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File Reference: SM055740-2

February 25, 2019

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Hand Delivered

Court Administration
FEB 25 2019
Halifax, N.S.

The Honourable Justice Michael J. Wood
Supreme Court of Nova Scotia
The Law Courts
1815 Upper Water Street
Halifax, Nova Scotia

My Lord:

Re: Application by Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd. dba Quadriga CX and Quadriga Coin Exchange (collectively referred to as the "Companies" or the "Applicants"), for relief under the *Companies' Creditors Arrangement Act* - Hfx No. 484742

Comeback Hearing – Tuesday, March 5, 2019 at 11:00 a.m.

We are counsel for the Applicants, Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd. dba Quadriga CX and Quadriga Coin Exchange (collectively referred to as the "**Companies**"). The Applicants appeared before Your Lordship on February 5, 2019 seeking protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"). The initial order for protection was issued by Your Lordship on February 5, 2019 (the "**Initial Order**"), with the Stay Termination Date scheduled to end on March 7, 2019.

Filed with this motion is the second affidavit of Jennifer Robertson sworn on February 25, 2019 (the "**Second Robertson Affidavit**"). In addition, a report of Ernst & Young Inc. ("**EYI**"), the Monitor for the Companies, will be filed on or before March 1, 2019.

I. ISSUES

The following matters are before this Court:

1. a request for an extension of the stay provided under the CCAA for an additional 45 to 60 days; and

2. the appointment of Peter Wedlake of Grant Thornton Limited as Chief Restructuring Officer ("**CRO**") for the Companies.

II. Facts

The CCAA proceedings are still in early days, but the Companies have taken significant steps to move the matter forward. As set out in the Second Robertson Affidavit, the Companies have taken the following steps:

(i) all computer and other equipment used by Gerald (Gerry) Cotten in operating the Companies have been delivered to EYI;

(ii) all known assets held by the Companies have been transferred to EYI;

(iii) all information on third parties holding assets of the Companies has been provided to EYI;

(iv) the Companies' contractors have been made available to EYI;

(v) participated in and supported the application for the appointment of representative counsel for the affected users; and

(vi) provided assistance to EYI in relation to the bank drafts held by third parties on the Companies' behalf, including participating in the motion to address the drafts held by Costodian Inc.

III. Submissions

Issue 1 – Extension of the Stay Period

Paragraph 11.02(2) of the CCAA (Book of Authorities, Tab 12) sets out the jurisdiction of this Court to consider the request of the Companies for an extension to the stay period:

> *Stays, etc. — other than initial application*
>
> *(2) A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,*
>
> > *(a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that*

> *might be taken in respect of the company under an Act referred to in paragraph (1)(a);*
>
> *(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and*
>
> *(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.*

The Companies bear the burden of demonstrating to the Court that it is appropriate for the Court to grant the requested extension. Paragraph 11.02(3) of the CCAA (Book of Authorities, Tab 12) sets out the appropriate tests to be considered by the Court as follows:

> *Burden of proof on application*
>
> *(3) The court shall not make the order unless*
>
> *(a) the applicant satisfies the court that circumstances exist that make the order appropriate; and*
>
> *(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.*

In summary, paragraph 11.02(3) sets out three pre-conditions which the Companies must meet before this Court will grant the requested extension:

1. that circumstances exist that make the order appropriate;
2. that the applicant has acted and continues to act in good faith; and
3. that the applicant has acted and continues to act with due diligence.

In considering whether "circumstances exist that make the order appropriate", courts have often considered whether the extension of the stay will further the purposes of the CCAA (see *Worldspan Marine Inc., Re*, 2011 BCSC 1758 (Book of Authorities, Tab 11) at paragraph 13 and *North American Tungsten Corp., Re*, 2015 BCSC 1376 (Book of Authorities, Tab 5) at paragraphs 25 – 26).

