

# 2011 BCSECCOM 464

## Settlement Agreement

**John B. Good**

*Securities Act, RSBC 1996, c. 418*

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and John B. Good (Good) agree as follows:

### **Agreed Statement of Facts**

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.

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### *April 2010*

9. In April 2010, Abbastar obtained assay results after drilling an additional seven holes at the Talbot Lake Project (the April Results).
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. On March 31, 2010, Abbastar's shares opened trading at \$0.29. The March Results had been generally disclosed by that time.
16. After Abbastar issued the news release on March 30, 2010 but before the March Results had been generally disclosed, Good sold these shares of Abbastar:

<b>Approximate Time</b>	<b>Number of Shares</b>	<b>Share Price</b>	<b>March 31 Opening Share Price</b>	<b>Loss Avoided</b>
11:03 a.m. EDT	20,000	\$0.36	\$0.29	\$1,400
11:03 a.m. EDT	500	\$0.35	\$0.29	\$30
11:07 a.m. EDT	44,000	\$0.35	\$0.29	\$2,640

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### *April 2010*

17. 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. On April 23, 2010, Abbastar's shares opened trading at \$0.18. The April Results had been generally disclosed by that time.

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

<b>Date</b>	<b>Number of Shares</b>	<b>Share Price</b>	<b>April 23 Opening Share Price</b>	<b>Loss Avoided</b>
April 12	10,000	\$0.22	\$0.18	\$400
April 13	7,000	\$0.22	\$0.18	\$280
April 19	10,000	\$0.21	\$0.18	\$300
April 19	7,000	\$0.215	\$0.18	\$245

19. After Abbastar issued the news release on April 22, 2010 but before the April Results had been generally disclosed, Good sold these shares of Abbastar:

<b>Approximate Time</b>	<b>Number of Shares</b>	<b>Share Price</b>	<b>April 23 Opening Share Price</b>	<b>Loss Avoided</b>
11:47 a.m. EDT	40,000	\$0.19	\$0.18	\$400

### *Breach of Section 57.2(2)*

20. Good sold shares of Abbastar when he was in a special relationship with the company, when he knew of the March Results and April Results and when those results had not been generally disclosed.

21. By doing so, Good engaged in insider trading, contrary to section 57.2(2) of the Act and avoided a loss of \$5,695.

22. Good did not conceal his trading and he filed insider reports in respect of all trades referred to in this Settlement Agreement.

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### ***Public Interest***

23. Good acted contrary to the public interest by engaging in the conduct set out above.

### ***Undertaking***

24. Good undertakes to pay \$15,695 to the British Columbia Securities Commission in respect of settlement in this matter which sum is due and payable immediately without further demand and which comprises:

- (a) \$5,695 in respect of Good's loss avoided by insider trading; and
- (b) \$10,000 in respect of general deterrence for insider trading.

### **Order**

¶ 2 The Executive Director will issue an order (the Order) that:

- 1. under section 161(1)(b) of the Act, Good is prohibited from purchasing or trading securities or exchange contracts of any issuer with whom he is in a special relationship for three years; and
- 2. under section 161(1)(d)(ii) of the Act, Good is prohibited from acting as a director or officer of any issuer for one year.

### **Consent to Reciprocal Orders**

¶ 3 Any securities regulator in Canada may rely on the facts admitted in this agreement solely for the purpose of making an order similar to the one contemplated above.

### **Waiver**

¶ 4 Good waives any right he may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

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### Counterpart

¶ 5 This Settlement Agreement may be executed in counterpart or by facsimile execution and all such counterparts of executed copies or faxed copies shall be read or construed together as if they formed one originally executed document.

¶ 6 October 12, 2011

¶ 7 John B. Good  
John B. Good

P. Nicole B. Ladner )  
Witness Signature )  
P. Nicole B. Lander )  
Witness Name (please print) )  
2550 – 555 West Hastings Street )  
Vancouver, BC V6B 4N5 )  
Address )  
Barrister & Solicitor )  
Occupation )

¶ 8 October 12, 2011

Paul C. Bourque

¶ 9 Paul C. Bourque, Q.C.  
Executive Director