent on the knowledge and expertise of Crystal Wealth for investment advisory and portfolio management services. There is no certainty that the persons who are currently officers and directors of Crystal Wealth will continue to be officers and directors of Crystal Wealth.

Potential Conflicts of Interest. The Manager may also act in the same or similar capacities in respect of other entities. In that event, it may have responsibility for the management of the assets of other entities at the same time as it is managing the Fund's portfolio and may use the same or different information and trading strategies obtained, produced or utilized in managing the portfolio of the Fund. See Item 3, Directors, Management, Promoters and Principal Holders – Interests of Management and Conflicts of Interest.

No involvement by Unaffiliated Selling Agent or Other Professional Representing Unitholders. No securities dealer or selling agent unaffiliated with the Manager was involved with or has made any review or investigation of the terms of the this offering, the structure of the Fund or the background or history of the Manager and its principal. No legal counsel, investment dealer, accounting firm or other professional advisor acting on behalf of Unitholders has reviewed the terms of this offering. Consequently, prospective investors are advised to consult their own legal, tax or financial advisors in connection with the purchase of Units.

Unitholder Liability. Because of uncertainties in the law relating to trusts such as the Fund, there is a risk that a Unitholder could be held personally liable for obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the Fund's operations will be conducted in such a way as to minimize any such risk. In particular, the Manager will follow the investment strategy and process of the Fund and will use its best efforts to avoid such liability being placed upon the Unitholders. Based upon these measures being adhered to by the Fund, it is considered by the Manager that the risk of Unitholder liability is remote in the circumstances.

7.2 Investment and Market Risks

Market and Economic Conditions The market value of the Fund's investments will rise and fall based on developments in the broader equity and fixed income markets. Market values will also vary with changes in general economic and financial conditions. Fluctuations in the market values of such investments can occur for a number of reasons beyond the control of the Manager. Performance of the Fund will be affected by various factors including fluctuations in interest rates, business and consumer demand, general economic conditions and cycles, foreign and domestic political developments, competition, imposition of tariffs, duties or other taxes and government regulation, as applicable. Fluctuations in the exchange rates between the Canadian dollar and other currencies in which direct and indirect investments of the Fund are denominated will affect the value of Units when expressed in Canadian dollars.

Lack of Insurance. The assets of the Fund are not insured by any government or private insurer except to the extent portions may be deposited in bank accounts insured by a government agency such as the Canada Deposit Insurance Corporation or the Federal Deposit Insurance Corporation (United States) or with brokers insured by the Canadian Investor Protection Fund, or the Securities Investor Protection Corporation (United States) and such deposits and securities are subject to such insurance coverage (which, in any event, is limited in amount). Therefore, in the event of the insolvency of a depository or custodian, the Fund may be unable to recover all of its funds or the value of its securities so deposited.

Inability of Borrower to Pay. The Fund's income and funds available for distribution to Unitholders would be adversely affected if a significant number of Borrowers were unable to pay their obligations to the Fund or if the Fund was unable to invest its funds in debts on economically favourable terms or in a timely manner. On default by the Borrower, the Fund may experience delays in enforcing its rights as lender and may incur substantial costs in protecting its investment. The Fund may be unable to recover investment amounts lost on default of a Borrower.

Bankruptcy Remoteness. If any of the persons from whom the fund purchases debt obligations, currently Media House Capital, (the "loan originator") becomes subject to bankruptcy proceedings and if a court in the bankruptcy proceedings concludes that the sale from the loan originator to the Fund was not a "sale", then the Fund could experience losses or delays in the parent payments due pursuant to the debt obligations. While care is generally taken in structuring the transaction so as to minimize the risk of the sale to the Fund not being construed as a "true sale", there is no guarantee such structuring will be effective.

Risk of Co-mingling. To the extent that any funds received by the administrator of the loans is commingled with its own funds, the Fund may be exposed to a potential loss if the administrator fails to remit such amounts to the Fund. In order to minimize this risk, the payments on the debt obligations and the distributions thereof are usually administered by a collection agent, an independent third party so the Fund receives the payments of interest and principal directly from the collection agent rather than from the administrator.

Distribution Rights. The Fund's primary collateral is from unsold territory (distribution) rights, so the Fund will require that it is the first party paid out of proceeds of the sale of distribution rights from these territories. The value of this collateral is dependent on the ability to sell or license the distribution rights. The motion picture or television series may not be purchased for distribution or the expected returns or projections may not be as high as predicted. The sale of motion pictures or television series is a very unpredictable business, and the ability of a production company to produce a film of a quality sufficient to generate sales is unproven and depends upon the exercise of subjective judgments by the producers of the project, the MPSC, and sales agents utilized by the production company and the distributors to whom the production company will offer the project. Accordingly, it is possible that productions will not attract the interest of prospective purchasers and the Fund may lose the full amount of its investment in the debt obligation. Also, since the Film or production may be distributed worldwide, it is subject to risks associated with the collection, administration and enforcement of the debt obligations in other jurisdictions. To mitigate such risks, a collection agent is usually engaged. A collection agent will manage the collection of the foreign receipts and distribute them to the Fund and any other financiers entitled thereto. The creditworthiness and enforceability of the debt obligation in foreign territories remains a risk of the Fund.

Motion Picture and Television Series Production Risks. The film production industry is affected by changes in consumer preferences and by national, regional, and local economic conditions and demographic trends. Discretionary spending priorities, consumer preference and tastes, critical reviews, word of mouth, accidents of chance involving lead actors or personalities, and the type, number, and

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screenings of competing films will directly affect the success of a film. While the initial principal and interest of the investment is collateralized through various assets and security, changes in any of the above factors could adversely affect box office and ancillary markets performance, resulting in lower than expected returns due to changing market values, prices and higher default rates and also resulting in no returns in connection with the Fund's potential participation in profits.

Copyrights, Trademarks, Licenses. Copyrights, trademarks, licenses, etc. are an important part of the film business. Other parties may assert intellectual property infringement claims against a motion picture and may prevail. The Fund will either alone or through others, including MHC, conduct due diligence to try to ensure a clean chain of title for each motion picture or television series underlying each debt obligation it purchases. However, it is possible that, if other parties were to assert intellectual property infringement claims against the motion picture or television series, the production company could be required to engage in protracted and costly litigation, regardless of the merits of such claims, discontinue the use of certain components of the screenplay, develop replacement components, or enter into license arrangements with respect to the disputed intellectual property. The production company may not be able to develop alternative components and any necessary licenses may not be available or available on commercially reasonable terms. Responding to and defending against any of these claims could have a material adverse effect on the underlying business, results of operations and financial condition. While the initial principal and interest of the investment is collateralized through various assets and security, changes in any of the above factors could adversely affect the value and security of the assets and film productions.

Options and Other Derivative Investments. The Fund may purchase and sell options or enter into other derivative transactions that derive their value from movement in the price of other underlying securities. Such transactions may be used both for hedging purposes and to increase the possibility of achieving gains from any level of movement in the price of the underlying securities or groups of securities. The potential for greater gains, however, is inevitably accompanied by the increased risk of loss.

Use of derivative instruments in general presents additional risks. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Fund from achieving the intended hedge effect or expose the Fund to the risk of loss. In addition, derivative instruments may not be liquid in all circumstances, so that in volatile markets the Fund may not be able to close out a position without incurring a loss.

Although exchanges attempt to provide continuously liquid markets in which holders and writers of options can close out their positions at any time prior to the expiration of the option, there is no assurance that such a market will exist at all times for all outstanding options purchased or sold. If an options market were to become unavailable, the Fund could be unable to realize its profits or limit its losses until it could exercise options it holds, and the Fund would remain obligated until options it wrote were exercised or expired. As the Manager has restricted the Fund's investment in derivatives to include only exchange-traded contracts, there is no counterparty risk. Furthermore, the exchanges on which the derivative contracts are traded may set daily trading limits, preventing the Fund from closing out a particular contract. If an exchange halts trading in any particular derivative contract, the Fund may not be able to close out its position in that contract.

Lack of Suitable Investments. The ability of the Manager to make investments in accordance with the Fund's objectives and investment policies depends upon the availability of suitable investments and the amount of funds available. There can be no assurance that debts with suitable yields to meet the Fund's objective will be available.

Another factor that could influence the availability of suitable debts and the yields available thereon is the amount of competition that may enter this lending area during the coming years. While the Manager does not anticipate a significant increase in competition in the markets in which it intends to invest, there can be no assurance that it will not happen.

Failure to Meet Commitments. The Fund may commit to investing in future debts in anticipation of repayment of principal outstanding under existing debt investments. In the event that such repayments of principal are not made, the Fund may be unable to advance some or all of the funds required pursuant to the terms of its investment commitments, and consequently, the Fund may face liability in connection with its failure to fulfil such commitments.

Foreign Exchange Risk. The Fund may invest in debt obligations in foreign currencies. Accordingly, investors in the Fund may incur foreign current currency exposures that may have a positive or negative impact on the value of their investment. The Manager may, from time to time and in its sole discretion, use exchange traded derivatives to hedge the currencies to which the Fund is exposed.

Film Completion Risk. The Fund will invest in debt obligations during the production stage of the films and prior to completion. There is a risk that a film may not be completed due to various factors, including acts of god, force majeure, unfunded over-budgets and other unforeseen events. If the film is not completed, the Fund will lose its investment in the associated debt obligation. Some of these risks may be covered by insurance and the Fund will benefit from some or all of such proceeds. In other cases, a completion bond may be in place that may cover the completion and delivery risks. However, not all the investments will have the benefit of such completion bonds due to the additional financial costs of such bonds. In such cases, the Manager looks to the producer's track record and the ability by MHC to monitor the investments to help mitigate this risk.

Limited Recourse Risk. The Fund will invest in debt obligations. These investments are recouped by the Fund primarily through film production companies specifically set up for that film production. The production company may have limited or no other assets to collateralize the return. In certain circumstances, the debt obligation may carry some form of collateral guarantee from the production company's related or parent company, which would mitigate this risk. The Manager also looks to the producer's track record and ensures that the Fund is not financing all of the production costs to mitigate this risk.

Tax Credits and Government Rebates. As a secondary collateral, the Fund can sometimes benefit from returns from various tax credits and government rebates. There is a risk that government programs will change or, for other reasons, these tax credits and rebates will be unavailable. Also, there is a risk of defaults on the debt obligation by not completing the film, or may otherwise be ineligible to apply or obtain such tax credits or government rebates. There is also a risk that the government programs and tax rebates are cancelled. In addition, a collateral assignment of a tax credit is not enforceable against the Crown and there is an inherent risk of collection.

Performance and Marketability of Underlying Securities. There is no market in which some of the securities held by the Fund can be sold and, accordingly, there is no assurance that the securities acquired by the Fund can be sold for the values used to calculate the NAVPU.

Leverage. The Fund may directly or indirectly make use of leveraged investments. The use of leverage can magnify gains but may also increase the Fund's exposure to the risk of losing its capital.

Redemption Risk: Substantial redemptions of Units could require the Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions. Such actions could

adversely affect the value of the Units redeemed and of the Units that remain outstanding. In accordance with section 4.1, Terms of Securities, the Manager has the right to suspend redemptions in several circumstances as described therein. If the Manager were to exercise this right, Unitholders would not be able to redeem their Units until the suspension is lifted.

Legal, Tax and Regulatory Risks. Legal, tax and regulatory changes or events may occur that could adversely affect the Fund or the Unitholders. In particular, if the Fund experiences a "trust loss restriction event" the Fund (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Fund's net income and net realized capital gains, if any, at such time to Unitholders so that the Fund would not be liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses, inability to carry-forward capital losses, and restrictions on its ability to carry forward non-capital losses. Generally, the Fund would be subject to a loss restriction event if a person becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the Fund, as those terms are defined in the Tax Act. Generally, a person would be a majority-interest beneficiary of the Fund if it, together with persons and partnerships with whom it is affiliated for purposes of the Tax Act, owns more than 50% of the units of the Fund. The loss restriction event rules include relieving measures for trusts that meet certain conditions.

Marketability of Units. There is currently no secondary market through which the Units may be sold nor is one expected to develop. Redemptions are permitted only as described herein and there are circumstances in which the Fund may suspend redemptions. Accordingly, Units of the Fund may not be appropriate for investors seeking greater liquidity than weekly. Also, Units are only transferable in limited circumstances with the approval of the Manager.

Net Asset Value and Estimated Values. A portion of the calculation of the net asset value of the Fund could be based on estimated values provided by underlying funds. These estimated values are, in turn, based on values attributed to the underlying investments held in such funds, which investments may be illiquid and may trade infrequently or not at all. No adjustments will be made to the number of Units purchased or redeemed by an investor in a Fund because of the use of estimated values in determining the net asset value of a Fund, even if the estimated values that are used in calculating such net asset value are subsequently determined to differ significantly from the final values eventually obtained in respect of the underlying funds.

Item 8 Reporting to Unitholders

If a Unitholder has purchased Units through a Dealer, the Dealer is obliged to provide the Unitholder with account statements regarding their investment in the Fund. Unitholders who have purchased the Fund directly from the Manager will receive an annual and semi-annual account statement showing the Units held by them and any transactions for the preceding period. Investors who purchase Units directly from the Manager will also receive confirmation of their trade from the Manager.

In addition, Unitholders will receive the applicable tax form(s) identifying the Unitholder's distributions (including income, taxable dividends from taxable Canadian corporations, taxable capital gains and returns of capital).

The fiscal year end of the Fund is December 31. Unitholders have the right to elect to receive audited annual financial statements and unaudited semi-annual financial statements. An election request will be sent out annually and the Unitholder's choice will remain in effect for the following year.

Item 9 Other Disclosures**9.1 *Forward Looking Information***

The foregoing disclosure of investment objectives and strategies may constitute “forward-looking information” for the purpose of Ontario securities legislation, as it contains statements of the intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Manager of the success of its investment strategies in certain market conditions, relying on the experience of the Manager’s officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Manager and the success of its investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Manager’s intended strategies as well as its actual course of conduct. Investors are urged to read Item 7, Risk Factors, for a discussion of other factors that will impact the operations and success of the Fund.

9.2 *Anti Money-Laundering Legislation*

The Manager is required to comply with all applicable laws, regulations and administrative pronouncements concerning money laundering and other criminal activities (**Anti-Money Laundering Laws**), which includes implementing specific measures to detect and deter money laundering and financing of terrorist activity. Unitholders may be required to provide additional information regarding the Unitholder or their beneficial owner(s) or other information that the Manager deems necessary or advisable to ensure compliance with all Anti-Money Laundering Laws. Additional information is in the subscription agreement.

If the Manager is aware or suspects that a Unitholder is engaged in money laundering or if otherwise required by Anti-Money Laundering Laws, the Manager may undertake appropriate actions to ensure that the Fund or the Manager are in compliance with all such Anti-Money Laundering Laws. The Fund or the Manager may release confidential information about a Unitholder and, if applicable, any underlying beneficial owner(s), to governmental authorities. This reporting will not be a breach of privacy laws as it is required by law.

9.3 *Collection of Personal Information*

By subscribing for Units in the Funds, the Unitholder acknowledges that its name, residential address and telephone number and other specified information, including the number of Units it has purchased and the aggregate purchase price paid by the Unitholder, may be disclosed to Canadian securities regulatory authorities and other authorities governing the operations of the Fund and the Manager, and may therefore become available to the public in accordance with requirements of applicable Canadian laws. By subscribing for Units in the Funds, the Unitholder shall authorize such indirect collection of personal information.

9.4 *FATCA*

Under U.S. withholding tax and reporting requirements, commonly referred to as the Foreign Account Tax Compliance Act (“FATCA”), non-U.S. financial entities are required to collect information from their clients and directly or indirectly provide that information to the U.S. Internal Revenue Service (the “IRS”) in order to avoid a 30% U.S. withholding tax on payments of U.S. source income and gross proceeds. Canada enacted Part XVIII (“Part XVIII”) of the Tax Act and signed an Intergovernmental Agreement with the U.S. for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention to achieve the U.S. objectives of FATCA in a manner that is consistent with Canada’s

privacy and other laws. Unitholders will generally be required to provide to their financial advisor or dealer information related to their citizenship or residence for tax purposes and, if applicable, their U.S. federal tax identification number. If Unitholders do not provide that information or are identified as a U.S. citizen (including a U.S. citizen living in Canada) or a U.S. resident, details of the Unitholder's investment in the Fund will generally be reported to the CRA unless Units are held in a registered plan.

The CRA has agreed to provide the information to the IRS. If a Unitholder does not provide the information required to comply with obligations under Part XVIII, the Unitholder's Units may be redeemed. Unitholders should consult with their own tax advisors regarding the possible implications of FATCA for them and their investments.

9.5 *Restrictions on Transfer and Resale*

Because the Units are offered on a private placement basis in reliance on prospectus exemptions, they are generally not transferable, are subject to regulatory resale restrictions and may only be transferred from one holder to another with the written consent of the Manager. Applicable securities laws provide that securities purchased under a prospectus exemption may not be resold except on expiry of statutory hold periods or otherwise in compliance with such laws. However, Units are redeemable at net asset value, as described under Item 4.3 Redemption of Units.

9.6 *Language of Documents*

By receiving this document, you hereby confirm that you have expressly requested that all documents evidencing or relating in any way to the sale of securities described herein (including for greater certainty any purchase confirmation or notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Item 10 *Purchasers' Rights*

10.1 *Understanding your Rights*

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

10.2 *Two Day Cancellation Right*

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Manager by midnight on the 2nd business day after you sign the agreement to buy the securities.

10.3 *Statutory and Contractual Rights of Action in the Event of a Misrepresentation*

Subscribers in British Columbia

If there is a misrepresentation in this Offering Memorandum, subscribers resident in British Columbia will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or

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- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

All subscribers in British Columbia shall have these rights, regardless of whether the subscriber relies on the Accredited Investor Exemption or the \$150,000 Exemption.

Subscribers in Alberta

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Alberta will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

All subscribers in Alberta shall have these rights, regardless of whether the subscriber relies on the Accredited Investor Exemption or the \$150,000 Exemption.

Subscribers in Saskatchewan

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Saskatchewan will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Promoter and Trustee at the date of the Offering Memorandum or any amendment thereto, every person or company whose consent has been filed with the Offering Memorandum (but only with respect to reports, opinions or statements that have

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been made by them), every person who signs the Offering Memorandum or any amendment thereto, and every person or company that sells the securities on behalf of the Fund under the Offering Memorandum for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of one (1) year after learning of the misrepresentation and six (6) years after you signed the agreement to purchase the securities.

Subscribers in Manitoba

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Manitoba have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and two (2) years after you signed the agreement to purchase the securities.

Subscribers in Ontario

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Ontario will have a statutory right to sue the Fund:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier

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of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

Subscribers in New Brunswick

If there is a misrepresentation in this Offering Memorandum, subscribers resident in New Brunswick will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

Subscribers in Nova Scotia

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Nova Scotia will have a statutory right to sue:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 120 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 120 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

Subscribers in Prince Edward Island, Yukon, Northwest Territories or Nunavut

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Prince Edward Island, Yukon, Northwest Territories or Nunavut will have a statutory right to sue:

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- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

10.4 General

The foregoing summaries are subject to any express provisions of the securities legislation of each offering jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described herein are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

Item 11 Financial Statements

Completed financial statements for the Fund are available on the Manager's website www.crystalwealth.com and upon request from the Manager.

This is Exhibit "9" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017

Lily Julia Ho
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

Registration information was last refreshed on 2017-04-12 18:30 PST.

National Registration Search

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Only a registrant with "current registration" is allowed to advise or deal in securities in Canada.

Individual Registration Record

[Back to results](#)[Click !\[\]\(f2bff1dd801f4d61f630c6d8aff47feb_img.jpg\) for details](#)

Name: SMITH, Clayton (Edward) 

Other name(s) and/or previous name(s):

- BEHRINGER-SMITH, Clayton Edward

CURRENT REGISTRATION

Firm: **CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED**

Location of Employment:
192 Plains Road East
Burlington ON L7T 2C3 CAN
Phone: (905)332-4414

Alberta

Categories 

- Chief Compliance Officer (Exempt Market Dealer)
- Chief Compliance Officer (Portfolio Manager)
- Ultimate Designated Person
- Dealing Representative (Exempt Market Dealer)
- Advising Representative (Portfolio Manager)

Terms & Conditions

There are no terms or conditions for this registrant.

British Columbia

Categories 

- Chief Compliance Officer (Exempt Market Dealer)
- Chief Compliance Officer (Portfolio Manager)
- Ultimate Designated Person
- Dealing Representative (Exempt Market Dealer)
- Advising Representative (Portfolio Manager)

Terms & Conditions

There are no terms or conditions for this registrant.

Manitoba**Categories** 

- Ultimate Designated Person
- Dealing Representative (Exempt Market Dealer)
- Chief Compliance Officer (Exempt Market Dealer)
- Advising Representative (Portfolio Manager)
- Chief Compliance Officer (Portfolio Manager)

Terms & Conditions

There are no terms or conditions for this registrant.

Newfoundland and Labrador**Categories** 

- Ultimate Designated Person
- Chief Compliance Officer (Investment Fund Manager)

Terms & Conditions

There are no terms or conditions for this registrant.

Ontario**Categories** 

- Chief Compliance Officer (Investment Fund Manager)
- Chief Compliance Officer (Exempt Market Dealer)
- Chief Compliance Officer (Portfolio Manager)
- Ultimate Designated Person
- Dealing Representative (Exempt Market Dealer)
- Advising Representative (Portfolio Manager)
- Advising Representative (Commodity Trading Manager)

Terms & Conditions

1. This individual is subject to custom terms and conditions that address a unique situation.
Please see specific terms and conditions. ([Click for Details](#))

Québec**Categories** 

- Ultimate Designated Person
- Chief Compliance Officer (Investment Fund Manager)

Terms & Conditions

There are no terms or conditions for this registrant.

Saskatchewan**Categories** 

- Ultimate Designated Person
- Dealing Representative (Exempt Market Dealer)
- Chief Compliance Officer (Exempt Market Dealer)
- Advising Representative (Portfolio Manager)
- Chief Compliance Officer (Portfolio Manager)

Terms & Conditions

There are no terms or conditions for this registrant.

[Back to results](#)

This is Exhibit "10" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017

Lily Julia Ho
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

Request ID: 019758394
 Transaction ID: 63161725
 Category ID: (C)CC/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2017/01/03
 Time Report Produced: 15:53:47
 Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.


 Director
 Ministry of Government Services
 Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
1288167	CLJ EVEREST LTD.	1998/03/31	
Jurisdiction			
ONTARIO			
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address		Date Amalgamated	Amalgamation Ind.
3385 HARVESTER ROAD		NOT APPLICABLE	NOT APPLICABLE
Suite # 200 BURLINGTON ONTARIO CANADA L7N 3N2		New Amal. Number	Notice Date
		NOT APPLICABLE	NOT APPLICABLE
		Letter Date	
Mailing Address		NOT APPLICABLE	
3385 HARVESTER ROAD		Revival Date	Continuation Date
Suite # 200 BURLINGTON ONTARIO CANADA L7N 3N2		NOT APPLICABLE	NOT APPLICABLE
		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	NOT APPLICABLE
		EP Licence Eff.Date	EP Licence Term.Date
		NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	00001 00010	NOT APPLICABLE	NOT APPLICABLE

Request ID: 019758394
 Transaction ID: 63161725
 Category ID: (C)CC/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2017/01/03
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 Director
 Ministry of Government Services
 Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1288167

CLJ EVEREST LTD.

Corporate Name History

Effective Date

CLJ EVEREST LTD.

1998/03/31

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

Address

CLAYTON

747 SALES COURT

SMITH

MILTON
 ONTARIO
 CANADA L9T 0Z2

Date Began

First Director

1998/03/31

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 019758394
 Transaction ID: 63161725
 Category ID: (C)CC/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2017/01/03
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 Information System.


Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1288167

CLJ EVEREST LTD.

Administrator:
Name (Individual / Corporation)

Address

CLAYTON
 SMITH

MILTON
 ONTARIO
 CANADA L9T 0Z2

Date Began

First Director

1998/03/31

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Administrator:
Name (Individual / Corporation)

Address

CLAYTON
 SMITH

MILTON
 ONTARIO
 CANADA L9T 0Z2

Date Began

First Director

1998/03/31

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Request ID: 019758394
Transaction ID: 63161725
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/03
Time Report Produced: 15:53:47
Page: 4

Certified a true copy of the data as recorded on the Ontario Business Information System.


Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1288167	CLJ EVEREST LTD.

Last Document Recorded

Act/Code Description	Form	Date
CIA ANNUAL RETURN 2015	1C	2016/11/06 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this certified report in electronic form is authorized by the Ministry of Government Services.

September 24, 2014

PRIVATE AND CONFIDENTIAL

Crystal Wealth Management System Limited
3385 Harvester Road, Suite 200
Burlington, Ontario
L7N 3N2

Dear Shareholders:

Re: Qualified small business corporation shares

This letter summarizes our discussions with respect to the disposition of shares of Crystal Wealth Management Systems Limited by Scott Whale to 1150752 Ontario Ltd. In particular, you have asked us to determine if the shares of Crystal meet the Canadian Income Tax Act definition of "qualified small business corporation share" or "QSBC" as it is commonly referred to.

The definition is relevant because capital gains that arise from a disposition of this type of share are potentially eligible for the offsetting capital gains deduction of up to \$800,000. Note that other factors impact a taxpayer's ability to claim the deduction, such as a history of deducting investment type losses or expenses in excess of investment income (creating what is known as a "Cumulative Net Investment Loss" account) and the claiming of a special loss known as an Allowable Business Investment Loss. Please let us know if you would like assistance in determining if these apply to Scott.

Abbreviations

The following abbreviations have been used in this letter:

Crystal	Crystal Wealth Management Systems Limited
Scott	Scott Whale
1150752	1150752 Ontario Ltd
Gary	Gary Allen
ACB	Adjusted Cost Base
PUC	Paid Up Capital
FMV	Fair Market Value
the Act	The Income Tax Act (Canada)
CRA	Canada Revenue Agency

Comment [e11]: Are 1150752 and CJA simply holding for attorney fees AB?

Facts

It was necessary to establish a number of facts and make certain assumptions in the determination of QSBC status of the shares of Crystal. These are noted below and it is imperative that you review them for accuracy and contact us immediately if you note any facts that are not correct or believe that there is other information relevant to the analysis that we have not been made aware of.

- The shareholders of the corporation are based on the corporate shareholdings as noted on the organization chart attached;
- All shares held by Scott, Gary and Crystal have full voting rights and participation rights;

Comment [e21]: At the end of the document

- All shares held by Scott, [Gary] and Crystal have been owned by each taxpayer for at least two years;
- You have indicated that all the capital property owned by Crystal is used principally (more than 50%) in the active business of the company and has an estimated fair market value of \$160,000 at September 24, 2014;
- You have indicated that at September 24, 2014, the assets of Crystal are equal to the cost amount in the 2013 financial statements, other than the goodwill, which has an estimated value of \$7;
- The cash required within Crystal to meet operations is approximately \$150,000;
- All individuals are residents of Canada and are not US citizens or Green Card holders;
- 1150752 is a Canadian Controlled Private Corporation;
- We have used BDO prepared financial statements for Crystal's 2012 and 2013 year ends in order to determine if the shares are QSBCS's;
- We have not been engaged to provide a valuation of the assets or shares of the company and we will rely on the value provided by you to be accurate and complete. If you wish to engage us to provide this service, we would be pleased to do so. We have not conducted a valuation and do not express any opinion or estimate of calculation regarding the accuracy of the values noted above or provided to us in the financial statements.

Comment [a3]: BDO started preparing the T2 in 2011 - the shareholders were the same as per BDO in late 2011.

Comment [x4]: TBD

Comment [x5]: This includes the goodwill

Comment [a5]: TBD

Comment [x7]: Do we need this paragraph?

Qualified Small Business Corporation Share Analysis

There are a series of very complex rules covering an individual's entitlement to claim the capital gains deduction against the capital gain from the disposition of a QSBC share. In simplified terms the following qualifications must be met:

1. The shares must not have been owned by anyone other than the individual or a related person throughout the 24 month period immediately preceding their disposition ("the holding period").
 - In your situation, each current shareholder has held their shares for greater than 24 months and this requirement is not a problem.
2. The shares must be those of a corporation more than 50% of the assets of which (on a fair market value basis) were either:
 - a. used in an active business (generally considered to mean at least 50%) carried on, throughout the holding period, primarily in Canada by the corporation or a related corporation, or
 - b. shares or debt of connected corporations that in turn met test a);
 - A review of the BDO prepared balance sheets as summarized on Appendix A indicates that less than 50% of the value of the assets of Crystal consists of either assets used in that corporation's active business, the active business of a related corporation or shares or debt of a connected corporation that itself meets the 50% active business asset test.

- Crystal and CLJ Everest Ltd. are connected corporations in that there is either ownership of more than 10% of the shares having votes and value or the corporations are controlled by related parties.
3. The shares must be those of a corporation which, at the time the shares are disposed of, would qualify as a small business corporation ("SBC"). An SBC is defined to include a Canadian controlled private corporation all or substantially all (generally considered to mean at least 90%, on a fair market value basis) of the assets of which are either:
- a. used in an active business carried on primarily in Canada by the corporation or a related corporation, or
 - b. shares or debt of a connected corporation that in turn meets the 90% test in a);

In other words, while you only have to be over 50% business assets throughout the 2 years prior to sale, at the actual date of sale you must be over 90% active business assets.

- A review of the internally prepared financial statements for Crystal as of September 24, 2014 and the facts provided to us indicate that the shares of Crystal do not meet this determination time test as less than 90% of the assets are used in an active business carried on primarily in Canada (Appendix 1).

Comment [tag]: To see what has changed as of today - re cash and loans from SBC's

4. There is effectively a fourth test in Parent/Subsidiary structures. This test is a modification of 50% asset test in 2 above. The actual legislation is very complicated but in simple terms, if a parent corporation meets the 50% test by virtue of its holdings in a subsidiary (does not meet it on the basis of the active business assets it holds), then either: A) the parent must meet a modified test 2 above with a revised 90% criteria or B) the subsidiary itself must meet a 90% business asset use test.

- BCOMPANY holds assets that represent more than 50% of its FMV, that are used in a related corporation's (ECOMPANY) active business, therefore, Step 4 is not applicable to BCOMPANY and it meets all tests.
- HCOMPANY does not hold assets that it or a related corporation uses in an active business. A review of Step 2 indicates that HCOMPANY meets the test because of its shareholdings in ECOMPANY, which has more than 50% of its asset value represented by assets used in an active business. This fact requires a review of the fourth test, which dictates at least 90% of the value of HCOMPANY be represented by its investment in ECOMPANY. This test is met based on the information provided since HCOMPANY has insignificant assets other than its investment in ECOMPANY. If HCOMPANY did not meet this 90% criterion, then it would be necessary to review the assets of ECOMPANY to determine if they met a 90% test throughout the two year period. We understand that at all times throughout the past two years ECOMPANY did not meet the 90% test (it does meet it on DATE after steps were taken to remove surplus assets). However, the modified holding period test is still considered to be met by HCOMPANY since during that two year time period HCOMPANY did meet the 90% test and ECOMPANY met the 50% asset test.

Comment [tag]: To be completed

Conclusion

Based on the information provided to us, the shares of Crystal do not meet the Income Tax Act definition of Qualified Small Business corporation share on September 24, 2014.

The opinions expressed in this letter are our views as Chartered Accountants experienced in income tax matters. They are based on our interpretation of the *Income Tax Act (Canada)* and the *Income Tax Regulations* as they presently exist. None of the opinions are or should be construed to be legal or valuation opinions.

Please let us know when it would be convenient for us to discuss the above items further.

Yours truly,

David M. Veld, CPA, CA
Partner

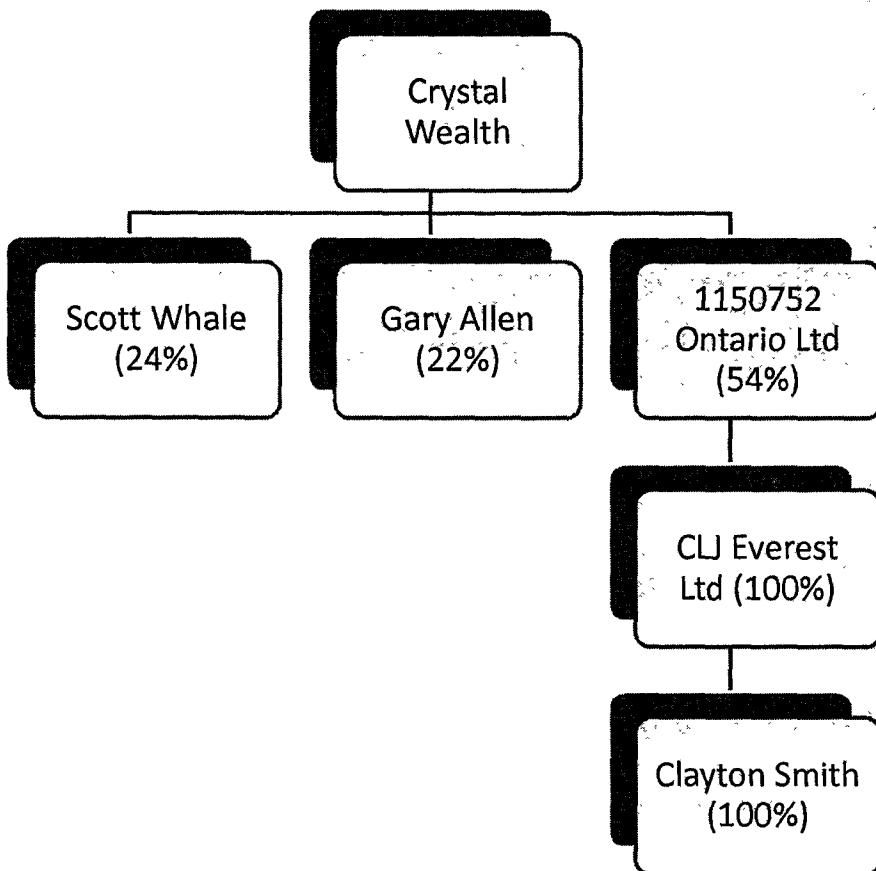
BDO Canada LLP
Chartered Accountants, Licensed Public Accountants

/lr

Appendix # 1 – Test # 2--50% of the fair market value of the Assets used in the Canadian Active Business for 24 Months

	2013	2012
Cash	\$ 112,000	\$ 1,500
Accounts receivable and prepaids	76,000	195,000
Due from related party	-----	-----
Fixed assets	6,000	8,000
Goodwill	-----	-----
Investment subsidiary	-----	-----
Offside assets * <u></u>	<u>228,000</u>	<u>230,500</u>
Total assets	422,000	435,000
% Onside assets to total	46%	47%

* Cash held in investment account + Loans from related parties



From: Clayton Smith <claytons@crystalwealth.com>
Sent time: 02/02/2015 02:04:57 PM
To: Jarrett, Scott
Cc: Cayla Altorf <caylaa@crystalwealth.com>; Cockayne, Michael
Subject: Re: Valuation Services
Attachments: Scan.pdf ATT00001.htm

Hi Michael,

Please find attached financials for last year with some notes on them.

I am working on the forecast for next three years and will get it to you as quickly as I can.

