

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

AND

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

AND

IN THE MATTER OF
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, Québec, New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland (the "Jurisdictions") has received an application from Heller Financial, Inc. ("Heller US") and its subsidiary Heller Financial Canada, Ltd. (the "Issuer", and together with Heller US, the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation:

- (a) that, under National Instrument 44-101 ("NI 44-101") and National Instrument 44-102, a credit supporter be a reporting issuer with a 12 month reporting history in a jurisdiction (the "Eligibility Requirement") in connection with the issuance by the Issuer of non-convertible debt securities (the "Notes") with an Approved Rating (as such term is defined in NI 44-101) which will be fully and unconditionally guaranteed by Heller US; and
- (b) that, under NI 44-101, the financial statements of Heller US that are included in a short form prospectus of the Issuer and are prepared in accordance with US generally accepted accounting principles be reconciled to Canadian generally accepted accounting principles (the "GAAP Reconciliation Requirement");
- (c) that,
 - (i) 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");

(ii) the Issuer file with the Decision Makers and send to its shareholders unaudited interim financial statements the "Interim Financial Statement Requirements");

(iii) 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"); and

(iv) 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");

(d) that, 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");

shall not apply;

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. Heller US was incorporated under the laws of the State of Delaware in 1919 and is not a reporting issuer or the equivalent in any of the Jurisdictions.

2. Heller US has been a reporting company, under the United States Securities Exchange Act of 1934, as amended (the "1934 Act") since 1992, with respect to its preferred stock and for decades, with respect to its debt securities. In May 1998, Heller US completed an initial public offering of its common stock and accordingly became a reporting company in respect of such securities. Heller US has filed with the United States Securities and Exchange Commission (the "SEC") all filings required to be made with the SEC under Sections 13, 14 and 15(d) of the 1934 Act since it first became a reporting company.

3. As at September 30, 2000, Heller US had approximately US\$10.4 billion in notes and debentures outstanding. All of Heller US's outstanding long term debt is rated "A-" by Standard & Poor's and "A3" by Moody's Investors Service.

4. The Fuji Bank, Limited, one of the world's largest banks, owns a 77% voting interest and 52% economic interest in Heller US. The balance of common stock in the capital of Heller US is publicly traded and listed under the symbol "HF" on the New York and Chicago stock exchanges. As at the close of trading on the New York Stock Exchange (the "NYSE") on

November 3, 2000, the common shares of Heller US not held by Fuji Bank, Limited had a market value in excess of US\$1.3 billion.

5. Heller US is a worldwide commercial financial services company offering a broad range of financing solutions to middle-market and small business clients. With approximately US\$15.5 billion in owned and managed assets at September 30, 2000, Heller US offers equipment financing and leasing, vendor and sales finance programs, working capital loans, collateral and cash flow-based financing and financing for commercial real estate.

6. Heller US also offers trade finance, factoring, asset-based lending, leasing and vendor finance products and programs to clients in Europe, Asia, Australia and Latin America.

7. The head office of the Issuer is in Ontario.

8. The Issuer was incorporated under the Trust and Loan Companies Act (Canada) on January 21, 1999, and is a wholly-owned subsidiary of Heller US. The Issuer received its initial order to commence and carry on business from the Superintendent of Financial Institutions (Canada) on August 16, 1999. The Issuer was amalgamated under the Trust and Loan Companies Act (Canada) on March 1, 2000 under the name "Heller Financial Canada, Ltd.". The amalgamated company received its order to commence and carry on business from the Superintendent of Financial Institutions (Canada) on March 1, 2000.

9. The Issuer is a diversified commercial financial services company that provides a broad array of financial products and services to mid-sized and small businesses located in Canada. Its products include collateralized cash flow and asset-based lending, secured real estate financing, equipment financing and factoring and receivables management services.

10. The Issuer is not a reporting issuer or its equivalent in any of the Jurisdictions. As a result of its filing a short form shelf prospectus in each of the Jurisdictions to establish the Offering (as defined below), the Issuer will become a reporting issuer or the equivalent in each Jurisdiction which imposes such a concept.

