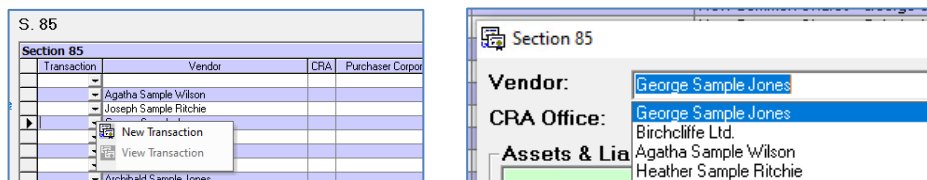


Section 85 Rollover – Shares for Shares/Promissory Note

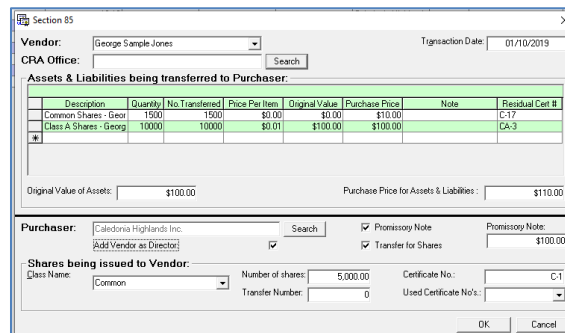
Corporate Manager ET will also process a Rollover of Shares by a Principal from one Company to another Company. To complete this transaction, a Principal must exist in a Corporation (Not Sole Proprietor) and hold shares of that Company.

Switch to the **Section 85** section on the **Capital Tab**, select any Asset to be transferred and select **New transaction** on the dropdown menu to start the Rollover Wizard.

Switch to the **Section 85** section on the **Capital Tab**, select any Asset to be transferred and select **New transaction** on the dropdown menu to start the Rollover Wizard.



Enter the number of shares and Purchase Price of the Shares being rolled over to the Purchasing Corporation. If there are residual shares, enter the Residual Certificate Number.



Select the tickboxes for transfer for Shares, and/or a Promissory Note. You can create a new Share Class in the Purchasing Corporation or select a class of shares to issue. Issue the number of shares and enter the Certificate Number. It is also possible to view any used certificate numbers for this class.

If a Promissory Note is part of the transaction, enter the amount.

The Vendor can also be added as a Director in the Purchasing Corporation.

The results of this transaction are:

- If there are residual shares, the Vendor will remain a shareholder in the originating company.
- If a Promissory Note was given as part of the transaction, it will show as an Asset in the Vendor Matter and a Liability in the Purchasing Corporation
- The Vendor will become a Shareholder in the Purchasing Company.
- If **Add Vendor as Director** was checked, the Vendor will become a Director of the Company elected as of the transaction date.

Combination S.85/S.86 Share Exchange/Estate Freeze

There are a number of steps in this process, starting with both Corporate Records must be entered in Corporate Manager ET.

- Perform the S.85 as set out above;
- Issue Shares in the Originating Corporation to the Purchasing Corporation;
- Exchange the Shares held by the Originating Corporation using the Common Tasks/Exchange Wizard.