

Headnote:

Mutual Reliance Review System for Exemptive Relief Applications – variation of conditions in previous Decision Document.

Applicable Ontario Statutory Provisions :

Securities Act, R.S.O. 1990, c.S.5, as am., s. 144

Applicable Ontario Rules Cited:

OSC Rule 51-501- AIF and MD&A

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF BRITISH COLUMBIA,
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC,
NEW BRUNSWICK, PRINCE EDWARD ISLAND,
NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR**

AND

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

AND

**IN THE MATTER OF
GENERAL ELECTRIC CAPITAL CORPORATION,
HELLER FINANCIAL, INC. AND
HELLER FINANCIAL CANADA, LTD.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (collectively, the “Jurisdictions”) has received an application from General Electric Capital Corporation (“GE Capital”), Heller Financial, Inc. (“Heller US”) and Heller Financial Canada, Ltd. (the “Issuer”, and together with GE Capital and Heller US, the “Filer”) for a decision (the “Decision”) under the securities legislation of the Jurisdictions (the “Legislation”) to vary the MRRS Decision Document dated March 2,

2001, as varied June 12, 2001 (collectively, the “Previous Decision”) *In the Matter of Heller Financial, Inc. and Heller Financial Canada, Ltd.*, which granted relief from certain requirements contained in the Legislation;

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

AND WHEREAS the Filer has represented to the Decision Makers that:

1. The Issuer established a program to raise up to approximately CDN\$750 million in Canada (the “Offering”) through its issuance of non-convertible debt securities (the “Notes”) from time to time over a two-year period pursuant to a short form base shelf prospectus dated March 20, 2001;
2. The Issuer has raised CDN\$200 million under the Offering;
3. The Notes are fully and unconditionally guaranteed by Heller US as to payment of principal, interest and all other amounts due thereunder within 15 days of failure by the Issuer to make any such payment. All Notes have an Approved Rating (as defined in National Instrument 44-101 (“NI 44-101”));
4. The Previous Decision granted relief, subject to certain conditions, from, among other things, the requirements contained in the Legislation that:
 - (a) the Issuer file with the Decision Makers and send to its shareholders audited annual financial statements and annual reports, where applicable (the “Annual Financial Statement Requirements”);
 - (b) the Issuer file with the Decision Makers and send to its shareholders unaudited interim financial statements (the “Interim Financial Statement Requirements”);
 - (c) the Issuer issue and file with the Decision Makers press releases and file with the Decision Makers material change reports (together, the “Material Change Requirements”);
 - (d) the Issuer comply with the proxy and proxy solicitation requirements, including filing with the Decision Makers an information circular or report in lieu thereof (the “Proxy Requirements”); and
 - (e) under Ontario Securities Commission Rule 51-501 AIF and MD&A, section 159 of the regulation to the Securities Act (Quebec) and Saskatchewan Securities Commission Local Policy 6.2, the Issuer file with the applicable Decision Makers an annual information form (the “Annual Information Form Requirement”);
5. GE Capital acquired all of the outstanding common stock of Heller US on October 25, 2001 (the “Acquisition”);

6. GE Capital was incorporated in 1943 in the State of New York under the provisions of the New York Banking Law relating to investment companies, as successor to General Electric Contracts Corporation, which was formed in 1932. Until 1987, the name of GE Capital was General Electric Credit Corporation. GE Capital was reincorporated in 2001 in the State of Delaware;
7. All outstanding common stock of GE Capital is owned by General Electric Capital Services, Inc., the common stock of which is in turn wholly owned directly or indirectly by General Electric Company (“GEC”). GEC is a diversified industrial company whose common stock is listed and posted for trading on the facilities of the New York Stock Exchange;
8. GE Capital is a diversified financial services company and is organized into four businesses – GE Commercial Finance, GE Equipment Management, GE Consumer Finance and GE Insurance. As at December 31, 2001, GE Capital had total assets of more than US\$381 billion;
9. GE Capital is not a reporting issuer or the equivalent in any of the Jurisdictions;
10. GE Capital has been a reporting company under the United States Securities Exchange Act of 1934, as amended (the “1934 Act”), for more than 15 years;
11. GE Capital has filed with the United States Securities and Exchange Commission (the “SEC”) all filings required to be made with the SEC under the 1934 Act during the last 12 months;
12. GE Capital’s outstanding long term debt is rated “AAA” by both Standard & Poor’s and Moody’s Investors Services. As at December 31, 2001, GE Capital had more than US\$75 billion in long term debt outstanding. GE Capital also had more than \$110 billion outstanding in the commercial paper markets as at December 31, 2001;
13. The rating of Heller US and Heller Canada was raised by Standard & Poor’s and Moody’s Investors Service from “A-” to “AAA” as a result of the Acquisition;
14. Beginning with the interim financial statements for its third quarter ending September 30, 2002, Heller US will not be required to file any further financial statements with the SEC;
15. The Filer wishes to vary the conditions of the Previous Decision so as to substitute the continuous disclosure obligations of Heller US thereunder with those of GE Capital;
16. GE Capital will fully and unconditionally guarantee the Notes as to payment of principal, interest and all other amounts due thereunder within 15 days of failure by the Issuer to make any such payment;
17. GE Capital will file with the Commissions, in electronic format through SEDAR under the Issuer’s SEDAR profile (on a no fees basis), the documents that GE

