

ACD Systems International Inc.
6703 Rajpur
Saanichton, British Columbia
V8M 1Z5

November 13, 2000

ALBERTA SECURITIES COMMISSION
MARKET SURVEILLANCE/CONTINUOUS DISCLOSURE
19th Floor, 10025 Jasper Avenue
Edmonton, Alberta
T5K 3Z5

Attention: Executive Director

ONTARIO SECURITIES COMMISSION
Suite 800, Box 55
20 Queen Street
Toronto, Ontario
M5H 3S8

Attention: Disclosure Section

BRITISH COLUMBIA SECURITIES COMMISSION
1100, 865 Hornby Street
Vancouver, British Columbia
V6Z 2H4

Attention: Executive Director

THE TORONTO STOCK EXCHANGE
2 First Canadian Place, 4th Floor
Exchange Tower
Toronto, Ontario
M5X 1J2

CANADIAN VENTURE EXCHANGE INC.
300 - 5th Avenue SW
Calgary, Alberta
T2P 3C4

Dear Sir:

Re: ACD SYSTEMS INTERNATIONAL INC. - MATERIAL CHANGE REPORT UNDER SECTION 118(2) OF THE SECURITIES ACT (ALBERTA), SECTION 85(2) OF THE SECURITIES ACT (BRITISH COLUMBIA) AND SECTION 75(2) OF THE SECURITIES ACT (ONTARIO)

This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of ACD Systems International Inc. (the "Corporation"). For convenience, this letter is itemized in the same manner as Form 27 of the Securities Act (Alberta). Concurrent with this filing, this letter is being filed with The Toronto Stock Exchange and the Canadian Venture Exchange Inc., being the only stock exchanges on which the Corporation's securities are currently listed.

Item 1 - Reporting Issuer

ACD Systems International Inc.
6703 Rajpur
Saanichton, British Columbia
V8M 1Z5

Item 2 - Date of Material Change

October 9, 2000 (filed on a confidential basis)

Item 3 - News Release

Not applicable.

Item 4 - Summary of Material Change

ACD Systems International Inc. has entered into a non-binding letter of intent to undertake a business combination by way of merger, acquisition or other similar transaction between Pegasus Imaging Inc. and ACD Systems International Inc.

Item 5 - Full Description of Material Change

ACD Systems International Inc. has entered into a non-binding letter of intent to undertake a business combination by way of merger, acquisition or other similar transaction between Pegasus Imaging Inc. ("Pegasus"), a privately held company, operating in Tampa, Florida, and ACD Systems International Inc. ("ACD"). It is expected that the transaction will take the form of a merger between Pegasus and a wholly-owned subsidiary of ACD, or in the alternative, the purchase by ACD of all of the issued and outstanding shares of Pegasus. Subject to adjustment, the aggregate consideration for the issued and outstanding shares of Pegasus shall include the issuance of common shares and/or the assumption of outstanding Pegasus stock options amounting in the aggregate to 1,350,000 common shares of ACD on a fully diluted basis.

Pegasus is currently completing a reorganization whereby the Pegasus Imaging Inc. and Pegasus software business units are to be unified. The transaction is directed at the continuing entity after the Pegasus reorganization and is intended to encompass in full the assets and operations of both Pegasus Imaging Inc. and the Pegasus software business units.

Consummation of the transaction is subject to, inter alia, execution and delivery of formal documentation, obtaining all necessary governmental and regulatory approvals, satisfactory completion by ACD of all financial, business and legal due diligence relating to Pegasus, approval of the transaction by ACD's board of directors and obtaining the approval, if deemed required, of the shareholders of ACD.

Item 6 - Reliance on Section 118(2) of the Securities Act (Alberta), Section 85(2) of the Securities Act (British Columbia) and Section 75(2) of Securities Act (Ontario)

Yes

Item 7 - Omitted Information

None

Item 8 - Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

ACD Systems International Inc.

6703 Rajpur
Saanichton, British Columbia
V8M 1Z5

Attention: Mike Zelen, Vice-President and Chief Financial Officer
Phone: (250) 544-6700 Fax: (250) 544-0291

Item 9 - Statement of a Senior Officer

The foregoing accurately discloses the material change referred to in this report.

DATED at Saanichton, British Columbia, this 16th day of October, 2000.

Yours truly,

ACD Systems International Inc.

Per: "signed" _____
Mike Zelen
Vice-President, Finance