



N° du dossier de la cour et n° de succession : CV-19-627184-00CL (31-2560674)
CV-19-627185-00CL (31 -2560984)
et CV-19-627186-00CL (31-2560986)

ONTARIO
COUR SUPÉRIEURE DE JUSTICE
RÔLE COMMERCIAL

L'HONORABLE

)

MERCREDI, LE

JUGE HAINEY

)

16 OCTOBRE 2019

DANS L'AFFAIRE DE LA FAILLITE DE QUADRIGA FINTECH
SOLUTIONS CORP., DE WHITESIDE CAPITAL COPORATION ET DE 0984750
B.C. LTD. FAISANT AFFAIRE SOUS LE NOM DE QUADRIGA CX ET DE QUADRIGA COIN
EXCHANGE

ORDONNANCE
(Ordonnance d'approbation du règlement)

LA PRÉSENTE REQUÊTE, déposée par le syndic, Ernst & Young Inc. (« **EY** »), en sa qualité de syndic de faillite de 0984750 B.C. Ltd. faisant affaire sous le nom de Quadriga CX, Quadriga Coin Exchange (« **Quadriga** »), Quadriga Fintech Solutions Corp. (« **Fintech** ») et Whiteside Capital Corporation (« **Whiteside** ») (les « **sociétés** »), en vertu de la *Loi sur la faillite et l'insolvabilité* (Canada) (le « **syndic** »), visant à obtenir une ordonnance (l'« **ordonnance d'approbation** ») qui, notamment, approuve l'entente de règlement du 3 octobre 2019 (l'« **entente de règlement** ») entre le syndic, Jennifer Robertson (« **Robertson** »), en sa qualité de liquidatrice de la succession de Gerald Cotten (la « **succession** »), Thomas Beazley (« **Beazley** ») et les entités contrôlées (au sens de l'entente de règlement) (collectivement avec Robertson, la succession et Beazley, les « **parties au règlement** »), jointe aux présentes à titre d'annexe A, a été entendue le 16 octobre 2019 au palais de justice du 330 University Avenue, Toronto (Ontario) MSG 1R7.

CONSIDÉRANT le quatrième rapport du syndic du 7 octobre 2019 et l'affidavit souscrit par

Jennifer Robertson le 3 octobre 2019, et considérant les observations des avocats du syndic et de Jennifer Robertson, des avocats des utilisateurs touchés et d'autres parties intéressées, les représentants des autres parties n'ayant déposé aucune observation, bien qu'ils aient fait l'objet d'une signification en bonne et due forme, comme il appert dans l'affidavit de signification souscrit par Lee Nicholson.

DÉFINITIONS

1. **LA COUR ORDONNE** que les termes qui ne sont pas définis dans la présente ordonnance d'approbation aient le sens qui leur est attribué dans l'entente de règlement.

ENTENTE DE RÈGLEMENT

2. **LA COUR ORDONNE** que l'entente de règlement soit par les présentes approuvée.

3. **LA COUR ORDONNE** qu'il soit par les présentes permis et enjoint au syndic de signer *nunc pro tunc* l'entente de règlement et qu'il soit en outre permis et enjoint au syndic de prendre d'autres mesures et de signer d'autres documents qui pourraient être nécessaires ou souhaitables pour procéder à toutes les opérations envisagées dans l'entente de règlement.

4. **LA COUR ORDONNE** qu'au nom du comité officiel, il soit par les présentes permis et enjoint aux avocats des utilisateurs touchés de signer *nunc pro tunc* l'entente de règlement dans le seul but de consentir aux dispositions 6.2 et 6.5(1) de cette entente.

5. **LA COUR ORDONNE** que, dès que possible après la date d'entrée en vigueur, il soit permis et enjoint au syndic de signifier aux personnes figurant sur la liste de signification de la présente instance et d'afficher sur le site Web créé par le syndic dans le cadre de la présente instance un certificat conforme au modèle joint aux présentes à titre d'annexe « B » (« **certificat du syndic** »),

signé par le syndic et certifiant que la date d'entrée en vigueur est passée. Le syndic dépose le certificat du syndic à la Cour dès qu'il est raisonnablement possible de le faire.

6. **LA COUR ORDONNE** qu'à compter de la date d'entrée en vigueur, l'entente de règlement, notamment les opérations, transferts, libérations, transactions et injonctions qui y sont prévus, prennent pleinement effet et lient le syndic, les sociétés, Robertson, la succession, Beazley, les entités contrôlées et les utilisateurs touchés, y compris leurs héritiers, administrateurs, exécuteurs, représentants successoraux, successeurs et ayants cause respectifs.

BIENS FAISANT L'OBJET DU RÈGLEMENT

7. **LA COUR ORDONNE ET DÉCLARE** ce qui suit : tous les transferts ou toutes les cessions de biens faisant l'objet du règlement en faveur des parties au règlement constituent des « opérations sous-évaluées » au sens de l'article 2.1 de la LFI et sont par les présentes annulés et inopposables au syndic, et les droits, titres et intérêts des parties au règlement à l'égard des biens faisant l'objet du règlement font partie de de l'actif du failli de Quadriga dévolu au syndic.

8. **LA COUR ORDONNE ET DÉCLARE** ce qui suit : dans la mesure où les biens faisant l'objet du règlement n'ont pas été transférés aux parties au règlement par les sociétés :

- a) ces biens faisant l'objet du règlement (i) ont été acquis avec des actifs ou des biens qui avaient d'abord été transférés par les Sociétés, ou (ii) ont été acquis grâce au revenu généré ou réalisé à partir des actifs ou des biens qui ont été transférés par les sociétés ou qui ont été acquis grâce à des actifs ou des biens qui avaient d'abord été transférés par les sociétés;
- b) les premiers transferts ou cessions d'actifs ou de biens par les sociétés constituent des « opérations sous-évaluées » au sens de l'article 2.1 de la LFI et sont par les

présentes annulés et inopposables au syndic;

- c) conformément à l'article 98(1) de la LIF, tous les droits, titres et intérêts à l'égard de ces biens faisant l'objet du règlement des parties au règlement font partie de l'actif du failli de Quadriga dévolu au syndic.

9. **LA COUR ORDONNE** que, nonobstant :

- a) la présente instance en cours;
- b) toute requête actuelle ou ultérieure visant à obtenir une ordonnance de faillite en vertu de la *Loi sur la faillite et l'insolvabilité* (Canada) à l'égard de l'une des parties au règlement, ou toute ordonnance de faillite rendue en vertu de cette demande;
- c) toute cession en faillite faite à l'égard d'une partie au règlement;

le transfert des biens faisant l'objet du règlement, conformément à la présente ordonnance d'approbation et à l'entente de règlement, au nom de l'actif du failli de Quadriga dévolu au syndic aux termes de l'entente de règlement et de la présente ordonnance d'approbation lie tout syndic de faillite qui pourrait être nommé à l'égard des parties au règlement, n'est ni nul ni annulable par les créanciers des parties au règlement, ne constitue pas et n'est pas réputé être une préférence frauduleuse, une cession, une cession frauduleuse, un transfert sous-évalué, ou toute autre opération susceptible de faire l'objet de vérifications aux termes de la *Loi sur la faillite et l'insolvabilité* (Canada) ou de toute autre loi fédérale ou provinciale applicable, et ne constitue pas une conduite abusive ou injuste aux termes de toute loi fédérale ou provinciale applicable.

LIBÉRATIONS ET INJONCTIONS

10. **LA COUR ORDONNE** que les transactions, libérations et injonctions énoncées à l'article 6 de

l'entente de règlement soient par les présentes approuvées et qu'elles soient exécutoires et prennent effet à compter de la date d'entrée en vigueur, conformément à l'entente de règlement et sous réserve de celle-ci.

11. **LA COUR ORDONNE** que, conformément à l'entente de règlement et sous réserve de celle-ci, à compter de la date d'entrée en vigueur et sous réserve de l'article 6.4 de l'entente de règlement, le syndic et les ayants cause des sociétés, par les présentes, libèrent définitivement les parties au règlement de toute responsabilité à l'égard de toutes les réclamations faisant l'objet d'une renonciation.

12. **LA COUR ORDONNE ET DÉCLARE** ce qui suit : le Comité officiel a le pouvoir en vertu de l'ordonnance de nomination des avocats des utilisateurs touchés de lier les utilisateurs touchés aux dispositions 6.2 et 6.5(1) de l'entente de règlement et il est autorisé à le faire. Ce faisant, le Comité officiel n'engage nullement sa responsabilité, ne contracte aucune obligation et jouit de toutes les protections accordées au Comité officiel aux termes de l'ordonnance de nomination des avocats des utilisateurs touchés et des autres ordonnances rendues dans le cadre de la présente instance.

13. **LA COUR ORDONNE** que, conformément à l'entente de règlement et sous réserve de celle-ci, à compter de la date d'entrée en vigueur et sous réserve de l'article 6.4 de l'entente de règlement, le comité officiel des utilisateurs touchés, par les présentes, libère définitivement les parties au règlement de toute responsabilité à l'égard de toutes les réclamations des utilisateurs touchés faisant l'objet d'une renonciation.

14. **LA COUR ORDONNE** que, conformément à l'entente de règlement et sous réserve de celle-ci, à compter de la date d'entrée en vigueur, les parties au règlement, par les présentes, a) libèrent définitivement de toute responsabilité les ayants cause des sociétés et le syndic à l'égard de toute

réclamation liée ou associée aux biens faisant l'objet du règlement, à des sommes dues sur des prêts consentis par l'un d'eux aux sociétés, y compris le prêt consenti par Robertson aux sociétés garanti par le contrat de sûreté générale du 29 janvier 2019, à l'emploi de Cotten au sein des sociétés et à toute obligation d'indemnisation des sociétés à l'exception de ce qui est énoncé au paragraphe 4.3(2) de l'entente de règlement et b) renoncent définitivement à tout droit et à toute réclamation à l'égard des biens faisant l'objet du règlement, y compris toute réclamation à l'égard du titre ou de la possession de ceux-ci. Il est entendu que les parties au règlement ne peuvent, dans la présente instance, produire de preuve de réclamation visant les ayants cause des sociétés dans le cadre de toute réclamation que pourraient faire valoir les parties au règlement à l'encontre des sociétés.

15. **LA COUR ORDONNE** que, conformément à l'entente de règlement et sous réserve de celle-ci, y compris son article 6.4, à compter de la date d'entrée en vigueur et par la suite, le syndic et les utilisateurs touchés ne peuvent déposer, instituer, poursuivre, maintenir ou faire valoir, directement ou indirectement, au Canada ou ailleurs, en leur nom propre ou au nom de toute autre entité ou personne, de réclamations qui visent les parties au règlement, ni y participer, si ces réclamations sont d'une quelconque façon liées ou associées aux réclamations faisant l'objet d'une renonciation, ou si elles visent toute entité ou personne susceptible d'adresser une demande de contribution ou d'indemnité, ou toute autre demande de réparation, à Robertson, à la succession, aux entités contrôlées ou à Beazley relativement à ces réclamations faisant l'objet d'une renonciation. Sous réserve de l'entente de règlement, y compris son article 6.4, à compter de la date d'entrée en vigueur et par la suite, toutes les réclamations faisant l'objet d'une renonciation que le syndic ou les utilisateurs touchés auraient pu faire valoir à l'encontre des parties au règlement sont prescrites et interdites conformément aux modalités de l'entente de règlement.

