



BDO Dunwoody Limited

Royal Bank Plaza
P.O. Box 33
Toronto Ontario M5J 2J9
Telephone: (416) 865-0210
Telefax: (416) 865-0904

22 December 2004

*To the Customers of
Buckingham Securities Corporation*

Dear Sirs:

Re: *Payment of Interim Dividend*

By letter dated 30 November 2004, the writer provided certain background information related to the insolvency of Buckingham Securities Corporation ("Buckingham"). In that letter, we advised that, due to a number of errors in the calculation of share values as at 6 July 2001, the Court had extended the time table for making an interim dividend distribution.

We advised that we would contact all customers by mail, on or before 22 December 2004, to provide a calculation of the balance of each customer's portfolio as at 6 July 2001, and that customers would thereafter be at liberty to submit proofs of claim IF THEY DISAGREE WITH THE VALUES ASSIGNED TO THEIR PORTFOLIO. We also promised to provide a full explanation of the Claims Bar Process as set out in the Order of 22 November 2004, and as amended by the Extension Order of 26 November 2004.

We attach hereto a statement of your account at Buckingham on 31 July 2001. This is the last report prepared by the ISM accounting system utilized by Buckingham, and is useful since it sets out your share portfolio as at 6 July 2001, when the Ontario Securities Commission issued a Cease Trade Order which prevented any further trades after that date. However, the values assigned to your portfolio on the 31 July 2001 statement obviously reflect indicated market values as at that date, as determined pursuant to the assumptions factored into the ISM computer system.

Since it was necessary to obtain market values as at 6 July 2001, rather than 31 July 2001, we attach as well a "Financial Summary" of your portfolio value as at 6 July 2001. This summary indicates the estimated market value of your portfolio as at that date, plus or minus any cash balance in your account. The cash balance consists of free cash or, if shown as a minus balance, represents amounts indicated to be owing by you to Buckingham as at 6 July 2001. Accordingly, the "Equity" figure represents your net portfolio value. If the equity figure is a positive figure, it represents the amount which BDO Dunwoody Limited ("BDO") as Receiver & Manager is prepared to accept as your claim. If the equity balance is negative, it represents a net amount owing by you to Buckingham, and we once again remind you of your obligation to pay that amount to BDO.

PLEASE NOTE THAT IF YOU ARE IN AGREEMENT WITH THE EQUITY POSITION SHOWN AS DUE TO YOU, YOU DO NOT NEED TO RESPOND TO THIS MAILING.

IF YOU DO NOT AGREE WITH THE EQUITY BALANCE SHOWN, you are entitled to file the attached Proof of Claim, together with all particulars related to your claim and the evidence on which you rely to support your claim. You must return that Proof of Claim form to BDO so that it is received no later than 5 p.m. Eastern Standard Time on January 17, 2005, failing which your claim will be forever extinguished and barred. We urge you to read carefully the Instruction Letter attached to the Proof of Claim form. Please note as well that both the Claims Bar Order of November 22, 2004, and the Extension Order of November 26, 2004, were furnished to you with our previous letter of 30 November 2004, and additionally, can be viewed on the Receiver's website at www.bdo.ca/buckingham.

BDO encountered considerable difficulty in valuing some of the stocks, held by customers as at 6 July 2001. Obviously, it is relatively straight forward to obtain values for stocks which are regularly traded and for which information is readily available. Out of some 750 stocks held by the various customers of Buckingham, some 300 stocks represented infrequently traded penny stocks, over the counter stocks, or "pink sheet" stocks, for which values were not readily available, and, even where values were indicated on customer's statements, the accuracy of these values was in some cases debatable. Accordingly, the Receiver retained the services of Capelas Investments, who are consultants specializing in valuing shares which cannot be readily valued using the usual data bases, in order to obtain realistic values at 6 July 2001.

For all stocks, BDO utilized closing bid values as at 6 July 2001, rather than the value of the last trade. This was particularly important for thinly traded stock, as the Buckingham system apparently reported the value of the last trade, regardless as to the date of that trade, or considering the quantum of shares sold. In a number of cases, there was no reliable information available to substantiate a share value, and in that case the Receiver has indicated the value as "not available" and has valued the shares at NIL.

You are again reminded that you are entitled to dispute the Receiver's valuation, but you must do so by 17 January 2005, and you must be able to prove your claimed value by providing credible documentary evidence.

Once BDO has received your Proof of Claim, it will as soon as practicable review the Claim and either accept it, revise it, or reject it by providing you with a Notice of Disallowance. If we accept your claim, we will so advise you in writing. If we revise or reject your claim, we will provide you with a formal Notice of Disallowance.

WITHIN 7 BUSINESS DAYS OF RECEIVING THE NOTICE OF DISALLOWANCE, you must notify the Receiver, and the Claims Officer who has been appointed, being Mr. William Woloshyn (his contact information will be provided to you with the Notice of Disallowance). You must file with us and the Claims Officer a Dispute Notice which will be furnished to you together with the Notice of Disallowance. If you then do not respond within 7 business days, you will be deemed to have accepted, as final and binding, the Receiver's determination of the claim for all purposes including any distribution of the dividend.

