

**IN THE MATTER OF THE SECURITIES LEGISLATION OF
ONTARIO, ALBERTA, BRITISH COLUMBIA, MANITOBA,
NEW BRUNSWICK, NEWFOUNDLAND, NOVA SCOTIA,
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
CANADIAN IMPERIAL BANK OF COMMERCE AND
CIBC EMPLOYEE PRIVATE EQUITY FUND (CANADA) II, L.P.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, Quebec and Saskatchewan (the "Jurisdictions") has received an application from Canadian Imperial Bank of Commerce ("CIBC") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirement") and to file a preliminary prospectus and a prospectus (the "Prospectus Requirement") shall not apply to the proposed offering (the "Offering") of limited partnership interests (the "Interests") by CIBC Employee Private Equity Fund (Canada) II, L.P. (the "Fund"), the general partner (the "General Partner") of which will not be an affiliate of CIBC, to eligible employees of CIBC and its affiliates (the "CIBC Group");

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 CIBC has represented to the Decision Makers that:

1. CIBC is a Canadian chartered bank under Schedule I of the *Bank Act* (Canada).
2. The General Partner will be either a company existing or to be incorporated under the *Companies Act* (Nova Scotia). The shareholders of the General Partner will be three individuals who are not associated with or employed by CIBC Group. The registered office of the General Partner will be in Halifax, Nova Scotia.
3. The General Partner is being organized outside of the CIBC Group in order to deal with certain technical requirements and to mirror the fund structure that the CIBC Group will adopt in the United States.

4. The purpose of the Fund is to permit certain employees of CIBC Group to invest their own funds on a parallel basis with investments made by CIBC Group. Employee co-investment funds of this nature are widespread in the banking and investment banking industries in North America and Europe, and CIBC has determined that it needs to provide comparable arrangements in order to remain competitive in the banking and investment banking business in attracting and retaining key employees.

5. The Fund will be established as a limited partnership under the *Limited Partnerships Act* (Ontario) pursuant to a limited partnership agreement (the "Partnership Agreement"). The Fund will not be and has no present intention of becoming a reporting issuer in any province under the Legislation. The principal place of business of the Fund will be in Toronto, Ontario. The Fund will be authorized to issue Interests, which will be non-redeemable and subject to restrictions on transfer contained in the Partnership Agreement. Interests will represent an equal, undivided interest in the net assets of the Fund.

6. The Fund will be an "in-house" investment vehicle, sponsored and established by CIBC Group. The Fund will invest in three types of investments: (i) investments made by the Trimaran Fund II, L.P. ("Trimaran II") in equity securities and debt or other securities providing an equity-like return of a diverse portfolio of companies across various industries (the "Trimaran Investments"); (ii) investments in private equity funds managed by sponsors not affiliated with CIBC Group ("Fund of Funds Investments"); and (iii) investments in certain types of merchant banking and venture capital investments to be made by CIBC Group on a global basis (the "Merchant Banking Investments", and together with the Trimaran Investments and the Fund of Funds Investments, the "Investments"). It is anticipated that the Fund will invest on a side-by-side basis with CIBC Group in the Investments. Participants will have the ability to allocate their contribution amongst the three categories of Investments by electing an allocation percentage chosen from a number of (probably four to six) available allocation percentages.

7. Employees of CIBC Group (including, specifically, CIBC World Markets Inc.) who are Vice-Presidents, Directors, Senior Vice-Presidents, Executive Vice-Presidents, Senior Executive Vice-Presidents, Executive Directors and Managing Directors, as well as select retail brokers employed by CIBC World Markets Inc. and registered under the appropriate category of registration in the Legislation, (collectively, the "Eligible Employees") will be invited to participate in the Fund, subject to meeting certain internal CIBC Group performance criteria.

8. Participation in the Fund is entirely voluntary and a decision by an Eligible Employee whether or not to invest in the Fund will in no way affect the employment relationship between the Eligible Employee and CIBC Group.

9. It is expected that approximately 480 employees in Canada will be offered the opportunity to participate in the Offering, of which approximately 70% reside in the Province of Ontario and no more than approximately 9% are resident in any other single province.

10. An Eligible Employee who is invited and agrees to participate in the Fund will be subject to certain minimum and maximum participation amounts, subject to the discretion of management

of CIBC. Amounts greater than the prescribed maximum amount (as finally determined) must be approved by management of CIBC and may be adjusted to appropriate levels.

11. The Interests will be offered under a confidential offering memorandum which will provide Eligible Employees with statutory and/or contractual rights of rescission or rights to damages (or both).

12. Unless varied, the termination date for the Fund will be 10 years after the closing of the Fund, subject to extension if necessary to satisfy the Fund's obligations with respect to Investments.

13. In the event of an Eligible Employee's termination of employment with CIBC Group, and as may be otherwise permitted by the General Partner, an entity within CIBC Group or other Eligible Employees may purchase or otherwise assume the Interests of an Eligible Employee in accordance with the applicable provisions of the Fund's Partnership Agreement (which will set out a mechanism for the purchase and sale of Interests).

14. Interests will not be transferable except with the express consent of the General Partner and then only to or amongst permitted transferees as follows (each, a "Permitted Transferee"):

- (i) other Eligible Employees,
- (ii) an entity within CIBC Group,
- (iii) the spouse, child, child's spouse, parents, siblings or grandchild of an Eligible Employee (the "Family Members"); or
- (iv) a trust, partnership, limited liability company or other entity (the "Eligible Employee's Entity") formed for investment by or for the benefit of a Family Member or such Eligible Employee.

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 pursuant to the Legislation is that the Registration and Prospectus Requirements shall not apply to trades in Interests by the Fund to Eligible Employees provided that:

- (i) Eligible Employees are not induced to purchase Interests by expectation of employment or continued employment and each Eligible Employee's participation in the Fund is voluntary;

(ii) a copy of the offering memorandum is provided to each Eligible Employee prior to making a decision to invest in the Fund, and is delivered to the Decision Makers in each of the Jurisdictions; and

(iii) the first trade in Interests to a person or entity that is not a Permitted Transferee shall be deemed to be a distribution or a primary distribution to the public.

July 6, 2001.

"Paul M. Moore"

"J. A. Geller"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - trade in units of limited partnership formed by investment dealer to certain qualified employees, officers and directors who meet certain suitability standards not subject to dealer registration and prospectus requirements of the Legislation, subject to certain conditions including the delivery of an offering memorandum.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 53, 74(1).