

# ALBERTA SECURITIES COMMISSION

## PARTIAL REVOCATION ORDER

Under the securities legislation of Alberta and Ontario (the **Legislation**)

**Citation: Re Lightstream Resources Ltd., 2018 ABASC 135**

**Date: 20180820**

### **Lightstream Resources Ltd.**

#### **Background**

1. Lightstream Resources Ltd. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the regulator or securities regulatory authority in each of Alberta (the **Principal Regulator**) and Ontario (each a **Decision Maker**) respectively on May 8, 2017.
2. Picton Mahoney Asset Management (the **Applicant**) has applied to each of the Decision Makers for a partial revocation order of the FFCTO.
3. This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

#### **Interpretation**

4. Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

#### **Representations**

5. This order is based on the following facts represented by the Applicant:
  - (a) The Applicant is the portfolio manager and the investment fund manager of Picton Mahoney Market Neutral Equity Fund and Picton Mahoney Long Short Global Resource Fund (together, the **Funds**).
  - (b) The Funds collectively hold aggregate short positions (the **Short Positions**) in respect of 668,751 common shares of the Issuer (**Common Shares**).
  - (c) The Picton Mahoney Market Neutral Equity Fund established the portion of the Short Positions held by that fund on or about May 28, 2013 and the Picton Mahoney Long Short Global Resource Fund established the portion of the Short Positions held by that fund on or about March 4, 2014. At the times the Short Positions were established, the Applicant had no information concerning potential cease trade orders in respect of securities of the Issuer and the FFCTOs were not reasonably foreseeable considering the information then available to the Applicant. At the times the Short Positions were established, the Common Shares were listed on the Toronto Stock Exchange.

- (d) The Funds' prime broker (the **Prime Broker**) lent Common Shares to the Funds for the purposes of establishing the Short Positions. In order to close out of the Short Positions, the Funds must acquire Common Shares and deliver them to the Prime Broker. It is more efficient to close out of the Short Positions at or about the same time.
- (e) After the Funds close out of the Short Positions, the Applicant intends to wind-up the Picton Mahoney Long Short Global Resource Fund as soon as practicable.
- (f) Neither the Applicant nor either of the Funds is an insider or control person of the Issuer as defined under applicable securities legislation.
- (g) Neither the Applicant nor either of the Funds is in default under any applicable securities legislation in a jurisdiction of Canada.
- (h) The Applicant is seeking a partial revocation of the FFCTOs under the Legislation to permit the Funds to close out of the Short Positions and, thereafter, wind-up the Picton Mahoney Long Short Global Resource Fund.

**Order**

- 6. Each of the Decision Makers is satisfied that a partial revocation of the FFCTO meets the test set out in the Legislation for the Decision Maker to make the order.
- 7. The decision of the Decision Makers under the Legislation is that the FFCTO is partially revoked solely to permit the Funds to acquire and deliver to the Prime Broker only those Common Shares necessary to close out of the Short Positions, provided that the acquisition of the Common Shares is made through:
  - (a) the OTC Pink Marketplace; and
  - (b) an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation.

"original signed by"

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