

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

(Re Termination and Bankruptcy Assignment Order)

BEFORE THE HONOURABLE JUSTICE MICHAEL J. WOOD

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

UPON READING the Fourth Report of the Monitor dated April 1, 2019;

AND UPON HEARING the submissions of counsel to the Applicants, counsel for the Monitor, Representative Counsel (as defined below), Grant Thornton Limited in its capacity as the Chief Restructuring Officer of the Applicants (the "**CRO**"), counsel to Jennifer Robertson, and such other individuals who appeared and were heard on the Motion;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. If necessary, the service of the Notice of Motion, the Motion Record and supporting documents are hereby abridged and service is hereby deemed adequate notice so that the Motion is properly returnable today and further service thereof is hereby dispensed with.

Termination of the CCAA Proceedings

2. The Monitor shall establish a reserve (the "**Post-filing Reserve**") from the funds held in the Disbursement Account (as defined in the Initial Order dated February 5, 2019 (the "**Initial Order**")) to pay: (a) any outstanding fees and disbursements of the CRO, the Monitor, counsel to the Applicants, counsel to the Monitor and Representative Counsel

(collectively, the “**Professional Fees**”); and (b) any fees, expenses and disbursements properly incurred by the Monitor, Representative Counsel or the Applicants following the date of the Initial Order (the “**Post-filing Expenses**”). In the name and on behalf of the Applicants, the Monitor shall pay the Professional Fees and Post-filing Expenses in accordance with the procedures set out in prior orders of this Court in these CCAA proceedings in respect of payment thereof.

3. The Monitor, in the name of and on behalf of the Applicants, is authorized and directed to make a payment from the funds in the Disbursement Account to the Trustee (as defined below) appointed in respect of Whiteside in the amount of \$25,000 to serve as a third party deposit to guarantee the costs of administration of the trustee, without any personal liability to the Monitor in connection therewith.
4. The Monitor shall have no personal liability to make any payments contemplated herein, and nothing in this Order shall be construed as obligating the Monitor to make any such payment, unless and until the Monitor is in receipt of funds adequate to effect any such payment in full.
5. Upon the filing of a certificate of the Monitor substantially in the form attached hereto as Schedule "A" (the "**Monitor's Discharge Certificate**") certifying that, to the best of the knowledge and belief of the Monitor, the Post-filing Expenses and the Professional Fees have been satisfied, the within CCAA Proceedings shall be dismissed without any other act or formality (the "**CCAA Termination Time**").
6. The Monitor shall, at least seven (7) days prior to the proposed CCAA Termination Time, provide notice to the E-Service List of the Monitor's intention to file the Monitor's Discharge Certificate.
7. The Administration Charge and Directors' Charge (as defined in the Initial Order) shall be terminated, released and discharged effective at the CCAA Termination Time.
8. Effective at the CCAA Termination Time, EY shall be discharged and relieved from any further obligations, liabilities, responsibilities or duties in its capacity as Monitor pursuant to the Initial Order and any other Orders of this Court in these CCAA proceedings.
9. Effective at the CCAA Termination Time, Grant Thornton Limited shall be discharged and relieved from any further obligations, liabilities, responsibilities or duties in its capacity as CRO in these CCAA proceedings.
10. Effective at the CCAA Termination Time, in addition to the protections in favour of the Monitor in any Order of this Court in these CCAA proceedings or the CCAA, EY, the Monitor, the Monitor's legal counsel, the CRO, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the "**Released Parties**") are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the CCAA Termination Date in any way relating to, arising out of or in respect

of the within CCAA Proceedings or with respect to their respective conduct in the within CCAA Proceedings (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any negligence or actionable misconduct on the part of the Released Parties.