Thanks,

Clayton Smith, CAIA
Chief Executive Officer
Crystal Wealth
3385 Harvester Road, Suite 200
Burlington, ON L7N 3N2
(P) 905-332-4414
(C) 905-517-6172
(F) 905-332-6028
(TF) 877-299-2854

www.crystalwealth.com

4:10 PM
2015-01-21
Accrual Basis

Crystal Wealth Management System Ltd.
Balance Sheet
As of 31 December 2014

	31 Dec 14
ASSETS	
Current Assets	
Chequing/Savings	
COMMISSION BANK ACCOUNT	696.04
IB MASTER ACCOUNT	2,607.31
TD Bank	<u>26,035.00</u>
Total Chequing/Savings	29,238.35
Accounts Receivable	
Accounts Receivable	
Total Accounts Receivable	203,147.51
Total Accounts Receivable	203,147.51
Other Current Assets	
IFDS INVESTMENT ACCOUNT	3,282.91
LOAN TO FUNDS	254.25
NBCN INVESTMENT ACCOUNT	<u>112,018.00</u>
Pre-paid Expenses	7,849.41
Prepaid Taxes	2,388.00
Short term loan to Consultants	
DAVID BODANIS	31,864.06
PETER KINCH	29,523.43
VINCENT VALERI	<u>4,000.00</u>
Total Short term loan to Consultants	65,377.49
US MED FUND RECOVERABLE	3,201.86
Total Other Current Assets	194,371.92
Total Current Assets	426,757.76
Fixed Assets	
FURNITURE AND EQUIPMENT	
Accumulated Amortization	-42,430.40
COST	<u>47,044.51</u>
Total FURNITURE AND EQUIPMENT	4,614.11
Organization Costs	
Accumulated Amortization	-12,860.78
Cost	<u>12,860.78</u>
Total Organization Costs	0.00
Total Fixed Assets	4,614.11
Other Assets	
COMPUTERS	
Accumulated Amortization	-36,942.32
COST	44,586.61
COMPUTERS - Other	<u>1,859.98</u>
Total COMPUTERS	9,504.27
Total Other Assets	9,504.27
TOTAL ASSETS	<u>440,876.16</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	
Total Accounts Payable	177,161.73
Total Accounts Payable	177,161.73

management fees

-rent Toronto &
Burlington office
paid installments but
no taxes payable
for 2014.

-start-up costs
for a fund
to be charged
to the fund
this year.

commissions mostly

4:10 PM
2015-01-21
Accrual Basis

Crystal Wealth Management System Ltd.
Balance Sheet
As of 31 December 2014

	31 Dec 14
Other Current Liabilities	
GST INPUT TAX CREDIT	158.96
HST COLLECTED	44,856.41
HST INPUT TAX CREDIT	-26,900.45
Payroll Liabilities	13,189.46
Total Other Current Liabilities	<u>31,304.38</u>
Total Current Liabilities	<u>208,486.11</u>
Long Term Liabilities	
LOAN - CLJ Everest <i>(Clayton's holding company)</i>	167,051.28
SHAREHOLDER LOAN - WHALE 2	49,250.00
Total Long Term Liabilities	<u>216,301.28</u>
Total Liabilities	<u>424,767.39</u>
Equity	
DIVIDENDS PAID	-165,000.00
Opening Bal Equity	0.19
Retained Earnings	-190,749.90
SHAREHOLDER EQUITY - MBS <i>(Clayton's company)</i>	493,359.69
Net Income	-121,501.21
Total Equity	<u>16,108.77</u>
TOTAL LIABILITIES & EQUITY	<u>440,876.16</u>

4:10 PM

2015-01-21

Accrual Basis

Crystal Wealth Management System Ltd.

Profit & Loss

January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Income	
ACCOUNTING FEES	107,949.10 ~ charge \$21,000/fund.
CONSULTING FEES	8,924.78 ~ non-recurring
Interest Income	13,724.79
Management Fees	1,696,651.80 ~ funds a private clients.
TRUSTEE FEES	49,166.47 ~ charge \$10,000/fund.
Total Income	<u>1,876,416.94</u>
Expense	
Administration Fees	
AL HOUSEGO	292,948.48 } Crystal Wealth
DALE WELLS	383,377.74 } advisors' commissions.
DAVE BODANIS	1,376.73 }
JEFF MUSHALUK	82,798.01 }
PETER KINCH	869.90 }
VINCENT VALERI	18,224.24 }
Total Administration Fees	<u>779,595.10</u>
COMMISSIONS - TRAILER FEES	133,674.92 3rd party advisors' commissions
Dues and Subscriptions	4,417.00
GIFTS	245.40
Insurance	
Liability Insurance	15,774.00
Life	8,475.00 ~ buy/sell insurance on Clayton Scott.
Total Insurance	<u>24,249.00</u>
Interest & Bank Charges	7,883.40 ~ mostly on shareholder loans.
Licenses and Permits	17,121.50 ~ OSC fees (annual)
Management Fees Expense	200,000.00 ~ CLJ Everest (Clayton's Marketing)
Marketing	
Jennifer Pinto	15,578.93 ~ 27K conference salary)
Marketing - Other	152,091.63 ~ 10K website/printing
Total Marketing	<u>167,668.56 ~ 35K 3rd party marketing fees</u>
Meals & Entertainment	6,041.16
Miscellaneous	0.00
Office and telephone	
Harmony Software Fees	24,000.00 ~ terminating Jan 2015
Office and telephone - Other	38,829.66 \$2K/mo.
Total Office and telephone	<u>62,829.66</u>
PARKING	652.61
PAYROLL EXPENSES	
Bonuses	68,770.75 ~ 200K Scott
Payroll	290,771.40 ~ 80K Joanne
Professional Development	7,044.52 ~ 30K Cayla
Total PAYROLL EXPENSES	<u>364,586.67 ~ 80K payroll, etc.</u>
Postage and Delivery	2,404.67 ~ 15K non-recurring
Private Client Expense	50,170.30 ~ 10K one-time retainer 3rd party
Professional Fees	
Accounting	37,798.00 ~ 10K non-recurring
Compliance	10,000.00 ~ 10K one-time retainer 3rd party
Legal Fees	72,103.75 ~ Compliance
Total Professional Fees	<u>119,901.75 ~ roughly 60K non-recurring</u>

4:10 PM
2015-01-21
Accrual Basis

Crystal Wealth Management System Ltd.
Profit & Loss
January through December 2014

	Jan - Dec 14
Rent	
Toronto Office	7,397.43
Rent - Other	<u>29,449.20</u>
Total Rent	36,846.63
Taxes	
Federal	<u>2,982.63</u>
Total Taxes	2,982.63
TRAVEL & ACCOMODATION	<u>16,647.19</u>
Total Expense	<u>1,997,918.15</u>
Net Ordinary Income	<u>-121,501.21</u>
Net Income	<u>-121,501.21</u>

non-recurring

website/printing \$40K
 AIS - fund accounting \$22K
 Compliance retainer \$10K
 Legal \$60K
\$132K

net \$11k profit taking out non-recurring.

FORM 33-109F5
CHANGE OF REGISTRATION INFORMATION
(sections 3.1 and 4.1)

GENERAL INSTRUCTIONS

Complete and submit this form to notify the relevant regulator(s) or, in Québec, the securities regulatory authority, or self-regulatory organization (SRO) of changes to information in the following forms:

1. Form 33-109F6, except for the changes set out in section 3.1 of National Instrument 33-109, or
2. Form 33-109F4.

How to submit this form

To report changes to information in a Form 33-109F4, submit this form at the National Registration Database website in NRD format at www.nrd.ca.

Submit this form in a format other than NRD format to report changes to information in a:

- a) Form 33-109F6, or
- b) Form 33-109F4, if the individual is relying on the temporary hardship exemption in section 5.1 of National Instrument 31-102 [National Registration Database].

Name of firm Crystal Wealth Management System Limited

Registration categories PM, EMD, CTM and IFM in Ontario, which is PR

NRD number (firm) 8000

Item 1 Type of form

Check the form that is being updated:

Form 33-109F6

If submitting changes to Form 33-109F6, please attach a blackline of the amended sections of the form.

Form 33-109F4 Name of individual _____

Item 2 Details of change

Provide the item number and details for each change to the form selected above:

Item number 3.12 Details The firm's ownership has changed.

Effective date of change 2016-11-08
 (YYYY/MM/DD)

Item 3 Notice of collection and use of personal information

The personal information required under this form is collected on behalf of, and used by, the securities regulatory authorities in the jurisdictions set out in Schedule A to administer and enforce certain provisions of their securities legislation or derivatives legislation or both.

The personal information required under this form is also collected by and used by the SROs set out in Schedule A to administer and enforce their respective by-laws, regulations, rules, rulings and policies.

By submitting this form, the individual consents to the collection by the securities regulatory authorities or applicable SRO of this personal information, and any police records, records from other government or non-governmental regulators or SROs, credit records and employment records about the individual that the securities regulatory authorities or applicable SRO may need to complete their review of the information submitted in this form relating to the individual's continued fitness for registration or approval, if applicable, in

Schedule A
Contact information for
Notice of collection and use of personal information

Alberta

Alberta Securities Commission,
 Suite 600, 250-5th St. SW
 Calgary, AB T2P 0R4
 Attention: Information Officer
 Telephone: (403) 355-4151

British Columbia

British Columbia Securities Commission
 P.O. Box 10142, Pacific Centre
 701 West Georgia Street
 Vancouver, BC V7Y 1L2
 Attention: Freedom of Information Officer
 Telephone: (604) 899-6500 or (800) 373-6393 (in BC)

Manitoba

The Manitoba Securities Commission
 500 - 400 St. Mary Avenue
 Winnipeg, MB R3C 4K5
 Attention: Director of Registrations
 Telephone (204) 945-2548
 Fax (204) 945-0330

New Brunswick

New Brunswick Securities Commission
 Suite 300, 85 Charlotte Street
 Saint John, NB E2L 2J2
 Attention: Director, Regulatory Affairs
 Telephone: (506) 658-3060

Newfoundland and Labrador

Securities NL
 Financial Services Regulation Division
 Department of Government Services
 P.O. Box 8700, 2nd Floor, West Block
 Confederation Building
 St. John's, NL A1B 4J6
 Attention: Manager of Registrations
 Tel: (709) 729-5661

Nova Scotia

Nova Scotia Securities Commission
 2nd Floor, Joseph Howe Building
 1690 Hollis Street
 P.O. Box 458
 Halifax, NS B3J 2P8
 Attention: Deputy Director, Capital Markets
 Telephone: (902) 424-7768

Northwest Territories

Government of the Northwest Territories
 P.O. Box 1320
 Yellowknife, NWT X1A 2L9
 Attention: Deputy Superintendent of Securities
 Telephone: (867) 920-8984

Nunavut

Legal Registries Division
 Department of Justice
 Government of Nunavut
 P.O. Box 1000 Station 570
 Iqaluit, NU X0A 0H0
 Attention: Deputy Registrar of Securities
 Telephone: (867) 975-6590

Ontario

Ontario Securities Commission
 Suite 1903, Box 55
 20 Queen Street West
 Toronto, ON M5H 3S8
 Attention: Compliance and Registrant Regulation
 Telephone: (416) 593-8314
 e-mail: registration@osc.gov.on.ca

Prince Edward Island

Securities Registry
 Office of the Attorney General B Consumer, Corporate and
 Insurance Services Division
 P.O. Box 2000
 Charlottetown, PE C1A 7N8
 Attention: Deputy Registrar of Securities
 Telephone: (902) 368-6288

Québec

Autorité des marchés financiers
 800, square Victoria, 22e étage
 C.P. 246, tour de la Bourse
 Montréal (Québec) H4Z 1G3
 Attention: Responsable de l'accès à l'information
 Telephone: (514) 395-0337 or (877) 525-0337 (in Québec)

Saskatchewan

Saskatchewan Financial Services Commission
 Suite 601, 1919 Saskatchewan Drive
 Regina, SK S4P 4H2
 Attention: Director
 Telephone: (306) 787-5842

Yukon

Yukon Securities Office
 Department of Community Services
 P.O. Box 2703 C-6
 Whitehorse, YT Y1A 2C6
 Attention: Superintendent of Securities
 Telephone: (867) 667-5225

Self-regulatory organization

Investment Industry Regulatory Organization of Canada
 121 King Street West, Suite 1600
 Toronto, Ontario M5H 3T9
 Attention: Privacy Officer
 Telephone: (416) 364-6133
 E-mail: PrivacyOfficer@iirc.ca

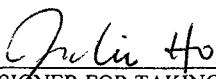
CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED**FORM 33-109F5****EXHIBIT "A"****Item 3.12 Ownership chart**

Attach a chart showing the firm's structure and ownership. At a minimum, include all parents, specified affiliates and specified subsidiaries (include the name of the person or company, and class, type, amount and voting percentage of ownership of the firm's securities):

Name of Entity	Name of Shareholder	Percentage of Voting Securities
Crystal Wealth Management System Limited	1150752 Ontario Ltd.	63.5%
	Scott Whale <u>CLJ Everest Ltd.</u>	28.26%
1150752 Ontario Ltd.	CLJ Everest Ltd.	100%
CLJ Everest Ltd.	Clayton Smith	100%

TOR01: 6576824: V+2

This is Exhibit "11" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017


A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

Request ID: 019872213
 Transaction ID: 63462499
 Category ID: (C)CC/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2017/02/02
 Time Report Produced: 08:19:06
 Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.


 Director
 Ministry of Government Services
 Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
1150752	1150752 ONTARIO LIMITED	1995/12/07	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address		Date Amalgamated	Amalgamation Ind.
3385 HARVESTER ROAD		NOT APPLICABLE	NOT APPLICABLE
Suite # 200 BURLINGTON ONTARIO CANADA L7N 3N2		New Amal. Number	Notice Date
		NOT APPLICABLE	NOT APPLICABLE
		Letter Date	
Mailing Address		NOT APPLICABLE	
3385 HARVESTER ROAD		Revival Date	Continuation Date
Suite # 200 BURLINGTON ONTARIO CANADA L7N 3N2		NOT APPLICABLE	NOT APPLICABLE
		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	NOT APPLICABLE
		EP Licence Eff.Date	EP Licence Term.Date
		NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors Minimum 00001	Date Commenced In Ontario	Date Ceased In Ontario
NOT AVAILABLE	Maximum 00015	NOT APPLICABLE	NOT APPLICABLE

Request ID: 019872213
Transaction ID: 63462499
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Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/02
Time Report Produced: 08:19:06
Page: 2

Certified a true copy of the data as recorded on the Ontario Business Information System.


Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1150752

1150752 ONTARIO LIMITED

Corporate Name History

Effective Date

1150752 ONTARIO LIMITED

1995/12/07

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

YES - SEARCH REQUIRED FOR DETAILS

Administrator:
Name (Individual / Corporation)

Address

CLAYTON
SMITH

2234 BROOKDALE STREET

BURLINGTON
ONTARIO
CANADA L7L 7K4

Date Began
1995/12/07

First Director

NOT APPLICABLE

Designation
OFFICER

Officer Type

Resident Canadian

SECRETARY

Y

Request ID: 019872213
 Transaction ID: 63462499
 Category ID: (C)CC/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2017/02/02
 Time Report Produced: 08:19:06
 Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.


 Director
 Ministry of Government Services
 Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1150752

1150752 ONTARIO LIMITED

Administrator:

Name (Individual / Corporation)

Address

CLAYTON

2234 BROOKDALE STREET

SMITH

BURLINGTON
 ONTARIO
 CANADA L7L 7K4

Date Began

1995/12/07

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

Address

CLAYTON

2234 BROOKDALE STREET

SMITH

BURLINGTON
 ONTARIO
 CANADA L7L 7K4

Date Began

2004/02/16

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

RESIDENT

Resident Canadian

Y

Request ID: 019872213
Transaction ID: 63462499
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/02
Time Report Produced: 08:19:06
Page: 4

Certified a true copy of the data as recorded on the Ontario Business
Information System.


Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1150752

1150752 ONTARIO LIMITED

Administrator:

Name (Individual / Corporation)

Address

CLAYTON

2234 BROOKDALE STREET

SMITH

BURLINGTON
ONTARIO
CANADA L7L 7K4

Date Began

2004/02/16

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Request ID: 019872213
Transaction ID: 63462499
Category ID: (C)CC/E

Province of Ontario
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Certified a true copy of the data as recorded on the Ontario Business Information System.


Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1150752	1150752 ONTARIO LIMITED

Last Document Recorded	Act/Code Description	Form	Date
	CIA ANNUAL RETURN 2015	1C	2016/11/06 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this certified report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "12" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017



A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

CONFIDENTIAL OFFERING MEMORANDUM

November 21, 2016

Continuous Offering

This Confidential Offering Memorandum constitutes a private offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Confidential Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus, advertisement or public offering of the securities referred to herein. No securities commission or similar regulatory authority has reviewed this Confidential Offering Memorandum or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. Persons who will be acquiring securities pursuant to this Confidential Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada.

The securities offered hereunder will be issued under exemptions from the prospectus requirements of applicable securities laws and will be subject to certain resale restrictions. This Confidential Offering Memorandum is confidential. By their acceptance hereof, prospective subscribers agree that they will not transmit, reproduce or make available to anyone this Confidential Offering Memorandum or any information contained herein.

CRYSTAL WEALTH MEDIA STRATEGY (previously, "Crystal Wealth Strategic Yield Media Fund")

Investment Objective:	The investment objective of the Crystal Wealth Media Strategy (the Fund) is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in asset-backed debt obligations of motion pictures and series television productions.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	The Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to continue to be low.
Suitability:	The Fund is suitable for anyone with greater than a one year investment horizon; however suitability must always take into account the investor's particular circumstances.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Media Property Servicing Company ("MPSC")

The Manager will be relying on the expertise of BCP, a management firm that specializes in film finance and production in order to source potential investments for the Fund and monitor those investments on an ongoing basis. The Fund currently intends to purchase the majority of its loans from BCP. BCP operates in British Columbia and Ontario, with its registered office in Burnaby, British Columbia. While the current agreement with BCP is not exclusive and the Fund may enter into similar arrangements or engage other MPSCs going forward, the Fund is not currently a party to other similar arrangements.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services (IFDS), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

CONFIDENTIAL OFFERING MEMORANDUM

November 21, 2016

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CRYSTAL WEALTH MORTGAGE STRATEGY (formerly "Crystal Enhanced Mortgage Fund")

Investment Objective:	The investment objective of the Crystal Wealth Mortgage Strategy (the Fund) is to generate a consistently high level of interest income while focusing on preservation of capital by investing primarily in residential mortgages in Canada.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	Based on the investment objective and strategy, as well as past experience, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be low.
Suitability:	The Fund may be suitable for anyone with greater than a one year investment horizon. However a suitability analysis must always take into account the investor's particular circumstances.

fee rebate that will be reinvested in additional units of the Underlying Crystal Wealth Fund on behalf of the Fund.

The proportion of the Fund's assets invested in an Underlying Crystal Wealth Fund will be at the discretion of the Manager and consistent with the investment objectives of the Fund. The Fund is permitted to invest up to 100% of its assets in any one or a combination of Underlying Crystal Wealth Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor, and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Mortgage Servicing Companies (MSCs)

The Manager will be relying on the expertise of licensed mortgage administration companies to service and monitor the mortgages in which the Fund invests. The Manager has signed, or may sign, a Mortgage Procurement and Administration Agreement (**MPA**) with such companies outlining the division of duties and responsibilities of the MSC and the Manager.

The Manager has discretion to modify or terminate any MPA or appoint additional mortgage administrators without notice to or the consent of Unitholders.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

CONFIDENTIAL OFFERING MEMORANDUM

November 21, 2016

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CRYSTAL ENLIGHTENED RESOURCE AND PRECIOUS METALS FUND

Investment Objective:	The investment objective of the Crystal Enlightened Resource and Precious Metals (the Fund) is to generate positive absolute annual returns by investing primarily in securities with economic exposure to the global resource and precious metals sector.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	AI Housego, CFP, CIM
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	Based on the investment objective and strategy, as well as past experience, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be high.
Suitability:	The Fund is suitable, as a minor component of their portfolio, for anyone with greater than a three year investment horizon; however suitability must always take into account the investor's particular circumstances.

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own a significant interest (>10% voting securities). The Manager has received regulatory relief from the Ontario Securities Commission which permits the Fund to invest in underlying Crystal Wealth funds in excess of these limits.

The Manager has imposed the following additional investment restrictions on the Fund:

- The Fund will limit its exposure to any one issuer to no more than 30% of the Fund's net assets on a cost basis, except for other funds managed by the Manager as described herein; and
- The Fund will not trade in over-the-counter derivatives;

Investment Process

The Manager will continuously monitor and adjust the Fund's asset mix and its risk and reward profile in the context of the state of the economy and the conditions in the financial markets.

The Manager may, at its discretion, invest in other securities in order to maintain the liquidity of the Fund or to further diversify the investment portfolio of the Fund. The Manager will, at all times, select investments to include in the portfolio which assist in meeting the investment objective of the Fund.

Investments in Other Funds Managed by Crystal Wealth

The Manager has obtained certain regulatory relief under which the assets of the Fund may be invested in units of other mutual funds managed by Crystal Wealth (an **Underlying Crystal Wealth Fund**). No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of the Underlying Crystal Wealth Fund, and no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would be a duplicate fee payable by the Underlying Crystal Wealth Fund for the same service. Specifically, any management fees charged to the Underlying Crystal Wealth Fund attributable to the assets of the Fund that are invested in the Underlying Crystal Wealth Fund and the HST payable thereon will be rebated back to the Fund at the end of each month in the form of a management fee rebate that will be reinvested in additional units of the Underlying Crystal Wealth Fund on behalf of the Fund.

The proportion of the Fund's assets invested in an Underlying Crystal Wealth Fund will be at the discretion of the Manager and consistent with the investment objectives of the Fund. The Fund is permitted to invest up to 100% of its assets in any one or a combination of Underlying Crystal Wealth Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager, commodity trading manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the

Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Prime Broker

The prime broker of the Fund is Interactive Brokers Canada Inc., a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 1800 McGill College Avenue, Suite 2106, Montreal, Quebec, H3A 3J6.

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services (IFDS), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

Fund Accountant

Fund accounting services are provided by The Investment Administration Solution Inc. (IAS), 400-330 Bay St., Toronto, Ontario, M5H 2S8.

2.3 Material Agreements

Master Declaration of Trust

The following constitutes a summary of the general provisions of the Declaration of Trust. The Declaration of Trust sets out the powers and duties of the manager and the trustee of the Fund, the attributes of the Units, procedures for the purchase, exchange and redemption of Units, recordkeeping, calculation of the Fund's income and other administrative procedures. It also contains provisions for the

CONFIDENTIAL OFFERING MEMORANDUM

November 21, 2016

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CRYSTAL WEALTH MEDICAL STRATEGY (Previously, "Crystal Wealth Medical Income Fund")

Investment Objective:	The investment objective of the Crystal Wealth Medical Strategy (the Fund) is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in U.S. medical receivables factoring facilities contracts (MRFFCs).
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	Based on the investment objective and strategy, as well as past experience, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be low.
Suitability:	The Fund is suitable for anyone with greater than a one year investment horizon; however suitability must always take into account the investor's particular circumstances.

- 6 -

Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Prime Broker

The prime broker of the Fund is Interactive Brokers Canada Inc., a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 1800 McGill College Avenue, Suite 2106, Montreal, Quebec, H3A 3J6.

CONFIDENTIAL OFFERING MEMORANDUM

November 21, 2016

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CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY (Previously, "Crystal Enlightened Income Fund")

Investment Objective:	The investment objective of the Crystal Wealth Enlightened Factoring Strategy (the Fund) is to provide consistently positive total returns while seeking to protect against downside risk by investing primarily in commercial factoring contracts. The Fund is also authorized to invest in other securities described herein.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Al Housego, CIM
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	Based on the investment objective and strategy, as well as past experience, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be low.
Suitability:	The Fund is suitable for anyone with greater than a one year investment horizon; however suitability must always take into account the investor's particular circumstances.

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permitted to invest up to 100% of its assets in any one or a combination of Underlying Crystal Wealth Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Prime Broker

The prime broker of the Fund is Interactive Brokers Canada Inc., a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 1800 McGill College Avenue, Suite 2106, Montreal, Quebec, H3A 3J6.

CONFIDENTIAL OFFERING MEMORANDUM

May 6, 2016

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ACM INCOME FUND ACM GROWTH FUND

Investment Objective:

The investment objective of ACM Income Fund (the **Income Fund**) is to provide a consistent level of current income while protecting against loss of capital. The investment objective of ACM Growth Fund (the **Growth Fund**) is to provide long term capital appreciation while minimizing the risk of loss of capital.

Manager:

Crystal Wealth Management System Limited

Lead Portfolio Strategist:

Clayton Smith, CAIA

Structure:

Mutual fund trust

Registered Plan Eligibility:

100% eligible for all registered plans

Investor Eligibility:

Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.

Investment/Redemption:

Each of the Income Fund and the Growth Fund (together, the **Funds**) is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in a Fund is affecting other Unitholders. Details are found in this Offering Memorandum.

Risk Level:

Based on the investment objective and strategy, as well as past experience, the Manager expects the volatility of the Funds, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be low for the Income Fund and moderate to high for the Growth Fund.

Suitability:

Suitability must always take into account the investor's particular circumstances.

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The Funds will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Funds, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which a Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Funds. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager, commodity trading manager and portfolio manager. The Manager will manage the affairs of the Funds in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Funds and will be responsible for execution of each Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 3385 Harvester Road, Suite 200, Burlington, Ontario, L7N 3N2.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Fiscal Year

Each Fund's financial year end is December 31 in each year. A Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Funds. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Funds is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Prime Broker

The prime broker of the Funds is Interactive Brokers Canada Inc., a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 1800 McGill College Avenue, Suite 2106, Montreal, Quebec, H3A 3J6. [To confirm – do these Fund need a prime broker.]

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services (IFDS), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

CONFIDENTIAL OFFERING MEMORANDUM

November 21, 2016

Continuous Offering

This Confidential Offering Memorandum constitutes a private offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Confidential Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus, advertisement or public offering of the securities referred to herein. No securities commission or similar regulatory authority has reviewed this Confidential Offering Memorandum or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. Persons who will be acquiring securities pursuant to this Confidential Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada.

The securities offered hereunder will be issued under exemptions from the prospectus requirements of applicable securities laws and will be subject to certain resale restrictions. This Confidential Offering Memorandum is confidential. By their acceptance hereof, prospective subscribers agree that they will not transmit, reproduce or make available to anyone this Confidential Offering Memorandum or any information contained herein.

CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY

Investment Objective:	The investment objective of the Crystal Wealth High Yield Mortgage Strategy (the Fund) is to generate a consistently high level of interest income while focusing on preservation of capital by investing primarily in residential 2 nd mortgages in Canada.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	Based on the investment objective and strategy, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be low to moderate.
Suitability:	The Fund is suitable, as a minor component of an investor's portfolio, for anyone with greater than a one year investment horizon; however suitability must always take into account the investor's particular circumstances.

Investment Restrictions

Securities legislation imposes several restrictions on the Fund including the following: (a) the Fund is prohibited from acquiring 20% or more (alone or together with any related mutual fund) of the voting securities of an issuer and (b) the Fund cannot invest in issuers of which the Manager or its associates own a significant interest (>10% voting securities). The Manager has received regulatory relief from the Ontario Securities Commission which permits the Fund to invest in underlying Crystal Wealth funds in excess of these limits.

Investment Process

The Manager will continuously monitor the Fund's asset mix and its risk and reward profile in the context of the state of the economy, the general financial markets and the Canadian real estate markets.

The Manager is presented with potential mortgage investments by various mortgage administration companies. The Manager then performs its due diligence and examines how the new potential mortgage fits into the overall investment portfolio from a diversification point of view. If the Manager decides to purchase the mortgage for the Fund, the administration company takes over servicing the mortgage on behalf of the Fund until maturity and repayment, at which time the principal will be redeployed into another mortgage, or the mortgage may be renewed for a further term. The administration companies are paid for their service by the Fund.

Investments in Other Funds Managed by Crystal Wealth

The Manager has obtained certain regulatory relief under which the assets of the Fund may be invested in units of other mutual funds managed by Crystal Wealth (an **Underlying Crystal Wealth Fund**). No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of the Underlying Crystal Wealth Fund, and no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would be a duplicate fee payable by the Underlying Crystal Wealth Fund for the same service. Specifically, any management fees charged to the Underlying Crystal Wealth Fund attributable to the assets of the Fund that are invested in the Underlying Crystal Wealth Fund and the HST payable thereon will be rebated back to the Fund at the end of each month in the form of a management fee rebate that will be reinvested in additional units of the Underlying Crystal Wealth Fund on behalf of the Fund.

The proportion of the Fund's assets invested in an Underlying Crystal Wealth Fund will be at the discretion of the Manager and consistent with the investment objectives of the Fund. The Fund is permitted to invest up to 100% of its assets in any one or a combination of Underlying Crystal Wealth Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager,

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commodity trading manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

Cash and short-term investments are held by NBCN, a wholly-owned subsidiary of National Bank of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7. Mortgages are registered to the Manager in trust for the Fund or are otherwise held for and on behalf of the Fund. Mortgages may be registered in the name of an LMA for administrative convenience, but the Manager at all times retains the right to transfer registration to itself as trustee or to another nominee of the Fund.

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services (IFDS), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

Fund Accounting

Fund accounting services are provided by The Investment Administration Solution Inc. (IAS), 400-330 Bay St., Toronto, Ontario, M5H 2S8.

2.3 Material Agreements

Master Declaration of Trust

The following constitutes a summary of the general provisions of the Declaration of Trust. The Declaration of Trust sets out the powers and duties of the manager and the trustee of the Fund, the attributes of the Units, procedures for the purchase, exchange and redemption of Units, recordkeeping, calculation of the Fund's income and other administrative procedures. It also contains provisions for the

CONFIDENTIAL OFFERING MEMORANDUM

May 17, 2016

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CRYSTAL ENLIGHTENED BULLION FUND

Investment Objective:	The investment objective of the Crystal Enlightened Bullion Fund (the Fund) is to provide investors with the opportunity to invest in gold and silver bullion in a convenient way while simultaneously earning a yield on their bullion holdings.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Manager:	Al Housego, CIM
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	The Fund does not yet have a track record so the risk level cannot be directly ascertained. However, based on the investment objective and strategy, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be moderate to high.
Suitability:	The Fund is suitable for anyone with greater than a three year investment horizon, and the willingness and ability to absorb higher risk associated with this portion of their portfolio, depending on the investor's other personal circumstances.

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own a significant interest (>10% voting securities). The Manager has received regulatory relief from the Ontario Securities Commission which permits the Fund to invest in underlying Crystal Wealth funds in excess of these limits as outlined below.

Investments in Other Funds Managed by Crystal Wealth

The Manager has obtained certain regulatory relief under which the assets of the Fund may be invested in units of other mutual funds managed by Crystal Wealth (an **Underlying Crystal Wealth Fund**). No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of the Underlying Crystal Wealth Fund, and no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would be a duplicate fee payable by the Underlying Crystal Wealth Fund for the same service. Specifically, any management fees charged to the Underlying Crystal Wealth Fund attributable to the assets of the Fund that are invested in the Underlying Crystal Wealth Fund and the HST payable thereon will be rebated back to the Fund at the end of each month in the form of a management fee rebate that will be reinvested in additional units of the Underlying Crystal Wealth Fund on behalf of the Fund.

The proportion of the Fund's assets invested in an Underlying Crystal Wealth Fund will be at the discretion of the Manager and consistent with the investment objectives of the Fund. The Fund is permitted to invest up to 100% of its assets in any one or a combination of Underlying Crystal Wealth Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor, and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor, and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

CONFIDENTIAL OFFERING MEMORANDUM

November 21, 2016

Continuous Offering

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Absolute Sustainable Dividend Fund

Investment Objective:	The investment objective of the Absolute Sustainable Dividend Fund (the “Fund”) is to generate long term capital appreciation while focusing on preservation of capital by combining sustainable, responsible and values-based investing principles. The Fund primarily invests in a diversified portfolio of Canadian & global dividend-paying public companies.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor’s trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	Based on the investment objective and strategy, as well as past experience, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be moderate to high.
Suitability:	The Fund may be suitable for anyone with greater than a three year investment horizon. However a suitability analysis must always take into account the investor’s particular circumstances.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor, and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Islamic Finance Advisory Board (IFAB)

The Manager has appointed IFAB, The Board's missions is to provide professional and authoritative Sharia compliant advisory, education, research and mediation solutions for all stakeholders in the financial services industry in Canada.

The Manager has appointed IFAB to provide the following services to the Fund:

- (a) Providing advice and guidance in the structure and characteristics of financial Products and/or Services requested by the Manager with respect to the Shariah;
- (b) Assist in developing guidelines and standards for compliance with the Shariah that may be used as a reference by the Manager in connection with the management of the Fund;
- (d) Preparing and delivering a statement or certification, including one or more *fatawa*, regarding compliance with the principles and precepts of the Shariah in the management and structuring of the Fund, such certification shall be attached and form part of this Offering Memorandum; and
- (e) Assisting in annual Shariah audit and certification of the Fund, and such other matters pertaining thereto as IFaB shall determine necessary or prudent.

Its Office is located at 3150 Ridgeway Dr, Mississauga, ON L5L 5Y3

IdealRatings

IdealRatings provides solutions such as research and screening for Ethical, ESG and Islamic Finance investors.

The manager has appointed Ideal Ratings to provide the following services to the Fund:

- a) To provide research and determine which investments meet Islamic & Sustainable Investing principles.
- b) To screen out investable universe based on restrictions and criteria provided above.

CONFIDENTIAL OFFERING MEMORANDUM

November 21, 2016

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Absolute Sustainable Property Fund

Investment Objective:	The investment objective of the Absolute Sustainable Property Fund (the “Fund”) is to generate a consistently reasonable level of income while focusing on preservation of capital by investing primarily in a diversified portfolio of alternative financing vehicles on real properties, within in the residential and commercial sectors while adhering to Responsible, Equitable and Values-Based principles.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor’s trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	Based on the investment objective and strategy, as well as past experience, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be low.
Suitability:	The Fund may be suitable for anyone with greater than a one year investment horizon. However a suitability analysis must always take into account the investor’s particular circumstances.

due diligence and examines how the new potential mortgage fits into the overall investment portfolio from a diversification point of view. If the Manager decides to purchase the mortgage for the Fund, it hires Spectrum to take over servicing the mortgage on behalf of the Fund until maturity and full payment, at which time the principal will be redeployed into another property/mortgage, or it may be renewed for a further term. Spectrum is paid for their services by the Fund. See "Mortgage Servicing Agreements".

The Manager will continuously monitor the Fund's asset mix and its risk and reward profile in the context of the state of the economy, the general financial markets and the Canadian real estate markets.

Investments in Other Funds Managed by Crystal Wealth

The Manager has obtained certain regulatory relief under which the assets of the Fund may be invested in units of other mutual funds managed by Crystal Wealth (an **Underlying Crystal Wealth Fund**). No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of the Underlying Crystal Wealth Fund, and no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would be a duplicate fee payable by the Underlying Crystal Wealth Fund for the same service. Specifically, any management fees charged to the Underlying Crystal Wealth Fund attributable to the assets of the Fund that are invested in the Underlying Crystal Wealth Fund and the HST payable thereon will be rebated back to the Fund at the end of each month in the form of a management fee rebate that will be reinvested in additional units of the Underlying Crystal Wealth Fund on behalf of the Fund.

The proportion of the Fund's assets invested in an Underlying Crystal Wealth Fund will be at the discretion of the Manager and consistent with the investment objectives and restrictions of the Fund. The Fund is permitted to invest up to 100% of its assets in any one or a combination of Underlying Crystal Wealth Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor, and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

CONFIDENTIAL OFFERING MEMORANDUM

November 21, 2016

Continuous Offering

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CRYSTAL WEALTH ENLIGHTENED HEDGE FUND

Investment Objective:	The investment objective of the Crystal Wealth Enlightened Hedge Fund (the Fund) is to generate consistently positive annual returns regardless of the directional movement in equity, interest rate or currency markets.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Al Housego, CFP, CIM
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	Based on the investment objective and strategy, as well as past experience, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be moderate.
Suitability:	The Fund is suitable, as a minor component of their portfolio, for anyone with greater than a one year investment horizon; however suitability must always take into account the investor's particular circumstances.