16. **LA COUR ORDONNE** que, conformément à l'entente de règlement et sous réserve de celle-

ci, à compter de la date d'entrée en vigueur et par la suite, les parties au règlement ne peuvent, ni maintenant ni plus tard, déposer, instituer, poursuivre, maintenir ou faire valoir, directement ou indirectement, au Canada ou ailleurs, en leur nom propre ou au nom de toute autre entité ou personne, de réclamations qui visent le syndic ou les sociétés, ni y participer, si ces réclamations sont d'une quelconque façon liées ou associées aux biens faisant l'objet du règlement, à des sommes dues sur des prêts consentis par l'un d'eux aux sociétés, y compris le prêt consenti par Robertson aux sociétés garanti par le contrat de sûreté générale du 29 janvier 2019, et à l'emploi de Cotten au sein des sociétés, à toute obligation d'indemnisation des sociétés, à l'exception de ce qui est énoncé dans l'entente de règlement, ou à toute personne susceptible d'adresser une demande de contribution ou d'indemnité, ou toute autre demande de réparation, au syndic ou aux sociétés relativement à ces réclamations. Toutes les réclamations que les parties au règlement auraient pu faire valoir à l'encontre des sociétés ou du syndic et qui sont liées ou associées de quelque façon que ce soit aux biens faisant l'objet du règlement, aux sommes dues sur des prêts consentis par l'un d'eux aux sociétés, y compris le prêt consenti par Robertson aux sociétés garanti par le contrat de sûreté générale du 29 janvier 2019, à l'emploi de Cotten au sein des sociétés, et à toute obligation d'indemnisation des sociétés à l'exception de ce qui est énoncé dans l'entente de règlement, sont prescrites et interdites conformément aux modalités de l'entente de règlement.

ORDONNANCE DE PRÉSERVATION DES BIENS

17. **LA COUR ORDONNE** qu'à compter de la date d'entrée en vigueur, l'ordonnance de préservation des biens soit modifiée par la suppression des paragraphes 1 à 11 et 14.

18. **LA COUR ORDONNE** qu'il soit permis et enjoint à Stewart McKelvey de prendre les mesures nécessaires à la mise en œuvre de l'entente de règlement, notamment la distribution des actifs qui se trouvent dans les comptes de préservation (au sens de l'ordonnance de préservation des biens)

ou qui sont autrement en sa possession a) au syndic, s'il s'agit de biens faisant l'objet du règlement aux termes de l'entente de règlement; b) à la partie au règlement intéressée, s'il s'agit de biens exclus aux termes de l'entente de règlement.

19. **LA COUR ORDONNE** que, dans la mesure où cela n'est pas déjà fait aux termes de l'ordonnance de préservation des biens, la Banque Royale du Canada, le Groupe Banque TD, la Banque de Nouvelle-Écosse, BMO Groupe Financier, la Banque Canadienne Impériale de Commerce, la Banque Canadian Tire, la Banque canadienne de l'Ouest, East Coast Credit Union, Questrade Financial Group Inc et la Société Financière Manuvie (les « **banques** ») communiquent et remettent sans délai au syndic tous les dossiers et relevés en leur possession concernant les actifs et les comptes de Robertson, de la succession et des entités contrôlées, y compris l'existence, la nature, la valeur et l'emplacement de toute somme d'argent, de tout actif et de toute créance, où qu'ils se trouvent, y compris les dossiers et les relevés détenus par les banques concernant les actifs et les comptes de Robertson, de la succession et des entités contrôlées qui ont été détenus par les banques dans le passé.

20. **LA COUR ORDONNE** que, dans la mesure où cela n'est pas déjà fait aux termes de l'ordonnance de préservation des biens, toutes les bourses de cryptomonnaie, y compris les bourses de cryptomonnaie faisant affaire sous les noms Binance, Bitfinex, Bitmex, Bitstamp, Coinbase, Digifinex, EzBtc.ca, Huobi, Kraken, Localbitcoins.com, Poloniex, OKCoins, OkEx et Shapeshift (les « **bourses** ») communiquent et remettent sans délai au syndic tous les dossiers et relevés en leur possession concernant les actifs et les comptes de Robertson, de la succession et des entités contrôlées, y compris l'existence, la nature, la valeur et l'emplacement de toute somme d'argent, de tout actif, de toute cryptomonnaie et de toute créance, où qu'ils se trouvent, y compris les livres et les registres détenus par les bourses concernant les actifs et les comptes de Robertson, de la succession

et des entités contrôlées qui ont été détenus par les bourses dans le passé

DISPOSITIONS GÉNÉRALES

21. **LA COUR DEMANDE PAR LES PRÉSENTES** l'aide et la reconnaissance de tout tribunal ou organisme administratif ou de réglementation ayant compétence au Canada, aux États-Unis ou ailleurs, afin de donner effet à la présente ordonnance d'approbation et d'aider le syndic et ses mandataires et avocats à en appliquer les modalités. Nous demandons respectueusement aux tribunaux et organismes administratifs et de réglementation de rendre les ordonnances et de fournir l'assistance au syndic à titre d'officier de la Cour qui pourraient être nécessaires ou souhaitables afin de donner effet à la présente ordonnance d'approbation, de conférer le statut de représentant au syndic dans toute instance à l'étranger ou d'aider le syndic et ses mandataires et avocats à appliquer les modalités de la présente ordonnance d'approbation.



Schedule "A" - Settlement Agreement

[Attached]

SETTLEMENT AGREEMENT

BETWEEN:

Ernst & Young Inc., in its capacity as trustee-in-bankruptcy of Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd., and not in its personal capacity (the "**Trustee**")

- and -

Jennifer Kathleen Margaret Robertson ("**Robertson**")

- and -

Robertson, in her capacity as the executor of the estate of Gerald Cotten (the "**Estate**")

- and -

Thomas Beazley ("**Beazley**")

- and -

The other entities party hereto

DATED AS OF OCTOBER 3, 2019

RECITALS:

- (a) **WHEREAS** capitalized terms have the meanings set out herein;
- (b) **AND WHEREAS** prior to his death, Cotten was the Chief Executive Officer and sole director of each of Fintech, Whiteside and Quadriga;
- (c) **AND WHEREAS** Robertson was married to Cotten and is the executor of the Estate and primary beneficiary of the Estate. Beazley is the step-father of Robertson;
- (d) **AND WHEREAS** the Companies filed for protection under the *Companies' Creditors Arrangement Act* and the Trustee was first appointed as monitor of the Companies by order of the NS Court. Subsequently, the Companies were assigned into bankruptcy and the Trustee was appointed as trustee-in-bankruptcy of each of the Companies;
- (e) **AND WHEREAS** the NS Court granted the Representative Counsel Order appointing Representative Counsel and the Official Committee;
- (f) **AND WHEREAS** the Trustee, in its role as monitor of the Companies, investigated the Companies' business and affairs pursuant to s. 23(1)(c) of the *Companies' Creditors Arrangement Act* which was reported upon in reports to the NS Court, including the Third and Fifth Reports;
- (g) **AND WHEREAS** Cotten, Robertson, the Controlled Entities and in certain instances, Beazley, received funds and other property from Quadriga during Cotten's tenure as Chief Executive Officer which the Trustee believes from its investigation are "transfers at undervalue" under the BIA as supported by the Approval Order Affidavit and the Third and Fifth Reports;
- (h) **AND WHEREAS** the Trustee believes claims exist as against Robertson, the Estate, the Controlled Entities and Beazley under the BIA or otherwise to recover the funds and other property received from the Companies and other amounts;
- (i) **AND WHEREAS** in order to recover funds on behalf of the Companies and Affected Users and avoid the time and expense of litigating such claims, the Parties have engaged in extensive arm's length negotiations and agreed to settle the claims of the Trustee and the Affected Users on the terms and conditions set forth in this Settlement Agreement;
- (j) **AND WHEREAS** the Trustee, pursuant to s. 30(1) of the BIA, may compromise and settle any debts owing to the Companies or claims of the Companies, with approval of the Inspectors of the Companies' estates; and
- (k) **AND WHEREAS** the Official Committee pursuant to paragraph 10 of the Representative Counsel Order, may reach any settlement agreements and compromise any rights, entitlements or claims of the Affected Users, subject to approval of the Bankruptcy Court.

IN CONSIDERATION of the premises, covenants, agreements, settlements and releases contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each Party hereto, the Parties agree as follows:

SECTION 1 INTERPRETATION

1.1 Defined Terms

As used in this Settlement Agreement, the following terms have the following meanings:

"237 Inc." means 2379164 Ontario Inc., a company incorporated under the laws of Ontario.

"Affected Users" means all users of the Quadriga cryptocurrency exchange platform except for Opt-Out Individuals.

"Approval Order" means an order of the Bankruptcy Court, in form substantially the same as the form attached as Schedule "A" to this Settlement Agreement, that (a) approves this Settlement Agreement; (b) declares certain transfers of property to Robertson, the Estate, Beazley and the Controlled Entities to be "transfers at undervalue" under the BIA and that such transfers are set aside as against the Trustee; (c) declares the Settlement Assets to be property of the Trustee; (d) approves the releases provided by the Trustee and the Affected Users as set forth this Settlement Agreement; (e) vacates the freezing provisions of the Asset Preservation Order; and (f) extends the disclosure obligations in the Asset Preservation Order.

"Approval Order Affidavit" means the form of affidavit attached as Schedule "B" to this Settlement Agreement to be sworn by Robertson in connection with the motion seeking the Approval Order from the Bankruptcy Court.

"Assets" means any assets, property or undertaking (whether owned legally, beneficially, equitably, jointly or otherwise), whether situated in Canada or anywhere else in the world, known or unknown, vested or contingent, and includes money, cryptocurrency (including any digital wallets or private keys), digital assets, virtual assets, goods, things in action, real and immovable property, tangible or intangible personal property, securities or other investment property, entitlements, benefits, any interest in any insurance policy, payments due, claims, refunds and inheritances.

"Asset Preservation Order" means the order of the NS Court dated April 11, 2019.

"Bankruptcy Court" means the Ontario Superior Court of Justice (Commercial List).

"Beazley" has the meaning given to such term in the preamble to this Settlement Agreement.

"Beazley Financial Statement" has the meaning given to such term in 3.1(2) of this Settlement Agreement.

"Beazley Settlement Assets" has the meaning given to such term in 2.4 of this Settlement Agreement.

"BIA" means the *Bankruptcy and Insolvency Act* (Canada).

"Calgary Loan" means the \$385,000 loan made by RNPM pursuant to a promissory note charging lands dated April 19, 2018 and profit-sharing agreement dated April 27, 2018 and secured by a charge registered on August 20, 2019 as instrument number 191 166 835 on the property located at 74 Somerglen Close (Calgary, Alberta).

"Claims" means all claims, demands, actions, suits, causes of action, whether class, individual or otherwise in nature, whether personal derivative or subrogated, damages whenever incurred, liabilities of any nature whatsoever, including interest, costs, expenses, known or unknown, suspected or unsuspected, in law, under statute or in equity, in any Canadian or foreign jurisdiction.

"Companies" means collectively, Fintech, Whiteside and Quadriga.

"Controlled Entities" means any Entity wholly or beneficially owned or controlled whether directly or indirectly by (a) Robertson, (b) the Estate; or (c) collectively between Robertson and the Estate, including 237 Inc., Megacorp., RNC, RNPM or Seaglass.

"Controlled Entities Settlement Assets" has the meaning given to such term in section 2.3 of this Settlement Agreement.

"Cooperation Obligations" means the cooperation obligations of Robertson and Beazley set forth in section 7 of this Settlement Agreement.

"Cotten" means Gerald William Cotten.

"CX Solutions" means CX Solutions Limited, a company incorporated under the laws of Hong Kong.

"CX Solutions Assets" has the meaning given to such term in section 2.5 of this Settlement Agreement.

"Documents" means all papers, computer or electronic records, or other materials within the scope of Rule 1.03(1) and Rule 30.01(1) of the *Rules of Civil Procedure (Ontario)* (including, for greater certainty, correspondence and email communication) and any copies, reproductions, or summaries of the foregoing, including microfilm copies and computer images.

"Effective Date" has the meaning given to such term in section 5.4 of this Settlement Agreement.

"Entity" means any partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, or other entity, however formed, designated or constituted.