A number of cases have provided commentary on the principles to be considered by the Court in the context of such applications. In *Simpson's Island Salmon Ltd., Re*, 2006 NBQB 6 (Book of Authorities, Tab 9), Glennie J. quoted with approval the following comments from Farley J. in

Lehndorff General Partner Ltd., Re [1993] O.J. No. 14 (Ont. Gen. Div.) [Commercial List]) at para 27:

> *The CCAA is intended to facilitate compromises and arrangements between companies and their creditors as an alternative to bankruptcy and, as such, is remedial legislation entitled to a liberal interpretation. It seems to me that the purpose of the statute is to enable insolvent companies to carry on business in the ordinary course or otherwise deal with their assets so as to enable a plan of compromise or arrangement to be prepared, filed and considered by their creditors and the court. In the interim, a judge has a great discretion under the CCAA to make order so as to effectively maintain the status quo in respect of an insolvent company while it attempts to gain the approval of its creditors for the proposed compromise or arrangement which will be to the benefit of both the company and its creditors.*
>
> *The CCAA is intended to provide a structured environment for the negotiation of compromises between a debtor company and its creditors for the benefit of both. Where a debtor company realistically plans to continue operating or to otherwise deal with its assets but it requires the protection of the court in order to do so <u>and it is otherwise too early for the court to determine whether the debtor company will succeed, relief should be granted under the CCAA</u>...*
>
> [Emphasis added]

Similarly, in *ScoZinc Ltd., Re*, 2009 NSSC 108 (Book of Authorities, Tab 8), Duncan J. stated that, in relation to the general approach to extensions, a court must have regard to the overall purpose of the CCAA, and quoted a portion of the foregoing comments by Farley J. in *Lehndroff Lehndroff* (at paragraph 6).

In *Worldspan*, *supra*, Pearlman J. quoted the following passage from British Columbia Court of Appeal in *Hongkong Bank* of *Canada v. Chef Ready Foods Ltd.* (1990), 51 B.C.L.R. (2d) 84, [1990] B.C.J. No. 2384 (B.C. C.A.) concerning the purpose of the CCAA:

> *15 A frequently cited statement of the purpose of the CCAA is found in Hongkong Bank of Canada v. Chef Ready Foods Ltd. (1990), 51 B.C.L.R. (2d) 84, [1990] B.C.J. No. 2384 (B.C. C.A.), at p. 3 where the Court of Appeal held:*
>
> > *The purpose of the C.C.A.A. is to facilitate the making of a compromise or arrangement between an insolvent debtor company and its creditors to the end that the company is able to continue in business. It is available to any company incorporated in Canada with assets or business activities in Canada that is not a bank, a railway company, a telegraph company, an insurance company, a trust company, or a loan company. When a company has recourse to the C.C.A.A. the court is called upon to play a kind of supervisory role to preserve the status quo and to move the process along to the point where a compromise or*

> *arrangement is approved or it is evident that the attempt is doomed to failure. Obviously time is critical. Equally obviously, if the attempt at compromise or arrangement is to have any prospect of success there must be a means of holding the creditors at bay, hence the powers vested in the court under s. 11.*

Pearlman J. also identified the debtor's progress during the previous stay period toward a restructuring, whether creditors will be prejudiced if the court grants the extension, and the comparative prejudice to the debtor, creditors and other stakeholders in not granting the extension, as other factors to be considered in an application for an extension (at paragraph 22).

In *North American Tungsten*, *supra*, Butler J. stated that an applicant must provide evidence of at least "*a kernel of a plan*" which will advance the CCAA objectives (paragraph 26). However Butler J. also recognized a need for deference when considering extensions of the stay at the early stages of a proceeding (provided the requirements in s. 11.02(3) have been met), and granted the requested extension noting that the debtor had demonstrated "*a strategy to move forward in an orderly way which may provide benefits to stakeholders*" (paragraphs 28 and 31). Reference is also made to the following statement made by Glennie J. in *Cansugar Inc., Re*, 2004 NBQB 7 (Book of Authorities, Tab 1), where he noted:

