



## Affected Users:

This is the sixth communication to Affected Users from Representative Counsel to update Affected Users on certain matters within Quadriga's CCAA proceedings.

### **Withdrawal of the Applicants' Counsel**

As you may be aware, Stewart McKelvey was the Applicants' legal counsel in these CCAA Proceedings (in such capacity, the "**Applicants' Counsel**"). Stewart McKelvey also represents Ms. Robertson personally and the Estate of Gerald Cotten (the "**Estate**").

By way of background, Representative Counsel sent two letters to Applicants' Counsel expressing discomfort with the conflicts of interest presented by Stewart McKelvey's representation of both the Applicants and Ms. Robertson. The Monitor expressed similar concerns. We advised Applicants' Counsel that, in our view, this represented an irreconcilable conflict that needed to be addressed without delay.

Stewart McKelvey eventually acknowledged the conflict and committed to providing Representative Counsel and the Monitor with a proposal to address it. After repeated follow ups, Stewart McKelvey advised Representative Counsel and the Monitor that it was withdrawing as Applicants' Counsel in these CCAA Proceedings effective immediately.

On March 13, 2019, Stewart McKelvey communicated to the Court that they will be withdrawing as Applicants' Counsel in these CCAA proceedings, effective immediately. Applicants' Counsel also stated that it will continue to represent Ms. Robertson and the Estate in these CCAA proceedings. A copy of Stewart McKelvey's letter to the Court will be posted on Representative Counsel's website.

Since receiving notice from Applicants' Counsel, Representative Counsel has worked with the Monitor to consider the next steps in these CCAA proceedings, including attending a conference call on March 18, 2019 with, among others, Mr. Justice Wood of the Supreme Court of Nova Scotia, the Monitor and its counsel, Stewart McKelvey and Peter Wedlake, the Court-appointed Chief Restructuring Officer of the Applicants (the "**CRO**") to discuss the next steps. The Monitor advised the Court that discussions between Representative Counsel, the CRO and the Monitor continue and the parties expect to be back in Court to address the next steps in these CCAA proceedings as early as next week.

### **Official Committee**

Since its appointment, Representative Counsel, in consultation with the Monitor, has been conducting a process (the "**Selection Process**") to select Affected Users to serve on the Official Committee of Affected Users.

The Selection Process is complete. On March 18, 2019, Representative Counsel, with the Monitor's approval, submitted to the Court for final approval a list of seven (7) committee members (the "**Committee Members**"), plus two (2) alternates. If, as we expect, the Court issues an Order approving the Committee Members (the "**Official Committee Appointment Order**"), Representative Counsel will publish the identities of the Committee Members and the Official Committee Appointment Order on its website.

In anticipation of the Official Committee Appointment Order being issued, we have scheduled the first meeting of the Official Committee for this Thursday, March 21, 2019.

**Links**

The Representative Counsel's website can be found [here](#).

Copies of court documents and materials can be found on the Monitor's Website by clicking [here](#).

