

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

ANTHONY WHITEHOUSE,  
CARRIE COUCH AND JASON COUCH

Plaintiffs

and

BDO CANADA LLP

Defendant

**AMENDED MOTION RECORD OF THE PLAINTIFFS  
VOLUME 4 OF 20**

November 15, 2019

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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 2 OF 8**

Date: April 25, 2017

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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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- 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
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## VOLUME 2

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**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

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

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- Exhibit 27 -** Highlights Report from the prepared by BDO with respect to the 2015 Media Fund Audit
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- Exhibit 29 -** Schedule of Media Loans Owned by Crystal Wealth Media Strategy as at December 31, 2015
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- 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
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- 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
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- 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.

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## VOLUME 8

C

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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

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

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

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- 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
- Exhibit 6 -** A copy of pages 13-14 and 18 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill
- Exhibit 7 -** A copy of pages 15-20 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill
- Exhibit 8 -** A copy of pages 16-17 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill
- Exhibit 9 -** A copy of pages 18-20 and 26-27 of the transcript of the April 21, 2017 compelled examination of Shanine Dennill
- 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**

This is Exhibit "16" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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

**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 MEDIA STRATEGY (previously, "Crystal Wealth Strategic Yield Media Fund")

<b>Investment Objective:</b>	The investment objective of the Crystal Wealth Media Strategy (the <b>Fund</b> ) 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.
<b>Manager:</b>	Crystal Wealth Management System Limited
<b>Lead Portfolio Strategist:</b>	Clayton Smith, CAIA
<b>Structure:</b>	Mutual fund trust
<b>Registered Plan Eligibility:</b>	100% eligible for all registered plans
<b>Investor Eligibility:</b>	Accredited investors in any dollar amount or corporations or other entities investing \$150,000 or more.
<b>Investment/Redemption:</b>	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.
<b>Risk Level:</b>	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.
<b>Suitability:</b>	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 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 15<sup>th</sup> 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., 16<sup>th</sup> 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 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 28% 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

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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

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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 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).

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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.

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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 coincidentally 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).

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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,

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## **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,

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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

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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

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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 (inclusant, 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 2<sup>nd</sup> 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.

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#### ***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.

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### ***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.

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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.

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#### **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](http://www.crystalwealth.com) and upon request from the Manager.

This is Exhibit "17" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

## PRODUCTION LOAN ADMINISTRATION AGREEMENT

THIS AGREEMENT made effective as of the 12<sup>th</sup> day of Aug 2011

### AMONG:

**CRYSTAL WEALTH STRATEGIC YIELD MEDIA FUND,**  
a mutual fund trust established under the laws of Ontario  
and having its registered office at  
3385 Harvester Road, Suite 200, Burlington, ON L7N 3N2  
(the "Investor")

- and -

**MEDIA HOUSE CAPITAL (CANADA) CORP.,**  
a company incorporated under the laws of Canada  
and having its registered and records office at  
4299 Canada Way, 2<sup>nd</sup> Floor, Burnaby, BC V5G 1H3  
(the "Company")

### RECITALS:

1. The Investor wishes to invest in high yield film and television production loans to finance a portion of the budget of qualified motion picture or television projects available through the Company and requires these production loan opportunities to be sourced, presented to the Investor by the Company and, if acquired by the Investor, managed and serviced by the Company;
2. The Company has represented and warranted to the Investor that it is a federally registered company, inter-provincially registered in British Columbia and Ontario and that it is experienced and fully qualified to deal in motion picture production financing;
3. The Company has agreed to source and present on a "first look" basis to the Investor for potential investment by the Investor all of the film and television production loans that it or its Affiliates may have entered into or will enter into during the term hereof and in accordance with and subject to all of the terms and conditions set forth herein; and
4. The Company has agreed to provide Management Services to the Investor with respect to all Approved Loans sourced and presented to the Investor by the Company, in which the Investor invests, all in accordance with and subject to all of the terms and conditions set forth herein. The Investor has hired the Company to perform these Management Services on its behalf.

**NOW, THEREFORE, IN CONSIDERATION** of the foregoing and the mutual promises and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties hereto hereby covenant and agree as follows:

## 1. Interpretation and Definitions

### 1.1 In this Agreement:

- (a) "**Affiliate**" means any person or entity owned or controlled (whether in law or in fact) by, controlling or under common control with any one of the parties herein, as the case may be, it being understood that on the basis that Bron Management Ltd. is and shall not be principally involved in making loans that are the same or similar to Approved Loans it shall not be deemed to be an Affiliate herein;
- (b) "**Agreement**" means this loan administration agreement, including the recitals hereto and all schedules attached hereto, as the same may be amended, supplemented, restated or revised from time to time;
- (c) "**Approved Loans**" means the lender financing opportunities sourced by the Company in accordance with the terms of this Agreement which are presented to the Investor by the Company and approved for investment by the Investor, each such loan to be evidenced by a note or other evidence of indebtedness registered as a first position security against the film and/or television property's Collateral (as defined below), subject to Investor's approval of subordination to Guild or Union priorities and other Investor approved lenders' interests in tax credits if financed thereto, and "**Approved Loan**" means each of such Approved Loans;
- (d) "**Collateral**" as defined in Section 6 hereof.
- (e) "**Company**" means Media House Capital (Canada) Corp., a corporation incorporated pursuant to the laws of Canada;
- (f) "**Due Diligence Guidelines**" means the written loan due diligence guidelines adopted by the Investor relating to the acquisition of production loans or interests therein, a copy of which the Company acknowledge receiving and attached hereto as Exhibit A, as the same may be amended from time to time by the Investor;
- (g) "**Investor**" means the Crystal Wealth Strategic Yield Media Fund, a mutual fund trust established pursuant to the laws of the Province of Ontario;
- (h) "**Loan Documents**" means all documents and agreements relating to each Approved Loan, including without limitation, the promissory notes, general security agreement, borrowing certificate, and all other agreements, instruments, and documents relating to the Approved Loan heretofore, now or hereafter evidencing, securing, guaranteeing, or otherwise relating to the Loan, the Collateral, or any other aspect of the transactions contemplated by this Agreement, as any of such agreements, instruments or documents may be amended, supplemented, or otherwise modified from time to time.
- (i) "**Management Services**" means the loan administration and servicing services to be provided hereunder by the Company to the Investor with respect to Approved Loans, as more particularly set forth in section 4.1;

- (j) "**Non-Performing Approved Loans**" means any Approved Loan in which the borrower is in default or breach, a film is not completed by the scheduled production completion date, film production costs are exceeding the budget plus contingencies, any loan where interest payments are not made when due and shall include any loan where more than 20% of the dollar value of the actual film sales (or advances or minimum guarantees thereto) are less than the minimum estimates provided by the sales agent or distributor and remain below such threshold after four (4) weeks from the last day of the first of the major markets of Sundance, Cannes or AFM, in the case of feature films, or their equivalent TV markets, i.e. Banff, Cannes (MIPTV) and NATPE that occurred immediately thereafter or where it is reasonable, as mutually agreed upon, to conclude that the borrower may not be able to meet its current or repayment obligations of principal or interest at any time,
- 1.2 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 1.3 Nothing herein contained shall be deemed to create any relationship of partnership or of joint venture between the Investor and the Company. The parties are entering into this Agreement and performing and observing their respective covenants and obligations hereunder as independent contractors.
2. **Proposed Loans**
- 2.1 The Company will evaluate and propose all production loan investments that it or its Affiliate(s) will have entered into or will enter into during the term hereof for the Investor and will present such opportunities to Investor on a first look basis as described in Paragraph 3 below. The capital portion of the production loan shall not exceed Thirty-Five percent (35%) of the budget of the film or TV production unless sufficient collateral, mutually acceptable to the parties acting reasonably, is available to secure the loan, including without limitation, tax credits or rebates, actual pre-sale contracts, personal or parent company guarantees, additional Receivables, Inventory or Equipment. Evaluation of each specific production loan investment shall be carried out by the Company in accordance with the Due Diligence Guidelines and shall include for each individual project, but will not be limited to, a review of the finance structure and budget the credit worthiness of any borrower, the key cast and crew, other equity and/or debt partners, presence of any distribution deals and/or pre-sales, recoupment schedule and proposed waterfall, chain of title with an opinion letter from borrower's counsel, any other applicable Closing Documents as outlined and defined in the Loan Agreement between Company and each individual borrower (the "MHC Loan Agreement"), a copy of which is attached hereto as Exhibit B. With respect to each specific proposed production loan, the Company shall also provide a written report as to whether the specific proposed production loan complies with the Due Diligence Guidelines.
- 2.2 Without restricting the generality of section 2.1, it is agreed that each proposed specific production loan investment must comply with all of the following requirements:

- (a) each proposed specific production loan investment must be secured by a registered first security position held by Company against all of borrower's Collateral;
- (b) the initial term of each loan secured by each specific production loan investment shall have an accelerated call provision at eighteen (18) months and a maturity date of no longer than thirty (30) months and shall be renewable thereafter but only with the discretion or consent of Investor ; and
- (c) the rates of interest payable by borrowers and the prepayment privileges applicable under the specific production loan investments shall be as approved by the Investor. All prepayment penalties shall be for the sole benefit of the Investor.

3. **Investment In Approved Loans**

The Company shall, on a regular basis present to the Investor all production loans that it or its Affiliate(s) have entered into or will enter into during the term hereof for potential investment by the Investor. Each of such proposed specific production loans must comply with all of the requirements of this Agreement and the proposal of the Company shall also comply with all of the requirements of this Agreement.

The Investor shall then be entitled (but not obligated) to purchase the whole of any such proposed specific production loans. The Investor shall notify the Company in writing of its willingness to purchase the whole of any such proposed specific production loan. Investor shall have a "first look" period of five (5) business days with no obligation, to approve or disapprove any proposed loan. Absent a response or upon notice from Investor by the end of such five (5) business day period, or upon Investor's notice to Company that its production loan request was denied, Company shall be free to seek other investors for the proposed loan on the same terms and conditions as those offered to Investor. If the production loan is approved by Investor, the Company shall provide written direction to the Investor identifying the trust account to which the Investor shall wire the funds, a statement as to the amount payable by the Investor for such production loan and stipulating the date on which the purchase price for such Approved Loan is to be paid.

Upon receipt of such documentation, the Investor shall, on the date stipulated by the Company in the said direction, cause to be forwarded to the designated trust account such amount as is required for the purchase of such Approved Loan, such funds to be delivered subject to reasonable trust conditions. Such trust conditions shall require that the Company assign the Approved Loan, subject to personal performance exclusions as defined herein, and all other registered collateral security and applicable agreements showing the Investor's trustee, a member of Investor's investment committee appointed by Investor, as the transferee/assignee, arrange for general, entertainment and errors and omission insurance coverage for the subject film and/or television property to be issued showing the Investor as an additional insured, require that all fees have been paid and all other documentation and procedures outlined in the Due Diligence Guidelines have been satisfied unless otherwise provided therein. All Collateral and security, subject to

personal performance exclusions of the Company, shall be assigned and/or granted to Investor.

All Approved Loans shall be registered initially in Company's name but thereafter in the name of Investor, who shall provide written direction and authority for repayments as outlined in the MHC Loan Agreement, and further outlined in the Collection Account Management Agreement (the "CAMA") which Investor, and/or its trustees shall be a beneficiary of, to be remitted by the borrowers under all Approved Loans to the collection agent (or such other Investor designee) trust account to administer for and on behalf of the Investor in accordance with this Agreement.

4. **Management Services**

4.1 The Investor hereby retains the Company, to manage and service each Approved Loan on behalf of the Investor, including, but not limited to:

- (a) the collection and remittance of all prescribed payments of principal and interest and any profit or other participations (exclusive only of the 10% facility fee that is retained by MHC but deferred in part during the term as described below) by the borrower as required under their Loan;
  - (b) collection of any penalties or miscellaneous fees including any shared sales agent fee;
  - (c) provision of information to the borrower and any other parties for the maintenance or discharge of the loan;
  - (d) negotiation and settlement (for Investor approval ) of any payments in arrears;
  - (e) management of any legal actions required to enforce the loan including preparing and sending the loan file to a lawyer for processing through Collection Proceedings (as hereinafter defined) including the foreclosure/power of sale process for each Province or State;
  - (f) negotiate and manage any actions required with the completion bond company, sales agent(s), distributor(s) or other third parties if any;
  - (g) negotiate and manage any actions required with the producers or production company of the picture; and
  - (h) ~~takeover, manage and oversee all of or part of the film production if necessary.~~
- 4.2 The Company will cause to be provided to the Investor a monthly report on the last business day of each month, each of which shall include the following information:
- (a) listing of loans and total principal outstanding; which will include a report on all film completion date, cost to budget, film sales above or below take prices and estimates and comparison to estimate with a summary of the performing and Non-

Performing Approved Loans (with the details of such loans), any event of default or potential jeopardy of the collateral both during and after production and such other reasonable information as requested from time to time;

- (b) payments received during the month, detailing set-up fees, interest income, principal payments and miscellaneous fees/penalties;
  - (c) total income for the month (made up of set-up fees, interest income and miscellaneous fees/penalties) including an interest reserve which shall be set up for the time the Film is in production until the estimated period of sales receipt to service the loan interest and principal repayment date ;
  - (d) the Company's fees for the month (as detailed in section 4.6 below);
  - (e) loans in arrears and the amount and period of time in arrears;
  - (f) any subsequent encumbrance on the property or any significant change in circumstances affecting the production loan; and
  - (g) any other reports reasonably requested by the Investor.
- 4.3 Without limiting any other provision herein, the Company is required to obtain the written authorization of the Investor in respect of any of the following matters:
- (a) any amendment or modification to any Loan Documents;
  - (b) any extensions of any Loan;
  - (c) any subordination or postponement of any Loan;
  - (d) any concession or waiver with regard to the payment of any monies secured by any Loan or with regard to the compliance with any material obligations of any mortgagor imposed thereby;
  - (e) any action taken in respect of any default under the Loan Documents by the respective borrower;
  - (f) any settlement of loss payable under the insurance policies relating to any production loan or any settlement of compensation payable in respect of an expropriation of any production loan; and
  - (g) any amendments to the Due Diligence Guidelines.

Any written authorization of the Investor required under this Agreement shall be satisfied if the Company obtains either the original, a facsimile or a PDF of the authorization signed by an authorized officer of the Investor.

- 4.4 The Investor hereby authorizes and empowers the Company, without the requirement of a further written authorization or direction from the Investor to:

- (a) make, or cause to be made, advances out of funds provided by the Investor in accordance with the Assignment Agreement, with the trust conditions imposed on the relevant solicitor and in accordance with reasonably prudent business practices;
  - (b) make any concessions, amendments or waivers with regard to the Closing Documents;
  - (c) deliver full discharges of any Loan and any security collateral thereto, duly executed by the Investor upon reasonable notice of the request for the same, in accordance with the terms of any Loan, of all principal, interest, fees and any other monies secured thereby; and
  - (d) make any emergency type advances to preserve and protect the property and assets which are the subject matter of the Loan Investments.
- 4.5 Without limiting any other provision contained in this Agreement, it is understood and agreed by the parties hereto that the relationship between the Company and the Investor shall be that of trustee and beneficiary with respect to all monies collected by the Company on account of principal, interest, fees or otherwise and all Loan Documents in respect of all Approved Loans and such monies and Loan Documents shall be held by the Company in trust for the Investor.
- 4.6 The Investor will not pay the Company for the Management Services however Investor agrees that the Company may charge the Borrower the following amounts:
- (a) Company will receive from Borrower a loan facilitation fee of up to 10% of the Loan Amount at the time the last amount of the Loan principal is disbursed to Borrower due upon receipt of the Loan by the Borrower. The foregoing shall include all of Company's internal and external fees and due diligence costs such as for UCC-1 and copyright searches, and the recording of any security instruments, but excluding Company and/or Investor's costs and fees of collection if the Loan is not repaid on or before the Default Date. A portion of this loan facilitation fee shall be deferred as follows: Investor shall pay the full principal loan value amount on the first \$5,000,000 of Approved Loans and 99% thereafter for the next \$5,000,000 Approved Loan principal amounts with 98.5% of the Approved Loan principal amount thereafter. For example, if Investor has already purchased \$5,000,000 in capital of Approved Loans and Company presents Investor with a \$1,000,000 proposed loan where Company has received a \$100,000 fee from Borrower, then if Investor acquires such loan it will pay to Company the amount of \$990,000 thereto (99% of \$1,000,000) with a \$10,000 unpaid amount being equal to 10% of the fees received by Company from Borrower. The remaining unpaid principal amounts shall be earned by Company and payable only upon receipt by Investor of the last amount of the principal of the respective Approved Loans it being understood that if same is not received or collected within the normal course it shall be forfeited if Collection Proceedings have advanced to the execution of any security thereto.

- 4.7 The Company will retain on the Investor's behalf all Loan Documents pertaining to the outstanding loans consistent with the standards exhibited by conventional lenders. Such files will be maintained for a period of time similar to that of a conventional lender to meet the requirements of the Canada Revenue Agency and any other tax authority with jurisdiction over the transaction, including, but not limited to a tax authority granting tax credits towards the production.
- 4.8 The Investor will have the right to audit, at the Investor's expense and on Company's premises during regular business hours, the Loan Documents, security interests and periodic reporting of the Company to the Investor.
- 4.9 In the event that the Company is unable, unwilling or otherwise not in a position to continue its obligations to provide Management Services as contemplated by this Agreement, the Company will forward all of the Loan Documents to the Investor and will instruct all borrowers to make remittances to the Investor or its nominee.
- 4.10 Other than, costs or expenses identified in paragraph 5.1, the Investor will not be responsible for any other costs or expenses pertaining to the initiation or the on-going operation of this Agreement.

## 5. Collection Proceedings

- 5.1 In addition to the regular monthly reports described herein, the Investor will receive additional reports on any Non-Performing Approved Loans. In the event of a Non-Performing Approved Loan or a default under the loan or other Event of Default (as defined below or in any Approved Loan) triggering the right to enforce a remedy or exercise a right pursuant to the loan, the following procedures will be applied:
  - (a) The Investor will be provided with all information in the possession of the Company including the Company's suggested action plan and an outline of the rights or obligations of the Investor, along with any costs to the Investor including anticipated shortfalls that may result from amounts owing to the Investor that may not be recovered by the Collection Proceedings.
  - (b) The Investor may request that the Company take such action, including but not limited to issuing demand letters, take over production, negotiate with the completion bond company, appointing or engaging, receivers, receiver-managers, collection agents, appraisers, real estate agents, bailiffs or sheriff or other agents to exercise remedies under the loan, or engaging legal counsel as selected by the Company to initiate and prosecute collection, foreclosure or other legal proceedings (collectively, "Collection Proceedings") to collect the loan, interest, penalties, costs and other amounts payable pursuant to the loan or to otherwise enforce the rights and remedies pursuant to the loan in respect of which a default has been made, as the Investor may request and as the Company and the Investor may agree, all at the cost of the Investor and only upon the Investor giving to the Company such authorizations, directions, assurances, contributions and indemnities as the Company may reasonably request.

- (c) Unless otherwise paid by or collected from the borrower, all costs of the Collection Proceedings shall be to the account of the Investor unless more than 35% of the Approved Loans are Non-Performing Approved Loans, in which case, these costs shall be shared equally by Investor and Company and reimbursed only by the proceeds of collection thereto
- (d) The Investor agrees to fully co-operate with the Company and legal counsel or other agents appointed in connection with the collection of the loan or enforcement of rights or remedies and will provide prompt and timely instruction and information in connection with such Collection Proceedings as the Company may reasonably request.
- (e) The Company may at any time, with the written consent of the Investor, agree to accept from any borrower a settlement of an account receivable for less than the face value thereof.

## 6. Grant of Security Interest

### 6.1 Security Interest and Collateral

As general and continuing security for the payment and performance of all obligations of the Company to the Investor, the Company hereby grants to the Investor a security interest in the present and future undertaking and property, both real and personal, of the Approved Loans hereunder (collectively, the "Collateral"), and as further general and continuing security for the payment and performance of the obligations hereunder, the Company hereby assigns the Collateral to the Investor and mortgages and charges the Collateral as and by way of a fixed and specific mortgage and charge to the Investor. Without limiting the generality of the foregoing, the Collateral will include all right, title and interest that the Company now has or may hereafter have, be possessed of, be entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of any kind movable, immovable, real, personal, tangible or intangible including of the following kinds:

Receivables: all debts, accounts, claims and choses in action for monetary amounts, which are now or which may hereafter become due, owing or accruing due to the Company including any and all sales, advances, minimum guarantees, receipts, revenues, box office receipts, royalties, license fees, fees and all film tax rebates, incentives, credits, subsidies or support of any kind, subject in the case of the latter only to subordination to any other secured lenders who may have financed and actually advanced a portion of the budget of the film loan (collectively, the "Receivables");

Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease furnished or to be furnished under contracts for service or used or consumed in the business of the Company (collectively, the "Inventory");

Equipment: all machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory (collectively, the "Equipment");

Chattel Paper: all chattel paper;

Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;

Rights in the Pictures: all collateral, allied, ancillary and subsidiary rights of every kind and nature, without limitation, derived from, appurtenant to or related to the underlying property, screenplay, music, sound recording and motion picture, including, without limitation, all copyright, publishing, production, exploitation, reissue, remake, sequel, serial or series production rights by use of film, tape or any other recording devices and in all media and formats including internet and mobile rights and any other media now known or hereafter devised, all rights to use, exploit and license others to use or exploit any and all commercial tie-up and merchandising rights of every kind and nature, including, without limitation, all merchandising rights and commercial tie-ups arising out of, connected with or inspired by the motion picture, the title or titles of the motion picture, the characters appearing in the motion picture or screenplay and the names and characteristics of such characters;

Securities and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other securities and all instruments (collectively, the "Securities");

Intangibles: all intangibles not otherwise described in this Paragraph 6.1 including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;

Money: all coins or bills or other medium of exchange adopted for use as part of the currency of the United States, Canada or of any foreign government;

Books and Records, etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in this Section 6.1 and all contracts, securities, instruments and other rights and benefits in respect thereof;

Substitutions, etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in this Paragraph 6.1; and

Proceeds: all proceeds of any Collateral in any form derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for the loss of or damage to the Collateral;

## 6.2 Attachment of Security Interest

The Company acknowledges that value has been given and agrees that the security interest granted hereby will attach when the Company signs this Agreement and the Company has any rights in the Collateral.

### 6.3   **Exception for Contractual Rights & Performance of Personal Services**

The security interest granted hereby does not and will not extend to, and Collateral will not include any agreement, right, franchise, license or permit (the "Contractual Rights") to which the Company is a party or of which the Company has the benefit, to the extent that the creation of the security interest herein would constitute a breach of the terms of or permit any person to terminate the Contractual Rights, but the Company must hold its interest therein in trust for the Investor and will assign such contractual rights to the Investor forthwith upon obtaining the consent of the other party thereto. Nor shall the assignment of the security interest granted herein extend to the personal services required or permitted to be performed by the Company under any of its Contractual Rights. The Company agrees that it will, upon the request of the Investor, use all commercially reasonable efforts to obtain any consent required to permit any contractual rights to be subjected to the security interest and will perform all personal services reasonably requested by Investor.

## 7.   **Termination**

- 7.1   The Investor may terminate this Agreement with the Company at any time upon the occurrence of any of the following events:
- (a)   If the Company or their representatives act unlawfully, dishonestly, in bad faith or is grossly negligent with respect to the business of the Company;
  - (b)   There occurs a breach or default of any material term of this Agreement by the Company if such breach or default has not been remedied within 30 days after written notice of the breach or default has been delivered by the Investor.
- 7.2   Subject to any ongoing obligations, including, but not limited to the servicing or funding of Approved Loans, either party may terminate this Agreement at any time for any reason whatsoever upon 90 days written notice.
- 7.3   The Investor may dispose of Approved Loans only in the following circumstances:
- (a)   through Collection Proceedings should the production loan become Non-Performing Approved Loan, delinquent or is otherwise in default.
  - (b)   at any other time, at the request and at the cost of the Investor, the Company will attempt to sell the production loan to another investor, on a best efforts basis, subject to a reasonable commission fee for Company to be negotiated in good faith.
  - (c)   At any time, if the sale process is managed by the Investor and the Company will collaborate therewith and provide all materials, documents, contracts and such reasonable information as may be requested by the Investor.

8. **Miscellaneous**

- 8.1 All payments made by borrowers pursuant to Approved Loans, including penalties and bonuses, will be paid, disbursed and disposed of in accordance with this Agreement.

The Company shall not be obligated to make payments to the Investor except as otherwise provided herein or from payments of principal, interest or other amounts made by or on behalf of the borrower under the applicable loan.

If a borrower makes a payment by cheque, other than by certified cheque, money order or bank draft, the Company shall not be obligated to make a payment to the Investor until the cheque has cleared and the Company has received the funds.

If the Company receives money as the proceeds of the redemption or partial redemption of the Loan, then subject to the obligations for costs and fees pursuant to this Agreement, the Company, as the case may be, shall promptly deliver a cheque to the Investor for the full amount owing to the Investor.

- 8.2 In the event of a default under a loan pursuant to this Agreement or in the event that the Company becomes aware of a subsequent encumbrance on the respective film and/or television production secured by such production loan or any other significant change in circumstances affecting the Loan, the Company, as the case may be, will notify the Investor of such default or subsequent encumbrance in writing sent by pre-paid mail posted in Canada and addressed to the Investor at the address specified in this Agreement or at such other address in Canada as the Investor shall direct in writing.
- 8.3 The Investor acknowledges and agrees that by signing a Loan disclosure statement, a Loan approval submitted by the Company to the Investor, the Investor expressly acknowledges receiving the disclosure statement, commitment together with copies of all applicable closing documents as outlined which the Company is obligated to provide and which the Investor considers material to the Investor's decision whether to lend money on the security of the applicable property.
- 8.4 If a provision of this Agreement is wholly or partially invalid, this Agreement shall be interpreted as if such invalid provision had not been hereof and all other provisions shall remain in full force and effect.
- 8.5 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Company shall not have the right to transfer, sell or assign any or all of its rights and obligations herein or any part of this agreement or any entitlements in respect of any Approved Loan without the prior written consent of Investor, which consent can be withheld for any reason thereto. A sale of any controlling interest in the capital stock of Company shall be deemed to be a transfer or assignment herein and subject to the prior written consent of the Investor. Investor shall have the right to transfer and assign its rights, obligations and this agreement to any other person without the consent of Company.

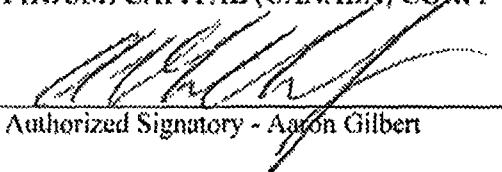
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- 8.6 This Agreement and all schedules hereto constitute the entire agreement between the parties with respect to the subject matter of this agreement and can be executed in counterparts.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

MEDIA HOUSE CAPITAL (CANADA) CORP.

Per:

  
Authorized Signatory - Aaron Gilbert

CRYSTAL WEALTH STRATEGIC YIELD MEDIA  
FUND

by its manager and trustee

CRYSTAL WEALTH MANAGEMENT SYSTEM  
LIMITED

Per:

  
Authorized Signatory - Clayton Smith

**EXHIBIT A****DUE DILIGENCE GUIDELINES**

The following is a guideline of the base due diligence that Investor will require for a loan to be made by Company:

**Borrower Corporate Organization**

- 1      Review incorporation documents
- 2      Obtain certificate of good standing
- 3      Review joint venture agreements – if any
- 4      Perform asset litigation and security searches in jurisdictions where principal assets are located (UCC/PPRS)

**Public Document Review**

- 1      IMDB Search
- 2      Google search of borrowing company and all principal parties (litigation searches for main company and principals)

**Production Documents**

- 1      Chain of title (include Director agreement and individual producer agreements) with opinion from production counsel and proof of payments
- 2      Budget
- 3      Production schedule
- 4      Screenplay
- 5      Cash Flow (indicating disbursement requirements with Investor funds being last in so that other financiers have financial commitment before MHC had disbursed)
- 6      Key Crew Agreements (Director, Producer(s), Director of Photography, Line Producer)
- 7      Key Cast Agreements (excluding "Day Players")
- 8      Copyright and Title Report
- 1      Insurance policies (including E&O insurance), naming Company [with a right to designate the Investor] as an additional insured/loss payee and no amendment or termination without 30 day notice
- 2      Completion bond, if applicable (if no bond then need further report on producer track record, director sign off on reasonability of budget, contingency in budget must be 10% or more, have a reserve hold back on fund disbursements and have producer (and related parties) defer fees (and overheads) until end of production)
- 3      Sales Agent Agreement (with deferred fees and right to terminate by Company)
- 4      Distribution Agreement

**Loan Documents**

- 1      Production Loan Agreement with loan amount no greater than 35% of the approved budget of the film and with coverage of 200% or more by reasonable sales estimates made by an independent approved sales agent;
- 2      Production Promissory Note

- 3 Production GSA in favour of Media House
- 4 Production Copyright Mortgage in favour of Media House
- 5 Intercreditor Agreement
- 6 Interparty Agreement (deal with all secondary security rankings on assets and have standstill agreements for exploitation of rights)
- 7 UCC/PPSA Registrations in favour of Media House
- 8 Collection Account Management Agreement (as and when available). If not available will need to set up collection procedures acceptable to Investor.
- 9 Sales Agency Agreement (as and when available)
- 10 Guild(s) Subordination Letter(s) (as and when available)
- 11 Laboratory Pledgeholder Agreement(s) (as and when available it being a normal requirement thereto)

[NTD: if loans are with same control group production companies, may consider cross collateralizing the loans]

This is Exhibit "18" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

Name of Film	Name of Borrower	Currency	Amount of Loan	Date of Loan Acquisition by Media Fund	Term and Maturity	Interest Rate and Adjustments	Profit Participation	Release Date of Film
A SINGLE SHOT	A Single Shot Movie, LLP	CAD	\$ 2,330,000.00	13-Mar-12	18 Months; 13 Sep 13	13% compounded monthly; increased to 17% retroactive to day one on 13 Sep 13 and 19% retroactive to day one on 13 Mar 14	7%; increased to 9.5% on 14 Jan 14	Attached as separate doc
CHILDHOOD OF A LEADER	COAL MOVIE Limited & Film Team HEPP Kit	CAD	\$ 2,031,298.70	23-Jan-15	18 Months; 4 Jun 16	13% compounded monthly; increased to 17% retroactive to day one on 23 Jul 16 and 19% retroactive to day one on 22 Jan 17	8.0%	Attached as separate doc
COLLARED (KINGDOM)	Kingdom Productions Inc.	CAD	\$ 2,897,000.00	04-Nov-14	18 Months; 4 May 16	13% compounded monthly; one-time interest penalty of 10% of outstanding amount and increased to 17% retroactive to day one on 4 May 16 and 19% retroactive to day one on 31 Oct 16	7.5%; increased to 10% on 1 Sep 16	In Post Production
DECODING ANNIE PARKER	Decoding Annie Parker, LLC	USD	\$ 570,000.00	28-Oct-11	18 Months; 24 Apr 13	13% compounded monthly; increased to 17% retroactive to day one on 24 Apr 13	7.5%; increased to 9% on 22 Aug 13	Attached as separate doc
DECODING ANNIE PARKER	Decoding Annie Parker, LLC	USD	\$ 310,221.00	28-Oct-11	18 Months; 24 Apr 13	no interest during 1st year, fixed repayment amount of \$344,690; 17% interest compounded monthly on outstanding amount going forward	0.00%	Attached as separate doc
ELECTRIC SLIDE	Electric Slide Productions, LLC	CAD	\$ 2,634,093.73	19-Oct-12	18 Months; 19 Apr 14	13% compounded monthly; increased to 17% going forward on 19 Apr 14 and 12.5% going forward on 19 Oct 14	12.5%; increased to 13.5% on 17 Aug 14	Attached as separate doc
ELSA AND FRED	Cuatro Plus Films, LLC	CAD	\$ 2,124,689.93	28-Nov-12	18 Months; 27 May 14	13% compounded monthly; increased to 17% retroactive to day one on 27 May 14 and 19% retroactive to day one on 27 Nov 14; loan converted to a preferred equity share on 21 Mar 13 worth \$1,634,520	3%; increased to 5.5% on 26 Sep 14	Attached as separate doc
FOREVERLAND	Foreverland Productions Inc.	CAD	\$ 800,000.00	19-Oct-11	18 Months; 18 Apr 13 - amended to 22 Mar 13 on 4 Sep 12	10%, increase to 13% on 18 Apr 13; amended to 11.5% from day one (22 Mar 11) on 4 Sep 12; loan converted to a preferred equity share on 21 Mar 13 worth \$1,634,520	10%; increase to 12.5% on 22 Mar 13	Attached as separate doc

Name of Film	Name of Borrower	Currency	Amount of Loan	Date of Loan Acquisition by Media Fund	Term and Maturity	Interest Rate and Adjustments	Profit Participation	Release Date of Film
FOREVERLAND	Foreverland Productions Inc.	CAD	\$ 195,679.00	19-Oct-11	18 Months; 18 Apr 13	13%; increase to 17% retroactive to day one on unpaid balance on 22 Mar 13 and increase to 17% retroactive to day one on full loan amount on 22 Sep 13; loan converted to a preferred equity share on 21 Mar 13 worth \$1,634,520	0%	Attached as separate doc
GINGER AND ROSA (THE BOMB)	APB Distribution Ltd.	CAD	\$ 899,300.00	24-Feb-12	18 Months; 20 Aug 13	13% compounded monthly; increased to 17% retroactive to day one on 20 Aug 13 and 19% retroactive to day one on 24 Feb 14	3%, increased to 5.5% on 20 Dec 13	Attached as separate doc
GOOD OL' BOY	Ponca City, LLC	CAD	\$ 382,008.00	15-Dec-14	18 Months; 9 Jun 16	13%; increased to 17% on 9 Jun 16 and to 19% on 30 Aug 15 on a go forward basis. In addition, fund entitled to a 2.5% corridor on gross receipts after default	2.50%	Attached as separate doc
HAVANA THE SERIES (REBELS)	1894255 Ontario Inc.	CAD	\$ 990,000.00	12-Nov-14	12 Months; 12 Nov 15	13%; increased to 19% on 12 Nov 15 as well as 2.5% gross receipts corridor on default	3.75%	In Post Production
HENCHMEN	Henchmen Production Inc.	CAD	\$ 2,390,000.00	07-Oct-13	18 Months; 7 Apr 15	13% compounded monthly	0%	In Post Production
HENCHMEN	Henchmen Production Inc.	USD	\$ 750,000.00	17-Sep-13	18 Months; 18 Mar 15	13% compounded monthly	0%	In Post Production
HUNTERS OF THE STARS	Star Hunters 1 Productions Inc.	USD	\$ 1,648,000.00	21-Aug-14	18 Months'; 19 Feb 16	13% compounded monthly	0%	In Development
KILL ME 3 TIMES	KM3T Pty Ltd & KM3T Productions Pty Ltd.	CAD	\$ 2,379,718.00	30-Aug-13	18 Months; 28 Feb 15	13% compounded monthly; increased to 17% retroactive to day one on 28 Feb 15 and 19% retroactive to day one on 28 Aug 15	5%; increased to 7.5% 120 days after default date (28 Jun 15)	Attached as separate doc
ULLABY	Lullaby Production, LLP	CAD	\$ 2,488,133.74	19-Jun-12	18 Months; 19 Dec 13	13% compounded monthly; increased to 17% retroactive to day one on outstanding loan balance on 18 Dec 13 and to 17% on full amount of loan retroactive to day one on 19 Aug 14	5%; increased to 7.5% 8 months after default date (19 Aug 14)	Attached as separate doc
MIGHTY MONSTERS	Mighty Productions 3 Inc.	USD	\$ 1,066,287.89	16-Oct-14	18 Months; 15 Apr 16	13% compounded monthly	0%	Attached as separate doc
MISS JULIE	The Apocalypse Films Company Limited; Miss Julie Limited; Maipo Film AS; and Senorita Films SAS	CAD	\$ 1,760,685.19	19-Apr-13	18 Months; 17 Oct 14	13% compounded monthly; one-time interest penalty of 10% of outstanding amount and increased to 17% on day of default and 19% retroactive to default day on 17 Apr 15	4%; increase to 6.5% 120 days after default date (15 Feb 15)	Attached as separate doc