"Estate" has the meaning given to such term in the recitals to this Settlement Agreement.

"Estate Settlement Assets" has the meaning given to such term in section 2.2 of this Settlement Agreement.

"Excluded Assets" means Assets to be retained by Robertson and the Estate under this Settlement Agreement following the Effective Date which are specifically set out on and limited to the Assets listed on Schedule "C" to this Settlement Agreement.

"Family Financial Statements" means collectively the Robertson Financial Statement and the Beazley Financial Statement.

"Fintech" means Quadriga Fintech Solutions Corp., a company incorporated under the laws of British Columbia.

"Google Information" means Documents, data and information created following January 1, 2013 contained in Cotten's Gmail account and all other accounts linked with such account, including any Google Drive, Google Docs, Google Photos, Google Authenticator, and Google Calendar account.

"Governmental Authority" means any domestic or foreign government (with respect to any such government's jurisdiction), whether federal, provincial, state, municipal or territorial, and any political subdivision, agency, Entity or person properly exercising executive, legislative, judicial, regulatory or administrative functions of government.

"Kinross Property" means the property located at 71 Kinross Court, Fall River, Nova Scotia.

"Megacorp" means Megacorp Incorporated, a company incorporated under the laws of Ontario.

"NS Court" means the Supreme Court of Nova Scotia.

"Official Committee" means the Official Committee of Affected Users appointed by the NS Court pursuant to Representative Counsel Order.

"Opt-Out Individuals" means any user of the Quadriga cryptocurrency exchange that opted-out of representation by Representative Counsel in accordance with the Representative Counsel Order.

"Parties" means the parties that are signatories to this Settlement Agreement, and **"Party"** means one of them individually.

"Quadriga" means 0984750 B.C. Ltd., a company incorporated under the laws of British Columbia

"Reimbursed Amounts" has the meaning given to such term in section 4.3(2) of this Settlement Agreement.

"Released Claims" means Claims in any way related or connected to the receipt of the Settlement Assets and the Excluded Assets and/or involvement or conduct with respect to the Companies and/or Cotten.

"Representative Counsel" means Miller Thomson LLP and Cox Palmer in their capacity as representative counsel to the Affected Users.

"Representative Counsel Order" means the Order (Representative Counsel Appointment Order) of the NS Court dated February 28, 2019.

"RNC" means Robertson Nova Consulting Inc., a company incorporated under the laws of Ontario.

"RNPM" means Robertson Nova Property Management Inc., a company incorporated under the laws of Nova Scotia.

"Robertson" has the meaning given to such term in the preamble to this Settlement Agreement.

"Robertson Financial Statement" has the meaning given to such term in section 3.1(1) of this Settlement Agreement.

"Robertson Settlement Assets" has the meaning given to such term in 2.1 of this Settlement Agreement.

"Seaglass" means Jennifer Robertson as trustee of The Seaglass Trust.

"Settlement Agreement" means this settlement agreement.

"Settlement Assets" means collectively the Robertson Settlement Assets, Estate Settlement Assets, Controlled Entities Settlement Assets, Beazley Settlement Assets and the CX Solutions Assets (if any).

"Sworn Asset Disclosure" means the affidavit of Robertson sworn April 23, 2019 disclosing to the Trustee, her Assets, the Estate's Assets and Assets of certain of the Controlled Entities.

"Tax" or **"Taxes"** means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, customs duties and import and export taxes.

"Tax Returns" means any estimate, return, report, information statement or return, declaration, statement, election, notice, filing, form, or other document (including any appendix or related or supporting information) required to be supplied to or filed with any Governmental Authority with respect to Taxes, including any attached appendices or amendments thereto.

"Third and Fifth Reports" means the Third Report of the Monitor dated March 1, 2019 and the Fifth Report of the Monitor dated June 19, 2019 to the NS Court prepared by the Trustee in its role as monitor of the Companies.

"Trustee" has the meaning given to such term in the preamble to this Settlement Agreement.

"Whiteside" means Whiteside Capital Corporation, a company incorporated under the laws of British Columbia.

1.2 Headings

The headings used in this Settlement Agreement and its division into articles, sections, exhibits, appendices, and other subdivisions do not affect its interpretation.

1.3 Gender and Number

Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.4 Governing Law

This Settlement Agreement is governed by, and will be interpreted and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Parties consent to the jurisdiction and venue of the Bankruptcy Court for the resolution of any such disputes arising under this Settlement Agreement.

1.5 Invalidity of Provisions

The invalidity or unenforceability of any provision of this Settlement Agreement shall not affect the validity or enforceability of any other provision hereof and any such invalid or unenforceable provision shall be deemed to be severable and the remaining provisions will remain in full force and effect.

1.6 Entire Agreement

This Settlement Agreement, together with the schedules hereto and the agreements and other documents to be delivered pursuant hereto, constitute the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral, of the Parties hereto and there are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth or referred to herein. No amendment, waiver or termination of this Settlement Agreement shall be binding unless executed in writing by the Party or Parties to be bound thereby. No waiver of any provision of this Settlement Agreement shall be deemed or shall constitute a waiver of any other provision nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

1.7 Schedules

The following are the schedules attached to and forming part of this Settlement Agreement:

- Schedule A Approval Order
- Schedule B Approval Order Affidavit
- Schedule C Excluded Assets

Schedule D Assignment and Acknowledgement Agreement

Schedule E Release of Claims against Estate Settlement Assets

1.8 Currency

Unless otherwise indicated, all dollar amounts referred to in this Settlement Agreement are in Canadian funds.

1.9 Certain Phrases, etc.

In this Settlement Agreement (i) the words "including", "includes" and "include" mean "including (or includes or include) without limitation", and (ii) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of".

SECTION 2 TRANSFER OF ASSETS

2.1 Transfer of Robertson Settlement Assets

Upon the Effective Date, Robertson shall assign and transfer to the Quadriga estate vested with the Trustee, all of Robertson's right, title and interest in, to and under, or relating to, any Assets, including proceeds thereof, except for the Excluded Assets, including the following:

- (a) **Cash.** Except to the extent an Excluded Asset, all cash and equivalents of Robertson;
- (b) **Investments.** Except to the extent an Excluded Asset, all investments, stocks, bonds, warrants, options, exchange traded fund units and other similar investment units;
- (c) **Vehicles.** Except to the extent an Excluded Asset, all boats, planes, and motor vehicles, including all trucks, vans and cars;
- (d) **Loans.** Any loans made by Robertson or other rights to repayment of Robertson and any security associated with such loans;
- (e) **Real Estate.** All real or immovable property owned by the Robertson, or in which Robertson has a freehold interest, including the Kinross Property and the properties located at Lot 511 Ringling Court (Fall River, Nova Scotia), 34 Little Island Water Access (Lunenburg, Nova Scotia), Lot S-3 Seaview Drive (Western Shore, Nova Scotia) and 1021 Lamont Lane (Kelowna, British Columbia);
- (f) **Personal Belongings.** Except to the extent an Excluded Asset as determined in accordance with section 2.7 and Schedule C of this Settlement Agreement, all personal property and belongings of Robertson, including household furnishings, jewellery and engagement ring; and

- (g) **Section 163 Examination Assets.** Except to the extent an Excluded Asset, any Assets identified or disclosed pursuant to the examination to be conducted pursuant to section 3.2 of this Settlement Agreement (collectively, the "**Robertson Settlement Assets**").

2.2 Transfer of Estate Settlement Assets

Upon the Effective Date, the Estate shall assign and transfer to the Quadriga estate vested with the Trustee, all of the Estate's rights, title and interest in, to and under, or relating to, any Assets, including proceeds thereof, except for the Excluded Assets, including the following:

- (a) **Cash.** All cash and equivalents of the Estate;
- (b) **Investments.** Except to the extent an Excluded Asset, all investments, stocks, bonds, warrants, options, exchange traded fund units and other similar investment units;
- (c) **Vehicles.** All boats, planes, and motor vehicles, including all trucks, vans, cars, and the Cessna 400 airplane; and
- (d) **Precious Metals.** Any wafers or coins made from precious metals or similar objects made from precious metals, including gold and silver coins and wafers;
- (e) **Claims and Refunds:** Any Claims, refunds, causes of action, and rights of recovery of the Estate, including any refund with respect to probate Taxes previously paid by the Estate; and
- (f) **Section 163 Examination Assets.** Except to the extent an Excluded Asset, any Assets identified or disclosed pursuant to the examination to be conducted pursuant to section 3.2 of this Settlement Agreement.

(collectively, the "**Estate Settlement Assets**")

2.3 Transfer of Controlled Entities Settlement Assets

Upon the Effective Date, the Controlled Entities shall assign and transfer to the Quadriga estate vested with the Trustee, their right, title and interest in, to and under, or relating to, any Assets, including proceeds thereof, including the following:

- (a) **Cash.** All cash and equivalents of the Controlled Entities.
- (b) **Investments.** All investments, stocks, bonds, warrants, options, exchange traded fund units and other similar investment units.
- (c) **Real Estate.** All real or immoveable property owned by the Controlled Entities, or in which the Controlled Entities has a freehold interest, including the properties located at 10, 12, 14, 16, 18 McQuillan Lane (Bedford, Nova Scotia), 22, 24, 26, 28 McQuillan Lane (Bedford, Nova Scotia), 17 Melwood Ave. (Halifax, Nova Scotia), 19 Baha Court (Bedford, Nova Scotia), 61 Douglas

Crescent (Halifax, Nova Scotia), 63 Central Avenue (Halifax, Nova Scotia), 982 Barrington Street (Halifax, Nova Scotia), 2140 Harvard Street (Halifax, Nova Scotia), 3161 Micmac Street (Halifax, Nova Scotia), 3663 Deal Street (Halifax, Nova Scotia) and 5385/5387 Glebe Street (Halifax, Nova Scotia);

- (d) **Loans.** Any loans made by or other rights to repayment of the Controlled Entities, including the Calgary Loan, and any security associated with such loans;
- (e) **Vehicles.** All boats, planes, and motor vehicles, including all trucks, vans, cars, and the Cessna 400 airplane; and
- (f) **Section 163 Examination Assets.** Except to the extent an Excluded Asset, any Assets identified or disclosed pursuant to the examination to be conducted pursuant to section 3.2 of this Settlement Agreement.

(collectively, the "**Controlled Entities Settlement Assets**").

2.4 Transfer of Beazley Settlement Assets

Upon the Effective Date, Beazley shall assign and transfer to the Quadriga estate vested with the Trustee, his right, title and interest in, to and under, or relating to, Assets (a) transferred to Beazley by the Companies and/or Cotten either directly or indirectly (including for, greater certainty, any Assets transferred by Robertson which originated from the Companies and/or Cotten); or (b) purchased using proceeds of Assets transferred to Beazley by the Companies and/or Cotten either directly or indirectly, including a 2017 Toyota Tacoma truck (collectively, the "**Beazley Settlement Assets**").

2.5 CX Solutions Assets

Robertson represents and warrants to the Trustee that she previously was unaware of the existence of CX Solutions and she is not aware of any Assets owned by CX Solutions (the "**CX Solutions Assets**"). To the extent any CX Solutions Assets exist, the Estate agrees to hold all of its rights, title and interest in, to and under, or relating to, the CX Solutions Assets in trust for the benefit of the Quadriga estate vested with the Trustee. If any CX Solutions Assets are discovered, Robertson and the Estate shall take all steps and actions required to assign and transfer the CX Solutions Assets to the Quadriga estate vested with the Trustee, including by executing such further documents and assurances, as may be deemed necessary or advisable from time to time, by passing necessary shareholder resolutions to permit the assignment and transfer of the CX Solutions Assets or if necessary, by appointing Robertson (or another person) as a director or officer of CX Solutions for the limited purpose of assigning and transferring the CX Solutions Assets.

