

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

AND

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

AND

IN THE MATTER OF
YORK RECEIVABLES TRUST

AND

IN THE MATTER OF
TD SECURITIES INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Nunavut, Yukon and Northwest Territories (the "Jurisdictions") has received an application from York Receivables Trust (the "Issuer") and TD Securities Inc ("TDSI") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

- (a) pursuant to section 4.5 of Canadian Securities Administrators' National Policy Statement 47 ("NP 47") and pursuant to the applicable securities legislation of Quebec, including but not limited to, Title II and Title III of the *Securities Act and Regulation* (Quebec), that the Issuer, a special purpose trust, is permitted to participate in the prompt offering qualification system (the "POP System") solely for the purpose of distributing asset-backed securities (defined below) with an Approved Rating (as defined in NP 47) from time to time; and
- (b) the restrictions contained in the Legislation in respect of registrants acting as underwriters in connection with the distribution of securities of a related issuer will not apply to TDSI in connection with the proposed public distributions of asset-backed securities of the Issuer;

subject to certain conditions;

AND WHEREAS pursuant to 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 Issuer has represented to the Decision Makers that:

1. the Issuer was established by TD Trust Company (the "Issuer Trustee") under the laws of Ontario pursuant to a declaration of trust dated August 21, 1997 (the "Declaration of Trust");
2. The Toronto-Dominion Bank (the "Bank") and the Issuer, by the Issuer Trustee, entered into an administration agreement dated as of August 21, 1997 (the "Administration Agreement") under which the Issuer Trustee delegated its duties under the Declaration of Trust to the Bank (in such capacity, the "Administrative Agent");
3. in September 1997, the Issuer issued by way of private placement \$244,318,757.31 principal amount of Series 1997-1 mortgage-backed pass-through notes and \$10,844,435.65 principal amount of mortgage-backed subordinated pass-through notes due January 1, 2003 and \$134,954,795.26 principal amount of Series 1997-2 mortgage-backed pass-through notes and \$5,990,160.62 principal amount of mortgage-backed subordinated pass-through notes due October 1, 2000 (the "1997 Offerings");
4. the Issuer has never been a "reporting issuer" pursuant to securities legislation in Ontario or any other province of Canada;
5. the Issuer proposes to offer under the POP System or the shelf system (the "Shelf System"), as contemplated in National Policy Statement No. 44 ("NP 44"), from time to time to the public in Canada (the "Offerings") notes ("Notes") having an Approved Rating that are primarily serviced by the cash flows of discrete pools of mortgage receivables that by their terms convert into cash within a finite time period, and any rights or other assets designed to assure the servicing or timely distribution of proceeds to noteholders ("asset-backed securities"), to finance the purchase by the Issuer from time to time from the Bank and its affiliates including TD Mortgage Corporation and TD Pacific Mortgage Corporation and from other originators of mortgage loans provided that the Bank or any of its affiliates services such mortgage loans (together, the "Sellers") of undivided co-ownership interests (each, a "Co-ownership Interest") in particular pools of mortgage loans;
6. the Issuer currently has no assets or liabilities other than its interests in the two mortgage pools and liabilities under the notes distributed under the 1997 Offerings, as well as the rights and obligations under certain of the material contracts related to the 1997 Offerings, and does not carry on any activities other than those permitted under its Declaration of Trust;
7. as a special purpose trust, the Issuer will have no additional assets other than the mortgages which it purchased under the 1997 Offerings and Co-ownership Interests to be purchased from time to time in connection with any future Offering, and will not carry on any activities other

than owning such mortgages and Co-ownership Interests and issuing asset-backed securities, including Notes;

8. holders of asset-backed securities of the Issuer will only have recourse to a pool of mortgage loans and related security and will not have any further recourse to the Issuer;

9. the proceeds of each proposed Offering will be used by the Issuer primarily to purchase the assets backing the asset-backed securities;

10. the Issuer would not be eligible to participate in the POP System without this order because it does not satisfy the 12-month reporting issuer history or the public float eligibility criteria set out in paragraphs 4.1(1)(a) and 4.1(1)(c) of NP 47 or the alternative eligibility criteria in sections 4.2, 4.3 and 4.4 of NP 47;

11. in connection with each proposed Offering by the Issuer,

(a) the issuer will have a current annual information form ("AIF"),

(b) at the time of the filing of its most recent AIF, preliminary short form prospectus ("preliminary POP Prospectus"), preliminary short form base shelf prospectus ("preliminary Shelf Prospectus"), final short form prospectus ("final POP Prospectus) or final short form base prospectus ("final Shelf Prospectus"), as applicable, the Issuer will not be in default of any requirement of the Legislation, and

(c) at the time of the filing of its most recent AIF, the Issuer will have reasonable grounds for believing that,

