Proposed Restructuring of Canadian Third-Party Structured Asset-Backed Commercial Paper

Summary of Information for Noteholders

This document was prepared by certain advisors to the Investors Committee, and is not intended to be a complete or necessarily legally precise interpretation of the *Information for Noteholders* document prepared for the Investors Committee. It is intended purely for educational purposes, to provide a simplified explanation for noteholders.

SUMMARY OF INFORMATION FOR NOTEHOLDERS

The Ontario Superior Court of Justice has granted an application by the Pan-Canadian Investors Committee for Third-Party Structured ABCP ("the Investors Committee"), under the Companies' Creditors Arrangement Act (CCAA), allowing third-party ABCP noteholders to vote on a proposed comprehensive restructuring plan ("the Plan").

This document is intended as an educational tool for investors in Third-Party ABCP who want to better understand the Plan. It is only a summary, and is not intended to replace or change the detailed *Information for Noteholders* which was recently sent to you. Many details of the restructuring have been excluded from this summary.

Noteholders are encouraged to carefully read the *Information for Noteholders*, and to use this document to understand some of the most relevant elements of the restructuring Plan.

The following is a summary of the principal benefits that are expected to result from the restructuring of ABCP according to this Plan:

- value preservation
- equitable treatment of noteholders
- improved structure to manage the assets
- less risk of default
- likelihood of improved liquidity for the new notes to be created through this Plan
- improved credit ratings over current situation
- greater transparency

For further information on the Plan and for any other questions you may have on the vote, please contact the Court-appointed Monitor, Ernst & Young Inc., at **1-888-373-6213** or by e-mail at **canadian.commercialpaper@ca.ey.com.** Copies of the Information Statement and of the forms related to voting on the Plan can also be downloaded from the Monitor's public web site at **www.ey.com/ca/commercialpaper.**

As well, please be sure you have completed the Voter Information Form and forwarded it to the Monitor. This is a vital step to be able to vote on the Plan.

SECTION I: UNDERSTANDING ABCP

a. Defining ABCP

Commercial Paper is a form of short-term investment which comes due less than one-year from its date of issue. The term of most commercial paper is 30, 60 or 90 days, with some paper being extendible for up to 364 days. Most commercial paper usually does not pay interest *per se*, although some paper is interest-bearing. Rather, the buyer earns a return by buying the paper at a discount to the final amount owed on the maturity date. Commercial Paper that is repayable at maturity based on cash flows from specific, dedicated financial assets, like mortgages or credit card receivables, is called **Asset-Backed Commercial Paper** (ABCP).

The assets that support ABCP are held in a trust or a **Conduit** that is legally separate from the "Sponsor" that created it. Conduits in Canada are either bank-sponsored or third-party sponsored.

ABCP may be issued by a Conduit that is sponsored by a single corporation or financial institution based on its own financial assets. Alternatively, ABCP may be issued by a **third party** that has acquired financial assets from other corporations or financial institutions. These financial assets then "back" or provide the income and assets from which ABCP is repaid. The assets that back the ABCP usually have longer terms to maturity than the ABCP itself. Investors in ABCP receive their payments at maturity from funds invested as new investors buy new ABCP.

A **Sponsor** is a corporation or financial institution that is responsible for setting up and managing the issuing of ABCP by a Conduit. A Sponsor usually manages several conduits. These conduits are known to investors by the names of the various trusts that issued ABCP to them – e.g. Apollo Trust or Rocket Trust. Coventree is one example of a Sponsor of such trusts.

Approximately $32-billion of Third-Party sponsored ABCP is affected by the current crisis and is the subject of the Montreal Accord. Bank-sponsored ABCP is not affected.

Because they are legally separate, only the Conduit has the obligation to repay holders of ABCP, not the Sponsor or the financial institution(s) that sold assets to the Conduit.

b. ABCP's underlying financial assets

The assets that back ABCP were provided (sold) to the Conduits by asset originators like banks and other financial institutions. Two kinds of financial assets can be used to back ABCP.

Traditional Assets are generally backed by instruments such as mortgages, consumer loans, credit card receivables, commercial leases and other similar financial assets that provide regular income streams. As of January 31, 2008, there was approximately $8.4 billion of the affected ABCP backed by Traditional Assets, of which $3.5 billion was backed exclusively by Traditional Assets.