Name of Film	Name of Borrower	Currency	Amount of Loan	Date of Loan Acquisition by Media Fund	Term and Maturity	Interest Rate and Adjustments	Profit Participation	Release Date of Film
PARALLEL (MERCY)	Mercy Productions Inc.	CAD	\$ 4,347,200.00	24-Oct-14	18 Months; 23 Apr 16	13% compounded monthly; one-time interest penalty of 10% of outstanding amount and increased to 17% on day of default retroactive to day one and 18% retroactive to default day on 24 Oct 16 13%; increased to 17% on 3 Jun 16 and to 19% on 4 Dec 16 on go forward basis; in addition a 2.5% corridor on gross receipts upon default and going forward	7.5%; increase to 10% 120 days after default date (23 Aug 16)	In Post Production
PHENOM	Best Pitcher, LLC	CAD	\$ 1,033,188.75	04-Dec-14	18 Months; 4 Jun 16		4% Attached as separate doc	
PINKERTON'S	Pinkerseries Inc. and Pink Pictures Inc.	CAD	\$ 1,335,000.00	09-Oct-14	30 days; 10 Nov 14	\$40,000 flat interest	0% n/a	
SILENT NIGHT	Silent Night Productions, LLC	CAD	\$ 1,000,000.00	29-Mar-12	18 Months; 27 Sep 13	13%; increased to 17% going forward on 27 Sep 13 on remaining balance and increase to 17% on full loan amount from 29 Mar 14 forward	3.25%; increase to 5.75% 120 days after default date (25 Jan 14)	Attached as separate doc
SOAG	SOAG Productions Pty Ltd & SOAG Holdings Pty Ltd	CAD	\$ 3,057,507.68	27-Feb-13	18 Months; 28 Aug 14	13%; increased to 17% retroactive to day one on 28 Aug 14 and increase to 19% retroactive to day one on 27 Feb 15	5%; increase to 7.5% on 28 Dec 14	Attached as separate doc
SUPREMACY	Supremacy the Movie, LLC	CAD	\$ 670,275.00	10-Aug-12	18 Months; 25 Jan 14	13%; increased to 17% prospectively on 22 Jun 16 on remaining balance and increasing to 17% retroactive to day one on full loan balance on 8 Feb 14	5%; increasing to 7.5% on 25 May 14	Attached as separate doc
THE DUEL (BY WAY OF HELENA)	Mississipix Studios, LLC	CAD	\$ 4,544,562.00	09-Oct-14	18 Months; 8 Apr 16	no interest before default date. Instead a 12.5% commission on ROW (Rest of World) Gross Receipts and 2.5% commission on domestic gross receipts until loan repaid. 7.5% sales commission on ROW gross receipts thereafter. If loan not repaid prior to default date, 19% interest rate thereafter	7.50% Attached as separate doc	

Name of Film	Name of Borrower	Date of Loan Acquisition by	Currency	Amount of Loan	Media Fund	Term and Maturity	Interest, Rate and Adjustments	Profit Participation	Release Date of Film
THE ENGLISH TEACHER	Artina Film Fund, LLC		USD	\$ 1,170,000.00		24-Oct-11 18 Months; 21 Apr 13	13% interest compounded monthly; increased to 17% retroactive to day one on remaining loan balance on 21 Apr 13 and increasing to 17% on full loan balance retroactive to day one on 24 Oct 13	3%; increase to 5.5% 120 days after default date (21 Aug 13)	Attached as separate doc
THE WILLOUGHBY'S A GOOD DAY'S \WILLOUGHBY PRODUCTIONS INC.	Willoughby Productions Inc.	CAD	\$ 1,750,000.00			04-Nov-16 18 Months; 27 Aug 16	13% compounded monthly	0% in Development	
VINCENT N ROXXY	VNR LLC	CAD	\$ 1,435,623.75			22-Dec-14 18 Months; 22 Jun 16	no interest before default date. Instead a 12.5% commission on ROW (Rest of World) Gross receipts until loan repaid and then 7.5% sales commission on ROW gross receipts until fund recoups 130% of our loan then 0% until the junior lender is repaid and then a 7.5% Sales Fee Override going forward plus a 7.5% Sales Fee Override retroactive to the date that the fund received 130% of our loan. If loan not repaid before default date, interest of 19% from default date forward compounded monthly.		
WELCOME TO ME	Welcome to Me, LLC	CAD	\$ 2,923,041.00			21-Aug-13 18 Months; 2 Mar 15	13% compounded monthly; increases to 17% on outstanding loan amount going forward on 2 Mar 15 increasing to 17% on full amount of loan going forward from 21 Aug 15	6%; increasing to 7% from 2 Jul 15 if loan not repaid by default date	Attached as separate doc

This is Exhibit "19" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

A	B	C	D	E	F	G	H	I	J	K	L
1 Project Cloudsplitter											
2 2a Schedule											
3											
4 Name of Film	Name of Borrower(s)	Amount of Loan (\$CDN)	Term of Loan (in months)	Closing Date	Maturity Date	Interest Rate	Penalty Rate (if Applicable)	Profit Participation	Earliest Release Date		
5 1 Ginger & Rosa (f/k/a "Bomb")	APP Distribution Ltd	\$ 899,300	17-Feb-12	18	20-Aug-13	13% p.a. compounded monthly	17% p.a. compounded monthly retroactive to Closing Date for 6 months; thereafter 19% p.a. compounded monthly retroactive to Closing Date	15% of Net Profits	UK - Oct 19, 2012 US - March 15, 2013		
6 2 The Duel (a/k/a "Way of Helena")	Mississippi Studios, LLC	4,546,190	8-Oct-14	18	8-Apr-16	12.5% of US 12.5% Worldwide	19% per annum	15% of Net Profits	US - June 24, 2016		
7 The Duel (a/k/a "Way of Helena") - Bridge Loan	Mississippi Studios, LLC	USD 1,000,000	24-Sep-14	days	8-Oct-14	USD 975,000 - Flat fee	10% p.month	N/A	US - June 24, 2016		
8 3 Childhood of a Leader - COAL Movie Limited	COAL Movie Limited Film Team Hepz Kft	1,765,693	23-Jan-15	18	23-Jul-16	13% p.a. compounded monthly	17% p.a. retroactive to Closing Date for 6 months; thereafter 19% p.a. retroactive to Closing Date for 6 months on the full amount of the loan.	16% of Net Profits	Sweden - May 13, 2016 US - July 22, 2016		
9 Childhood of a Leader - Add'l Disbursement	COAL Movie Limited Film Team Hepz Kft	271,420	9-Sep-15	Under COAL LSA	23-Jul-16	Under COAL LSA	17% p.a. retroactive to Closing Date for 6 months; thereafter 17% p.a. retroactive to Closing Date for 6 months, thereafter 17% p.a. retroactive to Closing Date on the full amount of the loan.	Under COAL LSA	Under COAL LSA		
10 4 Decoding Annie Parker - Gap Loan	Decoding Annie Parker, LLC	USD 570,000	28-Oct-11	18	28-Apr-13	13% p.a. compounded monthly	15% of Net Profits	US - May 2, 2014			
11 Decoding Annie Parker - Tax Credit Loan	Decoding Annie Parker, LLC	USD 310,221	28-Oct-11	12	28-Oct-12	Tax Credits Valued at a Discount	17% p.a. compounded monthly	Under Gap Loan	Under Gap Loan		
12 5 Electric Slide - Gap Loan	Electric Slide Productions, LLC	1,366,475	19-Oct-12	18	19-Apr-14	13% p.a. compounded monthly	17% p.a. compounded monthly	25% of Net Profits	US - April 3, 2015		
13 Electric Slide - Pre-Sale Loan	Electric Slide Productions, LLC	1,267,619	19-Oct-12	18	19-Apr-14	13% p.a. compounded monthly	17% p.a. compounded monthly	19% p.a. compounded monthly	Under Gap Loan	Under Gap Loan	
14 6 Esa & Fred	Cuarto Plus Films, LLC	2,124,690	28-Nov-12	18	28-May-14	13% p.a. compounded monthly	17% p.a. retroactive to Closing Date for 6 months; thereafter 19% p.a. retroactive to Closing Date for 6 months; thereafter 17% p.a. retroactive to Closing Date for 6 months; thereafter 17% p.a. retroactive to Closing Date on the full amount of the loan	6% of Net Profits	Mexico - Oct 30, 2014 US - Nov. 6, 2014		
15 7 English Teacher, The	Artna Film Fund, LLC	USD 1,170,000	21-Oct-11	18	21-Apr-13	13% p.a. compounded monthly	17% p.a. compounded annually	10% of Net Profits	US - May 17, 2013		
16 8 Foreverland	Foreverland Productions, Inc.	800,000	21-Sep-11	18	22-Mar-13	10% p.a. compounded annually	17% p.a. retroactive to Closing Date for 6 months; thereafter 17% p.a. retroactive to Closing Date on the full amount of the loan	10% of Net Profits	Canada - June 15, 2012		
17 8 Foreverland - Producer Loan	Foreverland Productions, Inc.	195,675	22-Sep-11	18	22-Mar-13	13% p.a. compounded annually	17% p.a. compounded monthly	15% of Net Profits	Under Foreverland LSA	Under Foreverland LSA	
18 9 Good Day's Work (a/k/a "Willoughby's") - Tax Credit	Willoughby's Productions, Inc.	1,750,000	4-Nov-16	18	4-May-18	13% p.a. compounded annually	17% p.a. compounded monthly	N/A	In Production		
19 10 Good Ol' Boy (a/k/a "Growing Up Smith")	Ponce City, LLC	382,008	15-Dec-14	18	15-Jun-16	13% p.a. compounded monthly	17% p.a. compounded monthly	15% of Net Profits	US - Feb 3, 2017		
20 11 Havana (a/k/a "Rebels")	1884952 Ontario, Inc.	990,000	13-Nov-14	12	13-Nov-15	13% p.a. compounded monthly	19% per annum	7.5% of Net Profits	To be released in 2017		
21 12 Henchmen (Tax Credit) - USD	Henchmen Productions Inc.	USD 750,000	17-Sep-13	18	17-Mar-15	13% p.a. compounded monthly	17% p.a. compounded monthly	N/A	In postproduction		
22 12 Henchmen (Tax Credit) - CDN	Henchmen Productions Inc.	2,390,000	7-Oct-13	18	7-Apr-15	13% p.a. compounded monthly	17% p.a. compounded monthly	N/A	In postproduction		
23 13 Hunters of the Stars (Tax Credit)	Star Hunters 1 Productions, Inc.	USD 51,648,000	21-Aug-14	4	21-Dec-14	13% p.a. compounded monthly	17% p.a. compounded monthly	N/A			
24 14 Kill Me Three Times	KM3T Pte Ltd and KM3T Productions Pte Ltd.	1,811,784	10-Sep-13	18	10-Mar-15	13% p.a. compounded monthly	17% p.a. compounded monthly	10% of Net Profits	US - April 10, 2015		
25 15 Kingdom (a/k/a "Collайд")	Kingdom Productions Inc.	2,347,000	23-Oct-14	18	23-Apr-16	13% p.a. compounded monthly	15% of Net Profits	15% of Net Profits	In Production		

A	B	C	D	E	F	G	H	I	J	K	L
26	16 Lullaby - Gap	Lullaby Productions, LLC	1,940,401	21-Jun-12	18	21-Dec-13	13% p.a. compounded monthly	17% p.a. retroactive to Closing Date for 8 months; thereafter	8% of Net Profits	US - June 13, 2014	
27	16 Lullaby - Pre-Sale	Lullaby Productions, LLC	547,732	21-Jun-12	18	21-Dec-13	13% p.a. compounded monthly	17% p.a. retroactive to Closing Date for 8 months; thereafter	Under Gap Loan		
28	17 Merry [a/k/a "Parallel"]	Merry Productions Inc.	2,895,200	23-Oct-14	18	23-Apr-16	13% p.a. compounded monthly	19% p.a. compounded monthly	15% of Net Profits	In Production	
29	18 Mighty Mighty Monsters [Tax Credits]	Mighty Productions 3 Inc.	1,065,288	16-Oct-14	18	16-Apr-16	13% p.a. compounded monthly	17% p.a. compounded monthly for 6 months; thereafter	17% p.a. compounded monthly for 6 months; thereafter	Under Gap Loan	
30	19 Miss Julie	The Apocalypse Films Company Limited, Miss Julie Limited, Maipo Film AS and Senorita Films SAS	1,760,685	17-Apr-13	18	17-Oct-14	13% p.a. compounded monthly	15% p.a. compounded monthly	15% of Net Profits	In Production	
31	20 Phenom	Best Pitcher, LLC	1,032,189	4-Dec-14	18	4-Jun-16	13% p.a. compounded monthly	Plus: 17% p.a. compounded monthly for 6 months; thereafter - 17% p.a. compounded monthly (including any interest and fees thereon) (the "Default Fee"), which Default Fee shall be added to amount then outstanding on the Loan.	17% p.a. compounded monthly for 6 months; thereafter	Under Gap Loan	
32	21 Pinkerton's [Bridge Loan]	Pinker Series, Inc and Pink Productions, Inc.	1,375,000	9-Oct-14	1	9-Nov-14	\$125,500 - Paid out of loan amount	19% p.a. compounded monthly	19% of Net Profits	US - December 5, 2014	
33	22 Silent Night	Silent Night Productions, LLC	1,000,000	27-Mar-12	18	27-Sep-13	13% p.a. compounded monthly	10% monthly on outstanding balance thereafter	10% of Net Profits	US - Nov. 13, 2014	
34	23 Single Shot - Gap	A Single Shot Movie, LLP	2,030,000	13-Mar-12	18	13-Sep-13	13% p.a. compounded monthly	17% p.a. retroactive to Closing Date for 6 months; thereafter	17% p.a. retroactive to Closing Date for 6 months; thereafter	Under Gap Loan	
35	23 Single Shot - PreSale	A Single Shot Movie, LLP	300,000	13-Mar-12	18	13-Sep-13	13% p.a. compounded monthly	17% p.a. compounded monthly for 6 months; thereafter	17% p.a. compounded monthly for 6 months; thereafter	Under Gap Loan	
36	24 Son of a Gun - Gap Loan	SDAG Holdings Pty Ltd and SDAG Productions Pty Ltd	346,560	28-Mar-13	18	28-Sep-14	13% p.a. compounded monthly	19% p.a. compounded monthly retroactive to Closing Date for 6 months; thereafter	19% p.a. compounded monthly retroactive to Closing Date.	Australia - Oct 16, 2014 US - Jan 16, 2015	
37	24 Son of a Gun - PreSale	SDAG Holdings Pty Ltd and SDAG Productions Pty Ltd	410,948	28-Mar-13	18	28-Sep-14	13% p.a. compounded monthly	17% p.a. compounded monthly retroactive to Closing Date for 6 months; thereafter	17% p.a. compounded monthly retroactive to Closing Date	Under Gap Loan	
38	25 Supremacy	Supremacy The Movie, LLC	670,275	13-Aug-12	18	13-Feb-14	13% p.a. compounded monthly	17% p.a. retroactive to Closing Date for 6 months; thereafter	17% p.a. retroactive to Closing Date on the full amount of this loan	10% of Net Profits	US - June 12, 2014
39	26 Vincent N'Roxy	VNR LLC	1,435,624	22-Dec-14	18	22-Jun-16	12.5% Worldwide	19% per annum	10% of Net Profits	Sales currently underway	
40	27 Welcome to Me - Gap Loan	Welcome to Me, LLC	2,136,425	2-Aug-13	18	2-Feb-15	13% p.a. compounded monthly	17% p.a. retroactive to Closing Date for 6 months; thereafter	17% p.a. retroactive to Closing Date for 6 months; thereafter	10% of Net Profits	US - May 1, 2015
41	27 Welcome to Me - Presales	Welcome to Me, LLC	786,616	2-Aug-13	18	2-Feb-15	13% p.a. compounded monthly	17% p.a. retroactive to Closing Date on the full amount of the loan.	17% p.a. retroactive to Closing Date on the full amount of the loan.	Under Gap Loan	Under Gap Loan

This is Exhibit "20" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.



Government of Canada Gouvernement du Canada

## Federal Corporation Information

### Federal Corporation Information - 774925-2

[Glossary of Terms used on this page \(<http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04128.html>\)](http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04128.html)

**Note**

This information is available to the public in accordance with legislation (see [Public disclosure of corporate information \(<https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06724.html>\)](https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06724.html)).

**Corporation Number** 774925-2

**Business Number (BN)** 825129513RC0001

**Corporate Name** MEDIA HOUSE CAPITAL (CANADA) CORP.

**Status** Active

**Governing Legislation** *Canada Business Corporations Act - 2011-01-11*

### Registered Office Address

5542 Short Street  
Burnaby BC V5J 1L9  
Canada

**Note**

Active CBCA corporations are required to [update this information \(\[bs/chngRastrdcdrsWz.html?corporationId=7749252\]\(http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04178.html?corporationId=7749252\)\)](http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04178.html?corporationId=7749252) within 15 days of any change. A [corporation key \(<http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04178.html>\)](http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04178.html) is required. If you are not authorized to update this information, you can either contact the corporation or contact [Corporations Canada \(\[http://www.ic.gc.ca/eic/site/cgc.nsf/eng/h\\\_07026.html#from=Corporations&pageid=E770-Hcs00000\]\(http://www.ic.gc.ca/eic/site/cgc.nsf/eng/h\_07026.html#from=Corporations&pageid=E770-Hcs00000\)\)](http://www.ic.gc.ca/eic/site/cgc.nsf/eng/h_07026.html#from=Corporations&pageid=E770-Hcs00000). We will inform the corporation of its [reporting obligations \(<http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06646.html#toc-02>\)](http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06646.html#toc-02).

### Directors

Minimum 1  
Maximum 20

AARON GILBERT  
3363 Viewmount Place  
Port Moody BC V3H 2L6  
Canada

**Note**

Active CBCA corporations are required to [update director information \(\[bs/chngDrctrs.html?corporationId=7749252\]\(http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04178.html?corporationId=7749252\)\)](http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04178.html?corporationId=7749252) (names, addresses, etc.) within 15 days of any change. A [corporation key \(<http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04178.html>\)](http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04178.html) is required. If you are not authorized to update this information, you can either contact the corporation or contact [Corporations Canada \(\[http://www.ic.gc.ca/eic/site/cgc.nsf/eng/h\\\_07026.html#from=Corporations&pageid=E770-Hcs00000\]\(http://www.ic.gc.ca/eic/site/cgc.nsf/eng/h\_07026.html#from=Corporations&pageid=E770-Hcs00000\)\)](http://www.ic.gc.ca/eic/site/cgc.nsf/eng/h_07026.html#from=Corporations&pageid=E770-Hcs00000).

([http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h\\_07026.html#from=Corporations&pageId=E770-Hcs00000](http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07026.html#from=Corporations&pageId=E770-Hcs00000)). We will inform the corporation of its [reporting obligations](http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06646.html#toc-02) (<http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs06646.html#toc-02>).

## Annual Filings

<b>Anniversary Date (MM-DD)</b>	01-11
<b>Date of Last Annual Meeting</b>	2016-01-11
<b>Annual Filing Period (MM-DD)</b>	01-11 to 03-12
<b>Type of Corporation</b>	Non-distributing corporation with 50 or fewer shareholders
<b>Status of Annual Filings</b>	2016 - Filed 2015 - Filed 2014 - Filed

## Corporate History

### Corporate Name History

2011-01-11 to 2015-07-13	MEDIA HOUSE CAPITAL (CANADA) CORP.
2015-07-13 to 2016-04-07	Bron Capital Partners Corp.
2016-04-07 to Present	MEDIA HOUSE CAPITAL (CANADA) CORP.

## Certificates and Filings

<b>Certificate of Continuance</b>	2011-01-11	Previous jurisdiction: Alberta
<b>Certificate of Amendment :</b>	2012-04-13	Amendment details: Province or Territory of Registered Office
<b>Certificate of Amendment :</b>	2015-07-13	Amendment details: Corporate name
<b>Certificate of Amendment :</b>	2016-04-07	Amendment details: Corporate name

\* Amendment details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. For more information, [contact Corporations Canada](http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07026.html#from=Corporations&situation=General) ([http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h\\_07026.html#from=Corporations&situation=General](http://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_07026.html#from=Corporations&situation=General)).

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V\_SEARCH.command=refine&V\_TOKEN=1472823738447&crpNm=MEDIA HOUSE CAPITAL&crpNmbr=&bsNmbr=)

**Date Modified:**

2016-07-12





BC Registry  
Services

Mailing Address:  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
[www.corporateonline.gov.bc.ca](http://www.corporateonline.gov.bc.ca)

Location:  
2nd Floor - 940 Blanshard Street  
Victoria BC  
1 877 526-1526

## Extraprovincial Company Summary

For  
**MEDIA HOUSE CAPITAL (CANADA) CORP.**

Date and Time of Search: September 02, 2016 06:48 AM Pacific Time

Currency Date: May 31, 2016

### ACTIVE

Registration Number in BC: A0082169

Name of Extraprovincial Company: MEDIA HOUSE CAPITAL (CANADA) CORP.

Registration Date and Time: Registered in British Columbia on January 12, 2011 02:51 PM Pacific Time

Last Annual Report Filed: January 12, 2016 Receiver: No

### FOREIGN JURISDICTION INFORMATION

Identifying Number in Foreign Jurisdiction: Name in Foreign Jurisdiction:  
774925-2 MEDIA HOUSE CAPITAL (CANADA) CORP.

Date of Incorporation, Continuation or Amalgamation in Foreign Jurisdiction: Foreign Jurisdiction:

January 11, 2011 FEDERAL

### COMPANY NAME INFORMATION

Previous Company Name	Date of Company Name Change
BRON CAPITAL PARTNERS CORP.	May 30, 2016
MEDIA HOUSE CAPITAL (CANADA) CORP.	February 24, 2016

### HEAD OFFICE INFORMATION

Mailing Address:	Delivery Address:
5542 SHORT STREET BURNABY BC V5J 1L9 CANADA	5542 SHORT STREET BURNABY BC V5J 1L9 CANADA

### ATTORNEY INFORMATION

No attorney information to display.

## DIRECTOR INFORMATION

Directors are not recorded for extraprovincial registration types. Go to the incorporating jurisdiction for director information.



Request ID: 019339703  
 Transaction ID: 62101577  
 Category ID: (C)CC/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2016/09/02  
 Time Report Produced: 09:36:43  
 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
1862697	MEDIA HOUSE CAPITAL (CANADA) CORP.	2010/12/22
		Jurisdiction
		CANADA
Corporation Type	Corporation Status	Former Jurisdiction
FEDERAL CORP WITH SHARE	REFER TO JURISDICTION	ALBERTA
Registered or Head Office Address	Date Amalgamated	Amalgamation Ind.
5542 SHORT STREET	NOT APPLICABLE	NOT APPLICABLE
BURNABY BRITISH COLUMBIA CANADA V5J 1L9	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
		Letter Date
Principal Place of Business in Ontario		NOT APPLICABLE
3800 STEELES AVENUE WEST	Revival Date	Continuation Date
Suite # 100E WOODBRIDGE ONTARIO CANADA L4L 4G9	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
	Date Commenced in Ontario	Date Ceased in Ontario
Activity Classification	2011/08/01	NOT APPLICABLE
NOT AVAILABLE		

Request ID: 019339703  
Transaction ID: 62101577  
Category ID: (C)CC/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2016/09/02  
Time Report Produced: 09:36:43  
Page: 2

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Information System.

  
Director  
Ministry of Government Services  
Toronto, Ontario

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1862697

MEDIA HOUSE CAPITAL (CANADA) CORP.

### Corporate Name History

### REFER TO JURISDICTION

Current Business Name(s) Exist: NO

Expired Business Name(s) Exist: NO

Administrator:  
Name (Individual / Corporation)

Address

DAVID  
JOHN  
BODANIS  
  
3800 STEELES AVENUE WEST  
Suite # 100E  
WOODBRIDGE  
ONTARIO  
CANADA L4L 4G9

Date Began	First Director
2011/01/12	NOT APPLICABLE
Designation	Officer Type
OFFICER/MANAGER IN ONT.	Resident Canadian NOT APPLICABLE

Request ID: 019339703  
Transaction ID: 62101577  
Category ID: (C)CC/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2016/09/02  
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Director  
Ministry of Government Services  
Toronto, Ontario

## CORPORATION PROFILE REPORT

Ontario Corp Number

1862697

Corporation Name

MEDIA HOUSE CAPITAL (CANADA) CORP.

Last Document Recorded

Act/Code Description

Form

Date

CIA CHANGE NOTICE

2

2014/02/04

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 "21" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.



**BC Registry  
Services**

Mailing Address:  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
[www.corporateonline.gov.bc.ca](http://www.corporateonline.gov.bc.ca)

Location:  
2nd Floor - 940 Blanshard Street  
Victoria BC  
1 877 526-1526

## **BC Company Summary**

For  
**BRON STUDIOS INC.**

**Date and Time of Search:** September 02, 2016 06:39 AM Pacific Time

**Currency Date:** May 31, 2016

### **ACTIVE**

**Incorporation Number:** BC0890927

**Name of Company:** BRON STUDIOS INC.

**Recognition Date and Time:** Incorporated on September 21, 2010 01:51 PM Pacific Time      **In Liquidation:** No

**Last Annual Report Filed:** September 21, 2015      **Receiver:** No

### **REGISTERED OFFICE INFORMATION**

**Mailing Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

**Delivery Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

### **RECORDS OFFICE INFORMATION**

**Mailing Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

**Delivery Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

### **DIRECTOR INFORMATION**

**Last Name, First Name, Middle Name:**  
Gilbert, Joseph Jerry

**Mailing Address:**  
2256 JACK NASH DRIVE  
LONDON ON N6K 5R3  
CANADA

**Delivery Address:**  
2256 JACK NASH DRIVE  
LONDON ON N6K 5R3  
CANADA

**Last Name, First Name, Middle Name:**

Gilbert, Aaron L.

**Mailing Address:**

5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

**Delivery Address:**

5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

---

**Last Name, First Name, Middle Name:**

Raymonds, John

**Mailing Address:**

5 MASON HILL ROAD  
WARREN NJ 07059  
UNITED STATES

**Delivery Address:**

5 MASON HILL ROAD  
WARREN NJ 07059  
UNITED STATES

**OFFICER INFORMATION AS AT September 21, 2015**

**Last Name, First Name, Middle Name:**

Gilbert, Aaron L.

**Office(s) Held: (Other Office(s), President)**

**Mailing Address:**

5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

**Delivery Address:**

5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

---

This is Exhibit "22" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.



# BC Registry Services

Mailing Address:  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
[www.corporateonline.gov.bc.ca](http://www.corporateonline.gov.bc.ca)

**Location**  
2nd Floor - 940 Blanshard Street  
Victoria BC  
1 877 526-1526

**BC Company Summary  
For  
BRON ANIMATION INC.**

**Date and Time of Search:** October 21, 2016 02:18 PM Pacific Time  
**Currency Date:** June 27, 2016

## **ACTIVE**

## **REGISTERED OFFICE INFORMATION**

**Mailing Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

**Delivery Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

## **RECORDS OFFICE INFORMATION**

**Mailing Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

**Delivery Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

**DIRECTOR INFORMATION**

**Last Name, First Name, Middle Name:**  
Gilbert Joseph J.

**Delivery Address:**  
2256 JACK NASH DRIVE  
LONDON ON N6K 5R3  
CANADA

**Last Name, First Name, Middle Name:**  
Gilbert Aaron L.

**Delivery Address:**  
5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

**Last Name, First Name, Middle Name:**

Raymonds, John

**Mailing Address:**

5 MASON HILL ROAD  
WARREN NJ 07059  
UNITED STATES

**Delivery Address:**

5 MASON HILL ROAD  
WARREN NJ 07059  
UNITED STATES

**OFFICER INFORMATION AS AT August 19, 2015**

**Last Name, First Name, Middle Name:**

Gilbert, Aaron L.

**Office(s) Held:** (Chair, President)

**Mailing Address:**

5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

**Delivery Address:**

5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA



Request ID: 019502427  
 Transaction ID: 62513453  
 Category ID: (C)CC/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2016/10/20  
 Time Report Produced: 16:06:59  
 Page: 1

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 Director  
 Ministry of Government Services  
 Toronto, Ontario

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1956956	BRON ANIMATION INC.	2011/08/19
Corporation Type	Corporation Status	Former Jurisdiction
EP DOMESTIC WITH SHARE	REFER TO JURISDICTION	NOT APPLICABLE
Registered or Head Office Address	Date Amalgamated	Amalgamation Ind.
1333 WEST BROADWAY  Suite # 410 VANCOUVER BRITISH COLUMBIA CANADA V6H 4C1	NOT APPLICABLE	NOT APPLICABLE
Principal Place of Business in Ontario	New Amal. Number	Notice Date
1120 FINCH AVE W  Suite # 701 TORONTO ONTARIO CANADA M3J 3H7	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Revival Date	Continuation Date
NOT AVAILABLE	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
	Date Commenced In Ontario	Date Ceased in Ontario
	2016/05/20	NOT APPLICABLE

Request ID: 019502427  
 Transaction ID: 62513453  
 Category ID: (C)CC/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2016/10/20  
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 information System.

  
 Director  
 Ministry of Government Services  
 Toronto, Ontario

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1956956

BRON ANIMATION INC.

### Corporate Name History

### REFER TO JURISDICTION

Current Business Name(s) Exist: NO

Expired Business Name(s) Exist: NO

### Last Document Recorded

Act/Code Description	Form	Date
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CIA	INITIAL RETURN	2	2016/06/20
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This is Exhibit "23" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> day of April , 2017

  
Lily Julia Ho  
A COMMISSIONER FOR TAKING AFFIDAVITS

Lily Julia Ho, a Commissioner, etc.,  
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Ontario Securities Commission.  
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**Aaron L. Gilbert**  
Producer | Music Department | Miscellaneous Crew  
SEE RANK

**BRON STUDIO**  
  
Official Photos »  
Contribute to IMDb. Add a bio, trivia, and more.  
Update information for Aaron L. Gilbert »

More at IMDbPro »  
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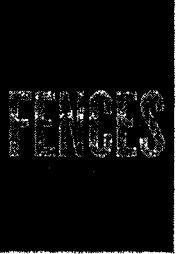
25 photos | 188 news articles »

3 wins. See more awards »

**Known For**

  
The Birth of a Nation  
Producer (2016)

  
Special Correspondents  
Producer (2016)

  
Fences  
Producer (2016)

  
I Saw the Light  
Producer (2015)

**Filmography**  
Jump to: Producer | Music department | Miscellaneous Crew

**Producer (54 credits)**

Beatrix at Dinner (producer) (post-production)	2017
Monster (producer) (filming)	2017/II
Tully (producer) (filming)	2017
Drunk Parents (producer) (post-production)	2016
Phil (producer) (post-production)	2016/I
The Layover (producer) (post-production)	2016/I
Fences (executive producer) (post-production)	2016/II

**Related News**

Ron Livingston Joins Jason Reitman's 'Tully' (Exclusive)  
7 October 2016 3:09 PM, -08:00 | Variety - Film News

Jennifer Hudson, Kelvin Harrison to Star in Drama 'Monster'  
7 October 2016 10:00 AM, -08:00 | Variety - Film News



ad feedback

**Quick Links**

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Of course the return of "The Walking Dead" is on our radar this month. See which other movies and TV shows we're excited about in IMDb Picks.

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<b>Henchmen</b> (producer) ( <i>filming</i> )	2016	'The Birth of a Nation' Producers Answer Questions About The Film's Challenges, Including Nate Parker / October 2016 7:00 AM, -08:00   Thompson & Hollywood
<b>Friend of Bill</b> (producer) ( <i>pre-production</i> )	2016	
<b>Una</b> (executive producer)	2016	
<b>The Duel</b> (executive producer)	2016/I	
<b>Special Correspondents</b> (producer)	2016	
<b>Vincent N Roxxy</b> (executive producer)	2016	
<b>The Phenom</b> (executive producer)	2016	
<b>The Master Cleanse</b> (producer)	2016	
<b>The Birth of a Nation</b> (producer - produced by)	2016	
<b>Mighty Mighty Monsters in Pranks for the Memories</b> (TV Movie) (producer)	2015	
<b>Ithaca</b> (executive producer)	2015	
<b>Hyena Road</b> (executive producer)	2015	
<b>Into the Forest</b> (produced by)	2015	
<b>I Saw the Light</b> (producer)	2015	
<b>The Childhood of a Leader</b> (executive producer)	2015	
<b>Good Ol' Boy</b> (executive producer)	2015	
<b>The Driftless Area</b> (producer)	2015	
<b>Tumbledown</b> (producer)	2015	
<b>Meadowland</b> (producer)	2015	
<b>Tell</b> (executive producer)	2014	
<b>The Pinkertons</b> (TV Series) (producer - 3 episodes)	2014	
- The Play's the Thing (2014) ... (producer)		
- Double Shnt (2014) ... (producer)		
- Kansas City (2014) .. (producer)		
<b>Son of a Gun</b> (executive producer)	2014	
<b>Miss Julie</b> (executive producer)	2014	
<b>Kill Me Three Times</b> (executive producer)	2014	
<b>Welcome to Me</b> (producer)	2014	
<b>Lullaby</b> (executive producer)	2014/II	
<b>Supremacy</b> (executive producer)	2014/I	
<b>Electric Slide</b> (executive producer)	2014	
<b>Elsa &amp; Fred</b> (executive producer)	2014	
<b>Rudderless</b> (executive producer)	2014	
<b>Mighty Mighty Monsters in New Fears Eve</b> (TV Movie) (producer)	2013	
<b>Mighty Mighty Monsters in Halloween Havoc</b> (TV Movie) (producer)	2013	
<b>Syrup</b> (executive producer)	2013/I	
<b>The English Teacher</b> (executive producer - as Aaron Gilbert)	2013	
<b>Trust Me</b> (producer)	2013	
<b>Decoding Annie Parker</b> (executive producer)	2013	
<b>A Single Shot</b> (producer)	2013	
<b>Silent Night</b> (executive producer)	2012/I	
<b>Ginger &amp; Rosa</b> (executive producer)	2012	
<b>Foreverland</b> (producer)	2011	
<b>Jabberwock</b> (TV Movie) (producer)	2011	
<b>I Melt with You</b> (executive producer)	2011	
<b>Paradox</b> (producer)	2010/I	
<b>Janie Jones</b> (executive producer)	2010	
<b>Daydream Nation</b> (executive producer)	2010	
<b>Transylmania</b> (executive producer)	2009	

**Bumble: Clubhouse Friends (Short) (executive producer)**

2004

**Music department (10 credits)**

Show ▾

**Miscellaneous Crew (6 credits)**

Show ▾

## Personal Details

Edit

**Publicity Listings:** 1 Interview | See more »

**Official Sites:** Bron Studios | Media House Capital

**Alternate Names:** Aaron Gilbert

## Did You Know?

Edit

**Personal Quote:** You have to build financial models and treat a film-production company like you're trying to open a coffee shop.



