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

July 4, 2001

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

Dear Sir:

Re: ACD SYSTEMS INTERNATIONAL INC. - MATERIAL CHANGE REPORT UNDER SECTION 118(1) OF THE SECURITIES ACT (ALBERTA), SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA) AND SECTION 75(1) 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" or "ACD"). 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, being the only stock exchange 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

July 3, 2001.

Item 3 - News Release

July 3, 2001.

Item 4 - Summary of Material Change

The Corporation has filed an application to the Toronto Stock Exchange ("TSE") to reprice incentive stock options to acquire an aggregate of 2,668,500 common shares granted to present employees and consultants of ACD to C$3.50. The current exercise prices of the stock options being repriced are $5.95 (120,000 stock options); $8.00 (2,103,500 stock options); $12.00 (410,000 stock options); and $20.50 (35,000 stock options).

Item 5 - Full Description of Material Change

The Corporation has filed an application to the TSE to reprice incentive stock options to acquire an aggregate of 2,668,500 common shares granted to present employees and consultants of ACD to C$3.50. The current exercise prices of the stock options being repriced are $5.95 (120,000 stock options); $8.00 (2,103,500 stock options); $12.00 (410,000 stock options); and $20.50 (35,000 stock options).

The repricing of the stock options is subject to the consent of the TSE and disinterested shareholder approval. ACD will be seeking disinterested shareholder approval at an annual general and special meeting of shareholders to be held on August 9, 2001. In addition, management of ACD proposes to place before the meeting for election as directors the following individuals: Douglas O. Vandekerkhove, John N. Fliczuk; Michael J. Zelen, Lee S. Richardson, Michael J. Perkins and George Mitchell.

Martin Winstanley and David Hooper will not be standing for re-election as directors of the Corporation. Mr. Winstanley will continue as Vice-President, Corporate Affairs of ACD and David Hooper will continue as Chief Technology Officer 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)

No

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, 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 4th day of July, 2001.

Yours truly,

ACD Systems International Inc.

Per: *"Signed"*
Martin Winstanley
Vice-President, Corporate Affairs