Approximately $21-billion of the underlying assets backing affected ABCP are financial instruments backed by derivative contracts. They are referred to as **Synthetic Assets**, and are composed of pools of a derivative instrument called **Credit Default Swaps** (CDS). A CDS is a contract that provides protection against the default of an underlying asset.

Asset Providers, which are the financial institutions that provide financial assets to the Conduits, pay an ongoing fee to the Conduit for default protection. If the underlying or “reference” asset defaults, the Conduit pays the Asset Provider a specified amount. The underlying assets may be corporate bonds, mortgages, leases, car loans etc. It is important to note that a synthetic contract is a contract between the Asset Provider and the Conduit, and these contracts take precedence over the interests of ABCP investors.

Credit Default Swaps can be pooled together in a portfolio called a **Collateralized Debt Obligation** (CDO). The cash flows generated by the portfolio of CDS can then be sliced into “tranches”, where each tranche pays the Asset Provider according to a specified ranking of defaults of the underlying assets. The lowest ranking tranche pays in the event of the first defaults up to a certain percentage of the portfolio. If defaults go above that threshold, the next class of investors must pay. The most senior ranked tranche (or tranche with the lowest risk) is called “Super Senior”. It is AAA-rated, well-protected against defaults in the underlying portfolio and therefore very unlikely to have to make payments.

c. Leverage and leveraged transactions

Leverage is the use of debt to increase the potential return on an investment.

Approximately $17.4-billion of the $21-billion in synthetic assets underlying the affected ABCP were a particular kind of investment called a **Leveraged Super Senior** swap (LSS). LSS uses leverage to increase the size of the transaction, thereby increasing both risk and potential return. For example, $10-million of CDS contracts may be used as collateral or “margin” to support $100-million of LSS transactions.

These contracts are traded in credit markets. If the value of the underlying CDS contracts falls below certain thresholds, the Conduit is required to add collateral in the form of cash or other financial assets. These thresholds are known as **triggering events**, **margin triggers** or **margin calls.**

Triggers that change according to changing market values are called **mark-to-market triggers**. Each asset provider has its own formula for determining when these thresholds are met and when more collateral must be provided.

In the event that the Conduit cannot produce additional collateral when a trigger is reached, the Asset Provider has the right to seize the collateral and sell it in order to recover its losses.

d. How Conduits finance the acquisition of financial assets from Asset Providers

The assets held by the Conduits typically mature in five to ten years, while the ABCP that finances these asset is short term, usually maturing in 30, 60 or 90 days.

The strategy of financing long-term assets with short-term debt obligations that roll over on a regular basis was viable as long as investors remained confident in the quality of the assets that backed the ABCP, and continued to purchase new ABCP upon the maturity of old ABCP.

SECTION II: THE RESTRUCTURING PLAN

For a list of all series of affected ABCP, including applicable ABCP, floating rate notes, liquidity notes and subordinated notes affected by the Plan, please see the Information Statement,page 2.

The principal objectives of the Plan are to preserve value for the benefit of all Noteholders and to ensure fair and equitable treatment of Noteholders.

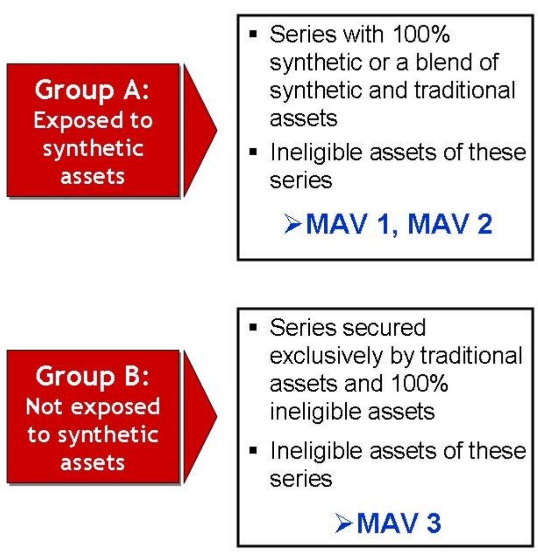
The Plan proposes that affected ABCP will be exchanged for longer-term notes that are designed to match the maturity dates of the underlying assets. This exchange is expected to re-introduce liquidity into the market for ABCP.

a. "Master Asset Vehicles"

Under the Plan, assets underlying all series of affected ABCP will be redistributed into three new trusts known as **Master Asset Vehicles** or **MAV1**, **MAV2** and **MAV3**. The redistribution of the assets and the pooling of certain assets is based in part on the category of assets supporting the ABCP.