Alicia Vikander's 2015



Movies Based On Books  
That Will Come Out In  
2015



The Most Anticipated  
Black Film of 2016



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## Message Boards

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Amazon France  
Buy Movies on  
DVD & Blu-ray

Amazon India  
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Digital  
Photography

Audible  
Download  
Audio Books

This is Exhibit "24" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.



**BC Registry  
Services**

Mailing Address:  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
[www.corporateonline.gov.bc.ca](http://www.corporateonline.gov.bc.ca)

Location.  
2nd Floor - 940 Blanshard Street  
Victoria BC  
1 877 526-1526

## **BC Company Summary**

For  
**KINGDOM PRODUCTIONS INC.**

**Date and Time of Search:** October 21, 2016 02:20 PM Pacific Time

**Currency Date:** June 27, 2016

### **ACTIVE**

**Incorporation Number:** BC1017192

**Name of Company:** KINGDOM PRODUCTIONS INC.

**Recognition Date and Time:** Incorporated on October 23, 2014 03:46 PM Pacific Time **In Liquidation:** No

**Last Annual Report Filed:** October 23, 2015

**Receiver:** No

### **REGISTERED OFFICE INFORMATION**

**Mailing Address:**

3363 VIEWMOUNT PLACE  
PORT MOODY BC V3H 2L6  
CANADA

**Delivery Address:**

3363 VIEWMOUNT PLACE  
PORT MOODY BC V3H 2L6  
CANADA

### **RECORDS OFFICE INFORMATION**

**Mailing Address:**

3363 VIEWMOUNT PLACE  
PORT MOODY BC V3H 2L6  
CANADA

**Delivery Address:**

3363 VIEWMOUNT PLACE  
PORT MOODY BC V3H 2L6  
CANADA

### **DIRECTOR INFORMATION**

**Last Name, First Name, Middle Name:**

Gilbert, Aaron L

**Mailing Address:**

3363 VIEWMOUNT PLACE  
PORT MOODY BC V3H 2L6  
CANADA

**Delivery Address:**

3363 VIEWMOUNT PLACE  
PORT MOODY BC V3H 2L6  
CANADA

NO OFFICER INFORMATION FILED AS AT October 23, 2015.





BC Registry  
Services

**Mailing Address:**  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
[www.corporateonline.gov.bc.ca](http://www.corporateonline.gov.bc.ca)

Location:  
2nd Floor - 940 Blanshard Street  
Victoria BC,  
V8W 1Z2  
1 877 526-1526

**BC Company Summary  
For  
STAR HUNTERS 1 PRODUCTIONS INC.**

**Date and Time of Search:** October 21, 2016 02:21 PM Pacific Time

**Currency Date:** June 27, 2016

## ACTIVE

Incorporation Number: BC1011286

**Name of Company:** STAR HUNTERS 1 PRODUCTIONS INC.

**Recognition Date and Time:** Incorporated on August 20, 2014 08:58 AM Pacific Time **In Liquidation:** No

**Last Annual Report Filed:** August 20, 2016 **Receiver:** No

#### **REGISTERED OFFICE INFORMATION**

**Mailing Address:**  
PO BOX 49290  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

**Delivery Address:**  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

**RECORDS OFFICE INFORMATION**

**Mailing Address:**  
PO BOX 49290  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

**Delivery Address:**  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

**DIRECTOR INFORMATION**

**Last Name, First Name, Middle Name:**  
Gilbert, Aaron L.

**Mailing Address:**  
5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

**Delivery Address:**  
5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

OFFICER INFORMATION AS AT August 20, 2016

**Last Name, First Name, Middle Name:**

Thibault, Steven A

**Office(s) Held:** (CFO)**Mailing Address:**5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA**Delivery Address:**5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA





**BC Registry  
Services**

Mailing Address  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
[www.corporateonline.gov.bc.ca](http://www.corporateonline.gov.bc.ca)

Location  
2nd Floor - 940 Blanshard Street  
Victoria BC  
1 877 526-1526

## **BC Company Summary**

### For **HENCHMEN PRODUCTIONS INC.**

**Date and Time of Search:** March 28, 2017 12:13 PM Pacific Time

**Currency Date:** January 04, 2017

#### **ACTIVE**

**Incorporation Number:** BC0983338

**Name of Company:** HENCHMEN PRODUCTIONS INC.

**Recognition Date and Time:** Incorporated on October 18, 2013 10:46 AM Pacific Time **In Liquidation:** No

**Last Annual Report Filed:** October 18, 2016 **Receiver:** No

#### **REGISTERED OFFICE INFORMATION**

**Mailing Address:**  
PO BOX 49290  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

**Delivery Address:**  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

#### **RECORDS OFFICE INFORMATION**

**Mailing Address:**  
PO BOX 49290  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

**Delivery Address:**  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

#### **DIRECTOR INFORMATION**

**Last Name, First Name, Middle Name:**  
Gilbert, Aaron L.

**Mailing Address:**  
5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

**Delivery Address:**  
5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

#### **OFFICER INFORMATION AS AT October 18, 2016**

**Last Name, First Name, Middle Name:**

Gilbert, Aaron L

**Office(s) Held:** (President)

**Mailing Address:**

5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

**Delivery Address:**

5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

REDACTED





**BC Registry  
Services**

Mailing Address:  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
[www.corporateonline.gov.bc.ca](http://www.corporateonline.gov.bc.ca)

Location:  
2nd Floor - 940 Blanshard Street  
Victoria BC  
1 877 526-1526

## **BC Company Summary**

### **For PARA PRODUCTIONS BC INC.**

**Date and Time of Search:** October 21, 2016 02:20 PM Pacific Time

**Currency Date:** June 27, 2016

#### **ACTIVE**

**Incorporation Number:** BC1017199

**Name of Company:** PARA PRODUCTIONS BC INC.

**Recognition Date and Time:** Incorporated on October 23, 2014 03:56 PM Pacific Time **In Liquidation:** No

**Last Annual Report Filed:** October 23, 2015 **Receiver:** No

#### **COMPANY NAME INFORMATION**

**Previous Company Name**

MERCY PRODUCTIONS INC.

**Date of Company Name Change**

August 09, 2016

#### **REGISTERED OFFICE INFORMATION**

**Mailing Address:**

PO BOX 49290  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

**Delivery Address:**

1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

#### **RECORDS OFFICE INFORMATION**

**Mailing Address:**

PO BOX 49290  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

**Delivery Address:**

1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

#### **DIRECTOR INFORMATION**

**Last Name, First Name, Middle Name:**

Gilbert, Aaron L

**Mailing Address:**

3363 VIEWMOUNT PLACE  
PORT MOODY BC V3H 1L6  
CANADA

**Delivery Address:**

3363 VIEWMOUNT PLACE  
PORT MOODY BC V3H 1L6  
CANADA

[REDACTED]  
NO OFFICER INFORMATION FILED AS AT October 23, 2015.

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**BC Registry  
Services**

Mailing Address  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
www.corporateonline.gov.bc.ca

Location  
2nd Floor - 940 Blanshard Street  
Victoria BC  
1 877 526-1526

## **BC Company Summary**

### **For MIGHTY PRODUCTIONS 3 INC.**

**Date and Time of Search:** March 28, 2017 12:15 PM Pacific Time

**Currency Date:** January 04, 2017

#### **ACTIVE**

**Incorporation Number:** BC0947969

**Name of Company:** MIGHTY PRODUCTIONS 3 INC.

**Recognition Date and Time:** Incorporated on August 15, 2012 11:05 AM Pacific Time    **In Liquidation:** No

**Last Annual Report Filed:** August 15, 2016    **Receiver:** No

#### **REGISTERED OFFICE INFORMATION**

**Mailing Address:**

PO BOX 49290  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

**Delivery Address:**

1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

#### **RECORDS OFFICE INFORMATION**

**Mailing Address:**

PO BOX 49290  
1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

**Delivery Address:**

1000 - 595 BURRARD STREET  
VANCOUVER BC V7X 1S8  
CANADA

#### **DIRECTOR INFORMATION**

**Last Name, First Name, Middle Name:**

Gilbert, Aaron L

**Mailing Address:**

5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

**Delivery Address:**

5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

#### **OFFICER INFORMATION AS AT August 15, 2016**

**Last Name, First Name, Middle Name:**

Gilbert, Aaron L.

**Office(s) Held:** (President)

**Mailing Address:**

5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

**Delivery Address:**

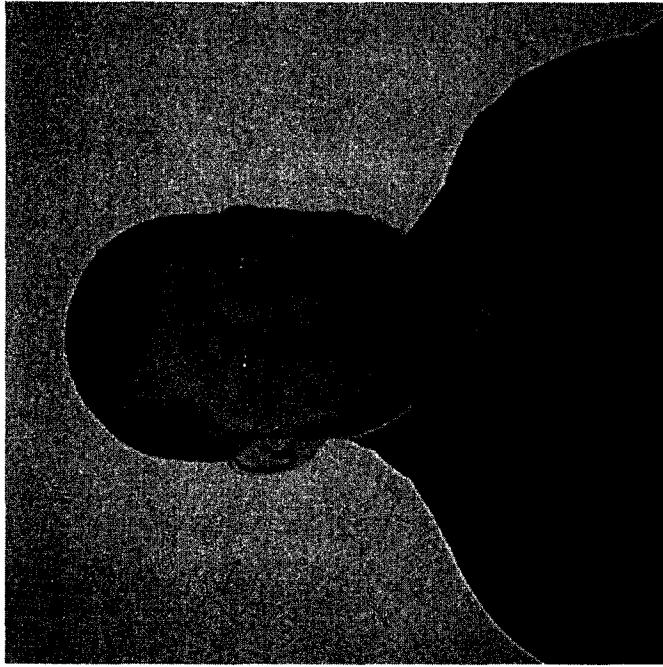
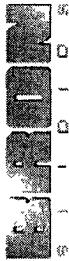
5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

This is Exhibit "25" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

▼ Bron Studios Team Member



## Steven Thibault

Executive Vice President (Bron Media Corp)

Steven is the Executive Vice President of BRON, overseeing strategic planning, and production finance for all of BRON's divisions. He joined BRON in 2012 as Vice President of Finance & Operations and was named to his current post in 2016. Steven has been a Co-Executive producer and/or financing executive on over 40 productions including BRON's *I SAW THE LIGHT*, *SPECIAL CORRESPONDENTS*, and the Grand Jury and Audience Award winning Sundance hit *THE BIRTH OF A NATION*. Prior to joining BRON, Steven was an auditor with Ernst & Young where he worked extensively with private and public studio clients both domestic and abroad. He is currently a board member of the Canadian Media Producer's Association - BC Branch and serves on several policy & advisory committees in the industry.

[View Team Member IMDB](#)

[View Team Member LinkedIn](#)

(604) 628-5568 / [contact@bronstudios.com](mailto:contact@bronstudios.com) / 5542 Short St, Burnaby, British Columbia V5J 1L9

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**BC Registry  
Services**

Mailing Address:  
PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3  
[www.corporateonline.gov.bc.ca](http://www.corporateonline.gov.bc.ca)

Location:  
2nd Floor - 940 Blanshard Street  
Victoria BC  
1 877 526-1526

## **BC Company Summary**

For  
**BRON MEDIA CORP.**

**Date and Time of Search:** April 17, 2017 06:54 AM Pacific Time

**Currency Date:** March 14, 2017

### **ACTIVE**

**Incorporation Number:** BC1045090

**Name of Company:** BRON MEDIA CORP.

**Recognition Date and Time:** Incorporated on August 06, 2015 05:14 PM Pacific Time    **In Liquidation:** No

**Last Annual Report Filed:** August 06, 2016

**Receiver:** No

### **REGISTERED OFFICE INFORMATION**

**Mailing Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

**Delivery Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

### **RECORDS OFFICE INFORMATION**

**Mailing Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

**Delivery Address:**  
#201 - 120 WEST 3RD AVENUE  
VANCOUVER BC V5Y 1E9  
CANADA

### **DIRECTOR INFORMATION**

**Last Name, First Name, Middle Name:**  
Cloth, Jason

**Mailing Address:**  
151 BLOOR STREET WEST  
SUITE 700  
TORONTO ON M5S 1S4  
CANADA

**Delivery Address:**  
151 BLOOR STREET WEST  
SUITE 700  
TORONTO ON M5S 1S4  
CANADA

**Last Name, First Name, Middle Name:**

Gilbert, Joseph J.

**Mailing Address:**2256 JACK NASH DRIVE  
LONDON ON N6K 5R3  
CANADA**Delivery Address:**2256 JACK NASH DRIVE  
LONDON ON N6K 5R3  
CANADA

---

**Last Name, First Name, Middle Name:**

Gilbert, Brenda

**Mailing Address:**5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA**Delivery Address:**5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

---

**Last Name, First Name, Middle Name:**

Gilbert, Aaron L. ( formerly Gilbert, Aaron L )

**Mailing Address:**5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA**Delivery Address:**5542 SHORT STREET  
BURNABY BC V5J 1L9  
CANADA

---

**Last Name, First Name, Middle Name:**

Murray, Patrick

**Mailing Address:**4278 SHERMAN OAKS AVENUE  
SHERMAN OAKS CA 91403  
UNITED STATES**Delivery Address:**4278 SHERMAN OAKS AVENUE  
SHERMAN OAKS CA 91403  
UNITED STATES

---

**Last Name, First Name, Middle Name:**

Raymonds, John

**Mailing Address:**5 MASON HILL ROAD  
WARREN NJ 07059  
UNITED STATES**Delivery Address:**5 MASON HILL ROAD  
WARREN NJ 07059  
UNITED STATES

---

NO OFFICER INFORMATION FILED AS AT August 06, 2016.

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This is Exhibit "26" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

*Semi-Annual Financial Statements of*

**CRYSTAL WEALTH MEDIA STRATEGY**

*June 30, 2016  
(Unaudited)*

**CRYSTAL WEALTH MEDIA STRATEGY  
TABLE OF CONTENTS**

June 30, 2016

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**CRYSTAL WEALTH MEDIA STRATEGY  
STATEMENTS OF FINANCIAL POSITION**

**AS AT**

	<b>June 30 2016</b>	<b>December 31 2015</b>
	(unaudited)	(audited)
	\$	\$

**ASSETS**

Current assets		
Cash and cash equivalents	1,291,615	-
Investments at fair value	53,906,213	58,148,471
Subscriptions receivable	167,158	131,830
Accounts receivable	<u>50,923</u>	-
Total assets	55,415,909	58,280,301

**LIABILITIES**

Current liabilities		
Bank indebtedness	-	3,888,164
Accounts payable and accrued liabilities	-	41,171
Redemptions payable	181,624	77,695
Distributions payable	97,909	39,104
Due to related parties (Note 8)	<u>4,905,741</u>	<u>4,477,021</u>
Total liabilities (excluding net assets attributable to holders of redeemable units)	5,185,274	8,523,155

**NET ASSETS ATTRIBUTABLE TO HOLDERS OF  
REDEEMABLE SERIES A UNITS**

50,230,635     49,757,146

**NUMBER OF REDEEMABLE SERIES A UNITS  
OUTSTANDING (Note 6)**

4,978,989     4,916,442

**NET ASSETS ATTRIBUTABLE TO HOLDERS OF  
REDEEMABLE SERIES A UNITS PER UNIT**

10.09     10.12

On behalf of the Manager, Crystal Wealth Management System Limited

"Clayton Smith"     (Signed)     Director

**CRYSTAL WEALTH MEDIA STRATEGY  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED JUNE 30**

	<b>2016</b> (unaudited)	<b>2015</b> (unaudited)
	\$	\$
<b>INCOME</b>		
Interest and other income (Note 8)	1,188,975	3,042,370
Net realized gain (loss) on sale of investments	7,965	(304,077)
Net change in unrealized (depreciation) appreciation	2,050,937	5,921
Foreign exchange gain (loss)	88,094	359,369
	<u>3,335,971</u>	<u>3,103,583</u>
<b>EXPENSES (Note 7)</b>		
Transaction costs	1,770	504
Interest expense	141,572	32,833
Management fees	499,561	553,031
Administration fees	152,689	109,903
	<u>795,592</u>	<u>696,271</u>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS</b>	<u>2,540,379</u>	<u>2,407,312</u>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS PER UNIT (Note 10)</b>	<u>0.51</u>	<u>0.48</u>

**CRYSTAL WEALTH MEDIA STRATEGY  
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE UNITS  
FOR THE SIX MONTHS ENDED JUNE 30**

	<b>2016</b> (unaudited) \$	<b>2015</b> (unaudited) \$
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD	<u>49,757,146</u>	<u>50,751,172</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	<u>2,540,379</u>	<u>2,407,312</u>
DISTRIBUTIONS TO UNITHOLDERS OF REDEEMABLE UNITS		
From net investment income	(2,672,008)	-
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from redeemable units issued	4,459,681	19,094,206
Reinvestment of distributions to holders of redeemable units	2,389,542	-
Redemption of redeemable units	<u>(6,244,105)</u>	<u>(21,970,831)</u>
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	<u>605,118</u>	<u>(2,876,625)</u>
NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	<u>473,489</u>	<u>(469,313)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD	<u>50,230,635</u>	<u>50,281,859</u>

**CRYSTAL WEALTH MEDIA STRATEGY  
STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS ENDED JUNE 30**

	<b>2016</b> (unaudited) \$	<b>2015</b> (unaudited) \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets attributable to holders of redeemable units	2,540,379	2,407,312
Adjustments for		
Purchase of investments at fair value	(278,662)	(2,471,740)
Proceeds on disposal of investments at fair value	6,726,721	1,130,102
Net realized (gain) loss on sale of investments	(7,965)	-
Net change in unrealized depreciation (appreciation)	(2,050,937)	(1,820,492)
Foreign exchange (gain) loss	(88,094)	-
Change in bank indebtedness	(3,888,164)	79,112
(Increase) in subscriptions receivable	(35,328)	(41,594)
(Increase) in accounts receivable	(50,923)	-
(Decrease) in accounts payable and accrued liabilities	(41,171)	(372,059)
(Decrease) increase in redemptions payable	103,929	-
Increase (decrease) in distributions payable		(39,844)
	<u>2,929,785</u>	<u>(1,129,203)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Due from related parties	-	(622,657)
Due to related parties	428,720	2,393,133
Issue of fund units	4,459,681	19,094,206
Redemption of fund units	(6,244,105)	(21,970,831)
Distributions from net investment income, net of reinvestments	(282,466)	-
	<u>(1,638,170)</u>	<u>(1,106,150)</u>
<b>NET INCREASE (DECREASE) IN CASH DURING THE PERIOD</b>	<b>1,291,615</b>	<b>(2,235,352)</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>-</b>	<b>2,735,677</b>
<b>CASH, END OF PERIOD</b>	<b>1,291,615</b>	<b>500,325</b>

**CRYSTAL WEALTH MEDIA STRATEGY  
SCHEDULE OF INVESTMENT PORTFOLIO  
AS AT JUNE 30, 2016  
(unaudited)**

Description	No. of Shares	\$Cost	\$Fair Value
<b>CANADIAN MUTUAL FUNDS - 7.03%</b>			
Crystal Wealth High Yield Mortgage Strategy	69	690	690
Crystal Wealth Mortgage Strategy	350,996	3,530,513	3,528,935
<b>TOTAL CANADIAN MUTUAL FUNDS</b>		3,531,203	3,529,625
<b>FUTURES CONTRACTS - (0.36%)</b>			
\$100,000 CAD/USD Contract due 20 September 2016	73	(229)	(180,574)
<b>TOTAL FUTURES</b>		(229)	(180,574)
<b>FILM PRODUCTION LOANS AT FAIR VALUE - 100.65%</b>			
		48,957,034	50,557,162
<b>Total Investment Portfolio</b>		<b>52,488,008</b>	<b>53,906,213</b>
<b>Other Assets, Net - (7.32%)</b>			<b>(3,675,578)</b>
<b>Net Assets Attributable to Holders of Redeemable Units</b>			<b>50,230,635</b>

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**1. The Fund**

The Crystal Wealth Media Strategy (the "Fund") is an open-ended mutual fund trust formed under the laws of the Province of Ontario on September 11, 2011 by an amendment to Schedule A to a Master Declaration of Trust, amended and restated as of December 17, 2007. The Fund was previously called Crystal Wealth Strategic Yield Media Fund and was renamed on September 27, 2015. 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. The address of the Fund's registered office is 3385 Harvester Road, Suite 200 Burlington, ON L7N 3N2.

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.

The Investment Manager of the Fund is Crystal Wealth Management System Limited (the "Manager"). The Manager is responsible for directing the affairs, providing the day-to-day management services and managing the investment portfolio of the fund.

**2. Significant Accounting Policies**

**Basis of Presentation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB").

These unaudited financial statements of the Fund for the period ended June 30, 2016 were authorized for issue by the Manager on August 29, 2016.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, and are presented in Canadian dollars, which is the Fund's functional and presentation currency.

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**2. Significant Accounting Policies (Continued)**

**New standards, interpretations and amendments not yet adopted**

***IFRS 9 Financial Instruments***

The final version of IFRS 9, Financial instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however, is available for early adoption. In addition, the credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Fund is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

***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 Fund is in the process of evaluating the impact of the new standard.

The following summarizes the accounting policies of the Fund:

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**2. Significant Accounting Policies (Continued)**

*(a) Valuation of investments*

The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Fund's Offering Memorandum, investment positions are valued based on the last traded market price for the purpose of determining the net asset per unit for subscriptions and redemptions. For financial reporting purposes, the Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. If the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

*Film production loans*

Film production loan investments for which there is no active market are valued at fair value using valuation techniques which include net present value and discounted cash flow models and comparisons with similar instruments for which observable market price exists. Assumptions and inputs used in valuation techniques include risk-free interest rate, credit spreads as well as prevailing rates of return on similar loans. The output of the valuation technique is an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held by the Fund. Valuations are therefore adjusted where appropriate, to allow for additional factors including interest rate risk, liquidity risk and counterparty risk.

*Futures contracts*

Foreign exchange futures contracts, which are held as hedges for capital investments, are valued on each business day at the gain or loss that would be realized if the position in the contracts were closed out.

The unrealized appreciation (depreciation) on futures contracts is included as investments at fair value on the Statement of Financial Position and included in "Net change in unrealized appreciation (depreciation) on investments at fair value" during the applicable period in the Statement of Comprehensive Income. Upon closing of the contracts, the gain or loss is included in "Net realized gain (loss) on sale of investments at fair value" on the Statement of Comprehensive Income.

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**2. Significant Accounting Policies (Continued)**

*(b) Classification*

The Fund classifies its investments as financial assets at fair value through profit or loss.

This category has two sub-categories: financial assets held for trading; and financial assets designated at fair value through profit or loss at inception.

*(i) Financial assets held for trading*

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorized as held for trading.

*(ii) Financial assets designated at fair value through profit or loss at inception*

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's investments have been designated at fair value through profit or loss (FVTPL). The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. Cash, bank indebtedness, subscriptions receivable, accounts payable and accrued liabilities, distributions payable, redemptions payable and due to related parties are measured at amortized cost. Under this method, the amount required to be received or paid, is discounted, when appropriate, at the contract's effective interest rate.

*(c) Fair value measurements*

Investments at fair value are each classified into one of three fair value levels.

The hierarchy of inputs is summarized below:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and,
- Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

All of the Fund's investments at fair value were classified as Level 1 at June 30, 2016 and December 31, 2015, except for the Fund's investments in film production loans which are classified as Level 3.

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**2. Significant Accounting Policies (Continued)**

***(d) Investment transactions and income recognition***

Investment transactions are accounted for on the trade date and any unsettled sales or purchases of investments are reflected as receivable for investment securities sold or payable for investment securities purchased. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions and unrealized appreciation (depreciation) of investments are calculated on an average cost basis.

Distributions received from funds are recognized based on the nature of the underlying components such as dividend income, interest income, capital gains, and return of capital.

***(e) Offsetting financial instruments***

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

***(f) Recognition/derecognition***

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date.

The Fund recognizes financial assets or financial liabilities designated as trading securities on the trade date, the date it commits to purchase or sell short the instruments. From this date any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the Statement of Comprehensive Income.

Other financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when the Fund's obligations are discharged, cancelled or they expire. Financial liabilities arising from the redeemable units issued by the Fund are presented at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

***(g) Impairment of financial assets***

The Fund assesses at each reporting date whether a financial asset or group of financial assets measured at amortized cost is impaired. If there is objective evidence that an impairment loss had been incurred, the amount of the loss is measured as the difference between the asset's amortized cost and the present value of estimated future cash flows discounted using the asset's original effective interest rate. Impairment losses on assets measured at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**2. Significant Accounting Policies (Continued)**

*(h) Translation of foreign currencies*

Transactions in currencies other than the Canadian dollar are translated at the rate of exchange prevailing at the transaction date. Assets and liabilities denominated in currencies other than the Canadian dollar are translated at the applicable exchange rates prevailing at the reporting date. Resulting exchange differences are recognized in the Statement of Comprehensive Income.

*(i) Valuation of redeemable 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.

Net asset value per unit of each class is calculated at 4:00 p.m. (Eastern time) each business week by dividing the net assets of each class by its outstanding units. The net assets of each class are computed by calculating the value of that class's proportionate share of the Fund's assets less that class's proportionate share of the Fund's common liabilities, and less class specific liabilities. Expenses directly attributable to a class are charged to that class while common fund expenses are allocated to each class in a reasonable manner as determined by the Manager. Other income, and realized and unrealized gains and losses, are allocated to each class of the Fund based on that class's prorata share of total net asset value of the Fund.

For each unit sold, the Fund receives an amount equal to the net asset value per unit on the date of sale, which included in net assets attributable to holders of redeemable units. 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 net asset value of the Fund is reduced by the related net asset value on the date of redemption.

*(j) Net assets attributable to holders of redeemable units per unit*

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of units by the total number of units of the particular class outstanding at the end of the period.

*(k) Increase in net assets attributable to holders of redeemable units per unit*

Increase in net assets attributable to holders of redeemable units per unit is based on the increase in net assets attributable to holders of redeemable units attributed to each class of units, divided by the weighted average number of units outstanding of that class during the period.

*(l) Income taxes*

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and sufficient capital gains realized in any period are required to be distributed to unitholders such that no tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit (if any) of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset.

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**2. Significant Accounting Policies (Continued)**

*(m) Related parties*

For the purpose of these financial statements, a party is considered related to the Fund if such party or the Fund has the ability to, directly or indirectly, control or exercise significant influence over the other entity's financial and operating decisions, or if the Fund and such party are subject to common significant influence. Related parties may be individuals or other entities.

*(n) Critical estimates and judgements*

In the application of the Fund's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Fund has conclude that unlisted open-ended investment funds in which it invests, but that it does not consolidate, meet the definition of structured entities because; the voting rights in the Funds are not dominate rights in deciding who controls them as they relate to administrative tasks only; each funds activities are restricted by its offering memorandum; and the funds have narrow and well-defined objectives to provide investment opportunities to investors.

The most significant estimates that the Fund is required to make relate to the fair value of the film production loan investments. The estimates may include: assumptions regarding interest rates and the availability of credit; forecasted film sales and timing of related cash flows earned by the Fund; cost and terms of financing; the impact of present or future legislation or regulation; prior encumbrances and other factors. The estimate of fair value of the film production loan investments includes significant estimation uncertainty with respect to timing of cash flows as well as overall collectability associated with the loans. As a result of the uncertainty associated with the loans, the Manager estimates fair value of the loans within a range of reasonably estimable values', with greater weight placed on observable inputs which faithfully represent the most likely outcome.

These assumptions are limited by the availability of reliable comparable data, economic uncertainty, ongoing geopolitical concerns and the uncertainty of predictions concerning future events. Credit markets, equity markets, and consumer spending are facts in the uncertainty inherent in such estimates and assumptions. Accordingly, by their nature, estimates of fair value are subjective and do not necessarily result in precise determination. Should the underlying assumptions change, the estimated fair value could change by a material amount.

The 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 if the revision affects that period, or in the period of the revision of future periods if the revision affects both current and future periods.

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**3. 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.

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 revenue, 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.

In accordance with various loan agreements, the Fund is entitled to receive continued participation in the profits of the various Pictures. The amounts received will be the gross receipts after certain deductions defined in the agreements. The right to receive the profit participation was acquired as partial consideration for each of the loans. As at June 30, 2016, no values were assigned to the profit participation.

**Reconciliation of Level 3 Fair Value Measurements of Financial Assets**

	<b>Jun 30 2016</b>	<b>Dec 31 2015</b>
Film production loan investments, beginning of period	50,283,984	48,121,521
Loan advances		2,894,339
Loan repayments	(1,777,759)	(3,375,336)
Unrealized appreciation on film production loan	<u>2,050,937</u>	<u>2,643,460</u>
Film production loan investments, end of period	<b><u>50,557,162</u></b>	<b><u>50,283,984</u></b>

There were no transfers into or out of Level 3 for the periods ended June 30, 2016 or 2015.

The table below summarizes the significant unobservable inputs used in fair value measurement of the film production loan investments and the impact to the valuation of a reasonably possible change to the significant unobservable input. The unobservable input, probability of collection, comprises the estimated gross amount and timing of the cash flows, which are dependent on the ultimate sales and distribution of the underlying films. There is inherently significant measurement uncertainty associated with such investments. The actual results on realization of the positions could materially differ from the estimates of fair value on the report date.

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**4. Financial Instruments and Risk Management**

The Fund may be exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and other price risk). The level of risk depends on the Fund's investment objectives and the types of investments it invests in. The Schedule of Investment Portfolio presents the investments held by the Fund as at June 30, 2016, and groups the investments by asset type, geographic region and/or market segment. All other assets and liabilities are carried at amortized cost; their carrying values are a reasonable approximation of fair value.

The following is a summary of the Fund's main risks:

***Credit risk***

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with a fund. The Fund is exposed to credit risk through its investments in film production loans as well as its investments in the Underlying Crystal Wealth Funds, as presented in the notes of the Underlying Crystal Wealth Funds' financial statements. The fair value of investments in film production loans represents the maximum credit risk at June 30, 2016. 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 3). This risk has not changed from the previous year.

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**4. Financial Instruments and Risk Management (Continued)**

***Liquidity risk***

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to weekly cash redemptions of redeemable units. The units of the Fund are issued and redeemed on demand at the then current Trading NAV per unit at the option of the unitholder. However, the Manager does not expect that the contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for longer periods. All liabilities are payable within a year. The Fund retains sufficient cash positions to maintain liquidity. Given the uncertainties in relation to the probability of collection of the film production loans, the Fund may not realize the investments in the ordinary course of business at the amounts stated in the statement of financial position. This risk has not changed from the previous year.

***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. It arises when the Fund invests in interest-bearing financial instruments. Interest rates pertaining to the film production loans and investments in the Crystal Wealth High Yield Mortgage Strategy and Crystal Wealth Mortgage Strategy are at fixed rates that are not directly impacted by changes in prevailing rates, thereby reducing the Fund's exposure to interest rate risk. As at June 30, 2016 and December 31, 2015, the Fund did not have any significant exposure to interest rate risk. This risk has not changed from the previous year.

***Currency Risk***

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests primarily in Canadian dollar denominated securities.

The Schedule of Investment Portfolio identifies all securities denominated in foreign currencies. In addition, the Fund had USD cash of \$493,563 at June 30, 2016 (December 31, 2015 - \$61,208) and accrued USD interest of \$1,341,857 at June 30, 2016 (December 31, 2015 - \$977,418).

If the Canadian Dollar had strengthened or weakened by 5% relative to other foreign currencies, with all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately \$10,814 (December 31, 2015 - \$3,087). In practice, actual results may differ from this sensitivity analysis and the difference could be material. This risk has not changed from the previous year

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**4. Financial Instruments and Risk Management (Continued)**

***Other price risk***

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. All investments present a risk of loss of capital. The Manager manages the Fund's market risk on a daily basis in accordance with the Fund's investment objectives and policies. The maximum risk resulting from financial instruments is equivalent to their fair value. This risk has not changed from the previous year.

The impact on net assets attributable to holders of redeemable units of the Fund due to a 5 percent change would be approximately \$176,481 as at June 30, 2016 (December 31, 2015 - \$393,000).

The historical correlation may not be representative of the future correlation, and, accordingly, the future impact on net assets attributable to holders of redeemable units could be materially different.

**5. Capital Management**

The capital of the Fund is represented by issued redeemable units with no par value. The unitholders are entitled to distributions, if any, and to payment of proportionate share of the Fund's net asset value per unit upon redemption. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units. In accordance with its investment objectives and strategies and the risk management practices outlined in Note 4, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments where necessary. The Fund does not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription requirements.

**6. Redeemable Units**

Redeemable units of the Fund, which are redeemable at the option of the holder in accordance with the provisions of the Declaration of Trust, do not have any nominal or par value. The Fund is permitted to issue unlimited number of Series of units and is authorized to issue an unlimited number of units of each series. The redeemable units of the Fund are issued or redeemed on a weekly basis at the net asset value per unit which is determined as of the close of business each week. There are no differences between the NAV per unit of each class of the Fund and the Net Assets Attributable to Holders of Redeemable Units per Unit of each class of the Fund.

Summary of sale and redemption of Series A units for the periods ended

Series A	Jun 30 2016	Dec 31 2015
Units, beginning of period	4,916,442	5,024,299
Units issued	444,402	2,843,879
Units redeemed	(617,738)	(3,426,003)
Units reinvested	<u>235,883</u>	<u>474,267</u>
Units outstanding, end of period	<u>4,978,989</u>	<u>4,916,442</u>

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**7. Management Fees and Expenses**

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. During the period, the Fund paid management fees of \$499,561 (2015 - \$553,031) to the Manager.

To encourage large investments in the Fund, the Manager may reduce the management fee that would be charge 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.

The Fund pays expenses related to its operations including professional fees, brokerage commissions, interest and administrative costs relating to the issue and redemption of units as well as the cost financial and other reports and compliance with all applicable laws, regulations and policies.

**8. Related Party Transactions**

The following table summarizes amounts due to related parties:

<b>Due to related parties</b>	<b>2016</b>	<b>2015</b>
Crystal Wealth Mortgage Strategy	<b>4,905,741</b>	3,756,896
Crystal Wealth Medical Strategy		270,000
Crystal Wealth High Yield Mortgage Strategy		<b>450,123</b>
	<b>4,905,741</b>	<b>4,477,021</b>

The Funds are related through common directors, trustees, officers and Fund management. The amounts due to related parties are unsecured, bear interest at prime plus 1% and is due on demand. During the period, the Fund paid \$137,948 (2015 - \$22,849) of interest expense to related parties.

The Fund may invest in any one of the funds that are managed by the Manager ("Underlying Crystal Wealth Funds"). As of June 30, 2016, the Underlying Crystal Wealth Funds include Crystal Wealth Mortgage Strategy, Crystal Wealth Medical Strategy, Crystal Wealth Enlightened Factoring Strategy, ACM Growth Fund, ACM Income Fund, Crystal Enlightened Resource and Precious Metals Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Wealth Retirement One Fund, Crystal Enlightened Bullion Fund, Crystal Wealth Infrastructure Strategy, Crystal Wealth Enlightened Hedge Fund, Crystal Wealth Specialty Lending Strategy, Absolute Sustainable Dividend Fund and Absolute Sustainable Property 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 Funds to the Fund and is included in interest and other income.

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**8. Related Party Transactions (Continued)**

Included in interest income and other are \$160,043 (2015 - \$85) of interest distributions and \$72,920 (2015 - \$31) of management fee distributions received from Crystal Wealth Mortgage Strategy and \$7,442 (2015 - \$Nil) of interest distributions and \$3,226 (2015 - \$Nil) of management fee distributions received from Crystal Wealth High Yield Mortgage Strategy.

