

Canadian Structured Finance Newsletter

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CIBC DELIVERS TRIGGER EVENT NOTICE

CIBC has today delivered to Master Asset Vehicle 1 (MAVI) and Master Asset Vehicle II (MAVII, and collectively with MAVI, the MAVs) Trigger Event Notices with regard to transactions entered with the MAVs.

As described in the [DBRS Canadian Structured Finance Newsletter of February 19, 2008](#), CIBC is the swap counterparty for four leveraged Credit Default Swaps (CDS) collateralized by the MAVs that are not subject to the 18-month moratorium period applicable to all other CDS transactions entered by the MAVs. The collateralization triggers on these transactions have now been breached and CIBC has delivered notices to the MAVs requesting additional collateral in the amount of approximately \$34,500,000 with respect to MAVI and \$6,200,000 with regard to MAVII. The additional collateral must be posted by the close of business on March 10, 2009.

Today's notices result in the unfolding of different processes under MAVI and MAVII:

MAVI: Noteholders of MAVI will exchange a portion of their MAVI Class A-1, Class A-2, Class B and Class C Notes for an equivalent principal amount of Class X Notes to be issued by MAVI¹. MAVI noteholders will then have the option of providing the requested collateral. If noteholders elect not to provide additional funding, a portion of CIBC specific collateral will be liquidated and claims not satisfied by the liquidation proceeds will be extinguished.

MAVII: MAVII will need to provide 100% of the additional collateral requested or an unwind event will occur with respect to all or a portion of the CIBC transactions equal to the percentage equivalent of the percentage of additional collateral not provided. All or a corresponding portion of CIBC specific collateral would be liquidated to satisfy the Termination Payment. Following the satisfaction of CIBC's claims, the noteholders may receive a distribution from the remaining liquidation proceeds.

In conducting its rating analysis of the Class A-1 and Class A-2 Notes issued by the MAVs, DBRS considered the impact of the MAVs facing a collateral call from CIBC and the potential for a partial unwind scenario as described above to occur. Therefore, DBRS does not feel that rating action is warranted at this time.

DBRS will continue to monitor the situation closely and will offer further commentary as appropriate.

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1. Please note that DBRS does not rate the Class B Notes, Class C Notes or Class X Notes.