> *[9] In my opinion, the requirements of section 11(6) of the C.C.A.A. have been satisfied in this case. The continuation of the stay is supported by the overriding purpose of the C.C.A.A., which is <u>to allow an insolvent company a reasonable period of time to reorganize and propose a plan of arrangement to its creditors and the Court</u>, and to prevent maneuvers for positioning among creditors in the interim.*
>
> [Emphasis added]

In *Canwest Global Communications Corp., Re*, 2009 CarswellOnt 7169 (Book of Authorities, Tab 2), Pepall J., noted that the debtor entities were continuing to work with their various stakeholders on the preparation and filing of a proposed plan of arrangement, and that additional time was required. In granting the extension, the Court considered, in addition to the fact that the entities had and were continuing to act in good faith and with due diligence, that: (i) the cash flow forecast suggested that entities would have sufficient resources during the requested extension period, (ii) that the monitor supported the extension, and (iii) and that there was a lack of opposition (paragraph 43).

The CCAA proceedings have been on-going for a very short period of time. To date, the Companies are working with EYI to gather all assets of the Companies and to secure assets being held by third parties on behalf of the Companies. This work in complicated by the lack of accessible business records of the Companies that one would expect to have on hand, and while significant efforts have been expended in the last three weeks much more needs to be done to try and maximize the recovery for the users. It is still very early in the CCAA process and an additional stay period is requested as appropriate to allow the Companies to continue this work in relation to asset recovery (particularly cryptocurrency assets).

The decision of the Alberta Court of Queen's Bench in *San Francisco Gifts Ltd., Re,* 2005 ABQB 91 (Book of Authorities, Tab 7) provides some useful insight into how a court will interpret the requirements for diligence and good faith. Topolniski, J. noted as follows when considering the supervisory role of the courts on such applications:

> *[28] The court's role during the stay period has been described as a supervisory one, meant to: <u>"...preserve the status quo and to move the process along to the point where an arrangement or compromise is approved or it is evident that the attempt is doomed to failure."</u> That is not to say that the supervising judge is limited to a myopic view of balance sheets, scheduling of creditors' meetings and the like. On the contrary, this role requires attention to changing circumstances and vigilance in ensuring that a delicate balance of interests is maintained.*
>
> [Emphasis added]

The Companies have worked diligently during the initial stay period to review and understand the operations of the Companies and to secure assets. As set out in the initial affidavit of Ms. Robertson filed with this Court, the current directors of the Companies had no previous involvement with the operations of the Companies prior to Mr. Cotten's death. Since the granting of the Initial Order, the Companies have worked to track assets held by the Companies, by third parties or in cold storage, but this work is still in the initial stages.

The Companies have also supported the appointment of representative counsel and are working towards defining the mandate of representative counsel in order to best support the affected users in these proceedings. The Companies have acted with due diligence and in good faith, and there is no evidence to suggest that the Companies will not continue to do so should an extension be granted.

Accordingly, it is respectfully submitted that the Companies have met the test required for the granting of an extension to the stay period.

Length of the Requested Stay Extension

Section 11.02(2) of the CCAA distinguishes a stay granted on an initial application, which is limited to 30 days, and stays other than those under the initial application, with no limit on the length of any stay extension period.

In *Sunrise/Saskatoon Apartments Limited Partnership, Re*, 2017 BCSC 808 (Book of Authorities, Tab 10), Fitzpatrick J. considered the appropriate length of a contested stay extension:

> *[21] The decision as to what an appropriate extension date is requires that the Court allow some flexibility to the parties. It remains a matter of exercising my discretion in terms of what I think is the most appropriate in the circumstances.*

In approving an extension of the stay of approximately 90 days, Fitzpatrick J. was cognizant to balance the supervisory role of the Court in a CCAA proceeding with the costs of returning to Court:

