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INDEPENDENT THINKING

November 9, 2004

James E. Twiss
Senior Counsel
Market Surveillance
Market Regulation Services Inc.
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Dear Mr. Twiss:

Attached are Canaccord Capital Corporation's comments relating to the proposed "amendments respecting trading during certain securities transactions." Please note that Canaccord Capital Corporation may submit further comments at a later date.

1. In the process of executing a client sell order an approved trader or investment advisor may make an error by selling too many shares or selling the wrong security. When an error is committed in these circumstances (while executing an order as agents on behalf of a client) participating organizations should not be subject to any price restrictions regardless of the issue and its status on the restricted list. Covering this type of error is very time sensitive – an exemption must be provided.

Example:

- *ABC.UN is on Canaccord's restricted list; MPSP = \$20.00; Last price = \$21.50*
- *Client wishes to sell 100 ABC.UN @ \$21.50*
- *IA or Approved Trader enters an order to sell 1,000 (not 100) ABC.UN @ \$21.50 in error*
- *Canaccord is now short 900 ABC.UN*

From time to time Approved Traders or IA's will make an error while entering an order. In the above scenario there was no intention of deceptive or manipulative trading.

2. Rather than rule amendments becoming effective immediately upon approval, they should be first published for a short time period – perhaps two weeks. This would allow participating organizations to fully digest the final version of the rule and in turn have the opportunity to review/modify applicable internal policies and procedures.

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Questions relating to these comments may be directed to the undersigned.

Regards,
CANACCORD CAPITAL CORPORATION

A handwritten signature in black ink, appearing to read "Keith Titterton".

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cc:
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