As at June 30, 2016, the Fund held 350,996 units (December 31, 2015 - 53,398) of the Crystal Wealth Mortgage Strategy with a fair value of \$3,528,936 (December 31, 2015 - \$534,830), which represents 7.03% (December 31, 2015 - 1.07%) of the total net asset value and 69 units (December 31, 2015 - 730,930) of the Crystal Wealth High Yield Mortgage Strategy with a fair value of \$690 (December 31, 2015 - \$7,352,630), which represents 0% (December 31, 2015 - 14.78%) of the total net asset value. At June 30, 2016, ACM Growth Fund held 179,167 units (December 31, 2015 - 235,849) with a fair value of \$1,807,903 (December 31, 2015 - \$2,386,921), ACM Income Fund held 601,180 units (December 31, 2015 - 579,484) with a fair value of \$6,066,269 (December 31, 2015 - \$5,864,702), Crystal Wealth Enlightened Factoring Strategy held 152,344 units (December 31, 2015 - 160,107) with a fair value of \$1,537,245 (December 31, 2015 - \$1,620,369), Crystal Enlightened Resource and Precious Metals Fund held 32,841 units (December 31, 2015 - 81,688) with a fair value of \$331,391 (December 31, 2015 - \$826,733), Crystal Wealth Medical Strategy held 177,080 units (December 31, 2015 - 232,283) with a fair value of \$1,786,848 (December 31, 2015 - \$2,350,839), and Crystal Wealth Retirement One Fund held 1,381,501 units (December 31, 2015 - 1,411,875) with a fair value of \$14,000,735 (December 31, 2015 - \$14,288,966).

**9. Increase in Net Assets Attributable to Holders of Redeemable Units**

The increase in net assets attributable to holders of redeemable Series A units per unit for the periods ended June 30, 2016 and 2015 is calculated as follows:

	<b>Increase in net assets attributable to holders of redeemable units</b>	<b>Weighted average of redeemable units outstanding during the year</b>	<b>Increase in net assets attributable to holders of redeemable units per unit</b>
<b>2016</b>	<b>\$ 2,540,379</b>	<b>4,949,870</b>	<b>\$ 0.51</b>
<b>2015</b>	<b>\$ 2,407,312</b>	<b>5,018,207</b>	<b>\$ 0.48</b>

**CRYSTAL WEALTH MEDIA STRATEGY  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
JUNE 30, 2016**

**10. Involvement with Unconsolidated Structured Entities**

The table below describes the types of structured entities that the Fund does not consolidate but in which they hold an interest.

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**June 30, 2016**

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Fund	Total Net Asset Value of Investee Fund	Investment fair value	% of net assets attributable to holders of redeemable Series A units
Crystal Wealth High Yield Mortgage Strategy	\$ 1,403,164	\$ 690	0.05%
Crystal Wealth Mortgage Strategy	35,413,573	3,528,936	9.96%

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**December 31, 2015**

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Fund	Total Net Asset Value of Investee Fund	Investment fair value	% of net assets attributable to holders of redeemable Series A units
Crystal Wealth High Yield Mortgage Strategy	\$ 1,941,923	\$ 534,830	27.54%
Crystal Wealth Mortgage Strategy	43,730,156	7,352,630	16.81%

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The Fund has determined that the Funds ('Investee Fund') in which it invests are unconsolidated structured entities. This represents a significant judgement by the Fund and generally because decision making about the Investee Fund's investing activities is not governed by voting rights held by the Fund and other investors.

The Investee Funds finance their operations by issuing redeemable shares which are puttable at the holder's option, and entitle the holder to a proportional stake in the respective fund's net assets. The Fund holds redeemable shares in the Investee Funds.

The change in fair value of the Investee Funds is included in the Statement of Comprehensive Income in 'Net change in unrealized depreciation on investments at fair value'.

During the period, the Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.



*Financial Statements of*

**CRYSTAL WEALTH MEDIA STRATEGY  
(FORMERLY CRYSTAL WEALTH STRATEGIC YIELD MEDIA FUND)**  
*For the year ended December 31, 2015*

*Financial Statements of*

**CRYSTAL WEALTH MEDIA STRATEGY  
(FORMERLY CRYSTAL WEALTH STRATEGIC YIELD MEDIA FUND)**

*For the year ended December 31, 2015*

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3115 Harvester Road, Suite 400  
Burlington ON L7N 3N8 Canada

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## Independent Auditor's Report

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### To the Unitholders of Crystal Wealth Media Strategy (Formerly Crystal Wealth Strategic Yield Media Fund)

We have audited the accompanying financial statements of Crystal Wealth Media Strategy (Formerly Crystal Wealth Strategic Yield Media Fund), which comprise the statement of financial position as at December 31, 2015, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the year then ended, 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 International Financial Reporting Standards, 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 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 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 Media Strategy (Formerly Crystal Wealth Strategic Yield Media Fund) as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Burlington, Ontario  
March 31, 2016

**CRYSTAL WEALTH MEDIA STRATEGY  
(FORMERLY CRYSTAL WEALTH STRATEGIC YIELD MEDIA FUND)  
STATEMENT OF FINANCIAL POSITION**

<u>DECEMBER 31</u>	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ -	\$ 2,735,677
Investments at fair value	<u>58,148,471</u>	<u>48,111,453</u>
Subscriptions receivable	<u>131,830</u>	<u>23,500</u>
Total assets	<u><u>58,280,301</u></u>	<u><u>50,870,630</u></u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank indebtedness	<u>3,888,164</u>	<u>-</u>
Accounts payable and accrued liabilities	<u>41,171</u>	<u>79,584</u>
Redemptions payable	<u>77,695</u>	<u>-</u>
Distributions payable	<u>39,104</u>	<u>39,874</u>
Due to related parties (Note 8)	<u><u>4,477,021</u></u>	<u><u>-</u></u>
Total liabilities (excluding net assets attributable to holders of redeemable units)	<u><u>8,523,155</u></u>	<u><u>119,458</u></u>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS</b>	<b><u>\$ 49,757,146</u></b>	<b><u>\$ 50,751,172</u></b>
<b>NUMBER OF REDEEMABLE SERIES A UNITS OUTSTANDING (Note 6)</b>	<b><u>4,916,442</u></b>	<b><u>5,024,299</u></b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS PER UNIT</b>	<b><u>\$ 10.12</u></b>	<b><u>\$ 10.10</u></b>

On behalf of the Manager, Crystal Wealth Management System Limited

"Clayton Smith"

Clayton Smith, Director

**CRYSTAL WEALTH MEDIA STRATEGY  
(FORMERLY CRYSTAL WEALTH STRATEGIC YIELD MEDIA FUND)  
STATEMENT OF COMPREHENSIVE INCOME**

<u>FOR THE YEAR ENDED DECEMBER 31</u>	<u>2015</u>	<u>2014</u>
<b>INCOME</b>		
Interest and other income (Note 8)	\$ 3,391,745	\$ 2,836,766
Lender fee income (expense)	-	(9,653)
Net realized loss on sale of investments at fair value	(884,416)	(138,968)
Net change in unrealized appreciation on investments at fair value	2,617,379	2,432,170
Net unrealized gain on foreign exchange	<u>989,772</u>	<u>185,164</u>
	<u>6,114,480</u>	<u>5,305,479</u>
<b>EXPENSES (Note 7)</b>		
Administration fees	228,364	208,302
Interest expense and bank charges	73,845	167,539
Management fees	1,072,082	771,245
Transaction costs	<u>2,145</u>	<u>403</u>
	<u>1,376,436</u>	<u>1,147,489</u>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS</b>	<u>\$ 4,738,044</u>	<u>\$ 4,157,990</u>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS PER UNIT (Note 9)</b>	<u>\$ 0.95</u>	<u>\$ 1.18</u>

The accompanying notes are an integral part of these financial statements

**CRYSTAL WEALTH MEDIA STRATEGY  
(FORMERLY CRYSTAL WEALTH STRATEGIC YIELD MEDIA FUND)  
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO  
HOLDERS OF REDEEMABLE UNITS**

<b>FOR THE YEAR ENDED DECEMBER 31</b>	<b>2015</b>	<b>2014</b>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS, BEGINNING OF YEAR	\$ 50,751,172	\$ 23,020,042
INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS	4,738,044	4,157,990
DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS		
From net investment income	(4,603,719)	(4,314,211)
REDEEMABLE UNIT TRANSACTIONS		
Proceeds from issuance of redeemable units	28,795,546	31,848,940
Reinvestments of distributions to holders of redeemable units	4,792,695	4,141,188
Amount paid on redemption of redeemable units	(34,716,592)	(8,102,777)
	(1,128,351)	27,887,351
NET INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS	(994,026)	27,731,130
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SERIES A UNITS, END OF YEAR	\$ 49,757,146	\$ 50,751,172

The accompanying notes are an integral part of these financial statements

**CRYSTAL WEALTH MEDIA STRATEGY  
(FORMERLY CRYSTAL WEALTH STRATEGIC YIELD MEDIA FUND)  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31**

**2015**

**2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets attributable to holders of redeemable Series A units	\$ 4,738,044	\$ 4,157,990
Adjustments to reconcile increase in net assets attributable to holders of redeemable Series A units to net cash used in operating activities		
Purchase of investments at fair value	(10,689,589)	(19,895,545)
Proceeds on disposal of investments at fair value	3,375,336	1,819,907
Net realized loss on sale of investments at fair value	884,416	138,968
Net change in unrealized appreciation on investments at fair value	(2,617,379)	(2,432,170)
Net unrealized gain on foreign exchange	(989,772)	(185,164)
Changes in operating assets and liabilities		
Subscriptions receivable	(108,330)	26,972
Accounts payable and accrued liabilities	(38,413)	174,008
Redemptions payable	77,695	-
Distributions payable	(770)	28,046
Net cash used in operating activities	<u>(5,368,792)</u>	<u>(16,166,988)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from issuances of redeemable units	28,795,546	31,848,940
Amount paid on redemption of redeemable units	(34,716,592)	(8,102,777)
Distributions from net investment income, net of reinvestments	188,976	(173,023)
Advances from (repayments to) related parties	4,477,021	(4,816,552)
Increase in bank indebtedness	<u>3,888,164</u>	-

Net cash provided by (used in) financing activities 2,633,115 18,756,588

**NET INCREASE (DECREASE) IN CASH** (2,735,677) 2,589,600

**CASH, BEGINNING OF YEAR** 2,735,677 146,077

**CASH, END OF YEAR** \$ - \$ 2,735,677

**CRYSTAL WEALTH MEDIA STRATEGY  
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SCHEDULE OF INVESTMENT PORTFOLIO**

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**Film Production Loans at Fair Value- 101.06% (Note 3)**

	<b>Cost</b>	<b>Fair Value</b>
<b>Canada</b>		
Loans bearing interest at 13% with profit participation ranging from 5% to 10%	\$ 8,044,200	\$ 9,064,403
Loans bearing interest at 17% with profit participation ranging from 2.25% to 10%	26,375,733	31,277,437
Loan bearing interest at 18% with profit participation of 12.5%	2,619,496	3,122,124
	<u>37,039,429</u>	<u>43,463,964</u>
<b>United States</b>		
Loan bearing interest at 13% with profit participation of 6%	2,280,831	2,719,950
Loan bearing interest at 17% with profit participation ranging from 3% to 4%	<u>3,186,440</u>	<u>4,100,070</u>
	<u>5,467,271</u>	<u>6,820,020</u>
<b>Total Film Production Loans</b>	<b>42,506,700</b>	<b>50,283,984</b>

**Canadian Mutual Funds - 15.85%**

	Number of shares	Average cost	Fair value
Crystal Wealth High Yield Mortgage Strategy	53,398	\$ 537,819	\$ 534,830
Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund)	730,930	7,352,974	7,352,630
<b>Total Canadian Mutual Funds</b>		<b>7,890,793</b>	<b>7,887,460</b>

**Futures Contracts - (0.05%)**

No. of contracts

68	\$100,000 CAD/USD Contract due March, 2016	(230)	(22,973)
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<b>Total Investments - 121.43%</b>	<b>50,397,263</b>	<b>58,148,471</b>
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<b>Other liabilities, net - (16.86)%</b>	<b>(8,391,325)</b>
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<b>Net assets attributable to holders of redeemable Series A units - 100%</b>	<b>\$49,757,146</b>
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**CRYSTAL WEALTH MEDIA STRATEGY  
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**1. The Fund**

The Crystal Wealth Media Strategy (the "Fund") is an open-ended mutual fund trust formed under the laws of the Province of Ontario on September 11, 2011 by an amendment to Schedule A to a Master Declaration of Trust, amended and restated as of September 27, 2015. The Fund was previously called Crystal Wealth Strategic Yield Media Fund and was renamed on September 27, 2015. 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. The address of the Fund's registered office is 3385 Harvester Road, Suite 200 Burlington, ON L7N 3N2.

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.

The Investment Manager of the Fund is Crystal Wealth Management System Limited (the "Manager"). The Manager is responsible for directing the affairs, providing the day-to-day management services and managing the investment portfolio of the Fund.

**2. Significant Accounting Policies**

**Basis of Presentation**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements of the Fund for the year ended December 31, 2015 were authorized for issue by the Manager on March 31, 2016.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, and are presented in Canadian dollars, which is the Fund's functional and presentation currency.

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**2. Significant Accounting Policies (Continued)**

**New Standards, Interpretations and Amendments not yet Adopted**

***IFRS 9 Financial Instruments***

The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however, is available for early adoption. In addition, the credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Fund is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

***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 Fund is in the process of evaluating the impact of the new standard.

***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 Fund is currently evaluating the impact of IAS 1 on its financial statements.

The following summarizes the accounting policies of the Fund:

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**2. Significant Accounting Policies (Continued)**

***(a) Valuation of investments***

The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Fund's Offering Memorandum, investment positions are valued based on the last traded market price for the purpose of determining the net asset per unit for subscriptions and redemptions. For financial reporting purposes, the Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. If the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

***Film production loans***

Film production loan investments for which there is no active market are valued at fair value using valuation techniques which include net present value and discounted cash flow models and comparisons with similar instruments for which observable market price exists. Assumptions and inputs used in valuation techniques include risk-free interest rate, credit spreads as well as prevailing rates of return on similar loans. The output of the valuation technique is an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held by the Fund. Valuations are therefore adjusted where appropriate, to allow for additional factors including interest rate risk, liquidity risk and counterparty risk.

***Futures contracts***

Foreign exchange futures contracts, which are held as hedges for capital investments, are valued on each business day at the gain or loss that would be realized if the position in the contracts were closed out.

The unrealized depreciation on futures contracts is included as investments at fair value on the Statement of Financial Position and included in "Net change in unrealized depreciation on investments at fair value" during the applicable year in the Statement of Comprehensive Income. Upon closing of the contracts, the gain or loss is included in "Net realized loss on sale of investments at fair value" on the Statement of Comprehensive Income.

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**2. Significant Accounting Policies (Continued)**

*(b) Classification*

The Fund classifies its investments as financial assets at fair value through profit or loss.

This category has two sub-categories: financial assets held for trading; and financial assets designated at fair value through profit or loss at inception.

*(i) Financial assets held for trading*

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorized as held for trading.

*(ii) Financial assets designated at fair value through profit or loss at inception*

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular day purchases and sales of financial assets are recognized at their trade date. The Fund's investments have been designated at fair value through profit or loss (FVTPL). The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. Cash, bank indebtedness, subscriptions receivable, accounts payable and accrued liabilities, distributions payable, redemptions payable and due to related parties are measured at amortized cost. Under this method, the amount required to be received or paid, is discounted, when appropriate, at the contract's effective interest rate.

*(c) Fair value measurements*

Investments at fair value are each classified into one of three fair value levels.

The hierarchy of inputs is summarized below:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and,
- Inputs for the asset and liability that are not based on observable market data (unobservable inputs) (Level 3).

All of the Fund's investments at fair value were classified as Level 2 at December 31, 2015, except for the Fund's investments in film production loans which are classified as Level 3.

**CRYSTAL WEALTH MEDIA STRATEGY  
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**2. Significant Accounting Policies (Continued)**

***(d) Investment transactions and income recognition***

Investment transactions are accounted for on the trade date and any unsettled sales or purchases of investments are reflected as receivable for investment securities sold or payable for investment securities purchased. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions and unrealized appreciation (depreciation) of investments are calculated on an average cost basis.

Distributions received from funds are recognized based on the nature of the underlying components such as dividend income, interest income, capital gains, and return of capital.

***(e) Offsetting financial instruments***

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

***(f) Recognition/derecognition***

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date.

The Fund recognizes financial assets or financial liabilities designated as trading securities on the trade date, the date it commits to purchase or sell short the instruments. From this date any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the Statement of Comprehensive Income.

Other financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when the Fund's obligations are discharged, cancelled or they expire. Financial liabilities arising from the redeemable units issued by the Fund are presented at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

***(g) Impairment of financial assets***

The Fund assesses at each reporting date whether a financial asset or group of financial assets measured at amortized cost is impaired. If there is objective evidence that an impairment loss had been incurred, the amount of the loss is measured as the difference between the asset's amortized cost and the present value of estimated future cash flows discounted using the asset's original effective interest rate. Impairment losses on assets measured at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

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**2. Significant Accounting Policies (Continued)**

*(h) Translation of foreign currencies*

Transactions in currencies other than the Canadian dollar are translated at the rate of exchange prevailing at the transaction date. Assets and liabilities denominated in currencies other than the Canadian dollar are translated at the applicable exchange rates prevailing at the reporting date. Resulting exchange differences are recognized in the Statement of Comprehensive Income.

*(i) Valuation of redeemable 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.

Net asset value per unit of each class is calculated at 4:00 p.m. (Eastern time) each business week by dividing the net assets of each class by its outstanding units. The net assets of each class are computed by calculating the value of that class's proportionate share of the Fund's assets less that class's proportionate share of the Fund's common liabilities, and less class specific liabilities. Expenses directly attributable to a class are charged to that class while common fund expenses are allocated to each class in a reasonable manner as determined by the Manager. Other income, and realized and unrealized gains and losses, are allocated to each class of the Fund based on that class's prorata share of total net asset value of the Fund.

For each unit sold, the Fund received an amount equal to the net asset value per unit on the date of sale, which included in net assets attributable to holders of redeemable units. 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 net asset value of the Fund is reduced by the related net asset value on the date of redemption.

*(j) Net assets attributable to holders of redeemable units per unit*

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class of units by the total number of units of the particular class outstanding at the end of the year.

*(k) Increase in net assets attributable to holders of redeemable units per unit*

Increase in net assets attributable to holders of redeemable units per unit is based on the increase in net assets attributable to holders of redeemable units attributed to each class of units, divided by the weighted average number of units outstanding of that class during the year.

*(l) Income taxes*

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and sufficient capital gains realized in any period are required to be distributed to unitholders such that no tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit (if any) of capital and non-capital losses has not been reflected in the Statement of Financial Position as a deferred income tax asset.

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**2. Significant Accounting Policies (Continued)**

***(m) Related parties***

For the purpose of these financial statements, a party is considered related to the Fund if such party or the Fund has the ability to, directly or indirectly, control or exercise significant influence over the other entity's financial and operating decisions, or if the Fund and such party are subject to common significant influence. Related parties may be individuals or other entities.

***(n) Critical estimates and judgements***

In the application of the Fund's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Fund has concluded that unlisted open-ended investment funds in which it invests, but that it does not consolidate, meet the definition of structured entities because; the voting rights in the Funds are not dominate rights in deciding who controls them as they relate to administrative tasks only; each fund's activities are restricted by its offering memorandum; and the funds have narrow and well-defined objectives to provide investment opportunities to investors.

The most significant estimates that the Fund is required to make relate to the fair value of the film production loan investments. The estimates may include: assumptions regarding interest rates and the availability of credit; forecasted film sales and timing of related cash flows earned by the Fund; cost and terms of financing; the impact of present or future legislation or regulation; prior encumbrances and other factors. The estimate of fair value of the film production loan investments includes significant estimation uncertainty with respect to the timing of cash flows as well as overall collectability associated with the loans. As a result of the uncertainty associated with the loans, the Manager estimates fair value of the loans within a range of reasonably estimable values, with greater weight placed on observable inputs which faithfully represent the most likely outcome.

These assumptions are limited by the availability of reliable comparable data, economic uncertainty, ongoing geopolitical concerns and the uncertainty of predictions concerning future events. Credit markets, equity markets, and consumer spending are facts in the uncertainty inherent in such estimates and assumptions. Accordingly, by their nature, estimates of fair value are subjective and do not necessarily result in precise determination. Should the underlying assumptions change, the estimated fair value could change by a material amount.

The 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 if the revision affects that period, or in the period of the revision of future periods if the revision affects both current and future periods.

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**3. 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 revenue, 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.

In accordance with various loan agreements, the Fund is entitled to receive continued participation in the profits of the various Pictures. The amounts received will be the gross receipts after certain deductions defined in the agreements. The right to receive the profit participation was acquired as partial consideration for each of the loans. As at December 31, 2015, no values were assigned to the profit participation.

**Reconciliation of Level 3 Fair Value Measurements of Financial Assets**

	<b>2015</b>	<b>2014</b>
Film production loan investments, beginning of year	\$ 48,121,521	\$ 27,671,144
Film production loan advances	2,894,339	19,727,568
Film production loan repayments	(3,375,336)	(1,819,907)
<u>Unrealized appreciation on film production loans</u>	<u>2,643,460</u>	<u>2,542,716</u>
<u>Film production loan investments, end of year</u>	<u>\$ 50,283,984</u>	<u>\$ 48,121,521</u>

There were no transfers into or out of Level 3 for the year ended December 31, 2015.

The table below summarizes the significant unobservable inputs used in fair value measurement of the film production loan investments and the impact to the valuation of a reasonably possible change to the significant unobservable input. The unobservable input, probability of collection, comprises the estimated gross amount and timing of the cash flows, which are dependent on the ultimate sales and distribution of the underlying films. There is inherently significant measurement uncertainty associated with such investments. The actual results on realization of the positions could materially differ from the estimates of fair value on the report date.

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**3. Film Production Loans (Continued)**

<b>December 31, 2015</b>				
<b>Description</b>	<b>Fair Value</b>	<b>Valuation Technique</b>	<b>Unobservable input</b>	<b>Potential change in valuation</b>
Film production loans	\$50,283,984	Net present value	Probability of collection	(\$3,000,000)

**4. Financial Instruments and Risk Management**

The Fund may be exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and other price risk). The level of risk depends on the Fund's investment objectives and the types of investments it invests in. The Schedule of Investment Portfolio presents the investments held by the Fund as at December 31, 2015, and groups the investments by asset type, geographic region and/or market segment. All other assets and liabilities are carried at amortized cost; their carrying values are a reasonable approximation of fair value.

The following is a summary of the Fund's main risks:

***Credit risk***

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with a fund. The Fund is exposed to credit risk through its investments in film production loans as well as its investments in the Underlying Crystal Wealth Funds, as presented in the notes of the Underlying Crystal Wealth Funds' financial statements. The fair value of investments in film production loans represents the maximum credit risk at December 31, 2015. 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 3). This risk has not changed from the previous year.

***Liquidity risk***

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund is exposed to weekly cash redemptions of redeemable units. The units of the Fund are issued and redeemed on demand at the then current Trading NAV per unit at the option of the unitholder. However, the Manager does not expect that the contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for longer periods. All liabilities are payable within a year. The Fund retains sufficient cash positions to maintain liquidity. Given the uncertainties in relation to the probability of collection of the film production loans, the Fund may not realize the investments in the ordinary course of business at the amounts stated in the statement of financial position. This risk has not changed from the previous year.

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**4. Financial Instruments and Risk Management (Continued)**

***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. It arises when the Fund invests in interest-bearing financial instruments. Interest rates pertaining to the film production loans and investments in Crystal Wealth High Yield Mortgage Strategy and Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund) are at fixed rates that are not directly impacted by changes in prevailing rates, thereby reducing the Fund's exposure to interest rate risk. As at December 31, 2015, the Fund did not have any significant exposure to interest rate risk. This risk has not changed from the previous year.

***Currency Risk***

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests primarily in Canadian dollar denominated securities.

The Schedule of Investment Portfolio identifies all securities denominated in foreign currencies. In addition, the Fund had USD cash of \$61,208 at December 31, 2015 (2014 - \$66,748) and accrued USD interest of \$977,418 at December 31, 2015 (2014 - \$336,552).

If the Canadian Dollar had strengthened or weakened by 5% relative to other foreign currencies, with all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately \$3,087 (2014 - \$494). In practice, actual results may differ from this sensitivity analysis and the difference could be material. This risk has not changed from the previous year.

***Other price risk***

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. All investments present a risk of loss of capital. The Manager manages the Fund's market risk on a daily basis in accordance with the Fund's investment objectives and policies. The maximum risk resulting from financial instruments is equivalent to their fair value. This risk has not changed from the previous year.

The impact on net assets attributable to holders of redeemable units of the Fund due to a 5 percent change would be approximately \$393,000 as at December 31, 2015 (2014 - \$Nil).

The historical correlation may not be representative of the future correlation, and, accordingly, the future impact on net assets attributable to holders of redeemable units could be materially different.

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**5. Capital Management**

The capital of the Fund is represented by issued redeemable units with no par value. The unitholders are entitled to distributions, if any, and to payment of proportionate share of the Fund's net asset value per unit upon redemption. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units. In accordance with its investment objectives and strategies and the risk management practices outlined in Note 4, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments where necessary. The Fund does not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription requirements.

**6. Redeemable Units**

Redeemable units of the Fund, which are redeemable at the option of the holder in accordance with the provisions of the Declaration of Trust, do not have any nominal or par value. The Fund is permitted to issue unlimited number of Series of units and is authorized to issue an unlimited number of units of each series. The redeemable units of the Fund are issued or redeemed on a weekly basis at the net asset value per unit which is determined as of the close of business each week. There are no differences between the NAV per unit of each class of the Fund and the Net Assets Attributable to Holders of Redeemable Units per Unit of each class of the Fund.

Summary of sale and redemption of Series A units for the year ended December 31

	<b>2015</b>	<b>2014</b>
Units, beginning of year	5,024,299	2,284,961
Units issued	2,843,879	3,143,540
Units redeemed	(3,426,003)	(799,617)
Units reinvested	474,267	395,415
Units outstanding, end of year	<b>4,916,442</b>	<b>5,024,299</b>

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**7. Management Fees and Expenses**

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. During the year, the Fund paid management fees of \$1,072,082 (2014 - \$771,245) to the Manager.

To encourage large investments in the Fund, the Manager may reduce the management fee that would be charge 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.

The Fund pays expenses related to its operations including professional fees, brokerage commissions, interest and administrative costs relating to the issue and redemption of units as well as the cost financial and other reports and compliance with all applicable laws, regulations and policies.

**8. Related Party Transactions**

The following table summarizes amounts due to related parties:

	<u>2015</u>	<u>2014</u>
<b>Due to related parties</b>		
Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund)	\$ 3,756,896	\$ -
Crystal Wealth Medical Strategy (Formerly Crystal Wealth Medical Income Fund)	270,000	-
Crystal Wealth High Yield Mortgage Strategy	<u>450,123</u>	<u>-</u>
	<u>\$ 4,477,021</u>	<u>\$ -</u>

The Funds are related through common directors, trustees, officers and Fund management. The amounts due to related parties are unsecured, bear interest at 5% and are due on demand. During the year, the Fund paid \$64,639 (2014 - \$Nil) of interest expense to related parties.

The Fund may invest in any one of the funds that are managed by the Manager ("Underlying Crystal Wealth Funds"). As of December 31, 2015, the Underlying Crystal Wealth Funds include Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund), Crystal Wealth Medical Strategy (Formerly Crystal Wealth Medical Income Fund), Crystal Wealth Enlightened Factoring Strategy (Formerly Crystal Enlightened Income Fund), ACM Growth Fund, ACM Income Fund, Crystal Enlightened Resource and Precious Metals Fund, Crystal Wealth High Yield Mortgage Strategy, Crystal Wealth Retirement One Fund and Crystal Enlightened Bullion Fund.

**CRYSTAL WEALTH MEDIA STRATEGY  
(FORMERLY CRYSTAL WEALTH STRATEGIC YIELD MEDIA FUND)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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**8. Related Party Transactions (Continued)**

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 Funds to the Fund and is included in interest and other income.

Included in interest and other income are \$18,152 (2014 - \$50,393) of interest distributions and \$9,130 (2014 - \$31,787) of management fee distributions received from Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund), \$Nil (2014 - \$31,787) of management fee distributions received from Crystal Wealth Medical Strategy (Formerly Crystal Wealth Medical Income Fund), and \$23,061 (2014 - \$Nil) of interest distributions and \$7,010 (2014 - \$Nil) of management fee distributions received from Crystal Wealth High Yield Mortgage Strategy. As at December 31, 2015, the Fund held 53,398 units (2014 - 324) of the Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund) with a fair value of \$534,830 (2014 - \$3,264), which represents 1.07% (2014 - 0.01%) of the total net asset value and 730,930 units (2014 - Nil) of the Crystal Wealth High Yield Mortgage Strategy with a fair value of \$7,352,630 (2014 - \$Nil), which represents 14.78% (2014 - Nil%) of the total net asset value. At December 31, 2015, ACM Growth Fund held 235,849 units (2014 - 277,127) with a fair value of \$2,386,921 (2014 - \$2,799,295), ACM Income Fund held 579,484 units (2014 - 503,940) with a fair value of \$5,864,702 (2014 - \$5,090,370), Crystal Wealth Enlightened Factoring Strategy (Formerly Crystal Enlightened Income Fund) held 160,107 units (2014 - 72,568) with a fair value of \$1,620,369 (2014 - \$733,023), Crystal Enlightened Resource and Precious Metals Fund held 81,688 units (2014 - 171,339) with a fair value of \$826,733 (2014 - \$1,730,723), Crystal Wealth Medical Strategy (Formerly Crystal Wealth Medical Income Fund) held 232,283 units (2014 - Nil) with a fair value of \$2,350,839 (2014 - \$Nil), Crystal Wealth Retirement One Fund held 1,411,875 units (2014 - Nil) with a fair value of \$14,288,966 (2014 - \$Nil), Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund) held 242 units (2014 - Nil) with a fair value of \$2,445 (2014 - \$Nil) in the Fund.

**9. Increase in Net Assets Attributable to Holders of Redeemable Series A Units per Unit**

The increase in net assets attributable to holders of redeemable Series A units per unit for the year ended December 31 is calculated as follows:

	<b>Increase in net assets attributable to holders of redeemable Series A units</b>	<b>Weighted average number of redeemable Series A outstanding during the year</b>	<b>Increase in net assets attributable to holders of redeemable Series A units per unit</b>
<b>2015</b>	<b>\$ 4,738,044</b>	<b>5,002,996</b>	<b>\$ 0.95</b>
<b>2014</b>	<b>\$ 4,157,990</b>	<b>3,517,711</b>	<b>\$ 1.18</b>

**CRYSTAL WEALTH MEDIA STRATEGY  
(FORMERLY CRYSTAL WEALTH STRATEGIC YIELD MEDIA FUND)  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

**10. Involvement with Unconsolidated Structured Entities**

The table below describes the types of structured entities that the Fund does not consolidate but in which they hold an interest.

December 31, 2015			
Fund	Total Net Asset Value of Investee Fund	Investment Fair value	% of net assets attributable to holders of redeemable units
Crystal Wealth High Yield Mortgage Strategy	\$1,941,923	\$534,830	27.54%
Crystal Wealth Mortgage Strategy (Formerly Crystal Enhanced Mortgage Fund)	\$43,730,156	\$7,352,630	16.81%

The Fund has determined that the Funds ('Investee Funds') in which it invests in are unconsolidated structured entities. This represents a significant judgement by the Fund and generally because decision making about the Investee Funds' investing activities is not governed by voting rights held by the Fund and other investors.

The Investee Funds finance their operations by issuing redeemable shares which are puttable at the holder's option, and entitle the holder to a proportional stake in the respective funds' net assets. The Fund holds redeemable shares in the Investee Funds.

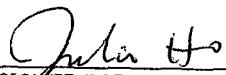
The change in fair value of the Investee Funds is included in the Statement of Comprehensive Income in 'Net change in unrealized depreciation on investments at fair value'.

During the year, the Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

**11. Comparative Amounts**

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

This is Exhibit "27" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> day of April , 2017

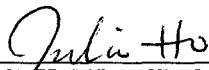
  
A COMMISSIONER FOR TAKING AFFIDAVITS

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

Point	Title	Source	Description	Conclusion	Addressed?
3	Film Production Loans		Management has recorded the film production loans at cost, with the assumption that cost approximates fair value. Is the assumption that cost approximates fair value reasonable?	BDO estimated the fair value of the media production loans based on the present value of future payments / cash flows. BDO noted a material difference between the fair value of the film production loans and cost, as such BDO concluded that the assumption that cost approximates fair value is not reasonable and recorded an adjustment to adjust the film production loans to fair value (see AJE#4).	Yes
7	Profit Participation on media loans	Temporary investments Execute FSA Audit Plan	Media loans include profit participation features. In addition to the interest earned on the loans, each loan is able to share in the profits of the related file up to a certain percentage as specified in the contract. As the value of the profits of the files are unknown, can vary and are separate from the contract itself, this feature constitutes and embedded derivative.	However, since the fund has designated all of its media loans at FVTPL, these embedded derivatives do not need to be separated. IAS39.11(c)	Yes

Point Number	Title	Source	Description	Conclusion	Addressed?
1	Classification of redeemable units under IFRS	CSYMF Classification of Redeemable Units under IFRS	Should the redeemable units be classified as liabilities or equity under IFRS?	The redeemable units of the Fund should be classified as liability. Criteria IAS32.16A(c) has not been satisfied as certain units/investors of the subordinate class receive management fee rebates, whereas the remaining units do not.	Yes
2	Classification of investments under IFRS	CSYMF Designation of Investments under IFRS	How should the film production loans be classified and measured under IFRS?	The film production loans meet the definition of held for trading and therefore are required to be measured at fair value through profit and loss as required under IAS39. Subsequent measurement at fair value is appropriate.	Yes

This is Exhibit "28" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> day of April , 2017

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

**From:** Clayton Smith <claytons@crystalwealth.com>  
**Sent time:** 03/07/2016 07:33:54 AM  
**To:** Mastroianni, Selena; Jarrett, Scott; Macoretta, Carmen  
**Subject:** Media Strategy Recovery Expectations  
**Attachments:** Media Loans - Summary at 31 Dec 2015.xlsx ATT00001.htm

Please find attached loan analysis.

I'm around this week and then off for a week with kids for March break, but will have access to email as necessary.

Thank you,

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](http://www.crystalwealth.com)

If you no longer wish to receive electronic communications from Crystal Wealth, please reply with UNSUBSCRIBE as the subject.