Series of affected ABCP backed by a combination of Synthetic Assets and Traditional Assets, or a combination ("Hybrid Assets") will be pooled and divided between MAV1 and MAV2, depending on the election of individual noteholders. Assets to be transferred to MAV1 and MAV2 will be pooled within each MAV.

Series of affected ABCP backed solely by Traditional Assets will be transferred to MAV3. Series of affected ABCP backed in whole or in part by traditional assets that are U.S. sub-prime mortgages that the Investors Committee expects may be subject to significant risk of suffering losses (and therefore considered "Ineligible Assets") will also be transferred to MAV3. The Traditional Assets in MAV3 will not be pooled with the Ineligible Assets in MAV3. Holders of each series of affected ABCP in MAV3 will receive tracking notes that track the assets in that series.



b. Margin Funding

In the event that a margin trigger is reached with respect to the assets in MAV1 or MAV2, the Plan calls for the creation of a $13.7-billion margin call facility that will be drawn upon when additional collateral is required. How potential margin calls are financed is the main difference between MAV1 and MAV2.

MAV1 margin facility: While all noteholders are theoretically eligible to participate in MAV1, this option is essentially for large financial institutions that can commit sufficient additional funding to support margin calls. To date, approximately $8.5-billion of ABCP has been committed to MAV1. This willingness of some large participants to self-insure is a critical element of the Plan to enable it to succeed.

MAV2 margin funding facility: The vast majority of small investors will be committing their ABCP notes to MAV2, which has a margin funding facility financed by a group of lenders. The cost of the margin funding is 1.6% (160 basis points) per year above the rate on “Bankers Acceptances” or “BAs”, a draft drawn on and accepted by a bank. This rate is well below the rate that would otherwise be payable if the funding were sought in the open market.

MAV3 margin funding facility: There is no leverage applied to Traditional Assets, and therefore no margin funding facility is necessary for MAV3.

Margin Call Triggers: In addition to restructuring how the assets are held and how the margin call requirements are financed, the Plan includes a significant change in the way margin triggers operate in order to reduce the risk of margin calls. An independent third party will determine whether the new margin triggers have been breached.

c. Tracking notes

Investors with holdings in certain series of affected ABCP will exchange their ABCP for notes that track the performance of the assets in the respective MAVs.

Tracking Notes are floating rate notes that “track” the performance of the underlying class of assets. “Tracking” means that interest from the underlying assets will be paid to noteholders when it is received by the trustee; and capital will be paid back to noteholders as the underlying assets mature.

There are various types of tracking notes:

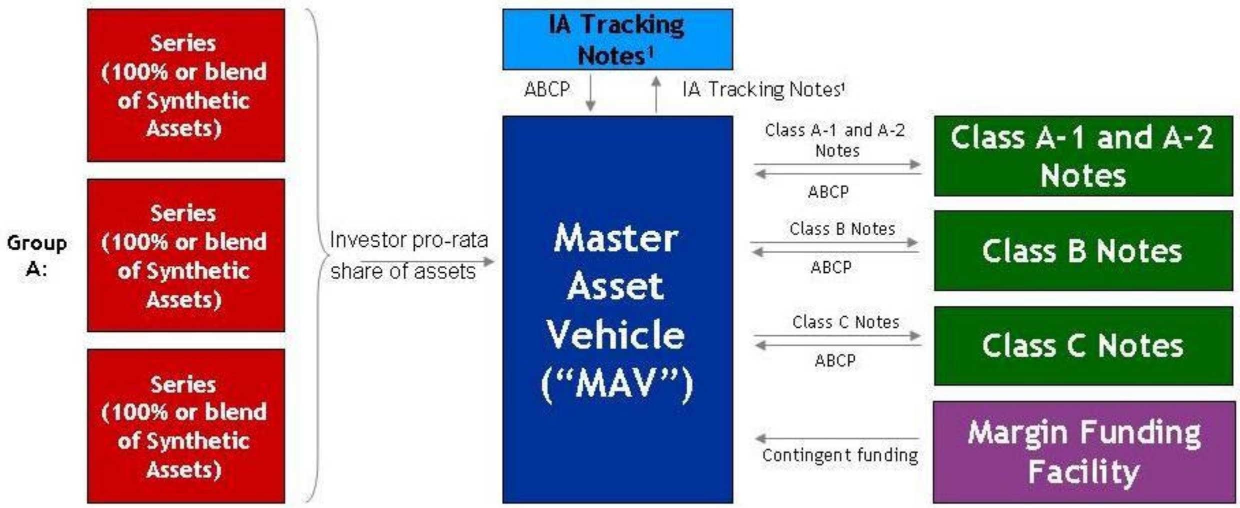
TA (Traditional Asset) Tracking Notes: Where the underlying assets of a particular series of ABCP consist exclusively of Traditional Assets, the noteholder will receive TA Tracking Notes tied exclusively to the Traditional Assets of the series of ABCP (s)he holds. These notes will track the performance of MAV3 assets.

