

2010 BCSECCOM 687

Notice of Hearing

John B. Good

Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 The Commission will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against John B. Good (Good) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Background

1. Good is a resident of British Columbia.
2. Abbastar Resources Corp. (Abbastar) is a British Columbia resource exploration company. It is an issuer under the Act and its shares are traded on the TSX Venture Exchange.
3. One of Abbastar's projects is the Talbot Lake gold project, located in Ontario (the Talbot Lake Project).
4. On August 20, 2008, Good was appointed a director of Abbastar as well as its President and CEO.
5. On April 9, 2010, Good ceased to be President and CEO of Abbastar, and on May 17, 2010, he ceased to be a director.

Material facts and material changes not generally disclosed

March 2010

6. Before March 30, 2010, Abbastar had obtained assay results from two Talbot Lake Project drill holes (the March Results).
7. The March Results were material facts and material changes with respect to Abbastar.
8. The March Results were not generally disclosed until Abbastar issued a news release on March 30, 2010 and public investors had been given a reasonable amount of time to analyze the information contained in the news release.

April 2010

9. In April 2010, Abbastar obtained assay results after drilling an additional seven holes at the Talbot Lake Project (the April Results).

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10. The April Results were material facts and material changes with respect to Abbastar.
11. The April Results were not generally disclosed until Abbastar issued a news release on April 22, 2010 and public investors had been given a reasonable amount of time to analyze the information contained in the news release.

Special relationship and knowledge of material facts and material changes

12. In March and April, 2010, Good was in a special relationship with Abbastar.
13. Good knew of the March Results and the April Results before they were generally disclosed.

Insider Trading

March 2010

14. On March 29, 2010, shares of Abbastar closed trading at \$0.34.
15. At approximately 11:00 a.m. Eastern Daylight Time (EDT) on March 30, 2010, Abbastar issued a news release to disclose the March Results. Shares of Abbastar opened trading that day at \$0.35 and closed at \$0.25, declining more than 26% from the previous day's close.
16. After Abbastar issued the news release on March 30, 2010 but before sufficient time had passed so that the March Results had been generally disclosed, Good sold these shares of Abbastar:

| Approximate Time | Number of Shares | Share Price |
|-------------------------|-------------------------|--------------------|
| 11:03 a.m. EDT | 20,000 | \$0.36 |
| 11:03 a.m. EDT | 500 | \$0.35 |
| 11:07 a.m. EDT | 44,000 | \$0.35 |

April 2010

17. Prior to the issuance of the news release on April 22, 2010, Good sold these shares of Abbastar:

| Date | Number of Shares | Share Price |
|----------------|-------------------------|--------------------|
| April 12, 2010 | 10,000 | \$0.22 |
| April 13, 2010 | 7,000 | \$0.22 |

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| | | |
|----------------|--------|---------|
| April 19, 2010 | 10,000 | \$0.21 |
| April 19, 2010 | 7,000 | \$0.215 |

18. On April 21, 2010, shares of Abbastar closed trading at \$0.18.
19. At approximately 8:50 a.m. EDT on April 22, 2010, Abbastar issued a news release to disclose the April Results. Shares of Abbastar opened trading that day at \$0.19, traded as low as \$0.145, and closed at \$0.17, declining more than 5% from the previous day's close and more than 22% from the prices at which Good sold earlier in the month.
20. After Abbastar issued the news release on April 22, 2010 but before sufficient time had passed so that the April Results had been generally disclosed, Good sold these shares of Abbastar:

| Approximate Time | Number of Shares | Share Price |
|------------------|------------------|-------------|
| 11:47 a.m. EDT | 40,000 | \$0.19 |

Breach of Section 57.2(2)

21. Good sold shares of Abbastar when he was in a special relationship with the company, when he knew of the March Results and the April Results, and when those results had not been generally disclosed.
22. By doing so, Good engaged in insider trading, contrary to section 57.2(2) of the Act.

Hearing Process

- ¶ 2 Good or his counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **January 5, 2011 at 2:20 pm** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to Good upon request to the Executive Director.
- ¶ 3 At the Hearing, Good may be represented by counsel, make submissions and tender evidence. Good is requested to advise the Commission of his intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Eastern Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.

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- ¶ 4 If Good or his counsel do not appear at the Hearing, the Executive Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to Good may be made in his absence.
- ¶ 5 December 15, 2010
- Paul C. Bourque
- ¶ 6 Paul C. Bourque, Q.C.
Executive Director