

March 4, 2019

Hand Delivered

The Honourable Justice Michael J. Wood
Supreme Court of Nova Scotia
The Law Courts
1815 Upper Water Street
Halifax, NS B3J 1S7

My Lord:

Re: In The Matter of Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd. (dba QuadrigaCX and Quadriga Coin Exchange) (collectively, the "Applicants") Hfx No. 484742 (the "CCAA Proceedings")

1. Please accept this letter as submissions in our capacity as Representative Counsel for the users affected by the shutdown of the QuadrigaCX cryptocurrency platform ("Affected Users") and made in respect of the Comeback Hearing scheduled to be heard on March 5, 2019.
2. As discussed in the Third Report of the Monitor dated March 1, 2019 (the "Third Report"), we do not object to an extension of the CCAA proceeding at this time. However, given that the Official Committee of Affected Users (the "Official Committee") has not yet been constituted and the issues identified in the Third Report, we submit that the extension should be limited to 30 days.
3. This length of extension would allow the Official Committee to be formed and for it to provide us with instructions; it would also allow the Monitor time to investigate further,

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provide more context to the issues raised in the Third Report, and provide recommendations for immediate and medium term next steps.

4. The other substantive relief sought by the Applicants on the Comeback Motion is the appointment of a Chief Restructuring Officer (“**CRO**”).
5. We do not object to the appointment of a CRO in concept, however, we have significant issues with the role contemplated by the draft order. We have raised these with counsel to the Company in letters dated February 27 and March 2, 2018, and we expect to hear back from them today.
6. The appointment of a CRO may provide some benefit to these proceedings and address governance issues referenced in the Third Report. However, these potential benefits must be balanced with the need for the Official Committee to comment on such a significant matter and the additional costs resulting from the appointment of a CRO.
7. We request that the Court adjourn the motion for the appointment of a CRO to a later date to allow discussions between Representative Counsel, the Monitor and the Applicants to continue regarding the scope of the CRO role, and to permit the Official Committee to instruct us on this matter.
8. It is possible that these issues can be resolved as the issues on the Representative Counsel Order were resolved and the matter will come back to the Court upon consent. Alternatively, these discussions could significantly narrow the issues on which the Court is asked to rule when the issue returns to Court.
9. On the issue of the scope of the CRO role, we expect that the Official Committee will be concerned about (i) whether the CRO is able to effectively oversee the Applicants and

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not be overruled by the other directors, and (ii) avoid any duplication of effort between the CRO and the Monitor. As previously discussed, the Affected Users are the only stakeholder with an economic interest in the outcome of this CCAA Proceeding so managing these costs is a key concern.

10. As discussed in our written and oral submissions at the time of the Representative Counsel motion, we view the Monitor as being primarily responsible for all investigations regarding the Applicants and their assets. In fact, this was also the position of Applicants' Counsel in their written submissions dated February 12, 2019. Therefore, we were surprised by reference in the motion materials for the Comeback Hearing to these matters being under the control of the Applicants and the CRO's accounting firm. In our view, these matters should remain under the supervision and control of the Monitor.

11. While there may be benefit to the appointment of a CRO, we do not see urgency as to the need for it to be appointed at the time of the Comeback Hearing. In our view, this issue can and should be adjourned to a later date.

12. In reviewing the Third Report, we were surprised to read that the Monitor has not yet been provided full and complete access to the Applicants' platform data, databases and other information. In our view, such access is essential to the Monitor carrying out the tasks set for it by the Court in the Initial Order and subsequent orders.

13. Finally, we are concerned about the repayment by the Applicants of \$300,000 to Ms. Robertson in the first week of March contemplated by the filed cash flow projection. As noted at paragraph 20 of the Third Report, the Monitor has requested information regarding assets and transactions from Stewart McKelvey, in its capacity as counsel to Ms. Robertson and the estate of Mr. Cotton, and a consent agreement to preserve

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assets while it reviews the information. In our submissions, the repayment contemplated by the cash flow is inappropriate until such time as the Monitor has reviewed the requested information and satisfied itself as to the source of funds used to fund the CCAA Proceeding.

14. There is no prejudice to Ms. Robertson from the foregoing delay as the funds are secured by the charges created by the Initial Order and the Monitor has more than sufficient funds in the Disbursement Account to meet this obligation.

All of which is respectfully submitted.

A handwritten signature in blue ink, appearing to read 'Gavin D. F. MacDonald', with a stylized flourish at the end.

Gavin D. F. MacDonald

GDFM/gm