Media Loans Owned by Crystal Wealth Media Strategy  
as at: December 31, 2015

Loans Denominated in CAD								
Project Title	Current Principal Balance due	Current Interest Due	Total	Total \$ O/S Receivables from Signed Distribution Deals	Total Additional Estimated Sales	Total Receivables against Signed Distribution plus estimated sales	Potential Loss (Column L minus Column F)	Notes re estimated sales and any factors that may mitigate potential loss
FOREVERLAND	\$995,679.00	\$626,907.35	\$1,822,586.35	50,000.00	945,679.00	995,679.00	- 826,907.35	Sales agent changed to West End - they will be re-evaluating the production and provide updated strategy. Suggest ceasing interest accrual.
GINGER AND ROSA	\$162,570.11	\$56,690.29	\$241,260.40		250,000.00	250,000.00	-	All rights to the movie were acquired by UK company Hanway (who has acquired all Harry Potter Movies).
SINGLE SHOT	\$2,215,854.56	\$857,309.72	\$3,073,164.28	67,125.00	2,932,875.00	3,000,000.00	- 73,164.28	This film is now sold through Sony Pictures Int. and running through their syndication system globally. More than \$1M was generated in revenues in the first 3 quarters and additional revenues are coming to the waterfall on a quarterly basis. Over time the majority of this loan will get paid down as Sony insists they are on track with their P&L which was \$3M. As protection we suggest ceasing the accrual of additional interest.
SILENT NIGHT	\$1,000,000.00	\$603,451.95	\$1,603,451.95	1,500.00	1,600,000.00	1,601,500.00	- 1,951.95	All under way - over time we will get full out. This Sales Agent continues to package it out opportunistically. Cease accruing additional interest.
ULLABY	\$2,468,133.74	\$1,152,990.55	\$3,641,124.29		3,500,000.00	3,500,000.00	- 141,124.29	Sales agent changed to West End - they will be re-evaluating the production and provide updated strategy.
SUPREMACY	\$596,924.57	\$48,208.77	\$645,193.34	-	650,000.00	650,000.00	-	Collections underway. This film is handled by The Exchange who are getting sales paid and the film will get out over the next quarter or two. We should stop interest by next quarter.
ELECTRIC SLIDE	\$2,619,496.26	\$1,327,665.67	\$3,947,161.94	1,122,124.20	2,000,000.00	3,122,124.20	- 825,037.74	This film will be taken out via Fortitude through some TV syndication deals. Over time we will get this film out. Cease interest accrual. (No changes here - process continues)
ELSA AND FRED	\$1,752,601.57	\$14,843.87	\$1,767,445.44	-	1,500,000.00	1,500,000.00	- 267,445.44	Moved to West End rather than Fortitude - West End has better direct deals and we were frustrated with the timeframe that Fortitude was taking to complete paperwork. Suggest ceasing interest accrual.
SOAG	\$1,609,929.98	\$303,152.75	\$1,913,082.73	2,000,000.00		2,000,000.00	-	Pushing on collections. Several international sales were delayed in delivery. We are out in full with interest on this film.
MISS JULIE	\$1,283,335.82	\$125,428.28	\$1,408,764.10		1,500,000.00	1,500,000.00	-	There are collections underway from previous deals made in several marketing in the EU. Westend is coming on board in 2016 to handle completion of global sales and running the film through their catalogue and tv outputs. We are expecting complete recoupment on the film over some time.
HENCHMEN CAD	\$2,390,000.00	\$761,227.58	\$3,151,227.58	1,100,000.00	2,100,000.00	3,200,000.00	-	Loan against Tax Credits - Currently in post and fully expect to be repaid in 2017
WELCOME TO ME	\$1,297,463.34	\$8,762.74	\$1,306,226.08	2,100,000.00		2,100,000.00	-	Collection account has received approximately \$2.1M for Alchemy and Universal deals as well as some of the smaller territories. The film is still being delivered. Expecting to trigger a payment now and expect remaining territories to come into the accounts over the next few quarters.
KILL ME 3 TIMES	\$1,811,800.36	\$55,630.85	\$1,867,431.21	1,900,000.00		1,900,000.00	-	Funds have started to flow back to fund last quarter - Deals with Universal & E1 overseas are concluded and the film is being delivered.
BY WAY OF HELENA	\$4,544,562.00	\$781,678.24	\$5,326,240.24	4,600,000.00	800,000.00	5,400,000.00	-	The film was sold to LionsGate who will take theatrically in NA this year. LGE deal was \$2.75M up front (secured by VME) Other deals total \$1.85M so far from International - More in the works. On paper the film is out with principal and interest. It's a matter of collections which are ongoing as the film gets delivered then into release.
MERCY	\$4,347,200.00	\$685,715.08	\$5,032,915.08		5,050,000.00	5,050,000.00	-	In Post production - will update next quarter
KINGDOM	\$2,897,000.00	\$451,950.08	\$3,348,950.08		3,350,000.00	3,350,000.00	-	In Post production - will update next quarter
HAVANA	\$124,756.62	\$977.55	\$125,734.17	125,734.17		125,734.17	-	Loan against Tax Credits and fully secured by Canada Revenue Agency.
PHENOM	\$1,033,188.75	\$154,338.76	\$1,187,527.51	244,125.00	1,125,000.00	1,369,125.00	-	Receipts from deals for \$300 presales, \$400 other int. sales and North America for \$1M - VME handling and all receivable on Notice of Delivery - Project is in Post currently. The first USD\$400K has already been invoiced and we are expecting payment. Other moneys paid upon acceptance of delivery in the US and around the world. There are more than enough current sales (with others happening) to cover loans with interest. Note the film is premiering at the Tribeca Film Festival in April 2016.
GOOD OL' BOY	\$382,008.00	\$55,301.52	\$437,369.52		500,000.00	500,000.00	-	Currently completing acquisition on the title which covers the entire principal and interest - funds will flow directly to CW - Expected time 2 - 3 weeks.
VINCENT N ROXXY	\$1,435,623.75	\$203,980.77	\$1,639,604.52	240,000.00	1,400,000.00	1,640,000.00	-	Pre-sales made of US\$450K made through Fortitude. The film is premiering this April at the Tribeca Film Festival in NYC. WME is representing the film to US buyers. The entire amount of the loan with interest is expected back on this film in the next quarter or two.
CHILDHOOD OF A LEADER	\$2,031,298.70	\$199,319.21	\$2,230,617.91		2,500,000.00	2,500,000.00	-	Film won best director at Venice Film Festival, Has gone on to win several other European Festivals. WME is concluding a deal with IFC and global Amazon deal is in the works. More details by end of Q1/early Q2 as the film is still playing festivals and concluding its distribution arrangements.
TOTAL CAD	\$37,039,427.14	\$8,677,651.58	\$45,717,078.71	\$13,550,608.37	\$31,703,554.00	\$45,254,162.37	\$2,135,631.05	
Loans Denominated in USD								
Project Title	Principal	Accrued Interest						
THE ENGLISH TEACHER	\$486,053.81	\$189,198.98	\$675,252.79	51,000.00	625,000.00	676,000.00	-	Full recovery expected, smaller sales remaining that will slowly trickle in and retire the principal and outstanding interest on loan through 2017. A recent TV deal in Europe will get this outstanding principal covered by mid year.
HENCHMEN USD	\$750,000.00	\$290,624.14	\$1,040,624.14		1,050,000.00	1,050,000.00	-	Loan against Tax Credits - Currently in post and fully expect to be repaid 2017 latest
HUNTERS OF THE STAR	\$1,648,000.00	\$317,282.01	\$1,965,282.01		2,000,000.00	2,000,000.00	-	Loan against Tax Credits - Currently in post and fully expect to be repaid 2017 latest
mighty MONSTERS	\$1,066,287.89	\$180,313.25	\$1,246,601.14		1,250,000.00	1,250,000.00	-	Loan against Tax Credits - Currently in post and fully expect to be repaid 2017 latest
TOTAL USD	\$3,950,341.70	\$977,418.39	\$4,927,760.09	51,000.00	4,925,000.00	4,976,000.00	-	



## Media Loans Owned by Crystal Wealth Media Strategy

as at: December 31, 2015

Loans Denominated in CAD									
Project Title	Current Principal Balance due	Current Interest Due	Total	Total \$ O/S Receivables from Signed Distribution Deals	Total Additional Estimated Sales	Total Receivables against Signed Distribution plus estimated sales	Potential Loss (Column L minus Column F)	Notes re estimated sales and any factors that may mitigate potential loss	Monies Received 2016 YTD
FOREVERLAND	\$995,679.00	\$828,907.35	\$1,822,586.35	50,000.00	945,679.00	995,679.00	- 826,907.35	Sales agent changed to West End - they will be re-evaluating the production and provide updated strategy. Suggest ceasing interest accrual.	
GINGER AND ROSA	\$182,570.11	\$58,660.29	\$241,260.40		250,000.00	250,000.00	-	All rights to the movie were acquired by Uni company Hanway (who has acquired all Sally Potter Movies).	
SINGLE SHOT	\$2,215,854.56	\$857,309.72	\$3,073,164.28	67,125.00	2,932,875.00	3,000,000.00	- 73,164.28	This film is now sold through Sony Pictures Int. and running through their syndication system globally. More than \$1M was generated in revenues in the first 3 quarters and additional revenues are coming to the waterfall on a quarterly basis. Over time the majority of this loan will get paid down as Sony insists they are on track with their P&L which was \$3M. As protection we suggest ceasing the accrual of additional interest.	
SILENT NIGHT	\$1,000,000.00	\$603,451.95	\$1,603,451.95	1,500.00	1,600,000.00	1,601,500.00	- 1,951.95	All under way - over time we will get out fully. This Sales Agent continues to package it out opportunistically. Cease accruing additional interest.	
ULLABY	\$2,488,133.74	\$1,152,990.55	\$3,641,124.29		3,500,000.00	3,500,000.00	- 141,124.29	Sales agent changed to West End - they will be re-evaluating the production and provide updated strategy.	
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ELECTRIC SLIDE	\$2,619,496.26	\$1,327,665.67	\$3,947,161.94	1,122,124.20	2,000,000.00	3,122,124.20	- 825,037.74	This film will be taken out via Fortitude through some TV syndication deals. Over time we will get this film out. Cease interest accrual. (No changes here - process continues)	
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SOAG	\$1,609,929.98	\$303,152.75	\$1,913,082.73	2,000,000.00		2,000,000.00	-	Pushing on collections. Several international sales were delayed in delivery. We are out in full with interest on this film.	\$500,000.00
MISS JULIE	\$1,283,335.82	\$125,428.28	\$1,408,764.10		1,500,000.00	1,500,000.00	-	There are collections underway from previous deals made in several marketing in the EU. Westend is coming on board in 2016 to handle completion of global sales and running the film through their catalogue and tv outputs. We are expecting complete recoupmemt on this film over some time.	
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KILL ME 3 TIMES	\$1,811,800.36	\$55,630.85	\$1,867,431.21	1,900,000.00		1,900,000.00	-	Funds have started to flow back to fund last quarter - Deals with Universal & E1 overseas are concluded and the film is being delivered.	\$28,251.91
BY WAY OF HELENA	\$4,544,562.00	\$781,678.24	\$5,326,240.24	4,600,000.00	800,000.00	5,400,000.00	-	The film was sold to LionsGate who will take theatrically in NA this year. LGE deal was \$2.75M up front (secured by WME) Other deals total \$1.85M so far from International - More in the works. On paper the film is out with principal and interest. It's a matter of collections which are ongoing as the film gets delivered then into release.	\$620,000.00
MERCY	\$4,347,200.00	\$685,715.08	\$5,032,915.08		5,050,000.00	5,050,000.00	-	In Post production - will update next quarter	
KINGDOM	\$2,897,000.00	\$451,950.08	\$3,348,950.08		3,350,000.00	3,350,000.00	-	In Post production - will update next quarter	
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PHENOM	\$1,033,188.75	\$154,338.70	\$1,187,527.51	244,125.00	1,125,000.00	1,369,125.00	-	Receipts from deals for \$300 presales, \$400 other int. sales and North America for \$1M - WME handling and all receivable on Notice of Delivery - Project is in Post currently. The first US\$540K has already been invoiced and we are expecting payment. Other monies paid upon acceptance of delivery in the US and around the world. There are more than enough current sales (with others happening) to cover loans with interest. Note the film is premiering at the Tribeca Film Festival in April 2016.	
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TOTAL CAD	\$37,039,427.14	\$8,677,651.58	\$45,717,078.71	\$13,550,608.37	\$31,640,903.00	\$45,191,611.37	\$2,135,651.57		\$1,642,331.91
Loans Denominated in USD									
Project Title	Principal	Accrued Interest							
THE ENGLISH TEACHER	\$486,053.61	\$189,198.98	\$675,252.79	51,000.00	625,000.00	676,000.00	-	Full recovery expected, smaller sales remaining that will slowly trickle in and retire the principal and outstanding interest on loan through 2017. A recent TV deal in Europe will get this outstanding principal covered by mid year.	
HENCHMEN USD	\$750,000.00	\$290,624.14	\$1,040,624.14		1,050,000.00	1,050,000.00	-	Loan against Tax Credits - Currently in post and fully expect to be repaid 2017 latest	
HUNTERS OF THE STARS	\$1,648,000.00	\$317,282.01	\$1,965,282.01		2,000,000.00	2,000,000.00	-	Loan against Tax Credits - Currently in post and fully expect to be repaid 2017 latest	
MIGHTY MONSTERS	\$1,066,287.89	\$180,313.25	\$1,246,601.14		1,250,000.00	1,250,000.00	-	Loan against Tax Credits - Currently in post and fully expect to be repaid 2017 latest	
TOTAL USD	\$3,950,341.70	\$977,418.39	\$4,927,760.09	51,000.00	4,925,000.00	4,976,000.00	-		\$0.00

This is Exhibit "29" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

## Crystal Wealth Media Strategy

B.02

Confirmation received by email on 2/4/16 directly from Steven Thibault, VP  
of Finance & Operations on 2/4/16

December 31, 2015

In nominat ed in CAD			In nominat ed in USD		
Principal	Accrued Interest	FV Per SOI	Cost per SOI	FV Per SOI	Cost per SOI
\$995,679.00	\$826,907.35	995,679.00	1,822,588.35	995,679.00	1,822,588.35
\$182,570.11	\$58,690.29	182,570.00	241,260.40	182,570.00	241,260.40
\$2,215,854.56	\$857,309.72	2,215,855.00	3,073,164.28	2,215,855.00	3,073,164.28
\$1,000,000.00	\$603,451.95	1,000,000.00	1,603,451.95	1,000,000.00	1,603,451.95
\$2,488,133.74	\$1,152,990.55	2,488,134.00	3,641,124.29	2,488,134.00	3,641,124.29
\$596,924.57	\$48,268.77	596,925.00	645,193.34	596,925.00	645,193.34
\$2,619,496.26	\$1,327,665.67	2,619,496.00	3,947,161.94	2,619,496.00	3,947,161.94
\$1,752,601.57	\$14,843.87	1,752,602.00	1,767,445.44	1,752,602.00	1,767,445.44
\$1,609,929.98	\$303,152.75	1,609,930.00	1,913,082.73	1,609,930.00	1,913,082.73
\$1,283,335.82	\$125,428.28	1,283,336.00	1,408,764.10	1,283,336.00	1,408,764.10
\$2,390,000.00	\$761,227.58	2,390,000.00	3,151,227.58	2,390,000.00	3,151,227.58
\$1,297,463.34	\$8,762,74	1,297,463.00	1,306,226.08	1,297,463.00	1,306,226.08
\$1,811,800.36	\$55,630.85	1,811,800.00	1,867,431.21	1,811,800.00	1,867,431.21
\$4,544,562.00	\$781,678.24	4,544,562.00	5,326,240.24	4,544,562.00	5,326,240.24
\$4,347,200.00	\$685,715.08	4,347,200.00	5,032,915.08	4,347,200.00	5,032,915.08
\$2,897,000.00	\$451,950.08	2,897,000.00	3,348,950.08	2,897,000.00	3,348,950.08
\$124,756.62	\$977.55	124,757.00	125,734.17	124,757.00	125,734.17
\$1,033,188.75	\$154,338.76	1,033,189.00	1,187,527.51	1,033,189.00	1,187,527.51
\$382,008.00	\$55,361.52	382,008.00	437,369.52	382,008.00	437,369.52
\$1,435,623.75	\$203,980.77	1,435,624.00	1,639,604.52	1,435,624.00	1,639,604.52
\$2,031,298.70	\$199,319.21	2,031,299.00	2,230,617.91	2,031,299.00	2,230,617.91
<b>\$37,039,427.14</b>	<b>B.L.</b>	<b>\$8,677,651.58</b>	<b>C.L.</b>	<b>37,039,429.00</b>	<b>45,717,078.71</b>

In nominat ed in USD	Principal	Accrued Interest	FV Per SOI	Cost per SOI
\$467,273	1.384	1.384	5,467,271.00	6,820,020.00
			42,506,700.00	52,537,098.71

\$42,506,700.05

MFA0000641.xlsx

1099

145

This is Exhibit "30" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

	B.11										E.15																	
	2014					2015					Change '14/'15					Proceeds - '15					Subsequent Receipts - '16							
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total							
1. Ferdinand	CAD	995,679	592,853	1,588,332	995,679	826,907	1,822,586	-	23,054	-	10,000	240,000	250,000	615,000	(615,000)	995,679	(225,000)	705,679	380,679									
2. Green and Rosa	CAD	182,570	91,949	241,260	58,690	241,260	-	34,341	-	220,761	515,000	800,000	1,600,000	310,000	290,000	(97,950)	290,000	1,332,875	85,000									
3. Single Shot	CAD	2,215,575	636,549	2,852,404	2,215,575	857,310	3,073,164	-	100,817	-	486,929	65,000	1,150,000	230,000	1,445,000	(1,445,000)	1,123,520	1,370,000	1,601,500	156,500								
4. Silent Night	CAD	1,000,000	502,615	1,502,615	1,000,000	603,452	1,603,452	-	1,192,991	1,192,991	645,193	466,000	1,600,000	1,200,000	3,266,000	(3,266,000)	650,000	650,000	2,300,000	234,000								
5. Lullaby	CAD	2,498,134	666,061	3,154,195	2,488,134	1,192,910	3,641,024	-	48,269	48,269	73,356	(87,473,50)	(87,473,50)	(217,555)	295,250	345,000	-	646,250	650,000	650,000	9,750							
6. Supremacy	CAD	670,275	135,742	806,017	596,925	(73,356)	(87,474)	-	504,659	504,659	920,434	-	1,122,124	1,122,124	2,000,000	3,122,124	25,014	2,000,000	2,075,024									
7. Electric Slide	CAD	2,619,496	823,807	3,442,503	2,619,496	1,327,666	2,947,162	-	14,894	14,894	(135,852)	6,090	(335,852)	905,500	675,000	1,500,000	(1,650,500)	825,000	825,000	(825,500)								
8. Elsa and Fred	CAD	2,088,453	8,754	2,097,203	1,752,602	2,097,203	1,609,920	303,153	1,913,083	297,154	(465,355)	(465,355)	(500,000)	(500,000)	(500,000)	(500,000)	2,000,000	2,000,000	(4,021,000)	2,000,000								
9. SOAG	CAD	1,609,920	5,979	1,615,929	1,609,920	1,283,216	1,283,216	175,428	1,408,754	74,194	1,151,228	761,228	3,151,228	2,100,000	2,100,000	2,100,000	2,100,000	1,111,465	1,111,465	1,111,465								
10. Miss Julie	CAD	51,234	1,800,105	1,851,339	2,390,000	299,850	3,689,850	2,390,000	1,767,757	1,767,757	876,763	1,326,226	(1,625,570)	(1,625,570)	(1,625,570)	(1,625,570)	1,425,000	1,800,000	650,000	3,877,000	1,577,000							
11. Hunchback CAD	CAD	2,913,041	564,716	3,487,757	1,297,463	1,297,463	1,297,463	1,297,463	1,297,463	1,297,463	1,811,800	55,631	1,867,431	(1,957,610)	(1,957,610)	(1,957,610)	(1,957,610)	1,181,531	1,425,000	1,800,000	2,100,000	2,100,000						
12. Welcome to Me	CAD	2,379,718	450,682	2,830,493	1,513,659	1,513,659	1,513,659	1,513,659	1,513,659	1,513,659	2,047,200	781,678	2,126,240	646,020	646,020	646,020	646,020	1,122,220	1,275,000	650,000	3,025,000	(2,031,758)						
13. Kill Me 3 Times	CAD	4,544,562	14,844	4,544,562	1,752,602	1,752,602	1,752,602	1,752,602	1,752,602	1,752,602	605,200	2,031,759	2,031,759	2,031,759	2,031,759	2,031,759	2,031,759	2,031,759	1,98,668	2,031,759	2,031,759	(3,680,000)						
14. By way of Helena	CAD	4,347,200	73,223	4,422,473	4,347,200	665,715	5,032,915	610,442	494,063	494,063	530,000	495,950	3,348,950	(16,726,56)	(16,726,56)	(16,726,56)	(16,726,56)	-	-	-	-	-						
15. Mercy	CAD	1,347,000	47,887	1,394,887	2,897,000	451,950	3,348,950	494,063	(65,243)	(65,243)	798	1,187,518	154,339	(144,035)	(144,035)	(144,035)	(144,035)	881,970	125,734	125,734	244,125	1,369,125						
16. Kingdom	CAD	990,000	121,704	1,007,704	1,033,189	10,304	1,041,492	1,033,189	1,033,189	1,033,189	53,762	437,370	53,762	53,762	53,762	53,762	53,762	53,762	437,349	500,000	500,000	500,000	500,000					
17. Havana	CAD	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000	1,046,000							
18. Phenom.	CAD	382,008	2,713	384,321	1,495,624	5,113	1,495,624	1,495,624	1,495,624	1,495,624	1,495,624	1,495,624	1,495,624	1,495,624	1,495,624	1,495,624	1,495,624	1,495,624	1,495,624	1,495,624	1,495,624							
19. Good Ol' Bay	CAD	20	Vincent N Roxy	CAD	21	Childhood of a Leader	CAD	38,391,664	5,056,685	43,448,389	37,039,427	6,677,652	45,717,079	(1,622,331)	(1,622,331)	(1,622,331)	(1,622,331)	6,762,674	16,375,176	8,155,000	31,792,554	45,754,162	(9,567,542)	23,548,254	13,561,312	(573,547)	14,534,859	
22. The English Teacher	USD	486,054	92,278	578,332	672,699	261,261	934,550	186,445	169,573	169,573	288,000	265,976	288,000	265,976	288,000	288,000	288,000	288,000	70,384	865,000	935,584	(274,416)	653,000	378,584				
23. Heidiheim USD	USD	750,000	136,347	886,247	1,038,000	402,224	1,440,224	1,440,224	1,440,224	1,440,224	632,632	360,205	409,455	220,441	220,441	220,441	220,441	-	-	-	-	-	1,453,200	1,453,200				
24. Hunters of the Stars	USD	1,648,000	28,913	1,716,913	2,160,632	439,118	2,719,750	2,719,750	2,719,750	2,719,750	1,516,932	1,016,195	1,516,932	1,016,195	1,516,932	1,516,932	1,516,932	1,516,932	70,384	2,768,000	2,768,000	2,768,000	2,768,000					
25. Mighty Monstros	USD	1,046,288	29,113	1,095,401	1,475,743	249,554	1,723,297	1,723,297	1,723,297	1,723,297	-	-	-	-	-	-	-	-	-	1,730,000	1,730,000	1,730,000	1,730,000					
Total		42,341,946	5,393,237	47,735,153	42,506,701	10,030,399	52,537,100	164,755	4,637,162	3,933,476	(1,095,204)	(1,642,331)	(1,642,331)	(1,642,331)	(1,642,331)	(1,642,331)	(1,642,331)	(1,642,331)	13,621,192	38,519,754	52,140,946	(20,291,096)	(9,861,658)	36,192,754	20,291,096			

Gross change in interest receivable

Change in unrealized gain per SCI

(51,617)

This is Exhibit "31" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

**From:** Macoretta, Carmen  
**Sent time:** 04/01/2016 09:56:50 AM  
**To:** Mastroianni, Selena  
**Subject:** FW: MEDIA HOUSE GUARANTEE  
**Attachments:** CWSYMF-guarantee letter[1].pdf

For the file please

Carmen Macoretta, CPA, CA  
Senior Manager, Audit & Assurance  
BDO Canada LLP  
[cmacoretta@bdo.ca](mailto:cmacoretta@bdo.ca)

3115 Harvester Road, Suite 400  
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Direct: 905-633-4925  
Tel: 905-639-9500  
Fax: 905-633-4939  
[www.bdo.ca](http://www.bdo.ca)

Before you print think about the environment.

**From:** Aaron Gilbert [mailto:[aaron@mediahousecapital.com](mailto:aaron@mediahousecapital.com)]  
**Sent:** Thursday, March 31, 2016 9:22 PM  
**To:** Macoretta, Carmen <[CMacoretta@bdo.ca](mailto:CMacoretta@bdo.ca)>; Clayton Smith <[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)>  
**Subject:** Re: MEDIA HOUSE GUARANTEE

Let me know if this works

**From:** "Macoretta, Carmen" <[CMacoretta@bdo.ca](mailto:CMacoretta@bdo.ca)>  
**Date:** Thursday, March 31, 2016 at 1:32 PM  
**To:** "Aaron L. Gilbert" <[aaron@mediahousecapital.com](mailto:aaron@mediahousecapital.com)>, Clayton Smith <[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)>  
**Subject:** RE: MEDIA HOUSE GUARANTEE

Hi Aaron,

Just looking for some indication from Media House as to the amount of losses being guaranteed, if they related to any particular loans and when the guarantees will be provided.

Carmen Macoretta, CPA, CA  
Senior Manager, Audit & Assurance  
BDO Canada LLP  
[cmacoretta@bdo.ca](mailto:cmacoretta@bdo.ca)

3115 Harvester Road, Suite 400  
Burlington, ON L7N 3N2

Direct: 905-633-4925  
Tel: 905-639-9500  
Fax: 905-633-4939  
[www.bdo.ca](http://www.bdo.ca)

Before you print think about the environment.

**From:** Aaron Gilbert [mailto:[aaron@mediahousecapital.com](mailto:aaron@mediahousecapital.com)]  
**Sent:** Thursday, March 31, 2016 4:31 PM  
**To:** Clayton Smith <[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)>  
**Cc:** Macoretta, Carmen <[CMacoretta@bdo.ca](mailto:CMacoretta@bdo.ca)>

**Subject: Re: MEDIA HOUSE GUARANTEE**

Hi Carmen if you can send me details on the language you'd like to see I can have a quick chat about that with my in-house counsel. And get it out the door

Please excuse the crappy spelling and typos. Sent from the iPhone of Aaron L. Gilbert | BRON STUDIOS.

On Mar 31, 2016, at 1:27 PM, Clayton Smith <[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)> wrote:

Hi Aaron,

I'm connecting you and Carmen, our auditor from BDO, together on an email so that you can send the letter we spoke about to both him and me at the same time.

As discussed, if we are able to get something to us today, it would super appreciated.

Thank you,

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](http://www.crystalwealth.com)

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March 31, 2016

Clayton Smith  
Chief Executive Officer  
Crystal Wealth  
3385 Harvester Road, Suite 200  
Burlington, ON  
L7N 3N2

Hi Clayton –

Further to our discussions, this letter will serve as a commitment, a guarantee, from Media House Capital, that the company will pay a recoupable CDN\$1,500,000 towards Crystal's media fund, for any additional losses above and beyond the Funds accrued loan-loss provisions. These moneys can be applied against any films at Crystal's discretion.

If you have any questions or comments you are most welcome to contact me.

Regards,



Aaron L. Gilbert  
Managing Director



**MEDIA HOUSE CAPITAL**

EMAIL: [INFO@MEDIAHOUSECAPITAL.COM](mailto:INFO@MEDIAHOUSECAPITAL.COM)  
WEB: [MEDIAHOUSECAPITAL.COM](http://MEDIAHOUSECAPITAL.COM)

**TORONTO**  
11TH FLOOR - 20 BAY STREET  
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PHONE: 416.479.4108  
FAX: 416.479.4109

**VANCOUVER**  
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PHONE: 604.419.8178

**LOS ANGELES**  
15260 VENTURA BLVD. SUITE 1040  
SHERMAN OAKS, CA 91402  
PHONE: 310.890.4173



Guarantee letter received by email on 4/1/2017  
directly from Aaron Gilbert from Media House Capital.  
(aaron@mediahousecapital.com)

March 31, 2016

Clayton Smith  
Chief Executive Officer  
Crystal Wealth  
3385 Harvester Road, Suite 200  
Burlington, ON  
L7N 3N2

Hi Clayton –

Further to our discussions, this letter will serve as a commitment, a guarantee, from Media House Capital, that the company will pay a recoupable CDN\$1,500,000 towards Crystal's media fund, for any additional losses above and beyond the Funds accrued loan-loss provisions. These moneys can be applied against any films at Crystal's discretion.

If you have any questions or comments you are most welcome to contact me.

Regards,



Aaron L. Gilbert  
Managing Director

Note: The Fund has a commitment / guarantee from Media House that the Company will pay a recoupable \$1,500,000 CDN for any additional losses above and beyond the Fund's accrued loan-loss provision. Per review of Bron Capital Partners website, BDO noted that the Company had approximately \$180M of production loans in the year. As the Fund holds an insignificant portion of Bron Capital's production loan portfolio (\$52M purchased over 5 years), BDO concluded that the company would have the ability to repay if forced to collect on. As the \$1.5M is based on a guarantee, BDO concluded that the likelihood of cash receipt in Yr 1 is high. See B.11 for NPV calculation.

This is Exhibit "32" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> day of April , 2017

  
A COMMISSIONER FOR TAKING AFFIDAVITS

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

MFA 00000601

## Crystal Wealth Strategy (Formerly Crystal Wealth Strategic Yield Media Fund)

## Fair Value of Media Loans

December 31, 2013

**Background:**  
The Fund's investments in film production loans are classified as Level 3 in the fair value hierarchy. As the film production loan investments have no active market, they are valued at fair value using the net present value valuation technique and discounted cash flow model. The estimate of fair value of the film production loan investments includes significant subjective uncertainty with respect to the timing of cash flows as well as overall collectability associated with the loans. The Manager estimates the fair value of the loans within a range of reasonably estimable values, with greater weight placed on observable inputs which faithfully presents the most likely outcome. Management has recorded an accrued loss provision of \$2,297,389 and disclosed a potential change in valuation of (\$3,000,000) in the financial statements (F5 Note 3).

Reference to other audit work:

2. Use of auditor's report - 3.18

3. FV of Media loans audit of estimates - 4.19.1

4. Email approval of consultation - B-19

**Procedures:**  
1 Estimate the fair value of the media loans using the net present value valuation technique.  
2 Obtain an understanding of key assumptions / inputs  
3 Conclude if management's accrued loss provision and financial statement disclosure appear reasonable based on the analysis

To estimate the fair value of the film production loans using the net present valuation technique and determine if management's accrued loss provision and financial statement disclosure appear reasonable.

Results:

Reference to other audit work:

1. Use of management's experts - 3.17

2. Use of auditor's report - 3.18

3. FV of Media loans audit of estimates - 4.19.1

4. Email approval of consultation - B-19

To estimate the fair value of the film production loans using the net present valuation technique and determine if management's accrued loss provision and financial statement disclosure appear reasonable based on the analysis

Results:

Reference to other audit work:

1. Use of management's experts - 3.17

2. Use of auditor's report - 3.18

3. FV of Media loans audit of estimates - 4.19.1

4. Email approval of consultation - B-19

To estimate the fair value of the film production loans using the net present valuation technique and determine if management's accrued loss provision and financial statement disclosure appear reasonable based on the analysis

Results:

Reference to other audit work:

1. Use of management's experts - 3.17

2. Use of auditor's report - 3.18

3. FV of Media loans audit of estimates - 4.19.1

4. Email approval of consultation - B-19

To estimate the fair value of the film production loans using the net present valuation technique and determine if management's accrued loss provision and financial statement disclosure appear reasonable based on the analysis

Results:

Reference to other audit work:

1. Use of management's experts - 3.17

2. Use of auditor's report - 3.18

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4. Email approval of consultation - B-19

To estimate the fair value of the film production loans using the net present valuation technique and determine if management's accrued loss provision and financial statement disclosure appear reasonable based on the analysis

Results:

Reference to other audit work:

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4. Email approval of consultation - B-19

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Results:

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Results:

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Results:

Reference to other audit work:

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To estimate the fair value of the film production loans using the net present valuation technique and determine if management's accrued loss provision and financial statement disclosure appear reasonable based on the analysis

Results:

Reference to other audit work:

1. Use of management's experts - 3.17

2. Use of auditor's report - 3.18

3. FV of Media loans audit of estimates - 4.19.1

4. Email approval of consultation - B-19

Assumption:

- 45% of loans make payments, 5% are not paying

Market rate adjustment

Interest income

Change in interest receivable

Interest paid

Ratio of paying loans

Average

Assumption:

- 45% of loans make payments, 5% are not paying

Market rate adjustment

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Change in interest receivable

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Change in interest receivable

Interest paid

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Assumption:

- 45% of loans make payments, 5% are not paying

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Interest income

Change in interest receivable

Interest paid

Ratio of paying loans

Average

Assumption:

- 45% of loans make payments, 5% are not paying

Market rate adjustment

Interest income

Change in interest receivable

Interest paid

Ratio of paying loans

Average

Assumption:

- 45% of loans make payments, 5% are not paying

Market rate adjustment

Interest income

Change in interest receivable

Interest paid

Ratio of paying loans

Average

Assumption:

- 45% of loans make payments, 5% are not paying

Market rate adjustment

Notes re: key assumptions / insights

- media loans average 3 year term  
- loans have been out 3 years on average

**Note 1**  
The stated rate at inception represents a risk-adjusted rate as new film production loans are being issued at this rate.

**Note 2**  
assuming:  
i. on average, the film production loans have been outstanding for 3 years  
ii. The film production loans on average have a term of 3 years

**Note 3**  
2014 and 2015 principal and accrued interest are based on third party confirmations received directly from Media House (see 8.02).

**Note 4**  
Per discussion with Clayton Smith (CEO) on 3/10/2016 and corroborated with Steven Thibault (Media House) on 3/20/2016, a total of \$12,402,357 is expected to be received in 2016 based on signed distribution deals. As these cash flows are based on signed distribution deals, BDO concluded that the likelihood of receipt in year 1 is high. See 8.17 re: use of management's best-guess form.

**Note 5**  
to date:

Supremacy	\$6,731.00
Son of a Gun	590,000.00
Kill Me 3 Times	28,251.00
By Way of Helena	60,000.00
Good Ol' Bay	437,399.00
	<b>1,642,331.00</b>

As these amounts were received in 2016, they were deducted from the expected year 1 cash flows.

**Note 6**  
Per discussion with Steven Thibault (Media House) on 3/10/2016, the sales estimates / projections are based on projections provided by third party sales agents, each project's film production loan has 2 sales representatives, who are market / genre specialists. These experts provide sales projections to Media House regularly throughout the year, including a listing of the regions and an estimate (low/high) of the projected sales. Media House reviews these reports for reasonability based on their industry experience and knowledge, performs a retrospective review and compares current sales estimates to previous estimates, and enquires of any unusual or unexpected projections. See 8.17 for use of management's experts form

**Note 7**  
The fund uses a community / guarantee from media house that company will pay & recoupment 31% of your loan for any equivalent losses above and beyond one run's accrued usual loss payments. Per review of Bron Capital Partners website, BDO noted that the Company had approximately \$180M of production loans in its portfolio (\$2M purchased over 5 years). BDO concluded that a significant portion of Bron Capital's production loan portfolio holds an insignificant portion of Bron Capital's production loan cash receipt in Y1 is high. See 8.14 for a copy of the signed letter of guarantee.

**Note 8**  
BDO assumptions (confirmed per conference call with Bron Capital, see 8.17)  
i. The additional estimated sales would be received in 3 years if the total estimated sales is less than the outstanding amount and 2 years if the total estimated sales is greater than the outstanding amount.  
ii. The fair value of the film production loans approximates the carrying value if interest payments continue to be made.  
iii. No discount if the film production loan is new or still in production.

**Calculation**  
Estimated net present value calculation above, also excludes one film production loan as \$47,323.27. As management has recorded one film production loan at cost \$22,231.00 with the assumption that cost approximates fair value, BDO estimated an accrued loss provision of \$5,180,725. Based on the above, BDO concluded that management's decision to record an accrued loss provision of \$2,237,389 and disclose a potential change in valuation technique in the financial statements appears reasonable. See 15 Note 3 re: FV disclosure of film production loans, valuation technique.

This is Exhibit "33" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

Client Name: **Crystal Wealth Strategic Yield Media Fun F/S** Period End: **31 Dec 15**  
 Document Name: **2\_07 - Use of Experts - Management** Document #: **B.17**

This template can be used to consider and document our work where we use the work of a management's expert in our audit.