2.6 Excluded Assets

Robertson and the Estate shall retain their right, title and interest in and to the Excluded Assets following the Effective Date.

2.7 Personal Furnishings

Following the Effective Date, the Trustee shall engage an appraiser of its choice, as determined in its sole discretion, who shall appraise the household furnishings of Robertson located in the Kinross Property. Within ten (10) business days of the appraisal, Robertson shall be entitled to select items with an aggregate appraised fair market value of \$15,000 to be Excluded Assets under this Settlement Agreement. Copies of the appraisals shall be provided by the Trustee to Representative Counsel.

2.8 Fintech Shares

Following the Effective Date, if the Trustee determines it is necessary or beneficial with the administration of the Companies' estates, Robertson and the Estate shall transfer their shares of Fintech for no additional consideration to the Trustee or to an Entity or person designated by the Trustee and shall execute such further documents and assurances as may be deemed necessary or advisable from time to time in order effect such transfer of their Fintech shares.

2.8 Return of Assets Transferred at Undervalue

The Parties agree that the transfer of the Settlement Assets to the Trustee represents the return of Assets to the Trustee by Robertson, the Estate, Beazley and the Controlled Entities which all originated from the Companies and that the transfers shall be effected by the Approval Order by declaring prior transfers by the Companies to Cotten, Robertson, the Estate, the Controlled Entities and Beazley "transfers at undervalue" under the BIA and ordering that such transfers are void and set aside as against the Trustee pursuant to the BIA as supported by the Approval Order Affidavit and the Third and Fifth Reports. The Parties further agree that the Approval Order shall deem the Settlement Assets to be the property of the Trustee in accordance with the BIA.

SECTION 3 DISCLOSURE

3.1 Family Financial Statements

- (1) Prior to the Effective Date, Robertson shall prepare and provide to the Trustee, a sworn statement describing (a) the nature, value, and location of the Assets of Robertson, the Estate and the Controlled Entities, including cash on hand balances; (b) the nature, value, and current location of any past Assets, storage boxes or containers that Robertson, the Estate and the Controlled Entities or any affiliates or related parties of each of them, solely or jointly or beneficially owned in the past five (5) years which were received from the Companies and/or Cotten, either directly or indirectly (including particulars of any transfers by Robertson and/or the Controlled Entities of such past Assets); and (c) the location and particulars of any known safes, safety deposit boxes, keys, cryptocurrency wallets, private keys in respect of cryptocurrency wallets, accounts, and similar locations for storing Assets of

Robertson, the Estate and the Controlled Entities (the "**Robertson Financial Statement**"). Robertson may provide the Robertson Financial Statement by amending, modifying and/or updating the Sworn Asset Disclosure.

- (2) Prior to the Effective Date, Beazley shall prepare and provide to the Trustee, a sworn statement describing (a) the nature, value, and location of the Assets of Beazley that were (i) transferred to Beazley by the Companies and/or Cotten either directly or indirectly (including for, greater certainty, any Assets transferred by Robertson which originated from the Companies and/or Cotten); or (ii) purchased using proceeds of Assets transferred to Beazley by the Companies, Cotten and Robertson either directly or indirectly; and (b) the nature, value, and current location of any past Assets that Beazley or any related party, solely or jointly or beneficially owned in the past five (5) years which was received from the Companies, Cotten and/or Robertson either directly or indirectly (the "**Beazley Financial Statement**").

3.2 Section 163 Examination

Within sixty (60) days of the Effective Date or at another time mutually agreed to by the Parties, Robertson and Beazley shall submit to examination under oath by the Trustee pursuant to section 163 of the BIA. The examination shall be conducted before a private reporter and at a location mutually agreed to by the Parties in Nova Scotia. One lawyer on behalf of Representative Counsel shall be entitled to attend the examination of Robertson and/or Beazley. The Trustee waives any further right to examine Robertson and Beazley under the BIA, provided that the releases in favour of Robertson and Beazley are not rescinded and voided in accordance with this Settlement Agreement. The Trustee shall be entitled to use the Documents and information obtained under this Settlement Agreement, including on the examinations of Robertson and Beazley, in the connection with its own internal use and the prosecution of the Claims of the Trustee or the Companies.

SECTION 4 ADDITIONAL AGREEMENTS OF THE PARTIES

4.1 Unfreezing of Assets and Credit Cards

The Trustee shall consent to the unfreezing of the Excluded Assets on the Effective Date by seeking to vacate certain freezing provisions of the Asset Preservation Order as set out in the Approval Order. The Trustee shall also consent to the unfreezing of any credit cards of Robertson by writing to each credit card provider of Robertson advising such credit card provider of the Trustee's consent. The Trustee shall have no further obligation to assist Robertson with the unfreezing of her credit cards beyond writing one letter to each credit card provider, and the Trustee shall have no responsibility for any decision made by each credit card provider or other lender in any decision to provide Robertson with credit.

4.2 Legal Fees of Robertson

Following the Effective Date, the Trustee shall pay the reasonable legal fees and disbursements of Stewart McKelvey, and other counsel as approved by the Trustee (including, for greater certainty, Gluck Daniel LLP in connection with section 7.3 of this Settlement Agreement) for their representation of Robertson and/or the Estate (and, for greater certainty, only Robertson and/or the Estate) in connection with (a) the implementation of this Settlement Agreement; (b) actions required by or in connection with the Settlement Agreement; (c) her

role as executor of the Estate; and (d) the Cooperation Obligations. The Trustee shall not pay for the legal fees of Robertson in connection with any other items, including (x) personal advice related to Taxes; (y) personal advice related to any regulatory, criminal or other investigations; and (z) any dispute with the Trustee regarding this Settlement Agreement.

4.3 Tax Obligations

- (1) Except as provided under section 4.3(2), the Trustee and the Companies' estates shall have no responsibility or obligation for any debts, claims, obligations or liabilities of Robertson, the Estate, the Controlled Entities or Beazley in respect of Taxes, including Taxes related to the Settlement Assets arising prior to the Effective Date, and any amounts or benefits received directly or indirectly by Cotten, Robertson, the Controlled Entities and/or Beazley historically from the Companies. Any such Tax debts, obligations or liabilities will remain the sole responsibility and obligation of the applicable Entity or person.
- (2) The Companies' estates shall reimburse Robertson for the following liabilities in the event and to the extent (i) that Robertson is found by a court by way of final order to be personally liable for such amounts; (ii) such amounts are determined by a court by way of final order to rank in priority to the Trustee's claim against the relevant Entity and/or the Settlement Assets following the implementation of the transfer of the Settlement Assets to the Trustee; and (iii) the amounts are due and payable prior to the earlier of (x) the discharge of the Trustee and termination of the BIA proceedings in respect of the Companies; and (y) December 31, 2020:
 - (a) 2019 income taxes owing by RNPM, if any for net rental income earned to a maximum amount of \$7,500; and
 - (b) 2019 and prior years income taxes of the Estate, if any, in respect of investment income earned by Cotten within the investment accounts of Cotten or the Estate set out in the Sworn Asset Disclosure owing by the Estate to a maximum amount of \$200,606.

(collectively, the "**Reimbursed Amounts**")
- (3) Upon becoming aware of any potential Reimbursed Amounts under this Settlement Agreement, Robertson shall promptly notify the Trustee in writing of the potential Reimbursed Amounts. Notice of Reimbursed Amounts provided by Robertson shall also constitute demand for payment and/or reimbursement pursuant to this Agreement. In connection with any Claim that may result in a Reimbursed Amount brought by a third party, Robertson shall at the Trustee's cost and expense defend against such Claim and any related action, proceedings or settlement negotiations, in consultation with the Trustee. The Trustee shall, at the Trustee's expense, be entitled to take any reasonable action and steps in connection with such defence, proceedings or negotiations which the Trustee deems necessary.
- (4) The agreement to reimburse Robertson for the Reimbursed Amounts set out in section 4.3(2) of this Settlement Agreement shall terminate without further obligation and liability of the Companies' estates on the earlier of (x) the discharge of the Trustee and termination of the BIA proceedings in respect of the Companies; and (y) December 31, 2020.

4.4 Kinross Property

Robertson shall vacate the Kinross Property and remove all Excluded Assets from the Kinross Property by no later than October 31, 2019. To the extent personal belongings of Robertson in the Kinross Property are determined to be Excluded Assets in accordance with section 2.7 and Schedule C of this Settlement Agreement following October 31, 2019, such Excluded Assets shall be removed by Robertson from the Kinross Property at Robertson's expense under the supervision of the Trustee as soon as reasonably practicable following the determination.

4.5 Condition of the Settlement Assets

Until the Effective Date, Robertson, the Estate, the Controlled Entities and Beazley shall use commercially reasonable efforts to preserve and maintain the Settlement Assets in good working condition and avoid damage to the Settlement Assets. The Trustee acknowledges that ordinary wear and tear of the Settlement Assets is to be excepted.

SECTION 5 CONDITIONS

5.1 Approval Order

- (1) The Trustee shall, as soon as practicable after the execution of this Settlement Agreement, file a motion with the Bankruptcy Court seeking the Approval Order, in the form attached as Schedule "A" to this Settlement Agreement, from the Bankruptcy Court returnable on a date mutually agreed to by counsel for the Trustee, Representative Counsel and counsel for Robertson.
- (2) Robertson shall swear the Approval Order Affidavit and file the sworn Approval Order Affidavit with the Bankruptcy Court at least seven (7) business days prior to the return date of the motion to obtain the Approval Order. Robertson, the Estate, the Controlled Entities and Beazley shall consent to the issuance of the Approval Order and cooperate with the Trustee in obtaining the Approval Order, including by filing and executing further documents for the Bankruptcy Court as may be necessary to obtain the Approval Order.
- (3) In the event of any conflict between the provisions of this Settlement Agreement and the provisions of the Approval Order, the Parties agree that the provisions of the Approval Order shall govern.

5.2 Conditions for the Benefit of the Settling Parties

This Settlement Agreement and occurrence of the Effective Date is subject to approval by the Bankruptcy Court of the releases in favour of Robertson, the Estate, the Controlled Entities and Beazley of the Released Claims provided by the Trustee and the Official

Committee under this Settlement Agreement, which condition is for the exclusive benefit of Robertson, and may be waived by Robertson in her sole discretion.

5.3 Conditions for the Benefit of the Trustee and Companies

This Settlement Agreement and occurrence of the Effective Date is subject to the following conditions, which conditions are for the exclusive benefit of the Trustee and Companies, and may be waived, in whole or in part, by the Trustee (in consultation with Representative Counsel) in its sole discretion:

- (a) **Approval Order.** The Bankruptcy Court shall have issued and entered the Approval Order with such amendments and/or modifications that are acceptable to the Trustee and Representative Counsel;
- (b) **Calgary Loan.** The Trustee shall have received an assignment and acknowledgement of debt executed by Robertson, RNPM, and the borrowers under the Calgary Loan in the form attached as Schedule "D" to this Settlement Agreement;
- (c) **Inspector Approval.** This Settlement Agreement shall be ratified and approved by the inspectors of the Companies' estates;
- (d) **Family Financial Statements.** Robertson and Beazley shall have delivered the Family Financial Statements to the Trustee and the Trustee shall be satisfied with the form and substance of such Family Financial Statements; and
- (e) **Release of other Estate Claims.** Beazley and Carol Terry shall have delivered to the Trustee a release of any and all rights and claims to the Estate Settlement Assets, in the form attached as Schedule "E" to this Settlement Agreement.

5.4 Effective Date

This Settlement Agreement shall become effective and binding on the Parties on the date on which all of the conditions to this Settlement Agreement have been satisfied and/or waived (the "**Effective Date**"). The Trustee shall deliver to each Party and file with the Bankruptcy Court, a certificate, in a form satisfactory to the Trustee, confirming that (a) all of the conditions to the Settlement Agreement have been satisfied or waived, and (b) the Effective Date has occurred.