(i) all asset-backed securities that it may distribute under the POP System and Shelf System will receive an Approved Rating from at least one Approved Rating Organization (as defined in NP 47), and

(ii) no asset-backed securities that it may distribute under the POP System and Shelf System will receive a rating lower than an Approved Rating from any Approved Rating Organization;

12. each AIF of the Issuer will be prepared in accordance with Appendix A of NP 47, with the following additional information,

(a) the disclosure in AIFs filed by the issuer will reflect the special nature of its business; and

(b) if the Issuer has asset-backed securities outstanding, the AIF will disclose,

(i) a description of any events, covenants, standards or preconditions that are dependent or based on the economic

performance of the underlying pool of financial assets and that may impact on the timing or amount of payments or distributions to be made under the asset-backed securities;

(ii) for the Issuer's past two completed financial years or such lesser period commencing on the first date on which the Issuer had asset-backed securities outstanding, information on the underlying pool of financial assets relating to

(A) the composition of the pool as of the end of the financial year or partial period,

(B) income and losses from the pool, on at least a quarterly basis,

(C) the payment, prepayment and collection experience of the pool on a quarterly basis, and

(D) any significant variances experienced in the matters referred to in subclauses (A), (B) and (C),

(iii) if any of the information disclosed under clause (ii) has been audited, the existence and results of the audit,

(iv) the investment parameters applicable to investments of any cash flow surpluses,

(v) the amount of payments made in respect of principal and interest or capital and yield on its asset-backed securities outstanding during the most recently completed financial year or partial period,

(vi) the occurrence of any events that have led or with the passage of time could lead to the accelerated payment of principal or capital of asset-backed securities, and

(vii) the identity of any principal obligors for the outstanding asset-backed securities of the issuer at the end of the most recent financial year or partial period, the percentage of the underlying pool of financial assets represented by obligations of each principal obligor and whether the principal obligor, if any, has filed an AIF in any jurisdiction or a Form 10-K or Form 20-F in the United States;

13. each preliminary POP Prospectus, final POP Prospectus, preliminary Shelf Prospectus and final Shelf Prospectus of the Issuer will be prepared in accordance with Appendix B of NP 47

and Schedule IV to the regulation made under the *Securities Act* (Quebec), with such amendments in connection with the Shelf System as are specified in subsection 2.3(b), Section 3 and Appendix B of NP 44 and Section III.1 of Division III of Chapter 1 of Title II to the regulation under the *Securities Act* (Quebec), and with the following additional information,

(a) the disclosure in the preliminary POP Prospectus, final POP Prospectus, preliminary Shelf Prospectus and final Shelf Prospectus filed by the Issuer shall reflect the special nature of its business,

(b) the preliminary POP Prospectus, final POP Prospectus, preliminary Shelf Prospectus and final Shelf Prospectus will describe or set out,

(i) the material attributes and characteristics of the asset-backed securities to be offered, including details on

(A) the rate of interest or stipulated yield and any premium,

(B) the date for repayment of principal or return of capital and any circumstances in which payments of principal or capital may be made before such date, including any redemption or pre-payment obligations or privileges of the issuer and any events that may trigger early liquidation or amortization of the underlying pool of financial assets,

(C) provisions for the accumulation of cash flows to provide for the repayment of principal or return of capital,

(D) provisions permitting or restricting the issuance of additional securities and any other material negative covenants applicable to the Issuer,

(E) the nature, order and priority of the entitlements of holders of asset-backed securities and any other entitled persons or companies to receive cash flows generated from the underlying pool of financial assets, and

(F) any events, covenants, standards or preconditions that are dependent or based on the economic performance of the underlying pool of financial assets and that may impact on the timing

or amount of payments or distributions to be made under the asset-backed securities,

(ii) information on the underlying pool of financial assets for the period from the date as at which the following information was presented in the Issuer's current AIF to a date not more than 90 days before the date of the issuance of a receipt for the preliminary POP Prospectus or preliminary Shelf Prospectus, as the case may be, relating to

(A) the composition of the pool as of the end of the period,

(B) income and losses from the pool for the period, and

(C) the payment, prepayment and collection experience of the pool for the period,

(iii) the type or types of the financial assets, the manner in which the financial assets originated or will originate and, if applicable, the mechanism and terms of the agreement governing the transfer of the financial assets comprising the underlying pool to or through the Issuer, including the consideration paid for the financial assets,

(iv) any person or company (including its general business activities and its material responsibilities under the asset-backed securities) who

(A) originates, sells or deposits a material portion of the financial assets comprising the pool, or has agreed to do so,

(B) acts as a trustee, custodian, bailee, agent or other similar intermediary of the Issuer or any holder of the asset-backed securities, or has agreed to do so,