A "Management's expert" is an individual or organisation possessing expertise in a field other than accounting or auditing, whose work in that field is used by the entity to assist the entity in preparing the financial statements.

The preparation of an entity's financial statements may require expertise in a field other than accounting or auditing, such as actuarial calculations or valuations for example. The entity may employ or engage experts in these fields to obtain the needed expertise to prepare the financial statements. Failure to do so when such expertise is necessary increases the risk of material misstatement.

*CAS 500, Audit Evidence, contains guidance for the auditor on work effort when management has used an expert and the auditor wants to use that work as audit evidence. The nature, timing and extent of audit procedures on the management's expert's work may be influenced by such matters as:*

- *The nature and complexity of the matter to which the management's expert relates*
- *The risks of material misstatement in the matter*
- *The availability of alternative sources of audit evidence*
- *The nature, scope and objectives of the management's expert's work*
- *Whether the management's expert is employed by the entity, or is a party engaged by it to provide relevant services*
- *The extent to which management can exercise control or influence over the work of the management's expert*
- *Whether the management's expert is subject to technical performance standards or other professional or industry requirements*
- *The nature and extent of any controls within the entity over the management's expert's work*
- *The auditor's knowledge and experience of the management's expert's field of expertise*
- *The auditor's previous experience with the work of that expert*

## SUMMARY INFORMATION

<i>Set out below details of the work of the management expert being considered.</i>	
Expert's name and qualification	Steven Thibault, Bron Capital Partners (Formerly Media House Capital)
Why used?	Bron Capital Partners specializes in financing film productions and provides financing on a wide range of films. The Fund Manager has purchased several loans from Bron and works closely with Bron in estimating future film sales.
Issue being considered (including FSA and assertion(s) affected)	Valuation of the film production loans (V), which is dependent on sales projections of the underlying films.
Who contracted the expert?	The Fund Manager
Who employs the expert?	Bron Capital Partners
Any other salient issues?	None

Client Name: Crystal Wealth Strategic Yield Media Fun F/S Period End: 31 Dec 15  
 Document Name: 2\_07 - Use of Experts - Management Document #: B.17

**Part 1 - Evaluating the competence, capabilities and objectivity of a management's expert**

We shall evaluate whether the management's expert has the necessary competence, capabilities, and objectivity for our purposes.

*Competence relates to the nature and level of expertise of management's expert.*

*Capability relates to the ability of management's expert to exercise that competence in the circumstances of the engagement.*

*Objectivity relates to the possible effects that bias, conflict of interest or the influence of others may have on the professional or business judgment of the management's expert.*

*The competence, capabilities and objectivity of a management's expert, and any controls within the entity over that expert's work, are important factors in relation to the reliability of any information produced by a management's expert.*

FACTORS	EXPLANATION/COMMENT/ REFERENCE TO WORK PERFORMED
1. What knowledge of that expert's qualifications, membership of a professional body or industry association, license to practice, or other forms of external recognition do we have?	Steven Thibault has been employed with Bron Capital Partners over 5 years and has over 20 years in the film industry. Steven holds a CPA and is a former auditor with Deloitte, specializing in the film industry.
2. Have we had personal experience with previous work of that expert? Have discussions taken place with that expert or discussions with others who are familiar with that expert's work?	BDO has experience dealing with Bron Capital (Formerly Media House) through prior years audits
3. Are there published papers or books written by that expert?	None
4. Is the work of the expert subject to technical performance standards or other professional or industry requirements?	No
5. Has the use of an auditor's expert assisted in obtaining evidence with respect to information produced by the management's expert?	We have used an auditor's expert to help interpret information prepared by management's expert, but the auditor's expert has not assisted in obtaining evidence.
6. Are we comfortable with the expert's competence with respect to relevant accounting and auditing requirements?	Based on the years of experience in the film industry, we are comfortable with the experts competence as it relates to their knowledge of the film industry and ability to develop sales projections for films. The expert does not have knowledge of IFRS requirements for fair value estimation, however this is not considered necessary as the expert is producing the inputs to the fair values estimate only.
7. When evaluating objectivity have we: (a) Discussed with management and the expert any interests and relationships that may create	We have discussed with the Fund Manager who is not aware of any threats to objectivity. Further, based on our review of the Bron's website,

Client Name: Crystal Wealth Strategic Yield Media Fun F/S Period End: 31 Dec 15  
 Document Name: 2\_07 - Use of Experts - Management Document #: B.17

FACTORS		EXPLANATION/COMMENT/ REFERENCE TO WORK PERFORMED
	<p>threats to the expert's objectivity?</p> <p>(b) Evaluated if the safe guards in place are adequate to reduce any objectivity threats?</p>	<p>it is clear the Fund Manager is not purchasing a significant amount of Bron's production loans. It was noted on their website that in 2015 alone, Bron financed over \$180M in production. The Fund Manager owns a cumulative \$52M of production loans, which have been purchased over the past 5 years and does not represent a significant portion of Bron's portfolio of loans.</p> <p>With respect to safeguards related to the objectivity of management's experts, this is accomplished through the use of multiple external sales agents by Bron Capital in order to obtain fair and reasonable sales estimates for each film. The monthly review and discussion process between Bron and the sales agents also helps to ensure the estimates are objective and not biased in the sales agent's favour.</p>

Client Name: **Crystal Wealth Strategic Yield Media Fun F/S** Period End: **31 Dec 15**  
 Document Name: **2\_07 - Use of Experts - Management** Document #: **B.17**

### **Part 2 - Understanding the work of the management's expert**

An understanding of the work of the management's expert includes an understanding of the relevant field of expertise.

<b>FACTORS</b>		<b>EXPLANATION/COMMENT/ REFERENCE TO WORK PERFORMED</b>
1.	Does the expert's field have areas of specialty within it that are relevant to the audit?	Yes - the film industry is disaggregated mainly according to genre (ie. Drama, animated, thriller, etc.). Per discussions with Media House, sales agents are matched with films based on the film's genre.
2.	Do any professional or other standards and regulatory or legal requirements apply?	No.
3.	What assumptions and methods are used by the management's expert?  Are they generally accepted within that expert's field and appropriate for financial reporting purposes?	<p>Bron Capital Partners works closely with various film sales agents around the globe. Sales agent produce sales estimates based on their particular field of expertise (usually segregated by genre and market) and provides this information monthly to Bron Capital.</p> <p>Sales projections are based on the particular film and will vary depending on the producer and cast (certain producers and actors will generate more interest in the film), as well as the films exposure at various film festivals (ie. TIFF) and any awards won.</p> <p>Another impact is the overall state of the global economy, outside of North America. For instance, in Greece, sales are not expected to be high given the economic environment, etc. These macro-economic factors, although difficult to quantify are considered.</p> <p>Bron reviews the sales projections and discuss anomalies with the sales agents. Based on their years of experience in the industry, Bron Capital Partners develop their own expectations of sales projections and inquire with the sales agents where their projections fall outside expectations.</p> <p>Based on the above, BDO concluded that the assumptions and methods used by Bron Capital Partners are generally accepted in that expert's field and appropriate for financial reporting purposes. This was</p>

Client Name: Crystal Wealth Strategic Yield Media Fun F/S Period End: 31 Dec 15  
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FACTORS		EXPLANATION/COMMENT/ REFERENCE TO WORK PERFORMED
		confirmed through our discussions with the auditor's expert that these assumptions and methodologies were reasonable in the circumstances and consistent with valuation methodologies for loans of this kind.
4.	Have we evaluated the agreement between the entity and the management's expert if applicable?	Yes, there is an administration agreement between Bron Capital Partners and the Fund Manager which stipulates the process by which Bron will present loans for sale to the Fund Manager, the general type of loans which will be presented and other conditions to ensure the Fund Manager is not exposed to significant credit risk (ie. Is the producer established or not, etc.)

### Part 3 - Evaluating the appropriateness of the management's expert's work

When designing and performing audit procedures, we shall consider the relevance and reliability of the information to be used as audit evidence:

FACTORS		EXPLANATION/COMMENT/ REFERENCE TO WORK PERFORMED
1.	Have we considered the relevance and reasonableness of that expert's findings or conclusions, their consistency with other audit evidence, and whether they have been appropriately reflected in the financial statements?	BDO had a conference call with representatives from Bron Capital Partners, the Fund Manager, and Michael Cockayne from BDO Valuations to discuss Bron's process for developing the estimates as described above, as well as to evaluate the overall process in determining the sales projections.  Based on the audit team's review of the net present value calculation, an understanding of the inputs / estimates regarding sales projections, and BDO's retrospective review of significant accounting estimates, BDO concluded that the expert's findings have been appropriately reflected in the net present value calculation and appear consistent with other audit evidence.
2.	Have we considered if the expert's work involves use of significant assumptions and methods, the relevance and reasonableness of those assumptions and methods?	Yes, we have understood the assumptions and methods used as described above and they are considered reasonable.

Client Name: **Crystal Wealth Strategic Yield Media Fun** F/S Period End: **31 Dec 15**  
 Document Name: **2\_07 - Use of Experts - Management** Document #: **B.17**

FACTORS	EXPLANATION/COMMENT/ REFERENCE TO WORK PERFORMED
<p>3. Have we considered if the expert's work involves significant use of source data the relevance, completeness, and accuracy of that source data?</p> <p>Have we made inquiries as to the procedures undertaken by the expert to ensure the relevance and reliability of the data?</p>	<p>Yes. As described above, Bron will obtain sales projections data by market for each film from that particular films' sales agent on a Monthly basis. Due to their experience in the industry, Bron is able to develop their own expectations from the sales agents prior to receiving the projections. Where a sales agent provides projections outside of these expectations, Bron will inquire and work the sale agent to develop a reasonable range. This ensures that the sales agents are not biased in their projections.</p> <p>BDO also noted through discussion with Bron, that sales agents are rotated on a regular basis to ensure there are no biases in the projections and to ensure the most relevant estimates are provided.</p> <p>The information / source data was received directly from third party sales agents. In addition, BDO performed a retrospective review of accounting estimates to test the reliability of the inputs / source data. Based on the results of the above, BDO concluded that the completeness and accuracy of the source data appears reasonable.</p>

This is Exhibit "34" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

**Crystal Wealth Media Strategy  
Audit of Estimates - FV of Media Loans**

December 31, 2015

4.90. 1

Prepared by:	SM	Mar-25-16
Detailed Review by:	CM	Mar-26-16
General Review by:		
Engagement Quality		
Control Review by:		

**Updated 11/15**

*This form assists auditors in addressing their responsibilities under CAS540, Auditing Accounting Estimates, including Fair Value Accounting Estimates, and Related Disclosures. It also includes requirements and guidance on misstatements of individual accounting estimates, and indicators of possible management bias. Note, this form should be used in conjunction with the work documented on 2.46/P46, Fraud Checklist.*

**Description of Estimate - Fair Value of Film Production Loans**

---

***Obtain an understanding of management's process for developing this accounting estimate:* (CAS 540.08)**

Obtain an understanding of the following and document in the space provided below:

- requirements of the applicable financial reporting framework relevant to accounting estimates
- how management makes this accounting estimate, and an understanding of the data on which it is based, including the method or model; relevant controls; management's use of an expert; the underlying assumptions; whether there has been or ought to have been a change from the prior period in the methods; and whether and, if so how, management has assessed the effect of estimation uncertainty

**Nature of the estimate:**

Crystal Wealth Media Strategy ("the Fund") purchases loans from Bron Capital Partners (formerly Media House Capital) ("Media House"). The loans are extended to various production companies for use in producing motion files. The loans are interest bearing and have no fixed terms of repayment. Repayment of the loans is dependent on the sales and successful distribution of the underlying films. The Fund has designated its investment in film production loans at fair value through profit or loss. The purchase price of the loans are negotiated between CW and Bron - CW may choose to only purchase a portion of the total production loan or the entire loan - these is done at the face value of the amount the fund wishes to purchase

The key estimate involved in measuring the fair value of the loans includes the probability of collection, which is comprised of the timing and amounts of future cash flows which will be realized on these loans. As described above, the probability of collection is largely impacted by the successful sale and distribution of the underlying films. The degree of subjectivity depends on the status of the film, whether in production, post production, or completed production. Sales and distribution of films in production or post-production are more subjectively estimated as there is greater uncertainty as to their success (ie. depends on factors such as critic reviews, film festival exposure, awards, etc.). Estimates of sales and distribution of films where production is complete is based on more observable inputs as the Fund Manager can use the benefits of hindsight, current sales to date, etc.

**Management's process for developing the estimate:**

The Fund Manager determines the fair value of its investments in film production loans using a net present value calculation with input received from Media House regarding expected future sales of underlying films. If total gross sales are not expected to exceed the value of the loan plus accrued interest, the Fund Manager will reduce the fair

**Crystal Wealth Media Strategy  
Audit of Estimates - FV of Media Loans**

4.90. 1

December 31, 2015

Prepared by: SM Mar-25-16  
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General Review by:  
Engagement Quality  
Control Review by:

---

value of the loan to the amount of expected future cash flows.

**Crystal Wealth Media Strategy  
Audit of Estimates - FV of Media Loans**

December 31, 2015

4.90. 1

Prepared by:	SM	Mar-25-16
Detailed Review by:	CM	Mar-26-16
General Review by:		
Engagement Quality		
Control Review by:		

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***Perform a retrospective review: (CAS 540.09) Jump to 2.46, Fraud Checklist***

Comments on management's estimation process:

BDO performed a retrospective review of the estimates as follows:

BDO summarized all projected 2015 sales from the 2014 projections prepared by the Manager with assistance from Media House.

BDO then calculated the change in principal and accrued interest for each loan between December 31, 2014 and December 31, 2015 to determine the total cash received from the loans during 2015 (Note, a decrease in the principal or interest balance was treated as cash inflow - these amounts were tied to the 2015 SCF for accuracy). We also summarized all cash received subsequent to year end for each loan to determine the total cash received in respect of the loans to our report date.

BDO then compared the 2015 project sales and cash receipts to the actual cash receipts for each loans and noted where the Manager's estimate was higher than actual, which was the majority of cases, and the difference were material. BDO noted that this is largely dependent on timing. The Manager estimates cash flows during a reasonably estimable time period, which is determined to be a maximum of 3 years. Beyond this, it is impracticable to estimate cash flows with any reasonable accuracy.

BDO then examined the Manager's forecasts for 2016 to identify any changes in the Manager's estimates, and noted that for films where production was completed prior to December 31, 2014, the Manager's total projected sales for those films in 2016 decreased from their 2015 projections, indicating that the Manager has revised their estimates downward and has taken past history into account. The Manager's estimates of sales to be received in 1 year decreased dramatically from the 2015 projections, indicating that the Manager is expected a further horizon for sales, which is consistent with actual experience between 2014 and 2015.

Based on a retrospective review, the Manager's estimates of sales has been significantly different than actual, and this appears to be largely due to timing. However, it is noted that the Manager is revising its current estimates to account for this uncertainty, both by reducing the total expected sales as well as increasing the time frame of expected receipts, which indicates that the Manager is incorporating prior experience into its current estimation process to account for this uncertainty.

**Crystal Wealth Media Strategy**  
**Audit of Estimates - FV of Media Loans**

December 31, 2015

4.90. 1

Prepared by:	SM	Mar-25-16
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General Review by:		
Engagement Quality		
Control Review by:		

**Evaluate the degree of estimation uncertainty:**                   High

(CAS 540.10) [ ]

Rationale: Probability of collection is largely based on judgement and assumptions about future sales and distributions of the underlying films. This includes both the gross amount of cash flows to be received, as well as the timing of receipt of the cash flows. These assumptions are based on unobservable inputs as each loan and underlying film is unique (ie. subject matter/genre, target market, producer, actors etc.). The total fair value of the loans is sensitive to changes in these estimates, and this will impact the net present value of the loans if, for instance, a film will not produce adequate sales in order to cover the principal plus accrued interest of the related film production loan. Based on a retrospective review, the estimates have differed from actual by a material amount, which further leads to a high degree of estimation uncertainty.

**Determine the risk of material misstatement:**                   Significant RMM

(CAS 540.11) [ ]

Rationale: Significant RMM as there is a significant degree of subjectivity in the film sales estimates and the impact on fair value of changes in the estimates could be material. Historical estimates have differed from actual by a material amount, which could have a material impact on the estimates going forward.

***Audit response - Perform one or more of the following procedures to address the risk:*** (CAS 540.13-14)

- determine whether subsequent events provide evidence regarding the accounting estimate
- test how management made the accounting estimate including the data on which it is based, the method of measurement and the reasonability of assumptions used
- test the operating effectiveness of relevant controls over the estimate, together with appropriate substantive procedures
- develop a point estimate or a range to evaluate management's point estimate

Do we need an auditor's expert to assist in testing this estimate?                   Y

Make a copy of form BBB.02 / P88, Use of Experts - Auditor, and complete it.                   Done [x]

**Crystal Wealth Media Strategy**  
**Audit of Estimates - FV of Media Loans**  
December 31, 2015

4.90. 1

Prepared by: SM Mar-25-16  
Detailed Review by: CM Mar-26-16  
General Review by:  
Engagement Quality  
Control Review by:

Brief Description of Planned Procedure	Ref to Audit Test(s)
Vouch all subsequent receipts of film production loans up to report date	B.11
Complete use of Management's Expert forms for Media House to assess the reasonableness of Media House's projections	B.16
Complete use of Auditor's Expert forms for Valuations assistance in determining the reasonableness of Media House's assumptions and the Manager's valuation model.	B.17
Develop a range of estimated fair values based on the probability of collection, based on sales projections developed by the Manager.	B.11
Ensure disclosures are in accordance with IFRS13 regarding Level 3 fair value estimates.	B.16

**For Significant RMMs, the following additional procedures are required:**  
(CAS 540.15-17)

- Determine if management has considered alternative assumptions or outcomes, or has otherwise addressed estimation uncertainty. If management has not adequately addressed the effects of estimation uncertainty, develop a range with which to evaluate the reasonableness of the accounting estimate.

*When performing a sensitivity analysis, ensure that you evaluate all key variable assumptions.*

- Assess whether the significant assumptions are reasonable.
- Where relevant, assess management's intent to carry out specific courses of action and its ability to do so.

*For example, if management is planning a shift in business, ensure you assess their ability to execute this strategy.*

- Assess whether the recognition and measurement criteria in the financial reporting framework have been met regarding the estimate.
- Obtain an understanding of the entity's controls, including control activities, over this Significant RMM. Document such controls and cross-reference to them (or state that no controls exist, in which case, you need to report the material weakness to management and those charged with governance (TCWG)).

Brief Description of Planned Procedure	Ref to Audit Test(s)
Develop a range of estimated fair values based on the probability of collection, based on sales projections developed by the Manager.	B.11

**Crystal Wealth Media Strategy**  
**Audit of Estimates - FV of Media Loans**

4.90. 1

December 31, 2015

Prepared by: SM Mar-25-16  
Detailed Review by: CM Mar-26-16  
General Review by:  
Engagement Quality  
Control Review by:

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***Evaluate the disclosures related to the accounting estimate:*** (CAS 540.19 - .20)

Ensure all presentation and disclosure requirements for this estimate been met  
(see relevant F/S Disclosure Checklist for this FSA)

Done [x]

For Significant RMMs, ensure there is adequate disclosure of the estimation uncertainty  
(i.e. consider the need for measurement uncertainty disclosure)

Done [x]

---

***Conclusion: Evaluate the reasonableness of the accounting estimate:*** (CAS 540.18)

***Jump to 2.46, Fraud Checklist to compare final accounting estimates for possible biases.***

Management recorded an accrued loss provision of \$2,237,389 and disclosed a potential change in valuation of (\$3,000,000) in the financial statements in accordance with disclosure requirements for unobservable inputs. As this is consistent with BDO's calculation / estimate of fair value, no possible bias noted.

---

This is Exhibit "35" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

**From:** ["Clayton Smith"](#)  
**To:** ["Steven Thibault" <steven@mediahousecapital.com>](#)  
**CC:** ["Aaron Gilbert" <agilbert@bronstudios.com>](#)  
**Date:** 02/13/2014 12:09:56 PM  
**Subject:** RE: CWSYMF RESULTS TRACKING - Q4 2013

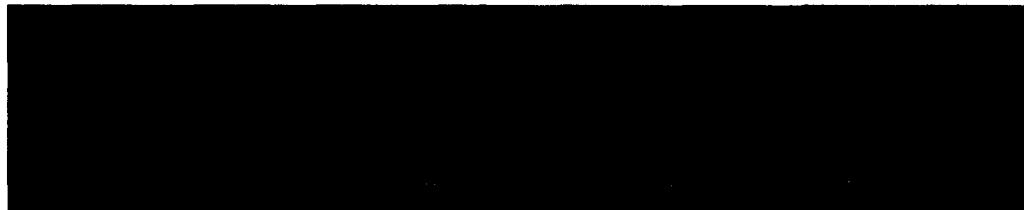
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Thanks, Steven. Could one of you comment on #3 in relation to Silent Night please?

I will play with the spreadsheet and send it back to you to send directly to the auditors so we are all using the same one and so they get it directly from you. I will add some notes to it in relation to your comments.

Thanks,

Clayton Smith  
Chief Executive Officer  
Crystal Wealth  
3385 Harvester Road, Suite 200  
Burlington, ON L7N 3N2  
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C: (905) 517-6172  
F: (905)332-6028  
[www.crystalwealth.com](http://www.crystalwealth.com)



---

**From:** Steven Thibault [mailto:[steven@mediahousecapital.com](mailto:steven@mediahousecapital.com)]  
**Sent:** Monday, February 10, 2014 3:26 PM  
**To:** [claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)  
**Cc:** Aaron Gilbert  
**Subject:** RE: CWSYMF RESULTS TRACKING - Q4 2013

Thanks, answers below in red

Steven Thibault | VP Finance | Media House Capital |  
5542 Short Street Burnaby BC V5J 1L9 Canada |  
604.419.8178 ext 8182 | [steven@mediahousecapital.com](mailto:steven@mediahousecapital.com) | [www.mediahousecapital.com](http://www.mediahousecapital.com) |

**NOTE WE HAVE MOVED:**  
5542 Short Street, Burnaby, BC. V5J 1L9

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---

**From:** Clayton Smith [mailto:[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)]  
**Sent:** Monday, February 10, 2014 11:52 AM  
**To:** Steven Thibault  
**Cc:** Aaron Gilbert  
**Subject:** RE: CWSYMF RESULTS TRACKING - Q4 2013

Thank you, Steven. Great work!

A few questions before this gets sent to the auditors:

1. What does Ancillary mean at the bottom of each page? (ST: This represents sales to airlines & other uses)
2. One of the fund's pre-requisites is to have 2:1 min coverage against low sales estimates yet the following do not have this coverage: (ST: The way we are reporting it, it lumps Pre-sales and Tax Credits into the calculation but it is not supposed to be calculated as part of the 2:1 coverage because those "loans" are 100% covered)
  - a. Foreverland (ST: This was approved after a discussion between you and Aaron – The 800K was to take out 120db and the 195K was an overage – I don't have any details of your conversation – Aaron & Clayton, do you have documentation of your agreement?)
  - b. Lullaby (\$547,732 are pre-sales)
  - c. Electric Slide (\$1,267,619 are pre-sales)

Why is this? Are there figures incorrect or are these loans actually off-side?

3. Based on actual sales to low estimate averages (see cell B4 of each sheet), the auditors are going to jump to the assumption that we're definitely going to lose money on Foreverland and Silent. What can I say to this so they don't write them down? I would say that (ST: We do have some concerns about Foreverland, but we are hopeful that sales at Berlin Festival will give us better information and allow us to make accurate decisions how to handle for accounting purposes. We also have options we are pursuing to acquire the asset out of the fund.)

Clayton Smith  
 Chief Executive Officer  
 Crystal Wealth  
 3385 Harvester Road, Suite 200  
 Burlington, ON L7N 3N2  
 (905)332-4414  
 (905)332-6028  
[www.crystalwealth.com](http://www.crystalwealth.com)

**From:** Steven Thibault [mailto:[steven@mediahousecapital.com](mailto:steven@mediahousecapital.com)]

**Sent:** Monday, February 10, 2014 1:29 PM

**To:** Clayton Smith ([claytons@crystalwealth.com](mailto:claytons@crystalwealth.com))

**Cc:** Aaron Gilbert

**Subject:** CWSYMF RESULTS TRACKING - Q4 2013

Hi Clayton,

So sorry for the delay, please find attached the requested document for your auditors.

Not included in those numbers because the sales were made post December 31, 2013 are the following additional sales:

- 1) Decoding Annie Parker – Has now been closed out (other than the amount that MHC will cover as per your previous emails with Aaron)
- 2) English Teacher - USD\$7,000 sent to your account (Can you confirm that you received this payment the second time?)
- 3) A Single Shot – USD\$450,000 Sony Worldwide
- 4) Silent Night – USD\$110,000 USD for sales in Scandinavia & UK
- 5) Lullaby – USD\$250,000 US sale made to Arc Entertainment
- 6) Electric Slide – All Presales are now being invoiced – expecting \$1,267,619 in Q2
- 7) Elsa & Fred – NOD 1.4M 750 Latin – 250 USD – 200 Japan – Deposits soon with remainder in a few months when deposited
- 8) SOAG – Delivering now – \$1,658,698 plus interest will be invoiced along with any new sales – expecting in Q2.
- 9) Kill Me Three Times – In post-production

All projects are being marketed and sold at Berlin Film Festival (February 6-16). Sales Agents will report all sales within 1 month of the festival and we will report/update this document for your audit purposes.

If you have any questions, please feel free to call me.

Best,

Steven Thibault | VP Finance | Media House Capital |  
 5542 Short Street Burnaby BC V5J 1L9 Canada |  
 604.419-8178 ext 8182 | [steven@mediahousecapital.com](mailto:steven@mediahousecapital.com) | [www.mediahousecapital.com](http://www.mediahousecapital.com) |

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This is Exhibit "36" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

**From:** ["Clayton Smith"](#)  
**To:** ["Margot Hand" < margot@mediahousecapital.com >](#)  
**CC:** ["Steven Thibault" < steven@mediahousecapital.com >](#)  
**Date:** 02/23/2014 6:25:00 AM  
**Subject:** RE: Henchmen - Tax Credit Agreements

---

Hi Margot and Steven,

We have to get the paperwork in order ASAP for the Henchmen advances as the auditors will ask for it and they start Monday. I apologize for dropping the ball on this.

Our Fund can't "lend" money directly. We are only allowed to purchase already existing loans which is the way the paperwork for the other loans works: MHC does the loan, the fund buys it from them.

Henchmen has to be the same.

Could you get Adam to prepare paperwork similar to the other loans but in such a form that allows for multiple advances as we have moved money on several occasions for Henchmen.

We can chat on Monday to get this cleared up.

Thanks,

Clayton Smith  
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  
[www.crystalwealth.com](http://www.crystalwealth.com)



---

**From:** Margot Hand [mailto:[margot@mediahousecapital.com](mailto:margot@mediahousecapital.com)]  
**Sent:** Wednesday, January 15, 2014 2:10 PM  
**To:** Clayton Smith  
**Cc:** Steven Thibault  
**Subject:** Re: Henchmen - Tax Credit Agreements

Hi Clayton,

I never received this back signed. Can you let me know if you have any questions?

Thanks,  
Margot

---

**From:** Margot Hand <[margot@mediahousecapital.com](mailto:margot@mediahousecapital.com)>  
**Date:** Friday, 6 December, 2013 8:11 AM  
**To:** Clayton Smith <[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)>

Cc: Steven Thibault <[steven@mediahousecapital.com](mailto:steven@mediahousecapital.com)>, Aaron Gilbert <[aaron@mediahousecapital.com](mailto:aaron@mediahousecapital.com)>  
**Subject:** Henchmen - Tax Credit Agreements

Hi Clayton,

See attached the draft Henchmen tax credit agreement and promissory note for your review.

Best,  
Margot

Margot Hand | Film Committee Member| MEDIA HOUSE CAPITAL |  
604.419-8178 EXT 2| [margot@mediahousecapital.com](mailto:margot@mediahousecapital.com)|[www.mediahousecapital.com](http://www.mediahousecapital.com) |

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in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

**From:** ["Steven Thibault"](#)  
**To:** ["Clayton Smith" <claytons@crystalwealth.com>](#)  
**BCC:** ["Steven Thibault" <steven@mediahousecapital.com>](#)  
**Date:** 02/12/2015 3:02:48 PM  
**Subject:** Re: Year end summary for auditors

---

Will send to u first

Steven Thibault | VP Finance | Media House Capital |  
5542 Short Street Burnaby BC V5J 1L9 Canada |  
604.419-8178 xt 8182| [steven@mediahousecapital.com](mailto:steven@mediahousecapital.com) |[www.mediaphousecapital.com](http://www.mediaphousecapital.com) |

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On Feb 12, 2015, at 9:44 AM, Clayton Smith <[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)> wrote:

Hi Steven,

If at all possible, could you please email the report to me to do a quick review prior to sending to Selena just so I can catch anything that might jump out at her?

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](http://www.crystalwealth.com)

On Feb 12, 2015, at 1:51 PM, Steven Thibault <[steven@mediahousecapital.com](mailto:steven@mediahousecapital.com)> wrote:

Thanks Selena. Will do!

Steven Thibault | VP Finance | Media House Capital |

5542 Short Street Burnaby BC V5J 1L9 Canada |  
604.419-8178 xt 8182| steven@mediahousecapital.com |www.mediahousecapital.com |

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On Feb 12, 2015, at 8:51 AM, Mastroianni, Selena <[smastroianni@bdo.ca](mailto:smastroianni@bdo.ca)> wrote:

Hi Steven,

If you could please email me the information on Monday, that would be great.

Thank you and have a great weekend,  
Selena

**Selena Mastroianni, MAcc, CPA, CA**  
Senior Accountant  
BDO Canada LLP  
[smastroianni@bdo.ca](mailto:smastroianni@bdo.ca)

3115 Harvester Road  
Suite 400  
Burlington ON L7N 3N8  
Canada  
Tel: 905 639 9500, Ext 3794  
Fax: 905 633 4939  
[www.bdo.ca](http://www.bdo.ca)

Before you print think about the environment

---

**From:** Steven Thibault [<mailto:steven@mediahousecapital.com>]  
**Sent:** Thursday, February 12, 2015 12:01 PM  
**To:** Mastroianni, Selena  
**Subject:** Re: Year end summary for auditors

Hi Selena. I am actually out of the country. Will Monday be okay?

Steven Thibault | VP Finance | Media House Capital |  
5542 Short Street Burnaby BC V5J 1L9 Canada |  
604.419-8178 xt 8182| steven@mediahousecapital.com |www.mediahousecapital.com |

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On Feb 12, 2015, at 6:45 AM, Mastroianni, Selena <[smastroianni@bdo.ca](mailto:smastroianni@bdo.ca)> wrote:

Hi Steven,

If you could please provide a copy of the MHC - CWSYMF Q4 2014 Summary worksheet as in the prior year, it would be greatly appreciated.

I have included the confirmation we received in the prior year for your reference. The working paper I am looking for is included on the Summary tab.

Your prompt reply is greatly appreciated.

Thank you,  
Selena

**Selena Mastroianni, MAcc, CPA, CA**

Senior Accountant

BDO Canada LLP

[smastroianni@bdo.ca](mailto:smastroianni@bdo.ca)

3115 Harvester Road

Suite 400

Burlington ON L7N 3N8

Canada

Tel: 905 639 9500, Ext 3794

Fax: 905 633 4939

[www.bdo.ca](http://www.bdo.ca)

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---

**From:** Steven Thibault [<mailto:steven@mediahousecapital.com>]

**Sent:** Wednesday, February 11, 2015 3:18 PM

**To:** Clayton Smith; Aaron Gilbert

**Cc:** Mastroianni, Selena

**Subject:** RE: Year end summary for auditors

Hello Selena,

My apologies for the delay, please find attached the requested report. Should you have any questions, feel free to reach out and we will answer as quickly as possible.

Very best,

Steven Thibault | VP Finance | Media House Capital |

[5542 Short Street Burnaby BC V5J 1L9 Canada](http://5542 Short Street Burnaby BC V5J 1L9 Canada) |

[604.419-8178](tel:604.419-8178) | [steven@mediahousecapital.com](mailto:steven@mediahousecapital.com) | [www.mediahousecapital.com](http://www.mediahousecapital.com) |

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---

**From:** Clayton Smith [<mailto:claytons@crystalwealth.com>]

**Sent:** February-11-15 3:36 AM

**To:** Steven Thibault; Aaron Gilbert

**Cc:** Selena Mastroianni

**Subject:** Re: Year end summary for auditors

Hi Aaron,

As discussed yesterday on the phone, I didn't realize Steven was off this week.

Could you please see if you or someone else could send the report requested below directly to our auditor?

Thank you,

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](http://www.crystalwealth.com)

On Feb 6, 2015, at 1:02 PM, Clayton Smith <[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)> wrote:

Hi Steven,

Could you please send directly to our auditors ( cc'd above) a report of all media project loans administered by you on behalf of the Crystal Wealth Strategic Yield Media Fund.

Could you please cc me as well.

Thank you,

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

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<Interest income confirmation.xlsx>

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sworn before me, this  
17<sup>th</sup> 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.

**From:** ["Clayton Smith"](#)  
**To:** ["Aaron Gilbert" <agilbert@bronstudios.com>](#)  
**CC:** ["Steven Thibault" <steven@mediahousecapital.com>](#)  
**Date:** 12/30/2015 4:36:02 PM  
**Subject:** Re: Crystal Wealth Media Fund

---

Hey Aaron,

No sweat. I wish he auditors had given me more heads up as well.

We'll gather necessary stuff early January.

Don't worry about it for now. Enjoy the next few days.

Clayton Smith, CAIA  
Chief Executive Officer  
Crystal Wealth  
(P): 905-332-4414  
(C): 905-517-6172

On Dec 30, 2015, at 16:00, Aaron Gilbert <[agilbert@bronstudios.com](mailto:agilbert@bronstudios.com)> wrote:

I wish I got a bit of a heads up from you on what was needed...not in the office and almost impossible to get you what you need with 48 hours notice in the middle of the holidays. Note the text I sent you. I'm working to get you backup and will do asap. Can we have a chat please on some other matters today/tomorrow? Hearing from Dale. Hearing from John.. Let's discuss you and I. I want to make sure you know about what im hearing

Please excuse the crappy spelling and typos. Sent from the iPhone of Aaron L. Gilbert | BRON STUDIOS.

On Dec 30, 2015, at 11:27 AM, Clayton Smith <[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)> wrote:

Hi Aaron,

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.

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

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Begin forwarded message:

**From:** "Jarrett, Scott" <[SJarrett@bdo.ca](mailto:SJarrett@bdo.ca)>  
**To:** 'Clayton Smith' <[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)>  
**Cc:** "Vriend, Mike" <[mvriend@bdo.ca](mailto:mvriend@bdo.ca)>, "Cockayne, Michael" <[MCockayne@bdo.ca](mailto:MCockayne@bdo.ca)>, "Macoretta, Carmen" <[CMacoretta@bdo.ca](mailto:CMacoretta@bdo.ca)>  
**Subject:** RE: Crystal Wealth Media Fund  
**Date:** December 30, 2015 at 1:50:04 PM EST

Clayton:

Thanks for the email and the analysis. When looking at your projections I think that with Foreverland and Electric Slide you are going to have to provide us with significant audit support to back up the Sales projections in order for us not to adjust the loan loss provision on the financial statements.

I am concerned that if the evidence is not provided we are going to have a significant issue for financial statement purposes I am recommending that you make an adjustment of at least \$2m. This would be consistent with our previous analysis.

We can set up a call if you would like to discuss with Mike and I.