Once you have filed the Dispute Notice, the Claims Officer will attempt to resolve the dispute as to valuation and will, as "expeditiously as possible" notify both you and the Receiver of his determination of the claim.

Either you or the Receiver may then, within 7 business days of having been notified of the Claims Officer's determination of your claim, appeal such determination to the Court.

If you have any questions, please telephone, fax or email us. The applicable email address is gcerrato@bdo.ca. Please note that your communication with BDO will not take the place of the requirement to file the required Proof of Claim form in the event you dispute the valuation provided by the Receiver. There is no mechanism for the Receiver to amend a valuation based on any other communication between you and BDO, other than your delivery of the Proof of Claim.

Yours very truly,
BDO DUNWOODY LIMITED
Receiver & Manager of
Buckingham Securities Corporation
Per:



Uwe Manski, FCA, FCIRP
President

/bc
Encl.

**BUCKINGHAM SECURITIES CORPORATION ("Buckingham")
INSTRUCTION LETTER**

**RE: CERTAIN CLAIMS AGAINST BUCKINGHAM, and BDO
DUNWOODY LIMITED, IN ITS CAPACITY AS RECEIVER
AND MANAGER OF BUCKINGHAM (The "Receiver")**

This instruction sheet is provided to assist you in preparing your Proof of Claim form.

Completion of First Proof of Claim

In order for the Proof of Claim (a copy of which is enclosed) to be eligible for allowance, it must be completed on the enclosed form in all respects, including:

1. **name, address, telephone number and facsimile number (if available) of the claimant;**
2. **description of the claim with copies of supporting documents, statements, invoices, vouchers, etc. attached. It is understood that supporting documentation could be significant in volume. Copies of the most relevant documents should be attached to the claim but the failure to attach all relevant documents will not prevent you from relying upon such other documents in any future proceedings; and**
3. **signing of the Proof of Claim by a representative of the Creditor.**

Deadline

Please note that the deadline for receipt of Proofs of Claim by the Receiver at the addresses set out below is 5:00 p.m. EST on January 17, 2005, failing which your claim will be forever extinguished and barred. If you have any questions, please call the Receiver as indicated below.

BDO Dunwoody Limited
Royal Bank Plaza
P.O. Box 33
Toronto, ON M5J 2J9
Attention: Gary Cerrato
Telephone: (416) 865-0210
Fax: (416) 865-0887

Please note it is only necessary to file a Proof of Claim if you did not receive a claim summary from the Receiver, or dispute the amount of your claim as set out in the Proof of Claim form sent to you by the Receiver or if your claim is described by the Receiver as a contingent or unliquidated claim.

Proof of Claim

Court File No. 01-CL-4192

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Plaintiff

- and -

BUCKINGHAM SECURITIES CORPORATION

Defendant

PROOF OF CLAIM

Please read carefully the enclosed Instruction Sheet for completing this Proof of Claim. Please print legibly.

Please indicate if this Proof of Claim is an (please check one):

Original Proof of Claim; or

Amended Proof of Claim

A. PARTICULARS OF CLAIMANT

1. Full legal name of Creditor: _____ (the "Creditor").

(The full legal or corporate name inserted above should be the party who is a Creditor of Buckingham Securities Corporation ("Buckingham"))

- 2. **Full mailing address of the Creditor:** _____

- 3. **Telephone Number of Creditor:** _____
- 4. **Fax Number of Creditor:** _____
- 5. **Attention (Contact Person):** _____

B. PROOF OF CLAIM

I, _____, (Name of Creditor or Representative of the Creditor) certify:

- (a) that I am a Creditor of/hold the position of _____ of the Creditor and have knowledge of all the circumstances connected with the Claim described herein. If the Claim is in a foreign currency, please convert the Claim to Canadian dollars at the exchange rate applicable at the date the Claim arose.
- (b) that my Claim is in respect of the following (please check and complete appropriate category):
 - (i) The Creditor makes the following Claim against Buckingham, the Property, or the Receiver:

CLAIM

Secured Unsecured

C. PARTICULARS OF CLAIM

(If inadequate space is provided below, please append a Schedule clearly marked as corresponding with the particulars set out in the relevant section below)

- (i) Description of the basis for the Claim (including the nature of the Claim and the facts and dealings giving rise to the Claim):

(attach the documents related to the Claim)

- (ii) If the Claim is contingent, or unliquidated, state the basis upon which the Claim has been valued:

(iii) Names of any guarantors which have guaranteed the Claim:

(iv) Description of security, if any, granted to the Creditor in respect of the Claim:

(attach documentation evidencing secured Claim)

(v) Estimated value of security outlined above as of the date of the Claim:

The fully completed Proof of Claim together with supporting documentation must be returned and received by the Receiver, **no later than 5:00 EST on January 17, 2005**, at the following addresses or fax numbers:

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Toronto, ON M5J 2J9
Attention: Gary Cerrato
Telephone (416) 865-0210
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DATED at _____ this _____ day of _____, 2004.

(Signature of Witness)

(Signature of individual completing this form)

(please print name)

(please print name)