

Headnote

Section 80(b)(iii) of the Act - issuer of asset-backed securities exempt from the requirement to prepare, file and deliver interim and annual financial statements and annual report (Form 28), subject to conditions, including the requirement to prepare, file and deliver monthly and annual reports regarding performance of pools of securitized assets.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 77, 78, 79, 81(2), 80(b)(iii)

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., s.5

Policies Cited

National Policy Statement No. 41

National Policy Statement No. 44

National Policy Statement No. 47

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

AND

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

AND

IN THE MATTER OF
MERRILL LYNCH MORTGAGE LOANS INC.
AND MERRILL LYNCH CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the **Decision Maker**) in each of Ontario, British Columbia, Alberta, Newfoundland, Nova Scotia and Saskatchewan (the **Jurisdictions**) has received an application from Merrill Lynch Mortgage Loans Inc. (the **Issuer**) and Merrill Lynch Canada Inc. (**AML Canada**) for an order pursuant to the securities legislation of the Jurisdictions (the **Legislation**) that the provisions of the Legislation concerning the preparation, filing and delivery of interim and annual financial statements and the annual filing of Form 28 by a reporting issuer shall not apply to the offering of the Bell Certificates (as defined herein), the C-4 Certificates (as defined herein), and such additional certificates as may be set forth in the schedule attached hereto (the **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 has represented to the Decision Makers as follows:

1. The Issuer was incorporated under the laws of Canada on March 13, 1995 under the name Bulls Offering Corporation. By articles of amendment dated December 3, 1998, the name of the Issuer was changed to Merrill Lynch Mortgage Loans Inc. The issuer is a wholly-owned subsidiary of Merrill Lynch & Co., Canada Ltd. (**AML & Co.**).

2. In connection with its intent to issue Additional Certificates which may securitize assets other than mortgages, the Issuer may change its name in the near future.
3. The head offices of the Issuer and ML Canada are both located in Toronto, Ontario.
4. The Issuer filed a long form prospectus dated June 14, 1995, and a supplemental prospectus dated June 19, 1995, in connection with an initial public offering of 6,000,000 S&P 500 BULLS (the "S&P 500 Bulls") and received receipts for such prospectus from each of the Canadian provincial securities regulatory authorities.
5. On December 21, 1998, the Issuer offered, by private placement, \$182,083,237 (initial certificate balance) of pass-through certificates evidencing co-ownership interests in a pool of 32 commercial mortgage loans, of which \$163,874,000 (initial certificate balance) of pass-through certificates were designated as Exchangeable Commercial Mortgage Pass-Through Certificates, Series 1998-Canada 1 (the AOffered Certificates@) and sold pursuant to a Confidential Offering Memorandum dated December 16, 1998.
6. The Issuer was issued receipts by each of the Canadian provincial securities regulatory authorities for a short form prospectus dated May 31, 1999 for the issuance of \$163,874,000 (initial certificate balance) of commercial mortgage pass-through certificates, designated as Commercial Mortgage Pass-Through Certificates, Series 1998-Canada 1 (the AC-1 Certificates@) in exchange for the Offered Certificates of the same class.
7. The Issuer filed a short form prospectus dated September 16, 1999 with each of the Canadian provincial securities regulatory authorities for the issuance of \$193,741,000 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a pool of 43 commercial mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 1999-Canada 2 (the AC-2 Certificates@) and received receipts for such prospectus from each of the Canadian provincial securities regulatory authorities.
8. The Issuer filed a short form prospectus dated October 1, 1999 with each of the Canadian provincial securities regulatory authorities for the issuance of \$220,000,000 (initial certificate balance) of pass-through certificates evidencing co-ownership interests in firm mortgage bonds held by the Issuer, designated as 1st Street Tower Pass-Through Certificates (the ATower Certificates@) and received receipts for such prospectus from each of the Canadian provincial securities regulatory authorities.
9. The Issuer filed a short form prospectus dated May 19, 2000 with each of the Canadian provincial securities regulatory authorities for the issuance of \$227,324,000 (initial certificate balance) of commercial mortgage pass-through

certificates evidencing co-ownership interests in a pool of 53 commercial mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2000-Canada 3 (the AC-3 Certificates®) and received receipts for such prospectus from each of the Canadian provincial securities regulatory authorities.