Assignment in Bankruptcy

11. The stay of proceedings is lifted or amended insofar as may be necessary to allow the present motion to be brought and heard.
12. The CRO is authorized and directed to cause the Applicants to file assignments in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in the City of Halifax, Province of Nova Scotia naming EY as the trustee in bankruptcy (in such capacity, the "**Trustee**"), and in that regard to sign such documents in the names of the Applicants and take all such steps as are necessary to make the assignment in bankruptcy and commence proceedings under the BIA (the "**BIA Proceedings**"). For greater certainty, no resolutions or other authorizations from the directors, officers or shareholders of the Applicants will be required to commence the BIA Proceedings.
13. The Monitor shall transfer to the Trustee of Quadriga, Whiteside and Fintech, as applicable, the funds remaining in the Disbursement Account, the Wallet (as defined in the Initial Order), and the Separate Account following establishment of the Post-filing Reserve as soon as commercially possible after the commencement of the BIA Proceedings.
14. Following the payment of the Post-filing Expenses and the Professional Fees, the Monitor shall transfer to the Trustee of Quadriga, Whiteside and Fintech, as applicable, the funds remaining in the Post-filing Reserve.
15. The Applicants, their present and former officers, directors, solicitors, agents, servants, shareholders, contractors, any persons acting on their instructions and all other persons having notice of this Order are hereby restrained and enjoined from disturbing or interfering with the Trustee and with the exercise by the Trustee of its powers and the performance by the Trustee of its duties pursuant to the BIA and any order made in the BIA Proceedings.

Bankruptcy Proceedings Administration

16. The time periods for the Trustee to perform its statutory obligations prescribed by Sections 16 and 21 of the BIA are hereby extended until further Order of this Court, and until such Order is made, the Trustee shall be relieved from performing any such obligations.
17. Miller Thomson LLP, as lead counsel, and Cox & Palmer, as local counsel, shall continue to act as representative counsel (collectively, "**Representative Counsel**") to represent the interests of the Affected Users (as defined in the Order of this Court dated February 28, 2019 (as amended, the "**Rep Counsel Order**") in the BIA Proceedings on the same terms and conditions outlined in the Rep Counsel Order. The committee of Affected Users (the

“**Official Committee of Affected Users**”) appointed to act as representatives of Affected Users pursuant to the terms of the Order appointing the Official Committee of Affected Users dated March 19, 2019 (the “**Official Committee Order**”) shall continue to act and in accordance with its mandate and subject to the terms and conditions outlined in the Rep Counsel Order and the Official Committee Order. The reasonable legal fees and disbursements incurred by the Representative Counsel shall be paid by the Trustee on a periodic basis upon rendering of accounts by Representative Counsel (readacted to preserve any claim for privilege) to the Trustee and that, in the event of any disagreement regarding such fees and disbursements such matters may be remitted to this Court for determination. The Trustee shall have no personal liability to make any payments to Representative Counsel, and nothing in this Order shall be construed as obligating the Trustee to make any such payment, unless and until the Trustee is in receipt of funds adequate to effect any such payment in full.

18. The Trustee shall be deemed to satisfy its obligations under Section 102 of the BIA by, within 5 days of the commencement of the BIA Proceedings: (a) sending an electronic version of this Order to the Service List in the CCAA Proceedings, any Opt-out Individuals (as defined in the Rep Counsel Order as at the date of the Applicants’ assignments in bankruptcy), and any other known creditors of the Applicants; (b) providing a copy of this Order to the Representative Counsel for circulation to the Affected Users; (c) posting a copy on the website of Quadriga (www.quadrigacx.com); (d) posting a copy on the Monitor’s website for these proceedings (www.ey.com/quadriga); (e) posting a copy on www.reddit.com/r/quadrigacx; and (f) no later than 5 days before the first meeting of creditors, publishing a notice of this Order and the commencement of the BIA Proceedings in the Globe and Mail.
19. The passing of the accounts of the Trustee, the Trustee’s counsel and Representative Counsel shall be directed to a Judge of this Court.
20. For purposes of satisfying its obligations under Section 102(2) of the BIA, the list of creditors prepared by the Trustee shall contain a single line noting the number of Affected Users and the aggregate amount of the Affected Users claims. For greater clarity, the Trustee shall keep the identity and any other personal or identifiable information of individual Affected Users confidential.
21. At the first meeting of creditors of the Applicants, the Representative Counsel shall be entitled to file an omnibus proof of claim on behalf of all of the Affected Users (other than the Opt-out Individuals) and vote the claims of the Affected Users (other than the Opt-out Individuals) pursuant to direction from the Official Committee of Affected Users without the need for individual proxies.
22. Pending further Order of the Court, the Trustee shall maintain the identities of any Affected Users that submit claims for the purposes of voting at the first meetings of creditors of the Applicants (by proxy or otherwise) confidential and shall not disclose them to any third party.
23. The Trustee is authorized and empowered, but not obligated, to continue the investigation

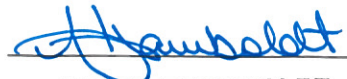
commenced as Monitor under the CCAA, obtain legal services, take or commence such Court proceedings, and/or conduct such examinations under section 163 of the BIA as it considers necessary for the recovery or preservation of the Applicants' property prior to the first meetings of creditors of the Applicants.