11. Heller US satisfies all the criteria set forth in paragraph 3.1(a) of National Instrument 71-101 ("NI 71-101") and is eligible to use the multi-jurisdictional disclosure system ("MJDS") (as set out in NI 71-101) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure.

12. Except for the fact that the Issuer is not incorporated under United States law, the Offering (as defined below) would comply with the alternative eligibility criteria for offerings of non-convertible debt having an approved rating under the MJDS as set forth in paragraphs 3.1 and 3.2 of NI 71-101.

13. The Issuer does not satisfy the alternative qualification criteria for issuers of guaranteed non-convertible debt securities, as set out in section 2.5 of NI 44-101, solely because Heller US (as guarantor of the Offering) is not a reporting issuer in any jurisdiction.

14. The Issuer proposes to establish a program to raise up to approximately CDN\$750 million in Canada (the "Offering") through its issuance of Notes from time to time over a two-year period.

15. The Notes will be 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 will have an Approved Rating (as defined in NI 44-101).

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 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 and Heller US comply with all of the requirements of each of the two Decisions below.

DATED "March 2nd", 2001

Kathryn Soden
Director, Corporate Finance Branch

THE DECISION of the Decision Makers under the Legislation is that the Eligibility Requirement and the GAAP Reconciliation Requirement shall not apply to the Offering so long as:

(a) the Issuer complies with all of the other requirements of NI 44-101, except as varied in paragraph (c) below,

(b) prior to the filing of a preliminary short form prospectus for the Offering (the "Prospectus"):

(i) Heller US files with the Decision Makers an AIF in the form of an annual report on Form 10-K ("Heller US' AIF"), in electronic format through SEDAR (as defined in National Instrument 13-101) under the Issuer's SEDAR profile, and

(ii) Heller US files with the Decision Makers, in electronic format under the Issuer's SEDAR profile, the documents that Heller US has filed under the 1934 Act during the last year being, as of the date hereof, Heller US's 1999 annual report on Form 10-K, its quarterly report on Form 10-Q for the periods ended March 31, 2000, June 30, 2000 and September 30, 2000 and its Current Reports on Form 8-K dated April 19, 2000 (two separate reports),

July 19, 2000 (two separate reports), August 25, 2000, October 18, 2000 and October 19, 2000.

(c) the Prospectus is prepared pursuant to the procedures contained in NI 44-101 and complies with the requirements set out in Form 44-101F3, with the disclosure required by item 12 of Form 44-101F3 being addressed by incorporating by reference Heller US's public disclosure documents as well as Heller US' AIF, with the summary financial information disclosure required by item 13.1(1)2 in respect of the Issuer being made in the manner specified in paragraph (j) of the Further Decision below and the disclosure required by item 7 of Form 44-101F3 being addressed by disclosure with respect to Heller US in accordance with United States requirements;

(d) the Prospectus includes all material disclosure concerning the Issuer;

(e) the Prospectus incorporates by reference disclosure made in Heller US's most recent Form 10-K (as filed under the 1934 Act) together with all Form 10-Qs and Form 8-Ks filed under the 1934 Act in respect of the financial year following the year that is the subject of Heller US's most recently filed Form 10-K and incorporates by reference any documents of the foregoing type filed after the date of the Prospectus and prior to termination of the Offering and states that purchasers of the Notes will not receive separate continuous disclosure information regarding the Issuer;

(f) Heller US continues to fully and unconditionally guarantee the Notes as to the payments required to be made by the Issuer to holders of the Notes;

(g) the Notes have an Approved Rating (as defined in NI44-101);

(h) Heller US signs the prospectus as promoter;

(i) Heller US remains the direct or indirect beneficial owner of all the issued and outstanding voting securities of the issuer;

(j) Heller US continues to satisfy the criteria set forth in paragraph 3.1 of NI 71-101 (or any successor provision) and remains eligible to use MJDS (or any successor instrument) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure; and

(k) Heller US undertakes to file with the Decision Makers, in electronic format under the Issuer's SEDAR profile, all documents that it files under sections 13 and 15(d) of the 1934 Act until such time as the Notes are no longer outstanding.

Dated March 2nd, 2001.