(C) administers or services a material portion of the financial assets in the pool or provides administrative or managerial services to the Issuer, or has agreed to do so, on a conditional basis or otherwise, if (I) finding a replacement provider of the services at a cost comparable to the cost of the current provider is not reasonably likely, (II) a replacement provider of the services is likely to

achieve materially worse results than the current provider, (III) the current provider of the services is likely to default in its service obligations because of its current financial condition, or (IV) the disclosure is otherwise material,

(D) provides a guarantee or other credit enhancement to support the obligations of the Issuer under the asset-backed securities or the performance of some or all of the financial assets in the pool, or has agreed to do so, or

(E) lends to the Issuer in order to facilitate the timely payment or repayment of amounts payable under the asset-backed securities, or has agreed to do so,

(v) the terms of any material relationship between (A) the persons or companies referred to in paragraph (iv) and any of their respective affiliates, and (B) the Issuer and any of its affiliates,

(vi) any provisions relating to termination of services or responsibilities of any of the persons or companies referred to in paragraph (iv) and the terms on which a replacement may be appointed, and

(vii) any risk factors associated with the asset-backed securities, including disclosure of material risks associated with changes in interest rates or prepayment levels, and any circumstances where payments on the asset-backed securities could be impaired or disrupted as a result of any reasonably foreseeable event that may delay, divert or disrupt the cash flows dedicated to service the asset-backed securities,

provided that if any of the foregoing information will be disclosed in a Prospectus Supplement, it may be omitted from the corresponding Shelf Prospectus, and

(c) each preliminary and final Shelf Prospectus will contain a statement that the issuer undertakes that it will not distribute asset-backed securities of a type that at the time of distribution have not previously been distributed by prospectus ("Novel Asset-Backed Securities") without pre-clearing with the applicable Decision Maker the disclosure to be contained in a Prospectus Supplement pertaining to the distribution of such Novel Asset-Backed Securities; and

(d)each preliminary POP Prospectus, final POP Prospectus, preliminary Shelf Prospectus and final Shelf Prospectus will disclose any factors or considerations previously identified by the Approved Rating Organization as giving rise to unusual risks associated with the securities to be distributed;

14. the Prospectus Supplements will be prepared in accordance with subsection 3.4(a) of NP 44, and will include all of the shelf information pertaining to the distribution of asset-backed securities which was omitted from the Shelf Prospectus.

15. the Issuer intends to file a preliminary short form prospectus or a preliminary base shelf prospectus (each, a "Preliminary Prospectus") and intends to file a final short form prospectus or a final base shelf prospectus (each, a "Prospectus") following the issuance of this Decision Document;

16. the Issuer will enter into an underwriting agreement with TDSI in respect of each Offering and at least one other investment dealer (collectively with TDSI, the "Underwriters") whereby the issuer will agree to issue and sell, and the Underwriters will agree to purchase, the asset-backed securities under such Offering;

17. the proportionate share of each Offering underwritten by each Underwriter is expected to be as follows:

Underwriter	Proportionate Share of Offering
TDSI	up to 80%
other Underwriters	20% or more

18. the Issuer is considered to be a related issuer (or its equivalent) of TDSI, as such term is defined in the Legislation, for the purposes of the proposed Offerings because:

(a) TDSI and the Issuer Trustee are subsidiaries of the Bank;

(b) the issuer has no employees or directors and the Issuer Trustee has primary responsibility for the affairs of the Issuer;

(c) the Bank administers the on-going operations of the issuer pursuant to the Administration Agreement; and

(d) the Bank is the promoter of the Issuer;

19. it is also possible that in the future, the Issuer may be a "connected issuer" (or its equivalent), as such term is described in the Legislation, of TDSI;

20. because the Issuer is a related issuer and may be in the future a connected issuer of TDSI, the proposed underwriting syndicates will not comply with the proportionality requirements of the Legislation;

21. in connection with the proposed Offerings, the Issuer will not be a "related issuer" or a "connected issuer" (or their equivalent), as such term is described in the Legislation, in respect of any other Underwriter;

22. TDSI is registered under the Act in the categories of "broker" and "investment dealer";

23. in connection with TDSI underwriting up to 80% of the asset-backed securities of the Issuer for each proposed Offering,

(a) each preliminary Shelf or Short Form Prospectus, final Shelf or Short Form Prospectus and Prospectus Supplement of the Issuer shall contain the following information:

(i) on the front page of each such document,

(A) a statement, naming TDSI, in bold type which states that the Issuer is a related or connected issuer of TDSI, as the case may be, in connection with the distribution,

(B) a summary, naming TDSI, stating that the Issuer is a related or connected issuer of TDSI, as the case may be, based on, among other things, the common links between the Issuer, TDSI and the Bank, and

(C) a cross-reference to the applicable section in the body of the document where further information concerning the relationship between the Issuer, TDSI and the Bank is provided;