SECTION 6 RELEASE

6.1 Trustee Release in favour of Settling Parties

Upon the Effective Date and subject to section 6.4 of this Settlement Agreement, in consideration for the transfer of the Settlement Assets, and for other valuable consideration set forth in this Settlement Agreement, the Trustee hereby releases and forever discharges Robertson, the Estate, the Controlled Entities and Beazley of and from any and all Released Claims.

6.2 Affected Users Release in favour of Settling Parties

Upon the Effective Date and subject to section 6.4 of the Settlement Agreement, in consideration for the transfer of the Settlement Assets, and for other valuable consideration set forth in this Settlement Agreement, the Official Committee hereby releases and forever discharges Robertson, the Estate, the Controlled Entities and Beazley of and from any and all Released Claims of the Affected Users.

6.3 Release of the Companies and Trustee

Upon the Effective Date, Robertson, the Estate, the Controlled Entities and Beazley hereby release and forever discharge (a) the Companies and Trustee of and from any and all Claims in any way related or connected to the Settlement Assets, the amounts owing for loans made by any one of them to the Companies including the loan made by Robertson to the Companies secured by the general security agreement dated January 29, 2019, Cotten's employment with the Companies, and any indemnity obligations of the Companies except as contained in this Settlement Agreement, and (b) all rights and Claims to the Settlement Assets, including any title or possessory Claims to the Settlement Assets. Robertson, the Estate, the Controlled Entities and Beazley shall not be entitled to file a proof of claim in the BIA proceedings against estates of the Companies in respect of any Claim that Robertson, the Estate, the Controlled Entities and Beazley may have against the Companies.

6.4 Conditional Release in favour of the Settling Parties

- (1) The releases of the Released Claims provided by the Trustee and the Official Committee in favour of Robertson, the Estate, the Controlled Entities and Beazley as set out in sections 6.1 and 6.2 of this Settlement Agreement shall be rescinded for all purposes and null and void *ab initio* if it is determined by the Bankruptcy Court on a motion brought by the Trustee on notice to Representative Counsel, Robertson, the Estate, the Controlled Entities and Beazley that:
 - (a) Robertson wilfully failed to disclose Assets of Robertson, the Estate or the Controlled Entities as part of the Family Financial Statements;
 - (b) Beazley wilfully failed to disclose Assets (a) transferred to Beazley by the Companies and/or Cotten either directly or indirectly (including for, greater certainty, any Assets transferred by Robertson which originated from the Companies and/or Cotten); or (b) purchased using proceeds of Assets transferred to Beazley by the Companies and/or Cotten either directly or indirectly, as part of the Family Financial Statements;
 - (c) Robertson and/or Beazley identify or become aware of any Assets which were required to be disclosed under this Settlement Agreement and not previously disclosed in the Family Financial Statements and fail to notify the Trustee of such Assets or fail to take reasonable steps to assist with transferring such Assets to the Trustee if such Assets are Settlement Assets under this Settlement Agreement; or
 - (d) Robertson and/or Beazley breach any of their Cooperation Obligations following the Effective Date.

- (2) Notwithstanding any rescission or voiding of the release of the Released Claims provided by the Trustee in favour of Robertson, the Estate, the Controlled Entities and Beazley in accordance with section 6.4(1) of this Settlement Agreement, the remaining provisions of the Settlement Agreement will remain in full force and effect and the transfer of the Settlement Assets to the Trustee shall continue to be binding upon Robertson, the Estate, the Controlled Entities and Beazley.

6.5 No Further Claims

- (1) Subject to section 6.4 of this Settlement Agreement, upon the Effective Date and thereafter, the Trustee and the Affected Users shall not commence, institute, continue, participate in, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any other Entity or person any Claims against Robertson, the Estate, the Controlled Entities or Beazley in any way related or connected to the Released Claims or against any Entity or person who may claim contribution or indemnity, or other Claims over relief, from any of Robertson, the Estate, the Controlled Entities or Beazley in respect of such Released Claims. Subject to section 6.4 of this Settlement Agreement, all Released Claims which could have been asserted by the Trustee and/or the Affected Users against Robertson, the Estate, the Controlled Entities and Beazley are barred, prohibited and enjoined in accordance with the terms of this Settlement Agreement.
- (2) Upon the Effective Date and thereafter, Robertson, the Estate, the Controlled Entities or Beazley, shall not commence, institute, continue, participate in, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any other Entity or person any Claims against the Trustee or the Companies in any way related or connected to the Settlement Assets, the amounts owing for loans made by any one of them to the Companies, including the loan made by Robertson to the Companies secured by the general security agreement dated January 29, 2019, and Cotten's employment with the Companies, any indemnity obligations of the Companies except as contained in this Settlement Agreement or person who may claim contribution or indemnity, or other Claims over relief, from any of the Trustee or the Companies in respect of such Claims. All Claims which could have been asserted by Robertson, the Estate, the Controlled Entities or Beazley against the Companies or the Trustee in any way related or connected to the Settlement Assets, the amounts owing for loans made by any one of them to the Companies, including the loan made by Robertson to the Companies secured by the general security agreement dated January 29, 2019, Cotten's employment with the Companies, and any indemnity obligations of the Companies except as contained in this Settlement Agreement, are barred, prohibited and enjoined in accordance with the terms of this Settlement Agreement.

SECTION 7 COOPERATION OBLIGATIONS

7.1 Transfer of Settlement Assets

Robertson, the Estate, the Controlled Entities and Beazley shall cooperate with and assist the Trustee as reasonably requested to transfer the Settlement Assets to the Trustee and otherwise implement this Settlement Agreement, including filing registrations or documents with Governmental Authorities and executing such further documents and

assurances, as may be deemed necessary or advisable from time to time. If Robertson and/or Beazley become aware of any Assets which were required to be disclosed under this Settlement Agreement that were not previously included in the Family Financial Statements, Robertson and/or Beazley shall forthwith notify the Trustee of the existence and location of such Assets and cooperate with and assist the Trustee with transferring Assets to the Trustee to the extent such Assets are Settlement Assets under this Settlement Agreement.

7.2 Controlled Entities and Estate Executor

- (1) Following the Effective Date, Robertson shall remain as a director of any Controlled Entities where she previously held a role as director in order to cooperate and assist with the transfer of the Settlement Assets from the Controlled Entities to the Trustee, comply with Cooperation Obligations of the Controlled Entities and otherwise implement this Settlement Agreement. The Trustee shall have no involvement with the management, operations or business of the Controlled Entities except as may be necessary to complete the transfer of the Settlement Assets to the Trustee.
- (2) Following the Effective Date, Robertson shall remain in her role as executor of the Estate to cooperate and assist with the transfer of the Settlement Assets from the Estate to the Trustee, comply with Cooperation Obligations of the Estate and otherwise implement this Settlement Agreement. As soon as reasonably practicable following the Effective Date, the Estate shall file an amended inventory of Estate Assets, property and undertaking with the probate court and take actions and steps necessary seek the return of probate fees and Taxes previously paid by the Estate on the basis of the amended inventory. For greater certainty, any probate fees and Taxes returned to the Estate are Settlement Assets under this Settlement Agreement which shall be transferred to the Trustee.
- (3) The Trustee shall reimburse or compensate Robertson up to a maximum of \$25,000 for actual and documented out-of-pocket expenses incurred within six (6) months of the Effective Date in respect of (a) preparing and filing Tax Returns on behalf of the Estate and the Controlled Entities; or (b) any bankruptcy, liquidation or wind-up proceedings in respect of the Controlled Entities.

7.3 Google Access

As soon as reasonably practicable following the execution of this Settlement Agreement, Robertson and/or the Estate shall file a motion with a court of competent jurisdiction in the State of California, in consultation with the Trustee, to obtain a copy of the Google Information from Google LLC and take any other actions or steps necessary to obtain access to or a copy of the Google Information. The order sought by Robertson and/or the Estate from the California court shall provide that Google LLC shall provide a copy of the Google Information to the Trustee. If the California court refuses to grant such relief or Google LLC refuses to deliver the Google Information to the Trustee, Robertson and/or the Estate shall provide a copy of the Google Information to the Trustee to the extent received from Google LLC.

7.4 Access to Information and Documents

Robertson, the Estate and the Controlled Entities shall provide such consents and execute such further documents and assurances to obtain (a) Documents and information

ordered to be delivered to the Trustee under paragraphs 13 and 16 of the Asset Preservation Order; and (b) further Documents and information from additional banks, financial institutions, cryptocurrency exchanges and other third parties in respect of the Settlement Assets and the nature, value, and current location of any past Assets of Robertson, Cotten, the Estate, the Controlled Entities and the Companies.

7.5 Document Disclosure

Following the Effective Date, to the extent not previously provided to the Trustee, Robertson and Beazley shall provide the Trustee with Documents and information to the extent it is currently in existence and is in their power, possession or control, related to the (a) the business, operation and affairs of the Companies, including Cotten's involvement in the Companies; (b) communications between (i) Robertson and Cotten; and (ii) Beazley and Cotten, including text messages, e-mails and chat logs; and (c) encryption keys or passwords to access any such Documents and information.

7.6 Ongoing Cooperation

Following the Effective Date, subject to the other terms of this Settlement Agreement, Robertson shall provide the Trustee with any additional reasonable cooperation determined to be reasonably necessary by the Trustee in order to assist the Trustee in completing its investigation of the business and affairs of the Companies and fulfilling its obligations under the BIA, including commencing and prosecuting actions against third parties who may hold Settlement Assets or who the Companies may have Claims against.

SECTION 8 GENERAL

8.1 Notices

All notices or other communications required or permitted to be given pursuant to this Settlement Agreement shall be in writing and shall be delivered personally or sent by certified mail. Notices delivered personally shall be effective on the date first received, while notices sent by certified mail, return receipt requested, shall be deemed to have been received and to be effective three (3) business days after deposit into the mail. Notices shall be given to each Party at its following respective address, or at such other address as a Party shall designate in writing:

If to Robertson, the Estate,
Beazley or the Controlled
Entities:

Stewart McKelvey
Purdy's Wharf Tower One
900-1959 Upper Water Street, P.O. Box 997
Halifax, Nova Scotia B3J 2X2

Attention: Richard Niedermayer
Email: rniedermayer@stewartmckelvey.com

If to the Trustee:

Ernst & Young Inc., in its capacity as trustee-in-bankruptcy of Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd.
RBC Waterside Centre
1871 Hollis Street, Suite 500
Halifax, Nova Scotia B3J 0C3

Attention: George Kinsman
Email: george.c.kinsman@ca.ey.com

With a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
Toronto, Ontario
M5L 1B9

Attention: Liz Pillon
Email: lpillon@stikeman.com

8.2 Enurement

This Settlement Agreement becomes effective on the Effective Date. After that time, it will be binding upon and enure to the benefit of the Parties and their respective successors, heirs and legal representatives

8.3 Waiver

No waiver of any of the provisions of this Settlement Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Settlement Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right it may have.

8.4 Further Assurances

Each of the Parties covenants and agrees to take such steps and actions, do such things, attend such meetings and execute such further documents and assurances as may be deemed necessary or advisable from time to time in order to carry out the terms and conditions of this Settlement Agreement, in accordance with their true intent.

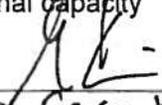
8.5 Counterparts

This Settlement Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Settlement Agreement.

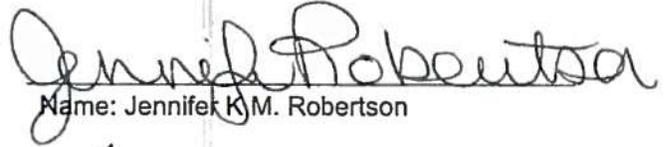
[signature pages follow]

IN WITNESS WHEREOF the Parties have executed this Settlement Agreement.

