

**Buckingham Securities Corporation, in Receivership
Assumptions Used in Securities Segregation Schedule**

1. Client accounts and holdings were obtained from client statements provided by IBM Global Services.
2. The net amount owing from individual clients was obtained from Buckingham's trial balance.
3. The U.S. conversion rate as at 6 July 2001 was provided by an independent party (Royal Bank of Canada). The conversion rate of 1.5397 represents the cash conversion rate for amounts between \$1 and \$1,000.
4. The unit price of each security as at 6 July 2001 was provided by an independent party (HSBC Securities Canada Inc.).
3. The margin percentages as stated below were provided by Brian M. Sutton of Cassels Brock Regulatory Consulting Inc. A list of securities eligible for reduced margin (option eligible securities) as at 30 June 2001 was obtained from The Investment Dealers Association of Canada.

<u>Category/Unit Price</u>	<u>Margin Percentage</u>
Option eligible securities	70%
>\$2	50%
\$1.75 - \$1.99	40%
\$1.50 - \$1.74	20%
<\$1.50	0%

4. Latimer's holdings were obtained from Latimer's 31 July 2001 statement.
5. The calculation of securities available to Latimer takes into consideration client agreements with Buckingham signed permitting cross guarantees between client accounts.

On a client by client basis, where the loan value was less than the amount owing by clients to Buckingham, all of the securities held by the clients were determined to be available to Latimer to the extent that Latimer holds these securities.

On a client by client basis, where the loan value exceeds the amount owing by clients to Buckingham, securities were segregated first by using the securities with the highest margin percentage.

On a client by client basis, if the loan value was less than the amount owing by clients to Buckingham, then any other account belonging to the clients were included, to the extent of the loan value or total securities where the loan value was insufficient to cover the balance of the indebtedness. This combination of accounts only occurred where the client files contained either a signed standard client agreement, a signed cash account agreement or a signed margin agreement.

6. The maximum amount claimable by Latimer represents the amounts owing on a client by client basis to Buckingham to the extent Latimer holds the same securities as the client of Buckingham.