10. The Issuer has been a reporting issuer pursuant to the securities legislation of certain of the provinces of Canada for over 12 calendar months, but received relief from the continuous disclosure requirements under applicable securities legislation from the securities regulatory authorities in the Jurisdictions. The relief was based on the representations of the Issuer to the effect that, after the completion of the above-referenced transactions, the continued financial performance of the Issuer was not relevant to investors because the assets managed in each of the Transactions do not represent any interest in or claim on any assets of the Issuer, and on the basis that certain notices would be provided to the investors in the respective Transactions. The Issuer has received independent expert advice to the effect that GAAP and GAAS financial statements would not provide material (CICA Handbook definition) additional information to existing or prospective securityholders.
11. The Issuer filed a short form prospectus dated September 28, 2000 with each of the Canadian provincial securities regulatory authorities for the issuance of \$115,500,000 (initial certificate balance) of commercial mortgage pass-through certificates evidencing co-ownership interests in a first mortgage bond (the AFirst Mortgage Bond®) relating to certain buildings and land located in Mississauga, Ontario, designated as BMCC Corporate Centre Pass-Through Certificates, Series 2000-BMCC (the ABell Certificates®) and received receipts for such prospectus from each of the Canadian provincial securities regulatory authorities.
12. The Issuer filed a short form prospectus dated November 21, 2000 with each of the Canadian provincial securities regulatory authorities for the issuance of \$255,948,663 (initial certificate balance) of pass-through certificates evidencing co-ownership interests in a pool of 63 commercial mortgage loans, designated as Commercial Mortgage Pass-Through Certificates, Series 2000 - Canada 4 (the AC-4 Certificates®) (the C-1 Certificates, C-2 Certificates, C-3 Certificates, C-4 Certificates, Tower Certificates and the Bell Certificates may be referred to collectively as the ACertificates®, and the transactions pursuant to which the Certificates were issued may be referred to collectively as the "Transactions").
13. The Issuer is a special purpose corporation, the only securityholders of which, as at the date of this application, excluding ML & Co., which owns all of its issued and outstanding voting securities, are the holders of the S&P 500 Bulls and the holders of the Certificates. The Issuer may from time to time seek to issue additional certificates in connection with similar asset-backed securities transactions which it may undertake in the future, in which case the Issuer may seek from the Decision

Makers a variation of the relief granted hereunder so as to include such additional certificates.

14. The Issuer currently has and will have no assets or liabilities other than its rights and obligations under certain of the material contracts related to the Transactions or other similar asset-backed securities transactions which it may undertake in the future, and does not presently carry on any activities except in relation to the Transactions.
15. Merrill Lynch Canada Inc. (AML Canada[®]) administers the ongoing operations and pays the ongoing operating expenses of the Issuer pursuant to an administration agreement dated June 14, 1995 (the Administration Agreement[®]). No consideration is payable by the Issuer in connection with ML Canada's services under the Administration Agreement. The Issuer is not required to compensate ML Canada for the fees and expenses paid on the Issuer's behalf thereunder.
16. The Issuer has no material assets and will not carry on any activities other than the issuance of asset-backed securities and will have no continuing involvement in the administration of the Securitized Assets (as defined herein).
17. The directors and officers of the Issuer are directors and/or officers of ML & Co. and have not been and will not be compensated by the Issuer for serving in such positions with the Issuer.
18. No director or officer of the Issuer or any associate thereof is indebted to the Issuer, nor has any director, officer, or any other insider, or any associate or affiliate thereof, entered into a material contract with the Issuer, other than as previously disclosed in documents filed with the Decision Makers.
19. No insider of the Issuer, or associate or affiliate of such insider, has a direct or indirect interest in any transaction which has materially affected or which would materially affect the Issuer.
20. The auditors of the Issuer are Deloitte & Touche.
21. The Issuer intends to offer from time to time to the public additional certificates which, as is the case with the Certificates, are primarily serviced by the cash flows of discrete pools of mortgage loans, individual mortgage loans or other financial assets that by their terms convert into cash within a finite time period, with an Approved Rating by an Approved Rating Organization, as those terms are defined in the Rules entitled *In the Matter of the Prompt Offering Qualification System* [including National Policy Statement No. 47] (1998) 21 OSCB 6435 (the IPOP System[®]) and *In the Matter of Rules for Shelf Prospectus Offerings and for Pricing Offerings After the Prospectus is Received* [National Policy Statement No. 44] (the AShef System[®]) or in any successor instruments thereto. The Issuer proposes to