- 3 -

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager, commodity trading manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "**Tax Act**"), December 15th in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Prime Broker

The prime broker of the Fund is Interactive Brokers Canada Inc., a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 1800 McGill College Avenue, Suite 2106, Montreal, Quebec, H3A 3J6.

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services (IFDS), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

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November 21, 2016

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CRYSTAL WEALTH INFRASTRUCTURE STRATEGY

Investment Objective:	The investment objective of the Crystal Wealth Infrastructure Strategy (the Fund) is to generate a consistently high level of interest income along with long-term growth potential while focusing on preservation of capital by investing primarily in debt instruments of infrastructure projects and companies.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	Based on the investment objective and strategy, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be low.
Suitability:	The Fund is likely suitable for anyone with greater than a one year investment horizon; however suitability must always take into account the investor's particular circumstances.

Investments in Other Funds Managed by Crystal Wealth

The Manager has obtained certain regulatory relief under which the assets of the Fund may be invested in units of other mutual funds managed by Crystal Wealth (an **Underlying Crystal Wealth Fund**). No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of the Underlying Crystal Wealth Fund, and no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would be a duplicate fee payable by the Underlying Crystal Wealth Fund for the same service. Specifically, any management fees charged to the Underlying Crystal Wealth Fund attributable to the assets of the Fund that are invested in the Underlying Crystal Wealth Fund and the HST payable thereon will be rebated back to the Fund at the end of each month in the form of a management fee rebate that will be reinvested in additional units of the Underlying Crystal Wealth Fund on behalf of the Fund.

The proportion of the Fund's assets invested in an Underlying Crystal Wealth Fund will be at the discretion of the Manager and consistent with the investment objectives of the Fund. The Fund is permitted to invest up to 100% of its assets in any one or a combination of Underlying Crystal Wealth Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager, commodity trading manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

CONFIDENTIAL OFFERING MEMORANDUM

November 28, 2016

Continuous Offering

This Confidential Offering Memorandum constitutes a private offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Confidential Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus, advertisement or public offering of the securities referred to herein. No securities commission or similar regulatory authority has reviewed this Confidential Offering Memorandum or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. Persons who will be acquiring securities pursuant to this Confidential Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada.

The securities offered hereunder will be issued under exemptions from the prospectus requirements of applicable securities laws and will be subject to certain resale restrictions. This Confidential Offering Memorandum is confidential. By their acceptance hereof, prospective subscribers agree that they will not transmit, reproduce or make available to anyone this Confidential Offering Memorandum or any information contained herein.

CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY

Investment Objective:	The investment objective of the Crystal Wealth Conscious Capital Strategy (the Fund) is long term capital growth through investment in companies that are making a positive change in the world.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	Based on the investment objective and strategy, as well as past experience, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be high.
Suitability:	The Fund is likely only suitable as a portion of an investor's portfolio as the risk of loss could be significant; however suitability must always take into account the investor's particular circumstances.

- 3 -

Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager, commodity trading manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 192 Plains Road East, Burlington, Ontario, L7T 2C3.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), anytime between December 15th and December 31st in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services (IFDS), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

CONFIDENTIAL OFFERING MEMORANDUM

May 6, 2016

Continuous Offering

This Confidential Offering Memorandum constitutes a private offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Confidential Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus, advertisement or public offering of the securities referred to herein. No securities commission or similar regulatory authority has reviewed this Confidential Offering Memorandum or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. Persons who will be acquiring securities pursuant to this Confidential Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada.

The securities offered hereunder will be issued under exemptions from the prospectus requirements of applicable securities laws and will be subject to certain resale restrictions. This Confidential Offering Memorandum is confidential. By their acceptance hereof, prospective subscribers agree that they will not transmit, reproduce or make available to anyone this Confidential Offering Memorandum or any information contained herein.

CRYSTAL WEALTH RETIREMENT ONE FUND

Investment Objective:	The investment objective of the Crystal Wealth Retirement One Fund (the Fund) is to provide consistent overall returns so that the Fund can be a simple, all-encompassing investment for anyone saving for retirement and those already in retirement who need regular, steady income.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or anyone investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	The Fund does not yet have a track record so the risk level cannot be directly ascertained. However, based on the investment objective and strategy, the Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to be low.
Suitability:	The Fund is directed at investors seeking to save for retirement or in retirement who need regular, steady income. It is intended to be an uncomplicated fund, suitable for anyone who needs consistent returns with safety of capital.

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own a significant interest (>10% voting securities). The Manager has received regulatory relief from the Ontario Securities Commission which permits the Fund to invest in underlying Crystal Wealth funds in excess of these limits.

The Fund does not engage in short sales or in securities lending.

Investment Process

The Manager will continuously monitor and adjust the Fund's asset mix and its risk and reward profile in the context of the state of the economy and the conditions in the financial markets.

The Manager may, at its discretion, invest in other securities in order to maintain the liquidity of the Fund or to further diversify the investment portfolio of the Fund. The Manager will, at all times, select investments to include in the portfolio which assist in meeting the investment objective of the Fund.

Investments in Other Funds Managed by Crystal Wealth

The Manager has obtained certain regulatory relief under which the assets of the Fund may be invested in units of other mutual funds managed by Crystal Wealth (an **Underlying Crystal Wealth Fund**). No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of the Underlying Crystal Wealth Fund, and no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would be a duplicate fee payable by the Underlying Crystal Wealth Fund for the same service. Specifically, any management fees charged to the Underlying Crystal Wealth Fund attributable to the assets of the Fund that are invested in the Underlying Crystal Wealth Fund and the HST payable thereon will be rebated back to the Fund at the end of each month in the form of a management fee rebate that will be reinvested in additional units of the Underlying Crystal Wealth Fund on behalf of the Fund.

The proportion of the Fund's assets invested in an Underlying Crystal Wealth Fund will be at the discretion of the Manager and consistent with the investment objectives of the Fund. The Fund is permitted to invest up to 100% of its assets in any one or a combination of Underlying Crystal Wealth Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor, Promoter and Fund Accountant

Crystal Wealth is the trustee, manager, portfolio advisor, promoter and fund accountant of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, and shall exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in

- 3 -

the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 3385 Harvester Road, Suite 200, Burlington, Ontario, L7N 3N2.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "Tax Act"), December 15th in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services (IFDS), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

2.3 Material Agreements

Master Declaration of Trust

The following constitutes a summary of the general provisions of the Declaration of Trust. The Declaration of Trust sets out the powers and duties of the manager and the trustee of the Fund, the attributes of the Units, procedures for the purchase, exchange and redemption of Units, recordkeeping, calculation of the Fund's income and other administrative procedures. It also contains provisions for the selection of a successor trustee if Crystal Wealth should resign. Specific provisions of the Declaration of Trust dealing with series of Units and the rights of Unitholders are discussed under Item 4.1, Units.

The Declaration of Trust provides that the Fund or a series of Units of the Fund may be terminated on reasonable notice to investors and the subsequent distribution of the Fund's or series' net assets to investors.

The Declaration of Trust provides the trustee with a right of indemnification in carrying out its duties under the Declaration of Trust, provided that the trustee does not breach its standard of care.

Master Management Agreement

Crystal Wealth has entered into a Master Management Agreement dated as of April 12, 2007 and as amended from time to time by the parties (the **Management Agreement**) to facilitate the administration and portfolio management of the Fund. Under the Management Agreement, the Manager is responsible for providing directly, or for arranging other persons or companies to provide, administration of the Fund,

This is Exhibit "13" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017

Julia Ho
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

Submitted Date	Submission ID	Issuer Name	Exemption(s)	Investment Fund Manager Name
Jan 27, 2016	• EDR1453911795-835	CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 27, 2016	• EDR1453911341-660	CRYSTAL WEALTH RETIREMENT ONE FUND	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 27, 2016	• EDR1453907777-711	CRYSTAL WEALTH MEDIA STRATEGY	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 26, 2016	• EDR1453843613-765	CRYSTAL WEALTH MEDICAL STRATEGY	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 26, 2016	• EDR1453842239-191	CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 26, 2016	• EDR1453822154-728	Crystal Wealth Mortgage Strategy	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 27, 2016	• EDR1453912693-210	ACM Growth Fund	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 27, 2016	• EDR1453910871-837	CRYSTAL WEALTH HIGH YIELD MORTGAGE STRATEGY	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 27, 2016	• EDR1453912280-977	ACM Income Fund	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 27, 2016	• EDR1453906881-858	CRYSTAL ENLIGHTENED BULLION FUND	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 30, 2015	• EDR1422630174-583	Crystal Enhanced Mortgage Fund	45-106-2.10;45-106-2.19;45-106-2.3	Crystal Wealth Management System Limited
Jan 26, 2016	• EDR1453840803-242	CRYSTAL ENLIGHTENED RESOURCE AND PRECIOUS METALS FUND	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 29, 2017	EDR1485708849-654	Crystal Wealth Enlightened Hedge Fund	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 29, 2017	EDR1485705946-687	Crystal Wealth Retirement ONE Fund	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 29, 2017	EDR1485707955-611	Crystal Wealth Infrastructure Strategy	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 29, 2017	EDR1485703839-723	Crystal Wealth Media Strategy	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 28, 2017	EDR1485630899-185	Crystal Wealth Mortgage Strategy	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 28, 2017	EDR1485636531-957	Crystal Wealth Medical Strategy	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited

Submitted Date	Submission ID	Issuer Name	Exemption(s)	Investment Fund Manager Name
Jan 28, 2017	EDR1485634948-383	Crystal Wealth Enlightened Factoring Strategy	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 28, 2017	EDR1485293721-134	Crystal Wealth Conscious Capital Strategy	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 30, 2015	* EDR1422669591-679	Crystal Wealth Strategic Yield Media Fund	45-106-2.10;45-106-2.19;45-106-2.3	Crystal Wealth Management System Limited
Jan 30, 2015	* EDR1422668898-318	Crystal Wealth Medical Income Fund	45-106-2.3	Crystal Wealth Management System Limited
Jan 29, 2017	EDR1485713528-786	Absolute Sustainable Dividend Fund	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 29, 2017	EDR1485710699-850	ACM Income Fund	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 29, 2017	EDR1485712153-976	ACM Growth Fund	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 29, 2017	EDR1485714749-758	Absolute Sustainable Property Fund	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 29, 2017	EDR1485701742-417	Crystal Enlightened Bullion Fund	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 28, 2017	EDR1485632988-682	Crystal Enlightened Resource and Precious Metals Fund	45-106-2.3_or_s.73.3(2)	Crystal Wealth Management System Limited
Jan 30, 2015	* EDR1422668267-275	Crystal Enhanced Resource and Precious Metals Fund	45-106-2.19;45-106-2.3	Crystal Wealth Management System Limited

Exempt Distribution - Investment Funds

Initial Submission

Submission ID: EDR1485703839-723

Issuer:	Name: Crystal Wealth Media Strategy	Reporting No:
Underwriter:	Name:	Phone Number:
	Address:	
Filer Contact Information		
Name:	Clayton Smith	Phone Number: 905-332-4414
Title:	Trustee	Email:
Company Name:	Crystal Wealth Media Strategy	
Issuer's Industry (i.e. SIC):	Financial Services - investment companies and funds	Reporting Jurisdictions:
Submitted Date:	Jan 29, 2017	Fiscal Year End:
First Distribution:	Jan 01, 2016	Other Distribution Dates:
Offering Memorandum previously filed with the OSC:	Offering Memorandum delivery date:	
Total Number of:	551	Total Dollar:
	\$31,725,749.08	

FEE**Initial Activity Fee:**

Payment Matched: Yes
 Amount Paid: \$500.00
 Date Paid: Jan 29, 2017
 Payment ID: EDRPID1485704214586-412

FISCAL YEAR END CALCULATIONS

Fiscal Year End:

Number of days between First Distribution Date and the:

Submitted Date: 394
 Fiscal Year End: 0

SUPPLEMENTARY FEES

Assess Additional Activity Fee: No
 Assess Late Fee: No

FEE CORRESPONDENCE/COMMENTS**FEE REFUNDS**

Issue refund: No

FLAGS

purchasers	Value of distribution in all jurisdictions:	
Distributed Securities:		
Security Type	Exemption(s)	
Trust Units	45-106-2.3_(
Distribution Details:		
Jurisdiction	# of Purchasers	Total Value
Alberta	19	\$11,880,992.1
British Columbia	245	\$2,253,473.1
Northwest Territories	1	\$1,685.8
Ontario	164	\$10,701,678.7
Prince Edward Island	1	\$57,267.5
Quebec	112	\$6,594,557.7
Saskatchewan	4	\$908.5
Commissions and Finders Fees:		

Date	Flag
COMMENTS	
OFFERING MEMORANDUM	
CORRESPONDENCE	
Date	Comment

Firm/Individual	Date	Securities Issued	Total Value

Created by: Search01/Servers/OSC
Last Updated by:

on: Jan 30, 2017 06:31:41
on:

Exempt Distribution - Investment Funds

Initial Submission

Submission ID: EDR1485636531-957

Issuer:	Name: Crystal Wealth Medical Strategy	Reporting: No
Underwriter:	Name:	Phone Number:
Address:		
Filer Contact Information		
Name:	Clayton Smith	Phone Number: 905-332-4414
Title:	Trustee	Email:
Company Name:	Crystal Wealth Medical Strategy	
Issuer's Industry (ie. s):	Financial Services - investment companies and funds	Reporting Jurisdiction:
Submitted Date:	Jan 28, 2017	Fiscal Year End:
First Distribution:	Jan 01, 2016	Other Distribution Dates:
Offering Memorandum previously filed with the OSC:	Offering Memorandum delivery date:	

FEE**Initial Activity Fee:**

Payment Matched: Yes
 Amount Paid: \$500.00
 Date Paid: Jan 28, 2017
 Payment ID: EDRPID1485637247163-408

FISCAL YEAR END CALCULATIONS

Fiscal Year End:

Number of days between First Distribution Date and the:

Submitted Date: 393
 Fiscal Year End: 0

SUPPLEMENTARY FEES

Assess Additional Activity Fee: No

Assess Late Fee: No

FEE CORRESPONDENCE/COMMENTS**FEE REFUNDS**

Issue refund: No

FLAGS

Total Number of purchasers	Total Dollar Value of distribution in all jurisdictions	
Distributed Securities:		
Security Type	Exemption(s)	
Trust Units	45-106-2.3	
Distribution Details:		
Jurisdiction	# of Purchasers	Total Value
Alberta	11	\$694.51
British Columbia	73	\$330,580.51
Manitoba	1	\$869.41
Ontario	105	\$3,686,714.91
Prince Edward Island	1	\$51,841.81
Quebec	22	\$588,603.11
Saskatchewan	3	\$948.50

Date	Flag
COMMENTS	
OFFERING MEMORANDUM	
CORRESPONDENCE	
Date	Comment

Commissions and Finders Fees:

Firm/Individual	Exempt Status	Equities Issued	Total Value
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Created by: Search01/Servers/OSC on: Jan 30, 2017 06:31:40
Last Updated by: on:

Exempt Distribution - Investment Funds

Issuer:	Name: Crystal Wealth Mortgage Strategy	Reporting No.
Underwriter	Name:	Phone Number:
	Address:	
Filer Contact Information		
Name:	Clayton Smith	Phone Number: 905-332-4414
Title:	Trustee	Email:
Company Name:	Crystal Wealth Mortgage Strategy	
Issuer's Industry (ie s):	Financial Services - investment companies and funds	Reporting Jurisdictions:
Submitted Date:	Jan 28, 2017	Fiscal Year End: Dec 31, 2016
First Distribution:	Jan 01, 2017	Other Distribution Dates: January 1, 2016 - December 31, 2016
Offering Memorandum previously filed with the OSC:	Offering Memorandum delivery date:	

Initial Submission
Submission ID: EDR1485630899-185

FEE

Initial Activity Fee:

Payment Matched: Yes
Amount Paid: \$500.00
Date Paid: Jan 28, 2017
Payment ID: EDRPID1485632252621-852

FISCAL YEAR END CALCULATIONS

Fiscal Year End:

Number of days between First Distribution Date and the:

Submitted Date: 27
Fiscal Year End: 0

SUPPLEMENTARY FEES

Assess Additional Activity Fee: No
Assess Late Fee: No

FEE CORRESPONDENCE/COMMENTS

FEE REFUNDS

Issue refund: No

FLAGS

		Date	Flag
Total Number of purchasers:	\$18,403,294.46		
Distributed Securities:			
Security Type	Exemption(s)		
Trust Units	45-106-2.3		
Distribution Details			
Jurisdiction	# of Purchasers	Total Value	
Alberta	124	\$10,874,622.3	
British Columbia	274	\$1,810,246.2	
Manitoba	7	\$45,189.6	
Newfoundland and Labrador	1	\$1,538.4	
Nova Scotia	1	\$21,770.0	
Ontario	102	\$3,752,030.9	
Prince Edward Island	1	\$53,318.7	

Commissions and Finders Fees:		
Firm/Individual	Description of Securities Issued	Total Value

Created by: Search01/Servers/OSC on: Jan 30, 2017 06:31:39
Last Updated by: on:

Exempt Distribution - Investment Funds

Initial Submission

Submission ID: EDR1485704721-425

Issuer:	Name: Crystal Wealth High Yield Mortgage Strategy Reporting No:
Underwriter:	Name: Phone Number:
Address:	
Filer Contact Information:	
Name: Clayton Smith	Phone Number: 905-332-4414
Title: Trustee	Email:
Company Name:	Crystal Wealth High Yield Mortgage Strategy
Issuer's Industry (ie. s):	Financial Services - investment companies and funds
Submitted Date:	Jan 29, 2017
First Distribution:	Jan 01, 2016
Offering Memorandum previously filed with the OSC:	
Fiscal Year End:	Dec 31, 2016
Other Distribution Dates:	January 1 - December 31, 2016
Offering Memorandum delivery date:	

FEE**Initial Activity Fee:**

Payment Matched: Yes
 Amount Paid: \$500.00
 Date Paid: Jan 29, 2017
 Payment ID: EDRPID1485705505847-262

FISCAL YEAR END CALCULATIONS

Fiscal Year End:

Number of days between First Distribution Date and the:

Submitted Date: 394
 Fiscal Year End: 0

SUPPLEMENTARY FEES

Assess Additional Activity Fee: No
 Assess Late Fee: No

FEE CORRESPONDENCE/COMMENTS**FEE REFUNDS**

Issue refund: No

FLAGS

		Date	Flag
Total Number of purchasers:	Total Dollar Value of distribution in all jurisdictions:		
114	\$2,442,473.57		
Distributed Securities:			
Security Type	Exemption(s)		
Trust Units	45-106-2.3		
Distribution Details			
Jurisdiction	# of Purchasers	Total Value	
British Columbia	6	\$72,758.0	
Ontario	45	\$1,501,234.2	
Quebec	59	\$802,248.0	
South Africa	2	\$25,986.2	
United States	2	\$40,246.9	
COMMENTS			
OFFERING MEMORANDUM			
CORRESPONDENCE			
Date	Comment		

Commissions and Finders Fees:				
Firm/Individual	Exemption(s)	Security Type	Securities Issued	Total Value
			0	477

Created by: Search01/Servers/OSC
Last Updated by: on: Jan 30, 2017 06:31:41
on:

Exempt Distribution - Investment Funds		Initial Submission Submission ID: EDR1485707955-611
Issuer: Name: Crystal Wealth Infrastructure Strategy	Reporting: No	FEE Initial Activity Fee: Payment Matched: Yes Amount Paid: \$500.00 Date Paid: Jan 29, 2017 Payment ID: EDRPID1485708100740-454
Underwriter: Name: Address:	Phone Number:	FISCAL YEAR END CALCULATIONS Fiscal Year End:
Filer Contact Information Name: Clayton Smith Phone Number: 905-332-4414		Number of days between First Distribution Date and the: Submitted Date: 268 Fiscal Year End: 0
Title: Trustee	Email:	SUPPLEMENTARY FEES Assess Additional Activity Fee: No Assess Late Fee: No
Company Name: Crystal Wealth Infrastructure Strategy		
Issuer's Industry(ies): Financial Services - investment companies and funds	Reporting Jurisdictions:	FEE CORRESPONDENCE/COMMENTS
Submitted Date: Jan 29, 2017	Fiscal Year End: Dec 31, 2016	FEE REFUNDS Issue refund: No
First Distribution: May 06, 2016	Other Distribution Dates: May 6 - December 31, 2016	FLAGS
Offering Memorandum previously filed with the OSC:	Offering Memorandum delivery date:	

		Date	Flag
Total Number of purchasers	Total Dollar Value of distribution in all jurisdictions		
106	\$5,325,357.65		
Distributed Securities:			
Security Type	Exemption(s)		
Trust Units	45-106-2.3		
Distribution Details			
Jurisdiction	# of Purchasers	Total Value	
British Columbia	2	\$32,232.00	
Ontario	87	\$5,213,579.21	
Prince Edward Island	1	\$62,515.50	
Quebec	15	\$13,066.71	
South Africa	1	\$3,964.00	

Commissions and Finders Fees:				
Firm/Individual	Exemption(s)	Security Type	Securities Issued	Total Value
			0	\$

Created by: Search01/Servers/OSC
Last Updated by:

on: Jan 30, 2017 06:31:41
on:

Exempt Distribution - Investment Funds

Issuer:	Name: Crystal Wealth Enlightened Factoring Strategy	Reporting No
Underwriter:	Name:	Phone Number:
Address:		
Filer Contact Information		
Name: Clayton Smith	Phone Number: 905-332-4414	
Title: Trustee	Email:	
Company Name: Crystal Wealth Enlightened Factoring Strategy		
Issuer's Industry (e.g.,)	Financial Services - investment companies and funds	Reporting Jurisdiction:
Submitted Date:	Jan 28, 2017	Fiscal Year End: Dec 31, 2016
First Distribution:	Jan 01, 2016	Other Distribution Dates: January 1 - December 31, 2016
Offering Memorandum previously filed with the OSC:	Offering Memorandum delivery date:	

Initial Submission
Submission ID: EDR1485634948-383

FEE

Initial Activity Fee:

Payment Matched: Yes
Amount Paid: \$500.00
Date Paid: Jan 28, 2017
Payment ID: EDRPID1485636081388-882

FISCAL YEAR END CALCULATIONS

Fiscal Year End:

Number of days between First Distribution Date and the:

Submitted Date: 393
Fiscal Year End: 0

SUPPLEMENTARY FEES

Assess Additional Activity Fee: No
Assess Late Fee: No

FEE CORRESPONDENCE/COMMENTS

FEE REFUNDS

Issue refund: No

FLAGS

Total Number of purchasers	498	Total Dollar Value of distribution in all jurisdictions	\$16,675,141.23
Distributed Securities:			
Security Type			Exemption(s)
Trust Units			45-106-2.3
Distribution Details			
Jurisdiction	# of Purchasers	Total Value	
Alberta	33	\$948,989.20	
British Columbia	330	\$9,234,933.30	
Manitoba	2	\$5,283.40	
Northwest Territories	1	\$10,823.50	
Ontario	90	\$5,181,703.10	
Prince Edward Island	1	\$23,581.40	
Quebec	33	\$1,128,553.80	

Date	Flag
COMMENTS	
OFFERING MEMORANDUM	
CORRESPONDENCE	
Date	Comment

Commissions and Finders Fees:				
Firm/Individual	Exemption(s)	Security Type	Securities Issued	Total Value
			0	\$

Created by: Search01/Servers/OSC
Last Updated by:
on: Jan 30, 2017 06:31:40
on:

Exempt Distribution - Investment Funds

Issuer:	Name: Crystal Enlightened Resource and Precious Metals Fund	Reporting: No
Underwriter:	Name:	Phone Number:
Address:		
Filer Contact Information		
Name:	Clayton Smith Phone Number: 905-332-4414	
Title:	Trustee	Email:
Company Name:	Crystal Enlightened Resource and Precious Metals Fund	
Issuer's Industry (ie: s):	Financial Services - investment companies and funds	
Submitted Date:	Jan 28, 2017	Fiscal Year End:
First Distribution:	Jan 01, 2016	Other Distribution Dates:
Offering Memorandum previously:	Offering Memorandum delivery	

Initial Submission

Submission ID: EDR1485632988-682

FEE**Initial Activity Fee:**

Payment Matched: Yes
 Amount Paid: \$500.00
 Date Paid: Jan 28, 2017
 Payment ID: EDRPID1485634360721-450

FISCAL YEAR END CALCULATIONS

Fiscal Year End:

Number of days between First Distribution Date and the:

Submitted Date: 393
 Fiscal Year End: 0

SUPPLEMENTARY FEES

Assess Additional Activity Fee: No
 Assess Late Fee: No

FEE CORRESPONDENCE/COMMENTS**FEE REFUNDS**

Issue refund: No

FLAGS

filed with the OSC:	date:	Date	Flag
Total Number of purchasers	Total Dollar Value of distribution in all jurisdictio ns:		
Distributed Securities		COMMENTS	
Security Type	Exemption(s)		
Trust Units	45-106-2.3	OFFERING MEMORANDUM	
Distribution Details		CORRESPONDENCE	
		Date	Comment

Jurisdiction	# of Purchasers	Total Value	
Alberta	2	\$6,981.00	
British Columbia	18	\$53,098.25	
Northwest Territories	1	\$9,000.00	
Ontario	2	\$1,420.10	

Commissions and Finders Fees				
Firm/Individual	Exemption(s)	Security Type	Securities Issued	Total Value
			0	0

Created by: Search01/Servers/OSC on: Jan 30, 2017 06:31:39
 Last Updated by: on:

Exempt Distribution - Investment Funds		Initial Submission Submission ID: EDR1485701742-417
Issuer:	Name: Crystal Enlightened Bullion Fund	Reporting No
Underwriter	Name:	Phone Number:
Address:		
Filer Contact Information		
Name: Clayton Smith	Phone Number: 905-332-4414	
Title: Trustee	Email:	
Company Name: Crystal Enlightened Bullion Fund		
Issuer's Industry (ie s): Financial Services - investment companies and funds	Reporting Jurisdiction:	
Submitted Date: Jan 29, 2017	Fiscal Year End:	Dec 31, 2016
First Distribution:	Other Distribution Dates:	January 1 - December 31, 2016
Offering Memorandum previously filed with the OSC:	Offering Memorandum delivery date:	

Fee

Initial Activity Fee:

Payment Matched: Yes
Amount Paid: \$500.00
Date Paid: Jan 29, 2017
Payment ID: EDRID1485702637314-180

Fiscal Year End Calculations

Fiscal Year End:

Number of days between First Distribution Date and the:

Submitted Date: 394
Fiscal Year End: 0

Supplementary Fees

Assess Additional Activity Fee: No

Assess Late Fee: No

Fee Correspondence/Comments

Fee Refunds

Issue refund: No

Flags

		Date	Flag
Total 26 Number of purchasers	Total \$331,395.09 Dollar Value of distribution in all jurisdictio ns;		
Distributed Securities:			
Security Type	Exemption(s)		
Trust Units	45-106-2.3		
COMMENTS			
OFFERING MEMORANDUM			
CORRESPONDENCE			
Date		Comment	
Distribution Details			
Jurisdiction	# of Purchasers	Total Value	
Alberta	2	\$13,492.0!	
British Columbia	22	\$240,267.90	
Ontario	2	\$77,635.14	

Commissions and Finders Fees:

Firm/Individual	Exhibit No.	Properties Issued	Total Value

Created by: Scarch01/Servers/OSC
Last Updated by:

on: Jan 30, 2017 06:31:41
on:

Exempt Distribution - Investment Funds			
Issuer:	Initial Submission Submission ID: EDR1485713528-786		
Name: Absolute Sustainable Dividend Fund	Reporting No:		
Underwriter:			
Name:	Phone Number:		
Address:			
Filer Contact Information			
Name: Clayton Smith	Phone Number: 905-332-4414		
Title: Trustee	Email:		
Company Name: Absolute Sustainable Dividend Fund			
Issuer's Industry(ies): Financial Services - investment companies and funds	Reporting Jurisdiction:		
Submitted Date: Jan 29, 2017	Fiscal Year End: Dec 31, 2016		
First Distribution: Feb 05, 2016	Other Distribution Dates: February 5, 2016 - December 31, 2016		
Offering Memorandum previously filed with the OSC:	Offering Memorandum delivery date:		
FEE			
Initial Activity Fee:			
Payment Matched:	Yes		
Amount Paid:	\$500.00		
Date Paid:	Jan 29, 2017		
Payment ID:	EDRPID1485714184423-836		
FISCAL YEAR END CALCULATIONS			
Fiscal Year End:			
Number of days between First Distribution Date and the:			
Submitted Date:	359		
Fiscal Year End:	0		
SUPPLEMENTARY FEES			
Assess Additional Activity Fee:	No		
Assess Late Fee:	No		
FEE CORRESPONDENCE/COMMENTS			
FEE REFUNDS			
Issue refund:	No		
FLAGS			

Total Number of purchasers:	Total Dollar Value of distribution in all jurisdictions:	
Distributed Securities:		
Security Type	Exemption(s)	
Trust Units	45-106-2.3	
Distribution Details		
Jurisdiction	# of Purchasers	Total Value
Alberta	3	\$108,367.40
British Columbia	1	\$19,475.00
Ontario	127	\$6,059,535.30

Date	Flag
COMMENTS	
OFFERING MEMORANDUM	
CORRESPONDENCE	
Date	Comment

Commissions and Finders Fees:				
Firm/Individual	Exemption(s)	Security Type	Securities Issued	Total Value
			0	\$

Created by: Search01/Servers/OSC
Last Updated by:
on: Jan 30, 2017 06:31:41
on:

Exempt Distribution - Investment Funds

Issuer:	Name: Absolute Sustainable Property Fund	Reporting No:
Underwriter:	Name:	Phone Number:
	Address:	
Filer Contact Information:		
Name:	Clayton Smith	Phone: 905-332-4414 Number:
Title:	Trustee	Email:
Company: Absolute Sustainable Property Fund Name:		
Issuer's Industry (if applicable)	Financial Services - investment companies and funds	Reporting Jurisdictions:
Submitted Date:	Jan 29, 2017	Fiscal Year End:
First Distribution:	Feb 05, 2016	Other Distribution Dates:
Offering Memorandum previously filed with the OSC:		Offering Memorandum delivery date:

Initial Submission
Submission ID: EDR1485714749-758

FEE

Initial Activity Fee:

Payment Matched: Yes
Amount Paid: \$500.00
Date Paid: Jan 29, 2017
Payment ID: EDRPID1485715126306-205

FISCAL YEAR END CALCULATIONS

Fiscal Year End:

Number of days between First Distribution Date and the:

Submitted Date: 359
Fiscal Year End: 0

SUPPLEMENTARY FEES

Assess Additional Activity Fee: No

Assess Late Fee: No

FEE CORRESPONDENCE/COMMENTS

FEE REFUNDS

Issue refund: No

FLAGS

Total Number of purchasers	Total Dollar Value of distribution in all jurisdictions:	
Distributed Securities:		
Security Type	Exemption(s)	
Trust Units	45-106-2.3	
Distribution Details:		
Jurisdiction	# of Purchasers	Total Value
Alberta	3	\$60,826.10
British Columbia	1	\$13,051.50
Ontario	115	\$3,577,174.80
Saskatchewan	1	\$200,635.20

Date	Flag
COMMENTS	
OFFERING MEMORANDUM	
CORRESPONDENCE	
Date	Comment

Commissions and Finders Fees:				
Firm/Individual	Exemption(s)	Security Type	Securities Issued	Total Value
			0	\$0

Created by: Search01/Servers/OSC
Last Updated by:

on: Jan 30, 2017 06:31:41
on:

Exempt Distribution - Investment Funds		Initial Submission Submission ID: EDR1485708849-654
Issuer: Name: Crystal Wealth Enlightened Hedge Fund	Reporting No	FEE Initial Activity Fee: Payment Matched: Yes Amount Paid: \$500.00 Date Paid: Jan 29, 2017 Payment ID: EDRPID1485709575988-333
Underwriter: Name: Address:	Phone Number:	FISCAL YEAR END CALCULATIONS Fiscal Year End: Number of days between First Distribution Date and the: Submitted Date: 338 Fiscal Year End: 0
Filer Contact Information Name: Clayton Smith Phone: 905-332-4414 Title: Trustee Email:		SUPPLEMENTARY FEES Assess Additional Activity Fee: No Assess Late Fee: No
Company Name: Crystal Wealth Enlightened Hedge Fund		Fee Correspondence/Comments
Issuer's Industry (ie. s): Financial Services - investment companies and funds	Reporting Jurisdictions:	Fee Refunds Issue refund: No
Submitted Date: Jan 29, 2017	Fiscal Year End: Dec 31, 2016	Flags
First Distribution: Feb 26, 2016	Other Distribution Dates: February 26 - December 31, 2016	
Offering Memorandum previously filed with the OSC:	Offering Memorandum delivery date:	

		Date	Flag
Total Number of purchasers:	Total Dollar Value of distribution in all jurisdictions:		
Distributed Securities:			
Security Type		Exemption(s)	
Trust Units		45-106-2.3	
Distribution Details			
Jurisdiction	# of Purchasers	Total Value	
Alberta	15	\$275,883.00	
British Columbia	170	\$5,014,588.11	
Northwest Territories	1	\$28,992.00	
Ontario	5	\$3,625,323.51	

Commissions and Finders Fees:

Firm/Individual	Exemption(s)	Security Type	Securities Issued	Total Value
			0	\$

Created by: Search01/Servers/OSC
Last Updated by:
on: Jan 30, 2017 06:31:41
on:

Exempt Distribution - Investment Funds		Initial Submission Submission ID: EDR1485293721-134
Issuer:		
Name: Crystal Wealth Conscious Capital Strategy	Reporting No: :	
Underwriter		
Name: :	Phone Number: :	
Address: :		
Filer Contact Information		
Name: Clayton Smith	Phone Number: 905-332-4414	
Title: Trustee	Email: :	
Company Name: Crystal Wealth Conscious Capital Strategy		
Issuer's Industry (ie. SIC): Financial Services - investment companies and funds	Reporting Jurisdiction: :	
Submitted Date: Jan 28, 2017	Fiscal Year End: Dec 31, 2016	
First Distribution: Dec 09, 2016	Other Distribution Dates: December 30, 2016	
Offering Memorandum previously filed with the OSC:	Offering Memorandum delivery date:	
Fee		
Initial Activity Fee:		
Payment Matched: Yes		
Amount Paid: \$500.00		
Date Paid: Jan 28, 2017		
Payment ID: EDRPID1485629990904-302		
Fiscal Year End Calculations		
Fiscal Year End:		
Number of days between First Distribution Date and the:		
Submitted Date: 50		
Fiscal Year End: 0		
Supplementary Fees		
Assess Additional Activity Fee: No		
Assess Late Fee: No		
Fee Correspondence/Comments		
Fee Refunds		
Issue refund: No		
Flags		

			Date	Flag
Total Number of purchasers:	\$11,101.65			
Distributed Securities:				
Security Type		Exemption(s)		
Trust Units		45-106-2.3		
Distribution Details				
Jurisdiction	# of Purchasers	Total Value		
Ontario	3	\$11,101.6!		