IA (Ineligible Asset) Tracking Notes: Where Ineligible Assets are also Traditional Assets in MAV3, IA Tracking Notes will be issued to the noteholder for the portion of the underlying assets that are ineligible. The IA Tracking Notes will bear interest at a rate based on net returns generated by the corresponding Ineligible Asset and the note’s maturity will match the maturity of the Ineligible Asset.

Ineligible Assets in MAV1 and MAV2 will be segregated, and noteholders holding series of ABCP with Ineligible Assets will receive IA Tracking Notes that will track the performance of the applicable individual asset.

Traditional Asset Tracking Notes are designed to keep series of solely traditional assets from being exposed to margin calls. Ineligible Assets Tracking Notes will be issued to ensure that MAV notes and TA Tracking Notes are not exposed to assets which have been deemed to be credit impaired. Ratings are being sought on the TA Tracking Notes.

MAV1 or MAV2 noteholders may receive one or more of categories of Tracking Notes based on the nature and quality of the assets supporting the affected ABCP. MAV1 and MAV2 will issue Class A1 and Class A2 notes, which are expected to be rated "AA"; and Class B and Class C notes, which will not be rated.



The table in the Appendix provides examples indicating what an investor who has $10,000 in ABCP will receive if the restructuring is implemented, by series.

d. Interest payments

Since the market froze in August 2007, noteholders have not received payment of principal or interest on any of their affected ABCP. However the underlying assets in the ABCP conduits have continued to generate revenue throughout this period. Total cash accumulated to January 31, 2008 can be found on page 55 of the *Information Statement*, or found on the Ernst & Young web site: www.ey.com/ca/commercialpaper.

It is anticipated that payment of interest to noteholders will be made on the date that the Plan is implemented or as soon thereafter as possible out of the applicable surplus to each series, to the extent that sufficient funds are available for payment after payment of restructuring costs.

e. Legal Releases

All parties involved in the restructuring will receive comprehensive legal releases protecting them against legal action from any other party. These releases were required by a number of parties as a condition of their participation in the restructuring and as consideration for the compromises and additional contributions they are making to help the Plan succeed. Without the legal releases, no restructuring would be possible.

f. Alternative to the Plan

The Investors Committee believes that failure of this Plan would likely lead to the forced liquidation of billions of dollars in assets that back ABCP. Asset Providers would exercise their right to sell the underlying assets of the ABCP notes in order to realize on their security and reduce their losses. The value of affected ABCP in the context of a forced or voluntary sale is uncertain because there is currently no public market for the notes. Hence liquidation would likely occurat depressed prices, resulting in substantial losses to noteholders. Were litigation to ensue, defendants would be expected to file third party claims against others, ensuring protracted litigation and a lengthy period of uncertainty.

SECTION III: VOTING – WHAT DO NOTEHOLDERS NEED TO DO?

a. Registering and Voting

Information packages concerning the Plan and vote have been sent to all registered and beneficial noteholders.

