

23 October 2002

**TO: CLIENTS OF BUCKINGHAM SECURITIES CORPORATION**

Dear Sir/Madam:

**Re: *Buckingham Securities Corporation ("Buckingham"), in Receivership  
W.D. Latimer & Co. Limited***

On 21 October 2002 we obtained a copy of the attached Judgement of the Honourable Mr. Justice J. Ground, of the Ontario Superior Court of Justice.

After considering the evidence and arguments presented by the Receiver and by Latimer, Mr. Justice Ground decided as follows: (see paragraph 38 of his Judgement attached):

1. A trust relationship did exist between Buckingham and its customers who held fully paid or excess margin securities.
2. Buckingham was in breach of such trust relationship in pledging its customers' fully paid and excess margin securities to Latimer.
3. Latimer did not have actual or constructive knowledge of such breach of trust.

The effect of the Judgement is to permit Latimer to realize on investor securities pledged to it by Buckingham to satisfy the loans totalling approximately \$2,000,000, in their entirety.

We will post further updates as appropriate.

Yours very truly,

**BDO Dunwoody Limited**