Commissions and Finders Fees:

Commissions and Finders Fees:				
Firm/Individual	Exemption(s)	Security Type	Securities Issued	Total Value
			0	\$

Created by: Search01/Servers/OSC on: Jan 30, 2017 06:31:35
Last Updated by: on:

Exempt Distribution - Investment Funds

Issuer:

Name: ACM Growth Fund

Reporting No:

Underwriter:

Name:

Phone

Number:

Address:

Filer Contact Information:

Name: Clayton Smith

Phone: 905-332-4414

Number:

Title: Trustee

Email:

Company Name:

Issuer's Industry (e.g. Financial Services - investment companies and funds)

Reporting Jurisdiction:

Submitted Date:

Jan 29, 2017

Fiscal Year End:

Dec 31, 2016

First Distribution Date:

Jan 01, 2016

Other Distribution Dates:

January 1 - December 31, 2016

Offering Memorandum previously filed with the OSC:

Offering Memorandum delivery date:

Total Number of:

152

Total Dollar:

\$1,039,290.04

Initial Submission

Submission ID: EDR1485712153-976

Fee
Initial Activity Fee:

Payment Matched:

Yes

Amount Paid:

\$500.00

Date Paid:

Jan 29, 2017

Payment ID:

EDRPID1485712606402-963

FISCAL YEAR END CALCULATIONS

Fiscal Year End:

Number of days between First Distribution Date and the:

Submitted Date: 394

Fiscal Year End: 0

SUPPLEMENTARY FEES

Assess Additional Activity Fee: No

Assess Late Fee: No

FEEL CORRESPONDENCE/COMMENTS
FEEL REFUNDS

Issue refund: No

FLAGS

purchasers	Value of distribution in all jurisdictions:	
Distributed Securities:		Exemption(s)
Security Type		
Trust Units		45-106-2.3
Distribution Details		
Jurisdiction	Purchaser	Total Value
British Columbia	140	\$985,918.4
Ontario	2	\$53.9
Commissions and Finders Fees:		

Date	Flag
COMMENTS	
OFFERING MEMORANDUM	
CORRESPONDENCE	
Date	Comment

Firm/Individual	Exemption(s)	Security Type	Securities Issued	Total Value
			0	\$

Created by: Search01/Servers/OSC
Last Updated by:

on: Jan 30, 2017 06:31:41
on:

Exempt Distribution - Investment Funds		Initial Submission Submission ID: EDR1485705946-687
Issuer: Name: Crystal Wealth Retirement ONE Fund	Reporting No	FEE Initial Activity Fee: Payment Matched: Yes Amount Paid: \$500.00 Date Paid: Jan 29, 2017 Payment ID: EDRPID1485706728640-250
Underwriter: Name: Address:	Phone Number:	FISCAL YEAR END CALCULATIONS Fiscal Year End:
Filer Contact Information Name: Clayton Smith Phone: 905-332-4414 Number: Title: Trustee Email:		Number of days between First Distribution Date and the: Submitted Date: 394 Fiscal Year End: 0
Company Name: Crystal Wealth Retirement ONE Fund	Issuer's Financial Industry(s): Financial Services - investment companies and funds	SUPPLEMENTARY FEES Assess Additional Activity Fee: No Assess Late Fee: No
Submitted Date: Jan 29, 2017	Fiscal Year End: Dec 31, 2016	FEE CORRESPONDENCE/COMMENTS
First Distribution: Jan 01, 2016	Other Distribution Dates: January 1, 2016 - December 31, 2016	FEE REFUNDS Issue refund: No
Offering Memorandum previously filed with the OSC:	Offering Memorandum delivery date:	FLAGS

Total: 199 Number of purchasers:	Total: \$10,822,041.42 Dollar Value of distribution in all jurisdictions:	
Distributed Securities:		
Security Type	Exemption(s)	
Trust Units	45-106-2.3	
Distribution Details		
Jurisdiction	# of Purchasers	Total Value
Alberta	128	\$9,703,801.0
British Columbia	12	\$87,331.9
Manitoba	7	\$100,068.2
Ontario	1	\$11.2
Saskatchewan	51	\$930,828.8

Date	Flag
COMMENTS	
OFFERING MEMORANDUM	
CORRESPONDENCE	
Date	Comment

Commissions and Finders Fees:				
Firm/Individual	Exemption(s)	Security Type	Securities Issued	Total Value
			0	\$

Created by: Search01/Servers/OSC
Last Updated by: on: Jan 30, 2017 06:31:41
on:

Exempt Distribution - Investment Funds

Issuer:	Name: ACM Income Fund	Reporting No
Underwriter:	Name:	Phone Number:
	Address:	
Filer Contact Information		
Name: Clayton Smith Phone: 905-332-4414 Number:		
Title: Trustee	Email:	
Company: ACM Income Fund Name:		
Issuer's Industry(ies): Financial Services - investment companies and funds	Reporting Jurisdictions:	
Submitted Date: Jan 29, 2017	Fiscal Year End:	Dec 31, 2016
First Distribution Date: Jan 01, 2016	Other Distribution Dates: January 1 - December 31, 2016	
Offering Memorandum previously filed with the OSC:	Offering Memorandum delivery date:	
Total Number of:	Total Dollar:	\$2,112,415.53

Initial Submission
Submission ID: EDR1485710699-850

FEE

Initial Activity Fee:

Payment Matched: Yes
Amount Paid: \$500.00
Date Paid: Jan 29, 2017
Payment ID: EDRPID1485711777089-826

FISCAL YEAR END CALCULATIONS

Fiscal Year End:

Number of days between First Distribution Date and the:

Submitted Date: 394
Fiscal Year End: 0

SUPPLEMENTARY FEES

Assess Additional Activity Fee: No
Assess Late Fee: No

FEE CORRESPONDENCE/COMMENTS

FEE REFUNDS

Issue refund: No

FLAGS

purchasers	Value of distribution in all jurisdictions:	
Distributed Securities:		
Security Type	Exemption(s)	
Trust Units	45-106-2.3	
Distribution Details		
Jurisdiction	# of Purchasers	Total Value
Alberta	9	\$103,349.3
British Columbia	140	\$2,008,969.9
Ontario	2	\$96.2
Commissions and Finders Fees:		

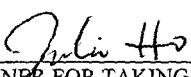
Date	Flag
COMMENTS	
OFFERING MEMORANDUM	
CORRESPONDENCE	
Date	Comment

Firm/Individual	Exemption(s)	Securities Issued	Total Value

Created by: Search01/Servers/OSC
Last Updated by:

on: Jan 30, 2017 06:31:41 ,
on:

This is Exhibit "14" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017


A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

See PUR.04 for updated offering memorandum.

CONFIDENTIAL OFFERING MEMORANDUM

This Offering Memorandum constitutes an offering of these units only in those jurisdictions where they may be lawfully offered for sale and may be sold only by persons permitted to sell these units and only to those persons to whom they may be lawfully offered for sale. No securities commission or similar regulatory authority has passed on the merits of these units nor has it reviewed this Offering Memorandum and any representation to the contrary is an offence. No prospectus has been filed with any such authority in connection with these units. This Offering Memorandum is confidential and is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating these units and is not to be construed as a prospectus or advertisement or a public offering of these units.

Date: August 31, 2012

The Issuer

Name:	CRYSTAL WEALTH STRATEGIC YIELD MEDIA FUND (the "Fund")
Head office:	3385 Harvester Road, Suite 200, Burlington, ON L7N 3N2
Phone #:	905-332-4414, toll free: 877-299-2854
E-mail address:	info@crystalwealth.com
Fax #:	905-332-6028
Currently listed or quoted:	No. These securities do not trade on any exchange or market.
Reporting issuer:	No
SEDAR filer:	No

The Offering

Securities offered:	Series A Units (\$CAD) ("Units")
Price per security:	Net Asset Value Per Unit ("NAVPU") as calculated from time to time. See Item 5.1, Computation of Net Asset Value.
Minimum/Maximum Offering:	There is no minimum or maximum offering. You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.
Minimum Subscription Amount:	The minimum investment in the Fund is \$150,000. If the investor qualifies as an accredited investor or purchases under the offering memorandum exemption, the Manager in its discretion may accept a lower initial minimum investment of \$25,000. The Fund reserves the right to change the minimum amount at any time and from time to time.
Payment terms:	Full subscription price is payable by cheque, bank draft, wire order or other form of payment acceptable to the Fund, upon acceptance of the subscription by the Manager.
Proposed closing date(s):	Units are offered on a continuous basis. See Item 5, Securities Offered.
Income tax consequences:	There are important tax consequences to these Units. See Item 6, Income Tax Consequences and RRSP Eligibility.
Selling agent:	No specific agent has been retained by the Fund in respect of the offering. An investor subscribing for Units through a registered dealer may be charged a sales commission. See Item 7, Compensation Paid to Dealers.
Resale restrictions	You will be restricted from selling your Units for an indefinite period. See Item 10, Resale Restrictions. However, you will be able to redeem your Units from the Fund at certain times if you follow the procedures established. See Item 5.1, Redemption of Units.

Purchaser's rights

You have 2 business days to cancel your agreement to purchase these Units. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11, Purchasers' Rights.

No securities regulatory authority or regulator has assessed the merits of these Units or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8.

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Item 1 Use of Available Funds

1.1 *Funds*

The net proceeds of the offering cannot be determined because Units are being offered on a continuous basis and there is no minimum offering. Sales commissions will vary depending on the fee negotiated by you with your dealer. See Item 7, Compensation Paid to Dealers. Because Units are offered on a continuous basis, other offering costs are treated as fees and expenses of the Fund. See Item 5.1, Fees and Expenses.

1.2 *Use of Available Funds*

The Fund will invest the net proceeds from the issue of Units in accordance with its investment objectives and strategies set out herein. See Item 2.2, Our Business.

1.3 *Reallocation*

The Fund will only invest the net proceeds of the offering in accordance with its investment objectives and strategies set out herein and will not reallocate funds for any other purpose.

Item 2 Business of The Fund

2.1 *Structure*

The Fund is an open-ended unit trust formed under the laws of the Province of Ontario on September 02, 2011 by an amendment to Schedule A to a Master Declaration of Trust dated as of the 12th day of April 2007, as amended and restated as of December 17, 2007 and as it may be subsequently amended from time to time (the “Declaration of Trust”).

Fiscal Year

The Fund’s financial year end is December 31 in each year. The Fund’s tax year is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada), December 15th in each year.

The Trustee, Manager, Portfolio Advisor, Promoter and Fund Accountant

Crystal Wealth Management System Limited is the trustee, manager, portfolio advisor, promoter and fund accountant of the Fund (“Crystal Wealth” or the “Manager”). It is responsible for managing the overall business of the Fund as well as investing the Fund’s assets in accordance with the stated investment objectives of the Fund. Its head office is 3385 Harvester Road, Suite 200, Burlington, Ontario, L7N 3N2.

Crystal Wealth has managed and/or advised public mutual funds since 1999. The principal portfolio managers of Crystal Wealth are Clayton Smith and Scott Whale.

Crystal Wealth has engaged AIS Solutions Inc. (“AIS”) to provide bookkeeping services for the Fund that includes making all basic accounting entries relating to the Fund’s operations as well as distributing the Fund’s NAV to various third party data providers and the Fund’s registrar and producing the first draft of the Fund’s semi-annual and annual financial statements. Crystal Wealth provides AIS with all necessary trading reports and cash movement summaries and performs all final fund accounting functions such as verifying the NAV prior to distribution, verifying all accounting entries made by AIS and finalizing both the semi-annual and annual financial statements.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Media Property Servicing Company ("MPSC")

The Manager will be relying on the expertise of Media House Capital (Canada) Corp. ("MHC"), a management firm that specializes in film finance and production in order to source potential investments for the Fund and monitor those investments on an ongoing basis. The Fund currently intends to purchase the majority of its loans from MHC. MHC operates in British Columbia and Ontario, with its registered office in Burnaby, British Columbia. Please see Item 2.7 and Item 3 for additional details. While the current agreement with MHC is not exclusive and the Fund may enter into similar arrangements or engage other MPSCs going forward, the Fund is not currently a party to other similar arrangements.

Auditor

BDO Dunwoody LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian and Prime Broker

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

The Prime Broker of the Fund is Interactive Brokers Canada Inc., a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 1800 McGill College Avenue, Suite 2106, Montreal, Quebec, H3A 3J6.

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services ("IFDS"), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

2.2 Our Business

Investment Objective

The investment objective of the Fund is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in asset-backed debt obligations of motion pictures and series television productions.

Investment Strategy

To achieve the Fund's investment objective, it is intended that the Fund will purchase existing notes and other debt obligations, primarily notes evidencing short to medium term loans (12-30 months) that have been made to independent producers used to fund a portion of the production costs to complete motion pictures and series television productions. The Fund will not be in the business of making loans, but rather purchasing already existing securities such as notes and other debt obligations. The debt obligations that the Fund purchases will be secured by some or all of the following:

- All tangible and intangible assets of the Borrower (production) held by the lender including all of the Borrower's rights, titles and interests in and to the production together with the copyrights and related intellectual property rights embodied therein;
- Specified receivables or sales proceeds emanating from the unsold distribution rights of the productions in different geographical territories of the world, subordinated to no other investors until recouped in full with interest, less any third party costs which may include approved sales agents, distributors, guilds and unions; and
- On an ancillary or secondary basis, the Federal, Provincial and State tax credit or government rebate programs.

There is no certainty that the value of the collateral will be sufficient to cover the amount owing.

A Borrower is the person who had obtained a loan, which debt obligation was subsequently sold or assigned to the Fund.

The debt obligations which the Fund will purchase may carry unsecured contractual rights to receive a percentage of the net profits of particular projects, offering the Fund potential additional ongoing revenue should the productions be very successful. There is no guarantee that any amounts will be generated from this contractual net profit participation and the Fund will not account for any amounts therein in the valuation of its investments until such time as they are earned or receivable thereto.

The Fund does not intend to participate in unsecured equity-based investments in productions. Rather, the Fund invests in notes and other debt obligations that have a high ratio of projected collateral sales proceeds to debt (as outlined under Investment Strategy above.) The Fund will require that it is the first party to be paid out by the proceeds of the sale of distribution rights. In most cases, the successful repayment of the debt obligations does not rely on the film generating a high level of box office performance.

In analyzing the potential deals in which to invest, the Manager will look at, among other things, the following factors:

- The face value of the debt obligation compared to the overall budget of the production;
- The identity of the other financiers involved in the project to date;
- Track record of the producer;
- Experience of the sales agent together with minimum sales projections that will provide adequate debt coverage of the loan, with the objective being a minimum of 200%;
- The credibility of the sales estimates of the sales agent/distributor for the unsold territories;
- Key attachments, which include marketable talent (actors), and key crew members behind the camera (director, director of photography, production designer, etc.);
- Quality of the distributors and broadcasters pre-sold to date;
- Term of the debt, including projected timeline of recoupment with interest; and
- Other typical factors with respect to debt such as loan to value, personal guarantees of the producers, capital position of the production.

The Manager may, at its discretion, invest in other income-generating securities in order to try to maintain some liquidity of the Fund or to diversify the investment portfolio in the event of a downturn in the film and TV media market. These investments may include individual securities such as exchange-traded funds, bonds, T-Bills or other mutual funds managed by Crystal Wealth. The Manager intends to maintain sufficient cash and cash equivalents ("Cash Equivalents") such as a line of credit, treasury bills

and other money market instruments to fund redemption requests for Units representing up to 5% of the Fund's net assets at all times.

The Independent Film Market

The film industry is a unique investment opportunity that, in the Manager's view, is not correlated to other traditional securities such as stocks, bonds and resources. In both good and bad economic times, consumers seem to find the money to spend on a night out at the movies or to enjoy watching a movie on a home video device either by rentals or purchases.

Independent films are those produced and distributed outside of the major Hollywood studio system. Created on budgets much lower than the size of studio films, "indies" are often driven by the quality of their writing and acting rather than by huge advertising campaigns or whiz-bang special effects. Because of their small size, successful indie films have the potential to provide much higher ROIs than larger films. Currently, independent films represent a little over 74% of all films in theatres, up 46% from ten years ago. (Source: PWC Global Media Outlook 2007 – 2011). However, gross revenues generated by "indie" films is a relatively small percentage, ie 18% of the overall gross revenues generated by all films domestically and on an absolute dollar basis is \$10.5 billion. This is down from 25% 10 years ago. Typically, films have generated an additional 133% of the domestic box office gross from DVD, home video and television revenue streams. Though indie films have generated a decreasing proportionate share of the gross domestic box office, this reflects a number of recent market factors including the credit crisis of 2008 which decreased the number of films in production and increased the capacity of "smaller" films to access the market through video-on-demand, on-line streaming, and other sources of revenue not tracked by box office receipts.

The fund will be relying primarily on the sales performances in all media markets and in all unsold territories for its return on investment. While the Fund will not be relying solely on box office revenues to satisfy the debt repayment, some of the Fund's investments will include some profit participation in the form of an unsecured contractual right to receive a percentage of the net profits of a particular production. This profit participation could provide additional return to the Fund over and above the stated interest rate on the debt, if a film performs well at the box office. There is no guarantee that any amounts will be generated from this contractual net profit participation.

General Investment Guidelines and Criteria for Investments

The composition of the Fund's investment portfolio will vary over time depending on the Manager's assessment of the appropriate strategy given overall market conditions and outlook. However, the following general guidelines will be followed for managing the portfolio:

1. the Fund will invest in existing notes or debt obligations and will not lend money, or advance funds, to any Borrower;
2. the Fund's investments will generally be in Canadian, American, UK and Australian film and television productions with budgets in the \$2,000,000 to \$15,000,000 range; and
3. the Manager will attempt to ladder the portfolio so that the debts mature at staggered intervals.

Line of Credit

It is the intention of the Manager to establish a line of credit secured against the assets of the Fund that does not exceed an amount equal to 20% of the net assets of the Fund. This line of credit has three potential uses:

- (i) To provide liquidity in the event of Unitholder redemptions. It is the intention of the Manager to keep the Fund as close to fully invested as possible at all times. There is no established secondary market for these debt obligations so there is relatively little immediate liquidity in the Fund for the Manager to meet unexpected redemption requests. The line of credit could be used to fund these redemptions and would be paid down as debts matured within the portfolio or as new investors put money into the Fund.
- (ii) To smooth the timing differences between deal flow (potential loans) and cash availability in the Fund. The Manager will attempt to ladder the Fund's investment portfolio such that debt investments are maturing on a regular basis. However, there will be times when new investment opportunities are available for a limited time, but the Fund does not have available cash to invest in them at that time. Rather than miss these opportunities, the Manager may temporarily draw upon the line of credit to invest in these new investments and pay down the line of credit as existing debts mature within the portfolio or new subscriptions are made in the Fund.

There is no guarantee that the Manager will be able to successfully secure a line of credit for the Fund and investors should not rely on there being a line of credit in place when determining whether to purchase units of the fund.

Statutory Caution

The foregoing disclosure of investment objectives and strategies may constitute "forward-looking information" for the purpose of Ontario securities legislation, as it contains statements of the intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Manager of the success of its investment strategies in certain market conditions, relying on the experience of the Manager's officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Manager and the success of its investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Manager's intended strategies as well as its actual course of conduct. Investors are urged to read "Risk Factors" below for a discussion of other factors that will impact the operations and success of the Fund.

Investment Restrictions

Securities legislation imposes several restrictions on the Fund including the following: (a) the Fund is prohibited from acquiring 20% or more (alone or together with any related mutual fund) of the voting securities of an issuer and (b) the Fund cannot invest in issuers in which the Manager or associates of it have a significant interest.

The Fund may not engage in short-selling.

Investment Process

The Manager will monitor the Fund's asset mix and its risk and reward profile in the context of the state of the economy, the general financial markets and the independent film industry market in particular.

The Manager has entered into an agreement dated August 12, 2011 with MHC, an independent company that specializes in the structuring, sourcing and administration of the loans in the independent film market underlying the debt obligations. The role of MHC is to source, advise in connection with the procurement of and service the debts through to maturity. MHC will monitor and periodically report on the performance, including the actual sales performance compared to target projections of those investments on an ongoing basis on behalf of the Fund, notifying the Manager of recommended action steps and facilitating taking action where necessary to ensure the successful completion of the Fund's investments.

Once a potential debt investment is sourced for the Fund by MHC or another administration company, the Manager will perform its due diligence and examine how the new debt fits into the overall investment portfolio from a diversification point of view. If the Fund invests in the debt, MHC will assist the Manager with servicing and monitoring the underlying loan until maturity and repayment.

Investments in Other Funds Managed by Crystal Wealth

The Manager may, from time to time, invest some of the assets of the Fund in units of other mutual funds managed by Crystal Wealth (an "Underlying Crystal Wealth Fund"). Where the Manager does this, no sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of units of the Underlying Crystal Wealth Fund, and no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Crystal Wealth Fund for the same service. To be more specific, any management fees charged to the Underlying Crystal Wealth Fund attributable to the assets of the Fund that are invested in the Underlying Crystal Wealth Fund and the HST payable thereon will be rebated back to the Fund at the end of each month in the form of a management fee rebate that will be reinvested in additional units of the Underlying Crystal Wealth Fund on behalf of the Fund.

The percent of the Fund's assets invested in each Underlying Crystal Wealth Fund may fluctuate on a daily basis based on the investment decisions made by Crystal Wealth in order to meet the investment objectives of the Fund. Under typical market conditions or in order to maintain liquidity, the Fund may invest up to 20% of its assets, on a book or market value basis, in any one or more Underlying Crystal Wealth Funds. However, under extreme market conditions or in anticipation of a downturn in the independent film market, the Fund may invest up to 100% of its assets in a combination of Underlying Crystal Wealth Funds. The Manager will review the investments by the Fund in any Underlying Crystal Wealth Funds on a regular basis to ensure that the investments continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund.

Copies of the offering memoranda of the Underlying Crystal Wealth Funds are available upon request from the Manager, free of charge.

2.3 Development of the Business

No material events outside of normal securities market fluctuations have occurred during the previous two years that have influenced the development of the issuer. As the Fund is an open-ended investment vehicle under continuous distribution with investors being able to purchase or redeem units on a weekly basis, the net assets of the Fund fluctuate based on unitholder activity as well as the success of the Manager in achieving the investment objective.

From inception of the Fund on September 2, 2011 through to the end of 2011, the total net assets of the Fund grew to \$4.6 million. Net unitholder activity during the period was \$4.6 million net purchases. The Fund's total investment performance, including reinvested distributions and unit price appreciation, during 2011 was 3.9%. There were total distributions of \$163,227 during 2011.

For 2012 year to date, the total net assets of the Fund increased from \$4.6 million to \$11.6 million. Net unitholder activity during the period was \$7.0 million net purchases, including reinvested distributions. The Fund's total investment performance, including reinvested distributions and unit price appreciation, during the period was 8.15%. There were total distributions of \$717 thousand during the 2012 year to date period.

2.4 Long Term Objectives

The long-term objectives of the Fund are as set out under Item 2.2, Our Business. The Manager has no intention to vary or amend these objectives.

2.5 Short Term Objectives and How We Intend to Achieve Them

The short-term objectives of the Fund are as set out under Item 2.2, Our Business. The Manager has no intention to vary or amend these objectives.

2.6 Insufficient Funds

The proceeds of the offering may not be sufficient to accomplish all of the Fund's proposed investment objectives and there is no assurance that alternative financing will be available.

2.7 Material Agreements

Master Declaration of Trust

The following constitutes a summary of the general provisions of the Declaration of Trust. The Declaration of Trust sets out the powers and duties of the manager and the trustee of the Fund, the attributes of the Units, procedures for the purchase, exchange and redemption of Units, recordkeeping, calculation of the Fund's income and other administrative procedures. It also contains provisions for the selection of a successor trustee if Crystal Wealth should resign. Specific provisions of the Declaration of Trust dealing with series of Units and the rights of Unitholders are discussed under Item 5.1, Units.

The Declaration of Trust provides that the Fund or a series of Units of the Fund may be terminated on reasonable notice to investors and the subsequent distribution of the Fund's or series' net assets to investors.

The Declaration of Trust provides the trustee with a right of indemnification in carrying out its duties under the Declaration of Trust, provided that the trustee does not breach its standard of care.

Master Management Agreement

Crystal Wealth has entered into a Master Management Agreement dated as of April 12, 2007 and as amended from time to time by the parties (the "Management Agreement") to facilitate the administration and portfolio management of the Fund. Under the Management Agreement, the Manager is responsible for providing directly, or for arranging other persons or companies to provide, administration of the Fund, investment portfolio advisory services, distribution services for the promotion and sale of the Fund's Units and other operational services. The Management Agreement contains a schedule of the management fee rate and sets out the operating expense reimbursement arrangements payable to the Manager by the Fund.

The Management Agreement will continue in effect unless and until terminated with respect to the Fund on at least 60 days' prior written notice. The Management Agreement may be terminated immediately upon written notice if any party is in breach of its terms and the breach has continued for at least 30 days without being remedied.

Under the Management Agreement, the Manager and its agents are not liable for any loss sustained by reason of the adoption or implementation of any investment policy or the purchase, sale or retention of any portfolio investment on behalf of the Fund. However, this limitation of liability does not protect the Manager against any liability to the Fund or Unitholders by reason of wilful misfeasance, bad faith or negligence in the performance of its duties under the Management Agreement.

Custodian Agreement

The Manager entered into a custodian services agreement with NBCN on July 26, 2004, under which NBCN will act as custodian of the assets of the Fund. For its services, NBCN receives a fee agreed to from time to time by NBCN and the Manager. This fee is borne by the Fund.

Securityholder Services Agreement

The Manager entered into a securityholder services agreement with IFDS on February 17, 2004 to have IFDS act as registrar, transfer agent, order processing and distribution disbursement agent and to perform certain administrative, trust accounting and other services with respect to the Fund. For its services, IFDS receives a fee agreed to from time to time by IFDS and the Manager. This fee is borne by the Fund.

Media Property Servicing Agreement

The Fund has entered into a Production Loan Administration Agreement with MHC dated August 12, 2011. MHC will not receive a fee from the Fund for its services, as it would have already been compensated by way of a loan facilitation fee, paid by the Borrower, of up to 10% of the face value of any loans that the Fund purchases from MHC. The Fund currently intends to purchase the majority of its loans from MHC. MHC will source, evaluate and present to the Fund all of the notes or debt obligations evidencing the loans that it or its affiliates have entered into. The Fund will then be entitled (but not obligated) to purchase the notes or debt obligations. MHC will manage and service the underlying loans purchased by the Fund. The Agreement may be terminated by the Fund if MHC acts unlawfully, dishonestly, in bad faith or is grossly negligent with respect to its business or if MHC materially breaches the agreement and that breach is not remedied within 30 days after written notice of the breach. The Agreement may also be terminated by either party on 90 days notice. The Fund may dispose of any debt it purchases if the underlying loan is in default or otherwise triggers an event of default.

Copies of the material contracts referred to above may be inspected during normal business hours at the offices of the Manager or may be obtained from the Manager for a nominal charge to reimburse the Fund for the costs of providing such copies.

Item 3 Interests of Director, Management, Promoter and Principal Holder

3.1 Compensation and Securities Held

The following table provides information about the directors and officers of the Manager and Promoter and each person who, directly or indirectly, beneficially owns or controls 10% or more of any series of voting securities of the Fund (a "principal holder").

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the Fund in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of Units of the Fund held as at the date of this Offering Memorandum
THE MANAGER AND PROMOTER			
Clayton Smith Burlington, Ontario	Director, President, Chief Executive Officer and Chief Financial Officer of the Manager since March 31, 1998	N/A ¹	0
PRINCIPAL HOLDERS			
Crystal Enhanced Mortgage Fund Burlington, Ontario	Principal Holder	N/A	513,709.5211 Series A Units representing 44.0% of the Fund

¹ The Fund does not compensate this individual directly. Rather the Fund pays the Manager a management fee as discussed under Item 5.1, Fees and Expenses.

3.2 Interests of Management and Conflicts of Interest

Conflicts of interest exist between the interests of the Manager on the one hand and the Fund and its Unitholders on the other hand. The Manager earns fees from the ongoing management of the Fund's investment portfolio and the Fund is considered both a related issuer and a connected issuer of the Manager, as a result of the fact that the Manager is also the trustee of the Fund. Details of the fees earned by the Manager are fully disclosed elsewhere in this Offering Memorandum.

The Fund may be subject to various conflicts of interest due to the fact that the Manager is engaged in a wide variety of management, advisory, distribution and other business activities. The services of the Manager are not exclusive and nothing in the Declaration of Trust, the Management Agreement or any other agreement prevents it from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Fund) or from engaging in other activities. These agreements do not impose any specific obligations or requirements concerning

the allocation of time by the Manager to the Fund. The personnel of the Manager devote such time to the affairs of the Fund as the Manager, in its discretion, determines to be necessary for the conduct of the business of the Fund. As an exempt market dealer, the Manager intends to sell interests in related trusts, limited partnerships and other pooled funds organized by the Manager.

Employees and the sole officer and director of the Manager may invest their own money in the Fund and may, from time to time, be significant investors in the Fund. In addition, the Manager may make the same investment for the Fund as it makes for one or more of its other clients (including another fund) and for itself. In the course of providing investment advisory services to its clients, there are times when the Manager must bunch or block trades if it is selling or buying the same security for numerous clients simultaneously. An allocation of price and commission when trades are bunched or blocked must be performed. There are also occasions when the quantity of a security available at a specified price is insufficient to satisfy the requirements of every client for which the security would be suitable (for example: a block trade that is partially filled). Occasions also arise when the quantity of a security to be sold by two or more clients is too large to be completed at the same price. Similarly, new issues of a security, including initial public offerings and "hot issues", may be insufficient to satisfy the requirements of all clients for which such securities would be suitable.

Under such conditions, it is Crystal Wealth's policy to allocate, insofar as it is possible, such purchases or sales, and the commissions thereon, pro rata (on an average price basis) based upon the interest of each account participating in the trade in relation to the interests of all other participating accounts. Where it is impossible even then to ensure complete fairness, every effort will be made to address any trading inequities at the next opportunity so that every client, large or small, over time, receives equitable treatment in the filling of orders.

In the case of a partially filled block trade, IPO or hot issue, Crystal Wealth will not allocate a pro rata share to proprietary, employee and/or personal accounts before it fills all trades for clients, such as the Fund.

MHC is acting as the principal source of the investments and is the primary lender that structures the loan and earns a fee on each loan or debt obligation from the production company. When the Fund purchases the debt obligation, MHC effectively assigns their risk to the Fund, which may influence MHC's independent judgment in analyzing the investments. To mitigate this conflict of interest, the Fund has a "first look" on all of the loans MHC or its affiliates have entered into and the Fund is entitled (but not obligated) to purchase any such debt obligation. Further, the MHC fee will be earned over the period of time in connection with their performance regarding the servicing of loans.

3.3 Management Experience

The following table provides information about the principal occupation of the sole director and officer of the Manager.

THE MANAGER	
Name	Principal occupation and related experience
Clayton Smith	<p>Director, President, Chief Executive Officer and Chief Financial Officer of the Manager.</p> <p>Mr. Smith has been President of the Manager since March 1998. From August 1994 to February 1998, Mr. Smith was a financial planner. Prior to</p>

	August 1994, Mr. Smith served as an officer in the Canadian Armed Forces after attending Royal Military College.
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3.4 *Penalties, Sanctions and Bankruptcy*

No director or senior officer or control person of Crystal Wealth or person holding a sufficient number of Units of the Fund to affect materially the control of the Fund has, in the last 10 years:

- (a) been subject to any penalties or sanctions imposed by a court or regulatory authority;
- (b) been a director, senior officer or control person of any issuer that has been subject to any penalties or sanctions imposed by a court or by a regulatory authority while the director, officer or control person was a director, officer or control person of such issuer;
- (c) made any declaration of bankruptcy, voluntary assignment in bankruptcy or proposal under bankruptcy or insolvency legislation or been subject to any proceedings, arrangement or compromise with creditors of a receiver, receiver-manager or trustee to hold assets; or
- (d) been a director, senior officer or control person of any issuer that has made any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under bankruptcy or insolvency legislation, or been subject to any proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver-manager or trustee to hold assets while the director, officer or control person was a director, officer or control person of such issuer.

Item 4 Capital Structure

4.1 *Share Capital*

Description of security	Number authorized to be issued	Number outstanding as at August 31, 2012
Series A Units	unlimited	1,154,361.087

4.2 *Long Term Debt*

The Fund has no long-term debt as of the date of the Offering Memorandum. See Item 2.2, Our Business for discussion regarding the line of credit facility that the Manager may use as part of the investment strategy of the Fund.

4.3 *Prior Sales*

Date of issuance	Type of security issued	Number of Units issued	Price per Unit CAD	Total funds received CAD
02-September-11	Class A Units	100	\$10.00	\$1,000.00
9-Sep-11	Class A Units	38552.126	\$10.00	\$385,521.26
30-Sep-11	Class A Units	61000	\$10.00	\$610,000.00

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14-Oct-11	Class A Units	130000	\$10.00	\$1,300,000.00
21-Oct-11	Class A Units	89946.056	\$10.01	\$900,000.00
28-Oct-11	Class A Units	58851.779	\$10.00	\$588,617.17
11-Nov-11	Class A Units	20508.778	\$10.24	\$210,000.00
18-Nov-11	Class A Units	2453.1449	\$10.26	\$25,157.98
25-Nov-11	Class A Units	10726.969	\$10.00	\$107,269.69
2-Dec-11	Class A Units	708.681	\$10.00	\$7,086.59
9-Dec-11	Class A Units	16964.239	\$10.00	\$169,641.31
16-Dec-11	Class A Units	1941.6366	\$10.00	\$19,425.00
23-Dec-11	Class A Units	11251.735	\$10.02	\$112,738.54
30-Dec-11	Class A Units	13655.749	\$10.00	\$136,597.62
6-Jan-12	Class A Units	4549.2409	\$10.01	\$45,550.00
13-Jan-12	Class A Units	1994.3453	\$10.03	\$20,000.00
20-Jan-12	Class A Units	10759.688	\$10.04	\$108,000.00
27-Jan-12	Class A Units	14503.303	\$10.03	\$145,493.20
3-Feb-12	Class A Units	15509.579	\$10.14	\$157,271.55
10-Feb-12	Class A Units	3869.0289	\$10.14	\$39,239.51
17-Feb-12	Class A Units	1945.3437	\$10.15	\$19,740.32
24-Feb-12	Class A Units	31683.125	\$10.04	\$318,243.41
2-Mar-12	Class A Units	1397.2927	\$10.06	\$14,060.00
9-Mar-12	Class A Units	221765.09	\$10.08	\$2,234,845.90
16-Mar-12	Class A Units	911.52446	\$10.16	\$9,263.76
23-Mar-12	Class A Units	9055.882	\$10.17	\$92,141.26
30-Mar-12	Class A Units	19353.334	\$10.02	\$193,945.21
5-Apr-12	Class A Units	926.81798	\$10.03	\$9,300.00
13-Apr-12	Class A Units	1574.4803	\$10.05	\$15,826.08
20-Apr-12	Class A Units	-1423.127	\$10.07	-\$14,332.78
27-Apr-12	Class A Units	3358.4842	\$10.07	\$33,816.59
4-May-12	Class A Units	23757.673	\$10.08	\$239,584.61
11-May-12	Class A Units	25338.603	\$10.10	\$256,000.00
18-May-12	Class A Units	19168.401	\$10.12	\$194,000.00
25-May-12	Class A Units	35582.443	\$10.04	\$357,404.98
1-Jun-12	Class A Units	8631.4896	\$10.06	\$86,816.76
8-Jun-12	Class A Units	78376.064	\$10.07	\$789,304.90
15-Jun-12	Class A Units	11994.754	\$10.08	\$120,900.04
22-Jun-12	Class A Units	86455.585	\$10.17	\$879,001.22
29-Jun-12	Class A Units	54037.657	\$10.06	\$543,433.56

6-Jul-12	Class A Units	1961.1195	\$10.08	\$19,773.13
13-Jul-12	Class A Units	985.84148	\$10.09	\$9,950.00
20-Jul-12	Class A Units	19686.711	\$10.10	\$198,867.81
27-Jul-12	Class A Units	17690.237	\$10.06	\$177,917.94
3-Aug-12	Class A Units	2635.022	\$10.08	\$26,554.07
10-Aug-12	Class A Units	3170.2263	\$10.09	\$31,983.40
17-Aug-12	Class A Units	-39693.71	\$10.12	-\$401,728.16
24-Aug-12	Class A Units	7188.4214	\$10.15	\$72,930.58

Item 5 Securities Offered**5.1 Terms of Securities**

The securities being offered under this Offering Memorandum are Series A units of the Fund.

