SUPREME COURT
OF NOVA SCOTIA

APR 1 1 2019

HALIFAX, N.S.

2019 Hfx No. 484742

IN THE SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF: Application by Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd. d/b/a Quadriga CX and Quadriga Coin Exchange (collectively referred to as the "**Companies**" and the "**Applicants**"), for relief under the *Companies' Creditors Arrangement Act*

ORDER
(Asset Preservation Order)

BEFORE THE HONOURABLE JUSTICE MICHAEL J. WOOD

UPON MOTION, in the proceedings of Quadriga Fintech Solutions Corp., Whiteside Capital Corporation, and 0984750 B.C. Ltd. dba Quadriga CX and Quadriga Coin Exchange (collectively, the "**Applicants**"), under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"), by Ernst & Young Inc. ("**EY**"), in its capacity as Court-appointed Monitor and/or trustee-in-bankruptcy of the Applicants in respect of any proceedings under the *Bankruptcy and Insolvency Act* (Canada) (the "**Monitor**");

UPON READING the Fourth Report of the Monitor dated April 1, 2019 and on being advised by counsel that the Preserving Parties have consented to the terms hereof;

AND UPON HEARING counsel to the Preserving Parties (as herein defined), counsel for the Monitor, Representative Counsel of the Affected Users ("**Representative Counsel**"), counsel to Jennifer Robertson and such other individuals who appeared and were heard on the Motion;

IT IS HEREBY ORDERED AND DECLARED THAT:

Preservation Order

1. Except as specifically authorized by this Order, pending further Order of this Court, Jennifer Robertson as executor of the estate of Gerald Cotten (the "**Estate**"), Jennifer Robertson ("**Robertson**"), Robertson Nova Consulting Inc. ("**RNC**"), Robertson Nova Property Management Inc. ("**RNPM**"), 2379164 Ontario Inc. ("**237 Inc.**"), Megacorp Incorporated ("**Megacorp**") and Jennifer Robertson as Trustee of The Seaglass Trust ("**Seaglass**" and together with the Estate, Robertson, RNC, RNPM, 237 Inc. and Megacorp., the "**Preserving Parties**") and their respective servants, employees, agents, assigns, officers, directors, trustees, and anyone else acting on their behalf or in

conjunction with any of them, and any and all persons with notice of this injunction, are restrained from directly or indirectly, by any means whatsoever:

(a) selling, removing, dissipating, alienating, transferring, assigning, encumbering, or similarly dealing with any assets or property of the Preserving Parties, wherever situate;

(b) instructing, requesting, counselling, demanding, or encouraging any other person to do so; and

(c) facilitating, assisting in, aiding, abetting, or participating in any acts the effect of which is to do so.

2. Paragraph 1 applies to all of the Preserving Parties' assets whether or not they are in the names of the respective parties and whether they are solely or jointly or beneficially owned, including, without limitation, assets of the Estate (the "**Estate Assets**"), assets of RNC, assets of RNPM (collectively, "**Corporate Assets**") and assets of Jennifer Robertson personally and/or held through Seaglass (the "**Personal Assets**" and together with the Estate Assets and Corporate Assets, the "**Preserved Assets**"). For the purpose of this Order, the Preserving Parties' assets include any asset which any of the Preserving Parties has the power, directly or indirectly, to dispose of or deal with as if it were their own. The Preserving Parties are to be regarded as having such power if a third party holds or controls the assets in accordance with these parties' direct or indirect instructions.

3. Three trust accounts are to be established and maintained by Stewart McKelvey for each of the Estate Assets, Corporate Assets and Personal Assets (collectively the "**Preservation Accounts**") for the exclusive purposes of collecting and preserving: (a) surplus funds from current Estate Assets, Personal Assets and Corporate Assets, as determined by consultation between the Monitor and the Preserving Parties or as determined by further Order of the Court; (b) proceeds arising from any dispositions of assets of the Preserving Parties with the Monitor's consent in accordance with this Order; and (c) excess working capital assets, if any, of RNPM at year end. For greater certainty the Preservation Accounts shall not form part of the Applicants' Property pending further Order of the Court, if necessary.