Scott

Scott Jarrett, CPA, CA  
Senior Manager  
BDO Canada LLP  
Direct: 905 633 4933  
[sjarrett@bdo.ca](mailto:sjarrett@bdo.ca)

3115 Harvester Road, Suite 400  
Burlington, ON L7N 3N8, Canada  
Tel: 905 639 9500  
Fax: 905 633 4939  
[www.bdo.ca](http://www.bdo.ca)

 Before you print think about the environment

---

**From:** Clayton Smith [mailto:[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)]  
**Sent:** Wednesday, December 30, 2015 10:23 AM  
**To:** Jarrett, Scott <[SJarrett@bdo.ca](mailto:SJarrett@bdo.ca)>  
**Cc:** Vriend, Mike <[mvriend@bdo.ca](mailto:mvriend@bdo.ca)>; Cockayne, Michael <[MCockayne@bdo.ca](mailto:MCockayne@bdo.ca)>; Macoretta, Carmen <[CMacoretta@bdo.ca](mailto:CMacoretta@bdo.ca)>  
**Subject:** Re: Crystal Wealth Media Fund

Hi Scott,

Please see attached for my analysis. You'll see I've changed things slightly to reflect loan balances as of 31 Dec, updated the current loan loss provision accrued, and changed the loan loss estimates to be potential loss overall vs potential loss if only looking at the next 15 months sales expectations.

I'm waiting for Aaron to get back to me with numbers for Foreverland and Electric Slide and I've left Foreverland at the same number as expected for next 15 months and assumed a 10% loss on Electric Slide.

You'll see that our loan loss provision looks pretty reasonable assuming the low potential losses and I believe that is an accurate representation of where we stand as of today.

I'll update the spreadsheet once I get the numbers from Aaron.

Clayton Smith, CAIA  
Chief Executive Officer  
Crystal Wealth  
3385 Harvester Road, Suite 200  
Burlington, ON L7N 3N2  
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sworn before me, this  
17<sup>th</sup> 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.

**From:** "Clayton Smith" <claytons@crystalwealth.com>  
**To:** "Aaron Gilbert" <agilbert@bronstudios.com>  
**CC:** "Pat Murray" <pat@broncapitalpartners.com>  
"Steven Thibault" <steven.thibault@broncapitalpartners.com>  
**Date:** 08/03/2016 9:20:04 AM  
**Subject:** Fwd: Electric Slide  
**Attachments:** image001.jpg  
image002.jpg  
image003.png  
image004.png  
Untitled attachment 00230.htm  
Untitled attachment 00233.htm  
Untitled attachment 00236.htm  
Untitled attachment 00239.htm  
ELECTRIC SLIDE - UNSOLD Territories Estimates - 2016 07 29.pdf  
Untitled attachment 00242.htm

---

Hi Aaron,

Can you please look at the attached and let me know if I'm missing something or not interpreting things correctly. Am I correct in reading this that we can expect to receive just \$548,000USD (approx. \$718,000 CAD) total for the remaining territories but we are owed \$2,619,496 in principal and \$1,785,102 in accrued interest which would mean a total loss of \$3,686,000?

Clayton Smith, CAIA  
Chief Executive Officer  
Crystal Wealth  
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(F) 905-332-6028  
(TF) 877-299-2854

[www.crystalwealth.com](http://www.crystalwealth.com) <<http://www.crystalwealth.com>>

If you no longer wish to receive electronic communications from Crystal Wealth, please reply with UNSUBSCRIBE as the subject.

Begin forwarded message:

From: Kalani Dreimanis <kalani.dreimanis@myriadpictures.com>  
To: "claytons@crystalwealth.com" <claytons@crystalwealth.com>  
Cc: Pat Murray <pmurray@bronstudios.com>, Jill Van Osch <jillv@crystalwealth.com>, Jennifer Jackson <jjscripts@me.com>, Kirk D'Amico <kirk.damico@myriadpictures.com>, Kevin Forester

<kevin.forester@myriadpictures.com>, Lisa Gutberlet <lisa.gutberlet@myriadpictures.com>

Subject: Electric Slide

Date: August 1, 2016 at 3:51:42 PM EDT

Hello Clayton,

Per your conversation with Kirk and Kevin, please see the attached.

Thank you,

Kalani

Kalani Dreimanis

Office of Kirk D'Amico | Myriad Pictures

Tel +1 310 279 4003 | [kalani.dreimanis@myriadpictures.com](mailto:kalani.dreimanis@myriadpictures.com)

11900 West Olympic Blvd., Suite 400 | Los Angeles, CA 90064

[www.myriadpictures.com](http://www.myriadpictures.com) <<http://www.myriadpictures.com>>

<<http://www.myriadpictures.com>> <<https://www.facebook.com/MyriadPictures1>> <<https://twitter.com/MyriadPictures>> <<https://www.linkedin.com/company/myriad-pictures>>

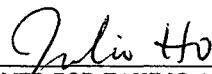


**ELECTRIC SLIDE****MYRIAD<sup>TM</sup>****Director: Tristan Patterson****Cast: Jim Sturgess, Isabel Lucas, Chloe Sevigny, Patricia Arquette****July 29, 2016**

TERRITORY	LOW Jan 2015	REVISED LOW
<b>EUROPE</b>		
Benelux	75,000	15,000
France	175,000	20,000
Germany	180,000	180,000
Italy	125,000	40,000
Spain	100,000	20,000
<b>Sub- Total Europe</b>	<b>655,000</b>	<b>275,000</b>
<b>LATIN AMERICA</b>		
<b>Sub- Total Latin America</b>	<b>215,000</b>	<b>215,000</b>
<b>ASIA</b>		
Hong Kong / Macao	20,000	5,000
India / Pakistan	25,000	5,000
Indonesia	20,000	5,000
Japan	100,000	30,000
Malaysia	20,000	5,000
Philippines	15,000	5,000
Singapore	3,000	3,000
<b>Sub-Total Asia</b>	<b>203,000</b>	<b>58,000</b>
<b>TOTAL WORLDWIDE</b>	<b>1,073,000</b>	<b>548,000</b>

THESE ESTIMATES HAVE BEEN PREPARED BY MYRIAD PICTURES WITH REFERENCE TO THE FACTS AND CIRCUMSTANCES KNOWN AT THE PRESENT DATE. NO REPRESENTATION, WARRANTY OR GUARANTEE IS EXPRESSED OR IMPLIED AND MYRIAD SHALL HAVE NO LIABILITY IN RESPECT OF THE SAME. THESE PROJECTIONS ARE STRICTLY CONFIDENTIAL AND, WITHOUT THE PRIOR WRITTEN CONSENT OF MYRIAD PICTURES, MAY NOT BE DISCLOSED TO ANY OTHER PERSON OR ENTITY BY THE PARTY TO WHOM THEY ARE FURNISHED.

This is Exhibit "40" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

**From:** "Clayton Smith" <claytons@crystalwealth.com>  
**To:** "Aaron Gilbert" <agilbert@bronstudios.com>  
"Steven Thibault" <steven.thibault@bronstudios.com>  
**CC:** "Pat Murray" <pat@broncapitalpartners.com>  
"Jill Van Osch" <jillv@crystalwealth.com>  
"Jennifer Jackson" <jscripts@me.com>  
"Chrissie Vides" <chrissie.vides@mediahousecapital-com.sherweb2010.com>  
**Date:** 08/09/2016 2:09:31 PM  
**Subject:** Sales Agent Conversations

---

Hi Aaron, Steven and Pat,

Thank you for arranging the conversations we've had thus far. I have to admit I wish the reports and expectations from the sales agents were more positive and optimistic and it looks like we'll have to write down a significant amount of our earlier loans.

The conversations have been eye-opening for sure and I have a much better understanding of how the film markets have changed, negatively, during the past few years. There are several remaining action items as well as a couple follow ups from completed calls and I've summarized them below as well as who I see as being responsible for their completion.

Silent Night - Updated sales estimate for remaining territories from Jim Siebel at Lotus (Jill)

Supremacy - Updated sales estimate for remaining territories from Brian O'Shea at The Exchange (Pat - Brian mentioned he'd rather send those through you than direct to me)

Childhood of a Leader - Updated sales estimate for remaining territories from Mike Goodridge at Protagonist (Jill)

Set up a call with West End regarding Foreverland, Lullaby, Elsa and Fred, Miss Julie (Jill and Jennifer)

Havana - Investigation into Tax Credit Receipt - more to come or error in collections as still some amount outstanding (Steven - from our meeting in Bron offices last month)

Set up calls with the sales agents for the following movies (I don't have the names of the sales agents) (Jill and Jennifer):

The English Teacher

Ginger and Rosa

A Single Shot

Son of a Gun

By Way of Helena (Duel)

Phenom

Updated tracking information for all films from Collection Account Reports to see sales completed but not yet collected (Steven)

Set up a call for Aaron, Steven and Clayton to discuss strategies for the fund going forward to generate surplus revenue to cover the unexpected losses that seem to be mounting (Jill and Chrissie)

For those of you identified above as having actionable items, please acknowledge receipt and/or let me know if you feel someone else should be responsible for the item(s).

Thank you,

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 <http://www.crystalwealth.com/>](http://www.crystalwealth.com)

If you no longer wish to receive electronic communications from Crystal Wealth, please reply with UNSUBSCRIBE as the subject.

This is Exhibit "41" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

**From:** ["Clayton Smith" <claytons@crystalwealth.com>](mailto:claytons@crystalwealth.com)  
**To:** ["Aaron Gilbert" <agilbert@bronstudios.com>](mailto:agilbert@bronstudios.com)  
**Date:** 11/17/2016 3:35:41 PM  
**Subject:** Fwd: AFM Meeting Notes  
**Attachments:** AFM'16 - CW Meeting Notes.docx  
Untitled attachment 00152.htm

---

Clayton Smith, CAIA  
Chief Executive Officer  
Crystal Wealth  
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(F) 905-332-6028  
(TF) 877-299-2854

[www.crystalwealth.com <http://www.crystalwealth.com/>](http://www.crystalwealth.com)

WE ARE MOVING! As of November 21, 2016, our new head office address will be 192 Plains Rd. E.,  
Burlington, ON L7T 2C3. Please update your records accordingly.

If you no longer wish to receive electronic communications from Crystal Wealth, please reply with  
UNSUBSCRIBE as the subject.

Begin forwarded message:

**From:** Paco Alvarez <paco@forwardmotionent.com>  
**Subject:** AFM Meeting Notes  
**Date:** November 14, 2016 at 2:00:38 PM PST  
**To:** Clayton Smith <claytons@crystalwealth.com>, Jill Van Osch <jillv@crystalwealth.com>

Hi Clayton and Jill,  
Attached please find my notes from our meetings at AFM. With every meeting, there is the inclusion of the "next step", the follow up. The notes are broken into three sections: 1) Meetings With Sales Companies That Have Outstanding Loans, 2) CAM,  
3) New Companies. They are ordered in the order that we met them as per our schedule.

If you would like any changes and/or additions, please advise.

Thanks,  
Paco.

---

Paco Alvarez

Forward Motion  
Toronto, Canada  
416.454.9077



## AFM 2016 / Crystal Wealth Media Strategy Meetings – Meeting Notes

Saturday, November 05, 2016

### Myriad Pictures (USA)

Met with: Kirk D'Amico – President/CEO, Sales  
 Kevin Forester - CFO  
 Titles: *Electric Slide, The English Teacher*

Re: *English Teacher*

- Previous sales agent Inferno, now known as, Lotus
- Pat at Media House Capital approached Myriad for help selling the movie
- Producers or Pat (wasn't clear) wanted to hold back certain territories that they gave to Red Sea Media
- Myriad sold some territories, Japan only remaining major territory

Re: *Electric Slide*

- Myriad was involved with setting up financing through pre-sales, tax credits and gap
- UTA had US sales rights and sold to Osiris Entertainment / Paragon Pictures (a subdivision of Osiris)
  - Deal was for a \$500,000 MG, but only paid \$250,000. Movie didn't perform, according to Kirk, nobody wants it.
  - They flipped it to Screen Media Films
  - Kirk is thinking about instigating a US audit, cost approx. \$15,000
- Myriad is following up on receivables from Swen for the Pan-Latin deal
- Canadian Distributor: Pacific North Western (company owned by Kirk and his wife)

Next Step: Agreed to follow up 2 – 3 weeks after the market.

### Conquistador (USA)

Met with: Pascal Borno, President, Sales  
 Title: *The Phenom*

- 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. See below.
  - Pascal deferred half his commission
- US Distributor: RLJ Entertainment,
  - Deal: \$975,000 or \$1 mil. (Pascal wasn't sure), RLJ paying in installments,
  - Pat should know terms of the deal
  - Pascal also sent email contact for Gregory Shockro (Exec. Producer on the movie) who should also know the details of the RLJ deal
- Pascal did \$600,000 in pre-sales (AFM 2014) and applied to financing
- Total deals: \$1.6 mil.,
  - \*\*\* Pascal claims there are no more deals to be had

Conquistador continued /

- Movie screened AFM 2015, Pascal claims buyers walked out
  - Pascal claims movie is unwatchable, Director was extremely difficult, Producer

**AFM 2016 / Crystal Wealth Media Strategy Meetings – Meeting Notes**

was green, and the movie was delivered late

\*\*\* Repayment: The outstanding loan is \$1,347,000 and the pre-sales went towards the financing of the movie, the RLJ deal is not sufficient – will cover this with Pascal.

**Next step:** Agreed to follow up 2 – 3 weeks after the market.

Note: Pascal also looking for equity on a Belgium picture. I will review package, but off the top doesn't sound like an attractive deal, specially the equity part.

**Fortitude International (USA)**

Meeting: Nadine De Barros – Co-Founder, Sales  
Title: *Vincent-N-Ray*

- Nadine claims, "the deals will slowly but surely come in."
  - US Distribution: No deal yet, but Nadine expects a revenue share deal with Vertical Entertainment (Rich Goldberg's company)
    - WME has US sales rights
  - Pan Latin: CDC (\$100,000), sold after TIFF'16
  - UK: Without mentioning which distributor, there seems to be a company that is interested in making a revenue share deal, 50/50
- The movie was delivered late, a 2 hour version that was too long. There has since been a re-cut creating a 96 minute version.
  - In Cannes they screened the long version.
    - As Nadine says, "the damage is already done." This was before the re-cut.
    - The 2 hour version killed festival entries
    - She feels the producer did not fulfill his role and be more aggressive with the director

**Next step:** - Nadine said after AFM she would issue a report and include us to receive.

- Agreed to follow up 2 – 3 weeks after the market.

**The Exchange (USA)**

Met With: Brian O'Shea - CEO  
Title: *Supremacy*

- The sales value of the takes totaled, \$900,000 (of the \$900k, \$415k has been sold with a remaining value of \$485k).
  - Available territories: most of Eastern Europe, some of Asia, Spain, Italy, Portugal
- Exchange Continued /

- Brian feels it is a good movie, but getting old
- Brian proposed packaging the movie with a bigger movie but would expect us to



### **AFM 2016 / Crystal Wealth Media Strategy Meetings – Meeting Notes**

- *By Way of Helena*: Pretty much sold out, no longer on their Avails list.
  - Netflix bought all remaining territories
  - There will be future tv/vod sales
  - Not a theatrical movie
  - Maya thinks Media House Capital will be repaid in full

- Next Step:** - Follow up with Maya 2 – 3 weeks after AFM to get availabilities and projections on *Miss Julie*, *Lullaby* and *Elsa & Fred*.
- Find who is representing *Foreverland*
  - Review the sales agency agreement to correctly understand how the deal was structured with Media House.

### **Lotus Entertainment (USA)**

Met with: Bill Johnson – Co-Chairman,  
 Titles: *Silent Night*, *Single Shot*

- According to Bill, neither of the movies are very good.
- *Single Shot* has potential for generating sales
- *Silent Night*, Bill would consider to recut the gore for vod sales
  - Note: I'm sure he would expect Media House to pay for the recut
- He proposed packaging the movies with a bigger movie but would expect us to participate in the financing of the bigger movie
- As a note: Bill claims Lotus has an investment group that backs them, and claims they are getting their money at 8 – 8.5% through Ingenious.

**Next Step – we agreed to follow up after the market**

### **Protagonist Pictures (UK)**

Meeting: Mike Goodridge – CEO  
 Dimitra Tsingou - COO  
 Title: *Childhood of a Leader*

- Has done \$500k in sales, Mike feels there is more business down the road
  - US represented by WME, IFC is US distributor
  - Metrodome, the UK distributor, went into administration days before the movie's release.
    - Movie was then flipped to Soda Pictures
- Rest of the territories haven't responded to the movie, specially France
  - France and German market taking a hit because of the decline of tv
  - Art House is getting harder to sell
- Trying to get digital deals, \$5 – 10k range
- Mike was very blatant that it was a terrible experience dealing with the producer and director.
  - They delivered the movie 8 months late
  - Movie was shot in Hungary, not bonded, went \$600k over budget
  - Chris Cohen, the producer, immediately went onto the Bron movie, *Special Correspondents* (Ricky Gervais) and was not focusing on finishing *Childhood of a Leader*
- Mike believes the director's next movie, *Vox Lux* (Roony Mara, Jude Law), should increase the value of *Childhood of a Leader*

**AFM 2016 / Crystal Wealth Media Strategy Meetings – Meeting Notes**

- However, the movies doesn't get released until 2018

**Next Step – Follow up 2 – 3 weeks after AFM with Dimitra****Altitude Films Entertainment (UK)**

Met with: Andy Mayson – Co-CEO, Production  
Title: *Son of a Gun*

- Not many available territories
- Andy suggests we talk to Pat, he doesn't think all receivables have been collected
- Aaron thinks we are getting final payments
- When we discussed financing, Clayton thought about the possibility of creating an equity fund that from the start addresses to investors the high risk nature and the potential yield

**Next Step:** - Follow up with Andy 2 – 3 weeks after AFM, determine available territories and projections.

- Look into outstanding balance of loan

**Hanway Films (UK)**

No Meeting: Gabrielle Stewart – Managing Director, Sales  
Title: *Ginger & Rosa*

- Gabrielle suggested we arrange a call for after AFM

**Next Step:** - Arrange a call

**AFM 2016 / Crystal Wealth Media Strategy Meetings – Meeting Notes****Meetings with Collection Agencies – Saturday, November 05, 2016****Freeway Entertainment**

Met with: Martijn Meerstadt – Managing Director

- Website we can log into to track sales and collections
  - \*\*\* Need a letter from Media House Capital assigning us approval to access our account
- Freeway only tracks the principle of the loan unless notified of the interest
  - Review CAM agreement if there is language about interest
- Freeway does not stop paying out receivables until notified by financing company
  - Freeway pays out within 2 – 3 day of receiving funds, but first sends out notification in the event of any issues.
- Freeway offers a tracking and audit service.
  - Audit can be useful for tracking overages
    - The general assessment is free and then Charge 300 euros/hour for the audit

Next step: Getting a letter from Media House Capital assigning us approval to access our account on Freeway's website

**Fintage House**Met with:  
Robbert Aarts – Co-CEO  
Maarten Melchior – International Consultant (lives in Pickering, Ont.)  
- Maarten handle day to day of CAM and is our contact

- Website we can log into to track sales and collections
  - \*\*\* Need a letter from Media House Capital assigning us approval to access our account
- Fintage stops paying out when we, the financier, tell them to stop
  - It is the financier's responsibility to notify Fintage of outstanding amounts.
- Fintage can provide us with distribution/sales contracts and sales agent's reports

### **AFM 2016 / Crystal Wealth Media Strategy Meetings – Meeting Notes**

- Fintage can also provide us references on sales companies and their reporting practices
- Guilds (SAG, WGA, DGA) get 9.8% of sales off the top

**Next step:** Getting a letter from Media House Capital assigning us approval to access our account on Fintage's website

### **Meetings with New Sales Companies**

#### **Electric Entertainment (USA)**

Met With: Nolan Pielak – SVP Int'l Distribution & Co-Productions  
Jeff Gonzales – CFO

- Dean Devlin's company (big time producer & director)
  - Fully integrated: movies & tv: develop, produce, finance, US distribution, int'l sales, studio in Oregon, visual effects
  - Dean Devlin one of the founders of Voltage
- Not keen on gap because of the cost of money, but will consider. They are mainly looking for equity investors.

**Next Step:** They will keep us in the loop on projects. Have 3 movies in development

#### **Content Film (UK)**

Met with: Jamie Carmichael - President of Film

- 35 employees in the UK, 15 in the US.
  - Taking ownership of production companies.
  - Produce/Represent 15 new movies per year.
  - Focusing on \$15 – 20 mil. budget range
  - Launching a slate of \$20 – 30 mil. action movies
- Content has 4 – 5 financing entities they generally approach
- Jamie interested in reviewing any of our movies that we are looking to change sales agent.
  - Will first give us an assessment with realistic expectations

**Next Step:** - Follow up in 4 – 5 weeks when Content will have financing plans for their next slate of movies.

#### **Highland Film Group (USA)**

Met with: Arianne Fraser – CEO

- Company is 7 years old, Arianne partnered with Delphine Perrier (COO) 5 years ago
- Produce 3 movies a year that they finance in the \$10 – 15 mil. budget range
  - Primarily do pre-sales (min. 60% of budget)
  - Banking with Ingenious
  - They are getting bridge and mezzanine at 6%
  - Finance movies on tax credits, pre-sales/discounting, and gap

**AFM 2016 / Crystal Wealth Media Strategy Meetings – Meeting Notes**

- They get 5 – 6 movies a year from Emmett/Furla
- Henry Winterstern is a silent partner

**Next Step:** Stay in touch and determine how we can work a deal

**GFM Films (UK)**

Met with: Kimberly Feguson – Business Affairs, Production  
Edoardo (Edo) Bussi – VP Int'l Sales

- Use a lot of subsidy funding
- Looking for GAP
  - Clayton quoted 13%, first out.

**Next Step:** Keep abreast of what they are producing

**Foresight Unlimited (US)**

Met with: Mark Damon – Chairman & CEO

- Producing & Financing big budget movies
  - 4 – 6 movies a year
- Mark claims to not need gap, finances through bank
  - Note: at his sales office he was asking us for equity on a movie.

**Next Step:** Keep abreast of what they are producing



Name of Film	Outstanding Principal (as at 16 Dec 16)	Outstanding Interest (as at 16 Dec 16)	Fair Value Analysis and Adjustments	Total Payments Received (up to 16 Dec 16)	Date	Amount	Profit Participation Payments
			There have been no fair value adjustments made to the Media Loans other than as indicated below at the interim and annual periods for the Media Fund. Any fair value adjustment estimate resulting from uncertainty over the recoverability of a particular loan or its ability to pay was dealt with by ensuring that the general loan loss provision accrual at the time was sufficient to cover all potential losses on the Media Loans.				
Dec 31, 2015. Estimated potential loss of \$826,907.35 based on estimated remaining territory sales. Loss fully covered by loan loss provision of \$2,253,113.							
FOREVERLAND (Converted to Pref Share 17 March 15)	\$1,634,820 (Value of Preferred Share)						
GINGER AND ROSA (THE BOMB)	\$ 182,570.11	\$ 252,280.77		\$ 950,515.29	15-Apr-13	\$ 711,986.48	None
					23-Aug-13	\$ 68,918.20	
					27-Aug-13	\$ 47,545.86	
					23-Oct-13	\$ 81,221.18	
					26-Oct-13	\$ 734.59	
					25-Nov-13	\$ 9,226.89	
					05-Mar-14	\$ 24,842.42	
					30-May-14	\$ 2,383.20	
					19-Nov-15	\$ 3,656.47	
SINGLE SHOT	\$ 2,215,854.56	\$ 1,602,610.11	Dec 31, 2015. Estimated potential loss of \$73,164.28 based on estimated remaining territory sales. Loss fully covered by loan loss provision of \$2,253,113.	\$ 960,289.39	30-Apr-12	\$ 13,813.00	None
					07-Oct-13	\$ 200,000.00	
					22-Oct-13	\$ 450,514.27	
					05-Mar-14	\$ 3,008.83	
					03-Nov-14	\$ 32,662.70	
SILENT NIGHT	\$ 1,000,000.00	\$ 955,859.96	Dec 31, 2015. Estimated potential loss of \$1,951.95 based on estimated remaining territory sales. Loss fully covered by loan loss provision of \$2,253,113.	\$ 172,274.14	18-Nov-14	\$ 18,235.16	None
					24-Feb-15	\$ 137,700.92	
LUULLABY	\$ 2,488,133.74	\$ 2,025,608.44	Dec 31, 2015. Estimated potential loss of \$141,124.29 based on estimated remaining territory sales. Loss fully covered by loan loss provision of \$2,253,113.	\$ 511,648.36	27-Oct-14	\$ 361,476.81	None





DECODING ANNIE PARKER	\$ -	None	\$ 384,009.17	21-May-13	\$ 310,000.00	None
PINKERTON'S	\$ -	None	\$ 1,375,000.00	10-Nov-14	\$ 1,375,000.00	None
				13-Mar-14	\$ 1,646.11	
				05-Dec-14	\$ 20,160.53	

This is Exhibit "42" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

**Weekly NAV Per Unit of the Media Fund**  
**September 9, 2011 to March 11, 2017**

\*Per Morningstar, an independent investment research provider

Dates	Crystal Wealth Media Strategy - series A	Crystal Wealth Media Strategy - series F
10/09/2011	10.00	
17/09/2011	10.00	
24/09/2011	10.00	
01/10/2011	10.00	
08/10/2011	10.00	
15/10/2011	10.00	
22/10/2011	10.01	
29/10/2011	10.00	
05/11/2011	10.11	
26/11/2011	10.00	
03/12/2011	10.00	
10/12/2011	10.00	
17/12/2011	10.00	
24/12/2011	10.02	
31/12/2011	10.00	
07/01/2012	10.01	
14/01/2012	10.03	
21/01/2012	10.04	
28/01/2012	10.03	
04/02/2012	10.14	
11/02/2012	10.14	
18/02/2012	10.15	
25/02/2012	10.04	
03/03/2012	10.06	
10/03/2012	10.08	
17/03/2012	10.16	
24/03/2012	10.17	
31/03/2012	10.02	
07/04/2012	10.03	
14/04/2012	10.05	
21/04/2012	10.07	
28/04/2012	10.07	
05/05/2012	10.08	
12/05/2012	10.10	
19/05/2012	10.12	
26/05/2012	10.04	

02/06/2012	10.05
09/06/2012	10.07
16/06/2012	10.08
23/06/2012	10.08
30/06/2012	10.06
07/07/2012	10.08
14/07/2012	10.09
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18/08/2012	10.12
25/08/2012	10.15
01/09/2012	10.06
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22/09/2012	10.10
29/09/2012	10.06
06/10/2012	10.08
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01/12/2012	10.07
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15/12/2012	10.10
22/12/2012	10.11
29/12/2012	10.07
05/01/2013	10.08
12/01/2013	10.10
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26/01/2013	10.07
02/02/2013	10.08
09/02/2013	10.09
16/02/2013	10.11
23/02/2013	10.07
02/03/2013	10.09
09/03/2013	10.11
16/03/2013	10.12
23/03/2013	10.14

30/03/2013	10.07	
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20/04/2013	10.12	
27/04/2013	10.07	
04/05/2013	10.09	
11/05/2013	10.10	
18/05/2013	10.12	
25/05/2013	10.13	
01/06/2013	10.07	
08/06/2013	10.09	
15/06/2013	10.10	
22/06/2013	10.12	
29/06/2013	10.07	
06/07/2013	10.10	
13/07/2013	10.12	
20/07/2013	10.14	
27/07/2013	10.07	
03/08/2013	10.08	
10/08/2013	10.11	
17/08/2013	10.12	
24/08/2013	10.15	
31/08/2013	10.07	
07/09/2013	10.09	
14/09/2013	10.11	
21/09/2013	10.13	
28/09/2013	10.07	
05/10/2013	10.10	
12/10/2013	10.12	
19/10/2013	10.14	
26/10/2013	10.07	
02/11/2013	10.09	
09/11/2013	10.12	
16/11/2013	10.13	
23/11/2013	10.16	
30/11/2013	10.07	
07/12/2013	10.10	
14/12/2013	10.12	
21/12/2013	10.14	
28/12/2013	10.16	
04/01/2014	10.09	
11/01/2014	10.11	
18/01/2014	10.13	

25/01/2014	10.15	
01/02/2014	10.08	
08/02/2014	10.09	
15/02/2014	10.12	
22/02/2014	10.13	
01/03/2014	10.08	
08/03/2014	10.10	
15/03/2014	10.12	
22/03/2014	10.14	
29/03/2014	10.08	
05/04/2014	10.10	
12/04/2014	10.12	
19/04/2014	10.14	
26/04/2014	10.08	
03/05/2014	10.10	
10/05/2014	10.12	
17/05/2014	10.15	
24/05/2014	10.17	
31/05/2014	10.08	
07/06/2014	10.10	
14/06/2014	10.13	
21/06/2014	10.15	
28/06/2014	10.08	
05/07/2014	10.11	
12/07/2014	10.13	
19/07/2014	10.15	
26/07/2014	10.09	
02/08/2014	10.11	
09/08/2014	10.13	
16/08/2014	10.15	
23/08/2014	10.17	
30/08/2014	10.10	
06/09/2014	10.13	
13/09/2014	10.16	
20/09/2014	10.18	
27/09/2014	10.10	
04/10/2014	10.14	
11/10/2014	10.16	
18/10/2014	10.20	
25/10/2014	10.23	
01/11/2014	10.10	
08/11/2014	10.11	
15/11/2014	10.13	

22/11/2014	10.15
29/11/2014	10.10
06/12/2014	10.13
13/12/2014	10.15
20/12/2014	10.17
27/12/2014	10.19
03/01/2015	10.11
10/01/2015	10.13
17/01/2015	10.15
24/01/2015	10.18
31/01/2015	10.10
07/02/2015	10.12
14/02/2015	10.14
21/02/2015	10.16
28/02/2015	10.10
07/03/2015	10.12
14/03/2015	10.15
21/03/2015	10.16
28/03/2015	10.10
04/04/2015	10.12
11/04/2015	10.13
18/04/2015	10.15
25/04/2015	10.10
02/05/2015	10.12
09/05/2015	10.13
16/05/2015	10.15
23/05/2015	10.17
30/05/2015	10.10
06/06/2015	10.12
13/06/2015	10.14
20/06/2015	10.15
27/06/2015	10.10
04/07/2015	10.12
11/07/2015	10.13
18/07/2015	10.15
25/07/2015	10.17
01/08/2015	10.10
08/08/2015	10.12
15/08/2015	10.14
22/08/2015	10.16
29/08/2015	10.12
05/09/2015	10.14
12/09/2015	10.15

19/09/2015	10.17
26/09/2015	10.11
03/10/2015	10.12
10/10/2015	10.14
17/10/2015	10.16
24/10/2015	10.17
31/10/2015	10.11
07/11/2015	10.12
14/11/2015	10.14
21/11/2015	10.16
28/11/2015	10.11
05/12/2015	10.12
12/12/2015	10.15
19/12/2015	10.17
26/12/2015	10.19
02/01/2016	10.12
09/01/2016	10.13
16/01/2016	10.17
23/01/2016	10.18
30/01/2016	10.11
06/02/2016	10.12
13/02/2016	10.13
20/02/2016	10.14
27/02/2016	10.15
05/03/2016	10.16
12/03/2016	10.18
19/03/2016	10.19
26/03/2016	10.13
02/04/2016	10.16
09/04/2016	10.18
16/04/2016	10.20
23/04/2016	10.23
30/04/2016	10.20
07/05/2016	10.22
14/05/2016	10.25
21/05/2016	10.26
28/05/2016	10.15
04/06/2016	10.17
11/06/2016	10.19
18/06/2016	10.21
25/06/2016	10.23
02/07/2016	10.09
09/07/2016	10.11

16/07/2016	10.13	
23/07/2016	10.15	
30/07/2016	10.07	
06/08/2016	10.08	
13/08/2016	10.09	
20/08/2016	10.11	
27/08/2016	10.10	
03/09/2016	10.11	
10/09/2016	10.13	10.00
17/09/2016	10.15	10.02
24/09/2016	10.17	10.04
01/10/2016	10.10	10.02
08/10/2016	10.12	10.04
15/10/2016	10.13	10.06
22/10/2016	10.15	10.08
29/10/2016	10.08	10.01
05/11/2016	10.09	10.03
12/11/2016	10.11	10.05
19/11/2016	10.13	10.06
26/11/2016	10.07	10.01
03/12/2016	10.09	10.03
10/12/2016	10.10	10.05
17/12/2016	10.12	10.07
24/12/2016	10.14	10.09
31/12/2016	10.11	10.07
07/01/2017	10.12	10.08
14/01/2017	10.14	10.10
21/01/2017	10.16	10.11
28/01/2017	10.13	10.09
04/02/2017	10.14	10.11
11/02/2017	10.16	10.13
18/02/2017	10.18	10.15
25/02/2017	10.09	10.06
04/03/2017	10.12	10.09
11/03/2017	10.14	10.11

This is Exhibit "43" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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

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  
LTD.

SECTION 13  
\*\*\*\*\*  
CONFIDENTIAL  
\*\*\*\*\*

PURPOSE: CONTINUED COMPELLED INTERVIEW OF CARMEN  
MACORETTA

HELD ON: Wednesday, April 12, 2017, 9:33 a.m.

HELD AT: Ontario Securities Commission  
20 Queen Street West  
8th floor  
Toronto, Ontario

APPEARANCES:

Marcel Tillie

Jason Tan                          For Staff of the Commission

Nigel Campbell                          For Mr. Macoretta

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(613) 564-2727	(416) 861-8720

**CONTINUED COMPELLED INTERVIEW OF CARMEN MACORETTA**

CONFIDENTIAL  
April 12, 2017

1 with projections or analysis or assumptions that  
2 he's then using to develop his fair value  
3 estimates.

4 1405 Q. Okay. Now, we understand  
5 Crystal Wealth and the funds were all required to  
6 either file or deliver their financial statements  
7 by March 31, 2017. That's not occurred?

8 A. Not for all of them.

9 1406 Q. Have they filed or  
10 delivered any of the financial statements prior to  
11 March 31st?

12 A. Prior to March 31? No.

13 1407 Q. So they were in default  
14 as of that date?

15 A. That's right.

Q. Okay. And we understand

17 the reason why those financial statements were not  
18 filed is BDO was unable to complete their audits  
19 prior to March 31st?

20 A. That's right.

21 1409 Q. I'm going to enter as  
22 Exhibit 18 a copy of the summons I served through  
23 your counsel prior to today.

24 EXHIBIT NO. 18: Summons  
25 BY MR. TILLIE:

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CONTINUED COMPELLED INTERVIEW OF CARMEN MACORETTA

CONFIDENTIAL  
April 12, 2017

1 1410 Q. Have you previously seen  
2 this?

3 A. Yes.

4 1411 Q. Okay. I'm just entering  
5 it for the record, basically.

6 In there we're asking for  
7 copies of the outstanding list as at March 31st or  
8 thereabouts, any updates to the outstanding list,  
9 and various e-mail correspondence and notes to  
10 meetings.

11 Do you have any questions about  
12 the content or the request that asks in this  
13 letter?

14 A. No.

15 1412 Q. No? Okay. Just to  
16 follow up on the prior comment. The financial  
17 statements that were actually completed, those are  
18 -- or not complete -- it's everything other than  
19 three funds?

20 A. That's right.

21 1413 Q. Okay. And which funds  
22 were those that were completed? The audits were  
23 completed?

24 A. The three funds that were  
25 completed were Crystal Enlightened Resource

CONTINUED COMPELLED INTERVIEW OF CARMEN MACORETTA

CONFIDENTIAL  
April 12, 2017

1           Precious Metals fund; the Absolute Sustainable  
2           Dividend fund; and the Crystal Wealth Conscious  
3           Capital Strategy.

4   1414                                 Q.   It wasn't actually  
5   intended to be a memory test because I have your  
6   outstanding list, here, but I just wanted that on  
7   the record.

