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File No.: 121128.1016

Caroline McInnes
Prothonotary
Supreme Court of Nova Scotia
1815 Upper Water Street
Halifax, NS B3J 1S7
Canada

Attention: Ms. McInnes

Dear Ms. McInnes:

Re: Hfx No. 484742 - Application by for 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* (the "CCAA")

Motion date - Friday, February 22, 2019 at 11:00 a.m.

We are counsel to the Court-appointed Monitor, Ernst & Young Inc. (the "**Monitor**"), in the proceedings in respect of Quadriga Fintech Solutions Corp. Whiteside Capital Corporation and 0984750 B.C. Ltd. d/b/a/ Quadriga CX and Quadriga Coin Exchange (collectively, the "**Applicants**") under the CCAA.

Please find enclosed a blackline of the draft order that the Monitor will seek at the motion tomorrow at 11:00 a.m. (the "**Blackline Order**") which is compared against the version attached in the Second Report of the Monitor. We would ask that you kindly provide Justice Wood a copy of the Blackline Order prior to the motion.

Thank you for your assistance.

Yours truly,

per

Elizabeth Pillon

Attach.

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 for relief under the *Companies' Creditors Arrangement Act*

ORDER
(Banking Arrangements 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. ("**Quadriga**") d/b/a Quadriga CX and Quadriga Coin Exchange (collectively, the "**Applicants**"), under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"), by Ernst & Young Inc., in its capacity as Court-appointed Monitor of the Applicants (the "**Monitor**") for an order granting certain relief with respect to post-filing bank arrangements of the Applicants and the depositing of certain funds into an account of the Monitor;

UPON READING the Second Report of the Monitor;

AND UPON HEARING counsel to the Applicants, counsel for the Monitor, counsel to Royal Bank of Canada, counsel to Bank of Montreal, counsel to Costodian Inc. and Jose Reyes and such other individuals who appeared in person or via conference call 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.

2. Royal Bank of Canada ("**RBC**") shall accept deposits of funds from the Applicants or the Monitor into the Disbursement Account (as defined by the Initial Order dated February 5, 2019 of this Court (the "**Initial Order**") with the account number 100-851-5 or any replacement thereof, which constitute Property (as defined by the Initial Order) of the Applicants, including, amounts owing to Quadriga by third party payment processors, any of Quadriga's cryptocurrency liquidated by the Monitor in accordance with an Order of the Court, bank drafts endorsed and/or assigned to the Monitor by 700964 N.B. Inc. or 10099226 B.C. Ltd. (the "**Bulk Drafts**"), the Bank Drafts (defined below), the Remaining Bank Draft (defined below), other bank drafts or similar financial instruments (collectively, "**Funds**").

3. RBC shall be entitled to rely on the directions of the Monitor to determine whether the Funds shall be deposited into the Disbursement Account or the Separate Account (defined below) and having relied on such directions, the terms of the Initial Order and this Order, there shall be no right of action against RBC with respect to its acceptance of Funds into the Disbursement Account and/or the Separate Account.

4. RBC shall be entitled to rely on directions from the Monitor in determining whether any Funds in the Disbursement Account or the Separate Account shall be disbursed and having relied upon such direction, the terms of the Initial Order and this Order, there shall be no right of action against RBC with respect to its disbursements of Funds from the Disbursement Account and/or the Separate Account.

5. RBC shall have no liability or obligation as a result of the performance of their duties in carrying out the provisions of this Order, including any and all matters related to the acceptance into and payment of the Funds out of the Disbursement Account or the Separate Account, save and except for liability arising out of negligence or actionable misconduct.

6. The Monitor is hereby authorized and directed to enter into an assignment agreement, in a form acceptable to the Monitor, with 700964 N.B. Inc. or 10099226 B.C. Ltd., which endorses and assigns the Bulk Drafts to the Monitor in order to permit the Bulk Drafts to be deposited into the Disbursement Account. The Monitor and the Applicants are further authorized and empowered to take additional actions and steps or execute additional documents as may be necessary or desirable in order to deposit the Bank Drafts, Bulk Drafts or other Funds into the Disbursement Account.

7. Bank of Montreal ("**BMO**") shall accept an endorsement in favour of the Monitor in respect of bank drafts issued by BMO numbered 083338, 083339, 083336 and 083340 (collectively, the "**Bank Drafts**") and the remaining Canadian dollar bank draft issued by BMO currently made payable to Costodian Inc. ("**Costodian**") numbered 083337 (the "**Remaining Bank Draft**") and shall permit the Bank Drafts and the Remaining Bank Draft to be deposited into the Disbursement Account.

8. BMO shall have no liability or obligation as a result of the performance of their duties in carrying out the provisions of this Order, including accepting an endorsement in favour of the Monitor in respect of the Bank Drafts and the Remaining Bank Draft and permitting the Bank Drafts and the Remaining Bank Draft to be deposited into the Disbursement Account, save and except for liability arising out of negligence or actionable misconduct.

9. Within five (5) business days of this Order, Costodian shall deliver the Remaining Bank Draft and an endorsement in favour of the Monitor in respect of the Bank Drafts and the Remaining Bank Draft to the Monitor, in a form acceptable to the Monitor, which shall entitle the Monitor to deposit the Bank Drafts and the Remaining Bank Draft into the Disbursement Account.

10. Following the deposit of the Remaining Bank Draft in the Disbursement Account:

    (a) the Monitor shall pay Jose Reyes $60,958.64 on account of the personal funds of Mr. Reyes currently forming part of the Remaining Bank Draft within five (5) business days of the Remaining Bank Draft being deposited in the Disbursement Account; and

    (b) deposit $778,213.94 (the "**Disputed Amount**"), representing the amount of Remaining Bank Draft which Costodian has claimed for alleged outstanding fees ($369,047.53 plus 5% HST for transaction fees and $372,108.60 plus 5% HST for outbound transfer fees) in a separate account held by the Monitor (the "**Separate Account**") with the account number 100-845-7 or any replacement thereof, pending a determination or resolution with respect to Quadriga's and Costodian's respective rights, entitlements and claims in respect of the Disputed Amount. Each of Quadriga's and Costodian's rights, entitlement, claims and defences shall not be affected by depositing the Disputed Amount in the Disbursement Account and the Separate Account and the parties' respective rights, entitlements, claims and defences in respect of the Disputed Amount shall be determined as if Costodian continued holding possession of a bank draft for the Disputed Amount.

Issued at Halifax, Province of Nova Scotia, this ____ day of February, 2019.

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