



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 HEDGE CAPITAL MANAGEMENT LTD.,  
QUADREXX SECURED ASSETS INC., MIKLOS NAGY and TONY SANFELICE**

**ORDER**  
**(Rules 1.7.4 and 11 of the *Ontario Securities Commission*  
*Rules of Procedure (2014)*, 37 O.S.C.B. 4168)**

**WHEREAS** on January 31, 2014, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) accompanied by a Statement of Allegations dated January 30, 2014 with respect to Quadrex Hedge Capital Management Ltd. (“QHCM”), Quadrex Secured Assets Inc. (“QSA”), Miklos Nagy (“Nagy”) and Tony Sanfelice (“Sanfelice”) (collectively, the “Respondents”);

**AND WHEREAS** on February 20, 2014, Staff of the Commission (“Staff”) filed an affidavit of Sharon Nicolaides sworn February 19, 2014 setting out Staff’s service of the Notice of Hearing dated January 31, 2014 and Staff’s Statement of Allegations dated January 30, 2014 on counsel for the Respondents;

**AND WHEREAS** on February 20, 2014, Staff advised that Staff sent out the initial electronic disclosure of approximately 14,000 documents to counsel for the Respondents;

**AND WHEREAS** on February 20, 2014, the Commission ordered the hearing be adjourned to April 17, 2014 at 9:30 a.m. for the purpose of scheduling a date for a confidential pre-hearing conference as may be appropriate;

**AND WHEREAS** on April 17, 2014, Staff, counsel for QHCM, QSA and Nagy and counsel for Sanfelice attended before the Commission;

**AND WHEREAS** on April 17, 2014, Staff advised the Commission of a correction to be made regarding the initial electronic disclosure made on February 20, 2014, in that disclosure was made of approximately 14,000 pages of documents rather than of approximately 14,000 documents;

**AND WHEREAS** on April 17, 2014, Staff further advised the Commission that it had recently sent out electronic disclosure of a further 6,800 pages of documents and advised that disclosure by Staff is not yet complete;

**AND WHEREAS** on April 17, 2014, the Commission ordered that the hearing be adjourned to a confidential pre-hearing conference to be held on September 5, 2014 at 10:00 a.m.;

**AND WHEREAS** on August 20, 2014, Nagy's counsel advised the Commission that Nagy was no longer available to attend the pre-hearing conference scheduled for September 5, 2014 as he would be out of the country until September 19, 2014 because of the ailing health of a family member living abroad and that Nagy's counsel was not available thereafter until the week of October 13, 2014;

**AND WHEREAS** on August 20, 2014, on the consent of the Respondents and Staff, the Commission ordered that the confidential pre-hearing conference scheduled for September 5, 2014 be adjourned to October 15, 2014 at 9:00 a.m.;

**AND WHEREAS** on October 15, 2014, the parties attended a confidential pre-hearing conference in this matter;

**AND WHEREAS** on October 15, 2014, the Commission ordered this matter be adjourned to a further confidential pre-hearing conference to be held on February 26, 2015 at 10:00 a.m.;

**AND WHEREAS** on October 15, 2014, the Commission further ordered that the hearing on the merits in this matter shall commence on April 20, 2015 at 10:00 a.m. and shall continue on April 22, 23, 24, 27, 28, 29, 30 and May 1, 4, 6, 7, 8, 11, 12, 13, 14 and 15, 2015 commencing at 10:00 a.m. on each day;

**AND WHEREAS** on December 5, 2014, Sean Zaboroski, the representative for the respondents Quadrexx Hedge Capital Management Ltd., Quadrexx Secured Assets Inc. and Miklos Nagy, filed a notice of motion pursuant to Rule 1.7.4 of the Commission's *Rules of Procedure* (2014), 37 O.S.C.B. 4168 for leave to withdraw as representative for the Respondents and requesting that the motion be heard in writing (the "Withdrawal Motion");

**AND WHEREAS** the respondents Quadrexx Hedge Capital Management Ltd., Quadrexx Secured Assets Inc. and Miklos Nagy have consented to Sean Zaboroski withdrawing as their representative and state that they intend to represent themselves;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS ORDERED** that the Withdrawal Motion be heard in writing; and

**IT IS FURTHER ORDERED THAT** Sean Zaboroski is granted leave to withdraw as representative for the respondents Quadrexx Hedge Capital Management Ltd., Quadrexx Secured Assets Inc. and Miklos Nagy.

**DATED** at Toronto this 16<sup>th</sup> day of December, 2014.

*“Christopher Portner”*

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Christopher Portner