8   In response to the summons that  
9   you have in front of you, you sent in through your  
10    counsel a document entitled "Outstanding Items  
11    List April 7, 2017." I'm going to enter that as  
12    Exhibit 19.

13   EXHIBIT NO. 19:

14   Outstanding Items List  
15   April 7, 2017

16   MR. TILLIE: Nigel, do you  
17   want a copy?

18   MR. CAMPBELL: Thank you.

19   BY MR. TILLIE:

20   1415                                     Q. Now, we also received a  
21   production through your counsel of various e-mails  
22   last night. We've had a chance to look at some of  
23   those e-mails so far and related documents. I'll  
24   have questions on a couple of those documents, but  
25   not too many of those as of yet.

This is Exhibit "44" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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 (CW) Funds**  
**Outstanding Items List - April 7, 2017**

**ACM Income Fund**

*Outstanding Items Requested from Client*

#	Item description
1.	Disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Media Fund if adjustments to the NAV of CW Media Fund
2.	Some audit work remains that could result in additional requests

*Outstanding Work by BDO*

#	Item description
1.	Audit of disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Media Fund if adjustments to the NAV of CW Media Fund is required
2.	Update January 9, 2017 legal inquiry response letter received from Borden Ladner Gervais ("BLG") to the audit report date to confirm that no claims are outstanding at our audit report date
3.	Depending on responses from the client/audit evidence received, additional procedures may be required

**ACM Growth Fund**

*Outstanding Items Requested from Client*

#	Item description
1.	Disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Media Fund if adjustments to the NAV of CW Media Fund is required
2.	Some audit work remains that could result in additional requests

*Outstanding Work by BDO*

#	Item description
1.	Audit of disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Media Fund if adjustments to the NAV of CW Media Fund is required
2.	Update January 9, 2017 legal inquiry response letter received from BLG to the audit report date to confirm that no claims are outstanding at our audit report date
3.	Depending on responses from the client/audit evidence received, additional procedures may be required

**Crystal Enlightened Resource and Precious Metals Fund**

Audit report issued.

**Crystal Wealth Conscious Capital Strategy**

Audit report issued.

**Absolute Sustainable Dividend Fund**

Audit report issued.

**Crystal Enlightened Bullion Fund***Outstanding Items Requested from Client*

#	Item description
1.	Signed management representation letter updated for additional \$6,000 included on the schedule of likely aggregate misstatements relating to unrecorded Fund set-up costs paid for by the Fund Manager and recoverable from Fund
2.	Explanation and audit evidence supporting why actual operating expenses charged to the fund are in excess of the allocation calculated based on NAV of the Fund by \$12,788 ( <i>note: some documentation has been received recently. However, its sufficiency has not yet been evaluated by the engagement team</i> )
3.	Some audit work remains that could result in additional requests

*Outstanding Work by BDO*

#	Item description
1.	Update January 9, 2017 legal inquiry response letter received from BLG to the audit report date to confirm that no claims are outstanding at our audit report date
2.	BDO Financial Advisory Services (valuations) ("FAS") to assess the engagement team's audit valuation work and whether any additional procedures will be identified for completion by the audit team or the valuation specialists with respect to the fair value of the Fund's investments
3.	General review notes to be cleared
4.	Depending on responses from the client/audit evidence received, additional procedures may be required

**Absolute Sustainable Property Fund***Outstanding Items Requested from Client*

#	Item description
1.	Evidence on whether MCSAB10 Inc. has any debt from other parties (aside from the \$2,000,000 advanced to them by the Fund), in order to assess changes in credit risk and related impact on fair value of the loan
2.	Evidence of regular payments subsequent to year end from loan investments, in accordance with the loans' repayment schedules
3.	Signed management representation letter
4.	Some audit work remains that could result in additional requests

*Outstanding Work by BDO*

#	Item description
1.	Update January 9, 2017 legal inquiry response letter received from BLG to the audit report date to confirm that no claims are outstanding at our audit report date
2.	BDO FAS to assess the engagement team's audit valuation work and whether any additional procedures will be identified for completion by the audit team or the valuation specialists with respect to the fair value of the Fund's investments

3.	BDO to assess the evidence received to determine whether MCSAB10 Inc. has any debt aside from the \$2,000,000 advanced to them by the Fund, in order to assess changes in credit risk and related impact on fair value of the loan
4.	BDO to augment our documentation of our understanding of Spectrum's (the Fund's mortgage administrator) process for assessing credit risk based on our discussion with Spectrum's mortgage underwriter, in order to prepare a sensitivity analysis to determine what change in interest rate would create a material difference in the fair value of residential mortgage investments held by the Fund
5.	Engagement quality control reviewer ("EQCR") sign off required
6.	Depending on responses from the client/audit evidence received, additional procedures may be required

### Crystal Wealth High Yield Mortgage Strategy

#### *Outstanding Items Requested from Client*

#	Item description
1.	As a result of title search results, confirmation of mortgage balances and terms directly with the following borrowers is required: - Connie McCombs & Harold Young (no title search was returned) - Sukhbinder & Binderjit Nijjar (no title search was returned) - Susan & David Hardy (no title search was returned) - Simritt Kaur Sidhu & Tajinder Sidhu (Her Majesty the Queen in Right of Canada was returned on title) <i>(Note: some documentation has been received recently. However, its sufficiency has not yet been evaluated by the engagement team)</i>
2.	Evidence that regular payments subsequent to year end from loan investments have been received, in accordance with the loan repayment schedules
3.	Signed management representation letter
4.	Disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Media Fund if adjustments to the NAV of CW Media Fund is required
5.	Some audit work remains that could result in additional requests specifically related to evidence obtained regarding title searches

#### *Outstanding Work by BDO*

#	Item description
1.	Update January 9, 2017 legal inquiry response letter received from BLG to the audit report date to confirm that no claims are outstanding at our audit report date
2.	BDO to augment our documentation of our understanding of Spectrum's (the Fund's mortgage administrator) process for assessing credit risk based on our discussion with Spectrum's mortgage underwriter, in order to prepare a sensitivity analysis to determine what change in interest rate would create a material difference in the fair value of residential mortgage investments held by the Fund
3.	BDO FAS to assess whether interest rate of 12% of loan to Pond Technologies is a market rate of interest, and any associated impact on the fair value of the loan
4.	BDO FAS to assess the engagement team's audit valuation work and whether any additional procedures will be identified for completion by the audit team or the valuation specialists with respect to the fair value of the Fund's investments
5.	EQCR sign off required
6.	Audit of disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Media Fund if adjustments to the NAV of CW Media Fund is required

7.	Depending on responses from the client/audit evidence received, additional procedures may be required
----	---

### Crystal Wealth Infrastructure Strategy

#### *Outstanding Items Requested from Client*

#	Item description
1.	Signed management representation letter
2.	Confirmation from Magnitude CS Energy Inc. and 2445958 Ontario Inc. of the security on the infrastructure loans, specifically that all loans are secured by a general security agreement with charge on all assets
3.	Evidence of regular interest payments subsequent to year end from infrastructure loan investments, in accordance with the loan agreements
4.	Confirmation from Cinnos Mission Critical Incorporated of the convertible promissory note held by the Fund, including confirmation of the balance and terms
5.	Some audit work remains that could result in additional requests specifically related to audit of fair values of the Fund's investments

#### *Outstanding Work by BDO*

#	Item description
1.	Update January 9, 2017 legal inquiry response letter received from BLG to the audit report date to confirm that no claims are outstanding at our audit report date
2.	BDO FAS to assess the fair value of the Cinnos Mission Critical Incorporated convertible promissory note investment
3.	BDO FAS to report on the fair value of the Fund's investments
4.	EQCR sign off required
5.	Preparation and approval of mandatory consultation memo regarding total likely aggregate misstatements exceeding 75% of overall materiality and the conclusion on whether the financial statements are materially misstated as a result of the identified unadjusted misstatements
6.	Depending on responses from the client/audit evidence received, additional procedures may be required

### Crystal Wealth Medical Strategy

#### *Outstanding Items Requested from Client*

#	Item description
1.	Outstanding confirmations of NFL class-action suit related receivables: <ul style="list-style-type: none"> <li>- Locks Law Firm in the aggregate amount of \$1,039,500</li> <li>- Lubel Voyles LLP in the amount of \$121,900</li> <li>- Ross, Kelly &amp; Martin, PLLC in the amount of \$135,000</li> <li>- The Berkowitz Law Firm, LLC in the aggregate amount of \$159,000</li> <li>- Weisberg &amp; Associates, P.A. in the aggregate amount of \$773,000</li> </ul>
2.	Banking agreement between SunTrust and CW Medical Strategy to support the Fund's ownership of the XMC trust account
3.	Confirmation from Interactive Brokers Canada Inc. that unrealized loss of \$28,890.29 on open foreign exchange futures positions is netted against US denominated cash balances of \$38,156.22 in the Activity Statement of the Fund as at December 30, 2016
4.	Signed management representation letter

5.	Disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Media Fund if adjustment to the NAV of CW Media Fund is required
6.	Some audit work remains that could result in additional requests specifically related confirmation of class-action suit receivables

*Outstanding Work by BDO*

#	Item description
1.	Update January 9, 2017 legal inquiry response letter received from BLG to the audit report date to confirm that no claims are outstanding at our audit report date
2.	Additional procedures to assess whether the Class Action Settlement Agreement dated June 25, 2014 and amended February 12, 2015, regarding the National Football League Players' Concussion Injury Litigation, will be challenged or over-turned
3.	Audit of disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Media Fund if adjustments to the NAV of CW Media Fund is required
4.	General partner review notes and EQCR review notes to be addressed by audit staff. Additional information requests may be required once these notes have been addressed
5.	BDO FAS to assess the engagement team's audit valuation work and whether any additional procedures will be identified for completion by the audit team or the valuation specialists with respect to the fair value of the Fund's investments
6.	EQCR sign off required
7.	Depending on responses from the client/audit evidence received, additional procedures may be required

**Crystal Wealth Mortgage Strategy**

*Outstanding Items Requested from Client*

#	Item description
1.	As a result of title search results, confirmation of mortgage balances and terms directly with the following borrower is required: - Agatha Bis (TD Bank was returned on title) <i>(Note: some documentation has been received recently. However, its sufficiency has not yet been evaluated by the engagement team)</i>
2.	Evidence whether regular payments from loan investments have been received subsequent to year end in accordance with the loans' repayment schedules
3.	Explanation of \$447,619 adjustment at cell G6 in the workbook named "cash flows Mortgages.xlsx"
4.	Signed management representation letter
5.	Disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Media Fund if adjustments to the NAV of CW Media Fund is required
6.	Some audit work remains that could result in additional requests specifically related evidence obtained regarding title searches.

*Outstanding Work by BDO*

#	Item description
1.	Update January 9, 2017 legal inquiry response letter received from BLG to the audit report date to confirm that no claims are outstanding at our audit report date

2.	BDO to augment our documentation of our understanding of Spectrum's (the Fund's mortgage administrator) process for assessing credit risk based on our discussion with Spectrum's mortgage underwriter, in order to prepare a sensitivity analysis to determine what change in interest rate would create a material difference in the fair value of residential mortgage investments held by the Fund
3.	BDO FAS to assess the engagement team's audit valuation work and whether any additional procedures will be identified for completion by the audit team or the valuation specialists with respect to the fair value of the Fund's investments
4.	General partner review to be completed. Additional information requests may be required once this review has been completed
5.	EQCR to be completed. Additional information requests may be required once this review has been completed
6.	EQCR sign off required
7.	Audit of disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Media Fund if adjustments to the NAV of CW Media Fund is required
8.	Depending on responses from the client/audit evidence received, additional procedures may be required

### Crystal Wealth Enlightened Factoring Strategy

#### *Outstanding Items Requested from Client*

#	Item description
1.	Schedule of the total purchases and disposals on investments and evidence of purchases of investments of \$25,896,531 and proceeds on disposal of investments of \$11,176,115 reported in the statement of cash flows
2.	Follow up on outstanding confirmations of commercial factoring receivables: <ul style="list-style-type: none"> <li>- Dome Mountain in the amount of \$36,000,000</li> <li>- Advanced Metal in the aggregate amount of \$3,149,164.70</li> <li>- Restoration Energy in the aggregate amount of \$3,200,000</li> <li>- Single Source Services in the amount of \$117,480.74</li> </ul>
3.	Evidence of money received by Frontline (i.e. a deposit) and evidence of payment/transfer to the Fund's NBCN/TD bank account for all payments received throughout the year that relate to an invoice that was outstanding at Dec 31, 2016 that was not yet fully repaid as of today's date
4.	Explanation of the \$819,301 difference in change in unrealized appreciation on investments at fair value between the amount per GL of \$508,456 (sum of GL accounts 4950 and 5810) and the amounts calculated using the change in total cost and fair value of the investment per the financial statements for 2015 and 2016, as the per the workbook named "CW EFS Unrealized gain or loss reconciliation.xlsx"
5.	The following items are required with respect to the investment in 1076874 Properties Limited Partnership: <ul style="list-style-type: none"> <li>- Description of construction status of each property at December 31, 2016</li> <li>- Evidence of the debt structure of the following (separate financial statements are not prepared)               <ul style="list-style-type: none"> <li>o DVC (Illinois) Holdings LP (Illinois)</li> <li>o DVC Covington (Ga) LP (Georgia)</li> <li>o 3859 Austin Circle Associates LP (Georgia)</li> <li>o DVC (Alabama) Holdings LP (Alabama)</li> </ul> </li> </ul>
6.	Signed management representation letter
7.	Disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Hedge Fund if adjustments to the NAV of CW Hedge Fund is required

8.	Some audit work remains that could result in additional requests specifically related to audit of fair values of the Fund's investments and evidence obtained above regarding confirmation of bullion ounces and evidence of money received from Frontline
----	--

*Outstanding Work by BDO*

#	Item description
1.	Update January 9, 2017 legal inquiry response letter received from BLG to the audit report date to confirm that no claims are outstanding at our audit report date
2.	Perform a reasonability test on the contract fee revenue of \$3,337,980. Additional information requests may be made if the recorded revenue does not fall within the range of reasonability determined by BDO
3.	Mandatory consultation memo regarding high estimation uncertainty with respect to measurement of the fair value of the Funds investment in 1076874 Properties Limited Partnership to be prepared and submitted for review
4.	Detail review to be completed by Senior Manager. Additional information requests may be required once the detail review has been performed
5.	General partner review and EQCR review to be completed. Additional information requests may be required once the general partner review and ECR notes have been addressed
6.	EQCR sign off required
7.	Audit of disclosure of difference between transactional net asset value ("NAV") and IFRS NAV of the Fund's Investment in CW Hedge Fund if adjustments to the NAV of CW Hedge Fund is required
8.	BDO FAS to report on the fair value of the Fund's investments
9.	Depending on responses from the client/audit evidence received, additional procedures may be required

**Crystal Wealth Enlightened Hedge Fund**

*Outstanding Items Requested from Client*

#	Item description
1.	Schedule of the total purchases and disposals of investments and evidence of purchases of investments of \$11,065,340 and proceeds on disposal of investments of \$525,169 reported in the statement of cash flows
2.	Evidence of the money received by Frontline (i.e. a deposit) and evidence of payment/transfer to the Fund's NBCN/TD bank account for all payments received throughout the year that relate to an invoice that was outstanding at Dec 31, 2016 that was not yet fully repaid as of today's date
3.	The following items are required with respect to the investment in 1076874 Properties Limited Partnership: <ul style="list-style-type: none"> <li>- Description of construction status of each property at December 31, 2016</li> <li>- Evidence the debt structure of the following (separate financial statements are not prepared)               <ul style="list-style-type: none"> <li>o DVC (Illinois) Holdings LP (Illinois)</li> <li>o DVC Covington (Ga) LP (Georgia)</li> <li>o 3859 Austin Circle Associates LP (Georgia)DVC (Alabama) Holdings LP (Alabama)</li> </ul> </li> </ul>
4.	Outstanding confirmations of commercial factoring receivables: <ul style="list-style-type: none"> <li>- Dome Mountain in the amount of \$36,000,000</li> <li>- Restoration Energy in the aggregate amount of \$1,900,000</li> </ul>

5.	Signed management representation letter
6.	Some audit work remains that could result in additional requests specifically related to audit of fair values of the Fund's investments and evidence obtained above regarding evidence of money received by Frontline

*Outstanding Work by BDO*

#	Item description
1.	Update January 9, 2017 legal inquiry response letter received from BLG to the audit report date to confirm that no claims are outstanding at our audit report date
2.	Perform a reasonability test on the contract fee revenue of \$216,906. Additional information requests may be made if the recorded revenue does not fall within the range of reasonability determined by BDO.
3.	Mandatory consultation memo regarding high estimation uncertainty with respect to measurement of the fair value of the Fund's investment in 1076874 Properties Limited Partnership to be prepared and submitted for review
4.	Detail review notes from Senior Manager to be addressed by audit staff. Additional information requests may be made once the detail review notes have been addressed
5.	General partner review and EQCR review to be completed. Additional information requests may be made once the general partner review and ECR notes have been addressed
6.	EQCR sign off required
7.	BDO FAS to report on the fair value of the Fund's investment in 1076874 Properties Limited Partnership
8.	Depending on responses from the client/audit evidence received, additional procedures may be required

**Crystal Wealth Media Strategy**

*Outstanding Items Requested from Client*

#	Item description
1.	Information on the current production status including (a) estimated time to completion, (b) for each film listed below, evidence related to whether production costs at December 31, 2016 were within budget, or were over budget, and (c) evidence for the estimated costs of completion and whether the estimated costs of completion will exceed the overall budgeted production costs for the film: <ul style="list-style-type: none"> <li>- Henchmen</li> <li>- Parallel (previously known as Mercy)</li> <li>- Collared (previously known as Kingdom)</li> <li>- The Willoughby's (previously known as A Good Day's Work)</li> <li>- Hunters of Stars</li> <li>- Mighty Mighty Monsters</li> </ul>
2.	Schedule of the total purchases and disposals of investments and evidence of purchases of investments of \$11,443,502 and proceeds on disposal of investments of \$12,487,887 reported in the statement of cash flows
3.	Reconciliation of all loan principal balances to original loan agreements
4.	Signed management representation letter

5.	Some audit work remains that could result in additional requests specifically related to audit of fair values of the Fund's investments and evidence obtained above
----	---

*Outstanding Work by BDO*

#	Item description
1.	Update January 9, 2017 legal inquiry response letter received from BLG to the audit report date to confirm that no claims are outstanding at our audit report date
2.	Recalculation of interest income. Additional information requests may be required if the recorded interest does not fall within the range of reasonability determined by BDO.
3.	Prepare retrospective review analysis comparing prior year's expected future receipts against actual 2016 cash receipts
4.	Mandatory consultation memo regarding high estimation uncertainty with respect to measurement of the fair value of the Fund's investments in media loans to be prepared and submitted for review
5.	BDO FAS to report on the fair value of the Fund's investment in media loans
7.	Detail review to be completed by Senior Manager. Additional information requests may be made once the detail review notes have been addressed
8.	General partner review and EQCR review to be completed. Additional information requests may be made once the general partner review and ECR notes have been addressed
9.	EQCR sign off required
10.	Depending on responses from the client/audit evidence received, additional procedures may be required

This is Exhibit "45" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

---

**From:** Clayton Smith <claytons@crystalwealth.com>  
**Sent:** March-31-17 11:15 AM  
**To:** Macoretta, Carmen  
**Cc:** Chittley-Young, Rick; Jarrett, Scott  
**Subject:** Re: loan confirmations for MCS/OOM

Carmen,

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 okay to get 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 whom I presume to be your superior, because I can't believe that they are okay with the nazi approach you are taking to our audit with no quarter given in any respect and I can't believe they are okay with your actions driving away my business for years to come.

Scott, Rick, having worked with both of you for many years, you know me to be level-headed, transparent, cooperative, but I am losing my patience, in case you didn't know that already, and I'm asking one of you to step in and sort out this insanity. Perhaps the couple hundred thousand BDO ears from Crystal Wealth each year is just a drop in the bucket, but I would hope that the basic principle of treating your customers fairly and well would still operate.

Crystal Wealth is the customer, BDO is the service provider and because of our service provider's delays and intransigence this year will be the first year that we have missed a filing deadline for financials in 19 years of operation.

Clayton Smith, CAIA  
Chief Executive Officer  
Crystal Wealth  
192 Plains Rd. E.  
Burlington, ON L7T 2C3  
(P) 905-332-4414

(C) 905-517-6172  
(F) 905-332-6028  
(TF) 877-299-2854

[www.crystalwealth.com](http://www.crystalwealth.com)

If you no longer wish to receive electronic communications from Crystal Wealth, please reply with UNSUBSCRIBE as the subject.

On Mar 31, 2017, at 10:19 AM, Macoretta, Carmen <[CMacoretta@bdo.ca](mailto:CMacoretta@bdo.ca)> wrote:

We need to confirm the terms of the loans including interest rates and security as per Selena's original email requests

Carmen Macoretta, CPA, CA  
Senior Manager, Audit & Assurance  
BDO Canada LLP  
[cmacoretta@bdo.ca](mailto:cmacoretta@bdo.ca)

3115 Harvester Road, Suite 400  
Burlington, ON L7N 3N8

Direct: 905-633-4925  
Tel: 905-639-9500  
Fax: 905-633-4939  
[www.bdo.ca](http://www.bdo.ca)

Before you print think about the environment

---

**From:** Clayton Smith [<mailto:claytons@crystalwealth.com>]  
**Sent:** Friday, March 31, 2017 7:35 AM  
**To:** Mastroianni, Selena <[smastroianni@bdo.ca](mailto:smastroianni@bdo.ca)>  
**Cc:** Macoretta, Carmen <[CMacoretta@bdo.ca](mailto:CMacoretta@bdo.ca)>  
**Subject:** loan confirmations for MCS/OOM

Hi Selena,

Did you ever prepare and send loan confirmations for the various loans with MCS entities?

If you did, could you please resend to me and I will track Craig Clydesdale down today to get signed. In the meantime, I will send an email to Craig and cc you asking him to confirm the following - if this is sufficient for your purposes then I will not require the loan confirms from you. Please advise.

These are the loans at year end that need to be confirmed:

Fund	Borrower	Principal	Accrued Interest
Crystal Wealth Mortgage Strategy	2441472 Ontario Inc.	\$1,717,456.60	\$180,435.00
Crystal Wealth Mortgage Strategy	MCSNoxrecovery Inc.	\$2,550,000.00	\$384,688.70
Crystal Wealth Mortgage Strategy	Magnitude CS Energy Inc.	\$1,133,500.00	\$92,608.06

Crystal Wealth Infrastructure Strategy	Magnitude CS Energy Inc.	\$4,154,571.33	\$228,918.12
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Absolute Sustainable Property Fund	MCS AB10 Inc.	\$2,000,000.00	\$15,671.23
------------------------------------	---------------	----------------	-------------

Clayton Smith, CAIA

Chief Executive Officer

Crystal Wealth

192 Plains Rd. E.

Burlington, ON L7T 2C3

(P) 905-332-4414

(C) 905-517-6172

(F) 905-332-6028

(TF) 877-299-2854

[www.crystalwealth.com](http://www.crystalwealth.com)

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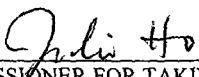
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This is Exhibit "46" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> day of April , 2017

  
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.

<a href="#">SEARCH</a>	<a href="#">FIRM INFORMATION</a>	<a href="#">ADMIN TOOLS</a>
Name <input type="text"/>	<b>55010 - WELLS ASSET MANAGEMENT SYSTEM INC</b>	
Other Business Name <input type="text"/>		
Head Office <input type="text"/>		
Registration Categories <input type="text"/>		
Address for Service <input type="text"/>		
Terms and Conditions <input type="text"/>		
Other Locations <input type="text"/>		
Other Information <input type="text"/>		
Annual Fee Summary <input type="text"/>		
Regulatory Notes <input type="text"/>		
Regulatory Actions <input type="text"/>		

**Provinces or territories**  
Click on a province or territory to view registration information:

**Provinces or territories**

- [Alberta](#)
- [British Columbia](#)
- [Manitoba](#)
- [Ontario](#)
- [Saskatchewan](#)

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[SEARCH](#) | [FIRM INFORMATION](#) | [ADMIN TOOLS](#)

<a href="#">SEARCH</a>	<a href="#">FIRM INFORMATION</a>	<a href="#">ADMIN TOOLS</a>
Name <u>55010 - WELLS ASSET MANAGEMENT SYSTEM INC</u>		
Other Business Names		
Head Office		
Registration Categories	<b>Active Categories</b> Click on a start date to view details where available: Start Date 2017/02/21 2017/02/21 2017/02/21	
Address for Service	<a href="#">Continue &gt;&gt;</a>	
Terms and Conditions	<a href="#">SEARCH   FIRM INFORMATION   ADMIN TOOLS</a>	
Other Locations		
Other Information		
Annual Fee Summary		
Regulatory Notes		
Regulatory Actions		



[SEARCH](#)

Name	<b>55010 - WELLS ASSET MANAGEMENT SYSTEM INC</b>		
Other Business Names			
Head Office	<b>Head Office Information</b>		
Address for Services			
Terms and Conditions			
Registration Categories			
Other Locations			
Other Information			
Annual Fee Summary			
Regulatory Notes			
Regulatory Actions			

### Head Office Information

#### Compliance Information

##### Chief compliance officer

NRD number: 578451  
 Last name: Pischke  
 First name: Benjamin  
 E-mail Address: bemp@wellsinvest.com  
 Telephone Number: 780-875-6708

##### Ultimate designated person

NRD No.: 928111  
 Last name: Wells  
 First name: Dale  
 E-mail Address: dalew@wellsinvest.com  
 Telephone Number: 780-875-6708

#### Item 3 Business location information

Address Line 1:

1- 6309 43rd Street

Address Line 2(if applicable)

City: Lloydminster  
 Province/Territory/State: Alberta  
 Postal/ZIP Code: T9V2W9



Country: Canada  
Telephone number: 780-875-6708 ext.  
Fax number: 800-567-0925  
E-mail address:

**Mailing address**

Same as Above:

**Other information**

Location Website Address:

[SEARCH](#) | [FIRM INFORMATION](#) | [ADMIN TOOLS](#)

This is Exhibit "47" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

---

**From:** Clayton Smith <claytons@crystalwealth.com>  
**Sent:** March-30-17 2:37 PM  
**To:** Mastroianni, Selena; Macoretta, Carmen  
**Subject:** Fwd: CW / Wells Movie Proposal  
**Attachments:** ATT00001.htm; FINAL WAM Purchase of CW Movies.xlsx; ATT00002.htm

Back up for Wells Asset Management deal as discussed - point 1d. in your list of outstanding items.

Clayton Smith, CAIA  
Chief Executive Officer  
Crystal Wealth  
192 Plains Rd. E.  
Burlington, ON L7T 2C3  
(P) 905-332-4414  
(C) 905-517-6172  
(F) 905-332-6028  
(TF) 877-299-2854

[www.crystalwealth.com](http://www.crystalwealth.com)

If you no longer wish to receive electronic communications from Crystal Wealth, please reply with UNSUBSCRIBE as the subject.

Begin forwarded message:

**From:** Dale Wells <[dalew@wellsinvest.com](mailto:dalew@wellsinvest.com)>  
**Subject:** CW / Wells Movie Proposal  
**Date:** February 9, 2017 at 11:57:58 AM EST  
**To:** Clayton Smith <[claytons@crystalwealth.com](mailto:claytons@crystalwealth.com)>

Cc: Aaron Gilbert <[agilbert@bronstudios.com](mailto:agilbert@bronstudios.com)>, Steven Thibault <[steven.thibault@bronstudios.com](mailto:steven.thibault@bronstudios.com)>  
Reply-To: Dale Wells <[dalew@wellsinvest.com](mailto:dalew@wellsinvest.com)>

Clayton,

I am acceptable to your last offer of which I have attached for clarity.

Summary: 6 movies (as listed) and \$1.1 Mil cash approx (assuming \$11.6 Mil owed to Wells)

I have emailed my lawyer (20 minutes ago) and asked that he respond ASAP as who he wants the agreement will be between the obvious (CW Media Fund & Wells Retirement ONE), however there was talked of making it between CW Media, Wells Retirement and Wells Entertainment ???? He and I have discussed and I am waiting for his final instructions. I am hoping he gets back to me shortly, at which time I will update you.

Kindest regards,  
Dale





All amounts in CAD  
USD/CAD rate

1.3153

Movie	Principal	Accrued Interest (To 31 Dec 16)	Total Owing	Discount \$	Purchase Amount
Silent Night	\$ 1,000,000.00	\$ 972,444.00	\$ 1,972,444.00	\$ 394,488.80	\$ 1,577,955.20
Lullaby	\$ 2,488,133.74	\$ 2,056,910.00	\$ 4,545,043.74	\$ 909,008.75	\$ 3,636,034.99
Childhood of a Leader	\$ 2,031,298.70	\$ 298,297.00	\$ 2,329,595.70	\$ 465,919.14	\$ 1,863,676.56
Welcome to Me	\$ 1,296,450.71	\$ 340,410.00	\$ 1,636,860.71	\$ 327,372.14	\$ 1,309,488.57
Henchmen USD	\$ 986,475.00	\$ 634,574.38	\$ 1,621,049.38	\$ 324,209.88	\$ 1,296,839.50
The English Teacher	\$ 639,306.58	\$ 400,272.10	\$ 1,039,578.67	\$ 207,915.73	\$ 831,662.94
	\$ 13,144,572.20	\$	\$	\$ 2,628,914.44	\$ 10,516,657.76
Approximate amount Date owns of CW Fund					
Excess to be redeemed in cash on day of sale					

BCG0000161.x|sx

This is Exhibit "48" referred to  
in the Affidavit of Marcel Tillie  
sworn before me, this  
17<sup>th</sup> 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.

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  
LTD.

SECTION 13  
\*\*\*\*\*  
CONFIDENTIAL  
\*\*\*\*\*

PURPOSE: CONTINUED COMPELLED INTERVIEW OF CARMEN  
MACORETTA

HELD ON: Wednesday, April 12, 2017, 9:33 a.m.

HELD AT: Ontario Securities Commission  
20 Queen Street West  
8th floor  
Toronto, Ontario

APPEARANCES:

Marcel Tillie

Jason Tan For Staff of the Commission

Nigel Campbell For Mr. Macoretta

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Ottawa, Ontario K2P 1L5 Toronto, Ontario M5H 2R2

(613) 564-2727 (416) 861-8720

CONTINUED COMPELLED INTERVIEW OF CARMEN MACORETTA

CONFIDENTIAL  
April 12, 2017

1 and Media House specifically?

2 1596 Q. Crystal Wealth or the  
3 funds and Media House.

4 A. No, I'm not aware of any  
5 other transactions outside of the purchase of the  
6 media loans and the administering of those loans.

7 1597 Q. Okay. I'm going to give  
8 you another document. I'm going to give you a copy  
9 of an e-mail that we received in the production  
10 last night. I'll enter that as Exhibit 20, an  
11 e-mail from Clayton Smith to Selina -- I'm not  
12 even going to try -- Selina and yourself, dated  
13 March 30, 2017.

14 EXHIBIT NO. 20: E-mail  
15 from Clayton Smith to  
16 Selina and Carmen  
17 Macoretti dated March 30,  
18 2017

19 A. Yes.

20 1598 Q. And I was not able to  
21 access the attachments to this e-mail. In the  
22 e-mail it indicates that there's attachments for a  
23 logo but the final Wham purchase of CW movies  
24 spreadsheet was attached.

25 A. Okay.

Page 558

CONTINUED COMPELLED INTERVIEW OF CARMEN MACORETTA

CONFIDENTIAL  
April 12, 2017

1 1599 Q. And the initial e-mail  
2 here is from Dale Wells to Clayton, copying Aaron  
3 Gilbert and Steve Thibault about subject CW Wells  
4 movie proposal. And it appears from the summary  
5 that there's six movies listed and 1.1 million  
6 cash approximate, assuming 11.6 mill owed to  
7 Wells.

8 Do you have any more  
9 information as to what was included in this  
10 e-mail? What the proposal was?

11 A. Yes. When Clayton  
12 prepared the preliminary analysis of the loans, he  
13 identified six individual movies, he identified to  
14 us that he'd made an arrangement with Dale Wells  
15 to purchase those loans from the Media Fund at  
16 approximately \$0.80 on the dollar. So in Clayton's  
17 analysis of the recoverable amounts, it was  
18 80 percent. So we probed further and said, what  
19 are the details of that arrangement and also can  
20 we have confirmation of the arrangement? And from  
21 my understanding and conversations, Dale Wells I  
22 believe was a previous investment advisor with  
23 Crystal Wealth at some point, who has gone on to  
24 Wells Asset Management, and from what I understand  
25 is launching his own string of mortgage and media

CONTINUED COMPELLED INTERVIEW OF CARMEN MACORETTA

CONFIDENTIAL  
April 12, 2017

1 funds under his own name. And this agreement was  
2 entered into for Dale to purchase these. Clayton's  
3 comments included in the spreadsheet and verbally  
4 were that these were a good deal for him to sell  
5 them at \$0.80 on the dollar. He also made comments  
6 that Dale had clients that were invested in the  
7 Media Fund as well. And the ultimate objective of  
8 this transaction was to redeem those out, move  
9 them over into Dale's media funds and basically  
10 pull his clients over, I'll buy the loans and then  
11 I'll start doing my own media fund mortgage fund  
12 setup.

13 1600 Q. Okay. And the amount in  
14 brackets in Dale's e-mail, assuming 11.6 million  
15 owed to Wells.

22 1601 Q. Do you know what six  
23 movies were referred to?

24 A. I don't recall off-hand.  
25 They were identified in Clayton's preliminary

CONTINUED COMPELLED INTERVIEW OF CARMEN MACORETTA

CONFIDENTIAL  
April 12, 2017

1                   analysis of the Media Fund loan values, so no.

2   1602                   Q.     Is there any way you can  
3                   get those six names to us? Either through the  
4                   analysis that Clayton provided or some other way?

5                   A.     Yes.

6                   MR. CAMPBELL: It says here  
7                   six movies as listed. Is that possibly in the  
8                   attachment?

9                   THE WITNESS: I think he's --

10                  BY MR. TILLIE:

11   1603                   Q.     If I can't access the  
12                   attachment, I'd ask that I get a copy of that  
13                   attachment if, presumably, they are listed there.

14                  A.     That's easy.

15       U/T                   MR. CAMPBELL: Yes.

16                  BY MR. TILLIE:

17   1604                   Q.     Do you know if the movies  
18                   as set out previously in the Outstanding List  
19                   where you're still trying to get audit evidence?

20                  A.     No, I don't recall.

21                  BY MR. TAN:

22   1605                   Q.     Given that Mr. Tillie has  
23                   already had some difficulty trying to obtain the  
24                   attachments, can we have that taken as an  
25                   undertaking?

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 2 OF 8**

**ONTARIO SECURITIES COMMISSION**  
20 Queen Street West, 22<sup>nd</sup> 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*

**ANTHONY WHITEHOUSE et al.**  
Plaintiffs

-and-

**BDO CANADA LLP**  
Defendant

Court File No. CV-17-579357-00CP

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
TORONTO

**AMENDED MOTION RECORD OF THE PLAINTIFF  
VOLUME 4 OF 20**

**ADAIR GOLDBLATT BIEBER LLP**  
95 Wellington Street West  
Suite 1830  
Toronto ON M5J 2N7

Simon Bieber (56219Q)

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Michele Valentini (74846L)

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Email : mvalentini@agbllp.com

Tel: 416.499.9940

Fax: 647.689.2059

Lawyers for the Plaintiffs

Anthony Whitehouse, Carrie Couch and Jason Couch