John Hughes
Manager, Corporate Finance Branch

THE FURTHER DECISION of the Decision Makers under the Legislation is that the Annual Financial Statement Requirements, the Interim Financial Statement Requirements, the Material Change Requirements and the Proxy Requirements (collectively, the "Continuous Disclosure Requirements") shall not apply to the Issuer, so long as:

- (a) Heller US 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, 14 and 15(d) of the 1934 Act, within 24 hours 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 proxy statements prepared in connection with Heller US's annual meetings;
- (b) the documents referred to in paragraph (a) above are provided to debt security holders whose last address as shown on the books of the Issuer is in Canada in the manner, at the time and only if required by applicable United States law;
- (c) Heller US complies with the requirements of the NYSE (or such other principal stock exchange on which its common shares are then listed) 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 Heller US's affairs;
- (d) Heller US remains the direct or indirect beneficial owner of all the issued and outstanding voting securities of the Issuer;
- (e) Heller US maintains a class of securities registered pursuant to section 12 of the 1934 Act,
- (f) 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 Heller US, 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 Heller US;
- (g) Heller US continues to fully and unconditionally guarantee the Notes as to the payments required to be made by the Issuer to holders of the Notes;
- (h) the Issuer does not issue additional securities other than the Notes (or any other series of the Notes which hereinafter may be issued), 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 Heller US or to wholly owned subsidiaries of Heller US;

(i) if Notes of another series or debt securities ranking pari passu with the Notes are hereinafter issued by the Issuer, Heller US shall fully and unconditionally guarantee such Notes or debt securities as to the payments required to be made by the Issuer to holders of such Notes or debt securities;

(j) the Issuer files, in electronic format, an annual audited comparative summary of the Issuer's consolidated financial results for its most recently completed financial year and the financial year immediately preceding such financial year, prepared in accordance with, or reconciled to, generally accepted accounting principles in Canada ("Canadian GAAP"). The Issuer's annual audited consolidated comparative summary shall define and include the following line items:

- (i) operating income;
- (ii) operating profit/loss;
- (iii) net income/loss;
- (iv) current assets;
- (v) net receivables;
- (vi) non current assets;
- (vii) current liabilities; and
- (viii) non current liabilities;

(k) the Issuer files, in electronic format, an interim comparative summary of its consolidated financial results for its most recently completed interim period and the corresponding interim period in the previous financial year, prepared in accordance with, or reconciled to, Canadian GAAP. The Issuer's interim consolidated comparative summary shall define and include the following line items:

- (i) operating income;
- (ii) operating profit/loss;
- (iii) net income/loss
- (iv) current assets;
- (v) net receivables;
- (vi) non current assets;
- (vii) current liabilities; and
- (viii) non current liabilities;

(l) such filings as are referred to in (j) and (k) above are to be made within the time limits required by the Legislation in respect of such financial information provided that the first filing to be made by the Issuer under clause (k) shall be in respect of the first quarter ending March 31, 2001 and the first filing to be made

by the Issuer under clause (k) shall be in respect to the financial year ended December 31, 2000; and

(m) all filing fees that would otherwise be payable by the Issuer in connection with the Continuous Disclosure Requirements are paid.

DATED "March 2nd", 2001

Headnote

Mutual Reliance Review System

NI 44-101 - Director grants exemptions from: (a) the requirement of ss.2.5(1)2 to allow a wholly owned Canadian subsidiary of a MJDS eligible U.S. issuer to issue approved rating debt, fully and unconditionally guaranteed by the parent company, under Short Form Prospectus System; and (b) the GAAP Reconciliation Requirement in ss.7.1(2)(b).

Commission grants continuous disclosure relief to Canadian subsidiary.

Director grants exemption from the Annual Information Form Requirements imposed under the securities legislation or securities directions of Ontario, Quebec and Saskatchewan.

National Instruments Cited

National Instrument 44-101 Short Form Prospectus Distributions National Instrument 44-102 Shelf Distributions

Ontario Rule Cited

Rule 51-501 AIF and MD&A

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 75, 77, 78, 80(b)(iii) and 88(2)(b)(iii)