4. Stewart McKelvey may distribute funds from the Preservation Accounts in accordance with the terms of this Order, with the consent of the Monitor or further Order of this Court.

5. The Preserving Parties may deal with, sell, alienate, transfer, assign, encumber, or otherwise monetize Estate Assets, Corporate Assets or Personal Assets only with the consent of the Monitor, or further Court Order, provided that any net proceeds arising from such disposition of assets by the Preserving Parties shall be deposited into the respective Preservation Accounts.

6. The Monitor and Preserving Parties are authorized to identify and monetize any assets which may depreciate in value if not monetized during the term of this Order. The

Preserving Parties shall have no liability if assets of a depreciating or volatile nature decline in value while the subject of this Order.

7. This Order shall be without prejudice to each of the Applicants and Preserving Parties' respective rights, entitlements, claims and defences in respect of ownership or entitlement to the Preserved Assets.

Ordinary Living Expenses and Legal Expenses and Property Preservation Expenses

8. Robertson shall continue to receive her drawings from RNPM in accordance with current levels, for the purposes of satisfying ordinary living expenses. In addition, Robertson shall be entitled to access cash from the Personal Assets for purposes of satisfying property preservation and maintenance costs of the Personal Assets, in an amount to be agreed upon in consultation with the Monitor and satisfied through disbursement from the Preservation Account for Personal Assets established in accordance with paragraph 3 of this Order.

9. Reasonable costs of legal advice and representation of the Preserving Parties shall be paid from the respective Preservation Accounts.

10. Robertson shall be entitled to direct RNPM to utilize its cash or further income from the Corporate Assets for the purposes of satisfying reasonable corporate expenses of RNPM including in respect of property preservation and maintenance expenses, and reasonable general operating costs of RNPM ("**Property Preservation Expenses**") in accordance with past practices. RNPM will continue to be managed in the normal course of business, including the incurring and payment of Property Preservation Expenses and reasonable salary/payments as determined in consultation with the Monitor or further Order of the Court, but no special distributions by way of dividends, bonus or extraordinary salary shall be paid to Robertson or any other party. RNPM shall not be entitled to encumber any of its property without the prior written consent of the Monitor. For greater certainty, any net rental or investment income earned by RNPM shall remain in the corporate bank accounts of RNPM and be used to satisfy Property Preservation Expenses, subject to the terms of this Order.

11. Where additional funds are required by the Preserving Parties above the amounts contemplated in paragraphs 8 - 10 of this Order, the Preserving Parties or any of them may seek the written consent of the Monitor and/or apply for an Order of the Court, on at least seventy-two (72) hours notice to the Monitor seeking authorization to receive additional amounts of the Preserved Assets from the applicable Preservation Account that the Preserving Party may be entitled to receive in respect of costs to be incurred by the applicable Preserving Party.

Disclosure of Information

12. To the extent not provided to the Monitor prior to the date of this Order, Robertson shall prepare and provide to the Monitor, within ten (10) days of the date of this Order: (a) a sworn statement describing the nature, value, and location of the assets worldwide of the Preserving Parties, including cash on hand balances wherever situated, whether in their

respective names or not and whether solely or jointly or beneficially owned; (b) answers to any outstanding questions from the Monitor's letters to RNC, Robertson and the Estate dated February 22, 2019 and February 25, 2019; and (c) copies of Robertson's personal income tax return, and the income tax return for each of RNC, RNPM, and Seaglass, for the past three (3) years.

Third Parties

13. Royal Bank of Canada, TD Bank Group, The Bank of Nova Scotia ("**BNS**"), BMO Financial Group, Canadian Imperial Bank of Commerce, Canadian Tire Bank, Canadian Western Bank, East Coast Credit Union, Questrade Financial Group Inc. and Manulife Financial Corporation (collectively, the "**Banks**") to forthwith freeze and prevent any removal or transfer of monies or assets of the Preserving Parties held in any account or on credit on behalf of the Preserving Parties with the Banks, except as outlined pursuant to the terms of this Order, in particular transfers to the Preservation Accounts contemplated by paragraph 3 of this Order and disbursements made from the accounts in paragraph 14 of this Order, or with a written direction from the Monitor and the applicable Preserving Party, or further Order of the Court.

