



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 OPPORTUNITIES FUND**

**ORDER  
(Subsections 127(1) 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”), 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 and conditions apply to the registration of Quadrexx as a portfolio manager (“PM”) and as an investment fund manager (“IFM”):
  - a) Quadrexx’s activities as a portfolio manager and investment fund manager shall be applied exclusively to the Managed Accounts and to the Quadrexx Funds, as both are defined in the Temporary Order; and
  - b) Quadrexx 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** 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, 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 shall be adjourned to March 6, 2013 at 10:00 a.m.;

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

**AND WHEREAS** on March 7, 2013, the Commission ordered:

1. 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 29, 2013;
2. the portion of the Temporary Order ordering all trading in the securities of Quadrexx and Quadrexx Related Securities be extended to March 29, 2013;
3. the name of QOF in the Temporary Order be changed to “Quibik Opportunities Fund”; and
4. the hearing shall be adjourned to March 28, 2013 at 2:00 p.m.;

**AND WHEREAS** on March 28, 2013, Staff filed: (i) Quadrexx’s proposal to appoint a Receiver for Quadrexx and QSA; (ii) Quadrexx’s plans to wind up QSA and OOVSS; (iii) Quadrexx’s plan to transfer the Managed Accounts, QIF and QOF to Matco Financial Inc. (“Matco”); and (iv) Quadrexx’s plan to appoint Robson Capital Management Inc. as the new PM and IFM of Diversified Assets LP and Property Values Income Fund Common Shares LP;

**AND WHEREAS** on March 28, 2013, the Commission ordered:

1. 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 be extended to May 16, 2013;
2. 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 be extended to May 16, 2013; and
3. the hearing to consider whether to vary any of the terms of the Temporary Order shall proceed on May 15, 2013 at 10:00 a.m.;

**AND WHEREAS** it appeared to the Commission that Quadrexx had a capital deficiency contrary to subsection 12.1(2) of NI 31-103 and may have engaged in conduct that is contrary to the Act;

**AND WHEREAS** on May 15, 2013, Staff filed the affidavit of Michael Ho sworn May 14, 2013 which sets out the steps taken by the Respondents to transfer the Managed Accounts to

Matco and wind down Quadrex, QSA, OOVSS, Canadian Hedge Watch Index Plus LP (“CHWIP”) and HFI Limited Partnership (“HFI”);

**AND WHEREAS** on May 15, 2013, the Commission ordered:

1. the registration of Quadrex as a PM and as an IFM be suspended immediately;
2. the portion of the Temporary Order that ordered all trading to cease in the securities of Quadrex and Quadrex Related Securities be extended to August 15, 2013, other than as may be required to facilitate the dissolutions of Quadrex and/or Quadrex Related Securities; and
3. the hearing shall be adjourned to August 14, 2013 at 10:00 a.m.;

**AND WHEREAS** Staff has been advised that the Managed Accounts were transferred to Matco on May 16, 2013;

**AND WHEREAS** on June 18, 2013, Quadrex filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B.3, as amended and Schonfeld Inc. was appointed as trustee;

**AND WHEREAS** Staff was advised that the Respondents consent or do not object to the extension of the terms of this Order;

**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(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 Quadrex and Quadrex Related Securities is extended to September 23, 2013, other than as may be required to facilitate the dissolutions or wind ups of Quadrex, QSA, OOVSS, QIF and QOF;

**IT IS FURTHER ORDERED** that the hearing to consider: (i) the need to further extend the Temporary Order; and (ii) for the Commission to receive an update on the wind ups or

dissolutions of Quadrexx, OOVSS, QSA, CHWIP and HFI will proceed on September 19, 2013 at 10:00 a.m.;

**IT IS FURTHER ORDERED** that the hearing date of August 14, 2013 at 10:00 a.m. is vacated.

**DATED** at Toronto this 12<sup>th</sup> day of August, 2013.

*“James E. A. Turner”*

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James E. A. Turner