Units

An investment in the Fund is represented by Units. The Fund is permitted to have an unlimited number of series of Units and is authorized to issue an unlimited number of Units of each series. Each series of Units of the Fund will be invested in the same portfolio of assets. To date, the Fund has created only one series of Units.

At a meeting of Unitholders, each Unitholder will have one vote for each dollar value of all Units owned by such Unitholder as determined based on the series net asset value per Unit at the close of business on the record date for voting for such meeting, with no voting rights being attributed to portions of a dollar of such value. Unitholders have limited voting rights.

Unitholders are also entitled to participate pro rata based on the Units held by them in distributions made out of the Fund (other than Management Fee Distributions, as described herein) and, on liquidation of its net assets (on a series by series basis). No certificates are issued by the Fund to represent the outstanding Units. Each Unit is transferable only in accordance with Declaration of Trust and subject to securities legislation, is not subject to future calls or assessments, and entitles the holder to rights of redemption.

Offering Price

The initial offering price of the Units of the Fund will be \$10.00 per Unit. Thereafter, the offering price of the Units of the Fund is an amount equal to the net asset value per Unit ("NAVPU") determined from time to time, no less frequently than monthly. Currently, the NAVPU will be determined weekly, on the last business day of each week (each, a "Valuation Date").

The NAVPU will also be determined on the last business day of each month and on any other day as the Manager in its discretion determines, but these dates will not be considered Valuation Dates for the purposes of Unitholder transactions.

Computation of Net Asset Value

The net asset value of the Fund (the "NAV") will be calculated by the Manager or its agent in Canadian dollars on each Valuation Date by taking the value of all assets less the liabilities of the Fund.

In calculating the NAV of the Fund at any time:

- (a) the value of cash, promissory notes, receivables, prepaid expenses, dividends and interest declared or accrued but not yet received, will be deemed to be the face value thereof unless the Manager or its agent considers otherwise;
- (b) the value of treasury bills and other money market instruments will be the cost of such instruments plus the accrued interest up to and including the Valuation Date;
- (c) the value of loans will be the outstanding principal on the Valuation Date;
- (d) the value of any other securities for which there is a published market will be the closing market price for such securities (or if there is no closing price the average of the closing bid and ask prices) on the Valuation Date; provided that if in the opinion of the Manager or its agent, such price does not properly reflect the price which would be received by the Fund upon disposal of the securities, the Manager or its agent may place such value upon such securities as appears to the Manager or its agent to most closely reflect the fair value of such securities;
- (e) the value of any other property for which a current third party valuation is available will be the value as determined by the third party valuator;
- (f) the value of all other property will be the value that the Manager or its agent determines in its reasonable discretion most accurately reflects its fair value;
- (g) the value of any asset measured in a foreign currency will be calculated by converting the value in the foreign currency into Canadian dollars using the rate of exchange current on the Valuation Date as determined by the Manager or its agent;
- (h) each transaction of purchase or sale of portfolio securities effected by the Fund will be reflected in the computation of the NAV not later than the first computation of such NAV made after the date on which such transaction becomes binding;
- (i) the issue or redemption of Units of the Fund will be reflected in the computation of the NAV no later than the next computation of such NAV made after the time as at which a NAVPU is determined for the purpose of the issue or redemption of the Units of the Fund; and
- (j) liabilities include only those expenses paid or payable by the Fund, including accrued contingent liabilities, management fees and performance fees where they are known.

The NAVPU will be the NAV of the portfolio assets of the Fund attributable to the series divided by the number of Units of the series outstanding on the relevant Valuation Date.

A NAV will not be calculated if redemptions have been suspended by the Manager.

The value given to any pooled fund investments held by the Fund on a Valuation Date, including an Underlying Crystal Wealth Fund is derived from the most recent net asset value information available to Crystal Wealth on that Valuation Date. Often, the only valuation information available is an estimate of the net asset value of the applicable pooled fund as of the Valuation Date, which in turn is based on estimated values of the pooled fund's underlying investments. These underlying investments may be difficult to value, as they may be illiquid and may trade infrequently or not at all. In some cases, subsequent information provided by the pooled fund may show an actual value that is different from the

estimated value previously provided. No adjustment will be made to the number of Units purchased or redeemed by an investor in the Fund because of the use of estimated values in determining the net asset value of the Fund and the net asset value of each series of Units of the Fund.

Redemption of Units

A Unitholder may, upon request to the Manager in a manner and form acceptable to the Manager, redeem a portion or all of its Units at a redemption price equal to the NAVPU on the Valuation Date next following the date on which the request for redemption is received by the Manager, less any accrued and applicable fees and taxes. If the request is received by the Manager prior to 4:00 p.m. EST, on a Valuation Date, the redemption will be processed on that Valuation Date. Proceeds of redemption will be paid within three days from such date either by cheque or electronic payment as the Unitholder requests. No interest will be paid to the Unitholder on account of any delay in forwarding the proceeds of redemption to the Unitholder. If Units were purchased by cheque and then redeemed within seven business days of the purchase, the Fund may hold the redemption proceeds until the purchase cheque has cleared, which may take up to 10 business days for cheques drawn on a Canadian chartered bank and up to 45 business days for all other cheques.

Notwithstanding the foregoing, the Manager, in its sole discretion, may, at any time by giving ten business days prior written notice to Unitholders, institute a policy that requires Unitholders to submit their redemption requests at least 30 days prior to the Valuation Date on which they wish the redemption to take place. If the Manager implements this policy, then all redemption requests received within 30 days of a Valuation Date will not be processed until the first Valuation Date after the 30 day notice period has expired.

The Manager has the right to cause redemptions of Units to be suspended for the whole or any part of a period during which normal trading is suspended on any exchange on which securities representing more than 50% by value or underlying market exposure of the total assets of the Fund are traded. Any redemptions that would otherwise have taken place during the period of suspension will be effected at the close of business on the Valuation Date immediately following the termination of suspension unless, prior to that date, a Unitholder has withdrawn his or her redemption order.

The Manager may, at any time and from time to time, by giving ten business days prior written notice to Unitholders, redeem all or any portion of the outstanding Units of a series on the next Valuation Date for a redemption price per Unit equal to the NAVPU for Units of that series calculated as at the close of business on that day. Among other reasons, the Manager could exercise this right if a particular series has few Units outstanding and it is not economically viable to keep that series open. Alternatively, the Manager could exercise this right of redemption for tax purposes.

The Manager is also entitled to require the redemption of all or any part of the Units held by a Unitholder at any time in its discretion.

The Manager is entitled to require the redemption of all of the Units held by a Unitholder at any time that the Unitholder's account falls below \$5,000 in market value. Prior to exercising this right of redemption, the Manager will provide the Unitholder with 10 business days' prior notice to allow such Unitholder the opportunity to increase the value of its account to \$5,000 by purchasing more Units of the Fund.

Systematic Withdrawal Plans

Unitholders may make regular redemptions through a Systematic Withdrawal Plan ("SWP"). Once a SWP is authorized, the Manager will make automatic redemptions from the Unitholder's account

according to the schedule chosen by the Unitholder. SWPs are available monthly or quarterly on the last Friday of the month. If the last Friday of the month is a holiday, the SWP will be run on the valuation date immediately preceding it. In addition, all of the conditions, features, fees and charges discussed elsewhere in this memorandum still apply to Units redeemed in the SWP program.

Distributions

The Fund will distribute in each year such portion of its annual net income and net realized capital gains as will result in the Fund paying no tax under Part 1 of the Income Tax Act (Canada) (the "Tax Act"). Distributions of net income will be made monthly on the last Friday of the month. If the last Friday of the month is a holiday, the distribution will be done on the Valuation Date immediately preceding it. In December of each year, a distribution of net income and net realized capital gains will take place on a date between December 15 and December 31 to be determined by the Manager.

All distributions made by the Fund to each series of Units will be automatically reinvested in additional Units of the same series at the NAVPU thereof unless a Unitholder elects to receive his or her distribution in cash.

Short-Term Trading Fee

In order to protect the interests of the majority of Unitholders of the Fund and to discourage short term trading in the Fund, Unitholders may be subject to a short-term trading fee. If a Unitholder redeems Units within 180 days of such Units having been acquired, the Fund may deduct and retain for the benefit of the remaining Unitholders 5% of the value of the Units redeemed.

Limitation on Non-Resident Ownership

It is the intention of the Manager to cause the Fund at all times to qualify as a "mutual fund trust" under the provisions of subsection 132(6) of the Tax Act. If non-residents of Canada within the meaning of the Tax Act ("Non-Residents") become the beneficial owners of more than 49% of the Units in certain circumstances, this could cause the Fund to cease to qualify as a "mutual fund trust". As a result, the Manager may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Manager becomes aware that the beneficial owners of 45% or more of the Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, and if its "mutual fund trust" status is threatened by such Non-Resident ownership, the Manager will not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration in form and content satisfactory to the Manager that the person is not a Non-Resident.

If notwithstanding the foregoing, if the Manager determines that more than 45% of the Units are held by Non-Residents, subject to all applicable securities and other laws, the Manager may send a notice to Non-Resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such other manner as the Manager may consider equitable and practicable, requiring such Non-Residents to redeem their Units.

Fees and Expenses

Management Fee: The Manager provides management and investment advisor services to the Fund for which it is entitled to receive from the Fund a management fee equal to a maximum annual rate of 2.0%. The base Trailer Fee (as described in Item 7) is paid by the Manager. The management fee accrues daily and is payable monthly in arrears PUR. 03

Trustee Fees: Crystal Wealth is paid a fee for its services as trustee by the Fund that does not exceed market rates for similar services if they were provided by a third party.

Management Fee Distributions: To encourage large investments in a Fund (generally in excess of \$1 million), the Manager may reduce the management fee that would be charged to the Fund in respect of Units held by an investor making the large investment. The amount of the reduction is distributed by the Fund (the “Management Fee Distribution”) to the investor for whose benefit the fees were reduced. Where applicable, Management Fee Distributions will be calculated on each business day and distributed on a regular basis by the Fund to the applicable investor, generally, first out of the net investment income and net realized capital gains of the Fund and then out of capital. All Management Fee Distributions will be reinvested in additional Units of the same series of Units of the Fund unless otherwise requested. The amount of the Management Fee Distribution is generally treated as income or capital gains to the Unitholder receiving it.

Organization Costs: The costs of initially organizing the Fund and offering Units have been paid by the Manager out of its general corporate funds and may be reimbursed to the Manager by the Fund without interest over time, based upon the Fund’s ability to pay and upon demand by the Manager.

Operating Expenses: The ongoing expenses of the Fund will be borne by the Fund, including without limitation, the fees and expenses of legal counsel and the Fund’s auditors, communications to Unitholders, custodial arrangements, fund accounting fees payable to the Manager that do not exceed market rates for similar services from third parties, registrar and transfer agency fees, administration and recordkeeping, interest, brokerage fees and taxes of all kinds to which the Fund is or might be subject to. The Fund is required to pay harmonized sales tax (“HST”) on the management fee and most of the other fees and expenses which it pays.

5.2 Subscription Procedure

Continuous Offering

Units of the Fund are offered on a continuous basis under this Offering Memorandum. In offering the Units, the Fund will be relying on certain exemptions from the prospectus requirements of securities laws in the various provinces and territories of Canada. Pursuant to National Instrument 45-106 (“NI 45-106”), the current minimum investment for residents in each of the offering jurisdictions, purchasing as principal, is \$150,000 (Canadian Dollars), to be paid in cash at the time of purchase.

The Manager in its discretion may accept a lower minimum initial investment of \$25,000 from:

- (a) an “accredited investor” who purchases as principal (the list of investors who may qualify for the accredited investor designation is specified in Schedule A to the accompanying Subscription Agreement); or
- (b) an investor in British Columbia, Nova Scotia, New Brunswick or Newfoundland and Labrador who purchases Units under the “offering memorandum exemption” provided for under NI 45-106 and who:
 - (i) purchases as principal,
 - (ii) has received the Offering Memorandum, and

- (iii) completes the Form 45-106F4 Risk Acknowledgement that is included in the accompanying Subscription Agreement.

The Manager reserves the right to accept or reject subscriptions, to change the minimum amounts for investments in the Fund and to discontinue the offering of Units of the Fund at any time and from time to time. Any monies received with rejected subscriptions will be refunded within two business days, without interest or deduction.

Subscriptions may be placed by investors either directly with the Manager in Ontario, Alberta or British Columbia or through registered dealers. Prospective investors who wish to subscribe for Units must complete, execute and deliver the Subscription Agreement that accompanies this Offering Memorandum to the Manager or their dealer (as appropriate) and tender the subscription amount in a manner acceptable to the Manager. Units will be issued at the NAVPU on the Valuation Date next following receipt by the Manager of a subscription request (unless received on a Valuation Date prior to 4:00 p.m., in which case the Units will be issued on such Valuation Date). All subscriptions for Units of the Fund must be forwarded by dealers, without charge, the same day that they are received, to the Manager on behalf of the Fund.

A subscriber has the right to cancel the subscription by sending written notice before midnight of the second business day after the subscriber signs the Subscription Agreement. Any subscription proceeds received will be held in trust for that period, and will be promptly returned to the subscriber without interest or deduction if the subscriber exercises his or her cancellation rights.

Additional Investments

Additional investments in the Fund are generally permitted in amounts of not less than \$5,000. If the investor initially acquired Units of the Fund for not less than the \$150,000 minimum investment amount, then, at the time of issuance of the additional investment, the Units held by the investor must have an acquisition cost or a net asset value equal to at least the \$150,000 minimum investment amount. Investors who qualify as accredited investors and who purchase as principal may, in the sole discretion of the Manager, make additional investments in the Fund of not less than \$5,000.

At the time of making each additional investment in the Fund, each investor will be deemed to have repeated to the Fund the covenants and representations contained in the Subscription Agreement, delivered by the investor to the Fund at the time of the initial purchase and, if applicable, that the Units held by the investor have an acquisition cost (determined in accordance with applicable securities laws) or a net asset value, whichever is applicable, at least equal to the required amount as described above.

For investors who are residents of British Columbia, Nova Scotia, New Brunswick or Newfoundland and Labrador and are relying on the offering memorandum exemption, as described above, additional investments in the Fund are also generally permitted in amounts of not less than \$5,000. However, at the time of making each additional investment in the Fund, each investor must follow the same subscription procedures set out above, including completing and delivering to a registered dealer for forwarding to the Fund a new Subscription Agreement and the accompanying Risk Acknowledgement.

The Manager reserves the right to change the minimum amount for additional investments in the Fund at any time and from time to time.

Following each purchase of Units, investors will receive written confirmation indicating details of the purchase transaction, including the dollar amount of the purchase order, the net asset value per unit and

the number of Units purchased. For additional investments, the written confirmation will indicate the cumulative total of all Units held by the investor.

Pre-authorized Chequing Plan

Provided a Unitholder continues to meet the minimum investment qualifications or is an "Accredited Investor", Unitholders may make regular purchases through a Pre-authorized Chequing Plan ("PAC"). Once a PAC is authorized, the Manager will make automatic withdrawals from the Unitholder's bank account according to the schedule chosen by the Unitholder and invest this sum in Units of the Fund. PACs are available monthly or quarterly on the last Friday of the month. If the last Friday of the month is not a business day, the PAC will run on the next Valuation Date thereafter. In addition, all of the conditions, features, fees and charges discussed elsewhere in this Offering Memorandum still apply to Units purchased in the PAC program.

Item 6 Income Tax Consequences and RRSP Eligibility

6.1 Disclaimer

You should consult your own professional advisers to obtain advice on the tax consequences that apply to you.

6.2 Summary of Significant Tax Consequences

The following is a general summary of the principal Canadian federal income tax considerations with respect to the tax status of the Fund and Unitholders who are individuals resident in Canada and who hold their Units as capital property, all within the meanings prescribed by the Tax Act.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and the current published administrative practices and assessing policies of the Canada Revenue Agency. Other than the Tax Proposals, this summary does not take into account or anticipate any changes in law whether by legislative, governmental, or judicial action, nor does it take into account provincial or foreign income tax considerations which may differ significantly from those discussed herein. This summary is based on the assumption that the Fund will qualify as a mutual fund trust for purposes of the Tax Act effective at all material times. If the Fund were not to qualify as a mutual fund trust under the Tax Act, then the considerations would be materially different from these described herein.

This summary was prepared by Borden Ladner Gervais LLP, based on the information contained in the Offering Memorandum. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding, or disposing of Units will vary depending on the Unitholder's particular circumstances, including the provinces in which the Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser of Units. Prospective Unitholders should consult their own tax advisors for advice with respect to the tax consequences to them of an investment in Units, based on their particular circumstances.

Tax Status of the Fund: It is the Fund's intention to distribute to Unitholders in each year its net income and net realized capital gains taking into account any entitlement to capital gains refunds to such an extent that the Fund will not be liable in any year for income tax under Part I of the Tax Act. Generally,

amounts realized by the Fund on derivative instruments will be on income account rather than on capital account. Income of the Fund derived from foreign sources may be subject to foreign withholding taxes which generally may, to the extent permitted by the Tax Act, be claimed as a deduction by the Fund or credit by Unitholders.

Tax Status of Unitholders: Unitholders will be required to include in their income for tax purposes for a particular year the amount of net income and the taxable portion of net realized capital gains, if any, paid or payable to them (including by way of a Management Fee Distribution), whether or not reinvested in additional Units of the Fund. Certain provisions of the Tax Act permit the Fund to make designations that have the effect of flowing through to the Unitholders the income and taxable capital gains realized by the Fund. To the extent that appropriate designations are made by the Fund, taxable dividends on shares of taxable Canadian corporations, net taxable capital gains and foreign source income paid or payable to Unitholders generally will be taxable as if such income had been received by them directly. To the extent that distributions to Unitholders of the Fund exceed the net income and net realized capital gains of the Fund for the year, such excess distributions will be a return of capital and will not be taxable in the hands of the Unitholder but will reduce the adjusted cost base to the Unitholder of such Unitholder's Units in the Fund.

At the time a purchaser acquires Units of the Fund, the net asset value of the Units may reflect accrued income and capital gains and realized income and capital gains which have not been distributed. When and if such income and capital gains are distributed, the income and the taxable portion of the capital gains will have to be included in the purchaser's income.

Any upfront sales charges paid by Unitholders on the acquisition of Units of the Fund are not deductible by Unitholders but are added to the adjusted cost base of the Units purchased. In determining the adjusted cost base of Units, the cost of Units must be averaged with the adjusted cost base of all other Units of the Fund held by the Unitholder at such time.

Unitholders will be advised each year of the amount of net income, net taxable capital gains and return of capital paid or payable to them, the amount of net income considered to have been received as a taxable dividend and the amount of any foreign taxes considered to have been paid by them. Individuals may be liable for alternative minimum tax in respect of dividends received from taxable Canadian corporations and realized net taxable capital gains.

Upon the actual or deemed disposition of a Unit, including the redemption of a Unit by the Fund, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit exceed (or are exceeded by) the aggregate of the adjusted cost base of the Unit to the Unitholder and any costs of disposition. Under the Tax Act, one-half of capital gains are generally included in an individual's income and one-half of capital losses are generally deductible only against taxable capital gains, subject to the rules in the Tax Act.

6.3 *Eligibility for Investment*

Provided that the Fund qualifies as a mutual fund trust under the Tax Act, effective at all times, Units of the Fund will be qualified investments for deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts. Annuitants of registered retirement savings plans and registered retirement income funds, and holders of tax-free savings accounts, should consult with their own tax advisors as to whether Units of the fund would be a prohibited investment under the Tax Act in their particular circumstances.

Item 7 Compensation Paid to Dealers*Upfront Sales Charge*

No acquisition charge is payable to the Manager in respect of orders to purchase Units of the Fund, however registered dealers (each a "Dealer") selling Units of the Fund may charge an up front fee to investors of up to 5% of the total subscription amount.

Trailer Fees

The Manager will pay a monthly fee (the "Trailer Fee") to Dealers to compensate the Dealers for ongoing services to their clients in respect of an investment in the Fund. The Trailer Fee is calculated based upon a percentage of the average daily value of the Units of the Fund held by the clients of the Dealers. The Trailer Fee will be paid at a rate of up to 1.00% per annum.

Item 8 Risk Factors

An investment in the Fund involves significant risks. Investors should consider the following risk factors before investing.

Issuer Risks:

General. Investing in the Fund entails certain risks and is only suitable for investors who understand and are capable of bearing the risks of an investment in the Fund. An investment in the Fund is not intended as a complete investment program. All investments in securities, loans and other debt obligations, mortgages and other financial instruments risk the loss of invested capital. Likewise, there is a risk that an investment in the Fund will be lost entirely or in part. There is no assurance that the Fund will achieve its overall investment objective. Prospective investors should carefully consider the following risk factors, which do not purport to be a complete list of the potential risks and conflicts of interest involved in an investment in the Fund. The NAVPU will vary directly with the market value and return of the investment portfolio of the Fund.

Lack of Insurance. The assets of the Fund are not insured by any government or private insurer except to the extent portions may be deposited in bank accounts insured by a government agency such as the Canada Deposit Insurance Corporation or the Federal Deposit Insurance Corporation (United States) or with brokers insured by the Canadian Investor Protection Fund, or the Securities Investor Protection Corporation (United States) and such deposits and securities are subject to such insurance coverage (which, in any event, is limited in amount). Therefore, in the event of the insolvency of a depository or custodian, the Fund may be unable to recover all of its funds or the value of its securities so deposited.

Reliance on Crystal Wealth. The Fund will be dependent on the knowledge and expertise of Crystal Wealth for investment advisory and portfolio management services. There is no certainty that the persons who are currently officers and directors of Crystal Wealth will continue to be officers and directors of Crystal Wealth.

Potential Conflicts of Interest. The Manager may also act in the same or similar capacities in respect of other entities. In that event, it may have responsibility for the management of the assets of other entities at the same time as it is managing the Fund's portfolio and may use the same or different information and trading strategies obtained, produced or utilized in managing the portfolio of the Fund. See Item 3.2 for a discussion of these potential conflicts of interest.

Unitholder Liability. Because of uncertainties in the law relating to trusts such as the Fund, there is a risk that a Unitholder could be held personally liable for obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the Fund's operation will be conducted in such a way as to minimize any such risk. In particular, the Manager will follow the investment strategy and process of the Fund and will use its best efforts to avoid such liability being placed upon the Unitholders.

Based upon these measures being adhered to by the Fund, it is considered by the Manager that the risk of Unitholder liability is remote in the circumstances. In any event, the risk of personal liability of Unitholders is minimal in view of the large anticipated equity of the Fund relative to its anticipated indebtedness and liabilities, the Fund's investment approach and the intention that any agreement which is related to the borrowing of money by the Fund or the creation of potential liabilities of the Fund include an express disavowal of liability of Unitholders. In the event that a Unitholder should be required to satisfy any obligation of the Fund, such Unitholder will be entitled to reimbursement from any available assets of the Fund. In order to better protect Unitholders from liability, the Fund may elect, without the consent of its Unitholders, to become subject to any new trust legislation that would limit the liability of Unitholders.

Industry Risks:

Leverage. The Fund may directly or indirectly make use of leveraged investments. The use of leverage may increase the Fund's exposure to the risk of losing its capital investment and expose the Fund to additional current expenses. Also, if the Fund's portfolio value drops to the loan value or less, Unitholders could sustain a total loss of their investment.

No Guaranteed Return. There is no guarantee that an investment in Units will earn any positive return in the short or long term.

Speculative Investments: An investment in the Fund is speculative and is not intended as a complete investment program. A subscription for Units involves a high degree of risk and is suitable only for persons who are able to assume the risk of losing their entire investment. Investors should review closely the investment objective and investment strategies to be utilized by the Fund as outlined herein to familiarize themselves with the risks associated with an investment in the Fund. The Manager believes that an investor with a long investment time horizon or substantial net worth is best suited to invest in the Fund.

Redemption Risk: Substantial redemptions of Units could require the Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the Units redeemed and of the Units that remain outstanding.

Legal, Tax and Regulatory Risks. Legal, tax and regulatory changes may occur that could adversely affect the Fund or the Unitholders.

Marketability of Units. There is currently no market through which the Units may be sold nor is one expected to develop. Redemptions are permitted only as described herein and there are circumstances in which the Fund may suspend redemptions. Accordingly, Units of the Fund may not be appropriate for investors seeking greater liquidity. Also, Units are only transferable in limited circumstances with the approval of Crystal Wealth.

Investment Risks:

Performance and Marketability of Underlying Securities. The NAVPU will vary in accordance with the value and the currency of the securities and other investments (including debts) held in the Fund's portfolio. There is a small and limited market in which some of the securities acquired by the Fund can be sold and, accordingly, there is no assurance that the securities acquired by the Fund can be sold for the values used to calculate the NAVPU.

Nature of the Investments. Investments in debts are relatively illiquid. This illiquidity will limit the Fund's ability to vary its portfolio promptly in response to changing economic or investment conditions.

Inability of Borrower to Pay. The Fund's income and funds available for distribution to Unitholders would be adversely affected if a significant number of Borrowers were unable to pay their obligations to the Fund or if the Fund was unable to invest its funds in debts on economically favourable terms or in a timely manner. On default by the Borrower, the Fund may experience delays in enforcing its rights as lender and may incur substantial costs in protecting its investment. The Fund may be unable to recover investment amounts lost on default of a Borrower.

Bankruptcy Remoteness. If any of the persons from whom the fund purchases debt obligations, currently Media House Capital, (the "loan originator") becomes subject to bankruptcy proceedings and if a court in the bankruptcy proceedings concludes that the sale from the loan originator to the Fund was not a "sale", then the Fund could experience losses or delays in the parent payments due pursuant to the debt obligations. While care is generally taken in structuring the transaction so as to minimize the risk of the sale to the Fund not being construed as a "true sale", there is no guarantee such structuring will be effective.

Risk of Co-mingling. To the extent that any funds received by the administrator of the loans is commingled with its own funds, the Fund may be exposed to a potential loss if the administrator fails to remit such funds to the Fund. In order to minimize this risk, the payments on the debt obligations and the distributions thereof are usually administered by a collection agent, an independent third party so the Fund receives the payments of interest and principal directly from the collection agent rather than from the administrator.

Distribution Rights. The Fund's primary collateral is from unsold territory (distribution) rights, so the Fund will require that it is the first party paid out of proceeds of the sale of distribution rights from these territories. The value of this collateral is dependent on the ability to sell or license the distribution rights. The motion picture or television series may not be purchased for distribution or the expected returns or projections may not be as high as predicted. The sale of motion pictures or television series is a very unpredictable business, and the ability of a production company to produce a film of a quality sufficient to generate sales is unproven and depends upon the exercise of subjective judgments by the producers of the project, the MPSC, and sales agents utilized by the production company and the distributors to whom the production company will offer the project. Accordingly, it is possible that productions will not attract the interest of prospective purchasers and the Fund may lose the full amount of its investment in the debt obligation. Also, since the Film or production may be distributed worldwide, it is subject to risks associated with the collection, administration and enforcement of the debt obligations in other jurisdictions. To mitigate such risks, a collection agent is usually engaged. A collection agent will manage the collection of the foreign receipts and distribute them to the Fund and any other financiers entitled thereto. The creditworthiness and enforceability of the debt obligation in foreign territories remains a risk of the Fund.

Motion Picture and Television Series Production Risks. The film production industry is affected by changes in consumer preferences and by national, regional, and local economic conditions and demographic trends. Discretionary spending priorities, consumer preference and tastes, critical reviews, word of mouth, accidents of chance involving lead actors or personalities, and the type, number, and screenings of competing films will directly affect the success of a film. While the initial principal and interest of the investment is collateralized through various assets and security, changes in any of the above factors could adversely affect box office and ancillary markets performance, resulting in lower than expected returns due to changing market values, prices and higher default rates and also resulting in no returns in connection with the Fund's potential participation in profits.

Copyrights, Trademarks, Licenses. Copyrights, trademarks, licenses, etc. are an important part of the film business. Other parties may assert intellectual property infringement claims against a motion picture and may prevail. The Fund will either alone or through others, including MHC, conduct due diligence to try to ensure a clean chain of title for each motion picture or television series underlying each debt obligation it purchases. However, it is possible that, if other parties were to assert intellectual property infringement claims against the motion picture or television series, the production company could be required to engage in protracted and costly litigation, regardless of the merits of such claims, discontinue the use of certain components of the screenplay, develop replacement components, or enter into license arrangements with respect to the disputed intellectual property. The production company may not be able to develop alternative components and any necessary licenses may not be available or available on commercially reasonable terms. Responding to and defending against any of these claims could have a material adverse effect on the underlying business, results of operations and financial condition. While the initial principal and interest of the investment is collateralized through various assets and security, changes in any of the above factors could adversely affect the value and security of the assets and film productions.

Options and Other Derivative Investments. The Fund may purchase and sell options or enter into other derivative transactions that derive their value from movement in the price of other underlying securities. Such transactions may be used both for hedging purposes and to increase the possibility of achieving gains from any level of movement in the price of the underlying securities or groups of securities. The potential for greater gains, however, is inevitably accompanied by the increased risk of loss.

Use of derivative instruments in general presents additional risks. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Fund from achieving the intended hedge effect or expose the Fund to the risk of loss. In addition, derivative instruments may not be liquid in all circumstances, so that in volatile markets the Fund may not be able to close out a position without incurring a loss.

Although exchanges attempt to provide continuously liquid markets in which holders and writers of options can close out their positions at any time prior to the expiration of the option, there is no assurance that such a market will exist at all times for all outstanding options purchased or sold. If an options market were to become unavailable, the Fund could be unable to realize its profits or limit its losses until it could exercise options it holds, and the Fund would remain obligated until options it wrote were exercised or expired. As the Manager has restricted the Fund's investment in derivatives to include only exchange-traded contracts, there is no counterparty risk. Furthermore, the exchanges on which the derivative contracts are traded may set daily trading limits, preventing the Fund from closing out a particular contract. If an exchange halts trading in any particular derivative contract, the Fund may not be able to close out its position in that contract.

Net Asset Value and Estimated Values. A portion of the calculation of the net asset value of the Fund could be based on estimated values provided by underlying funds. These estimated values are, in turn, based on values attributed to the underlying investments held in such funds, which investments may be illiquid and may trade infrequently or not at all. No adjustments will be made to the number of Units purchased or redeemed by an investor in a Fund because of the use of estimated values in determining the net asset value of a Fund, even if the estimated values that are used in calculating such net asset value are subsequently determined to differ significantly from the final values eventually obtained in respect of the underlying funds.

Lack of Suitable Investments. The ability of the Manager to make investments in accordance with the Fund's objectives and investment policies depends upon the availability of suitable investments and the amount of funds available. There can be no assurance that debts with suitable yields to meet the Fund's objective will be available.

Another factor that could influence the availability of suitable debts and the yields available thereon is the amount of competition that may enter this lending area during the coming years. While the Manager does not anticipate a significant increase in competition in the markets in which it intends to invest, there can be no assurance that it will not happen.

Failure to Meet Commitments. The Fund may commit to investing in future debts in anticipation of repayment of principal outstanding under existing debt investments. In the event that such repayments of principal are not made, the Fund may be unable to advance some or all of the funds required pursuant to the terms of its investment commitments, and consequently, the Fund may face liability in connection with its failure to fulfil such commitments.

Foreign Exchange Risk. The Fund may invest in debt obligations in foreign currencies. Accordingly, investors in the Fund may incur foreign current currency exposures that may have a positive or negative impact on the value of their investment. The Manager may, from time to time and in its sole discretion, use exchange traded derivatives to hedge the currencies to which the Fund is exposed.

Film Completion Risk. The Fund will invest in debt obligations during the production stage of the films and prior to completion. There is a risk that a film may not be completed due to various factors, including acts of god, force majeure, unfunded over-budgets and other unforeseen events. If the film is not completed, the Fund will lose its investment in the associated debt obligation. Some of these risks may be covered by insurance and the Fund will benefit from some or all of such proceeds. In other cases, a completion bond may be in place that may cover the completion and delivery risks. However, not all the investments will have the benefit of such completion bonds due to the additional financial costs of such bonds. In such cases, the Manager looks to the producer's track record and the ability by MHC to monitor the investments to help mitigate this risk.

Limited Recourse Risk. The Fund will invest in debt obligations. These investments are recouped by the Fund primarily through film production companies specifically set up for that film production. The production company may have limited or no other assets to collateralize the return. In certain circumstances, the debt obligation may carry some form of collateral guarantee from the production company's related or parent company, which would mitigate this risk. The Manager also looks to the producer's track record and ensures that the Fund is not financing all of the production costs to mitigate this risk.

Tax Credits and Government Rebates. As a secondary collateral, the Fund can sometimes benefit from returns from various tax credits and government rebates. There is a risk that government programs will change or, for other reasons, these tax credits and rebates will be unavailable. Also, there is a risk of

defaults on the debt obligation by not completing the film, or may otherwise be ineligible to apply or obtain such tax credits or government rebates. There is also a risk that the government programs and tax rebates are cancelled. In addition, a collateral assignment of a tax credit is not enforceable against the Crown and there is an inherent risk of collection.

Item 9 Reporting Obligations

If a Unitholder has purchased Units through a Dealer, the Dealer is obliged to provide the Unitholder with account statements regarding their investment in the Fund. Unitholders who have purchased the Fund directly from the Manager will receive an annual and semi-annual account statement showing the Units held by them and any transactions for the preceding period. Investors who purchase Units directly from the Manager will also receive confirmation of their trade from the Manager.

In addition, Unitholders will receive the applicable tax form(s) identifying the Unitholder's distributions (including dividends from taxable Canadian corporations, returns of capital, taxable capital gains, capital gains dividends and foreign source income and other income) and, if applicable, the Unitholder's share of the Fund's foreign taxes paid for such year.

The fiscal year end of the Fund is December 31. Unitholders will be sent audited annual financial statements and unaudited semi-annual financial statements.

Item 10 Resale Restrictions

Units of the Fund are not transferable without the prior written consent of Crystal Wealth, which consent may be withheld in its discretion and under no circumstances may Units be transferred to or acquired by a person who would be a "designated beneficiary" for purposes of Part XII.2 of the Tax Act. Even if such consent is obtained, applicable Canadian securities laws provide that if securities are purchased under a prospectus exemption, such as will be the case with Units of the Fund, those securities may not be freely resold until the expiration of a statutory hold period, which generally runs from the date the issuer of the securities becomes a "reporting issuer" under such legislation.

As a result, it may be that investors will not be able to freely resell Units of the Fund even in the circumstances permitted by the terms of the Declaration of Trust and will only be permitted to transfer Units in reliance upon an applicable statutory prospectus exemption or pursuant to discretionary relief granted by an applicable Canadian securities administrator. Furthermore, as there is no public market for Units of the Fund, it may be difficult or even impossible for an investor to sell Units even if the statutory hold period has expired, a prospectus exemption is available or discretionary relief of Canadian securities administrators is granted.

Notwithstanding these resale restrictions, Units of the Fund are fully redeemable from the Fund at the calculated NAVPU as described above in this Offering Memorandum.

10.1 General Statement

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon:

These Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 *Restricted Period*

For trades in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Québec, Saskatchewan and Yukon:

Unless permitted under securities legislation, you cannot trade the Units before the date that is 4 months and a day after the date the Fund becomes a reporting issuer in any province or territory of Canada. As the Fund is not currently a reporting issuer in any province or territory of Canada, and does not contemplate becoming a reporting issuer, the statutory hold period could be indefinite.

