



Date of Release: February 20, 2007

## **DBRS: No Ratings Implications Re: Coventree/Nereus Notice of Application**

### **Industry: Sec.--ABCP**

DBRS has today received notice of the filing of an application (the Application) under Section 248 of the Ontario Business Corporations Act dated February 14, 2007, between David G. F. Ellins, F. David Rounthwaite and Kevin Joh (collectively, the Applicants) and Coventree Inc., Coventree Investments Inc. and Nereus Financial Inc. (collectively, the Respondents).

The Application was brought by the Applicants in their capacity as minority shareholders of Nereus Financial Inc. Each of the Respondents either administers, sub-administers or acts as a sponsor of various DBRS-rated asset-backed commercial paper conduits (the ABCP Conduits). DBRS is closely following the proceedings and notes that no rating actions are required with respect to the ABCP Conduits at this time for the following reasons:

- (1) DBRS has reviewed the Application and has had extensive consultations with both the Applicants and the Respondents. DBRS is of the view that the Application is a shareholder dispute between the Applicants and the Respondents and not a credit event affecting the assets held by the ABCP Conduits.
- (2) In accordance with our regular surveillance activities, DBRS examines the performance of each asset held by the ABCP Conduits. The assets continue to be robust and are performing as expected and in line with all assigned ratings. DBRS has no concerns regarding the credit quality of the assets within the ABCP Conduits.
- (3) The assets held in the ABCP Conduits issued by Nereus Financial Inc. (Nereus) continue to be managed and administered by employees and management at Nereus. DBRS remains confident in their ability to continue to manage these assets in the best interests of investors.
- (4) Coventree Inc. (Coventree) provides commercial paper funding, reporting and administration services for the ABCP Conduits sponsored by Nereus, by itself and by third parties. DBRS remains confident in Coventree's ability to continue to administer these ABCP Conduits in a manner that is both timely, consistent and in the best interest of investors.

For more information on this credit or on this industry, visit [www.dbrs.com](http://www.dbrs.com) or contact us at [info@dbrs.com](mailto:info@dbrs.com).



Huston Loke, CFA  
Group Managing Director - Global Head Structured Finance  
+1 416 597 7533  
hloke@dbrs.com

Michael Buzanis  
Managing Director - Canadian Structured Finance  
+1 416 597 7524  
mbuzanis@dbrs.com

Copyright © 2007, DBRS Limited, DBRS, Inc., and DBRS (Europe) Limited (collectively, "DBRS"). All rights reserved. The information upon which DBRS ratings and reports are based is obtained by DBRS from sources believed by DBRS to be accurate and reliable. DBRS does not perform any audit and does not independently verify the accuracy of the information provided to it. DBRS ratings, reports and any other information provided by DBRS is provided "as is" and without warranty of any kind. DBRS hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS or its directors, officers, employees, independent contractors, agents, and representatives (collectively, "DBRS Representatives") be liable for: (i) any inaccuracy, delay, interruption in service, error, or omission, or for any resulting damages, or (ii) any direct, indirect, incidental, special, compensatory, or consequential damages with respect to any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS or any DBRS Representatives in connection with, or related to, obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing, or delivering any information. Ratings and other opinions issued by DBRS are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness or recommendations to purchase, sell, or hold any securities. DBRS receives compensation, ranging from US\$1,000 to US\$750,000 (or the applicable currency equivalent), from issuers, insurers, guarantors and/or underwriters of debt securities for assigning ratings. This publication may not be reproduced, retransmitted, or distributed in any form without the prior written consent of DBRS.