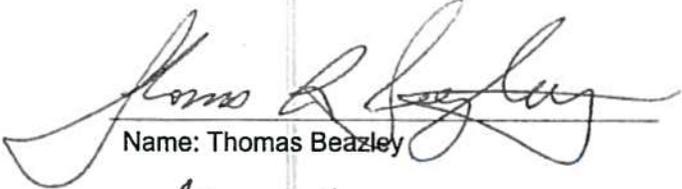
ERNST & YOUNG INC., in its capacity as trustee-in-bankruptcy of Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd., and not in its personal capacity

By: 

Name: George Kinsman
Title: Senior Vice President


Name: Jennifer K.M. Robertson


Witness Richard Niedermayer


Name: Thomas Beazley


Witness Richard Niedermayer

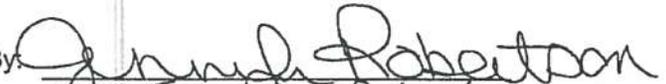
**JENNIFER ROBERTSON, in her capacity
as the executor of the estate of Gerald
William Cotten**

By: 
Name: Jennifer Robertson
Title: Executor

2379164 ONTARIO INC.

By: 
Name: Jennifer Robertson
Title: Director/President

MEGACORP INCORPORATED

By: 
Name: Jennifer Robertson
Title: Director/President

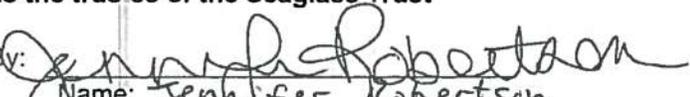
ROBERTSON NOVA CONSULTING INC.

By: 
Name: Jennifer Robertson
Title: Director/President

**ROBERTSON NOVA PROPERTY
MANAGEMENT INC.**

By: 
Name: Jennifer Robertson
Title: Director/President

**JENNIFER ROBERTSON, in her capacity
as the trustee of the Seaglass Trust**

By: 
Name: Jennifer Robertson
Title: Trustee

IN WITNESS WHEREOF Representative Counsel has executed this Settlement Agreement on behalf of the Official Committee pursuant to paragraph 10 of the Representative Counsel Order for the sole purpose of agreeing to sections 6.2 and 6.5(1) of the Settlement Agreement subject to and conditional upon approval by the Bankruptcy Court.

**Representative Counsel, on behalf of the
Official Committee of Affected Users**

By: 
Asim Iqbal
Miller Thomson LLP
Representative Counsel to the Affected
Users

Schedule "A" – Approval Order

[Attached]

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)
JUSTICE HAINEY)
TUESDAY, THE 15th
DAY OF OCTOBER 2019

IN THE MATTER OF THE BANKRUPTCY OF QUADRIGA FINTECH
SOLUTIONS CORP., WHITESIDE CAPITAL CORPORATION AND 0984750
B.C. LTD. D/B/A QUADRIGA CX AND QUADRIGA COIN EXCHANGE

ORDER
(Settlement Approval Order)

THIS MOTION, made by the Trustee, Ernst & Young Inc. (“**EY**”), in its capacity as the trustee-in-bankruptcy of 0984750 B.C. Ltd. d/b/a Quadriga CX and Quadriga Coin Exchange (“**Quadriga**”), Quadriga Fintech Solutions Corp. (“**Fintech**”) and Whiteside Capital Corporation (“**Whiteside**”) (collectively, the “**Companies**”) under the *Bankruptcy and Insolvency Act* (Canada) (the “**Trustee**”), for an order (the “**Approval Order**”), *inter alia*, approving the Settlement Agreement dated ● (the “**Settlement Agreement**”) between the Trustee, Jennifer Robertson (“**Robertson**”), Robertson, in her capacity as the executor of the estate of Gerald Cotten (the “**Estate**”), Thomas Beazley (“**Beazley**”) and the Controlled Entities (as defined by the Settlement Agreement) (collectively with Robertson, the Estate and Beazley, the “**Settling Parties**”), which is appended hereto as Schedule “A”, was heard on October 15, 2019 at the court house, 330 University Avenue, Toronto, Ontario, M5G 1R7.

ON READING the Fourth Report of the Trustee dated ● and the affidavit of Jennifer Robertson sworn ●, and on hearing the submissions of the lawyers for Trustee and Representative Counsel, Jennifer Robertson and other interested parties, no one appearing for any other party although duly served as appears from the affidavit of service of ●, filed.

DEFINITIONS

1. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Approval Order shall have the respective meanings ascribed to them in the Settlement Agreement.

SETTLEMENT AGREEMENT

2. **THIS COURT ORDERS** that the Settlement Agreement is hereby approved.

3. **THIS COURT ORDERS** that the Trustee is hereby authorized and directed *nunc pro tunc* to execute the Settlement Agreement and is further authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable in order to complete the transactions contemplated by the Settlement Agreement.

4. **THIS COURT ORDERS** that, on behalf of the Official Committee, Representative Counsel is hereby authorized and directed *nunc pro tunc* to execute the Settlement Agreement for the sole purpose of agreeing to sections 6.2 and 6.5(1) of the Settlement Agreement.

5. **THIS COURT ORDERS** that, as soon as practicable following the Effective Date, the Trustee shall be authorized and directed to serve on the service list in this proceeding and post on the website established by the Trustee in respect of this proceeding a certificate in the form attached hereto as Schedule "B" (the "**Trustee's Certificate**"), signed by the Trustee, certifying

that the Effective Date has occurred. The Trustee shall file the Trustee's Certificate with this Court as soon as reasonably practicable.

6. **THIS COURT ORDERS** that upon the Effective Date, the Settlement Agreement including, without limitation, the transactions, transfers, releases, compromises and injunctions provided for therein, shall be in full force and effect and binding on the Trustee, the Companies, Robertson, the Estate, Beazley, the Controlled Entities and the Affected Users, including their respective heirs, administrators, executors, legal personal representatives, successors and assigns.

SETTLEMENT ASSETS

7. **THIS COURT ORDERS AND DECLARES** that any and all transfers or conveyances of the Settlement Assets to the Settling Parties are "transfers at undervalue" as defined in section 2(1) of the BIA and are hereby voided and set aside as against the Trustee, and any and all right, title and interest to the Settlement Assets of the Settling Parties shall be property of the Quadriga estate vested in the Trustee.

8. **THIS COURT ORDERS AND DECLARES** that, to the extent any Settlement Assets were not transferred to the Settling Parties by the Companies:

- (a) such Settlement Assets (i) were acquired with assets and/or property originally transferred by the Companies; or (ii) accrued from income generated or earned in respect of the assets and/or property transferred by the Companies or assets and/or property acquired with assets and/or property originally transferred by the Companies;
- (b) the original transfers or conveyances of assets and/or property by the Companies are "transfers at undervalue" as defined in section 2(1) of the BIA and are hereby voided and set aside as against the Trustee; and

- (c) in accordance with section 98(1) of the BIA, any and all right, title and interest to such Settlement Assets of the Settling Parties shall be the property of the Quadriga estate vested in the Trustee.

9. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Settling Parties and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Settling Parties;

the transfer of Settlement Assets in accordance with this Approval Order and the Settlement Agreement to the name of the Quadriga estate vested in the Trustee pursuant to the Settlement Agreement and this Approval Order shall be binding on any trustee-in-bankruptcy that may be appointed in respect of the Settling Parties and shall not be void or voidable by creditors of the Settling Parties, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RELEASES AND INJUNCTIONS

10. **THIS COURT ORDERS** that the compromises, releases, and injunctions set out in section 6 of the Settlement Agreement are hereby approved and shall be binding and effective as at the Effective Date in accordance with and subject to the Settlement Agreement.

11. **THIS COURT ORDERS** that, in accordance with and subject to the Settlement Agreement, upon the Effective Date and subject to section 6.4 of the Settlement Agreement, the Trustee and the Companies' estates hereby release and forever discharge the Settling Parties of and from any and all Released Claims.

12. **THIS COURT ORDERS AND DECLARES** that the Official Committee has the authority under the Representative Counsel Order and is authorized to bind Affected Users to sections 6.2 and 6.5(1) of the Settlement Agreement. In doing so, the Official Committee shall incur no liability or obligation and shall have all of the protections afforded to the Official Committee under the Representative Counsel Order and other court orders granted in this proceeding.

13. **THIS COURT ORDERS** that in accordance with and subject to the Settlement Agreement, upon the Effective Date and subject to section 6.4 of the Settlement Agreement, the Official Committee of Affected Users hereby releases and forever discharges the Settling Parties of and from any and all Released Claims of the Affected Users.

14. **THIS COURT ORDERS** that, in accordance with and subject to the Settlement Agreement, upon the Effective Date, the Settling Parties hereby release and forever discharge (a) the Companies' estates and the Trustee of and from any and all Claims in any way related or

connected to the Settlement Assets, the amounts owing for loans made by any one of them to the Companies including the loan made by Robertson to the Companies secured by the general security agreement dated January 29, 2019, Cotten's employment with the Companies, and any indemnity obligations of the Companies except as contained in section 4.3(2) of the Settlement Agreement, and (b) all rights and Claims to the Settlement Assets, including any title or possessory Claims to the Settlement Assets. For greater certainty, the Settling Parties shall not be entitled to file a proof of claim in this proceeding against the Companies' estates in respect of any Claim that the Settling Parties may have against the Companies.

15. **THIS COURT ORDERS** that, in accordance with and subject to the Settlement Agreement, including section 6.4 thereof, upon the Effective Date and thereafter, the Trustee and the Affected Users shall not commence, institute, continue, participate in, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any other Entity or person any Claims against the Settling Parties in any way related or connected to the Released Claims or against any Entity or person who may claim contribution or indemnity, or other Claims over relief, from any of Robertson, the Estate, the Controlled Entities or Beazley in respect of such Released Claims. Subject to the Settlement Agreement, including section 6.4 thereof, upon the Effective Date and thereafter, all Released Claims which could have been asserted by the Trustee and/or the Affected Users against the Settling Parties are barred, prohibited and enjoined in accordance with the terms of the Settlement Agreement.

16. **THIS COURT ORDERS** that, in accordance with and subject to the Settlement Agreement, upon the Effective Date and thereafter, the Settling Parties, shall not now or hereafter commence, institute, continue, participate in, maintain or assert, either directly or indirectly, whether in Canada or elsewhere, on their own behalf or on behalf of any other Entity or person any

Claims against the Trustee or the Companies in any way related or connected to the Settlement Assets, the amounts owing for loans made by any one of them to the Companies, including the loan made by Robertson to the Companies secured by the general security agreement dated January 29, 2019, and Cotten's employment with the Companies, any indemnity obligations of the Companies except as contained in the Settlement Agreement or person who may claim contribution or indemnity, or other Claims over relief, from any of the Trustee or the Companies in respect of such Claims. All Claims which could have been asserted by the Settling Parties against the Companies or the Trustee in any way related or connected to the Settlement Assets, the amounts owing for loans made by any one of them to the Companies, including the loan made by Robertson to the Companies secured by the general security agreement dated January 29, 2019, Cotten's employment with the Companies, and any indemnity obligations of the Companies except as contained in the Settlement Agreement, are barred, prohibited and enjoined in accordance with the terms of the Settlement Agreement.

ASSET PRESERVATION ORDER

17. **THIS COURT ORDERS** that upon the Effective Date, the Asset Preservation Order shall be amended and varied by deleting paragraphs 1 – 11 and 14.

18. **THIS COURT ORDERS** that Stewart McKelvey is authorized and directed take such steps and actions as may required to implement the Settlement Agreement, including distributing any Assets in the Preservation Accounts (as defined by the Asset Preservation Order) or otherwise in its possession (a) to the Trustee if Settlement Assets under the Settlement Agreement; and (b) to the applicable Settling Party if Excluded Assets under the Settlement Agreement.

