

4. Financial was incorporated pursuant to *The Corporations Act (Manitoba)* in 1975 as T. J. Rice and Associates Ltd., and is an independent, fully integrated financial services company. All of the issued and outstanding shares of Financial are owned by RCMPI;

5. Integrant is a corporation incorporated under the laws of the Province of Manitoba, with its head office in Brandon, Manitoba. Integrant is a "private company" as defined in the Art. The shareholders of Integrant (the "Vendors") are Grant McPhail, of Brandon, Manitoba, Dale Severyn-McPhail, of Brandon, Manitoba and the McPhail Family Trust (the "Trust") (of which Grant McPhail is the sole trustee). Grant McPhail and Dale Severyn-McPhail are husband and wife. The beneficiaries of the Trust are members of the McPhail family;

6. The authorized capital of Integrant consists of an unlimited number of Class A, Class B, Class C and Class D Common Shares, and an unlimited number of Class A, Class B, Class C and Class D Preference Shares. The issued capital of Integrant consists of 35,000 Class D Preference Shares (all owned by Grant McPhail), 50 Class C Preference Shares (all owned by Grant McPhail) and 40 Class B Common Shares (10 of which are owned by Dale Severyn-McPhail and 30 of which are owned by the Trust);

7. Pursuant to a Share Purchase Agreement among Integrant, of the first part, Grant McPhail, Dale Severyn-McPhail and the Trust, of the second part, RCMPI, of the third part and Rice Financial Group Inc., of the fourth part, Grant McPhail, Dale Severyn-McPhail and the Trust have agreed to sell to RCMPI all of the issued and outstanding shares of Integrant (as well as to purchase any shareholder loans owing by Integrant to any of the vendors) for a purchase price of \$404,250 (the "Transaction"). RCMPI will satisfy the purchase price through the issuance of treasury shares of RCMPI, as follows:

(a) 49,895 Common Shares to the Trust, in consideration for its Class B Common Shares of Integrant;

(b) 16,623 Common Shares to Dale Severyn-McPhail, in consideration for her ten Class B Common Shares of Integrant; and

(c) 200,000 Series 3 Preferred Shares and 148,473 Common Shares to Grant McPhail, in consideration for his 50 Class C Preference Shares and 35,000 D Preference Shares of Integrant;

8. The Series 3 Preferred Shares and Common Shares of RCMPI to be issued to Grant McPhail will be issued in consideration for shares of Integrant which have a value in excess of \$97,000. The Common Shares of RCMPI being issued to the Trust and to Dale Severyn-McPhail, respectively, will be issued in consideration for shares of Integrant which have a value less than \$97,000. However, the recipients of the treasury shares of RCMPI - being Grant McPhail, Dale Severyn-

McPhail and the Trust - are family members and the allocation among them of their respective shareholdings of Integrant was determined primarily for tax-planning purposes. If the Vendors were seen as a single purchaser of shares of RCMPI, the aggregate acquisition cost to the Vendors for the shares of RCMPI would exceed \$97,000. On this basis, it is respectfully submitted that it would not be prejudicial to the public interest for the Commission to issue an order, pursuant to subsection 20(1) of the Act, exempting from sections 6 and 37 of the Act trades of securities of RCMPI to the Vendors in connection with the Transaction.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to section 20(1) of the Act, the trades by RCMPI to the Vendors in connection with the Transaction be exempt from sections 6 and 37 of the Act.

2. THAT the fee for this order shall be \$650.00.

BY ORDER OF THE COMMISSION