



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 SEXTANT CAPITAL  
MANAGEMENT INC., SEXTANT CAPITAL GP INC.,  
SEXTANT STRATEGIC OPPORTUNITIES HEDGE FUND L.P.,  
OTTO SPORK, ROBERT LEVACK AND NATALIE SPORK**

**TEMPORARY ORDER  
Section 127**

**WHEREAS** it appears to the Ontario Securities Commission that:

1. Sextant Capital Management Inc. (“SCMI”) is a corporation incorporated in Ontario and is registered as an investment counsel, portfolio manager and limited market dealer pursuant to the *Securities Act*, R.S.O. 1990, c. S-5 (the “Act”), and is registered as a commodity trading manager pursuant to the *Commodity Futures Act*, R.S.O. 1990, c. C-20;
2. Sextant Capital GP Inc. (“Sextant GP”) is a corporation incorporated in Ontario and Sextant Strategic Opportunities Hedge Fund L.P. (the “Sextant Fund”) is a limited partnership established under the laws of Ontario;
3. the Sextant Fund is a mutual fund in Ontario, Sextant GP is the general partner for the Sextant Fund and SCMI is the portfolio manager and principal distributor for the Sextant Fund (SCMI, Sextant GP and the Sextant Fund, together “Sextant”);
4. the Sextant Fund holds accounts with Newedge Canada Inc. (“Newedge”), the Sextant Fund’s custodian and prime broker, in which cash, securities and futures contracts are held;
5. Otto Spork is an individual with significant ownership interests in Sextant and is the founder and principal of SCMI;

6. Robert Levack is an individual who is registered under the Act as an advising and trading officer and is designated as SCMI's chief compliance officer. As portfolio manager, Levack approved the investments made by the Sextant Fund;
7. Natalie Spork is the daughter of Otto Spork and is the president, secretary and Ultimate Responsible Person ("URP") of SCMI, as well as its sole director, and works full time overseeing its operations generally, overseeing compliance and managing SCMI's marketing;
8. Staff of the Commission ("Staff") have been conducting a normal course compliance review into SCMI's role as portfolio manager of the Sextant Fund and its compliance with Ontario securities law;
9. in the course of its compliance review, Staff have identified apparent deficiencies in SCMI's registration, sales and governance practices and potential breaches of Ontario securities law by Sextant more generally. Most significantly, the investments in the Sextant Fund appear to have been made contrary to section 111 of the Act;
10. the Commission is of the opinion that it is in the public interest to make this Order; and
11. the Commission is of the opinion that the length of time required to conclude a hearing in this matter could be prejudicial to the public interest;

**AND WHEREAS** by Commission Order dated April 1, 2008 pursuant to section 3.5(3) of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the "Act"), any one of W. David Wilson, James E. A. Turner, Lawrence E. Ritchie, Paul K. Bates or David L. Knight, acting alone, is authorized to make orders pursuant to section 127 of the Act;

**IT IS ORDERED** that:

1. pursuant to clause 1 of section 127(1) and section 127(5) of the Act, SCMI's registration as investment counsel, portfolio manager and limited market dealer is subject to the terms and conditions that its advising and dealing activities may be applied exclusively to and in respect of the Sextant Fund and not to or in respect of any other entities;
2. pursuant to clause 2 of section 127(1) and section 127(5) of the Act, trading in securities of and by the Respondents shall cease with the sole exception that SCMI may place sell orders in respect of the securities and futures contracts held on deposit on behalf of the Sextant Fund in accounts at Newedge; and
3. pursuant to clause 3 of section 127(1) and section 127(5) of the Act, any exemptions contained in Ontario securities law not do not apply to any of the Respondents.

**IT IS FURTHER ORDERED** that pursuant to section 127(6) of the Act, this Order shall take effect immediately and shall expire on the 15<sup>th</sup> day after its making unless extended by the Commission.

**DATED** at Toronto this 8<sup>th</sup> day of December, 2008.

*“David Wilson”*

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