

2003 BCSECCOM 27

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - variation of previous order – previous order provided that issuer of asset-backed securities exempt from the requirement to prepare, file and deliver interim and annual financial statements and annual information circulars or, where applicable, annual reports in lieu of an information circular – previous order limited to specified offerings of securities of issuer – previous order varied to accommodate additional offerings of securities

Applicable British Columbia Provisions

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

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

AND

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

AND

IN THE MATTER OF MERRILL LYNCH FINANCIAL ASSETS INC. AND MERRILL LYNCH CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Ontario, British Columbia, Alberta, Newfoundland and Labrador, Nova Scotia and Saskatchewan (the “Jurisdictions”) issued on November 30, 2000 a decision (the “Merrill Decision”) pursuant to the securities legislation of the Jurisdictions (the “Legislation”), that provisions of the Legislation concerning the preparation, filing and delivery of interim and annual financial statements and the annual filing of a form by a reporting issuer shall not apply to Merrill Lynch Mortgage Loans Inc., subsequently renamed Merrill Lynch Financial Assets Inc. (the “Issuer”), and Merrill Lynch Canada Inc. (“ML Canada”, and together with the Issuer, the “Applicants”) in connection with certain offerings of commercial mortgage pass-through certificates specified in the Merrill Decision;

AND WHEREAS the Merrill Decision contemplates that the Issuer will from time to time issue additional certificates in connection with similar asset-backed

2003 BCSECCOM 27

securities transactions, and will periodically apply for a variation of the terms of the Merrill Decision to extend the relief granted thereby to such additional certificates;

AND WHEREAS on September 17, 2001 the Decision Makers issued a decision pursuant to the Legislation which extended the scope of the Merrill Decision to cover the offering of Commercial Mortgage Pass-Through Certificates, Series 2001 – LBC and the offering of Commercial Mortgage Pass-Through Certificates, Series 2001 – Canada 5, and made certain other amendments to the Merrill Decision;

AND WHEREAS the Issuer has now completed five additional offerings of certificates and is seeking a variation of the Merrill Decision so as to extend the relief granted in the Merrill Decision to such additional certificates;

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

AND WHEREAS the Issuer and ML Canada have represented to the Decision Makers as follows:

1. Effective March 15, 2001 Merrill Lynch Mortgage Loans Inc. changed its name to Merrill Lynch Financial Assets Inc.
2. The Merrill Decision contemplates the periodic application by the Issuer for a variation of the terms of the Merrill Decision to extend the relief granted thereby to such additional offerings. The Merrill Decision contemplates the extension of such relief to such additional offerings by means of periodic amendment to the defined term “Additional Certificates”, which is defined to mean such certificates or classes of certificates as are listed in the schedule to the Merrill Decision (the “Schedule”).
3. On November 22, 2001 the Issuer filed a short form prospectus and on November 27, 2001 the Issuer filed a prospectus supplement with each of the Canadian provincial securities regulatory authorities for the issuance of \$236,954,000 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a pool of 40 conventional, fixed rate mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2001-Canada 6 (the “C-6 Certificates”).
4. On February 5, 2002 the Issuer filed a short form prospectus and on February 5, 2002 the Issuer filed a prospectus supplement with each of the

2003 BCSECCOM 27

Canadian provincial securities regulatory authorities for the issuance of \$100,000,000 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a pool of two mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2002-BC2P (the “BC2P Certificates”).

5. On May 3, 2002 the Issuer filed a short form prospectus and on May 8, 2002 the Issuer filed a prospectus supplement with each of the Canadian provincial securities regulatory authorities for the issuance of \$256,100,000 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a pool of 49 conventional, fixed rate mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2002-Canada 7 (the “C-7 Certificates”).
6. On May 10, 2002 the Issuer filed a short form prospectus with each of the Canadian provincial securities regulatory authorities for the issuance of \$223,879,000 (initial certificate balance) of co-ownership certificates evidencing co-ownership interests in a pool of automobile loans, designated as AmeriCredit Canada Automobile Receivables Co-Ownership Certificates, Series 2002-A (the “AmeriCredit Certificates”).
7. On November 15, 2002 the Issuer filed a short form prospectus and on November 20, 2002 the Issuer filed a prospectus supplement with each of the Canadian provincial securities regulatory authorities for the issuance of \$423,830,000 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a pool of 70 conventional, fixed rate mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2002 – Canada 8 (the “C-8 Certificates”).
8. In order for the Issuer to continue to be permitted the continuous disclosure relief which was granted in the Merrill Decision, the Applicants request that the Merrill Decision be amended to include a reference to the C-6 Certificates, BC2P Certificates, the C-7 Certificates, the AmeriCredit Certificates and the C-8 Certificates.
9. Except as noted in representation 1 of this Decision Document, all of the factual statements concerning the Applicants that are contained in the Merrill Decision remain true as of the date hereof.

AND WHEREAS pursuant to the MRRS this Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

2003 BCSECCOM 27

AND WHEREAS each of the 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 DECISION MAKERS pursuant to the Legislation is that the Schedule to the Merrill Decision shall be amended by the insertion of the following paragraphs:

- “3. \$236,954,000 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a pool of 40 conventional, fixed rate mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2001-Canada 6”.
- “4. \$100,000,000 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a pool of two mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2002-BC2P”.
- “5. \$256,100,000 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a pool of 49 conventional, fixed rate mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2002-Canada 7”.
- “6. \$223,879,000 (initial certificate balance) of co-ownership certificates evidencing co-ownership interests in a pool of automobile loans designated as AmeriCredit Canada Automobile Receivables Co-Ownership Certificates, Series 2002-A”.
- “7. \$423,830,000 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a pool of 70 conventional, fixed rate mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2002 – Canada 8”.

DATED January 7, 2003.

Robert W. Korthals

Mary Theresa McLeod