

January 12, 2009

**ABCP UPDATE – ANNOUNCING RESTRUCTURING AND CANACCORD RELIEF PROGRAM TIMELINE**

To all Canaccord clients who hold Asset-Backed Commercial Paper (ABCP):

Today, the Pan-Canadian Investors Committee (known as the “Crawford Committee”) announced that the Final Implementation Order in the ABCP restructuring process has been issued by the Ontario Superior Court. Further, the implementation date is scheduled for Friday, January 16, 2009.

This announcement is very good news. This implementation order approves the restructuring and signifies the completion of the CCAA court process.

We expect that the restructuring will close on or about Friday, January 16, 2009. The exchange of frozen for restructured ABCP notes would then be expected to occur during the following week, and be completed on January 21 or 22, 2009. A first installment of interest (to August 31, 2008) is also expected to be paid on the same timetable and will be paid into Canaccord client accounts upon receipt. The balance of the interest is to be paid in subsequent installments with the amounts and timing still to be determined. Restructuring fees already incurred and a reserve for additional restructuring fees will be deducted from this first interest payment. As part of the Canaccord Relief Program (CRP), these restructuring fees will be reimbursed to eligible clients.

We expect the CRP, which provides eligible clients holding an aggregate of C\$1 million or less of ABCP with par value for their investment, to be executed and posted to client accounts by January 26, 2009 for settlement on January 30, 2009. The trades associated with the CRP, as well as the reimbursement for the restructuring fees already incurred, should be settled in client accounts by the late afternoon of January 30, 2009.

We will continue to keep you informed of important developments and expect our next update will follow-plan implementation. Below is a table of key dates in this process for your reference:

January 16, 2009	Target date for plan implementation
January 21/22, 2009	Target date for exchange of ABCP notes and payment of first installment of interest
January 30, 2009	Target date for settlement and closing of Canaccord Relief Program including reimbursement of restructuring fees

We sincerely appreciate your patience and participation over the past months. We are eager to complete the Canaccord Relief Program, reaching a long-awaited and successful outcome to the restructuring process for our clients. In the meantime, please do not hesitate to contact me or your Investment Advisor directly if you have any further questions, comments or concerns.

Kind regards,



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