make such offerings pursuant to the POP and Shelf Systems, with the proceeds of such offerings to be used to finance the purchase of mortgage loans and other financial assets from originators of mortgage loans and other financial assets. The discrete pools of mortgage loans, individual mortgage loans or other financial assets which relate or will relate to the Bell Certificates, the C-4 Certificates and such Additional Certificates as may be described in the schedule attached hereto, as the case may be, are collectively referred to herein as the **ASecuritized Assets@**.

22. The information contained in the interim and annual financial statements of the Issuer is not and will not be relevant to the holders of Bell Certificates, the C-4 Certificates, or such Additional Certificates as may be listed in the schedule hereto (collectively, the **ACertificateholders@**) since such Certificateholders only have, or will have, an interest in the related Securitized Assets and do not have any interest in or any claim on the assets of the Issuer.
23. Each pooling and servicing agreement or similar agreement (each, a **ASecuritization Agreement@**) which governs or will govern, as the case may be, the rights of the Certificateholders and their entitlement to the related Securitized Assets provides for or will provide for, as the case may be, the fulfilment of certain administrative functions relating to the asset-backed securities, such as maintaining a register of holders of asset-backed securities and the making of periodic reports to Certificateholders by a custodian and one or more servicers or other agents appointed pursuant to such Securitization Agreement. The names of each such servicer and agent are or will be disclosed in the applicable prospectus.
24. The Issuer or its duly appointed representative or agent provides or will provide, on a website identified or to be identified in the relevant prospectus for the Certificates or Additional Certificates in correspondence sent to Certificateholders, or otherwise as provided for in the relevant prospectus, no later than the twentieth day of each month (or such subsequent business day as is provided in the Securitization Agreement if the twentieth day of the month is not a business day) the financial and other information prescribed therein to be delivered or made available to Certificateholders on a monthly basis, together with such additional information as may be required by the Legislation and/or prescribed by the Decision Makers, signed by the Issuer or on its behalf by its duly appointed representative, and will also file or cause to be filed reasonably contemporaneously therewith such information on the System for Electronic Document Analysis and Retrieval (**ASEDAR@**).
25. Notwithstanding paragraph 24, the Issuer may amend the contents of the financial and other information filed on SEDAR in order to not disclose the names of individual obligors of Securitized Assets as may be required by confidentiality agreements binding the Issuer.

