

2002 BCSECCOM 674

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Amendment to previous MRRS decision to reflect change in corporate structure.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 171

IN THE MATTER OF THE SECURITIES LEGISLATION OF THE PROVINCES OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO AND NOVA SCOTIA

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF TYCO INTERNATIONAL LTD., CIT GROUP INC., CIT FINANCIAL LTD. AND CIT HOLDINGS, LLC

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia (the “Jurisdictions”) has received an application from Tyco International Ltd. (“Tyco”), CIT Group Inc. (CIT Group Inc., together with its successors, “New CIT”), CIT Financial Ltd. (formerly, CIT Credit Group Inc. and Newcourt Credit Group Inc.) (for the purposes hereof, “Newcourt”), and CIT Holdings, LLC (“Holdings”) (collectively, the “Applicants”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) to amend a decision granted by the Decision Makers of the Jurisdictions (the “Holdings Decision Makers”) on September 29, 2000 to The CIT Group, Inc. (“CIT”), Newcourt, and Holdings, as amended by a decision granted by the Holdings Decision Makers on May 31, 2001 to CIT, Newcourt, Holdings, Tyco Capital Holding, Inc. (“Tyco Acquisition”) (formerly, CIT Holdings (NV) Inc. and Tyco Acquisition Corp. XIX (NV)) and Tyco (collectively, the “Decision Document”),

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “MRRS”), the Ontario Securities Commission is the principal regulator for this application;

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AND WHEREAS the Applicants have represented to the Holdings Decision Makers as follows:

1. Tyco is a company incorporated with limited liability under the laws of Bermuda and is subject to the reporting requirements of the United States Securities Exchange Act of 1934 (the "Exchange Act"). Tyco is a reporting issuer in Ontario, Quebec, Nova Scotia, British Columbia, Alberta, Saskatchewan and Manitoba. Tyco is not on the list of defaulting reporting issuers maintained by the Holdings Decision Makers, where applicable.
2. The common shares of Tyco (the "Tyco Common Shares") are listed on the New York Stock Exchange, the Bermuda Stock Exchange and the London Stock Exchange.
3. The authorized capital of Tyco consists of 2,500,000,000 Tyco Common Shares and 125,000,000 preference shares, par value U.S.\$1.00 per share. As of March 25, 2002 (a) 2,021,527,745 Tyco Common Shares were issued and outstanding, and (b) one preference share was issued and outstanding.
4. CIT was a corporation incorporated under the laws of the State of Delaware and was subject to the reporting requirements of the Exchange Act. On June 1, 2001, CIT merged with and into a subsidiary of Tyco, Tyco Acquisition, with Tyco Acquisition continuing as the surviving corporation and as a wholly-owned indirect subsidiary of Tyco. Following the merger, substantially all the assets and liabilities of CIT were transferred to a new wholly-owned subsidiary, New CIT (formerly Tyco Capital Corporation and previously The CIT Group, Inc. and Tyco Acquisition Corp. XX (NV)), a corporation incorporated under the laws of the State of Nevada.
5. Prior to the IPO (defined below), New CIT will merge up and into Tyco Acquisition. Tyco Acquisition will then merge into CIT Group Inc. (Del), a Delaware corporation, and CIT Group Inc. (Del) will be renamed CIT Group Inc. As a result of the mergers, New CIT will be domiciled in Delaware and will be the successor to New CIT's assets, operations and business.
6. Holdings is a limited liability company under the laws of the State of Delaware, all of its membership interests are held by New CIT, and it is a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia. Holdings is not on the list of defaulting reporting issuers maintained by the Holdings Decision Makers, as applicable.

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7. Newcourt is a corporation amalgamated under the laws of the Province of Ontario, a wholly-owned subsidiary of CIT Exchangeco Inc., and is not a reporting issuer or the equivalent thereof in any of the Jurisdictions.
8. On April 25, 2002, Tyco announced that it intends to separate New CIT through an initial public offering (the "IPO") of 100% of the issued and outstanding shares of common stock ("CIT Common Shares") of New CIT. Following the IPO, Tyco and its affiliates will no longer hold any CIT Common Shares. Tyco Capital Limited, a Bermuda corporation which is an indirect wholly owned subsidiary of Tyco, will be the seller of the CIT Common Shares in the IPO.
9. On April 25, 2002, New CIT filed a Form S-1 Registration Statement (the "S-1") with the U.S. Securities and Exchange Commission (the "SEC") in connection with the proposed IPO. The S-1 was amended on May 13, 2002 and on June 12, 2002.
10. Following the IPO, New CIT will be subject to the information requirements under the Exchange Act with respect to the CIT Common Shares, and in accordance therewith will file reports and other information with the SEC. The informational requirements will be greater than those required of New CIT prior to the IPO, as additional information will be disclosed in New CIT's annual form 10-K, and New CIT will be required to prepare and file proxy statements in connection with its annual meetings of shareholders.
11. At the time CIT acquired Newcourt, Newcourt had outstanding unlisted public debt securities in Canada (the "Canadian Public Debt"), pursuant to a trust indenture dated June 1, 1995 between CIBC Mellon Trust Company (formerly, The R-M Trust Company) and Newcourt and supplemental indentures thereto (collectively, the "Indenture"). Holdings assumed all of Newcourt's obligations under the outstanding Canadian Public Debt pursuant to a supplemental indenture.
12. Following Tyco's acquisition of CIT, New CIT provided an unconditional, absolute and irrevocable guaranty of full and prompt payment of all principal and interest on the Canadian Public Debt.
13. The Decision Document permitted Holdings to comply with specified continuous disclosure requirements of the Legislation by filing and delivering disclosure materials related to New CIT.
14. The Decision Document contained a condition that Tyco remain the direct or indirect beneficial owner of all the issued and outstanding membership

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interests of Holdings. After the IPO, Tyco will no longer be the indirect beneficial owner of all the membership interests of Holdings.

15. After the IPO, holders of the Canadian Public Debt will continue to have access to information relating to New CIT in accordance with the conditions imposed in the Decision Document. After the IPO, additional information concerning New CIT will be available to holders of the Canadian Public Debt, as New CIT will be required to file additional information with the SEC once the S-1 has become effective. New CIT will continue to file with the Holdings Decision Makers all documents filed by it with the SEC under the Exchange Act.

AND WHEREAS under the MRRS this Decision Document evidences the Decision of each Holdings Decision Maker (collectively, the “Decision”);

AND WHEREAS each of the Holdings Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Holdings Decision Makers pursuant to the Legislation is that the operative portion of the Decision Document is amended as follows:

- (a) deleting paragraph 2(a) and replacing it with the following:

“New CIT files with the Decision Makers copies of all documents required to be filed by it with the SEC under the Exchange Act including, but not limited to, copies of any Form 10-K, Form 10-Q and Form 8-K, which documents will include financial statements prepared solely in accordance with United States generally accepted accounting principles”;
and

- (b) deleting the reference to “Tyco” in paragraph 2(c) and replacing it with “New CIT”.

DATED the 9th day of July, 2002.

Robert W. Korthals

Harold P. Hands