Noteholders who have not received their information packages are urged to contact Ernst & Young Inc., the Court-appointed Monitor, by phone at **1-888-373-6213** or by e-mail at **Canadian.commercialpaper@ca.ey.com.**

Copies of the Information Statement and of the forms related to Plan voting can also be downloaded from the Monitor's public web site at **www.ey.com/ca/commercialpaper.**

In order to be able to vote at the meeting on April 25, 2008, a noteholder of record as of the Record Date of February 29, 2008 must properly complete and deliver either a Voter Identification Form ("VIF) printed on blue paper, or a Voter Confirmation Form printed on pink paper, together with the required supporting information, in accordance with the instructions accompanying the forms. Please see pages 2, 3 and 4 of the *Information Statement* for complete instructions, or visit the Monitor's web site, listed above.

Noteholders are encouraged to submit their Voter Identification Forms to the Monitor as early as possible to ensure they are eligible to vote on the Plan. A VIF is not a vote for or against the Plan but, to be eligible to vote, noteholders must ensure their properly completed VIF is received by the Monitor no later than 5:00 p.m. EDT, April 22, 2008.

Proxy forms indicating noteholders' votes must be received by the Monitor no later than 5:00 p.m. EDT April 24, 2008.

b. Timing and Key Dates

The proposed timeline for completion of the CCAA Proceedings and implementation of the Plan is set out as follows:

March 17, 2008:	Plan filed with the Court
March 17, 2008	Meeting Order established
March 20, 2008	Information Statement and related materials mailed to noteholders
April 22, 2008	Deadline for receipt of Voter Identification Forms/Voter Confirmation forms
April 24, 2008	Deadline for receipt of Form of Proxy
April 25, 2008	Meeting
May 2, 2008	Court hearing in respect of the Sanction Order
May 23, 2008	Plan Implementation Date

Any number of circumstances, including a failure to satisfy a condition to implementation of the Plan and an appeal of the Sanction Order, may cause the Plan Implementation Date to be delayed. In such circumstances, the Applicants will apply to the Court for extension of the stay of proceedings under the Initial Order.

SECTION IV: CONCLUSION

The restructuring Plan summarized in this document represents a significant compromise by the key participants in the Canadian Third-Party ABCP market amidst very difficult conditions. This restructuring is unprecedented not only in scope, magnitude and complexity, but in the magnitude of risk to Canadian financial markets and participants.

If the Plan is approved, all investors in ABCP will receive replacement notes that are different from the investments they made. Asset Providers, by amending their margin triggers, will increase their own risk and they will provide margin funding at substantially less than market rates, as will the Canadian Banks. Some parties that are compromising may also be benefiting from releases in other capacities.

If there are any questions about this Plan, please do not hesitate to contact the Monitor using the numbers provided at the front of this summary, and on the preceding page. Most of all, please remember to register for the vote so as to have your say in this restructuring Plan.

SUMMARY OF INFORMATION FOR NOTEHOLDERS

INDICATIVE AGGREGATE NOTE ALLOCATION

Total Class A-1 Note Allocation	138,000
Total Class A-2 Note Allocation	115,939
Total Class B Note Allocation	19,954
Total Class C Note Allocation	8,471
Total IA Tracking Note Allocation	55,901
Total TA Tracking Note Allocation	111,735
Total Note Allocation	450,000
Total IA Tracking Notes Received	31

THE FOLLOWING CHART IS BEING PROVIDED FOR INDICATIVE PURPOSES ONLY AND IS NOT BINDING OR FINAL. PLEASE NOTE THAT THIS SPREADHSHEET IDENTIFIES THE INDICATIVE NOTE ALLOCATION FOR AN INVESTOR POST RESTRUCTURING, BASED UPON AN INVESTOR'S CURRENT HOLDINGS OF AFFECTED ABCP. THE ULTIMATE ALLOCATION OF PLAN NOTES WILL BE DEPENDENT ON THE TERMS OF THE FINAL RESTRUCTURING AND IS SUBJECT TO CHANGE IN ACCORDANCE WITH THE TERMS OF THE PLAN.

