



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

22e étage  
20, rue queen ouest  
Toronto ON M5H 3S8

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

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

- 1. the registration of Quadrex as an EMD be suspended immediately;
- 2. the portion of the Temporary Order attaching terms and conditions to the registration of Quadrex 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 Quadrex and Quadrex 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 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 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 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 Quadrexx, 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 Quadrexx 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 Quadrexx and Quadrexx Related Securities be extended to August 15, 2013, other than as may be required to facilitate the dissolutions of Quadrexx and/or Quadrexx Related Securities; and
3. the hearing 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, Quadrexx 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** on August 12, 2013, the Commission ordered:

1. the portion of the Temporary Order that ordered all trading to cease in the securities of Quadrexx and Quadrexx Related Securities be extended to September 23, 2013, other than as may be required to facilitate the dissolutions or wind ups of Quadrexx, QSA, OOVSS, QIF and QOF; and
2. the hearing be adjourned to September 19, 2013 at 10:00 a.m.;

**AND WHEREAS** on September 19, 2013, the Commission ordered:

1. the portion of the Temporary Order that ordered all trading to cease in the securities of Quadrexx and Quadrexx Related Securities is extended to February, 2014, other than as

may be required to facilitate the dissolutions or wind-ups of Quadrex, QSA, OOVSS, QIF and QOF; and

2. the hearing is adjourned to December 5, 2013 at 10:00 a.m.;

**AND WHEREAS** on December 4, 2013, the Commission ordered:

1. 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 be extended to February 24, 2014, other than as may be required to facilitate the dissolutions or wind ups of Quadrex, QSA, OOVSS, QIF and QOF;
2. 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 Quadrex, QSA, OOVSS, QIF, QOF, CHWIP and HFI, will proceed on February 20, 2014 at 10:00 a.m.; and
3. the hearing date of December 5, 2013 at 10:00 a.m. be vacated;

**AND WHEREAS** on January 31, 2014, Staff commenced a proceeding before the Commission against QSA and others (the "Proceeding");

**AND WHEREAS** on February 20, 2014, Staff filed an affidavit of Yvonne Lo sworn February 18, 2014 and advised that counsel for OOVSS and QSA consented to the terms of the draft Order;

**AND WHEREAS** on February 20, 2014, the Commission ordered:

1. 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, QSA and OOVSS be extended to April 22, 2014; and
2. the hearing to consider the need to further extend the portion of the Temporary Order against Quadrex, QSA and OOVSS be adjourned to April 17, 2014 at 9:45 a.m.;

**AND WHEREAS** Staff has filed an affidavit of Yvonne Lo sworn April 15, 2014 setting out that the bankruptcy of Quadrex is ongoing and that OOVSS investors received back approximately 75.38 cents per dollar invested and that QSA investors received back approximately 50.06 cents per dollar invested;

**AND WHEREAS** QSA's counsel has advised that OOVSS is in the process of being wound up and that one QSA investor has not yet received the investor's portion of the partial return of investor monies;

**AND WHEREAS** Staff and counsel for OOVSS and QSA have advised that they consent to 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** that pursuant to subsection 127(8) of the Act, the portion of the Temporary Order issued under paragraph 2 of subsection 127(1) that ordered all trading to cease in the securities of QSA is extended until a final determination is made in respect of QSA in the Proceeding, other than as may be required to facilitate the partial return of monies to QSA investors.

**DATED** at Toronto this 17<sup>th</sup> day of April, 2014.

*“Christopher Portner”*

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Christopher Portner