> *[22] In my view, there is no doubt that there will be further court attendances between now and August, particularly given the sales process that is underway. In my view, those applications will provide more than ample opportunity for any secured creditor, including Community Trust and Van Maren, to voice any concerns or disagreement about the process going forward.*
>
> *[23] I agree that I see no need to put the petitioners to the extra cost of making further applications for extensions of the stay. The costs of doing so will, of course, redound to the prejudice of the overall stakeholder group given the significant costs that are involved.*
>
> *[24] I have in mind too that there will be ongoing oversight by the Monitor. If anything untoward should happen, I would expect that the Monitor would file a report to that effect and alert the stakeholders so that the matter can be brought back before the court to be addressed in the usual fashion.*
>
> [Emphasis added]

This Honourable Court has granted an extension of the stay of proceedings for longer periods, examples of which are as follows:

- In the proceedings in *ScoZinc, supra*, this Court approved a 60-day extension period (see paragraph 1).

- In Hfx No. 441048, *Application by MRC Holdings Limited (the "Applicant") for Scotian Halibut Limited (the "Company") for relief under the Companies' Creditors Arrangement Act*, a stay extension period of 60 days was granted (see Order dated August 7, 2015 (Tab 1)).

- In Hfx No. 475298, *In The Matter of a Plan of Compromise or Arrangement of Wicker Emporium Limited*, stays of approximately 40 days have been granted (see Orders dated June 14, 2018 (Tab 2) and July 26, 2018 (Tab 3)).

It is noted that the extension sought by the Companies is within a reasonable timeframe, given the stage of the CCAA proceedings. Since the Initial Order was granted, there have been two motions heard by this Court (being the motion for the appointment of representative counsel and the motion to address the bank drafts held by Costodian Inc.), which may have been unexpected in a more traditional CCAA proceeding, and which caused the Companies and their counsel to spend valuable time addressing those issues.

The Companies' request that the length of the stay period be extended to allow for their work to continue in the search for the cryptocurrency assets, without need to return to Court on a quick turnaround. A shorter timeframe will increase the costs needed to prepare for a come-back hearing and not provide the Companies with the time needed to take substantial steps towards asset recovery.

It is submitted that the users will not be materially prejudiced as the Companies continue to search for and to locate assets during the requested extension period. Accordingly, the Companies request an extension of 45 to 60 days to the stay period, with a preference to the 60 day extension.

Issue 2 – Appointment of a Chief Restructuring Officer

The Companies are seeking the appointment of Peter Wedlake of Grant Thornton Limited as the CRO of the Companies. The reason for this request is based on the following factors:

- the current two directors had little to no previous experience with the business of the Companies or in the cryptocurrency industry prior to Mr. Cotten's death and their appointments as directors were made on January 25 and January 27, 2019;

- the terms of the Initial Order place obligations on the Companies in relation to searching for and preserving any property of the Companies, including the cryptocurrency in any existing cold wallets;
- the current directors do not have the technical expertise to direct the search for the cryptocurrency or cold wallets;
- the current directors have no experience in an insolvent business and in providing direction and making decisions in a CCAA proceeding, particularly in relation to asset recovery;
- given the pace and nature of these CCAA proceedings to date, there has been a blurring of the responsibilities of the Companies and the Monitor;
- the Initial Order is clear that the ultimate obligation remains on the Companies to search for assets and to report on these efforts to the Monitor; and
- the independence of the CRO would ensure that the interests of all stakeholders are protected and that any alleged concerns in relation to Ms. Robertson's continued day-to-day involvement with the Companies would be addressed.

