



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., OTTO SPORK, KONSTANTINOS  
EKONOMIDIS, ROBERT LEVACK AND NATALIE SPORK**

**NOTICE OF HEARING  
(Section 127 and Section 127.1)**

**WHEREAS** on the 8<sup>th</sup> day of December, 2008, the Ontario Securities Commission (the "Commission") ordered:

1. pursuant to clause 1 of section 127(1) and section 127(5) of the *Securities Act*, R.S.O., 1990 c. S.5, as amended (the "Act"), Sextant Capital Management Inc.'s ("SCMI") 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 Strategic Opportunities Hedge Fund L.P. ("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 Canada Inc. ("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 do not apply to the Respondents;

(the "Temporary Order");

**AND WHEREAS** the Commission further ordered as part of the Temporary Order that, pursuant to subsection 127(6) of the Act, the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission;

**AND WHEREAS** on September 15, 2009, the Commission extended the Temporary Order to the conclusion of the hearing on the merits, pursuant to section 127(7) of the Act;

**TAKE NOTICE** that the Commission will hold a hearing pursuant to sections 127 and 127.1 of the Act at its offices at 20 Queen Street West, 17th Floor Hearing Room commencing on June 7, 2010 at 10:00 a.m. or as soon thereafter as the hearing can be held,

**TO CONSIDER** whether, in the Commission's opinion, it is in the public interest for the Commission to make an order that:

- (a) the registration of the Respondents under Ontario securities law be suspended or restricted for such period as is specified by the Commission, or terminated, or that terms and conditions be imposed on the registration or recognition of the Respondents, pursuant to paragraph 1 of section 127(1);
- (b) trading in any securities of or by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of section 127(1);
- (c) that the acquisition of securities by the Respondents is prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of section 127(1);
- (d) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of section 127(1);
- (e) SCMI and Sextant Capital GP Inc. (the "Corporate Respondents") submit to a review of their practices and procedures and institute such changes as may be ordered by the Commission, pursuant to paragraph 4 of section 127(1);
- (f) the Respondents provide, not provide or amend any document specified by the Commission to shareholders of or other investors in the Corporate Respondents or to such other persons as specified by the Commission, pursuant to paragraph 5 of section 127(1);
- (g) the Respondents be reprimanded, pursuant to paragraph 6 of section 127(1);
- (h) Otto Spork, Konstantinos Ekonomidis, Robert Levack and/or Natalie Spork (collectively, the "Individual Respondents") resign as directors and/or officers

of any or all of the Corporate Respondents, pursuant to paragraph 7 of section 127(1);

- (i) the Individual Respondents resign as directors and/or officers of any issuer or registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of section 127(1);
- (j) the Individual Respondents are prohibited from becoming or acting as director or officer of any issuer or registrant or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of section 127(1);
- (k) the Individual Respondents are prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter, pursuant to paragraph 8.5 of section 127(1);
- (l) that each Respondent pay an administrative penalty of not more than \$1 million for each failure by that Respondent to comply with Ontario securities law, pursuant to paragraph 9 of section 127(1);
- (m) the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of section 127(1); and
- (n) the Respondents be ordered to pay the costs of the investigation and hearing, pursuant to section 127.1; and
- (o) such further orders as the Commission considers appropriate.

**BY REASON OF** the allegations set out in the Amended Statement of Allegations dated April 1, 2010 and such further additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that any party to the proceedings may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceeding.

**DATED** at Toronto this 12th day of May, 2010.

*“John Stevenson”*

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John Stevenson  
Secretary to the Commission