

21 December 2001

TO: BUCKINGHAM SECURITIES CORPORATION CLIENTS

Dear Sir/Madam,

**Re: *Buckingham Securities Corporation ("BSC"), in Receivership
The claim of W. D. Latimer for security over certain investments held by Latimer on
behalf of Buckingham***

On November 29, 2001 the Receiver sent a letter to all investors outlining briefly an action before the Court with regard to a claim by W. D. Latimer against Buckingham Securities Corporation ("BSC"). In that action, Latimer is seeking to have the Court enforce its alleged security claim over the investments and cash that it holds on behalf of Buckingham Securities Corporation and its clients. The letter indicated that the Receiver was opposed to Latimer's claim.

The Court ordered the Receiver to write to all investors to ask the investors if they wished to be heard at a subsequent Court hearing regarding the Latimer claim. The Court requested responses to be in writing to the Receiver. We received many written responses and attended at Court on December the 13th to advise the Court of these responses. The Court was impressed with the number of responses but concerned at the amount of time which would be required for a trial which would allow all of these people to be heard. Seeking to preserve the rights of the investors, and to more clearly define the legal basis for the objections by the investors, the Court has ordered the Receiver to prepare a brief questionnaire to be sent out to all investors who responded to the Receiver's letter of November 29th. This questionnaire will first be vetted by various lawyers representing Latimer and other parties and will receive a final review by the Judge on January 10, 2002. Following this review the questionnaire will be sent out by the Receiver to all those people who have responded in writing, by way of letter, fax or email. The questionnaire will be structured as to identify the legal basis of an investor's objection to Latimer's position, and to enable the Receiver to categorize the different types of objections into "groups". It is intended then that each group would have a spokesperson, then the matter comes to trial before the Court. The Court is anxious to move this matter along as quickly as possible and, given the above procedure which is suggested, it is anticipated that the trial of the Latimer issue will be held sometime in February of 2002.

If, for whatever reason, an investor was not able to submit a written response to the Receiver prior to the requested deadline of December 12, 2001, there is still time to submit a written

request before January 10, 2002.

Please note that there will be no costs incurred directly or individually by any of the investors participating in this process. However, the costs will be borne by the BSC estate. Please also understand that the rights of any investor will not be affected by their participation or non-participation in this process. The only effect to an investor will be if Latimer is successful, then the amount available for distribution to the investors by the Receiver, will of course be reduced. Should Latimer's claim not be successful, then the amount available for distribution to the creditors would increase correspondingly.

Yours very truly,

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