The distinction between a CRO and a Monitor was raised by Grant B. Moffat, in his 2012 publication, *CRO: "Chief Restructuring Officer" or "Cost-effective Restructuring Option"* (Book of Authorities, Tab 13):

> *The appointment of a CRO is not duplicative of the mandate of a Monitor with a CCAA proceeding. The Monitor is a neutral Court officer, the "eyes and ears" of the Court with a statutory mandate under the CCAA to monitor the CCAA proceeding, facilitate information flow to the creditors and other stakeholders and report to the Court on the reasonableness and fairness of the various steps taken by the debtor company within the CCAA proceeding. A CRO, on the other hand, is an advocate for the company, with a narrower mandate to formulate and execute a restructuring plan to the benefit of the debtor company.*

Mr. Moffat also addressed the issue of costs associated with the retainer of a CRO, in providing:

> *Although sometimes viewed as yet another expense in an already expensive process, an effective CRO can bring tremendous value to a restructuring. The appointment of the CRO is an efficient means to lift the burden of the restructuring mandate from incumbent management, which is then free to focus on operations. It also ensures that the restructuring strategy is formulated from a view independent of existing management, which may not see the changes*

which are required or may be too conflicted to execute the necessary restructuring plan.

As set out in the Second Robertson Affidavit, one of the three directors of the Companies has resigned. For the public parent company, Quadriga Fintech Solutions Corp., having two directors falls below the required director quorum and a third director is required. It is submitted that the third director position would be filled by the CRO, if appointed by this Court, or by a third party at the direction of the CRO.

The CRO would, if appointed, assume responsibility for decisions to be made on behalf of Companies, including directions on the search for cryptocurrency and assuming carriage of any future sales negotiations when the assets of the Companies are marketed for sale. The installation of a CRO would allow the decisions made by the Companies to be done with the business skills necessary in a CCAA situation by a party experienced in these matters.

There is no provision in the CCAA that specifically allows the appointment of a CRO; however, it is respectfully submitted that the general powers provided to this Court under section 11 of the CCAA do allow the requested relief (Book of Authorities, Tab 12). In the present matter, the appointment of a CRO would assist the Companies by providing a business perspective to decisions to be made, facilitating any potential future sale and reducing or eliminating the prospect of any conflict of interest of other impediment that may arise in this process.

The increasing use of a CRO was discussed by Dr. Janis Sarra in the text, *Rescue! The Companies' Creditors Arrangement Act*, 2nd ed (Toronto: Carswell, 2013) (Book of Authorities, Tab 14) at page 350:

> *In the past two decades, there has been the growing use of chief restructuring officers (CRO) in CCAA workouts, frequently appointed in the initial stay order. This development is a governance response to creditor concerns that directors and officers that may not have skills or expertise to deal with a turnaround situation.*
>
> *The CRO is vested with responsibility to steer the insolvent firm through the negotiation for a plan and the restructuring process. CRO tend to be "turnaround experts" who can take over control of the restructuring process and sometimes take over control of the operations, replacing most of the functions of both the CEO and the directors, if required. Algoma Steel, Loewen and Consumers Packaging Inc. are all examples of CCAA cases that utilized a CRO. The appointment of a CRO can result in higher creditor confidence, particularly where creditors attribute the firm's financial distress to failures of governance. The CRO can also serve as a buffer between equity investors, directors, officers and creditors, undertaking the often tough negotiations required for an effective*

> *<u>workout. As a new participant, the CRO has the advantage of a fresh assessment of the financial distress and the potential for refinancing and a viable workout</u>.*
>
> [Emphasis added]

The position of a CRO has been used in other cases, including in *Ivaco Inc., Re*, 2004 CarswellOnt 2397 (Ont S.C.J.) (Book of Authorities, Tab 4), *Priszm Income Fund, Re*, 2011 CarswellOnt 2258 (S.C.J.) (Book of Authorities, Tab 6) and *Collins & Aikman Automotive Canada Inc., Re*, 2007 CarswellOnt 7014 (Book of Authorities, Tab 3).

