



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**

**WHEREAS:**

1. 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");
2. 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;
3. On February 20, 2014, Staff advised that Staff sent out the initial electronic disclosure of approximately 14,000 documents to counsel for the Respondents;
4. 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;
5. On April 17, 2014, Staff, counsel for QHCM, QSA and Nagy and counsel for Sanfelice attended before the Commission;
6. 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;
7. 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 was not yet complete;

8. 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;
9. 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;
10. 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.;
11. On October 15, 2014, the parties attended a confidential pre-hearing conference in this matter;
12. On October 15, 2014, the Commission ordered that:
  - (a) this matter be adjourned to a further confidential pre-hearing conference to be held on February 26, 2015 at 10:00 a.m; and
  - (b) 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, each day commencing at 10:00 a.m;
13. The hearing on the merits in this matter took place on April 22, 23, 24, 27, 28, 29 and 30 and May 1, 4, 6, 7, 8, 11, 12, 13, 14 and 15, 2015 and September 21, 23, 24 (for a half-day), 25, 28, 29 and 30 and October 1, 2, 5 and 9 and November 16, 18, 19 and 20, 2015;
14. On November 20, 2015, Staff advised that counsel for Tony Sanfelice was unable to attend the hearing on November 20, 23 24 and 25, 2015 due to a personal matter;
15. On November 25, 2015, the Commission adjourned the hearing until December 7, 2015;
16. The hearing on the merits in this matter continued on December 7, 8, 9, 10, 14, 16, 17 and 18, 2015 and January 18, 19 and 20, 2016;
17. On January 20, 2016, the Commission ordered that:
  - (a) Staff's written closing submissions shall be served and filed by February 26, 2016;
  - (b) the Respondents' written closing submissions shall be served and filed by March 28, 2016;
  - (c) Staff's reply closing submissions, if any, shall be served and filed by April 15, 2016; and
  - (d) oral closing submissions in respect of the merits hearing shall take place on May 12 and 13, 2016 at 10:00 a.m;
18. On February 26, 2016, Staff served and filed written closing submissions;
19. On March 21, 2016, counsel for Sanfelice requested an extension to file responding submissions due, in part, to the length of Staff's written closing submissions, which request was not opposed by Staff;

20. On March 24, 2016, the Commission ordered that:

- (a) The Respondents' written closing submissions shall be served and filed by April 25, 2016;
- (b) Staff's reply closing submissions, if any, shall be served and filed by May 13, 2016; and
- (c) Oral closing submissions in respect of the merits hearing shall take place on May 27 and 30, 2016 at 10:00 a.m., or on such other dates as the parties may arrange with the Secretary's office.

21. On April 4, 2016, the Secretary's Office notified the parties of a scheduling conflict regarding May 30, 2016, one of the two dates scheduled for the oral closing submissions in respect of the merits hearing and the parties agreed to May 26, 2016 as the replacement date;

22. The Commission is of the opinion that it is in the public interest to make this Order;

**IT IS ORDERED** that:

- (a) Oral closing submissions in respect of the merits hearing shall take place on May 26 and 27, 2016 at 10:00 a.m., or on such other dates as the parties may arrange with the Secretary's office; and
- (b) The May 30, 2016 date originally scheduled for the oral closing submissions in respect of the merits hearing is vacated.

**DATED** at Toronto this 4th day of April, 2016.

*"Christopher Portner"*

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Christopher Portner