26. There will be no annual meetings of Certificateholders. Each Securitization Agreement provides or will provide that the holders of a certain percentage of the applicable asset-backed securities will have the right to direct the custodian of the relevant Securitized Assets to take certain actions under such Securitization Agreement.
27. On not less than an annual basis, the Issuer will request intermediaries to deliver a notice to Certificateholders pursuant to the procedures stipulated by the Rule entitled *In the Matter of Certain Reporting Issuers* [including National Policy Statement No. 41] (1998) 21 OSCB 6437, or any successor instrument thereto, advising Certificateholders that the monthly information prescribed in paragraph 24 and the annual information prescribed in paragraph 29 is available on a website, the website address, and that Certificateholders may request paper copies of such reports be provided to them by ordinary mail.
28. On a quarterly basis, the Issuer will publish in a national business newspaper in circulation throughout Canada a notice to Certificateholders advising Certificateholders that the monthly information prescribed in paragraph 24 and the annual information prescribed in paragraph 29 is available on a website, the website address, and that Certificateholders may request paper copies of such reports be provided to them by ordinary mail.
29. Within 140 days of the end of the fiscal year of each pool of Securitized Assets, the Issuer or its duly appointed representative or agent will post on the applicable website or mail to Certificateholders who so request in accordance with the procedures set forth above and will also file or cause to be filed reasonably contemporaneously therewith on SEDAR:
 - (a) cumulative financial and other information as required by the Legislation and/or prescribed by the Decision Makers for the last completed fiscal year with respect to the applicable pool of Securitized Assets;
 - (b) management, discussion and analysis with respect to the applicable pool of Securitized Assets included in the Issuer's Annual Information Form filed with the Commission;
 - (c) an annual statement of compliance signed by a senior officer of each applicable servicer or other party acting in a similar capacity on behalf of the Issuer for the applicable pool of Securitized Assets, certifying that the servicer or such other party acting in a similar capacity has fulfilled all of its obligations under the related Securitization Agreement during the year or, if there has been a default in the fulfilment of any such obligation, specifying each such default and the status thereof;

- (d) an annual accountants report in form and content acceptable to the Decision Makers prepared by a firm of independent public or chartered accountants acceptable to the Decision Makers respecting compliance by each applicable servicer or other party acting in a similar capacity on behalf of the Issuer with the Uniform Single Attestation Program (USAP) or such other servicing standard acceptable to the Decision Makers.
30. The Issuer will issue press releases and file material change reports in accordance with the requirements of the Legislation in respect of material changes in its affairs and in respect of changes in the status (including defaults in payments due to Certificateholders), operation or affairs of the Securitized Assets underlying the Certificates which may reasonably be considered to be material to Certificateholders.
31. Compliance with the continuous disclosure obligations set forth in the Legislation by the Issuer will not, by virtue of the Issuer's restricted business and the nature of the Certificates, provide meaningful information for the Certificateholders. The provision of information to Certificateholders on a monthly and annual basis as described in paragraphs 24 and 29 above, as well as the quarterly and annual notices to be given by the Issuer as to the availability of such information given pursuant to terms of paragraphs 24 and 29 hereof will meet the objectives of allowing the Certificateholders to monitor and make informed decisions about their investment.

WHEREAS pursuant to the MRRS this 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;

IT IS ORDERED the Issuer be and is hereby exempted from:

- (a) the requirements of the Legislation concerning the preparation, filing and delivery of interim and annual financial statements with respect to the Bell Certificates, the C-4 Certificates and the Additional Certificates (as such term is defined in the schedule attached hereto) is hereby granted, provided that the Issuer complies with paragraphs 24, 27, 28, 29 and 30 hereof; and
- (b) the Issuer be and is hereby exempted from the requirements of the Legislation concerning the annual filing of a reporting issuer, provided that the exemption shall terminate sixty days after the occurrence of a material change in any of the representations of the Issuer contained in paragraphs 13 through 20, inclusive, unless the Issuer satisfies the Decision Makers that the exemption should continue.

DATED at Toronto this 30th day of November, 2000.

"Robert W. Davies"
Robert W. Davies

"Robert W. Korthals"
Robert W. Korthals

Schedule

In this Decision, the following certificates and/or classes of certificates constitute
Additional Certificates@.

None

W:\JSAXBY\MRRS-DEC\Merrill Lynch Mortgage Loans Inc..WPD