It is submitted that the appointment of Peter Wedlake of Grant Thornton Limited as CRO is appropriate in the circumstances, for the following reasons:

- Mr. Wedlake is a well-known and respected insolvency and restructuring specialist;
- Mr. Wedlake is proposing an hourly retainer, which is likely to be significantly more cost-effective than a monthly retainer;
- Mr. Wedlake can address the issue of the third director of Fintech;
- Mr. Wedlake has the experience and skill set to address the issues facing the Companies, including a potential sales process, effectively and efficiently;
- Grant Thornton has in-house cryptocurrency expertise to provide strategic and business advice to the Companies in the search for assets (in particular, the cryptocurrency), independent from the Monitor;
- Mr. Wedlake can lead discussions on marketing any assets of the Companies, in particular the trading platform of Quadriga, on behalf of the Companies;
- Mr. Wedlake will be an independent advisor, to minimize any potential conflicts with the current directors.

For these reasons, it is respectfully submitted that it is appropriate to appoint a CRO for the Companies and that Peter Wedlake be appointed to this position.

IV. RELIEF REQUESTED

It is respectfully requested that the draft Order be issued, provided the following relief:

1. Extend the stay of proceedings for an additional 45 to 60 days; and

2. Confirm the appointment of Peter Wedlake as the Chief Restructuring Officer for the Companies.

We will be pleased to respond to any questions Your Lordship may have in connection with this motion.

Yours respectfully,

Maurice P. Chiasson, Q.C.

MPC/SLS/lms

c. Service List – Attached as Schedule "A" to the Notice of Motion

INDEX

TAB 1

Form 78.05

2015 **Hfx. No. 441048**

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF:

Application by MRC Holdings Limited (the "Applicant") for Scotian Halibut Limited (the "Company"), for relief under the *Companies' Creditors Arrangement Act*

AUG 07 2015

ORDER

Before the Honourable Justice John D. Murphy in Chambers

The Applicant, MRC Holdings Limited, proposes that the stay period as set out in the initial order of this Honourable Court dated July 9, 2015 (the "Initial Order") be extended for an additional 60 days under the *Companies' Creditors Arrangement Act.*

The following parties received notice of this motion:

- The Service List attached at Schedule "A" to the Notice of Motion, filed on August 6, 2015.

On motion of the Applicant, the following is ordered and declared:

1. The service of the notice of motion, and the supporting documents, as set out in the affidavit of service is hereby deemed adequate notice so that the motion is properly returnable today and further service thereof is hereby dispensed with; and

2. The Stay Period as set out in paragraph 11 of the Initial Order be extended for 60 days up to and including October 7, 2015 at 4:30 p.m. subject to the right of the creditors of Scotian Halibut Limited (the "Company") to request a review and reconsideration of this Order.

Issued August 7, 2015

Nancy Roberts

DEPUTY PROTHONOTARY

IN THE SUPREME COURT OF NOVA SCOTIA
I hereby certify that the foregoing document, identified by the Seal of the Court, is a true copy of the original document on file herein.
Dated the 7 day of August A.D., 2015

Nancy Roberts
Deputy Prothonotary

NANCY ROBERTS
Deputy Prothonotary

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TAB 2

SUPREME COURT OF NOVA SCOTIA
JUN 14 2018
HALIFAX, N.S.

2018 Hfx No. 475298

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF: The *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended

- and -

IN THE MATTER OF: A Plan of Compromise or Arrangement of Wicker Emporium Limited

SUPREME COURT NOVA SCOTIA FORIS ARMA DOMI CONSILIUM
M.H.R. J.

Order

Before the Honourable Justice M. Heather Robertson, in Chambers:

The Applicant applied for relief under the *Companies' Creditors Arrangement Act,* including an initial order granted on April 18, 2018 (the "Initial Order") and an extension and charging order granted May 4, 2018 (the "Extension and Charging Order"), and the Applicant now moves for an order extending the stay of proceedings;

The Applicant also seeks an order approving the marketing for sale as a going concern of the property and assets of the Applicant (the "Assets") through a form of marketing process to be approved by the Monitor, MNP Ltd.;

The Applicant provided the following supporting documents:

1. Affidavit of Raj Kapahi sworn June 6, 2018;

2. Affidavit of Service of Sharon MacLeod, Legal Assistant to D. Bruce Clarke, Q.C. (the "Affidavit of Service"); and

3. The Report of MNP Ltd., the Monitor, dated June 7, 2018.

The following parties appeared and made submissions on the motion:

Now upon motion of the Applicant, the following is ordered:

Service

1. The service of the Notice of Motion and the supporting documents as set out in the Affidavit of Service is deemed adequate so that the motion is properly returnable today and further service thereof is hereby dispensed with.

