

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:	
<b>CRYPTOPIA LIMITED (IN LIQUIDATION)</b>	:	<b>Chapter 15</b>
<b>Debtor in a foreign proceeding.</b>	:	<b>Case No. 19-11688 (SMB)</b>
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**ORDER GRANTING EMERGENCY MOTION FOR PROVISIONAL RELIEF**

Upon the *Emergency Motion for Provisional Relief* (ECF No. 3) (the “**Emergency Motion**”)<sup>1</sup> of David Ian Ruscoe, in his capacity as the duly appointed foreign representative (the “**Foreign Representative**”) of the New Zealand Liquidation (as defined below) of the above-captioned debtor (the “**Debtor**” ,“**Cryptopia**”, or the “**Company**”), a New Zealand Limited Company registered under the laws of New Zealand, concerning a liquidation (the “**New Zealand Liquidation**”) commenced under Part 16 of the Companies Act 1993 (NZ) (the “**Companies Act**”), pursuant to sections 105(a), 362, 1504, 1507, 1510, 1515, 1517, 1519, 1520, 1521 and 1522 of title 11 of the United States Code (the “**Bankruptcy Code**”), for entry of an order (this “**Order**”), among other things, (i) provisionally providing that section 362 of the Bankruptcy Code applies within the territorial jurisdiction of the United States with respect to the Debtor and property of the Debtor, (ii) provisionally entrusting the administration, realization and distribution of the Debtor’s assets located in the United States to the Foreign Representative, (iii) waiving compliance with Bankruptcy Rule 1007(a)(4)(B) and (iv) granting such other relief as the Court deems just and proper; and upon this Court’s review and consideration of the *Memorandum of Law*

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<sup>1</sup> Capitalized terms used but not otherwise defined herein have the meaning ascribed to such terms in the Emergency Motion.

*in Support of Motion for Recognition and Emergency Motion for Provisional Relief*, the Ruscoe Declaration and the Heath Declaration, each filed contemporaneously herewith, and the evidence admitted at the hearing (“**Hearing**”) to consider the Emergency Motion; and due and proper notice of the Emergency Motion having been provided; and no other or further notice being necessary or required; and no objections or other responses having been filed that have not been overruled, withdrawn, or otherwise resolved; and all interested parties having had an opportunity to be heard at the Hearing; and after due deliberation and sufficient cause appearing therefor,

**THE COURT HEREBY FINDS AND CONCLUDES THAT:**

A. The findings and conclusions set forth herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 157 and 1334, section 1501 of the Bankruptcy Code and the *Amended Standing Order of Reference* dated January 31, 2012, Reference M-431, *In re Standing Order of Reference Re: Title 11, 12 Misc. 00032* (S.D.N.Y. Feb. 2, 2012) (Preska, C.J.).

C. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P) and this Court may enter a final order consistent with Article III of the United States Constitution.

D. Venue is proper in this District pursuant to 28 U.S.C. § 1410.

E. The Foreign Representative has demonstrated a substantial likelihood of success on the merits that (i) the Debtor is subject to a pending “foreign main proceeding” as that

term is defined in section 1502(4) of the Bankruptcy Code, (ii) the Foreign Representative is a “foreign representative” as that term is defined in section 101(24) of the Bankruptcy Code, and (iii) all statutory elements for recognition of the New Zealand Liquidation are satisfied in accordance with section 1517 of the Bankruptcy Code.

F. Section 362 of the Bankruptcy Code shall apply within the territorial jurisdiction of the United States to the Debtor and property of the Debtor, including without limitation executory contracts, to permit the orderly administration and liquidation of the Debtor’s estate in the New Zealand Liquidation and the relief requested either (i) will not cause undue hardship to any party in interest or (ii) any hardship to a party in interest is outweighed by the benefits of the relief requested.

