

CANACCORD

C A P I T A L

September 14, 2007

Mr. Brian Hunter
2603 12 AVE NW
Calgary AB T2N 1K7

Dear Mr. Hunter:

Re: Asset Backed Commercial Paper

I refer to your recent letter concerning the asset backed commercial paper held in an account at Canaccord.

Canaccord is committed to providing our clients with information about the asset backed commercial paper ("ABCP") that they hold. We have already issued two bulletins containing important information. In case you have not already received them, I enclose copies. Canaccord will be issuing further bulletins as information becomes available. They will be mailed out to all clients holding ABCP, but if you would like to be on our list for immediate distribution by email, please let me know.

The appendix to this letter sets out the types of ABCP held by all Canaccord clients and gives you some more specific information about the ABCP held in the account. The appendix is organized by the short name used on our statements and it relates that short name to the particular issues of ABCP.

At the time of its purchase, the ABCP held in the account was given the highest rating for commercial paper (R-1 (high)) by the Dominion Bond Rating Service Limited ("DBRS"). As you may know, the DBRS is an internationally recognized rating agency that holds the status of an "approved credit rating organization" under Canadian securities legislation. Its role is to provide timely, comprehensive and reliable rating opinions to the world's capital markets. The following is an explanation from DBRS of its rating scale for commercial paper and short term debt (see <http://www.dbrs.com>):

The DBRS® short-term debt rating scale is meant to give an indication of the risk that a borrower will not fulfill its near-term debt obligations in a timely manner. Every DBRS rating is based on quantitative and qualitative considerations relevant to the borrowing entity.

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CANACCORD

C A P I T A L

R-1 (high)

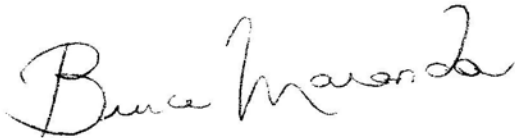
Short-term debt rated R-1 (high) is of the highest credit quality, and indicates an entity possessing unquestioned ability to repay current liabilities as they fall due. Entities rated in this category normally maintain strong liquidity positions, conservative debt levels, and profitability that is both stable and above average. Companies achieving an R-1 (high) rating are normally leaders in structurally sound industry segments with proven track records, sustainable positive future results, and no substantial qualifying negative factors. Given the extremely tough definition DBRS has established for an R-1 (high), few entities are strong enough to achieve this rating.

Canaccord relied upon the DBRS credit rating given to the ABCP that was purchased for the account. At the time of purchase, there was no indication that the R-1 (high) rating was inaccurate or that the market might experience a disruption that could impact upon the repayment of such highly rated ABCP.

As you know, any of the ABCP that has matured since on August 13, 2007, has not been paid. This is due to an unexpected and widespread liquidity disruption to the Canadian ABCP market. The failure to pay the amount due on maturity is a default of the ABCP issuer. Canaccord is not at fault for this unfortunate situation and it does not have any liability to reimburse the capital and interest on the ABCP.

Canaccord is committed to keeping our clients updated with information about the ABCP that is held in the account. We are constructively engaged with industry-wide initiatives to resolve the present liquidity crisis in a manner that serves the best interests of our clients. Canaccord is also actively examining and pursuing other possible alternatives to resolve this problem for our clients. We intend to keep our clients informed of any progress that is made in resolving the non-payment of the matured ABCP.

Yours truly,
CANACCORD CAPITAL CORPORATION



Bruce J. Maranda, CA, FCSI
Executive Vice-President & Director
Chief Compliance Officer

Appendix

ASSET BACKED COMMERCIAL PAPER HELD BY CANACCORD CAPITAL CORPORATION CLIENTS

Short name	Issuer	Series	Financial agent Securitization agent Administrative agent	DBRS rating
COMET TR A C/P	Comet Trust	Series A Notes	Coventree Capital Group Inc.	R-1 (High)
COMET TR EE C/P	Comet Trust	Series E Notes	Coventree Capital Group Inc.	R-1 (High)
ENCORE TR C/P	Encore Trust	Series A, Class A Notes	Newshore Financial Services Inc.	R-1 (High)
GEMINI T EE C/P	Gemini Trust	Series E Notes	Coventree Capital Group Inc.	R-1 (High)
OPUS TR AA C/P	Opus Trust	Series A, Class A Notes	Newshore Financial Services Inc.	R-1 (High)
PLANET T EE C/P	Planet Trust	Series E Notes	Coventree Capital Group Inc.	R-1 (High)
PLANET TR C/P	Planet Trust	Series A Notes	Coventree Capital Group Inc.	R-1 (High)
ROCKET TR E C/P	Rocket Trust	Series E Notes	Coventree Capital Group Inc.	R-1 (High)
SKEENA CAP A C/P	Skeena Capital Trust	Series A, Class A Notes	Dundee Securities Corporation	R-1 (High)
STRUCT INV C/P	Structured Investment Trust III	Series A Notes	Nereus Financial Inc.	R-1 (High)
STRUCT INV CP	Structured Investment Trust III	Series A Notes	Nereus Financial Inc.	R-1 (High)
STRUCT INV III C/P	Structured Investment Trust III	Series A Notes	Nereus Financial Inc.	R-1 (High)
STRUCT INVT EE C/P	Structured Investment Trust III	Series E Notes	Nereus Financial Inc.	R-1 (High)
STR INVT EE C/P	Structured Investment Trust III	Series E Notes	Nereus Financial Inc.	R-1 (High)
STR AST E1E C/P	Structured Asset Trust	Series E-1 Notes	Nereus Financial Inc.	R-1 (High)
STR AST A1 C/P	Structured Asset Trust	Series A-1 Notes	Nereus Financial Inc.	R-1 (High)
SYMPHNY AA C/P	Symphony Trust	Series A, Class A Notes	Newshore Financial Services Inc.	R-1 (High)