Extension

2. The Stay Period as set out in Paragraph 11 of the Initial Order and extended at Paragraph 3 of the Extension and Charging Order is extended to 11:59 p.m. on July 30, 2018, subject to the right of the creditors of the Applicant to request a review and reconsideration of this Order.

Marketing Process

3. The Applicant may proceed to market the Assets for sale as a going concern through a form of marketing process to be approved by the Monitor, whereby any purchaser shall be required to pay out or assume the outstanding debt of the Applicant to the Unaffected Creditor, Accord Financial Inc., and assume all obligations of the Applicant under its remaining un-disclaimed leases and to its remaining employees.

General

M.H.R. J.

4. This Order and all of its provisions are effective as of 12.01 a.m. Atlantic Time on the 14th day of June, 2018.

Issued June 14, 2018

(Deputy) Prothonotary

LORRAINE LUNN
Deputy Prothonotary

IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.
I hereby certify that the foregoing document, identified by the seal of the court, is a true copy of the original document on the file herein.

JUN 14 2018

Deputy Prothonotary

LORRAINE LUNN
Deputy Prothonotary

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TAB 3

SUPREME COURT
OF NOVA SCOTIA
JUL 2 6 2018
HALIFAX, N.S.

2018 Hfx No. 475298

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF: The *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended

- and -

IN THE MATTER OF: A Plan of Compromise or Arrangement of Wicker Emporium Limited

SUPREME COURT NOVA SCOTIA · FORIS ARMA DOMI CONSILIUM

Order

Before the Honourable Associate Chief Justice Deborah K. Smith, in Chambers:

sgd

The Applicant applied for relief under the *Companies' Creditors Arrangement Act,* including an initial order granted on April 18, 2018 (the "Initial Order"), an extension and charging order granted May 4, 2018 (the "Extension and Charging Order"), a further extension and marketing process order granted June 14, 2018 (the "Second Extension Order"), and the Applicant now moves for an order extending the stay of proceedings;

The Applicant provided the following supporting documents:

1. Affidavit of Raj Kapahi sworn July 10, 2018;

2. Affidavit of Service of Sharon MacLeod, Legal Assistant to D. Bruce Clarke, Q.C. (the "Affidavit of Service"); and

3. The Report of MNP Ltd., the Monitor, dated July 23, 2018.

The following parties appeared and made submissions on the motion:

- Wicker Emporium Limited

Now on motion of the Applicant the following is ordered and declared:

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Service

1. The service of the Notice of Motion and the supporting documents as set out in the Affidavit of Service is deemed adequate so that the motion is properly returnable today and further service thereof is hereby dispensed with.

Extension

2. The Stay Period as set out in Paragraph 11 of the Initial Order, extended at Paragraph 3 of the Extension and Charging Order, and extended at Paragraph 2 of the Second Extension Order is extended to 11:59 p.m. on September 5, 2018, subject to the right of the creditors of the Applicant to request a review and reconsideration of this Order.

General

3. This Order and all of its provisions are effective as of 12.01 a.m. Atlantic Time on the 26th day of July, 2018.

Issued July 26th, 2018

Gael O'Keefe
(Deputy) Prothonotary

GAEL O'KEEFE
Deputy Prothonotary

Certified to be a true and correct copy of original document herein
Date July 26, 2018
Gael O'Keefe
GAEL O'KEEFE
Deputy Prothonotary