24. All of the terms of the Platform Access Order dated March 5, 2019 shall continue to apply in the BIA Proceedings *mutatis mutandis* and Amazon Web Services Inc. and any of its affiliates shall continue to be bound by the terms of the Platform Access Order pending further Order of the Court.
25. All of the terms of the Banking Arrangements Order dated February 22, 2019 shall continue to apply in the BIA Proceedings *mutatis mutandis*.
26. All of the terms of the Preservation Order dated April 8, 2019 shall continue to apply in the BIA Proceedings *mutatis mutandis*.
27. All of the terms of the Third Party Processor Order dated April 8, 2019 shall continue to apply in the BIA Proceedings *mutatis mutandis*.

General

28. Notwithstanding the discharge of EY as Monitor and the termination of the CCAA Proceedings, this Court shall remain seized of any matter arising from these CCAA Proceedings, and each of the Applicants, EY, Representative Counsel and any interested party that has served a Notice of Appearance in these CCAA Proceedings, shall have the authority from and after the date of this Order to apply to this Court to address matters ancillary or incidental to these CCAA Proceedings notwithstanding the termination thereof. EY is authorized to take such steps and actions as Monitor following date of this order until the CCAA Termination Time. In completing or addressing any such ancillary or incidental matters, EY shall continue to have the benefit of all Orders made in the CCAA Proceedings in relating to its capacity as Monitor, including approvals, protections, and stays of proceedings in favour of EY in its capacity as Monitor.
29. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction outside of Nova Scotia is requested to give effect to this Order and to assist the Applicants, the Monitor 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 Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.
30. This Order and all of its provisions are effective as of 12:01 a.m. Atlantic Standard Time on the 8th day of April, 2019.

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



AMANDA HAWBOLDT
Deputy Prothonotary

SCHEDULE "A"

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*

Monitor's Certificate (Re Termination and Bankruptcy Assignment Order)

RECITALS

- A. Pursuant to an Order of the Honourable Justice Michael J. Wood of the Nova Scotia Supreme Court (the "**Court**") dated February 5, 2019, Ernst & Young Inc. ("**EY**") was appointed as the monitor (the "**Monitor**") of Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd. ("**Quadriga**" or the "**Company**") (collectively, the "**Applicants**"). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the "**CCAA Proceedings**".
- B. The CCAA Proceedings have been completed in accordance with the Orders of this Court and under the supervision of the Monitor.
- C. Pursuant to the Order of this Court dated April 8, 2019 (the "**Termination Order**"), the Monitor may be discharged and the CCAA Proceedings may be terminated upon filing of this Monitor's Certificate with the Court.
- D. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Termination Order.

THE MONITOR CERTIFIES the following:

1. To the best of the knowledge and belief of the Monitor, the Post-filing Expenses and the Professional Fees have been satisfied.

DATED at Halifax, Nova Scotia this ____ day of _____, 2019.

ERNST & YOUNG INC., solely in its capacity as
Monitor of Quadriga Fintech Solutions Corp., Whiteside
Capital Corporation and 0984750 B.C. Ltd. and not in its
personal or corporate capacity

By: _____

Name: George C. Kinsman
Title: Partner, Senior Vice President

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 UNDER THE COMPANIES' CREDITORS
ARRANGEMENT ACT

Hfx No. 484742

**IN THE SUPREME COURT
OF NOVA SCOTIA**

Proceeding commenced in Halifax

**ORDER
RE: TERMINATION AND BANKRUPTCY
ASSIGNMENT ORDER**

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Elizabeth Pillon LSO#: 35638M
Tel: (416) 869-5623
Email: lpillon@stikeman.com

Lee Nicholson LSO#: 66412I
Tel: (416) 869-5604
E-mail: leenicholson@stikeman.com
Fax: (416) 947-0866

Lawyers for Ernst & Young Inc., Monitor