10.3 *Manitoba Resale Restrictions*

Unless permitted under securities legislation, you must not trade the Units without the prior written consent of the regulator in Manitoba unless:

- (a) the Fund has filed a prospectus with the regulator in Manitoba with respect to the Units you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or
- (b) you have held the Units for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

Item 11 Anti-Terrorism and Anti-Money Laundering Legislation

The Manager is required to comply with all applicable laws, regulations and administrative pronouncements concerning money laundering and other criminal activities ("Anti-Money Laundering Laws"), which includes implementing specific measures to detect and deter money laundering and financing of terrorist activity. Unitholders may be required to provide additional information regarding the Unitholder or their beneficial owner(s) or other information that the Manager deems necessary or advisable to ensure compliance with all Anti-Money Laundering Laws. Additional information is in the subscription agreement.

If the Manager is aware or suspects that a unitholder is engaged in money laundering or if otherwise required by Anti-Money Laundering Laws, the Manager may undertake appropriate actions to ensure that the Fund or the Manager are in compliance with all such Anti-Money Laundering Laws. The Fund or the Manager may release confidential information about a Unitholder and, if applicable, any underlying beneficial owner(s), to governmental authorities. This reporting will not be a breach of privacy laws or otherwise as it is required by law.

Item 12 Purchasers' Rights

If you purchase these Units you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

Two-Day Cancellation Right. Purchasers may cancel their agreement to purchase the Units. To do so, a subscriber must send a notice to the Manager by midnight on the 2nd business day after the subscriber signs the Subscription Agreement to buy Units of the Fund.

Statutory Rights of Action in the Event of a Misrepresentation

Securities legislation in certain of the provinces and territories of Canada provides purchasers or requires purchasers to be provided with a remedy for rescission or damages where an offering memorandum and any amendment to it contains a Misrepresentation.

Generally, a “misrepresentation” means an untrue statement about a material fact or the failure to disclose a material fact that is required to be stated or that is necessary in order to make a statement not misleading in light of the circumstances in which it was made and a “material fact” means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Units. The meaning of “misrepresentation” and “material fact” may differ slightly depending on the law in your jurisdiction. In most jurisdictions there are defences available to the persons or companies that you may have a right to sue. In particular, in many jurisdictions, the person or company that you sue, will not be liable if you knew of the misrepresentation when you purchased the securities. These remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limit prescribed by the applicable securities legislation.

These rights are in addition to any other right that a purchaser may have at law.

Rights for Investors in Ontario

If this Offering Memorandum, together with any amendment hereto, is delivered to an investor resident in Ontario and contains a Misrepresentation, without regard to whether the Misrepresentation was relied upon by the investor, the investor will have a right of action against the Fund for damages or, alternatively, while still the owner of the purchased Units, for rescission, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation;
3. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
4. the Fund will not be liable for a Misrepresentation in forward-looking information if the Fund proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of

material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

- (ii) the Fund had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

There are various defences available to the persons or companies that you have a right to sue. For example, the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation.

Rights for Investors in British Columbia, Alberta, Prince Edward Island, Northwest Territories, Nunavut and Yukon

If this Offering Memorandum, together with any amendment hereto, is delivered to an investor resident in British Columbia, Alberta, Prince Edward Island or Yukon and contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the investor will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund, every director of the Fund (if applicable) at the date of this Offering Memorandum and every person who signed this Offering Memorandum for damages or, alternatively, while still the owner of the Units, for rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. no person or company (but excluding the Fund) will be liable if the person or company proves that (i) the Offering Memorandum was sent (or, in British Columbia only, delivered) to the investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company promptly gave reasonable notice (or for persons or companies in British Columbia only, gave written notice) to the Fund that it was sent (or, in British Columbia only, delivered) without the person's or company's knowledge or consent, (ii) on becoming aware of any Misrepresentation in the Offering Memorandum, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable notice (or for persons or companies in British Columbia only, gave written notice) to the Fund of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
3. no person or company (but excluding the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of, or an extract from, a report, opinion or statement of expert unless the person or company (i) failed to conduct a reasonable investigation (or for investors resident in Alberta only, an investigation) to provide reasonable grounds for a belief that there had been no Misrepresentation, or (ii) believed that there had been a Misrepresentation;

4. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
5. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
6. no person or company will be liable for a Misrepresentation in forward-looking information if the person or company proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

There are various defences available to the persons or companies that you have a right to sue. For example, the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation.

Rights for Investors in Saskatchewan

If this Offcning Memorandum, together with any amendment hereto, is sent or delivered to an investor resident in Saskatchewan and contains a Misrepresentation at the time of purchase, the investor is deemed to have relied upon that Misrepresentation and will have a right for damages against the Fund, every promoter and director of the Fund (as the case may be), every person or company who signed this Offering Memorandum and every person or company who sells Units on behalf of the Fund, or alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action shall be commenced to enforce the foregoing rights:
 - (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
 - (b) in the case of any action, other than an action for rescission, the earlier of (i) one year after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) six years after the date of the transaction that gave rise to the cause of the action;
2. no person or company (excluding the Fund) will be liable if the person or company proves that (i) the Offering Memorandum was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of its sending or delivery, the person or company immediately gave reasonable general notice to the Fund that it was sent or delivered without the person's or company's knowledge, (ii) on becoming aware of any Misrepresentation, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice to the Fund of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or

company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of or extract from the report, opinion or statement of the expert;

3. no person or company (but excluding the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy of or an extract from a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed there had been a Misrepresentation; and
4. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor.

There are various defences available to the persons or companies that you have a right to sue. For example, the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation

A subscriber resident in Saskatchewan who has delivered a subscription for Units and who receives an amendment to this Offering Memorandum that discloses a material change in the affairs of the Fund or a change in the terms or conditions of the offering as described in this Offering Memorandum, that occurred or arose before the subscription has been accepted, may within two business days of receiving the amendment deliver a notice to the Manager or agent through whom the Units are being purchased indicating the subscriber's intention not to be bound by the Subscription Agreement.

Rights for Investors in Manitoba

In the event that this Offering Memorandum or any amendment hereto contains a Misrepresentation, an investor is deemed to have relied on the Misrepresentation and has a right of action for damages against the Fund, every director of the Fund at the date of the Offering Memorandum and every person or company who signed the Offering Memorandum, or alternatively, while still the owner of the purchased Units, a right of rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages, the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the date of the purchase;
2. no person or company (but excluding the Fund) will be liable if the person or company proves that (i) the Offering Memorandum was sent to the investor without the person's or company's consent, and that, after becoming aware of it being sent, the person or company promptly gave reasonable notice to the Fund that it was sent without the person's or company's knowledge or consent, (ii) on becoming aware of the Misrepresentation, the person or company withdrew their respective consent to the Offering Memorandum and gave reasonable notice to the Fund of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that they had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant

part of the Offering Memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, the expert's report or statement;

3. no person or company (excluding the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of , or an extract from, an expert's report, opinion or statement, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been a Misrepresentation, or believed that there had been a Misrepresentation;
4. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation;
5. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor; and
6. no person or company will be liable for a Misrepresentation in forward-looking information if the person or company proves that:
 - (i) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

There are various defences available to the persons or companies that you have a right to sue. For example, the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation

Rights for Investors in Québec

Legislation has been adopted in Québec, but is not yet in force, that will provide investors with a statutory right to sue (if proclaimed in force). Until such time as this legislation is in force, in addition to any other right or remedy available to an investor under ordinary civil liability rules, investors are granted the same rights of action for damages or rescission as investors in Ontario who purchase Units.

If and when this legislation comes into force, then investors will no longer have the rights granted to investors in Ontario and instead, if this Offering Memorandum, together with any amendment hereto, delivered to an investor resident in Québec contains a Misrepresentation, the investor will have a right of action for damages against the Fund, every officer and director of the Fund (if applicable), the dealer (if any) under contract to the Fund and any expert whose opinion, containing a Misrepresentation, appeared, with the expert's consent in this Offering Memorandum, or alternatively, a right of action against the Fund for rescission of the purchase contract or revision of the price at which the Units were sold to the investor, provided that:

1. no action may be commenced to enforce a right of action;

- (a) for rescission or revision of price more than three years after the date of the purchase; or
 - (b) for damages later than the earlier of (i) three years after the investor first had knowledge of the facts giving rise to the cause of action, except on proof of tardy knowledge imputable to the negligence of the investor, or (ii) five years from the filing of the Offering Memorandum with the *Autorité des marchés financiers*.
2. no person or company (but excluding the Fund) will be liable if it proves that in an action for damages, it acted prudently and diligently; and
 3. no person or company will be liable for a Misrepresentation in forward-looking information if the person or company proves that:
 - (a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and
 - (b) there was a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

There are various defences available to the persons or companies that you have a right to sue. For example, the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation

Rights for Investors in New Brunswick

If the Offering Memorandum, together with any amendment thereto, delivered to an investor resident in New Brunswick contains a Misrepresentation that was a Misrepresentation at the time of purchase, the investor will be deemed to have relied on the Misrepresentation and will have a right of action against the Fund, for damages or, alternatively, while still the owner of the purchased Units, for rescission, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) one year after the investor first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of purchase;
2. in an action for damages, the Fund will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
3. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor.
4. No person will be liable for a Misrepresentation in forward-looking information if the person proves that:

- (a) This Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
- (b) There was a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

There are various defences available to the persons or companies that you have a right to sue. For example, the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation.

Rights for Investors in Nova Scotia

In Nova Scotia, in the event that this Offering Memorandum, together with any amendment hereto or any advertising or sales literature (as defined in the Securities Act (Nova Scotia) (the "Nova Scotia Act")), contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the investor resident in Nova Scotia will be deemed to have relied upon the Misrepresentation and will have a right of action against the Fund, every director of the Fund (if applicable) at the date of this Offering Memorandum and every person who signed this Offering Memorandum for damages or, alternatively, while still the owner of the purchased Units, for rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action more than 120 days:
 - (a) after the date on which payment was made for the Units or;
 - (b) after the date on which the initial payment was made;
2. no person or company (but excluding the Fund) will be liable if the person or company proves that (i) the Offering Memorandum or amendment to the Offering Memorandum was sent or delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, (ii) after delivery of the Offering Memorandum and before the purchase of the Units by the investor, on becoming aware of any Misrepresentation in the Offering Memorandum or amendment to the Offering Memorandum, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the Offering Memorandum or amendment to the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;
3. no person or company (but excluding the Fund) will be liable with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert, or to be a copy, or an extract from, a report, opinion or statement of expert unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no Misrepresentation, or believed that there had been a Misrepresentation;

4. in an action for damages, the defendant will not be liable for all or any portion of the damages that the defendant proves does not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
5. in no case will the amount recoverable in any action exceed the price at which the Units were sold to the investor.
6. No person or company will be liable for a Misrepresentation in forward-looking information if the person or company proves that:
 - (c) This Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (d) There was a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

There are various defences available to the persons or companies that you have a right to sue. For example, the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation.

These rights are intended to correspond with the rights against a seller of securities provided in the Nova Scotia Act and the securities regulations thereto and are subject to defences contained therein.

Rights for Investors in Newfoundland

If this Offering Memorandum, together with any amendment hereto, delivered to an investor resident in Newfoundland contains a Misrepresentation and it was a Misrepresentation at the time of purchase, the investor will be deemed to have relied upon the Misrepresentation and will have a right of action for damages against the Fund, a director of the Fund (if applicable) at the date of this Offering Memorandum, and a person or company who signed this Offering Memorandum, or alternatively, while still the owner of the purchased Units, a right for rescission against the Fund, provided that:

1. no action may be commenced to enforce a right of action:
 - (a) for rescission more than 180 days after the date of the purchase; or
 - (b) for damages more than the earlier of (i) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of purchase;
2. no person or company (but excluding the Fund) will be liable if it proves that (i) the Offering Memorandum was sent or delivered to the investor without the person's or company's knowledge or consent and that, on becoming aware of its sending or delivery, the person or company gave reasonable general notice that it was sent or delivered without the person's or company's knowledge or consent, (ii) after the sending or delivery of the Offering Memorandum and before the purchase of the Units by the investor, on becoming aware of any Misrepresentation in the Offering Memorandum, the person or company withdrew the person's or company's consent to the Offering Memorandum and gave reasonable general notice of the withdrawal and the reason

for it, or (iii) with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a Misrepresentation, or the relevant part of the Offering Memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert; and (iv) with respect to any part of the Offering Memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed there had been a misrepresentation.

3. in an action for damages, the defendant will not liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the Units as a result of the Misrepresentation relied upon; and
4. in no case shall the amount recoverable exceed the price at which the Units were sold to the investor.
5. No person or company will be liable for a Misrepresentation in forward-looking information if the person or company proves that:
 - (a) This Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (b) There was a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

There are various defences available to the persons or companies that you have a right to sue. For example, the Fund will not be liable if it proves that the investor purchased the Units with knowledge of the Misrepresentation

General

The foregoing summaries are subject to any express provisions of the securities legislation of each offering jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described herein are in addition to and without derogation from any other right or remedy that the purchaser may have at law

Item 13 Financial Statements

**Crystal Wealth Strategic Yield
Media Fund
Financial Statements
For the period from inception, September 2,
2011 to December 31, 2011**

**Crystal Wealth Strategic Yield Media Fund
Financial Statements
For the period from inception,
September 2, 2011 to December 31, 2011**

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BDO Canada LLP
 3115 Harvester Road, Suite 400
 Burlington ON L7N 3N8 Canada

Independent Auditor's Report

**To the Unitholders of
 Crystal Wealth Strategic Yield Media Fund**

We have audited the accompanying financial statements of Crystal Wealth Strategic Yield Media Fund (the "Fund"), which comprise the statements of net assets and investments as at December 31, 2011, and the statements of operations and changes in net assets for the period from inception, September 2, 2011 to December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2011 and the results of its operations and its changes in net assets for the period from September 2, 2011 to December 31, 2011 in accordance with Canadian generally accepted accounting principles.

"BDO Canada LLP"
 (Signed)

Chartered Accountants, Licensed Public Accountants
 March 23, 2012
 Burlington, Ontario

Crystal Wealth Strategic Yield Media Fund Statement of Net Assets

December 31, 2011

Assets

Investments at fair value	\$ 3,979,175
Cash	404,752
Subscriptions receivable	223,344
Accrued interest receivable	65,596
	<hr/>
	4,672,867

Liabilities

Redemptions payable	<hr/> 114,916
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Net assets representing unitholders' equity	\$ 4,557,951
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Number of units outstanding (Note 6)	455,662
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Net assets per unit	\$ 10.00
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Approved by the Board of Directors of the Manager,
Crystal Wealth Management System Limited

"Clayton Smith" (Signed)

Director

Crystal Wealth Strategic Yield Media Fund Statement of Operations

For the period from the date of inception,
September 2, 2011 to December 31, 2011

Income

Interest	\$ 67,118
Lender fee income	<u>91,362</u>
	<u>158,480</u>

Expenses (Note 7)

Administration fees	31,225
Interest expense and bank charges	534
Management fees	2,302
Transaction costs	<u>176</u>
	<u>34,237</u>

Other income (loss)

Realized gain on futures contracts	3,470
Foreign exchange gain	35,515
Unrealized loss on futures contracts	<u>(5,105)</u>
	<u>33,880</u>

**Net investment gain and increase in net assets from
operations for the period**

\$ 158,123

Increase in net assets from operations per unit

\$ 0.60

**Crystal Wealth Strategic Yield Media Fund
Statement of Changes in Net Assets**

**For the period from the date of inception,
September 2, 2011 to December 31, 2011**

Increase in net assets from operations	\$ 158,123
Distributions to unitholders	
From net investment income	(163,227)
 Capital transactions	
Proceeds from sale of units	4,649,828
Reinvested distributions (Note 8)	163,227
Payment for units redeemed (Note 9)	(250,000)
 Net capital unit transactions	 4,563,055
 Net assets, end of period	 \$ 4,557,951

Crystal Wealth Strategic Yield Media Fund Statement of Investments

December 31, 2011

Investment Funds (19.7%)

No. of Units/Shares	Name	Avg. Cost (\$)	Fair Value (\$)
90,000	Dundee Investment Savings Account	<u>900,000</u>	<u>900,000</u>

Film Production Loans (67.7%) (Note 4)

	Original Principal (\$)	Outstanding Principal (\$)
--	----------------------------	-------------------------------

Canada

Loan bearing interest of 10%, maturing August 22, 2013 with profit participation of 10%	800,000	800,000
Loan bearing interest of 13%, maturing February 16, 2013 with profit participation of 10%	195,679	195,679

United States

Loan bearing interest of 13%, maturing May 7, 2013 with profit participation of 3%	1,170,000	1,170,000
Loan bearing interest of 13%, maturing May 1, 2013 with profit participation of 7.5%	880,221	880,221
	<u>3,045,900</u>	<u>3,045,900</u>

CAD/USD Futures Contracts (-0.11%)

No. of Contracts	Notional Amount per Contract	Maturity Date	Avg. Cost (\$)	Fair Value (\$)
21	\$100,000	March 2012	-	(5,105)
	Total investments		<u>3,945,900</u>	<u>3,940,795</u>
	Other assets, net (12.7%)			<u>617,156</u>
	Total net assets (100.0%)			<u>4,557,951</u>

The accompanying notes are an integral part of these financial statements.

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements

December 31, 2011

1. The Fund

Crystal Wealth Strategic Yield Media Fund (the "Fund") is an open-ended unit trust formed under the laws of the Province of Ontario on September 2, 2011 by an amendment to a Master Declaration of Trust dated as of April 12, 2007, as amended and restated as of December 17, 2007.

Crystal Wealth Management System Limited is the promoter, trustee, manager ("Manager"), and portfolio advisor of the Fund.

The Fund is not a reporting issuer under securities legislation and therefore is relying on Part 2.11 of National Instrument 81-106 for exemption from the requirement to file financial statements with the applicable securities regulatory authorities.

2. Investment Objective

The investment objective of the Fund is to provide a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in asset-backed debt obligations of motion pictures and series television productions.

3. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), and the significant accounting policies are summarized below:

(a) Valuation of investments

Investments are deemed to be categorized as held-for-trading and are recorded at fair value in accordance with the CICA Accounting Handbook Section 3855: *Financial Instruments – Recognition and Measurement* ("Section 3855").

Investments in film production loans are valued at their fair value using the prevailing rate of return on loans of similar type and term. As a result film production loans are recorded at outstanding principal which approximates fair value.

Other investments which are traded in active markets are measured based on the bid price for long securities and the ask price for securities sold short. Securities with no bid/ask price are valued at their closing sale prices. The fair value of the investment funds is measured based on the closing price for such securities.

If management determines the amounts outstanding are uncollectible the film production loan is withdrawn or a provision is made against it. Any provision is included as a loan impairment loss in the Statement of Operations.

The Fund continues to calculate its net asset value for pricing purposes ("Transactional NAV") using closing prices of securities as permitted by National Instrument 81-106. As at December 31, 2011, Transactional NAV approximated GAAP Net Assets.

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements

December 31, 2011

3. Significant Accounting Policies - (Continued)

(b) Investment transactions and income recognition

Investment transactions are accounted for on the date that an order is executed. Income from investments is recognized on an accrual basis and all transaction costs relating to the purchases and sales of investments are charged to net income in the period.

(c) Futures contracts

The value of a futures contract included in investments is the gain or loss that would be realized if, on that date, the position in the futures contract was closed out. The unrealized gains or losses on futures contracts are reported as part of unrealized gains or losses on investments until the contracts are closed out. Realized gains and losses from futures contracts are included in realized gains or losses on futures contracts. The margins on deposit with brokers relating to futures contracts are included in cash.

(d) Foreign currency translation

The fair value of investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the year end date. The proceeds from sale of investments and investment income in foreign currencies are translated into Canadian dollars at the approximate rate of exchange prevailing on the dates of such transactions.

(e) Increase in net assets from operations per unit

Increase in net assets from operations per unit in the Statement of Operations represents the increase in net assets from operations, divided by the weighted average number of units outstanding during the period.

(f) Valuation of fund units

The Fund's units are issued and redeemed at the net asset value per unit, which is determined as of the close of business each week. The net asset value per unit of the Fund is determined by dividing the total market value of the Fund's net assets by the number of units outstanding.

For each unit sold, the Fund receives an amount equal to the net asset value per unit on the date of sale, which is included in unitholders' equity. Units are redeemable at the option of the unitholders at their net asset value on the redemption date. For each unit redeemed, the number of issued and outstanding units is reduced and the equity in the Fund is reduced by the related net asset value on the date of redemption.

(g) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from management's best estimates as additional information becomes available in the future. The key area of estimation where management has made a difficult or subjective judgment, often as a result of matters that are inherently uncertain, is valuation of the film production loans. Significant changes in assumptions could materially change the recorded carrying value.

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements

December 31, 2011

4. Film Production Loans

The Fund entered into a Master Assignment Agreement with Media House Capital (Canada) Corp. ("Media House") on October 6, 2011 whereby the Fund agreed to purchase certain film and series television production loans from Media House. Specific funding under this agreement is provided under the respective Supplement agreements.

The initial term of each loan has an accelerated call provision at 18 months and a maturity date of no longer than 30 months and is renewable only with the consent of the Fund.

In addition to the interest earned on the respective loan balances, the Fund may be entitled to a profit participation on the film production loans.

The Fund has first position security on the loans, unless the Fund agrees to the subordination of the films to other lenders.

As a condition of financing, the Fund is granted general and continuing security over the loans whereby it is provided a security interest in the present and future undertaking and property of the production, including all assets, rights and future production revenues, subject to any subordination of the loans that the Fund may have entered into. The security provided however, may not be sufficient to cover the outstanding principal of the loans in the event of a default.

5. Taxation

The Fund qualifies as a "quasi mutual fund trust" within the meaning of the Income Tax Act (Canada). The Fund is subject to applicable federal and provincial taxes on the amounts of its net income for tax purposes for the period, including net realized taxable capital gains, to the extent such net income for tax purposes has not been paid or made payable to unitholders in the period.

No provision for income taxes is recorded in the financial statements as all income and net realized capital gains are distributed to the unitholders.

6. Unitholders' Equity

The Fund is authorized to issue an unlimited number of units, which are sold and redeemable at the then current net asset value per unit at the option of the unitholder. The following units were sold and redeemed during the period:

Units issued	464,310
Units issued on reinvestment	16,322
Units redeemed	(24,970)
<hr/>	
Units outstanding, end of period	455,662

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements

December 31, 2011

7. Management Fees and Expenses

(a) Management fees

Pursuant to the management agreement between the Fund and the Manager, the Manager is to provide management and investment advisor services to the Fund. For this service, the Fund agrees to pay the Manager a management fee, which is calculated daily and payable monthly based on an annual rate of 2.00% of the net asset value.

To encourage large investments in the Fund, the Manager may reduce the management fee that would be charged to the Fund in respect of units held by an investor making a large investment. The amount of the reduction is distributed by the Fund (the "Management Fee Distribution") to the investor for whose benefit the fees were reduced. All Management Fee Distributions will be reinvested in additional units unless otherwise requested.

In the period, there were total Management Fee Distributions of \$15,171.

(b) Expenses

The Fund pays expenses relating to its operation including professional fees, brokerage commissions, interest and administrative costs relating to the issue and redemption of units as well as the cost of financial and other reports and compliance with all applicable laws, regulations and policies.

8. Distributions to Unitholders

All distributions made by the Fund are automatically reinvested in additional units at the then current net asset value per unit unless a Unitholder elects to receive his or her distributions in cash.

9. Redemption of Units

Unitholders may redeem their units at any time. Redemption requests must be in writing, stating the dollar amount or number of units of the Fund that are to be redeemed. Redemption is based on the net asset value per unit as of the last valuation date.

If unitholders redeem units within 180 days of acquisition the Fund may charge a short-term trading fee of 5% of the net asset value of the units redeemed. This fee is paid to the Fund.

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements

December 31, 2011

10. Related Party Transactions

The Fund may invest in any one of the funds that are managed by the Manager ("Underlying Crystal Wealth Funds"). As of December 31, 2011, the Underlying Crystal Wealth Funds include Crystal Enhanced Mortgage Fund, IFM Monitored World Equity, Crystal Enlightened Resources and Precious Metals Fund Crystal Enlightened Income Fund and Crystal Enlightened Growth Fund.

No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of units of the Underlying Crystal Wealth Funds, and no management fees or incentive fees will be payable by the Fund that would duplicate a fee payable by the Underlying Crystal Wealth Funds for the same service. Such a reduction in management fees is to be facilitated by an additional distribution from the Underlying Crystal Wealth Fund to the Fund and is included in investment income of the Fund.

During the period, the Fund did not invest in any Underlying Crystal Wealth Funds.

During the period, the Fund distributed \$131,561 of interest distributions and \$15,097 of management fee distributions to the Underlying Crystal Wealth Funds.

11. Financial Instruments and Risk Management

In addition to the aforementioned financial instrument disclosures, the Fund's financial instruments include subscriptions receivable, accrued interest receivable and redemptions payable. These financial instruments are carried at cost as they closely approximate their fair value given their short-term nature.

The Fund may be exposed to a variety of financial risks including credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The following is a summary of the most significant risks:

(a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that is entered into with the Fund. The fair value of investments represents the maximum credit risk at December 31, 2011. The sales success of the film or television production being financed will affect the ability of the borrowers to repay the film production loans outstanding, although there is certain other security obtained on the loans (Note 4).

(b) Liquidity risk

Liquidity risk is the risk of the Fund not being able to meet its obligations with respect to unit redemptions on time or at a reasonable price. The Fund is exposed to cash redemptions as detailed in Note 9. The Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements

December 31, 2011

11. Financial Instruments and Risk Management - (Continued)

(c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Film production loan interest rates are at fixed rates that are not directly impacted by changes in prevailing rates, thereby reducing the Fund's exposure to interest rate risk. Generally, the fair value of loans is impacted by changes in interest rates, however, given the short duration of the loans held by the Fund, their fair value approximates carrying values and any changes in prevailing interest rates would not have a significant impact on their fair value.

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Statement of Investments identifies all securities denominated in foreign currencies. In addition, the Fund had \$965 of USD bank indebtedness at period end which is netted against cash.

The futures contracts held by the Fund as disclosed on the Statement of Investments offset the effects of fluctuations in the USD/CAD exchange rate on the USD denominated securities.

If the Canadian dollar had strengthened or weakened by 5% relative to other foreign currencies, all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately \$1,000.

(e) Financial instruments fair value hierarchy

CICA Handbook Section 3862: *Financial Instruments - Disclosures* requires disclosure of a three-level hierarchy for fair value measurements based upon transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1:

For securities valued based on unadjusted quoted prices in active markets for identical assets (e.g. equity securities listed and actively traded on recognized stock exchanges).

Level 2:

For securities valued based on inputs, other than quoted prices included in Level 1, that are observable for the asset, either directly or indirectly (e.g. corporate bonds, mortgage backed securities).

Level 3:

For securities valued based on inputs that are based on unobservable market data (e.g. private placements).

As at December 31, 2011 all film production loan investments are Level 2 within the fair value hierarchy. All other securities in the Fund are Level 1. There were no transfers between levels during the period.

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements

December 31, 2011

12. Capital Management

The capital of the Fund is represented by issued redeemable units with no par value. They are entitled to distribution, if any, and to payment of a proportionate share based on the Fund's net asset value per unit upon redemption. The relevant movements are shown on the Statement of Changes in Net Assets. In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 11, the Fund endeavours to invest the subscriptions received in appropriate investments, consistent primarily of film production loans (Note 4) while maintaining sufficient liquidity to meet redemptions.

13. Future Accounting Changes

In December 2011 the Canadian Accounting Standards Board of the CICA ("AcSB") approved a one-year extension of the requirement for investment funds currently applying Accounting Guideline 18 ("AcG-18"): *Investment Companies* to adopt International Financial Reporting Standards ("IFRS"). Accordingly, investment funds will now be required to adopt IFRS for interim and annual financial statements relating to annual periods beginning on or after January 1, 2014. The Fund has elected to defer adoption of IFRS to January 1, 2014.

**Crystal Wealth Strategic Yield
Media Fund
Financial Statements
For the six months ended June 30, 2012
(Unaudited)**

**Crystal Wealth Strategic Yield Media Fund
Financial Statements
For the six months ended June 30, 2012
(Unaudited)**

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**Crystal Wealth Strategic Yield Media Fund
Statement of Net Assets
(Unaudited)**

	June 30 2012	December 31 2011
Assets		
Investments at fair value	\$ 9,717,420	\$ 3,979,175
Cash	874,116	404,752
Accrued interest receivable	463,456	65,596
Subscriptions receivable	-	223,344
	<u>11,054,992</u>	<u>4,672,867</u>
Liabilities		
Accrued Liabilities	15,000	-
Distributions Payable	111,520	-
Redemptions Payable	-	114,916
	<u>126,520</u>	<u>114,916</u>
Net assets representing unit holders' equity	\$ 10,928,472	\$ 4,557,951
Number of units outstanding (Note 6)	1,086,700	455,662
Net assets per unit	\$ 10.06	\$ 10.00

Approved by the Board of Directors of the Manager,
Crystal Wealth Management System Limited

"Clayton Smith" (Signed)

Clayton Smith, Managing Director

**Crystal Wealth Strategic Yield Media Fund
Statement of Operations
(Unaudited)**

<u>For the six months ended June 30</u>	<u>2012</u>	<u>2011</u>
Income		
Interest	\$ 419,666	\$ -
Lender Fee Income	182,595	-
	<u>602,261</u>	<u>-</u>
Expenses (Note 7)		
Administration fees	57,247	-
Interest expense and bank charges	1,128	-
Management fees	34,086	-
Transaction costs	50	-
	<u>92,511</u>	<u>-</u>
Net investment gain (loss) for the period	509,749	-
Other income (loss)		
Realized gain (loss) on future contracts	(20,474)	-
Realized gain (loss) on foreign exchange	1,793	-
	<u>(18,681)</u>	<u>-</u>
Increase (decrease) in net assets from operations	\$ 491,070	\$ -
Increase (decrease) in net assets from operations per unit	\$ 0.70	\$ -

The accompanying notes are an integral part of these financial statements

**Crystal Wealth Strategic Yield Media Fund
Statement of Changes in Net Assets
(Unaudited)**

For the six months ended June 30	2012	2011
Increase in net assets from operations	\$ 491,070	\$ -
Distributions to unitholders		
From net investment income	<u>(491,070)</u>	
Capital transactions		
Proceeds from sale of units	6,129,090	-
Reinvested distributions (Note 8)	365,805	-
Payment for units redeemed (Note 9)	<u>(124,374)</u>	<u>-</u>
Net capital unit transactions	<u>6,370,521</u>	<u>-</u>
Increase (decrease) in net assets during the period	6,370,521	-
Net assets, beginning of period	<u>4,557,951</u>	<u>-</u>
Net assets, end of period	\$ 10,928,472	\$ -

**Crystal Wealth Strategic Yield Media Fund
Statement of Investments
(Unaudited)**

June 30, 2012

Film Production Loans (88.9%)

Canada

	Original Principal(S)	Outstanding Principal(S)
Loan bearing interest of 10%, maturing August 22, 2013 with profit participation of 10%	800,000	800,000
Loan bearing interest of 13%, maturing February 16, 2013 with profit participation of 10%	195,679	195,679
Loan bearing interest of 13%, maturing December 13, 2013 with profit participation of 7%	2,330,000	2,330,000
Loan bearing interest of 13%, maturing September 29, 2013 with profit participation of 7%	1,000,000	1,000,000
Loan bearing interest of 13%, maturing September 21, 2013 with profit participation of 3%	899,300	899,300
Loan bearing interest of 13%, maturing December 19, 2013 with profit participation of 5%	2,442,220	2,442,220
	<u>7,667,199</u>	<u>7,667,199</u>

United States

Loan bearing interest of 13%, maturing May 7, 2013 with profit participation of 3%	1,170,000	1,170,000
Loan bearing interest of 13%, maturing May 1, 2013 with profit participation of 7.5%	880,221	880,221
	<u>2,050,221</u>	<u>2,050,221</u>
	9,717,420	9,717,420

Futures Contracts

No. Of Contracts	Notional Amount per contracts	Maturity Date	Avg Cost(\$)	Fair Value(\$)
21	\$100,000	September 2012	-	-

Total Investments	<u>9,717,420</u>	9,717,420
Other assets, net (11.1%)		1,211,052
Total Net Assets (100.0%)	<u>10,928,472</u>	<u>10,928,472</u>

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements (Unaudited)

June 30, 2012

1. The Fund

Crystal Wealth Strategic Yield Media Fund (the "Fund") is an open-ended unit trust formed under the laws of the Province of Ontario on September 2, 2011 by an amendment to a Master Declaration of Trust dated as of April 12, 2007, as amended and restated as of December 17, 2007.

Crystal Wealth Management System Limited is the trustee, the manager ("Manager"), and portfolio advisor of the Fund.

The Fund is not a reporting issuer under securities legislation and therefore is relying on Part 2.11 of National Instrument 81-106 for exemption from the requirement to file financial statements with the applicable securities regulatory authorities.

2. Investment Objective

The investment objective of the Fund is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in asset-backed debt obligations of motion pictures and series television productions.

3. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and the significant accounting policies are summarized below:

(a) Valuation of investments

Investments are deemed to be categorized as held-for-trading and recorded at fair value in accordance with the CICA Accounting Handbook *Section 3855: Financial Instruments – Recognition and Measurement* ("Section 3855").

Section 3855 requires that the fair value of financial instruments which are traded in active markets be measured based on the bid price for long securities and the ask price for securities sold short. Securities with no bid/ask prices are valued at their closing sale prices. The fair value of the investment funds is measured based on the closing price for such securities.

Section 3855 also requires transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities to be charged to operations in the year. Accordingly, these costs are expensed and included in "Transaction costs" in the Statement of Operations

Investments in loans are valued at outstanding principal which approximates fair value.

The Fund continues to calculate its net asset value for pricing purposes ("Transactional NAV") using closing prices of securities as permitted by National Instrument 81-106. As at June 30th 2012, Transactional NAV approximated GAAP net assets.

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements (Unaudited)

June 30, 2012

3. Summary of Significant Accounting Policies - (Continued)

(b) Investment transactions and income recognition

Investment transactions are accounted for on the date that an order is executed. Income from investments is recognized on an accrual basis and all transaction costs relating to the purchases and sales of investments are charged to net income in the period.

(c) Futures contracts

The value of a futures contract included in investments is the gain or loss that would be realized if, on that date, the position in the futures contract was closed out. The unrealized gains or losses on futures contracts are reported as part of unrealized gains or losses on investments until the contracts are closed out. Realized gains and losses from futures contracts are included in realized gains or losses on futures contracts. The margins on deposit with brokers relating to futures contracts are included in cash and cash equivalents.

(d) Foreign currency translation

The market value of investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the year end date. The proceeds from sale of investments and investment income in foreign currencies are translated into Canadian dollars at the approximate rate of exchange prevailing on the dates of such transactions.

(e) Increase (decrease) in net assets from operations per unit

Increase (decrease) in net assets from operations per unit in the Statement of Operations represents the increase (decrease) in net assets from operations, divided by the weighted average number of units outstanding during the period.

(f) Valuation of fund units

The Fund's units are issued and redeemed at the net asset value per unit, which is determined as of the close of business each week. The net asset value per unit of the Fund is determined by dividing the total market value of the Fund's net assets by the number of units outstanding.

For each mutual fund unit sold, the Fund receives an amount equal to the net asset value per unit on the date of sale, which is included in unitholders' equity. Units are redeemable at the option of the unitholders at their net asset value on the redemption date. For each unit redeemed, the number of issued and outstanding units is reduced and the equity in the Fund is reduced by the related net asset value on the date of redemption.

(g) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements (Unaudited)

June 30, 2012

4. Film Production Loans

The Fund entered into a Master Assignment Agreement with Media House Capital (Canada) Corp. ("Media House") on October 6, 2011 whereby the Fund agreed to purchase certain film and series television production loans from Media House. Specific funding under this agreement is provided under the respective Supplement agreements.

