

The Depository Trust Company

IMPORTANT

B#: 1782

DATE: April 23, 2001

TO: All Participants
Managing Partner/Officer; Cashier and Operations

CATEGORY: Settlement/Underwriting

FROM: Denise Russo, Director, Underwriting Dept.

ATTENTION: Data Processing and Underwriting Managers

SUBJECT: Section 3(c)(7) Restrictions for Solstice ABS CBO Ltd./
Solstice ABS CBO Inc. Notes Due May 2, 2036

(A)	CUSIP Number:	83436UAA1	83436UAC7	83436UAE3
(B)	Security Description:	Solstice ABS CBO Ltd./Solstice ABS CBO Inc. Notes Due 2036		
(C)	Offer Amount:	Class A \$225,500,000	Class B \$50,000,000	Class C \$12,500,000
(D)	Managing Underwriter:	Credit Suisse First Boston Corporation		
(E)	Paying Agent:	The Chase Manhattan Bank		
(F)	Closing Date:	April 19, 2001		

Special Instructions:

Refer to the attachments for important instructions from the issuer.

SOLSTICE ABS CBO LTD. AND SOLSTICE ABS CBO INC.

TITLE OF SECURITY	CUSIP NO.
U.S.\$225,500,000 Class A First Priority Senior Secured Floating Rate Notes Due 2036	83436U AA 1
U.S.\$50,000,000 Class B Second Priority Senior Secured Floating Rate Notes Due 2036	83436U AC 7
U.S.\$12,500,000 Class C Mezzanine Secured Floating Rate Notes Due 2036	83436U AE 3

SOLSTICE ABS CBO LTD. (the *Issuer*) and SOLSTICE ABS CBO INC. (collectively with the Issuer, the *Co-Issuers*) and the placement agents for the above-referenced Notes are hereby giving notice to Participants that they are required to follow these purchase and transfer restrictions with regard to the above-referenced security.

In order to qualify for the exemption provided by Section 3(c)(7) under the Investment Company Act of 1940, as amended (the *Investment Company Act*), and the exemption provided by Rule 144A under the Securities Act of 1933, as amended (the *Securities Act*), offers, sales and resales of the U.S.\$225,500,000 Class A First Priority Senior Secured Floating Rate Notes due May 2, 2036 (the *Class A Notes*), U.S.\$50,000,000 Class B Second Priority Senior Secured Floating Rate Notes due May 2, 2036 (the *Class B Notes*) and U.S.\$12,500,000 Class C Mezzanine Secured Floating Rate Notes due May 2, 2036 (the *Class C Notes* and collectively, the "*Notes*") within the United States or to U.S. Persons (within the meaning of Regulation S under the Securities Act of 1933, as amended (the *Securities Act*)) must be made pursuant to Rule 144A solely to purchasers that are "qualified institutional buyers" (*Qualified Institutional Buyers*) within the meaning of Rule 144A or (in the case of Class B Notes only) pursuant to another exemption from the registration requirements under the Securities Act to purchasers who are Institutional Accredited Investors within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act (*Institutional Accredited Investors*), and in each case, that are also Qualified Purchasers. Each purchaser of a Restricted Note will be deemed to represent at the time of purchase that: (i) the purchaser is a Qualified Institutional Buyer (or an Institutional Accredited Investor, in the case of the Class B Notes) and also a Qualified Purchaser; (ii) the purchaser is not a dealer described in paragraph (a)(1)(ii) of Rule 144A unless such purchaser owns and invests on a discretionary basis at least U.S.\$25,000,000 in securities of issuers that are not affiliated persons of the dealer; (iii) the purchaser is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, unless investment decisions with respect to the plan are made solely by the fiduciary, trustee or sponsor of such plan; (iv) the purchaser and each account for which it is purchasing, is required to hold and transfer at least the minimum denominations of the Notes specified in the Indenture and (v) the purchaser will provide written notice of the foregoing, and of any applicable restrictions on transfer, to any transferee. Each purchaser further understands that the Notes will bear a legend with respect to such transfer restrictions. See "Transfer Restrictions" in the SOLSTICE ABS CBO LTD. and SOLSTICE ABS CBO INC. Offering Circular dated April 17, 2001 and in the Indenture dated as of April 19, 2001 pursuant to which the Notes were issued. In addition, in the case of the Class B Notes, see the Supplement to such Offering Circular, which sets forth additional information with respect to the Class B Notes.

The Indenture provides that if, notwithstanding the restrictions on transfer contained therein, either of the Co-Issuers determines that any beneficial owner of a Restricted Note (or any interest therein) is a U.S. resident (within the meaning of the Investment Company Act) and (A) is not both (i) a Qualified Institutional Buyer or (in the case of Class B Notes only) an Institutional Accredited Investor and (ii) a Qualified Purchaser or (B) is an Excluded Qualified Purchaser, then either of the Co-Issuers may require, by notice to such beneficial owner, that such beneficial owner sell all of its right, title and interest to such Restricted Note (or interest therein) to a person that is (i) a Qualified Institutional Buyer or (in the case of Class B Notes only) an Institutional Accredited Investor, (ii) a Qualified Purchaser and (iii) not an Excluded Qualified Purchaser, with such sale to be effected within 30 days after notice of such sale requirement is given. If such beneficial owner fails to effect the transfer required within such 30-day period, (i) upon direction from the Collateral Manager or the Issuer, the Trustee, on behalf of and at the expense of the Issuer, shall cause such beneficial owner's interest in such Note to be transferred in a commercially reasonable sale (conducted by the Trustee in accordance with Section 9-504(3) of the Uniform Commercial Code as in effect in the State of New York as applied to securities that are sold on a recognized market or that may decline speedily in value) to a person to whom such Note (or interest therein) may be transferred in accordance with the transfer restrictions set forth in the Indenture and (b) pending such transfer, no further payments will be made in respect of such Note held by such beneficial owner.

The restrictions on transfer required by the issuer (outlined above) will be reflected under the notation "3c7" in DTC's User Manuals and in upcoming editions of DTC's Reference Directory.

Any questions or comments regarding this subject may be directed to The Chase Manhattan Bank, 600 Travis Street, 50th Floor, Chase Tower, Houston, Texas 77002, Telecopy no. (713) 216-2101, Attention: Capital Markets Fiduciary Services- SOLSTICE ABS CBO.