

DUPLICATE

IN THE HIGH COURT OF NEW ZEALAND
CHRISTCHURCH REGISTRY

I TE KŌTI MATUA O AOTEAROA
ŌTAUTAHI ROHE

CIV 2019-409-544

Under Part 19 of the High Court Rules and Part 16 of the
Companies Act 1993

In the matter of an application concerning **CRYPTOPIA LIMITED (IN
LIQUIDATION)**, a company having its registered office at
Level 15, Grant Thornton House, 215 Lambton Quay,
Wellington, 6143 and carrying on business as a
cryptocurrency exchange

And

In the matter of an application by **DAVID IAN RUSCOE** and **MALCOLM
RUSSELL MOORE** of **GRANT THORNTON NEW
ZEALAND LIMITED**, insolvency practitioners of Wellington
and Auckland respectively

Applicants

COURT ORDERS AS TO REPRESENTATION AND SERVICE

Dated: 18 October 2019

BUDDLE FINDLAY
NEW ZEALAND LAWYERS
Barristers and Solicitors
Wellington

Solicitor Acting: **Scott Barker/Bridie McKinnon**
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COURT ORDERS AS TO REPRESENTATION AND SERVICE

1. The originating application without notice made by **DAVID IAN RUSCOE** and **MALCOLM RUSSELL MOORE** on 1 October 2019 was determined by the Honourable Justice Gendall on 14 October 2019.
2. The determination was made without a hearing.
3. The following orders were made:
 - (a) Peter Watts QC, barrister and solicitor, is appointed as counsel to represent parties that stand to benefit from a finding that the cryptocurrency holdings of the Company (**Digital Assets**) are property that is held on trust for account holders, being those individual account holders with a positive coin balance of realisable value (**Potential Trust Beneficiaries**).
 - (b) Jenny Cooper QC, barrister and solicitor, is appointed as counsel to represent parties that stand to benefit from a finding that the Digital Assets are property but not held on trust, being all known and potential creditors of the Company, other than the Potential Trust Beneficiaries, and including trade creditors and any party who might have claims against Cryptopia (**Creditors**).
 - (c) That to the extent that there is a need for argument on a matter which is not in contest between the two classes of creditors, Buddle Findlay as counsel for the liquidators will put the contrary position for the benefit of the Court.
 - (d) That the reasonable fees and disbursements of Peter Watts QC, Jenny Cooper QC and Buddle Findlay be met, in the first instance, from the pool of realised Bitcoin holdings pursuant to paragraph 3(b) of the Order of this Court dated 29 May 2019, on the basis that the fees are a necessary and reasonable expense of the Liquidators, of and incidental to the protection, preservation, recovery, management and administration of the assets of Cryptopia, with the Court's decision as to the ultimate incidence of counsel's costs to be reserved until the Originating Application has been determined, or as otherwise ordered by the Court.
 - (e) Directing that the draft notice annexed to the affidavit of David Ian Ruscoe dated 1 October 2019 be served along with the proceedings.



- (f) Leave is reserved for any party to file an application for joinder to the Originating Application, if it wishes to obtain separate representation.
- (g) Leave is reserved for any party to apply to the Court to extend the representation orders beyond the determination of the Originating Application.
- (h) That service of this application be effected on the Potential Trust Beneficiaries and Creditors by:
 - (i) posting downloadable copies of the Proceedings to the Cryptopia website at <https://cryptopia.co.nz> and posting a notification on the Cryptopia Twitter account; and
 - (ii) if the applicants hold an email address for an individual member of the Potential Trust Beneficiaries or Creditors, by sending an email with a link to the Cryptopia website where copies of the proceedings can be downloaded, and attaching copies of the Proceedings.
- (i) Once counsel are appointed, that service be effected on Potential Trust Beneficiaries and/or Creditors by the applicants by personal service upon counsel hereby appointed and in accordance with the method of service described at (h) above.
- (j) Any creditor or shareholder of Cryptopia, including any individual member of the Potential Trust Beneficiaries, is granted leave to apply to the Court within 10 working days of such service referred to in (h) above to modify or discharge these orders on appropriate notice being given to the applicants.
- (k) Leave is reserved for the applicants to apply further in respect of any ancillary orders.



By the Court:

A handwritten signature in blue ink, appearing to read "John David McMillan".

John David McMillan

(Deputy Registrar)

Sealed this 18th day of October 2019.