(ii) in the body of each such document,

(A) a statement, naming TDSI, that the Issuer is a related or connected issuer of TDSI, as the case may be, in connection with the distribution,

(B) the basis on which the Issuer is a related or connected issuer to TDSI, as the case may be, including details of the link between TDSI, the Bank and the Issuer, and other aspects of the relationship between TDSI, the Bank and the Issuer,

(C) disclosure regarding the involvement of TDSI and the Bank in the decision to distribute the asset-backed securities being offered and the determination of the terms of the distribution, and

(D) details of the financial benefits which TDSI will receive from the proposed Offerings;

(b) in respect of a distribution in which the Issuer is a related or connected issuer of TDSI, an independent Underwriter shall underwrite no less than 20 percent of the dollar value of the distribution for an Offering, participate in the structuring and pricing of the distribution of such Offering and in the due diligence activities performed by the Underwriters for the distribution, and sign the prospectus certificate required by the Legislation; and

(c) each Prospectus Supplement shall identify the independent Underwriter and disclose the role of the independent Underwriter in the structuring and pricing of the distribution of the applicable Offering and in the due diligence activities performed by the Underwriters for the distribution;

24. TDSI will receive no benefit relating to the Offerings other than the payment of their fees in connection therewith;

AND WHEREAS pursuant to 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 pursuant to the Legislation is that the requirements contained in the Legislation shall be waived solely to permit the Issuer to participate in the POP System to distribute asset-backed securities with an Approved Rating from time to time, provided that:

A. the Issuer complies with paragraphs 11, 12, 13 and 14 hereof;

B. except as otherwise provided herein, the Issuer complies with all of the filing requirements and procedures set out in NP 47 and NP 44;

C. the Issuer files an undertaking before or concurrently with its Shelf Prospectus which states that:

(a) the Issuer will not distribute under the final Shelf Prospectus Novel Asset-Backed Securities without pre-clearing the disclosure pertaining to the distribution of such Novel Asset-Backed Securities in any Prospectus Supplement with the applicable Decision Maker; and

(b) the Issuer shall not distribute such Novel Asset-Backed Securities unless,

(i) the draft Prospectus Supplements pertaining to the distribution of such Novel Asset-Backed Securities have been delivered to the applicable Decision Maker in substantially final form, and

(ii) either

(A) the applicable Decision Maker has confirmed his or her acceptance of each draft Prospectus Supplement in substantially final form or in final form, or

(B) 21 days has elapsed since the date of delivery of each draft Prospectus Supplement in substantially final form to the applicable Decision Maker and the applicable Decision Maker has not provided written comments on the draft Prospectus Supplement.

D. the Issuer files with each AIF an eligibility certificate, executed on behalf of the Issuer by one of its senior officers certifying that the Issuer satisfies the eligibility criteria set out in clauses 4.1(1)(a) and 4.1(1)(c) of NP 47, and which makes reference to this decision;

E. in the case of an Offering made under the POP System that is not an Offering under the Shelf System, at the time of filing its preliminary POP Prospectus, the issuer:

(a) has received confirmation from at least one Approved Rating Organization that the asset-backed securities to be distributed thereunder will receive an Approved Rating, subject to final determination of the specific attributes of the asset-backed securities, and

(b) has not been informed by any Approved Rating Organization of an intention to provide a rating, whether on a provisional or final basis, of the asset-backed securities that is lower than an Approved Rating;

F. in the case of an Offering under the Shelf System, at the time of the filing of its preliminary Shelf Prospectus and final Shelf Prospectus, the Issuer has reasonable grounds for believing that:

(a) all asset-backed securities that it may distribute under the final Shelf Prospectus will receive an Approved Rating from at least one Approved Rating Organization, and

(b) no asset-backed securities that it may distribute under the final Shelf Prospectus will receive a rating lower than an Approved Rating from any Approved Rating Organization;

G. the Issuer files with its preliminary Shelf Prospectus an eligibility certificate, executed on behalf of the Issuer by one of its senior officers certifying that the issuer satisfies the eligibility criteria set out in clauses 4.1(1)(a) and 4.1(1)(c) of NP 47, and which makes reference to this decision; and

H. this decision will automatically expire, except in Quebec, upon the later of proposed National Instrument 44-101 and proposed National Instrument 44-102 coming into force in the each of the Jurisdictions, except Quebec.

DATED at Toronto, this "19th" day of October, 1999.

Iva Vranic, Manager
Corporate Finance Branch

THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that the restrictions contained in the Legislation in respect of registrants acting as underwriters in connection with the distribution of securities of a related or connected issuer will not apply to TDSI in connection with the Offerings, provided that:

A. The Offerings are completed in compliance with the requirements contained in paragraph 23 herein.

DATED at Toronto this "19th" day of "October", 1999.