INVESTOR: PLEASE SELECT SERIES FROM DROP-DOWN MENU AND INSERT THE CURRENT AMOUNT OF COMMERCIAL PAPER HELD IN EACH SERIES IN THE YELLOW BOXES (SEE BELOW NOTE REGARDING DISCOUNT NOTES)

Trust & Series	Dollar Amount	Class A-1 Notes	Class A-2 Notes	Class B Notes	Class C Notes	IA Tracking Notes	TA Tracking Notes	IA Tracking Notes Issued
Apollo Trust A	10,000	9,700	0	0	300	0	0	0
Apollo Trust E	10,000	N/A	N/A	N/A	N/A	0	10,000	0
Apollo Trust FRN	10,000	N/A	N/A	N/A	N/A	0	10,000	0
Apsley Trust A	10,000	420	4,816	829	188	3,747	0	2
Aria Trust A	10,000	2,178	5,539	953	268	1,062	0	1
Aria Trust E	10,000	8,303	1,192	205	300	0	0	0
Aurora Trust A	10,000	3,073	5,654	973	300	0	0	0
Aurora Trust E	10,000	1,104	5,407	931	230	2,328	0	1
Aurora Trust F	10,000	1,306	6,701	1,153	283	556	0	1
Comet Trust A	10,000	3,615	5,192	894	300	0	0	0
Comet Trust E	10,000	N/A	N/A	N/A	N/A	3,251	6,749	3
Comet Trust FRN	10,000	N/A	N/A	N/A	N/A	1,176	8,824	1
Encore Trust A	10,000	2,048	6,528	1,124	300	0	0	0
Encore Trust E	10,000	4,897	4,098	705	300	0	0	0
Gemini Trust A	10,000	N/A	N/A	N/A	N/A	0	10,000	0
Gemini Trust E	10,000	N/A	N/A	N/A	N/A	0	10,000	0
Gemini Trust FRN	10,000	N/A	N/A	N/A	N/A	0	10,000	0
Gemini Trust Liquidity Liability	10,000	N/A	N/A	N/A	N/A	0	10,000	0
Ironstone A	10,000	N/A	N/A	N/A	N/A	10,000	0	3
Ironstone B	10,000	N/A	N/A	N/A	N/A	10,000	0	2
MMAI Trust A	10,000	6,930	2,363	407	300	0	0	0
Newshore Cad Trust Series 2001-1	10,000	N/A	N/A	N/A	N/A	0	10,000	0
Newshore Cad Trust Series A	10,000	N/A	N/A	N/A	N/A	0	10,000	0
Opus Trust A	10,000	3,289	5,470	941	300	0	0	0
Opus Trust E	10,000	5,498	3,585	617	300	0	0	0
Planet Trust A	10,000	1,630	3,150	542	165	4,513	0	3
Planet Trust E	10,000	3,717	2,048	352	189	3,693	0	4
Planet Trust F	10,000	7,447	1,922	331	300	0	0	0
Planet Trust L8	10,000	6,456	2,768	476	300	0	0	0
Rocket Trust A	10,000	8,432	0	0	261	1,307	0	1
Rocket Trust E	10,000	9,020	580	100	300	0	0	0
Rocket Trust F	10,000	7,185	2,146	369	300	0	0	0
Selkirk Trust A	10,000	1,727	6,802	1,171	300	0	0	0
Silverstone Trust A	10,000	5,427	3,645	627	300	0	0	0
Slate Trust A	10,000	N/A	N/A	N/A	N/A	6,561	3,439	1
Slate Trust E	10,000	N/A	N/A	N/A	N/A	7,707	2,293	8
Slate Trust Liquidity Liability	10,000	N/A	N/A	N/A	N/A	0	10,000	0
Structured Asset Trust A-1	10,000	1,584	6,925	1,192	300	0	0	0
Structured Asset Trust E-1	10,000	869	7,534	1,297	300	0	0	0
Structured Asset Trust L1	10,000	2,287	6,325	1,089	300	0	0	0
Structured Investment Trust III A	10,000	7,429	1,937	333	300	0	0	0
Structured Investment Trust III E	10,000	5,320	3,380	582	287	0	430	0
Symphony Trust A	10,000	6,130	3,046	524	300	0	0	0
Symphony Trust E	10,000	6,907	2,383	410	300	0	0	0
Whitehall A	10,000	4,071	4,802	827	300	0	0	0
Total	450,000	138,000	115,939	19,954	8,471	55,901	111,735	31

PLEASE NOTE THAT TO THE EXTENT A SPECIFIC NOTE IS A DISCOUNT NOTE, THE SETTLEMENT VALUE OF THE NOTE HAS BEEN USED TO CALCULATE THE INDICATIVE NOTE ALLOCATION RATHER THAN THE FACE VALUE OF THE NOTE