



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

-AND-

**IN THE MATTER OF QUADREXX ASSET MANAGEMENT INC.,
QUADREXX SECURED ASSETS INC., OFFSHORE OIL VESSEL SUPPLY
SERVICES LP, QUIBIK INCOME FUND AND QUIBIK OPPORTUNITY FUND**

**ORDER
(Subsections 127(1), (7) and (8) of the Act)**

WHEREAS on February 6, 2013, the Ontario Securities Commission (the “Commission”) issued a temporary order (the “Temporary Order”) pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) with respect to Quadrex Asset Management Inc. (“Quadrex”) and with respect to Quadrex Secured Assets Inc. (“QSA”), Offshore Oil Vessel Supply Services LP (“OOVSS”), and Quibik Income Fund (“QIF”) and Quibik Opportunity Fund (“QOF”), collectively the “Quadrex Related Securities” ordering that:

1. Pursuant to paragraph 2 of subsection 127(1) of the Act that all trading in the securities of Quadrex and Quadrex Related Securities shall cease;
2. Pursuant to paragraph 1 of subsection 127(1) of the Act that the following terms and conditions apply to the registration of Quadrex as an exempt market dealer (“EMD”):
 - a) Quadrex shall be entitled to trade only in securities that are not Quadrex and Quadrex Related Securities;
 - b) before trading with or on behalf of any client after the date hereof, Quadrex and any dealing representative shall (i) advise such client that Quadrex has a working capital deficiency as at December 31, 2012, and (ii) deliver a copy of this Order to such client; and

- c) Quadrex and any dealing representatives shall not accept any new clients or open any new client accounts of any kind;
3. Pursuant to paragraph 1 of subsection 127(1) of the Act that the following terms apply to the registration of Quadrex as a portfolio manager (“PM”) and as an investment fund manager (“IFM”):
 - a) Quadrex’s activities as a portfolio manager and investment fund manager shall be applied exclusively to the Managed Accounts and to the Quadrex Funds; and
 - b) Quadrex shall not accept any new clients or open any new client accounts of any kind; and
 4. Pursuant to subsection 127(6) of the Act that the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS the investigation by Staff of the Commission is ongoing;

AND WHEREAS on February 6, 2013, Staff filed the affidavit of Yvonne Lo sworn February 1, 2013 and the affidavit of Susan Pawelek sworn February 1, 2013 in support of the Temporary Order and made oral submissions in support of the Temporary Order;

AND WHEREAS on February 6, 2013, counsel for the Respondents filed the affidavit of Ken Thomson, president of Universal Financial Corp. (“Universal”) sworn February 6, 2013 and made oral submissions opposing Staff’s request for the Temporary Order;

AND WHEREAS on February 6, 2013, Ken Thomson advised the Commission that Universal had signed a Letter of Intent (“LOI”) dated February 6, 2013 with Quadrex under which the Quadrex’s assets would be purchased in exchange for the assumption of Quadrex’s senior debentures in the principal amount of \$900,000;

AND WHEREAS on February 16, 2013, Quadrex delivered to Staff an updated Form 31-103F1 – *Calculation of Excess Working Capital* which indicated that Quadrex had a working capital deficiency of \$852,617 as at January 31, 2013;

AND WHEREAS on February 19, 2013, Ken Thomson advised the Commission that it is unlikely that Universal will proceed with the transaction contemplated in the LOI dated February 6, 2013;

AND WHEREAS on February 19, 2013, counsel for the Respondents advised the Commission that the Respondents are not opposed to the suspension of the registration of Quadrexx as an EMD and requested fourteen days before the suspension of Quadrexx as a PM and as an IFM in order to deal with the transfer of the managed accounts for which Quadrexx is the PM to another registrant and to consider options for the Quadrexx Related Securities which are currently subject to the Temporary Order;

AND WHEREAS on February 19, 2013, Staff filed the affidavit of Michael Ho sworn February 18, 2013 updating the Commission on Quadrexx's current working capital deficiency and providing details on information received from Quadrexx and Ken Thomson;

AND WHEREAS on February 19, 2013, the Commission ordered:

1. the registration of Quadrexx as an EMD be suspended immediately;
2. the portion of the Temporary Order attaching terms and conditions to the registration of Quadrexx as a PM and as an IFM be extended to March 7, 2013;
3. the portion of the Temporary Order ordering all trading to cease in the securities of Quadrexx and Quadrexx Related Securities be extended to March 7, 2013;
4. notice of the ongoing Commission proceeding, the two Commission orders, and the status of the clients' accounts be sent to all Quadrexx clients; and
5. the hearing be adjourned to March 6, 2013 at 10:00 a.m.;

AND WHEREAS on March 1, 2013, John Ormston of Ormston List Frawley LLP served and filed a Notice of Change of Solicitors replacing Blake, Cassels & Graydon LLP as counsel of record on behalf of the Respondents;

AND WHEREAS on March 4, 2013, Quadrexx provided notice of these proceedings to its EMD and PM clients in a form approved by Staff;

AND WHEREAS on March 6, 2013, Staff filed the affidavit of Oriole Burton sworn March 4, 2013 updating the Commission on the third LOI between Quadrexx and Universal dated February 26, 2013 and information received from Legacy Investment Management Inc. (“Legacy”) on the proposal to transfer Quadrexx’s assets to Legacy;

AND WHEREAS on March 5, 2013, Ken Thomson advised Staff that Legacy had withdrawn from the transaction proposed in the LOI dated February 26, 2013;

AND WHEREAS Staff and counsel for the Respondents have advised that discussions are ongoing with registrants to transfer the Quadrexx Managed Accounts to a new registrant;

AND WHEREAS Staff has advised that the proper name for QOF is Quibik Opportunities Fund and that the incorrect spelling of QOF appears in both the title of proceeding and in the Temporary Order and Staff will prepare an amended Notice of Hearing in this matter to reflect the correct spelling of QOF;

AND WHEREAS it appears to the Commission that Quadrexx has and will continue to have a capital deficient contrary to subsection 12.1(2) of NI 31-103 and may have engaged in conduct that is contrary to the Act;

AND WHEREAS the Commission is of the opinion that it is in the public interest to issue this order;

IT IS HEREBY ORDERED pursuant to subsection 127(7) of the Act that the portion of the Temporary Order issued under paragraph 1 of subsection 127(1) attaching terms and conditions to the registration of Quadrexx as a PM and as an IFM is extended to March 29, 2013;

IT IS FURTHER ORDERED pursuant to subsection 127(8) of the Act that the portion of the Temporary Order issued under paragraph 2 of subsection 127(1) that ordered all trading to cease in the securities of Quadrexx and Quadrexx Related Securities is extended to March 29, 2013;

IT IS FURTHER ORDERED that the name of QOF in the Temporary Order be changed to “Quibik Opportunities Fund”;

IT IS FURTHER ORDERED that the hearing to: (i) consider whether to suspend Quadrexx's registration as a PM and/or as an IFM; (ii) consider whether to further extend or vary any of the terms of the Temporary Order; (iii) review the proposed plan for winding down the Quadrexx Related Securities; and (iv) receive an update on the transfer of the Managed Accounts to a new registrant will proceed on March 28, 2013 at 2:00 p.m.

DATED at Toronto this 7th day of March, 2013.

"James E. A. Turner"

James E. A. Turner