

45-503 Syndicated Mortgages Transitional Relief [BCI - Rescinded]

The British Columbia Securities Commission, having considered that to do so would not be prejudicial to the public interest, orders that Blanket Order 45-503 (BC) entitled "Syndicated Mortgages - Transitional Relief" is issued as set out in the attached Schedule.

DATED at Vancouver, British Columbia, on August 14, 2000.

Douglas M. Hyndman
Chair

(This part for administrative purposes only and is not part of the Order)

Authority under which Order is made:

Act and sections:- *Securities Act*, sections 48, 76 and 171
Other (specify):-

SCHEDULE

BLANKET ORDER 45-503 (BC)

SYNDICATED MORTGAGES TRANSITIONAL RELIEF

Order Under Sections 48, 76 and 171 of the Securities Act

Definitions and Interpretation

1. Terms used in this Blanket Order that are defined or interpreted in the Securities Act (the "Act"), Securities Rules or Commission Rule 45-501 (BC) Mortgages (the "Rule") have the meaning set out in the Act, Securities Rules or the Rule.

Exemption Order

2. The registration and prospectus requirements of sections 34 and 61 of the Act do not apply to a trade or distribution of an interest in a syndicated mortgage if

(a) the mortgage broker entered into a written commitment prior to August 14, 2000 to advance funds to the borrower;

(b) the commitment is included on a list the mortgage broker has filed with the Compliance Division of the Commission, at 200 - 865 Hornby Street, Vancouver, British Columbia V6Z 2H4, by no later than September 30, 2000, showing all syndicated mortgage projects where the mortgage broker has committed to advancing funds to a borrower, indicating the date of the commitment, whether any advances have already been made and the outstanding amount of advances still to be made; and

(c) the mortgage broker provides to all prospective investors in the syndicated mortgage a written warning in the following terms:

"Investments in syndicated mortgages are speculative and involve a high degree of risk. You should be aware that this investment has not only the usual risks associated with the financial ability of the borrower to make repayments but also risks associated with financing real estate and risks associated with syndication. There may also be restrictions under securities legislation that may prevent you from selling your investment at a later date.

Risk factors may include, but are not limited to, reliance on the ability of the borrower to repay the mortgage, the financial strength of any person offering a personal guarantee, the ability to raise further funds as progress in development of the property takes place, changes in land value, the ability to recover your investment in the event of foreclosure, whether there are prior mortgages on the property, conflicts of interest between the mortgage broker and the borrower, the mortgage broker's efforts, ability and experience, and inadequate insurance coverage."

Effective Date

3. This Blanket Order comes into effect on August 14, 2000.

Termination Date

4. Under section 171, this Blanket Order terminates on September 30, 2001.