

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF NELSON FINANCIAL GROUP LTD. (the "Applicant")**

Applicant

**MOTION RECORD
(Returnable October 1, 2010)**

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
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**Solicitors for the Applicant, Nelson
Financial Group Ltd.**

TO: THE SERVICE LIST

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TAB 1

Court File No.: 10-8630-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OR COMPROMISE OR ARRANGEMENT
OF NELSON FINANCIAL GROUP LTD. (the "Applicant")**

Applicant

**NOTICE OF MOTION
(Returnable October 1, 2010)**

THE APPLICANT, NESLSON FINANCIAL GROUP LTD. ("Nelson Financial" or the "Applicant"), will make a motion to the Court on Friday, October 1, 2010, at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

1. **THE MOTION IS FOR AN ORDER** substantially in the form attached as Schedule "A", *inter alia*:
 - (a) Abridging the time for service of the Notice of Motion and Motion Record, if necessary, and declaring that this motion is properly returnable on October 1, 2010;
 - (b) Approving the Eighth Report of the Monitor, A. John Page & Associates Inc. ("**AJP&AI**" or the "**Monitor**") to be filed (the "**Eighth Report**"), and the activities of the Monitor as described therein;
 - (c) Approving an extension of the stay of proceedings to and including Monday, November 15, 2010; and

- (d) Such further and other relief as counsel may request and this Honourable Court deem just.

2. THE GROUNDS FOR THE MOTION ARE:

Background

- (a) On March 23, 2010, Nelson Financial filed for and obtained protection from its creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), pursuant to an Order of the Honourable Madam Justice Pepall (the "Initial Order");
- (b) Pursuant to the Initial Order, AJP&AI was appointed as Monitor of Nelson Financial;
- (c) On July 27, 2010, the Honourable Madam Justice Pepall issued an Order granting an extension of the stay of proceedings against Nelson Financial to and including October 1, 2010;

Restructuring Activities

- (d) Since the issuance of the Initial Order, Nelson Financial has been working diligently to stabilize its business and maintain operations in compliance with the cash projections filed with this Honourable Court;
- (e) On July 27, 2010, the Honourable Madam Justice Pepall issued an Order approving a claims procedure established by Nelson and the Monitor;
- (f) On September 16, 2010, the Honourable Madam Justice Pepall approved a settlement made between Nelson Financial and Foscarini Mackie Holdings Inc.;
- (g) On September 20, 2010, Nelson Financial paid the sum of \$696,775.43 to Foscarini Mackie Holdings Inc. and the parties completed the remaining terms of the revised settlement;
- (h) On September 23, 2010, the Honourable Mr. Justice Cumming issued an Order adjourning the Preferred Shareholder Motion to be heard on October 18, 2010 and October 19, 2010;
- (i) Nelson Financial, in conjunction with the Monitor, has substantially developed the parameters of a plan of compromise or arrangement which will not require external financing or the historic volumes of customer referrals;
- (j) In view of the adjournment of the Preferred Shareholder Motion, Nelson Financial cannot put forward a complete plan of compromise or arrangement at this time;

- (k) there is a realistic prospect that Nelson Financial could restructure its debt and be able to service that debt and continue in business for the foreseeable future;

Stay Extension

- (l) The continuation of the stay of proceedings is necessary in order to provide the stability needed to continue Nelson Financial's restructuring activities which have been ongoing following the granting of the Initial Order;
- (m) Circumstances exist which make the extension of the stay of proceedings appropriate;
- (n) Nelson Financial has acted and continues to act in good faith and with due diligence;
- (o) The Projected Cash Flow to be contained in the Monitor's Eighth Report supports an extension of the stay of proceedings to and including November 15, 2010;

General

- (p) The provisions of the CCAA, as amended, and the equitable jurisdiction of this Honourable Court;
- (q) Rules 1.04, 2.03, 3.02, 10, 14.05(2) and 16.08 of the *Rules of Civil Procedure*, R.R.O. 1990, c. C.43; and
- (r) Such further and other grounds as counsel may advise and this Honourable Court may permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

- (a) The Affidavit of Marc Boutet, sworn September 28, 2010;
- (b) The Eighth Report of A. John Page & Associates Inc. in its capacity as Monitor of Nelson Financial Group Ltd.; and
- (c) Such further and other materials as counsel may advise and this Honourable Court permits.

Date: September 28, 2010

GOWLING LAFLEUR HENDERSON LLP

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Nelson Financial Group Ltd.

TO: THE SERVICE LIST

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NELSON FINANCIAL GROUP LTD.**

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

NOTICE OF MOTION
(Returnable October 1, 2010)

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Nelson Financial Group Ltd.

