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Sent via E-mail

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Attention: Robbie MacKeigan

Dear Mr. MacKeigan:

Re: In re Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd. (dba QuadrigaCX and Quadriga Coin Exchange) (the "Applicants") - Court file no. 484742 (the "CCAA Proceedings")

We refer to the order of Mr. Justice Wood of the Nova Scotia Supreme Court (the "**Court**") dated February 5, 2019 (the "**Initial Order**"), among other things, granting the Applicants protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "**CCAA**") and appointing Ernst & Young Inc. as Monitor of the Applicants (in such capacity, the "**Monitor**").

We also refer to the Court's decision released February 19, 2019 (citation: 2019 NSSC 65) in these CCAA Proceedings, among other things, appointing Miller Thomson LLP and Cox & Palmer (together "**Representative Counsel**") as Representative Counsel to the users affected by the shutdown of the QuadrigaCX cryptocurrency platform (collectively, the "**Affected Users**").

This letter sets out Representative Counsel's views on the motion materials served by the Applicants in connection with the motion returnable March 5, 2019 (the "**Comeback Motion**") seeking orders (collectively, the "**Orders**"): (i) extending the stay of proceedings for a period of between 45 and 60 days; and (b) appointing a chief restructuring officer (the "**CRO**").

Since its appointment, Representative Counsel has worked with the Monitor and Applicants to, among other things, formalize the Representative Counsel Decision into a draft order (the "**Representative Counsel Appointment Order**"), which was submitted today to the Court for issuance with the consent of all parties. Representative Counsel has also established communication channels with Affected Users and commenced a process calling for expressions of interest to act as a committee member on the Official Committee of Affected Users (the "**Official Committee**") to be established under the Representative Counsel Appointment Order. While the selection process for the Official Committee has begun, no committee members have yet been selected.

Given the circumstances, our ability to fully respond to the Comeback Motion is limited. We consider it inappropriate to bind the Official Committee before it has been established. In that context, set out below are our positions on the Comeback Motion:

1. Representative Counsel will request that the Orders, if granted, be done on the basis that they are without prejudice to Representative Counsel's right to seek relief from the Court varying, amending or challenging any term of either of the Orders.
2. In the absence of the voice of the only economic interest in Quadriga's estate – being the Affected Users through the Official Committee – it is our position that any extension of the stay of proceedings should be minimal. Subject to paragraph 1, we believe that a 30-day extension is appropriate pending establishment of the Official Committee.
3. We have provided the Applicants' counsel with our comments on the draft order appointing the CRO. In summary, our comments are grounded in the following themes:
 - a. While we see benefit in the appointment of the CRO in terms of supplementing the current unsophisticated and, in some cases, conflicted, directors with a seasoned independent professional having knowledge of and experience with insolvency proceedings, we oppose any duplication of efforts between the CRO and the Monitor, as this would be detrimental to our constituents' recoveries. The role of the CRO in relation to the role of the Monitor has not been clearly articulated in the materials filed in support of the Orders. We also disagree that the Applicants are primarily tasked with locating Quadriga's assets. We do not believe the Applicants or their advisors should be responsible for any part of the investigation of the Applicants or any of the recovery efforts. These efforts are all being done for the ultimate benefit of Affected Users, and our position is that an independent and impartial party, such as the Monitor, must be primarily responsible for any investigation and recovery effort. We refer you to paragraph 16 of the Representative Counsel Decision, which sets out clearly that the investigation and recovery efforts are the responsibility of the Monitor.
 - b. To the extent the CRO consults with the Monitor on key decisions to be made or steps to be taken, we have included provisions in the draft order that require the CRO to also consult with Representative Counsel.
 - c. An additional layer of professional fees is a concern for Affected Users. The scope of the CRO's mandate is also limited. Similar to Representative Counsel, we expect the Order to include a cap on the CRO's fees and disbursements incurred. This fee cap could be subject to an ongoing budgeting process. We are prepared to take advice and direction from the Monitor as to the quantum of such fee cap after understanding of the scope of the CRO's mandate and how it dovetails with the Monitor's role, without duplication.