14. One (1) personal bank account and one (1) corporate bank account with BNS shall be maintained as primary bank accounts for Jennifer Robertson and RNPM, respectively, for purpose of ongoing disbursements for ongoing living expenses for Jennifer Robertson and Property Preservation Expenses as contemplated in this Order. For greater certainty, the Monitor shall have access to account statements and information in respect of such accounts on an ongoing basis for reporting purposes, and BNS shall provide such information and documentation to the Monitor in accordance with paragraph 15 of this Order.

15. The Preserving Parties consent to all Banks holding assets of the Preserving Parties or which formerly held assets of the Preserving Parties, in any account or on credit on behalf of the Preserving Parties to disclosure and delivery to the Monitor by the Banks of any and all records and statements held by the Banks concerning the Preserving Parties' assets and accounts, including the existence, nature, value and location of any monies or assets or credit, wherever situate, including all records and statements held by the Banks concerning any assets and accounts of the Preserving Parties formerly held by the Banks, and the Banks shall forthwith provide such information and documentation to the Monitor.

Cryptocurrency

16. All cryptocurrency exchanges, including the cryptocurrency exchanges doing business as Binance, Bitfinex, Bitmex, Bitstamp, Coinbase, Digifinex, EzBtc.ca, Huobi, Kraken, Localbitcoins.com, Poloniex, OKCoins, OkEx and Shapeshift, (the "**Exchanges**") to forthwith freeze and prevent any removal or transfer of currency or assets of the Preserving Parties held in any account or on credit on behalf of the Preserving Parties, with the Exchanges, except as outlined pursuant to the terms of this Order, or with a

written direction of the Monitor and the applicable Preserving Party, or further Order of the Court.

17. The Preserving Parties consent to all Exchanges holding assets of the Preserving Parties or which formerly held assets of the Exchanges, in any account or on credit on behalf of the Preserving Parties to disclosure and delivery to the Monitor by the Exchanges of any and all records and statements held by the Exchanges concerning the Preserving Parties' assets and accounts, including the existence, nature, value and location of any monies or assets or credit, wherever situate, including all records and statements held by the Exchanges concerning any assets and accounts of the Preserving Parties formerly held by the Exchanges, and the Exchanges shall forthwith provide such information and documentation to the Monitor.

18. Any cryptocurrency accounts determined to be held in the name of any of the Preserving Parties on any Exchanges, shall be returned to the Monitor to form part of the Applicants' property. Any Exchanges holding cryptocurrency on behalf of any of the Preserving Parties shall be entitled to rely on the directions of the Monitor in respect of the transfer of such assets.

Sale of Assets

19. Where assets have been monetized in accordance with the terms of this Order and with the written approval of the Monitor and Representative Counsel, the Applicants' and Affected Users release all claims as against title to the assets sold to a bonafide third party purchaser (the "**Purchased Assets**"). For the purposes of determining the nature and priority of any claims as against any Purchased Assets, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold.

Variation, Discharge or Extension of Order

20. Anyone served with or notified of this Order may apply to the Court at any time to vary or discharge this Order on notice to the Monitor and the Preserving Parties in accordance with the applicable rule under the Nova Scotia Civil Procedure Rules.

General

21. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction outside Nova Scotia is requested to give effect to this Order and to assist the Monitor, the Preserving Parties and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, and the Preserving Parties and their respective agents as may be necessary or desirable to give effect to this Order, or to assist the Monitor, Preserving Parties and their respective agents in carrying out the terms of this Order.

Issued at Halifax, Province of Nova Scotia, this 11th day of April, 2019.

AMANDA HAWBOLDT
Deputy Prothonotary

CONSENTED TO:

Richard Niedermayer, on behalf of each of
the Preserving Parties
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