

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. dba Quadriga CX and Quadriga Coin Exchange for relief under the *Companies' Creditors Arrangement Act*

AFFIDAVIT OF RYAN KNEER

I, Ryan Kneer, of the City of Calgary, in the Province of Alberta **MAKE OATH**
AND SAY AS FOLLOWS:

1. This Affidavit is made in support of a motion by certain Affected Users for an Order (the “**Representative Counsel Order**”) appointing Osler, Hoskin & Harcourt LLP (“**Osler**”) and Patterson Law (“**Patterson**”) in the proceedings (the “**CCAA Proceedings**”) of Quadriga Fintech Solutions Corp. (“**QFS**”), Whiteside Capital Corporation (“**WCC**”) and 0984750 B.C. Ltd. dba Quadriga CX and Quadriga Coin Exchange (“**Quadriga**”, and collectively, QFS, WCC and Quadriga, the “**Applicants**” or the “**Companies**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
2. I have been involved in cryptocurrency since 2013. I act as a professional market maker for cryptocurrency markets and am a developer of automated trading software. I have been making markets on the Quadriga trading platform since 2017. I therefore have personal knowledge of the evidence given in this affidavit. Where I do not have personal knowledge, I have identified the source of my information and believe it to be true.
3. I am an Affected User, as that term has been used in the materials filed in these CCAA Proceedings to date.

4. For privacy reasons, I do not wish to disclose the amount of my claim against Quadriga in a document that will be publicly available. I am aware of news stories reporting the identities of certain Affected Users and the amounts of their claims, which was apparently obtained from documents filed with the Court.

5. I authorize Osler to disclose details of my claim to the Court, Quadriga, the Monitor and the Monitor's counsel so that they can verify my interest in this proceeding. If necessary, I would not oppose an order or other direction by the Court to disclose the amount of my claim to other parties and their counsel seeking to be appointed as representatives and representative counsel, subject to appropriate confidentiality arrangements.

CONCERNS AND INTERESTS OF AFFECTED USERS

6. Since I learned of Quadriga's intention to make a filing under the CCAA, I have been communicating regularly with other Affected Users, primarily through the Telegram instant messaging application. I am therefore very aware of the concerns and ideas that Affected Users have expressed with respect to the CCAA filing.

7. Concerns of Affected Users include the following:

- (a) Generally, Affected Users have no familiarity with the CCAA process. They have many questions about the CCAA process, its anticipated length, their ability to recover their fiat currency and cryptocurrency, and their legal rights and obligations.

- (b) Many Affected Users are deeply concerned about protecting their privacy. Among other reasons for protecting their privacy, individuals who own large quantities of cryptocurrencies have been targeted for theft, phishing and even assault.
- (c) Many Affected Users may require access to the Quadriga platform to obtain information about their holdings. Quadriga kept detailed trading records of transactions on the Quadriga platform. Affected Users who have to report gains or losses for tax purposes may require access to this information to accurately report that information.
- (d) Many Affected Users are concerned and suspicious about what has occurred. There are unconfirmed reports circulating online that Quadriga's cold wallets have been identified and cryptocurrency is already being moved out of them. Affected Users want a thorough and transparent investigation.
- (e) Many of the Affected Users have expressed that they cannot afford to retain legal counsel, either because the amounts of their claims do not justify the expense or because the loss of access to their fiat currency and cryptocurrency held on Quadriga's platform means they do not have the financial resources to retain and pay qualified legal counsel.

IMPORTANCE OF REPRESENTATIVES AND REPRESENTATIVE COUNSEL

8. I believe it is important and efficient to have the interests of Affected Users represented in the CCAA process through a committee of representatives and representative counsel for the following reasons:

- (a) I am not aware of any Affected Users who are in a financial position to retain counsel to represent only their interests in the CCAA process.
- (b) The representatives and representative counsel can assist in providing information to Affected Users through various ways, including less conventional communications media popular among cryptocurrency holders, such as Reddit and Telegram.
- (c) The representatives and representative counsel can bring forward and advocate for interests of Affected Users in an efficient and co-ordinated manner.
- (d) The representatives and representative counsel can endeavour to satisfy Affected Users that there will be thorough and transparent investigation into the circumstances surrounding Quadriga and its insolvency.

