

7. as of April 1, 2000, MRF acquired the mutual fund assets administered by Morgan owned by clients of Morgan. JRMSI previously acted as the mutual fund dealer and provided the back office support services in respect of the assets under administration;

8. the Acquisition has been structured into two components; under a Share Purchase Agreement among Rice, MRF and Morgan, Rice will purchase from Morgan 50% of the issued and outstanding common shares of MRF. The purchase price of \$104,000 (subject to adjustment) will be satisfied by the payment of \$25,000 in cash and the issuance by Rice of 79,000 Shares (subject to adjustment) to Morgan at a deemed price of \$1.00 per Share;

9. pursuant to the second part of the Acquisition, under a Purchase Agreement among Rice, Morgan and JRMSI, Rice will purchase from JRMSI the right to act as the mutual fund dealer and provide back room services in respect of assets under administration, as well as certain other assets, including goodwill. The purchase price of \$105,000 (subject to adjustment) will be satisfied by the payment of \$40,000 in cash and the issuance by Rice of 65,000 Shares (subject to adjustment) to JRMSI at a deemed price of \$1.00 per Share;

10. CDNX approved the Acquisition on July 20, 2000;

11. the Acquisition transaction as a whole contemplates the issuance by Rice of 144,000 Shares (subject to adjustment) at a deemed price of \$1.00 per Share and the payment of \$65,000 in cash. The adjustment possibility relates to a formula in each of the Share Purchase Agreement and the Purchase Agreement whereby the number of Shares may be reduced if financial targets and business retention targets have not been met; the Shares that are issuable to Morgan and to JRMSI, respectively, will be held in escrow until April 1, 2001 at which time the appropriate calculations will be made and, if necessary, the number of Shares to be issued will be adjusted;

(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 subsection 20(1) of the Act, trades of Shares by Rice to Morgan and JRMSI pursuant to the Acquisition are exempt from sections 6 and 37 of the Act;

2. THAT the fee on this Order shall be \$1,000.00.

BY THE ORDER OF THE COMMISSION

Director – Legal