The initial term of each loan has an accelerated call provision at 18 months and a maturity date of no longer than 30 months and is renewable only with the consent of the Fund.

In addition to the interest earned on the respective loan balances, the Fund may be entitled to a profit participation on the film production loans.

The Fund has first position security on the loans, unless the Fund agrees to the subordination of the films to other lenders.

As a condition of financing, the Fund is granted general and continuing security over the loans whereby it is provided a security interest in the present and future undertaking and property of the production, including all assets, rights and future production revenues, subject to any subordination of the loans that the Fund may have entered into. The security provided however, may not be sufficient to cover the outstanding principal of the loans in the event of a default

5. Taxation

The Fund qualifies as a "mutual fund trust" within the meaning of the Income Tax Act (Canada). The Fund is subject to applicable federal and provincial taxes on the amounts of its net income for tax purposes for the year, including net realized taxable capital gains, to the extent such net income for tax purposes has not been paid or made payable to unitholders in the year.

No provision for income taxes has been recorded in the accompanying financial statements as all income and net realized capital gains are distributed to the unitholders.

6. Unitholders' Equity

The Fund is authorized to issue an unlimited number of units, which are sold and redeemable at the then current net asset value per unit at the option of the unitholder. The following units were sold and redeemed during the period:

	June 30 2012	June 30 2011
Units outstanding, beginning of period	455,661	-
Units issued	606,945	-
Units re-invested	36,452	-
Units redeemed	(12,358)	-
Units outstanding, end of period	1,086,700	-

Crystal Wealth Strategic Yield Media Fund
Notes to Financial Statements
(Unaudited)

June 30, 2012

7. Management Fees and Expenses

(a) Management fees

Pursuant to the management agreement between the Fund and the Manager, the Manager is to provide management and investment advisor services to the Fund. For this service, the Fund agrees to pay the Manager a management fee, which is calculated daily and payable monthly based on an annual rate of 2.00% of the net asset value.

To encourage large investments in the Fund, the Manager may reduce the management fee that would be charged to the Fund in respect of units held by an investor making a large investment. The amount of the reduction is distributed by the Fund (the "Management Fee Distribution") to the investor for whose benefit the fees were reduced. All Management Fee Distributions will be reinvested in additional units unless otherwise requested.

In the period there were total Management Fee Distributions of \$46,829 (2011 - \$0).

(b) Expenses

The Fund pays expenses relating to its operation including professional fees, investment transactions costs, interest and administrative costs relating to the issue and redemption of units as well as the cost of financial and other reports and compliance with all applicable laws, regulations and policies.

8. Distributions to Unitholders

All distributions made by the Fund are automatically reinvested in additional units at the then current net asset value per unit unless a Unitholder elects to receive his or her distribution in cash.

9. Redemption of Units

Unitholders may redeem their units at any time. Redemption requests must be in writing, stating the dollar amount or number of units of the Fund that are to be redeemed. Redemption is based on the net asset value per unit as of the last valuation date.

If unitholders redeem units within 180 days of acquisition the Fund may charge a short-term trading fee of 5% of the net asset value of the units redeemed. This fee is paid to the Fund.

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements (Unaudited)

June 30, 2012

10. Related Party Transactions

The Fund may invest in any one of the funds that are managed by the Manager ("Underlying Crystal Wealth Funds"). As of June 30, 2012, the Underlying Crystal Wealth Funds include IFM Monitored World Equity, Crystal Enlightened Income Fund, Crystal Enlightened Growth Fund, Crystal Enlightened Resource & Precious Metals Fund and Crystal Enhanced Mortgage Fund.

No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of units of the Underlying Crystal Wealth Funds, and no management fees or incentive fees will be payable by the Fund that would duplicate a fee payable by the Underlying Crystal Wealth Funds for the same service. Such a reduction in management fees is to be facilitated by an additional distribution from the Underlying Crystal Wealth Fund to the Fund and is included in investment income of the Fund.

During the period, the Fund did not invest in any Underlying Crystal Wealth Funds.

During the period, the Fund distributed \$331,045 (2011 - \$0) of interest distributions and \$46,044 (2011 - \$0) of management fee distributions to the above-mentioned funds managed by Crystal Wealth Management System Limited.

11. Financial Instruments and Risk Management

In addition to the aforementioned financial instrument disclosures, the Fund's financial instruments include subscriptions receivable, accrued interest receivable and redemptions payable. These financial instruments are carried at cost as they closely approximate their fair value given their short-term nature.

The fund may be exposed to a variety of financial risks including credit risk, liquidity risk and interest rate risk. The following is a summary of the most significant risks:

(a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that is entered into with the Fund. The fair value of investments represents the maximum credit risk at June 30, 2012. The sales success of the film or television production being financed will affect the ability of the borrowers to repay the film production loans outstanding, although there is certain other security obtained on the loans (Note 4).

(b) Liquidity risk

Liquidity risk is the risk of the Fund not being able to meet its obligations with respect to unit redemptions on time or at a reasonable price. The Fund is exposed to cash redemptions as detailed in Note 8. The Fund retains sufficient cash and cash equivalents positions to maintain liquidity.

Crystal Wealth Strategic Yield Media Fund Notes to Financial Statements (Unaudited)

June 30, 2012

11. Financial Instruments and Risk Management - (Continued)

(c) Interest rate risk

Interest rate risk arises from the possibility that changes in market interest rates will affect future cash flows or fair values of financial instruments. Mortgage interest rates are at fixed rates that are not directly impacted by changes in prevailing rates, thereby reducing the Fund's exposure to interest rate risk. Generally, the fair value of mortgages is impacted by changes in interest rates, however, given the short duration of the mortgages held by the Fund, their fair value approximates carrying values and any changes in prevailing interest rates would not have a significant impact on their fair value.

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Statement of Investments identifies all securities denominated in foreign currencies. In addition, the Fund had \$198,570 USD cash and accrued interest at period end which is included in the cash and accrued interest receivable items on the statement of investments.

The futures contracts held by the Fund as disclosed on the Statement of Investments partially offset the effects of fluctuations in the USD/CAD exchange rate on the USD denominated securities.

If the Canadian dollar had strengthened or weakened by 5% relative to other foreign currencies, all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately \$7,440.

(e) Financial Instruments Fair Value Hierarchy

CICA Handbook Section 3862: Financial Instruments – Disclosures requires disclosure of a three-level hierarchy for fair value measurements based upon transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1:

For securities valued based on unadjusted quoted prices in active markets for identical assets (e.g. equity securities listed and actively traded on recognized stock exchanges).

Level 2:

For securities valued based on inputs, other than quoted prices included in Level 1, that are observable for the asset, either directly or indirectly (e.g. corporate bonds, mortgage backed securities).

Level 3:

For securities valued based on inputs that are based on unobservable market data (e.g. private placements).

As at June 30, 2012 all investments are Level 2 within the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the period.

**Crystal Wealth Strategic Yield Media Fund
Notes to Financial Statements
(Unaudited)**

June 30, 2012

12. Capital Management

The capital of the Fund is represented by issued redeemable units with no par value. They are entitled to distribution, if any, and to payment of a proportionate share based on the Fund's net asset value per unit upon redemption. The relevant movements are shown on the Statement of Changes in Net Assets. In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 10, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

13. Future Accounting Changes

In January 2011 the Canadian Accounting Standards Board of the CICA ("AcSB") approved a one-year extension of the requirement for investment funds currently applying Accounting Guideline 18 ("AcG-18"): *Investment Companies* to adopt International Financial Reporting Standards ("IFRS"). Accordingly, investment funds will now be required to adopt IFRS for interim and annual financial statements relating to annual periods beginning on or after January 1, 2013. The Fund has elected to defer adoption of IFRS to January 1, 2014.

Item 14 Date and Certificate

Dated August 31, 2012.

This Offering Memorandum does not contain a misrepresentation.

Crystal Wealth Management System Limited
as manager, trustee and promoter of the Fund

“Clayton Smith” (Signed)

Clayton Smith
Director, President, Chief Executive Officer and Chief Financial Officer

This is Exhibit "15" referred to
in the Affidavit of Marcel Tillie
sworn before me, this
17th day of April , 2017


A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,
Province of Ontario, for the Government of Ontario,
Ontario Securities Commission.
Expires May 31, 2017.

CONFIDENTIAL OFFERING MEMORANDUM

September 27, 2015

Continuous Offering

This Confidential Offering Memorandum constitutes a private offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Confidential Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus, advertisement or public offering of the securities referred to herein. No securities commission or similar regulatory authority has reviewed this Confidential Offering Memorandum or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. Persons who will be acquiring securities pursuant to this Confidential Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada.

The securities offered hereunder will be issued under exemptions from the prospectus requirements of applicable securities laws and will be subject to certain resale restrictions. This Confidential Offering Memorandum is confidential. By their acceptance hereof, prospective subscribers agree that they will not transmit, reproduce or make available to anyone this Confidential Offering Memorandum or any information contained herein.

CRYSTAL WEALTH MEDIA STRATEGY (previously, "Crystal Wealth Strategic Yield Media Fund")

Investment Objective:	The investment objective of the Crystal Wealth Media Strategy (the Fund) is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in asset-backed debt obligations of motion pictures and series television productions.
Manager:	Crystal Wealth Management System Limited
Lead Portfolio Strategist:	Clayton Smith, CAIA
Structure:	Mutual fund trust
Registered Plan Eligibility:	100% eligible for all registered plans
Investor Eligibility:	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
Investment/Redemption:	The Fund is an open-ended mutual fund trust, priced weekly. Purchases and redemptions can be made on any weekly valuation date. There is no mandatory hold period or redemption notice period. However, there is a short-term trading fee that the Manager can apply if it perceives that an investor's trading activity in the fund is affecting other Unitholders. Details are found in this Offering Memorandum.
Risk Level:	The Manager expects the volatility of the Fund, as measured by standard deviation (the risk measurement tool used by the Ontario Securities Commission), to continue to be low.
Suitability:	The Fund is suitable for anyone with greater than a one year investment horizon; however suitability must always take into account the investor's particular circumstances.

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Item 1 Use of Proceeds

The Fund will invest the net proceeds from the issue of Units in accordance with its investment objectives and strategies set out herein. See Item 2.2, Our Business. The net proceeds of this offering cannot be determined because Units are being offered on a continuous basis and there is no minimum offering. Sales commissions will vary depending on the fee negotiated by you with your dealer. See Item 6, Compensation Paid to Dealers. Because Units are offered on a continuous basis, other offering costs are treated as fees and expenses of the Fund. See Item 4.8, Fees and Expenses.

Item 2 Business of The Fund**2.1 Legal Structure**

The Fund is an open-ended mutual fund trust formed under the laws of the Province of Ontario as of September 2, 2011 [as “**Crystal Wealth Strategic Yield Media Fund**”] under a master declaration of trust (such document, as amended and restated December 17, 2007, and as it may be further amended from time to time is called the **Declaration of Trust** in this Offering Memorandum). Crystal Wealth Management System Limited (**Crystal Wealth** or the **Manager**) is the trustee and manager of the Fund.

2.2 Our Business*Investment Objective*

The investment objective of the Fund is to generate a high level of interest income with minimal volatility and low correlation to most traditional asset classes by investing in asset-backed debt obligations of motion pictures and series television productions.

Investment Strategy

To achieve the Fund’s investment objective, it is intended that the Fund will purchase existing notes and other debt obligations, primarily notes evidencing short to medium term loans (12 - 48 months) that have been made to independent producers used to fund a portion of the production costs to complete motion pictures and series television productions. The Fund will not be in the business of making loans, but rather purchasing already existing securities such as notes and other debt obligations. The debt obligations that the Fund purchases will be secured by some or all of the following:

- All tangible and intangible assets of the Borrower (production) held by the lender including all of the Borrower’s rights, titles and interests in and to the production together with the copyrights and related intellectual property rights embodied therein;
- Specified receivables or sales proceeds emanating from the unsold distribution rights of the productions in different geographical territories of the world, subordinated to no other investors until recouped in full with interest, less any third party costs which may include approved sales agents, distributors, guilds and unions; and
- On an ancillary or secondary basis, the Federal, Provincial and State tax credit or government rebate programs.

There is no certainty that the value of the collateral will be sufficient to cover the amount owing.

A Borrower is the person who had obtained a loan, which debt obligation was subsequently sold or assigned to the Fund.

- 2 -

The debt obligations which the Fund will purchase may carry unsecured contractual rights to receive a percentage of the net profits of particular projects, offering the Fund potential additional ongoing revenue should the productions be very successful. There is no guarantee that any amounts will be generated from this contractual net profit participation and the Fund will not account for any amounts therein in the valuation of its investments until such time as they are earned or receivable thereto.

The Fund does not intend to participate in unsecured equity-based investments in productions. Rather, the Fund invests in notes and other debt obligations that have a high ratio of projected collateral sales proceeds to debt (as outlined under Investment Strategy above.) The Fund will require that it is the first party to be paid out by the proceeds of the sale of distribution rights. In most cases, the successful repayment of the debt obligations does not rely on the film generating a high level of box office performance.

In analyzing the potential deals in which to invest, the Manager will look at, among other things, the following factors:

- The face value of the debt obligation compared to the overall budget of the production, with the objective being a maximum debt/budget ratio of 35%;
- The identity of the other financiers involved in the project to date;
- Track record of the producer;
- Experience of the sales agent together with minimum sales projections that will provide adequate debt coverage of the loan, with the objective being a minimum of 200%;
- The credibility of the sales estimates of the sales agent/distributor for the unsold territories;
- Key attachments, which include marketable talent (actors), and key crew members behind the camera (director, director of photography, production designer, etc.);
- Quality of the distributors and broadcasters pre-sold to date;
- Term of the debt, including projected timeline of recoupment with interest; and
- Other typical factors with respect to debt such as loan to value, personal guarantees of the producers, capital position of the production.

The Manager may, at its discretion, invest in other income-generating securities in order to try to maintain some liquidity of the Fund or to diversify the investment portfolio in the event of a downturn in the film and TV media market. These investments may include individual securities such as exchange-traded funds, bonds, T-Bills or other mutual funds managed by Crystal Wealth. The Manager will attempt to maintain sufficient cash and cash equivalents ("Cash Equivalents") such as a line of credit, treasury bills and other money market instruments to fund redemption requests for Units representing up to 5% of the Fund's net assets at all times.

Investment Restrictions

Securities legislation imposes several restrictions on the Fund including the following: (a) the Fund is prohibited from acquiring 20% or more (alone or together with any related mutual fund) of the voting securities of an issuer and (b) the Fund cannot invest in issuers of which the Manager or its associates own a significant interest (>10% voting securities). The Manager has received regulatory relief from the Ontario Securities Commission which permits the Fund to invest in underlying Crystal Wealth funds in excess of these limits.

The Fund does not engage in short sales or in securities lending.

Investment Process

The Manager will monitor the Fund's asset mix and its risk and reward profile in the context of the state of the economy, the general financial markets and the independent film industry market in particular.

The Manager has entered into an agreement dated August 12, 2011 with Bron Capital Partners (formerly, "Media House Capital (Canada) Corp." (BCP), an independent company that specializes in the structuring, sourcing and administration of the loans in the independent film market underlying the debt obligations. The role of BCP is to source, advise in connection with the procurement of and service the debts through to maturity. BCP will monitor and periodically report on the performance, including the actual sales performance compared to target projections of those investments on an ongoing basis on behalf of the Fund, notifying the Manager of recommended action steps and facilitating taking action where necessary to ensure the successful completion of the Fund's investments.

Once a potential debt investment is sourced for the Fund by BCP or another administration company, the Manager will perform its due diligence and examine how the new debt fits into the overall investment portfolio from a diversification point of view. If the Fund invests in the debt, MHC will assist the Manager with servicing and monitoring the underlying loan until maturity and repayment.

The Manager may, at its discretion, invest in other securities in order to maintain the liquidity of the Fund or to further diversify the investment portfolio of the Fund. The Manager will, at all times, select investments to include in the portfolio which assist in meeting the investment objective of the Fund.

Investments in Other Funds Managed by Crystal Wealth

The Manager has obtained certain regulatory relief under which the assets of the Fund may be invested in units of other mutual funds managed by Crystal Wealth (an **Underlying Crystal Wealth Fund**). No sales or redemption fees will be payable by the Fund in relation to its purchases or redemptions of the Underlying Crystal Wealth Fund, and no management fees or incentive fees will be payable by the Fund that, to a reasonable person, would be a duplicate fee payable by the Underlying Crystal Wealth Fund for the same service. Specifically, any management fees charged to the Underlying Crystal Wealth Fund attributable to the assets of the Fund that are invested in the Underlying Crystal Wealth Fund and the HST payable thereon will be rebated back to the Fund at the end of each month in the form of a management fee rebate that will be reinvested in additional units of the Underlying Crystal Wealth Fund on behalf of the Fund.

The proportion of the Fund's assets invested in an Underlying Crystal Wealth Fund will be at the discretion of the Manager and consistent with the investment objectives of the Fund. The Fund is permitted to invest up to 100% of its assets in any one or a combination of Underlying Crystal Wealth Funds. The Manager regularly reviews the Fund's holdings of any Underlying Crystal Wealth Funds to ensure that they continue to be appropriate for the Fund's investment objectives.

The Fund will not vote any of the units of the Underlying Crystal Wealth Funds owned by the Fund. The Manager may, in its sole discretion, choose to flow through the voting rights attached to units of the Underlying Crystal Wealth Funds owned by the Fund, to investors in the Fund. A Unitholder is entitled to receive from the Manager, free of charge, a copy of the offering memorandum, if any, relating to any Underlying Crystal Wealth Fund in which the Fund invests.

Trustee, Manager, Portfolio Advisor and Promoter

Crystal Wealth is the trustee, manager, portfolio advisor and promoter of the Fund. The Manager is registered with applicable securities regulatory authorities in the categories of investment fund manager and portfolio manager. The Manager will manage the affairs of the Fund in accordance with the applicable terms and conditions of the Declaration of Trust, which provides for the Manager to exercise its duties and responsibilities diligently and in good faith and with the degree of care, diligence and skill that a reasonably prudent professional investment fund manager would exercise in comparable circumstances. The Manager is also the portfolio adviser of the Fund and will be responsible for execution of the Fund's investment strategy, including the identification and selection of investment opportunities, related due diligence, negotiation, documentation, approval and ongoing management and administration of assets in the portfolio. Allocation of opportunities will be subject to the policies of the Manager. Its head office is 3385 Harvester Road, Suite 200, Burlington, Ontario, L7N 3N2.

Please see Item 3 for more details on the principals of the Manager as well as disclosure of any potential conflicts of interest.

Media Property Servicing Company ("MPSC")

The Manager will be relying on the expertise of BCP, a management firm that specializes in film finance and production in order to source potential investments for the Fund and monitor those investments on an ongoing basis. The Fund currently intends to purchase the majority of its loans from BCP. BCP operates in British Columbia and Ontario, with its registered office in Burnaby, British Columbia. While the current agreement with BCP is not exclusive and the Fund may enter into similar arrangements or engage other MPSCs going forward, the Fund is not currently a party to other similar arrangements.

Fiscal Year

The Fund's financial year end is December 31 in each year. The Fund's taxation year end is December 31, or, if the Fund so elects under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended (collectively referred to herein as the "**Tax Act**"), December 15th in each year.

Auditor

BDO Canada LLP has been appointed by the Manager as the auditor of the Fund. Its office is located at 4-3115 Harvester Road, Burlington, ON, L7N 3N8.

Custodian

The custodian of the Fund is NBCN, a wholly-owned subsidiary of National Bank of Canada and a member of the Investment Industry Regulatory Organization of Canada. Its office is located at 250 Yonge St., 16th Floor, Toronto, ON M5B 2L7.

Registrar

Unitholder record keeping and administration services are provided by International Financial Data Services (**IFDS**), 30 Adelaide St. E., Suite 1, Toronto, Ontario, M5C 3G9.

Fund Accountant

Fund accounting services are provided by The Investment Administration Solution Inc. (IAS), 400-330 Bay St., Toronto, Ontario, M5H 2S8.

2.3 Material Agreements*Master Declaration of Trust*

The following constitutes a summary of the general provisions of the Declaration of Trust. The Declaration of Trust sets out the powers and duties of the manager and the trustee of the Fund, the attributes of the Units, procedures for the purchase, exchange and redemption of Units, recordkeeping, calculation of the Fund's income and other administrative procedures. It also contains provisions for the selection of a successor trustee if Crystal Wealth should resign. Specific provisions of the Declaration of Trust dealing with series of Units and the rights of Unitholders are discussed under Item 4.1, Units.

The Declaration of Trust provides that the Fund or a series of Units of the Fund may be terminated on reasonable notice to investors and the subsequent distribution of the Fund's or series' net assets to investors.

The Declaration of Trust provides the trustee with a right of indemnification in carrying out its duties under the Declaration of Trust, provided that the trustee does not breach its standard of care.

Master Management Agreement

Crystal Wealth has entered into a Master Management Agreement dated as of April 12, 2007 and as amended from time to time by the parties (the **Management Agreement**) to facilitate the administration and portfolio management of the Fund. Under the Management Agreement, the Manager is responsible for providing directly, or for arranging other persons or companies to provide, administration of the Fund, investment portfolio advisory services, distribution services for the promotion and sale of the Fund's Units and other operational services. The Management Agreement contains a schedule of the management fee rates and sets out the operating expense reimbursement arrangements where applicable. The Fund pays the Manager an annual management fee of 2.0% of the average assets under management plus HST.

The Management Agreement will continue in effect unless and until terminated with respect to the Fund on at least 60 days' prior written notice. The Management Agreement may be terminated immediately upon written notice if any party is in breach of its terms and the breach has continued for at least 30 days without being remedied.

Under the Management Agreement, the Manager and its agents are not liable for any loss sustained by reason of the adoption or implementation of any investment policy or the purchase, sale or retention of any portfolio investment on behalf of the Fund. However, this limitation of liability does not protect the Manager against any liability to the Fund or Unitholders by reason of wilful misfeasance, bad faith or negligence in the performance of its duties under the Management Agreement.

Custodian Agreement

The Manager entered into a custodian services agreement with NBCN on July 26, 2004, under which NBCN will act as custodian of the assets of the Fund. For its services, NBCN receives a fee agreed to from time to time by NBCN and the Manager.

Securityholder Services Agreement

The Manager entered into a securityholder services agreement with IFDS on February 17, 2004 to have IFDS act as registrar, transfer agent, order processing and distribution disbursement agent and to perform certain administrative, trust accounting and other services with respect to the Fund. For its services, IFDS receives a fee agreed to from time to time by IFDS and the Manager.

Media Property Servicing Agreement

The Fund has entered into a Production Loan Administration Agreement with BCP dated August 12, 2011. BCP will not receive a fee from the Fund for its services, as it would have already been compensated by way of a loan facilitation fee, paid by the Borrower, of up to 10% of the face value of any loans that the Fund purchases from BCP. The Fund currently intends to purchase the majority of its loans from BCP. BCP will source, evaluate and present to the Fund all of the notes or debt obligations evidencing the loans that it or its affiliates have entered into. The Fund will then be entitled (but not obligated) to purchase the notes or debt obligations. BCP will manage and service the underlying loans purchased by the Fund. The Agreement may be terminated by the Fund if BCP acts unlawfully, dishonestly, in bad faith or is grossly negligent with respect to its business or if BCP materially breaches the agreement and that breach is not remedied within 30 days after written notice of the breach. The Agreement may also be terminated by either party on 90 days notice. The Fund may dispose of any debt it purchases if the underlying loan is in default or otherwise triggers an event of default.

Item 3 Directors, Management, Promoters and Principal Holders**3.1 Principal Holders**

As of the date of this Offering Memorandum, no person directly or indirectly beneficially owns or controls 10% or more of any series of Unit other than Crystal Wealth Retirement ONE Fund, which holds approximately 32% of the Units and ACM Income Fund which holds approximately 12 % of the Units. Each of Crystal Wealth Retirement ONE Fund and ACM Income Fund are investment funds managed by the Manager.

3.2 Experience of the Manager and Lead Portfolio Strategist

The principal of the Manager is Clayton Smith, who is also the lead portfolio strategist. Mr. Smith has a broad background of investment and financing experience. Mr. Smith founded the Manager in 1998 and has been President and Chief Executive Officer since its creation. Prior to that, Mr. Smith was a financial planner for 4 years. Before entering the financial services industry, Mr. Smith served as an officer in the Canadian Armed Forces after attending Royal Military College.

3.3 Interests of Management and Conflicts of Interest

As stated, the Manager is engaged in activities as an investment fund manager, portfolio manager, distributor and promoter of Crystal Wealth investment funds and as an exempt market dealer. The Manager and its principals do not devote their time exclusively to the affairs of the Fund and they perform services for other persons and entities including other Crystal Wealth investment funds. The Manager is entitled to receive management and administrative services fees from Crystal Wealth investment funds and other client portfolios. From time to time, investment opportunities and transaction participation may have to be allocated among the investment funds and other client portfolios for which the Manager has responsibility. If this were to occur, the Manager will make the appropriate allocations in accordance

with its written policies and in a manner which it considers to achieve a fair and equitable result for all affected client portfolios.

In its capacity as an exempt market dealer, the Manager and its dealing representatives may distribute units of the Fund and of other investment funds and pooled investment vehicles managed or sponsored by the Manager. Dealing representatives of the Manager are permitted to charge or receive an up-front placement fee for such distribution, to be negotiated with the investor, but not to exceed 5% of the total subscription amount. If the dealing representative and the investor agree to a placement fee, such fee is deducted and paid to the dealing representative and only the net amount is invested in the Fund. The Manager receives no separate placement fees but does receive a management fee which is charged to the Fund.

In its capacity as a portfolio manager, the Manager may manage the investment portfolios of clients on a discretionary basis, and in so doing may select the Fund or other Crystal Wealth investment funds for such managed accounts.

As described under "Our Business -- Investments in Other Funds Managed by Crystal Wealth", the Fund may invest in other Funds of which the Manager is the trustee and manager, although there is no duplication of management fees.

Due to the relationships described above, **the Fund may be considered to be a related or connected issuer of the Manager under applicable securities legislation.**

Additional information as to real and potential conflicts of interest, and the Manager's policies and procedures for addressing them, including the Manager's co-investment, personal trading, portfolio valuation, brokerage (order flow) allocation and soft dollar policies, are available by contacting the Manager.

3.4 *Penalties, Sanctions and Bankruptcy*

No director or senior officer or control person of Crystal Wealth or person holding a sufficient number of Units of the Fund to affect materially the control of the Fund has, in the last 10 years, been declared bankrupt or been subject to any penalties or sanctions imposed by a court or regulatory authority or been a director, senior officer or control person of any issuer that has been subject to any penalties or sanctions imposed by a court or by a regulatory authority while the director, officer or control person was a director, officer or control person of such issuer.

Item 4 Securities Offered

4.1 *Terms of Securities*

The securities being offered under this Offering Memorandum are Series A units of the Fund.

Units

An investment in the Fund is represented by Units. The Fund is permitted to have an unlimited number of series of Units and is authorized to issue an unlimited number of Units of each series. All series of Units of the Fund will be invested in the same portfolio of assets. To date, the Fund has created only one series of Units.

At a meeting of Unitholders, each Unitholder will have one vote for each dollar value of all Units owned by such Unitholder as determined based on the series net asset value per Unit at the close of business on the record date for voting for such meeting, with no voting rights being attributed to portions of a dollar of such value. Unitholders have limited voting rights.

Unitholders are also entitled to participate pro rata based on the Units held by them in distributions made out of the Fund (other than Management Fee Distributions, as described herein) and, on liquidation of its net assets (on a series by series basis). No certificates are issued by the Fund to represent the outstanding Units. Each Unit is transferable only in accordance with Declaration of Trust and subject to securities legislation, is not subject to future calls or assessments, and entitles the holder to rights of redemption.

Offering Price

The price of the Units of the Fund is an amount equal to the net asset value per Unit (**NAVPU**) determined from time to time. Currently, the NAVPU will be determined weekly, on the last business day of each week (each, a **Valuation Date**).

The NAVPU will also be determined on the last business day of each month and on any other day as the Manager in its discretion determines, but these dates will not be considered Valuation Dates for the purposes of Unitholder transactions.

4.2 Computation of Net Asset Values

The net asset value of the Fund (the **NAV**) and the net asset value per unit (**NAVPU**) will be calculated by the Manager or its agent in Canadian dollars on each Valuation Date by taking the value of all assets less the liabilities of the Fund.

In calculating the NAV of the Fund at any time:

- (a) the value of cash, promissory notes, receivables, prepaid expenses, dividends and interest declared or accrued but not yet received, will be deemed to be the face value thereof unless the Manager or its agent considers otherwise;
- (b) the value of treasury bills and other money market instruments will be the cost of such instruments plus the accrued interest up to and including the Valuation Date;
- (c) the value of any other securities for which there is a published market will be the closing market price for such securities (or if there is no closing price the average of the closing bid and ask prices) on the Valuation Date; provided that if in the opinion of the Manager or its agent, such price does not properly reflect the price which would be received by the Fund upon disposal of the securities, the Manager or its agent may place such value upon such securities as appears to the Manager or its agent to most closely reflect the fair value of such securities;
- (d) the value of any other property for which a current third party valuation is available will be the value as determined by the third party valuator;
- (e) the value of all other property will be the value that the Manager or its agent determines in its reasonable discretion most accurately reflects its fair value;

- (f) the value of any asset measured in a foreign currency will be calculated by converting the value in the foreign currency into Canadian dollars using the rate of exchange current on the Valuation Date as determined by the Manager or its agent;
- (g) each transaction of purchase or sale of portfolio securities effected by the Fund will be reflected in the computation of the NAV not later than the first computation of such NAV made after the date on which such transaction becomes binding;
- (h) the issue or redemption of Units of the Fund will be reflected in the computation of the NAV no later than the next computation of such NAV made after the time as at which a NAVPU is determined for the purpose of the issue or redemption of the Units of the Fund; and
- (i) liabilities include only those expenses paid or payable by the Fund, including accrued contingent liabilities and management fees where they are known.

The NAVPU will be the NAV of the portfolio assets of the Fund attributable to the series divided by the number of Units of the series outstanding on the relevant Valuation Date.

A NAV will not be calculated if redemptions have been suspended by the Manager.

The value given to any pooled fund investments held by the Fund on a Valuation Date, including an Underlying Crystal Wealth Fund, is derived from the most recent net asset value information available to Crystal Wealth on that Valuation Date. Often, the only valuation information available is an estimate of the net asset value of the applicable pooled fund as of the Valuation Date, which in turn is based on estimated values of the pooled fund's underlying investments. These underlying investments may be difficult to value, as they may be illiquid and may trade infrequently or not at all. In some cases, subsequent information provided by the pooled fund may show an actual value that is different from the estimated value previously provided. No adjustment will be made to the number of Units purchased or redeemed by an investor in the Fund because of the use of estimated values in determining the net asset value of the Fund and the net asset value of each series of Units of the Fund.

4.3 *Redemption of Units*

A Unitholder may, upon request to the Manager in a manner and form acceptable to the Manager, redeem a portion or all of its Units at a redemption price equal to the NAVPU on the Valuation Date next following the date on which the request for redemption is received by the Manager, less any accrued and applicable fees and taxes. If the request is received by the Manager prior to 4:00 p.m. ET, on a Valuation Date, the redemption will be processed on that Valuation Date. Proceeds of redemption will be paid within three Business Days from such date either by cheque or electronic payment, as the Unitholder requests. No interest will be paid to the Unitholder on account of any delay in forwarding the proceeds of redemption to the Unitholder. If Units were purchased by cheque and then redeemed within seven business days of the purchase, the Fund may hold the redemption proceeds until the purchase cheque has cleared, which may take up to 10 business days for cheques drawn on a Canadian chartered bank and up to 45 business days for all other cheques.

The Manager has the right to cause redemptions of Units to be suspended for the whole or any part of a period during which normal trading is suspended on any exchange or market on which securities representing more than 50% by value or underlying market exposure of the total assets of the Fund are traded. Any redemptions that would otherwise have taken place during the period of suspension will be

effected at the close of business on the Valuation Date immediately following the termination of suspension unless, prior to that date, a Unitholder has withdrawn his or her redemption order.

The Manager may, at any time and from time to time, by giving ten business days prior written notice to Unitholders, redeem all or any portion of the outstanding Units of a series on the next Valuation Date for a redemption price per Unit equal to the NAVPU for Units of that series calculated for such day. Among other reasons, the Manager could exercise this right if a particular series has so few Units outstanding that the Manager in its discretion deems it uneconomic to continue to offer the series. Alternatively, the Manager could exercise this right of redemption for tax purposes.

The Manager is also entitled to require the redemption of all or any part of the Units held by a Unitholder at any time in its discretion.

The Manager is entitled to require the redemption of all of the Units held by a Unitholder at any time that the Unitholder's account falls below \$5,000 in market value. Prior to exercising this right of redemption, the Manager will provide the Unitholder with 10 business days' prior notice to allow such Unitholder an opportunity to increase the value of its account to \$5,000 by purchasing more Units of the Fund.

4.4 Systematic Withdrawal Plans

Unitholders may make regular redemptions through a Systematic Withdrawal Plan (**SWP**). Once a SWP is authorized, the Manager will make automatic redemptions from the Unitholder's account according to the schedule chosen by the Unitholder. SWPs are available monthly or quarterly on any Friday of the month. If the selected Friday is not a business day, the SWP will be run on the Valuation Date immediately preceding it. In addition, all of the conditions, features, fees and charges discussed elsewhere in this Offering Memorandum apply to Units redeemed under the SWP program.

4.5 Distributions

The Fund intends to distribute to Unitholders in each taxation year such portion of its net income, including net realized capital gains, as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each taxation year. Distributions will be made monthly on the last Friday of the month. If the last Friday of the month is not a Business Day, the distribution will be made on the Valuation Date immediately preceding it. In December of each year, the distribution will take place on a date between December 15 and December 31 to be determined by the Manager. The Manager may, at its discretion, decide to distribute to Unitholders a portion of its net income, including net realized capital gains, at other times during the year as well.

The Fund shall deduct or withhold from any distribution to a Unitholder who is, or is deemed to be, a non-resident of Canada for purposes of the Tax Act, or is a partnership that is not a "Canadian partnership" within the meaning of the Tax Act, any taxes or other amounts required to be deducted or withheld therefrom by the Fund under the Tax Act or any other applicable tax legislation. The Fund shall remit such deducted or withheld taxes or other amounts to the appropriate tax authority on behalf of the Unitholder. Any such taxes or other amounts remitted by the Fund shall be considered to have been paid by the Fund to the Unitholder in satisfaction of any distribution to the Unitholder by the Fund.

All distributions made by the Fund to each series of Units will be automatically reinvested in additional Units of the same series at the NAVPU thereof unless a Unitholder elects to receive his or her distribution in cash.

4.6 Short Term Trading Fee

In order to protect the interests of the majority of Unitholders of the Fund and to discourage short term trading in the Fund, Unitholders may be subject to a short-term trading fee. If a Unitholder redeems Units within 180 days of such Units having been acquired, the Fund may deduct and retain for the benefit of the remaining Unitholders 5% of the value of the Units redeemed.

4.7 Restriction on Non-Resident Unitholders

In order to ensure that the Fund qualifies as a “mutual fund trust” within the meaning of the Tax Act at all times, the Manager has the right, in accordance with the Declaration of Trust governing the Fund, not to accept a subscription for Units from, or issue or register a transfer of Units to, a Unitholder who is, or is deemed to be, a non-resident of Canada for purposes of the Tax Act, or is a partnership that is not a “Canadian partnership” within the meaning of the Tax Act. In addition, under certain circumstances, the Manager may require that such a Unitholder redeem its Units.