9. I believe that philosophically, many Affected Users are sceptical of traditional institutions. Many people choose to use cryptocurrencies because of dissatisfaction with the existing financial system. I believe it is necessary to have representatives and representative counsel who understand and appreciate the perspective of Affected Users, can win the confidence of Affected Users and can counsel them appropriately regarding the CCAA process.

10. With appropriate representatives and representative counsel appointed by the Court, I expect the CCAA process will move forward in a more orderly and efficient way.

MY QUALIFICATIONS AS A REPRESENTATIVE

11. I also believe that I and other Affected Users may be of assistance to the Monitor and Quadriga during this process.

12. As a market maker, I develop and operate software to place orders to buy or sell cryptocurrency on cryptocurrency trading platforms, including Quadriga prior to its recent shutdown.

13. As a result of my work, I have a deep knowledge of the entire cryptocurrency exchange industry.

14. I used Quadriga's exchange platform almost daily for the past two years and I am very familiar with its operations and markets.

15. I know many knowledgeable people within the cryptocurrency industry and broader cryptocurrency community. I may be in a position to obtain information and otherwise secure assistance from these people to assist in the CCAA process.

16. I believe it will be necessary to apply blockchain forensic analysis as part of the investigation into the cryptocurrency held on the Quadriga's exchange. I understand from the Monitor's pre-filing report that it intends to hire cryptocurrency consultants to assist it in its investigation. I am capable of assisting with the type of analysis that I expect would be performed. To the extent representatives and representative counsel were required to engage experts, I am in a position to assist in working with such experts.

17. I am willing to be a representative and work with the other proposed representatives on a committee appointed by the Court.

18. I know there are other Affected Users who have similar knowledge, expertise and relationships. Many of them wish to assist in some way. Practically, I believe it will be important to have a central group of representatives and representative counsel that can manage these efforts efficiently, so that Quadriga may pursue its restructuring with the assistance of the Monitor.

19. I believe it is important to ensure that any committee of representatives reflects the diversity of Affected Users. I understand that some Affected Users are casual users of cryptocurrency and have smaller claims, some like me are individuals who carry on business in the cryptocurrency industry, and some are companies that are working in the blockchain and cryptocurrency industry.

QUALIFICATIONS OF OSLER AS REPRESENTATIVE COUNSEL

20. I have communicated with Osler at length in recent days, both on the phone and through Telegram. I have familiarized myself with Osler's qualifications with legal matters involving the CCAA and cryptocurrency. I have also communicated with other law firms seeking to become representative counsel and familiarized myself with their qualifications.

21. I also believe it is very important for representative counsel to understand the interests of Affected Users, as well as have the necessary legal expertise.

22. I believe that Osler is the law firm best qualified to advise and represent Affected Users in conjunction with a committee of representative Affected Users. This belief is based on

my direct exposure to Osler, Osler's expertise in complex CCAA matters and their capabilities as a national law firm, Osler's knowledge of cryptocurrency, their understanding of the interests of cryptocurrency users, and their ability to communicate with Affected Users regarding cryptocurrency in a manner that inspires confidence that they understand the issues and concerns that are important to the Affected Users.

CONCLUSION

23. For the reasons given above, I believe that appointment of Osler and Patterson as representative counsel, working with a committee of representatives, is in the best interest of Affected Users and would help the CCAA Proceedings.

SWORN BEFORE ME at the City of
Calgary, in the Province of Alberta on
February 8, 2019.



A Notary Public
(or as may be)

JUSTIN C.A. FONTAINE
Barrister & Solicitor


RYAN KNEER

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Exchange for relief under the *Companies' Creditors Arrangement Act*

Hfx No: 484742

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AFFIDAVIT OF RYAN KNEER
(sworn February 8, 2019)

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