Capital has filed under the 1934 Act during the last year being, as of the date hereof, an annual report on Form 10-K for the year ended December 31, 2001, quarterly reports on Form 10-Q for the periods ending March 30, 2002 and June 29, 2002 and reports on Form 8-K dated March 21, 2002 and September 17, 2002; and

18. No additional Notes will be issued under the Offering.

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

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 Maker in each of Ontario, Quebec and Saskatchewan under the Legislation is that the Previous Decision in respect of the Annual Information Form Requirement be varied by substituting the following:

“**THE DECISION OF** the securities regulatory authority or securities regulator in each of Ontario, Quebec and Saskatchewan is that the Annual Information Form Requirement shall not apply to the Issuer, so long as the Issuer, Heller US and GE Capital comply with all of the requirements of the second of the two Decisions below.”

DATED this 22nd day of November, 2002

“John Hughes”
John Hughes
Manager, Corporate Finance

THE DECISION OF the Decision Makers under the Legislation is that the Previous Decision in respect of the Annual Financial Statement Requirements, the Interim Financial Statement Requirements, the Material Change Requirements and the Proxy Requirements be varied by:

1. amending paragraph (a) thereof by substituting therefor the following:

“GE Capital files with each of the Decision Makers, in electronic format under the Issuer’s SEDAR profile, copies of all documents filed by it with the SEC under sections 13 (other than sections 13(d), (f) and (g) which relate, *inter alia*, to holdings by GE Capital of securities of other public companies) and 15(d) of the 1934 Act, within one business day after filing with the SEC including, but not limited to, copies of any Form 10-K, Form 10-Q, Form 8-K (including press releases), and any proxy statements prepared in connection with GE Capital’s annual meetings;”

2. amending paragraph (c) thereof by substituting therefor the following:

“GE Capital complies with the applicable requirements of the 1934 Act in respect of making public disclosure of material information on a timely basis and forthwith issues in the Jurisdictions and files with the Decision Makers, in electronic format under the Issuer’s SEDAR profile, any press release that discloses a material change in GE Capital’s affairs;”
3. amending paragraph (d) thereof by substituting therefor the following:

“GE Capital remains the direct or indirect beneficial owner of all the issued and outstanding voting securities of the Issuer;”
4. amending paragraph (e) thereof by substituting therefor the following:

“GE Capital maintains a class of securities registered pursuant to section 12(b) or 12(g) of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act;”
5. amending paragraph (f) thereof by substituting therefor the following:

“if there is a material change in respect of the business, operations or capital of the Issuer that is not a material change in respect of GE Capital, the Issuer will comply with the requirements of the Legislation to issue a press release and file a material change report notwithstanding that the change may not be a material change in respect of GE Capital;”
6. amending paragraph (g) thereof by substituting therefor the following:

“GE Capital continues to fully and unconditionally guarantee the Notes as to the payments required to be made by the Issuer to holders of the Notes;”
7. amending paragraph (h) thereof by substituting therefor the following:

“the Issuer does not issue additional securities other than debt securities ranking *pari passu* to the Notes, any debentures issued in connection with the security granted by the Issuer to the holders of Notes or debt ranking *pari passu* with the Notes, and those securities currently issued and outstanding, other than to GE Capital or to direct or indirect wholly owned subsidiaries of GE Capital;”
8. amending paragraph (i) thereof by substituting therefor the following:

“if debt securities ranking *pari passu* with the Notes are hereinafter issued by the Issuer, GE Capital shall fully and unconditionally guarantee such debt securities as to the payments required to be made by the Issuer to holders of such debt securities;”

DATED this 22nd day of November, 2002

Robert L. Shirriff
A Commissioner

"Harold P. Hands"
A Commissioner