G. Unless this Order issues, it has been clearly shown that the Debtor will suffer immediate and irreparable injury, loss or damage for which there is no adequate remedy at law. Further, unless this Order issues, the assets of Debtor located in the United States could be subject to efforts by creditors or other entities to control, possess, or execute upon such assets and such efforts have a material risk of resulting in Debtor’s suffering immediate and irreparable injury, loss, or damage by, among other things, (i) interfering with the jurisdictional mandate of this Court under Chapter 15 of the Bankruptcy Code, (ii) interfering with the Debtor’s efforts to administer its estate and liquidate through the New Zealand Liquidation, and (iii) undermining the Foreign Representative’s efforts to achieve an equitable result for the benefit of all of the Debtor’s creditors and interest holders.

H. The interests of the Debtor’s creditors will be served by entry of this Order.

I. The interest of the public will be served by entry of this Order.

J. The Foreign Representative and the Debtor are entitled to the full protection and rights available under section 1519(a)(1)-(3) of the Bankruptcy Code.

K. Good cause exists to entrust the administration or realization of the Debtor's assets located in the United States to the Foreign Representative pursuant to section 1519(a)(2) of the Bankruptcy Code.

L. Appropriate notice of the filing of the Emergency Motion was given, which notice was deemed adequate for all purposes, and no further notice need be given.

**NOW THEREFORE, IT IS HEREBY ORDERED THAT:**

1. The Emergency Motion and requested relief is granted to the extent provided herein.

2. All objections, if any, to the Motion or the relief requested therein that have not been withdrawn, waived, or settled as announced to the Court at the Hearing, or by stipulation filed with the Court, and all reservations of rights included therein, are hereby overruled on the merits.

3. Pursuant to sections 1519(a)(3) and 1521(a)(7) of the Bankruptcy Code, section 362 of the Bankruptcy Code is applicable within the territorial jurisdiction of the United States to the Debtor and the Debtor's property. Section 1519(e) of the Bankruptcy Code is applicable to this request for injunctive relief. Pursuant to Fed. R. Civ. P. 65(b)(2), this Order shall be effective immediately after entry and it shall expire at 1:00 pm, June 7, 2019, unless extended by the Court.

4. Pursuant to sections 1519(a)(3) and 1521(a)(3), no non-Debtor (other than the Foreign Representative) shall be authorized or permitted to transfer, encumber or otherwise dispose of the Debtors' assets that are located within the territorial jurisdiction of the United States.

5. Pursuant to sections 1519(a)(3), 1521(a)(5), and 1521(a)(7), the administration or realization of all or part of the assets of the Debtor within the territorial jurisdiction of the United States is entrusted to the Foreign Representative for administration or realization and the Foreign Representative is established as the exclusive representative of the Debtor in the United States unless otherwise ordered by the Court.

6. The Foreign Representative is authorized to take all actions necessary to carry out this Order.

7. The requirements set forth in Bankruptcy Rule 1007(a)(4)(B) are waived with respect to this Emergency Motion.

8. No action taken by the Foreign Representative, the Debtor, or their respective successors, agents, representatives, advisors, or counsel in preparing, disseminating, applying for, implementing, or otherwise acting in furtherance of or in connection with the New Zealand Liquidation, this Order, this Chapter 15 Case, or any adversary proceeding herein, or any further proceeding commenced hereunder, shall be deemed to constitute a waiver of the rights or benefits afforded such persons under 306 and 1510 of the Bankruptcy Code.

9. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry and shall constitute a final order within the meaning of 28 U.S.C. § 158(a).

10. As security for this temporary restraining order, the Foreign Representative shall pay Phoenix NAP, LLC the sum of \$274,408.92 for services for the months of May and June 2019. Such sum shall be paid on or before 5:00 pm, May 31, 2019.

11. This Court shall retain jurisdiction to hear and determine all matters arising from or related to interpretation or implementation of this Order.

Dated: May 24, 2019, at 1:26 pm  
New York, New York

/s/ MARTIN GLENN  
UNITED STATES BANKRUPTCY JUDGE