19. **THIS COURT ORDERS** that, to the extent not already completed pursuant to the Asset Preservation Order, Royal Bank of Canada, TD Bank Group, The Bank of Nova Scotia, BMO Financial Group, Canadian Imperial Bank of Commerce, Canadian Tire Bank, Canadian Western Bank, East Coast Credit Union, Questrade Financial Group Inc. and Manulife Financial Corporation (collectively, the “**Banks**”) shall disclose and deliver to the Trustee any and all records and statements held by the Banks concerning Robertson’s, the Estate’s and/or the Controlled Entities’ assets and accounts, including the existence, nature, value and location of any monies or assets or credit, wherever situate, including all records and statements held by the Banks concerning any assets and accounts of the Robertson, the Estate and/or the Controlled Entities formerly held by the Banks, and the Banks shall forthwith provide such information and documentation to the Trustee.

20. **THIS COURT ORDERS** that, to the extent not already completed pursuant to the Asset Preservation Order, all cryptocurrency exchanges, including the cryptocurrency exchanges doing business as Binance, Bitfinex, Bitmex, Bitstamp, Coinbase, Digifinex, EzBtc.ca, Huobi, Kraken, Localbitcoins.com, Poloniex, OKCoins, OkEx and Shapeshift, (the “**Exchanges**”) shall disclose and deliver to the Trustee any and all records and statements held by the Exchanges concerning Robertson’s, the Estate’s and/or the Controlled Entities’ assets and accounts, including the existence, nature, value and location of any monies, assets or cryptocurrency or credit, wherever situate, including all records and statements held by the Exchanges concerning any assets and accounts of the Robertson, the Estate and/or the Controlled Entities formerly held by the Exchanges, and the Exchanges shall forthwith provide such information and documentation to the Trustee.

GENERAL

21. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Approval Order and to assist the Trustee and its respective agents and counsel in carrying out the terms of this Approval Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Approval Order, to grant representative status to the Trustee in any foreign proceeding, or to assist the Trustee and its respective agents and counsel in carrying out the terms of this Approval Order.

Schedule "A" - Settlement Agreement

[Attached]

Schedule “B” - Trustee’s Certificate

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE BANKRUPTCY OF QUADRIGA FINTECH SOLUTIONS CORP., WHITESIDE CAPITAL CORPORATION AND 0984750 B.C. LTD. D/B/A QUADRIGA CX AND QUADRIGA COIN EXCHANGE

Trustee’s Certificate

- A. Ernst & Young Inc. has been appointed under the trustee in bankruptcy of 0984750 B.C. Ltd. d/b/a Quadriga CX and Quadriga Coin Exchange, Quadriga Fintech Solutions Corp. and Whiteside Capital Corporation under the *Bankruptcy and Insolvency Act* (Canada) (the “Trustee”);
- B. Capitalized terms not otherwise defined in this certificate shall have the respective meanings ascribed to them in the Settlement Agreement dated ● (the “Settlement Agreement”) between the Trustee, Robertson, the Estate, Beazley and the Controlled Entities;
- C. Pursuant to an Order of the Bankruptcy Court dated ● (the “Approval Order”), the Settlement Agreement was approved by the Bankruptcy Court, including the transactions, transfers, releases, compromises and injunctions provided for therein; and
- D. Pursuant to the Approval Order, the Trustee is required to serve on the service list in this proceeding, post on the Trustee’s website and file with the Bankruptcy Court, a certificate certifying that the Effective Date has occurred.

THE TRUSTEE HEREBY CERTIFIES as follows:

- (a) Counsel for Robertson and the Estate has confirmed that the conditions to the occurrence of the Effective Date in favour of Robertson have been satisfied or waived pursuant to the Settlement Agreement;

- (b) The Trustee also confirms that the conditions to the occurrence of the Effective Date in favour of the Trustee have been satisfied or waived pursuant to the Settlement Agreement; and
- (c) The Effective Date has occurred.

DATED at the City of Toronto, in the Province of Ontario, this _____ day of _____, 2019

**Ernst & Young Inc., in its capacity as
Trustee of the Companies and not in its
personal or corporate capacity**

By:

Name:

Title:

IN THE MATTER OF THE BANKRUPTCY OF QUADRIGA
FINTECH SOLUTIONS CORP., WHITESIDE CAPITAL
CORPORATION AND 0984750 B.C. LTD. D/B/A QUADRIGA CX
AND QUADRIGA COIN EXCHANGE

Court File No. CV-19-627184-00CL
CV-19-627185-00CL
and CV-19-627186-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**ORDER
(SETTLEMENT APPROVAL ORDER)**

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Elizabeth Pillon LSO#: 35638M
Tel: (416) 869-5623
Email: lpillon@stikeman.com
Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com
Lee Nicholson LSO#: 66412I
Tel: (416) 869-5604
Email: leenicholson@stikeman.com
Fax: (416) 947-0866

Lawyers for the Trustee

Schedule "B" – Approval Order Affidavit

[Attached]

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE BANKRUPTCY OF QUADRIGA FINTECH
SOLUTIONS CORP., WHITESIDE CAPITAL CORPORATION AND 0984750
B.C. LTD. D/B/A QUADRIGA CX AND QUADRIGA COIN EXCHANGE

AFFIDAVIT OF JENNIFER ROBERTSON
(SWORN OCTOBER ●, 2019)

I, Jennifer Kathleen Margaret Robertson, of Fall River, Halifax Regional Municipality,
in the Province of Nova Scotia, **MAKE OATH AND SAY:**

1. I am the widow of Gerald William Cotten (“**Gerry**”) and a former director of Quadriga Fintech Solutions Corp. (“**Fintech**”), Whiteside Capital Corporation (“**Whiteside**”) and 0984750 B.C. Ltd. d/b/a Quadriga CX and Quadriga Coin Exchange (“**Quadriga**” and collectively, the “**Companies**”). As such, I have personal knowledge of the matters deposed to in this affidavit, except where indicated otherwise.

2. I swear this affidavit in support of the motion of Ernst & Young Inc., in its capacity as the trustee-in-bankruptcy of the Companies (the “**Trustee**”), for an order (the “**Approval Order**”) approving the settlement agreement dated October ●, 2019 between the Trustee, myself, myself in my capacity as the executor of Gerry’s estate (the “**Estate**”), Thomas Beazley, and certain other entities party thereto (the “**Settlement Agreement**”). In particular, this affidavit supports the relief sought by the Trustee in the Approval Order which sets aside and voids certain transactions as against the Trustee.

3. Capitalized terms in this affidavit not otherwise defined herein have the meaning ascribed within the Settlement Agreement.

BACKGROUND

4. On December 9, 2018, my husband (Gerry) passed away while travelling in India. He was previously the chief executive officer and sole director of each of the Companies.

5. Following his death, in January, 2019 I was appointed as a director of each of the Companies along with my step-father, Thomas Beazley, and Jack Martel. The Companies were experiencing various liquidity issues and a decision was made to seek creditor protection under the *Companies' Creditors Arrangement Act* (the "CCAA"). Ernst & Young Inc. was appointed as monitor of the Companies (the "**Monitor**") by the Nova Scotia Supreme Court. The Companies were subsequently assigned into bankruptcy and Ernst & Young Inc. consented to act as Trustee.

6. During the CCAA proceedings, the Monitor reported on its investigation into the business and affairs of the Companies and activities of my late husband. The reports also indicated that the Trustee intended to pursue my assets, the assets of the Estate, assets of certain entities wholly owned by myself (the "**Robertson Controlled Entities**") and assets of certain entities wholly owned by the Estate (the "**Gerry Controlled Entities**"). The Robertson Controlled Entities and Gerry Controlled Entities form the Controlled Entities under the Settlement Agreement.

7. Following the issuance of the Monitor's Fifth Report dated June 19, 2019 which disclosed significant new information about the activities of the Companies and Gerry, I presented a settlement offer to the Trustee through my counsel whereby the majority of my assets, the Estate's assets and assets of the Controlled Entities would be returned to the Trustee for the benefit of the Quadriga estate. Following significant negotiations with the Trustee through my counsel, we were able reach an agreement as set out in the Settlement Agreement.

TRANSFERS AT UNDERVALUE

8. I understand the Approval Order sought by the Trustee requests the Court to set aside and void certain transactions as against the Trustee with respect to the Settlement Assets. In support of the relief sought by the Trustee I confirm the following:

- (a) Gerry and I did not act as arm's length parties with the Companies while they were operating, and the Companies were controlled by Gerry prior to his death;
- (b) All of my property which is being returned as part of the Settlement Agreement (i.e. the Robertson Settlement Assets) and the property of the Robertson Controlled Entities, including the Controlled Entities Settlement Assets owned by the Robertson Controlled Entities, was either (i) transferred by Quadriga or Gerry to myself or the Robertson Controlled Entities; or (ii) acquired using property, or proceeds from property, transferred by Quadriga or Gerry to myself or the Robertson Controlled Entities. As I only met Gerry in November 2014, the original property transferred by Quadriga to myself or the Robertson Controlled Entities all occurred within the five (5) years prior to the Companies filing for CCAA protection;
- (c) To the best of my knowledge, all of Gerry's property (now the Estate's property) and the property of the Gerry Controlled Entities, was sourced from Quadriga as Gerry did not have any other significant sources of income from the time that I first met him. Based on that understanding, I believe that all of the Estate's property, including the Estate Settlement Assets, and the property of the Gerry Controlled Entities, including the Controlled Entities Settlement Assets owned by the Gerry Controlled Entities, was either (i) transferred by Quadriga directly to Gerry or the Gerry Controlled Entities; or (ii) acquired using property, or proceeds from property, transferred by Quadriga to Gerry or the Gerry Controlled Entities;
- (d) The Robertson Controlled Entities and I did not provide Quadriga with any consideration for the property transferred to the Controlled Entities or myself;
- (e) To the best of my knowledge, after reviewing the reports of the Monitor, gathering information in my capacity as director of the Companies and having reviewed and discussed this new factual information with my counsel, it is my belief and understanding that Gerry and the Gerry Controlled Entities did not provide Quadriga with any consideration for the property transferred other than

possibly on account of compensation for his role as chief executive officer of the Companies of which I have no knowledge; and

- (f) I met Gerry in November 2014 and at that time I understood that Quadriga was a relatively small company and Gerry did not have a significant amount of assets at that time, other than personal cryptocurrency assets that he advised me were held on the Quadriga platform. Based on that understanding, I believe that the significant majority, if not all, of the property currently owned by the Estate or the Gerry Controlled Entities originated from Quadriga having been transferred to Gerry or the Gerry Controlled Entities within the five (5) years prior to the Companies filing for CCAA protection.

9. I swear this affidavit in support of the Approval Order and for no other improper purpose.

SWORN BEFORE ME in the Halifax
Regional Municipality, Province of Nova
Scotia, on October 1, 2019

Commissioner for taking affidavits

Jennifer Robertson

**IN THE MATTER OF THE BANKRUPTCY OF QUADRIGA FINTECH SOLUTIONS CORP.,
WHITESIDE CAPITAL CORPORATION, AND 0984750 B.C. LTD. D/B/A QUADRIGA CX AND
QUADRIGA COIN EXCHANGE**

Court File No. CV-19-627184-00CL
CV-19-627185-00CL
and CV-19-627186-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF JENNIFER ROBERTSON
(SWORN OCTOBER ●, 2019)**

STEWART MCKELVEY
Suite 900, Purdy's Wharf Tower One
1959 Upper Water St.
Halifax, N.S.
B3J 3N2

Richard Niedermayer
Tel: 902.420.3339
Email: rniedermayer@stewartmckelvey.com
Fax: 902.420.1417

Schedule "C" – Excluded Assets

1. Excluded Assets of Robertson

Cash: \$90,000 plus the remaining balance, if any, in Robertson's Scotiabank personal account as of the Effective Date up to a maximum amount of \$10,000.

