

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, MANITOBA, NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA,
ONTARIO, QUÉBEC AND SASKATCHEWAN

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
CANACCORD CAPITAL INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Québec and Saskatchewan (collectively, the "Jurisdictions") has received an application from Canaccord Capital Inc. ("CCI") for a decision pursuant to the securities legislation in the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of CCI by reason of having a nominal vice president title (a "Nominal Title");

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 unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions*;

AND WHEREAS CCI has represented to the Decision Makers that:

1. CCI was incorporated on February 14, 1997 under the laws of British Columbia and its head office is located in Vancouver, British Columbia.
2. Upon completion of its initial public offering, CCI will be a reporting issuer under the securities legislation of each of the provinces and territories of Canada and CCI is not in default of any requirement under such legislation.
3. CCI has 139 persons who are considered to be insiders of CCI by reason of being a director, senior officer or a senior executive (as defined in the Legislation) of CCI or a subsidiary of CCI, of whom:

(a) 54 are senior officers or directors of CCI and its subsidiaries who, by virtue of their positions may, in the ordinary course receive or have access to material undisclosed information concerning CCI (current and future directors and senior officers of CCI and its subsidiaries who meet the foregoing description are collectively referred to as "Subject Officers");

(b) five are currently exempt from the Insider Reporting Requirements of the Legislation by reason of the exemption contained in 55-101 -- *Exemption from Certain Insider Reporting Requirements*;

(c) 80 are currently insiders of CCI and meet the criteria for exemption set out under CSA Staff Notice 55-306 -- *Applications for Relief from the Insider Reporting Requirements by certain Vice-Presidents* and are not otherwise exempt from insider reporting requirements pursuant to National Instrument 55-101.

4. CCI has made an application to seek relief from the insider reporting requirements for current and future senior officers of CCI's subsidiaries (collectively, the "Exempt Officers") who satisfy the following criteria (the "Exempt Officer Criteria"):

(i) they are vice-presidents;

(ii) they are not in charge of a principal business unit, division or function of CCI or a "major subsidiary" of CCI;

(iii) they do not, in the ordinary course of business, receive or have access to information as to material facts or material changes concerning CCI before the material facts or material changes are generally disclosed; and

(iv) they are not insiders of CCI in any other capacity.

5. CCI will establish by the time of filing its final prospectus in respect of its initial public offering internal policies and procedures relating to monitoring and restricting the trading activities of certain of its insiders and other persons. CCI has provided the Decision Makers with the draft policies and procedures to be submitted to CCI's directors for approval. These include blackout period policies and requirements for pre-clearance of trades. The policies and procedures also relate to identification and handling of non-public material information and prohibit improper communication and use of such information.

6. Under supervision of CCI's corporate secretary or other designated officer, designated employees of CCI and its subsidiaries will:

(a) ensure that any employee of CCI or a subsidiary of CCI who is appointed to a Subject Officer position will be advised of the responsibility to file insider reports in respect of trades in CCI securities;

(b) implement a system to identify newly appointed insiders who meet the Exempt Officer Criteria and monitor any role changes by Exempt Officers to determine whether the Exempt Officer Criteria continues to apply to them; and

(c) review the process for determining Subject Officers and Exempt Officers annually.

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 under the Legislation is that the requirements contained in the Legislation to file insider reports in respect of securities of CCI shall not apply to insiders of CCI, existing and future, who satisfy the Exempt Officer Criteria, for so long as such insiders satisfy the Exempt Officer Criteria provided that:

(a) CCI agrees, upon the request of the Decision Makers and to the extent then permitted by law, to make available to the Decision Makers a list of all individuals who are relying on the exemption granted by this Decision;

(b) CCI maintains internal policies and procedures relating to monitoring and restricting the trading activities of certain of its insiders and other persons; and

(c) The relief granted hereby will cease to be effective on the date when National Instrument 55-101 is amended.

June 22, 2004.

"Paul M. Moore"

"Suresh Thakrar"