4.8 Fees and Expenses

Management Fee: The Manager is entitled to charge the Fund a management fee at a maximum annual rate of 2.0%. The base Trailer Fee (as described in Item 6) is paid by the Manager from out of this management fee. The management fee accrues daily and is payable monthly in arrears.

Trustee Fees: Crystal Wealth is paid a fee for its services as trustee by the Fund that does not exceed market rates for similar services if they were provided by a third party.

Management Fee Distributions: The Manager may, in its sole and absolute discretion, rebate part of its management fee to select Unitholders, effectively reducing the management fee that those Unitholders are paying. The amount of the reduction is distributed by the Fund (the **Management Fee Distribution**) to the investor for whose benefit the fees were reduced. Where applicable, Management Fee Distributions will be calculated on each business day and distributed on a regular basis by the Fund to the applicable investor, generally, first out of the net income of the Fund, including net realized capital gains of the Fund, and then as a return of capital. All Management Fee Distributions will be reinvested in additional Units of the same series of Units of the Fund unless otherwise requested. The amount of the Management Fee Distribution will generally be treated for purposes of the Tax Act as income, capital gains or return of capital to the Unitholder receiving it.

Operating Expenses: The ongoing expenses of the Fund will be borne by the Fund, including without limitation, trustee fees, the fees and expenses of legal counsel and the Fund’s auditors, communications to Unitholders, custodial arrangements, fund accounting fees, registrar and transfer agency fees, administration and recordkeeping, interest, brokerage fees, regulatory fees and taxes of all kinds to which the Fund is or might be subject to. The Fund is required to pay harmonized sales tax (**HST**) on the management fee and most of the other fees and expenses which it pays.

4.9 Subscription Procedure

Continuous Offering

Units of the Fund are offered on a continuous basis under this Offering Memorandum. This offering is being conducted pursuant to the prospectus exemption available under Section 2.3 (accredited investor) (the **Accredited Investor Exemption**) and Section 2.10 (minimum amount - \$150,000) (the **\$150,000 Exemption**) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106).

The Manager may from time to time establish minimum initial investment amounts and minimum additional investment amounts. The Manager may in its discretion waive such minimum requirements on a temporary basis or on a case by case basis.

The Manager reserves the right to accept or reject subscriptions, to change the minimum amounts for investments in the Fund and to discontinue the offering of Units of the Fund at any time and from time to time. Any monies received with rejected subscriptions will be refunded within two business days, without interest or deduction.

Subscriptions may be placed by investors either directly with the Manager or through registered dealers or entities that are exempt from dealer registration. Prospective investors who wish to subscribe for Units must complete, execute and deliver the Subscription Agreement that accompanies this Offering Memorandum to the Manager or their dealer (as appropriate) and tender the subscription amount in a manner acceptable to the Manager. Units will be issued at the NAVPU on the Valuation Date next following receipt by the Manager of a subscription request (unless received on a Valuation Date prior to 4:00 p.m. E.T., in which case the Units will be issued on such Valuation Date). All subscriptions for Units of the Fund must be forwarded by dealers, without charge, the same day that they are received, to the Manager on behalf of the Fund.

A subscriber has the right to cancel the subscription by sending written notice of cancellation before midnight of the second business day after the subscriber signs the Subscription Agreement. Any subscription proceeds received will be held in trust for that period, and will be promptly returned to the subscriber without interest or deduction if the subscriber exercises his or her cancellation rights.

Additional Investments

Additional investments in the Fund are generally permitted in any amount, subject to any minimum holding prescribed from time to time by the Manager. Each additional investment can only be made pursuant to a prospectus exemption which is available at the time of the additional investment. For example, investors purchasing in reliance on the Accredited Investor exemption will be requested to represent that they continue to qualify as Accredited Investors at the time of each additional investment. Non accredited investors are able to make additional investments of any amount (subject to minimums prescribed by the Manager) provided that the investor is holding Units of the Fund with an acquisition cost or net asset value of \$150,000 or more.

At the time of making each additional investment in the Fund, each investor will be deemed to have repeated to the Fund the covenants and representations contained in the Subscription Agreement, delivered by the investor to the Fund at the time of the initial purchase.

The Manager reserves the right to change the minimum amount for additional investments in the Fund at any time and from time to time.

Following each purchase of Units, investors will receive written confirmation indicating details of the purchase transaction, including the dollar amount of the purchase order, the net asset value per unit and the number of Units purchased. For additional investments, the written confirmation will indicate the cumulative total of all Units held by the investor.

Pre-authorized Chequing Plan

Provided a Unitholder continues to have the status of an "accredited investor" or otherwise meets the prescribed investment qualifications, Unitholders may make regular purchases through a Pre-authorized

Chequing Plan (**PAC**). Where the Unitholder is an individual investor relying on the Accredited Investor exemption, further arrangements, including the continued or ongoing provision of the prescribed risk acknowledgement form, may be required in order to comply with such exemption. Once a PAC is authorized, the Manager will make automatic withdrawals from the Unitholder's bank account according to the schedule chosen by the Unitholder and invest this sum in Units of the Fund. PAC withdrawals can be made monthly or quarterly, on any Friday in the month or quarter. If the chosen Friday is not a business day, the PAC will run on the next Valuation Date thereafter. In addition, all of the conditions, features, fees and charges discussed elsewhere in this Offering Memorandum apply to Units purchased under the PAC program.

Item 5 Certain Canadian Federal Income Tax Considerations

5.1 Disclaimer

An investment in Units of the Fund may give rise to tax consequences for Unitholders under the Tax Act and any applicable provincial, territorial, local or foreign tax laws. Prospective Unitholders are urged to consult with their own tax advisors with respect to the tax consequences of investing in Units of the Fund under the Tax Act and any applicable provincial, territorial, local or foreign tax laws based on their own particular circumstances.

5.2 Summary of Certain Canadian Federal Income Tax Considerations

The following is, as of the date of this Offering Memorandum, a general summary of certain Canadian federal income tax considerations generally applicable under the Tax Act to the Fund and Unitholders who at all relevant times, for purposes of the Tax Act, (i) are the beneficial owners of the Units, (ii) are individuals (other than trusts) resident in Canada, (iii) hold their Units as capital property, and (iv) deal at arm's length and are not affiliated with the Fund and its affiliates. Generally, Units will be considered to be capital property to the Unitholder thereof for purposes of the Tax Act provided that they are not held in the course of carrying on a business and have not been acquired in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their Units, and any other "Canadian security" (as defined in the Tax Act) owned by such Unitholders in the taxation year in which the election is made, and in all subsequent taxation years, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors regarding the potential application and consequences of this election in their particular circumstances.

This summary is not applicable to a Unitholder that has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units. Such Unitholders should consult their own tax advisors.

This summary is based on provisions of the Tax Act in force on the date of this Offering Memorandum and the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") publicly available prior to the date of this Offering Memorandum. This summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Offering Memorandum (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted in their current form. There can be no assurance that any Tax Proposals will be enacted in their current form or at all. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes in law whether by legislative, governmental, or judicial decision or action, or changes in the administrative policies and assessing practices of the CRA. In addition, this summary does not take into account any other federal or

any provincial, territorial, local or foreign tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is based on the assumption that the Fund is and will continue to qualify at all times as a mutual fund trust for purposes of the Tax Act. This summary is also based on the assumption that the Fund has not been established or will not be maintained primarily for the benefit of non-residents of Canada for purposes of the Tax Act. If the Fund were not to qualify as a mutual fund trust under the Tax Act, then the Canadian federal income tax considerations would be materially different from those described herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding, or disposing of Units will vary depending on the Unitholder's particular circumstances, including the provinces in which the Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser of Units. Prospective Unitholders should consult their own tax advisors for advice with respect to the tax consequences to them of an investment in Units, based on their particular circumstances.

Status of the Fund

To qualify as a mutual fund trust for purposes of the Tax Act (i) the Fund must be a Canadian resident "unit trust" for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its fund in property (other than real property or an interest in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in an immovable) that is capital property of the Fund or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of Units. The Fund must also not be established or maintained primarily for the benefit of non-residents of Canada in order to qualify as a mutual fund trust for purposes of the Tax Act. The Manager intends to ensure that the Fund will continue to qualify as a mutual fund trust at all times for purposes of the Tax Act.

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the particular year, including net realized taxable capital gains, less the portion thereof that it claims in respect of amounts paid or payable to Unitholders in the year. It is the Fund's intention to make distributions payable to Unitholders in such amounts in each taxation year and to deduct such amounts in computing its income in each taxation year as will be sufficient to ensure that the Fund will not be liable for income tax under Part I of the Tax Act for each taxation year other than such tax on net realized capital gains that will be recoverable by the Fund in respect of such taxation year by reason of the capital gains refund mechanism under the Tax Act.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income, in accordance with the detailed rules under the Tax Act. The Fund may generally deduct the costs and expenses paid by the Fund in respect of the offering of its Units and not reimbursed at a rate of 20% per year, pro-rated where the Fund's taxation year is less than 365 days. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with detailed rules and limitations in the Tax Act.

In determining the income of the Fund, gains or losses realized upon the disposition or deemed disposition of a security will constitute capital gains or losses of the Fund in the taxation year in which realized unless the Fund is considered to be trading or dealing in such securities or otherwise carrying on an investment business of buying and selling securities or the Fund has acquired such securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Fund intends to purchase and will purchase securities with the objective of earning income over the life of the Fund and will take the position that gains and losses realized on the disposition or deemed disposition thereof are capital gains and capital losses.

Upon the actual or deemed disposition of a security, the Fund will realize a capital gain (or capital loss) to the extent the proceeds of disposition exceed (or are less than) the adjusted cost base of such security immediately before such disposition and any reasonable costs of disposition. One-half of the amount of any capital gain (a "**taxable capital gain**") realized by the Fund in a taxation year must be included in computing the Fund's income for the year, and one-half of the amount of any capital loss (an "**allowable capital loss**") realized by the Fund in a taxation year must be deducted against capital gains realized by the Fund in that taxation year. Allowable capital losses for a taxation year in excess of taxable capital gains in that year may be carried back and deducted by the Fund in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net realized taxable capital gains of the Fund in accordance with the provisions of the Tax Act.

The Fund will be entitled, for each taxation year throughout which it is a mutual fund trust, to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of its Units during the year ("**capital gains refund**"). The capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of securities in connection with a redemption of Units.

Taxation of Unitholders

Unitholders will generally be required to include, in computing their income for a taxation year, the amount of the Fund's net income for the taxation year of the Fund ending in, or coincidently with, the Unitholders' taxation year, including net realizable taxable capital gains, paid or payable to them (including by way of a Management Fee Distribution), whether or not reinvested in additional Units of the Fund or paid in cash or additional Units.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year in order to enable the Fund to utilize, in the taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. Such amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder's income. However, the adjusted cost base (within the meaning of the Tax Act) of the Unitholder's Units will be reduced by such amount (other than the non-taxable portion of the Fund's net realized capital gains as discussed below).

Provided that appropriate designations are made by the Fund, such portion of (i) the taxable dividends received or deemed to be received by the Fund on shares of taxable Canadian corporations (as defined in the Tax Act), and (ii) the net realized taxable capital gains of the Fund, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply, including the enhanced gross-up and dividend tax credit rules in respect of dividends designated in accordance with the Tax Act as "eligible dividends" (as defined in the Tax Act).

The non-taxable portion of the Fund's net realized capital gains, the taxable portion of which was designated in respect of a Unitholder in the year, that is paid or payable (whether in cash or additional Units) to the Unitholder in the taxation year will not be included in the Unitholder's income for the year. Such amount, however, will generally reduce the adjusted cost base of the Unitholder's Units. Any distributions by the Fund to a Unitholder by way of a return of capital will not be included in computing the Unitholder's income but will reduce the Unitholder's adjusted cost base of its Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain.

At the time a purchaser acquires Units of the Fund, the net asset value of the Units may reflect accrued income and capital gains and realized income and capital gains which have not been distributed. When and if such income and capital gains are distributed by the Fund to Unitholders, the income and the taxable portion of the capital gains will have to be included in the purchaser's income.

Any upfront sales charges paid by Unitholders on the acquisition of Units of the Fund are not deductible by Unitholders but can generally be added to the adjusted cost base of the Units purchased. In determining the adjusted cost base of Units for purposes of the Tax Act, the cost of newly-acquired Units must be averaged with the adjusted cost base of all other Units of the Fund held by the Unitholder as capital property at such time. The cost of Units acquired as a distribution of income or capital gains from the Fund will generally be equal to the amount of the distribution. Any additional Units acquired by a Unitholder on the reinvestment of distributions will generally have a cost equal to the amount reinvested.

Upon the actual or deemed disposition of a Unit, including the redemption of a Unit by the Fund, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit exceed (or are less than) the adjusted cost base of the Unit to the Unitholder immediately before such disposition and any reasonable costs of disposition. Under the Tax Act, one-half of any capital gain ("taxable capital gain") realized is generally included in a Unitholder's income and one-half of any capital loss ("allowable capital loss") realized must be deducted from taxable capital gains in accordance with the provisions of the Tax Act. Allowable capital losses realized in a particular taxation year in excess of taxable capital gains realized in that year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the rules in the Tax Act.

In general terms, net income of the Fund paid or payable to a Unitholder that is designated as taxable dividends from Canadian corporations or as net realized taxable capital gains as well as taxable capital gains realized by a Unitholder on a disposition or deemed disposition of its Units may increase the Unitholder's liability for alternative minimum tax.

Unitholders will be advised each year of the amount of net income, taxable dividends from taxable Canadian corporations, net realized capital gains and returns of capital paid or payable to them.

5.3 *Eligibility for Investment*

Provided that the Fund continues to qualify as a mutual fund trust at all times for purposes of the Tax Act, Units of the Fund should be qualified investments for a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a deferred profit sharing plan, a registered education savings plans, a registered disability savings plan and a tax-free savings account ("TFSA"). .

Notwithstanding the foregoing, the annuitant of a RRSP or RRIF or the holder of a TFSA will be subject to a penalty tax if Units of the Fund are held in a RRSP, RRIF or TFSA, as the case may be, and are a

“prohibited investment” for such RRSP, RRIF or TFSA under the Tax Act. Units of the Fund will not be a prohibited investment for a RRSP, RRIF or TFSA provided the annuitant or holder, as the case may be, deal’s at arm’s length with the Fund for purposes of the Tax Act and does not have a “significant interest” (as defined in the Tax Act) in the Fund. In addition, Units of the Fund will generally not be a prohibited investment if such Units are “excluded property” as defined in the Tax Act. Unitholders should consult their own tax advisors as to whether Units of the Fund will be a prohibited investment in their particular circumstances.

Item 6 Compensation Paid to Dealers

6.1 Sales Charge

Registered dealers (each, a **Dealer**), whose dealing representatives sell Units of the Fund may, with the agreement of the investor, charge an up-front fee to investors of up to 5% of the total subscription amount. As described under Item 3.3 Interests of Management and Conflicts of Interest, although a placement fee may be charged by a dealing representative of the Manager, the Manager itself does not charge or receive a separate placement fee.

6.2 Trailer Fees

The Manager will pay a monthly fee (the **Trailer Fee**) to Dealers to compensate the Dealers for ongoing services to their clients in respect of an investment in the Fund. The Trailer Fee is calculated based upon a percentage of the average daily value of the Units of the Fund held by the clients of the Dealers. The Trailer Fee will be paid at a rate of up to 1.0% per annum.

Item 7 Risk Factors

An investment in the Fund involves certain risks. Investors should consider the following risk factors before investing.

7.1 Issuer Risks

General. Although the Fund intends to invest in a diversified portfolio of investments designed to mitigate short-term risk, investing in the Fund entails certain risks and is only suitable for investors who understand and are capable of bearing the risks of an investment in the Fund. All investments in securities and other financial instruments risk the loss of invested capital. There is no assurance that the Fund will achieve its overall investment objective. Prospective investors should carefully consider the following risk factors, which do not purport to be a complete list of the potential risks and conflicts of interest involved in an investment in the Fund. The NAVPU will vary directly with the market value and return of the investment portfolio of the Fund.

Reliance on Crystal Wealth. The Fund will be dependent on the knowledge and expertise of Crystal Wealth for investment advisory and portfolio management services. There is no certainty that the persons who are currently officers and directors of Crystal Wealth will continue to be officers and directors of Crystal Wealth.

Potential Conflicts of Interest. The Manager may also act in the same or similar capacities in respect of other entities. In that event, it may have responsibility for the management of the assets of other entities at the same time as it is managing the Fund’s portfolio and may use the same or different information and trading strategies obtained, produced or utilized in managing the portfolio of the Fund. See Item 3,

Directors, Management, Promoters and Principal Holders – Interests of Management and Conflicts of Interest.

No involvement by Unaffiliated Selling Agent or Other Professional Representing Unitholders. No securities dealer or selling agent unaffiliated with the Manager was involved with or has made any review or investigation of the terms of the this offering, the structure of the Fund or the background or history of the Manager and its principal. No legal counsel, investment dealer, accounting firm or other professional advisor acting on behalf of Unitholders has reviewed the terms of this offering. Consequently, prospective investors are advised to consult their own legal, tax or financial advisors in connection with the purchase of Units.

Unitholder Liability. Because of uncertainties in the law relating to trusts such as the Fund, there is a risk that a Unitholder could be held personally liable for obligations of the Fund to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the Fund's operations will be conducted in such a way as to minimize any such risk. In particular, the Manager will follow the investment strategy and process of the Fund and will use its best efforts to avoid such liability being placed upon the Unitholders. Based upon these measures being adhered to by the Fund, it is considered by the Manager that the risk of Unitholder liability is remote in the circumstances.

7.2 Investment and Market Risks

Market and Economic Conditions The market value of the Fund's investments will rise and fall based on developments in the broader equity and fixed income markets. Market values will also vary with changes in general economic and financial conditions. Fluctuations in the market values of such investments can occur for a number of reasons beyond the control of the Manager. Performance of the Fund will be affected by various factors including fluctuations in interest rates, business and consumer demand, general economic conditions and cycles, foreign and domestic political developments, competition, imposition of tariffs, duties or other taxes and government regulation, as applicable. Fluctuations in the exchange rates between the Canadian dollar and other currencies in which direct and indirect investments of the Fund are denominated will affect the value of Units when expressed in Canadian dollars.

Lack of Insurance. The assets of the Fund are not insured by any government or private insurer except to the extent portions may be deposited in bank accounts insured by a government agency such as the Canada Deposit Insurance Corporation or the Federal Deposit Insurance Corporation (United States) or with brokers insured by the Canadian Investor Protection Fund, or the Securities Investor Protection Corporation (United States) and such deposits and securities are subject to such insurance coverage (which, in any event, is limited in amount). Therefore, in the event of the insolvency of a depository or custodian, the Fund may be unable to recover all of its funds or the value of its securities so deposited.

Inability of Borrower to Pay. The Fund's income and funds available for distribution to Unitholders would be adversely affected if a significant number of Borrowers were unable to pay their obligations to the Fund or if the Fund was unable to invest its funds in debts on economically favourable terms or in a timely manner. On default by the Borrower, the Fund may experience delays in enforcing its rights as lender and may incur substantial costs in protecting its investment. The Fund may be unable to recover investment amounts lost on default of a Borrower.

Bankruptcy Remoteness. If any of the persons from whom the fund purchases debt obligations, currently Media House Capital, (the "loan originator") becomes subject to bankruptcy proceedings and if a court in the bankruptcy proceedings concludes that the sale from the loan originator to the Fund was not a "sale", then the Fund could experience losses or delays in the parent payments due pursuant to the debt obligations. While care is generally taken in structuring the transaction so as to minimize the risk of the

sale to the Fund not being construed as a "true sale", there is no guarantee such structuring will be effective.

Risk of Co-mingling. To the extent that any funds received by the administrator of the loans is commingled with its own funds, the Fund may be exposed to a potential loss if the administrator fails to remit such amounts to the Fund. In order to minimize this risk, the payments on the debt obligations and the distributions thereof are usually administered by a collection agent, an independent third party so the Fund receives the payments of interest and principal directly from the collection agent rather than from the administrator.

Distribution Rights. The Fund's primary collateral is from unsold territory (distribution) rights, so the Fund will require that it is the first party paid out of proceeds of the sale of distribution rights from these territories. The value of this collateral is dependent on the ability to sell or license the distribution rights. The motion picture or television series may not be purchased for distribution or the expected returns or projections may not be as high as predicted. The sale of motion pictures or television series is a very unpredictable business, and the ability of a production company to produce a film of a quality sufficient to generate sales is unproven and depends upon the exercise of subjective judgments by the producers of the project, the MPSC, and sales agents utilized by the production company and the distributors to whom the production company will offer the project. Accordingly, it is possible that productions will not attract the interest of prospective purchasers and the Fund may lose the full amount of its investment in the debt obligation. Also, since the Film or production may be distributed worldwide, it is subject to risks associated with the collection, administration and enforcement of the debt obligations in other jurisdictions. To mitigate such risks, a collection agent is usually engaged. A collection agent will manage the collection of the foreign receipts and distribute them to the Fund and any other financiers entitled thereto. The creditworthiness and enforceability of the debt obligation in foreign territories remains a risk of the Fund.

Motion Picture and Television Series Production Risks. The film production industry is affected by changes in consumer preferences and by national, regional, and local economic conditions and demographic trends. Discretionary spending priorities, consumer preference and tastes, critical reviews, word of mouth, accidents of chance involving lead actors or personalities, and the type, number, and screenings of competing films will directly affect the success of a film. While the initial principal and interest of the investment is collateralized through various assets and security, changes in any of the above factors could adversely affect box office and ancillary markets performance, resulting in lower than expected returns due to changing market values, prices and higher default rates and also resulting in no returns in connection with the Fund's potential participation in profits.

Copyrights, Trademarks, Licenses. Copyrights, trademarks, licenses, etc. are an important part of the film business. Other parties may assert intellectual property infringement claims against a motion picture and may prevail. The Fund will either alone or through others, including MHC, conduct due diligence to try to ensure a clean chain of title for each motion picture or television series underlying each debt obligation it purchases. However, it is possible that, if other parties were to assert intellectual property infringement claims against the motion picture or television series, the production company could be required to engage in protracted and costly litigation, regardless of the merits of such claims, discontinue the use of certain components of the screenplay, develop replacement components, or enter into license arrangements with respect to the disputed intellectual property. The production company may not be able to develop alternative components and any necessary licenses may not be available or available on commercially reasonable terms. Responding to and defending against any of these claims could have a material adverse effect on the underlying business, results of operations and financial condition. While the initial principal and interest of the investment is collateralized through various assets and security,

changes in any of the above factors could adversely affect the value and security of the assets and film productions.

Options and Other Derivative Investments. The Fund may purchase and sell options or enter into other derivative transactions that derive their value from movement in the price of other underlying securities. Such transactions may be used both for hedging purposes and to increase the possibility of achieving gains from any level of movement in the price of the underlying securities or groups of securities. The potential for greater gains, however, is inevitably accompanied by the increased risk of loss.

Use of derivative instruments in general presents additional risks. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Fund from achieving the intended hedge effect or expose the Fund to the risk of loss. In addition, derivative instruments may not be liquid in all circumstances, so that in volatile markets the Fund may not be able to close out a position without incurring a loss.

Although exchanges attempt to provide continuously liquid markets in which holders and writers of options can close out their positions at any time prior to the expiration of the option, there is no assurance that such a market will exist at all times for all outstanding options purchased or sold. If an options market were to become unavailable, the Fund could be unable to realize its profits or limit its losses until it could exercise options it holds, and the Fund would remain obligated until options it wrote were exercised or expired. As the Manager has restricted the Fund's investment in derivatives to include only exchange-traded contracts, there is no counterparty risk. Furthermore, the exchanges on which the derivative contracts are traded may set daily trading limits, preventing the Fund from closing out a particular contract. If an exchange halts trading in any particular derivative contract, the Fund may not be able to close out its position in that contract.

Lack of Suitable Investments. The ability of the Manager to make investments in accordance with the Fund's objectives and investment policies depends upon the availability of suitable investments and the amount of funds available. There can be no assurance that debts with suitable yields to meet the Fund's objective will be available.

Another factor that could influence the availability of suitable debts and the yields available thereon is the amount of competition that may enter this lending area during the coming years. While the Manager does not anticipate a significant increase in competition in the markets in which it intends to invest, there can be no assurance that it will not happen.

Failure to Meet Commitments. The Fund may commit to investing in future debts in anticipation of repayment of principal outstanding under existing debt investments. In the event that such repayments of principal are not made, the Fund may be unable to advance some or all of the funds required pursuant to the terms of its investment commitments, and consequently, the Fund may face liability in connection with its failure to fulfil such commitments.

Foreign Exchange Risk. The Fund may invest in debt obligations in foreign currencies. Accordingly, investors in the Fund may incur foreign current currency exposures that may have a positive or negative impact on the value of their investment. The Manager may, from time to time and in its sole discretion, use exchange traded derivatives to hedge the currencies to which the Fund is exposed.

Film Completion Risk. The Fund will invest in debt obligations during the production stage of the films and prior to completion. There is a risk that a film may not be completed due to various factors, including acts of god, force majeure, unfunded over-budgets and other unforeseen events. If the film is not

completed, the Fund will lose its investment in the associated debt obligation. Some of these risks may be covered by insurance and the Fund will benefit from some or all of such proceeds. In other cases, a completion bond may be in place that may cover the completion and delivery risks. However, not all the investments will have the benefit of such completion bonds due to the additional financial costs of such bonds. In such cases, the Manager looks to the producer's track record and the ability by MHC to monitor the investments to help mitigate this risk.

Limited Recourse Risk. The Fund will invest in debt obligations. These investments are recouped by the Fund primarily through film production companies specifically set up for that film production. The production company may have limited or no other assets to collateralize the return. In certain circumstances, the debt obligation may carry some form of collateral guarantee from the production company's related or parent company, which would mitigate this risk. The Manager also looks to the producer's track record and ensures that the Fund is not financing all of the production costs to mitigate this risk.

Tax Credits and Government Rebates. As a secondary collateral, the Fund can sometimes benefit from returns from various tax credits and government rebates. There is a risk that government programs will change or, for other reasons, these tax credits and rebates will be unavailable. Also, there is a risk of defaults on the debt obligation by not completing the film, or may otherwise be ineligible to apply or obtain such tax credits or government rebates. There is also a risk that the government programs and tax rebates are cancelled. In addition, a collateral assignment of a tax credit is not enforceable against the Crown and there is an inherent risk of collection.

Performance and Marketability of Underlying Securities. There is no market in which some of the securities held by the Fund can be sold and, accordingly, there is no assurance that the securities acquired by the Fund can be sold for the values used to calculate the NAVPU.

Leverage. The Fund may directly or indirectly make use of leveraged investments. The use of leverage can magnify gains but may also increase the Fund's exposure to the risk of losing its capital.

Redemption Risk: Substantial redemptions of Units could require the Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions. Such actions could adversely affect the value of the Units redeemed and of the Units that remain outstanding. In accordance with section 4.1, Terms of Securities, the Manager has the right to suspend redemptions in several circumstances as described therein. If the Manager were to exercise this right, Unitholders would not be able to redeem their Units until the suspension is lifted.

Legal, Tax and Regulatory Risks. Legal, tax and regulatory changes or events may occur that could adversely affect the Fund or the Unitholders. In particular, if the Fund experiences a "trust loss restriction event" the Fund (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Fund's net income and net realized capital gains, if any, at such time to Unitholders so that the Fund would not be liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses, inability to carry-forward capital losses, and restrictions on its ability to carry forward non-capital losses. Generally, the Fund would be subject to a loss restriction event if a person becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the Fund, as those terms are defined in the Tax Act. Generally, a person would be a majority-interest beneficiary of the Fund if it, together with persons and partnerships with whom it is affiliated for purposes of the Tax Act, owns more than 50% of the units of the Fund. The loss restriction event rules include relieving measures for trusts that meet certain conditions.

Marketability of Units. There is currently no secondary market through which the Units may be sold nor is one expected to develop. Redemptions are permitted only as described herein and there are circumstances in which the Fund may suspend redemptions. Accordingly, Units of the Fund may not be appropriate for investors seeking greater liquidity than weekly. Also, Units are only transferable in limited circumstances with the approval of the Manager.

Net Asset Value and Estimated Values. A portion of the calculation of the net asset value of the Fund could be based on estimated values provided by underlying funds. These estimated values are, in turn, based on values attributed to the underlying investments held in such funds, which investments may be illiquid and may trade infrequently or not at all. No adjustments will be made to the number of Units purchased or redeemed by an investor in a Fund because of the use of estimated values in determining the net asset value of a Fund, even if the estimated values that are used in calculating such net asset value are subsequently determined to differ significantly from the final values eventually obtained in respect of the underlying funds.

Item 8 Reporting to Unitholders

If a Unitholder has purchased Units through a Dealer, the Dealer is obliged to provide the Unitholder with account statements regarding their investment in the Fund. Unitholders who have purchased the Fund directly from the Manager will receive an annual and semi-annual account statement showing the Units held by them and any transactions for the preceding period. Investors who purchase Units directly from the Manager will also receive confirmation of their trade from the Manager.

In addition, Unitholders will receive the applicable tax form(s) identifying the Unitholder's distributions (including income, taxable dividends from taxable Canadian corporations, taxable capital gains and returns of capital).

The fiscal year end of the Fund is December 31. Unitholders have the right to elect to receive audited annual financial statements and unaudited semi-annual financial statements. An election request will be sent out annually and the Unitholder's choice will remain in effect for the following year.

Item 9 Other Disclosures

9.1 Forward Looking Information

The foregoing disclosure of investment objectives and strategies may constitute "forward-looking information" for the purpose of Ontario securities legislation, as it contains statements of the intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Manager of the success of its investment strategies in certain market conditions, relying on the experience of the Manager's officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions made by the Manager and the success of its investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of the Manager's intended strategies as well as its actual course of conduct. Investors are urged to read Item 7, Risk Factors, for a discussion of other factors that will impact the operations and success of the Fund.

9.2 Anti Money-Laundering Legislation

The Manager is required to comply with all applicable laws, regulations and administrative pronouncements concerning money laundering and other criminal activities (**Anti-Money Laundering Laws**), which includes implementing specific measures to detect and deter money laundering and

financing of terrorist activity. Unitholders may be required to provide additional information regarding the Unitholder or their beneficial owner(s) or other information that the Manager deems necessary or advisable to ensure compliance with all Anti-Money Laundering Laws. Additional information is in the subscription agreement.

If the Manager is aware or suspects that a Unitholder is engaged in money laundering or if otherwise required by Anti-Money Laundering Laws, the Manager may undertake appropriate actions to ensure that the Fund or the Manager are in compliance with all such Anti-Money Laundering Laws. The Fund or the Manager may release confidential information about a Unitholder and, if applicable, any underlying beneficial owner(s), to governmental authorities. This reporting will not be a breach of privacy laws as it is required by law.

9.3 Collection of Personal Information

By subscribing for Units in the Funds, the Unitholder acknowledges that its name, residential address and telephone number and other specified information, including the number of Units it has purchased and the aggregate purchase price paid by the Unitholder, may be disclosed to Canadian securities regulatory authorities and other authorities governing the operations of the Fund and the Manager, and may therefore become available to the public in accordance with requirements of applicable Canadian laws. By subscribing for Units in the Funds, the Unitholder shall authorize such indirect collection of personal information.

9.4 FATCA

Under U.S. withholding tax and reporting requirements, commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), non-U.S. financial entities are required to collect information from their clients and directly or indirectly provide that information to the U.S. Internal Revenue Service (the "IRS") in order to avoid a 30% U.S. withholding tax on payments of U.S. source income and gross proceeds. Canada enacted Part XVIII ("Part XVIII") of the Tax Act and signed an Intergovernmental Agreement with the U.S. for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention to achieve the U.S. objectives of FATCA in a manner that is consistent with Canada's privacy and other laws. Unitholders will generally be required to provide to their financial advisor or dealer information related to their citizenship or residence for tax purposes and, if applicable, their U.S. federal tax identification number. If Unitholders do not provide that information or are identified as a U.S. citizen (including a U.S. citizen living in Canada) or a U.S. resident, details of the Unitholder's investment in the Fund will generally be reported to the CRA unless Units are held in a registered plan.

The CRA has agreed to provide the information to the IRS. If a Unitholder does not provide the information required to comply with obligations under Part XVIII, the Unitholder's Units may be redeemed. Unitholders should consult with their own tax advisors regarding the possible implications of FATCA for them and their investments.

9.5 Restrictions on Transfer and Resale

Because the Units are offered on a private placement basis in reliance on prospectus exemptions, they are generally not transferable, are subject to regulatory resale restrictions and may only be transferred from one holder to another with the written consent of the Manager. Applicable securities laws provide that securities purchased under a prospectus exemption may not be resold except on expiry of statutory hold periods or otherwise in compliance with such laws. However, Units are redeemable at net asset value, as described under Item 4.3 Redemption of Units.

9.6 *Language of Documents*

By receiving this document, you hereby confirm that you have expressly requested that all documents evidencing or relating in any way to the sale of securities described herein (including for greater certainty any purchase confirmation or notice) be drawn up in the English language only. Par la reception de ce document, chaque investisseur confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Item 10 *Purchasers' Rights*

10.1 *Understanding your Rights*

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

10.2 *Two Day Cancellation Right*

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Manager by midnight on the 2nd business day after you sign the agreement to buy the securities.

10.3 *Statutory and Contractual Rights of Action in the Event of a Misrepresentation*

Subscribers in British Columbia

If there is a misrepresentation in this Offering Memorandum, subscribers resident in British Columbia will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

All subscribers in British Columbia shall have these rights, regardless of whether the subscriber relies on the Accredited Investor Exemption or the \$150,000 Exemption.

Subscribers in Alberta

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Alberta will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

All subscribers in Alberta shall have these rights, regardless of whether the subscriber relies on the Accredited Investor Exemption or the \$150,000 Exemption.

Subscribers in Saskatchewan

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Saskatchewan will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Promoter and Trustee at the date of the Offering Memorandum or any amendment thereto, every person or company whose consent has been filed with the Offering Memorandum (but only with respect to reports, opinions or statements that have been made by them), every person who signs the Offering Memorandum or any amendment thereto, and every person or company that sells the securities on behalf of the Fund under the Offering Memorandum for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of one (1) year after learning of the misrepresentation and six (6) years after you signed the agreement to purchase the securities.

Subscribers in Manitoba

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Manitoba have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and two (2) years after you signed the agreement to purchase the securities.

Subscribers in Ontario

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Ontario will have a statutory right to sue the Fund:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

Subscribers in New Brunswick

If there is a misrepresentation in this Offering Memorandum, subscribers resident in New Brunswick will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

Subscribers in Nova Scotia

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Nova Scotia will have a statutory right to sue:

- (a) to cancel your agreement to buy these securities, or
- (b) for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 120 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 120 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

Subscribers in Prince Edward Island, Yukon, Northwest Territories or Nunavut

If there is a misrepresentation in this Offering Memorandum, subscribers resident in Prince Edward Island, Yukon, Northwest Territories or Nunavut will have a statutory right to sue:

- (a) the Fund to cancel your agreement to buy these securities, or
- (b) the Fund, the Trustee at the date of the Offering Memorandum or any amendment thereto and every person who signs the Offering Memorandum or any amendment thereto for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three (3) years after you signed the agreement to purchase the securities.

10.4 General

The foregoing summaries are subject to any express provisions of the securities legislation of each offering jurisdiction and the regulations, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights of action described herein are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

Item 11 Financial Statements

Completed financial statements for the Fund are available on the Manager's website www.crystalwealth.com and upon request from the Manager.

ONTARIO SECURITIES COMMISSION

and

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, ET AL.

Applicant

Respondents
Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto**

**APPLICATION RECORD
VOLUME 1 OF 8**

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ANTHONY WHITEHOUSE
Plaintiff

-and-

BDO CANADA LLP
Defendant

Court File No. CV-17-579357-00CP

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD
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