

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

AND

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

AND

IN THE MATTER OF ASSOCIATES FIRST CAPITAL CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, Newfoundland, Nova Scotia, Prince Edward Island and Saskatchewan (the "Jurisdictions") has received an application from Associates First Capital Corporation (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

1. the requirement in the Legislation to be registered to trade in a security (the "Registration Requirement"); and
2. the requirement in the Legislation that prohibits a person or company from distributing a security unless a preliminary prospectus and prospectus for the security have been filed and receipts obtained for them (the "Prospectus Requirement");

shall not apply to first trades in securities of the Filer acquired by certain Canadian resident employees (the "Employees") of its wholly-owned subsidiaries under the Filer's Discounted Employee Stock Purchase Plan, as amended or re-enacted from time to time (the "Plan");

AND WHEREAS under the Mutual Reliance System for Exemptive Relief Applications (the "System"), the Executive Director of the British Columbia Securities Commission is the principal regulator for this application;

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

1. the Filer is incorporated in the state of Delaware in the United States and has its head office in Irving, Texas;
2. the Filer is not a reporting issuer or the equivalent under the Legislation of any of the Jurisdictions, nor does the Filer have any present intention of becoming a reporting issuer or the

equivalent under the Legislation of any of the Jurisdictions, but it is subject to the reporting requirements of the *Securities Exchange Act of 1934* (United States);

3. the authorized capital of the Filer consists of 1,150,000,000 shares of common stock (the "Shares") and 350,000 shares of Series A Preferred Stock, of which 728,244,633 Shares and no Preferred Shares were issued and outstanding as of September 30, 1999;

4. the Shares are listed on the New York Stock Exchange ("NYSE") and no other stock exchange;

5. the Filer has established the Plan for the benefit of its employees globally; participation in the Plan is being extended to the Employees in order to give them the opportunity to enjoy the Plan benefits that are being made available to other employees of the Filer and its subsidiaries, including the opportunity to purchase Shares at a discount from their market price;

6. the Plan provides for the periodic granting to employees of non-transferable options, which are automatically exercised to purchase Shares, using funds which have been accumulated by way of payroll deduction;

7. the Employees are employed by direct or indirect, wholly-owned subsidiary corporations of the Filer; none of these corporations are reporting issuers or the equivalent under the Legislation of any of the Jurisdictions, nor do they have any intention of becoming reporting issuers or the equivalent under any such Legislation;

8. all Employees who have reached the age of majority, other than temporary Employees, may participate in the Plan;

9. no Employees will be induced to participate in the Plan or to acquire options or Shares under the Plan by expectation of employment or continued employment;

10. the Filer has appointed a custodian and record keeper for the purposes of the Plan (the "Custodian"); at present, First Chicago Trust Division of EquiServe, which is located in the United States, is the Custodian;

11. for the purposes of the Plan, the Custodian will open an individual securities account in each participant's name; participants may contact the Custodian initially by fax to effect sales of Shares under the Plan, and a 1-800 number may later be provided to participants of the Plan to facilitate dissemination of information regarding the Shares held in such accounts including participants' trading activity and to facilitate the sale by Employees of Shares under the Plan;

12. all sales of Shares made on behalf of Employees through the Custodian will be made through the facilities of and in accordance with the rules of the NYSE;

13. the Custodian will use the services of a dealer registered and licensed under applicable securities legislation in the United States to execute trades in Shares acquired under the Plan on behalf of Employees;

14. the Custodian will not provide any investment advice to employees with respect to purchases or sales of Shares under the Plan;

15. if at any time the number of holders of Shares in any one Jurisdiction exceeds 10% of the total number of holders of Shares or if the holders of Shares in any one Jurisdiction hold in excess of 10% of the total number of issued and outstanding Shares, the Filer will apply to the relevant Decision Maker for an order with respect to further trades in Shares acquired under the Plan by Employees in that Jurisdiction;

16. employees who acquire Shares under the Plan will be provided with all disclosure material relating to the Filer which is provided to holders of Shares resident in the United States, as well as a copy of this order;

17. the distribution of options and Shares by the Filer to the Employees under the Plan is exempt from the Registration Requirement and the Prospectus Requirement of the Legislation;

18. where the Custodian trades in Shares on behalf of an Employee, the Custodian is unable to rely on the registration exemptions contained in the Legislation because it is not acting solely through a registered dealer under the Legislation; and

19. under the Legislation of certain of the Jurisdictions, a first trade by an Employees in Shares acquired under the Plan will be a distribution unless, among other things, the Filer is a reporting issuer or the equivalent under the Legislation and has been one for the 12 months immediately preceding the trade;

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 Makers under the Legislation is that:

1. the Registration Requirement shall not apply to trades by Employees through the Custodian in Shares acquired under the Plan and held outside of Canada on behalf of Employees; and

2. the Prospectus Requirement shall not apply to trades by Employees in Shares acquired under the Plan provided that the trades are executed through the facilities of a stock exchange, including Nasdaq, outside of Canada, in accordance with all laws and rules applicable to the stock exchange.

DATED December 14, 1999.

"Margaret Sheehy"
Margaret Sheehy
Director

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – registration and prospectus relief for first trades in securities of an issuer that is not a reporting issuer or the equivalent by employees of subsidiaries of that issuer through a plan custodian on a stock exchange outside of Canada

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 48, 61, 76