

THE SECURITIES ACT) Order No. 3305
)
Section 20(1)) April 19, 2001

RECORD E PUBLICATIONS INC.

WHEREAS:

(A) Application has been made by Record E Publications Inc. (the "Applicant") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of the *Securities Act*, R.S.M. 1988, c. S50 (the "Act"), exempting from the registration and prospectus requirements of sections 6 and 37 of the Act the issuance of common shares ("Shares") of the Applicant to EXG Record E Inc. ("EXG Record") as partial payment for consulting services provided to the Applicant;

(B) The Applicant has represented to the Commission that:

1. The Applicant is a corporation incorporated under the laws of the Province of Manitoba by Articles of Incorporation dated December 19, 1994, with its registered office located in Winnipeg, Manitoba;
2. The Applicant is not a reporting issuer or equivalent under the securities legislation of any jurisdiction and are not listed for trading on any stock exchange;
3. The authorized capital of the Applicant consists of an unlimited number of Shares, of which 50 Shares are issued and outstanding as of April 11, 2001, and held among six shareholders;
4. The business of the Applicant is the development of educational;
5. EXG Record is a corporation incorporated under the laws of the Province of Manitoba with its registered office located in Winnipeg, Manitoba, and is a wholly-owned subsidiary of EXG Group Inc. (EXG Group"), which is a corporation incorporated under the federal laws of Canada with its registered office located in Winnipeg, Manitoba. Approximately 75% of the shares of EXG Group are held by individuals (or the holding companies of such individuals) who are designated Chartered Accountants and partners of the Exchange Group Chartered Accountants (the "EXG Firm"). The remaining 25% of the shares of EXG Group are held by five shareholders;
6. All of the directors and officers of EXG Record and its parent corporation, EXG Group, are designated Chartered Accountants and partners of EXG Firm.

7. The Applicant and EXG Record entered into a consulting services agreement (the "Consulting Agreement") pursuant to which EXG Record agreed to provide software development consulting services and business planning services to the Applicant in consideration for \$100,000, \$50,000 of which is to be paid by way of cash out of future earnings and \$50,000 of which is to be paid by the issuance of Shares, subject to regulatory approval;

8. Pursuant to the terms of the Consulting Agreement EXG Record will receive 10 Common Shares which will subsequent to the issuance of the Shares provide them with 16.66% of the outstanding Shares of the Applicant;

9. A draft unanimous shareholders agreement has been prepared and will be entered into among the Applicant, the current shareholders and EXG Record which will contain restrictions on the transferability of the shares.

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

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act, issuance by the Applicant of Shares to EXG Record as partial payment for consulting services provided to the Applicant is exempt from the registration and prospectus requirements of sections 6 and 37 of the Act;

2. THAT the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Director – Legal