RRSP: Investments contained in Robertson's SunLife registered retirement savings account to a maximum amount of the value of such account disclosed in the Sworn Asset Disclosure plus ordinary course investment income accrued thereon.

Vehicles: 2015 Jeep Cherokee

Jewelry: Her wedding band, memory pendant and gold ring with pink stone.

Personal Belongings: Personal furnishings of Robertson up to a maximum aggregate appraised fair market value of \$15,000 as determined in accordance with section 2.7 of the Settlement Agreement, and all clothing and similar personal effects.

Shares: Issued and outstanding shares of the Controlled Entities and Fintech (except to the extent transferred to the Trustee in accordance with section 2.8 of the Settlement Agreement)

2. Excluded Assets of the Estate

Shares: Issued and outstanding shares of the Controlled Entities, CX Solutions and Fintech (except to the extent transferred to the Trustee in accordance with section 2.8 of the Settlement Agreement)

Schedule "D" – Assignment and Acknowledgement Agreement

[Attached]

ASSIGNMENT OF SECURITY AND INDEBTEDNESS AGREEMENT

THIS AGREEMENT is made as of October __, 2019,

BETWEEN:

Ernst & Young Inc.,

in its capacity as trustee-in-bankruptcy of Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd., and not in its personal capacity.

(hereinafter referred to as the "**Assignee**"),

- and -

Robertson Nova Property Management Inc.,

a corporation existing under the laws of the province of Nova Scotia,

(hereinafter referred to as "**RNPM**"),

- and -

Jennifer Kathleen Margaret Robertson,

(hereinafter referred to as "**Robertson**", and together with RNPM, the "**Assignors**"),

WHEREAS the Assignors have provided _____ and _____ (together, the "**Borrowers**") with a loan of CAN\$385,000 pursuant to a promissory note charging lands dated April 19, 2018 and a profit sharing agreement dated April 27, 2018 (collectively, the "**Promissory Note**") secured by a charge on the lands municipally described as 74 Somerglen Close, Calgary, Alberta, T2Y 3Z5;

AND WHEREAS, as of October 1, 2019, the Borrowers have, pursuant to the Promissory Note, outstanding debts, liabilities and obligations to the Assignors totalling \$366,800;

AND WHEREAS the Assignee and Assignors will be parties to a settlement agreement between the Assignee, the Assignors, Robertson in her capacity as the executor of the estate of Gerald Cotten, Thomas Beazley, and the other entities party thereto (the "**Settlement Agreement**");

AND WHEREAS, pursuant to the Settlement Agreement, the Assignors are agreeing to transfer to the Assignee, and the Assignee has agreed to assume, all of the Assignors' respective rights, titles and interests in and to the Promissory Note;

AND WHEREAS the Assignee acknowledges having been provided with a copy of the Promissory Note;

AND WHEREAS the Borrowers are fully aware of the assignment contemplated by this Agreement and agree and consent to the said Agreement and the assignment contemplated thereby without novation, as is evidenced by their execution of this Agreement below;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of premises, covenants, agreements, settlements and releases contained herein and the Settlement Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties hereby agree as follows:

ASSIGNMENT

1. Assignment

As of the date hereof, notwithstanding any limitation or other provision contained in the Settlement Agreement, the Assignors hereby agree to transfer and assign, and set over unto the Assignee, its successors and assigns, its collective right, title and interest (both legal and equitable), powers and privileges and other benefits of any nature whatsoever in and to or arising from the Promissory Note, together with all monies that may hereafter become due or owing in respect of the Promissory Note, including, without limitation, all rights to receive principal, interest, fees, expenses, damages, penalties and other amounts in respect of or in connection with the Promissory Note and any security securing the Promissory Note, including any charge, security interest and mortgage.

2. Acceptance and Agreement to be Bound

The Assignee hereby accepts the transfer and assignment of the Promissory Note as set out in Section 1 and assumes and agrees to observe, perform, fulfil and be bound by all terms, covenants, conditions and obligations relating to the Promissory Note that are to be observed, performed and fulfilled by the Assignors in the same manner and to the same extent as if the Assignee were the original party named in the Promissory Note as Assignors.

3. Acknowledgement by the Borrowers

By executing this Agreement, the Borrowers hereby consent to the transactions contemplated by this Agreement and irrevocably acknowledge and confirm that (i) the total amount owing to the Assignors under the Promissory Note as of October 1, 2019 is the aggregate of \$366,800, and (ii) the Promissory Note and any and all registrations related to the Promissory Note are in full force and effect, and the same are legal, valid and binding obligations, enforceable against the Borrowers in accordance with their terms, all of which the Borrowers hereby confirm, reaffirm and ratify in favour of the Assignee as rightful holder thereof as and from the date hereof without any novation.

REGISTRATION OF SECURITY

4. Registration

The Assignors hereby authorizes the Assignee and Stikeman Elliott LLP (as the Assignee's counsel) or any other such designate, to execute and file such documents that may be reasonably required to record the assignment of the Promissory Note under any applicable

legislation or as otherwise reasonably required to carry out the terms of this Agreement, at the sole cost and expense of the Assignee, including, without limitation, to file a financing change statement, charge or mortgage in respect of any registrations related to the Promissory Note. If the Assignee fails to promptly record the assignment, the Assignors may do so and the Assignee shall promptly reimburse the Assignors for all costs incurred in doing so. In addition, the parties shall each execute such further documents and do such further acts as the other party reasonably requests to give further effect to this Agreement.

REPRESENTATIONS AND WARRANTIES

5. Representation and Warranty of the Assignors

The Assignors hereby represent and warrant to the Assignee that as of the date hereof:

- (a) the recitals to this Agreement are true and correct;
- (b) the Assignors are not restricted from assigning its right, title and interest in and to the Promissory Note to the Assignee under the terms of the Promissory Note;
- (c) the Assignors have not previously assigned, discharged or released the Promissory Note or the rights, powers and benefits thereunder; and
- (d) upon the effectiveness of this Agreement, the Assignors shall have no right, title or interest in and to the Promissory Note or in and to the property of the Borrowers.

MISCELLANEOUS

6. Governing Law

This Agreement is governed by, and will be interpreted and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein. The Parties consent to the jurisdiction and venue of the Court of Queen's Bench of Alberta for the resolution of any such disputes arising under this Agreement.

7. Sections and Headings

The division of this Agreement into articles, sections, and other subdivisions are for convenience of reference only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference herein to a particular article or section refers to the specified article or section of this Agreement.

8. Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are in Canadian funds.

9. Invalidity of Provisions

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof and any such invalid or unenforceable

provision shall be deemed to be severable and the remaining provisions will remain in full force and effect.

10. Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by the parties and their respective successors and permitted assigns, as applicable.

11. Further Assurances

Each of the Parties covenants and agrees to take such steps and actions, do such things, and execute such further documents and assurances as may be deemed necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement, in accordance with their true intent.

12. Counterparts

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

[signature pages follow]

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date first written above:

ERNST & YOUNG INC., in its capacity as trustee-in-bankruptcy of Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd., and not in its personal capacity

By: _____
Name:
Title:

ROBERTSON NOVA PROPERTY MANAGEMENT INC.

By: _____
Name:
Title:

JENNIFER KATHLEEN MARGARET ROBERTSON

By: _____

Acknowledged and agreed as of the date first written above:

By: _____

By: _____

Schedule "E" – Release of Claims against Estate Settlement Assets

[Attached]

RELEASE

TO: Ernst & Young Inc., in its capacity as trustee-in-bankruptcy of Quadriga Fintech Solutions Corp., Whiteside Capital Corporation and 0984750 B.C. Ltd., and not in its personal capacity (the "Trustee")

DATED: October ●, 2019

WHEREAS Gerald William Cotten died on or about December 9, 2018 with a last will and testament dated November 27, 2018 (the "Will"), naming Jennifer Robertson as executor of the estate of Gerald William Cotten (the "Estate");

AND WHEREAS the Will names the undersigned as a non-residual beneficiary of the Estate;

AND WHEREAS the Estate entered into a settlement agreement between the Trustee, Jennifer Kathleen Margaret Robertson ("Robertson"), Robertson in her capacity as the executor of the Estate, Thomas Beazley, in his personal capacity, and other entities party thereto dated October ●, 2019 (the "Settlement Agreement");

AND WHEREAS the Estate, pursuant to the terms of the Settlement Agreement, assigned and transferred all of the Estate's rights, title and interest in, to and under, or relating to the Estate Settlement Assets (as that term is defined in the Settlement Agreement) to the Trustee (the "Assignment"); and

AND WHEREAS the undersigned is fully aware of the Settlement Agreement and the Assignment contemplated therein and agrees and consents to the Assignment;

NOW THEREFORE for good and valuable consideration (the receipt and adequacy of which is hereby acknowledged), the undersigned agrees as follows:

1. The undersigned hereby releases, discharges and surrenders, all of their right, title and interest in the Estate Settlement Assets, if any, and acknowledges that on the Effective Date (as defined in the Settlement Agreement) they have no right, title or interest in the Estate Settlement Assets and executes this release to confirm the same.
2. The provisions of this release shall enure to the benefit of the Trustee, its successors and assigns and shall be binding upon the undersigned and its successors and assigns.

IN WITNESS WHEREOF the undersigned has executed this release on the date first written above.

Witness

Name

Schedule “B” - Trustee’s Certificate

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE BANKRUPTCY OF QUADRIGA FINTECH SOLUTIONS CORP., WHITESIDE CAPITAL CORPORATION AND 0984750 B.C. LTD. D/B/A QUADRIGA CX AND QUADRIGA COIN EXCHANGE

Trustee’s Certificate

- A. Ernst & Young Inc. has been appointed under the trustee in bankruptcy of 0984750 B.C. Ltd. d/b/a Quadriga CX and Quadriga Coin Exchange, Quadriga Fintech Solutions Corp. and Whiteside Capital Corporation under the *Bankruptcy and Insolvency Act* (Canada) (the “Trustee”);
- B. Capitalized terms not otherwise defined in this certificate shall have the respective meanings ascribed to them in the Settlement Agreement dated October 3, 2019 (the “Settlement Agreement”) between the Trustee, Robertson, the Estate, Beazley and the Controlled Entities;
- C. Pursuant to an Order of the Bankruptcy Court dated ● (the “Approval Order”), the Settlement Agreement was approved by the Bankruptcy Court, including the transactions, transfers, releases, compromises and injunctions provided for therein; and
- D. Pursuant to the Approval Order, the Trustee is required to serve on the service list in this proceeding, post on the Trustee’s website and file with the Bankruptcy Court, a certificate certifying that the Effective Date has occurred.

THE TRUSTEE HEREBY CERTIFIES as follows:

- (a) Counsel for Robertson and the Estate has confirmed that the conditions to the occurrence of the Effective Date in favour of Robertson have been satisfied or waived pursuant to the Settlement Agreement;

- (b) The Trustee also confirms that the conditions to the occurrence of the Effective Date in favour of the Trustee have been satisfied or waived pursuant to the Settlement Agreement; and
- (c) The Effective Date has occurred.

DATED at the City of Toronto, in the Province of Ontario, this _____ day of _____, 2019

**Ernst & Young Inc., in its capacity as
Trustee of the Companies and not in its
personal or corporate capacity**

By:

Name:

Title:

**IN THE MATTER OF THE BANKRUPTCY OF QUADRIGA FINTECH
SOLUTIONS CORP., WHITESIDE CAPITAL CORPORATION AND 0984750
B.C. LTD. D/B/A QUADRIGA CX AND QUADRIGA COIN EXCHANGE**

Court File No. & Estate No. CV-19-627184-00CL (31-2560674)
CV-19-627185-00CL (31-2560984)
and CV-19-627186-00CL (31-2560986)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER
(SETTLEMENT APPROVAL ORDER)**

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**Lawyers for Ernst & Young Inc.,
Trustee-in-Bankruptcy**