TAB A

Schedule "A"

Court File No. 10-8630-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM)
)
 JUSTICE PEPALL)

FRIDAY, THE 1st
 DAY OF OCTOBER, 2010

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
 OF NELSON FINANCIAL GROUP LTD. (the "Applicant")

Applicant

ORDER

THIS MOTION made by the Applicant, Nelson Financial Group Ltd. ("**Nelson Financial**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an Order, *inter alia*:

- (a) abridging and validating the time for service of the Notice of Motion, the Motion Record, and the Eighth Report of the Monitor, A. John Page & Associates Inc. (the "**Monitor**") dated September 28, 2010 (the "**Eighth Report**"), so that this motion is properly returnable today and dispensing with further service thereof;
- (b) approving the Eighth Report; and
- (c) approving an extension of the stay of proceedings from October 1, 2010, to and including November 15, 2010,

was heard this day at 330 University Avenue, Toronto, Ontario.

UPON READING the material filed, including the Notice of Motion, the Eighth Report, and the Affidavit of Marc Boutet sworn September 28, 2010, and upon hearing the submissions of counsel for Nelson Financial, counsel for the Monitor, counsel for Staff of the Ontario Securities Commission, representative counsel for the holders of promissory notes issued by Nelson Financial (the “**Representative Counsel**”) and special counsel to the Representative Counsel, counsel for Foscarini Mackie Holdings Inc., Glenn Mackie and Lisa Mackie, no one else appearing although duly and properly served,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record, and the Eighth Report is hereby abridged and validated such that this Motion is properly returnable today and hereby dispenses with further service thereof.

MONITOR'S ACTIVITIES

2. **THIS COURT ORDERS** that the Eighth Report and the conduct and activities of the Monitor described therein be and are hereby approved.

STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 13 of the Initial Order of the Honourable Madam Justice Pepall, dated March 23, 2010) is hereby extended until and including Monday, November 15, 2010.

<p style="text-align: center;">Court File No. 10-8630-00CL</p> <p style="text-align: center;">IN THE MATTER OF THE COMPANIES' CREDITORS' ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED</p> <p style="text-align: center;">AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NELSON FINANCIAL GROUP LTD.</p> <p style="text-align: right;">Applicant</p>	
<p style="text-align: center;">ONTARIO</p> <p style="text-align: center;">SUPERIOR COURT OF JUSTICE</p> <p style="text-align: center;">(PROCEEDING COMMENCED AT TORONTO)</p>	
<p style="text-align: center;">ORDER</p>	
<p>GOWLING LAFLEUR HENDERSON LLP Barristers and Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 TORONTO, Ontario M5X 1G5</p> <p>Clifton P. Prophet / Frank Lamie LSUC No.: 34845K / 54035S</p> <p>Telephone: (416) 862-3509 / (416) 862-3609 Facsimile: (416) 862-7661</p> <p style="text-align: right;">SOLICITORS FOR THE APPLICANT</p>	

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NELSON FINANCIAL GROUP LTD.

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

NOTICE OF MOTION
(Returnable July 28, 2010)

GOWLING LAFLEUR HENDERSON LLP

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Counsel for the Applicant,
Nelson Financial Group Ltd.

TAB 2

Court File No. 10-8630-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF NELSON FINANCIAL GROUP LTD. (the "Applicant")**

Applicant

**AFFIDAVIT OF MARC BOUTET
(Sworn September 28, 2010)**

**I, MARC BOUTET, of the City of Pickering, in the Province of Ontario, MAKE OATH
AND SAY AS FOLLOWS:**

Introduction

1. I am the President, Secretary and sole director of Nelson Financial Group Ltd. ("Nelson Financial" or the "Applicant"). Accordingly, I have personal knowledge of the matters deposed to in this Affidavit. Where this Affidavit is not based on my personal knowledge, it is based on information and belief and I verily believe such information to be true.
2. This Affidavit is sworn in support of Nelson Financial's motion for the extension of the stay of proceedings to and including November 15, 2010.

Background

3. On March 23, 2010, Nelson Financial filed for and obtained protection from its creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to the Order of the Honourable Madam Justice Pepall (the "**Initial Order**"). A copy of the Initial Order is attached hereto as **Exhibit "A"**.
4. Pursuant to the Initial Order, A. John Page & Associates Inc. ("**AJP&AI**") was appointed as Monitor of the Applicant (the "**Monitor**").
5. On April 22, 2010, Nelson Financial was granted an extension of the stay of proceedings to April 30, 2010.
6. On April 30, 2010, Nelson Financial was granted an extension of the stay of proceedings to June 7, 2010.
7. On June 4, 2010, Nelson Financial was granted an extension of the stay of proceedings to June 15, 2010, and certain other relief.
8. On June 15, 2010, Nelson Financial was granted an extension of the stay of proceedings from June 15, 2010 to and including July 30, 2010, and certain other relief.
9. On July 27, 2010, the Honourable Madam Justice Pepall issued an Order granting an extension of the Stay of Proceedings to and including October 1, 2010, and certain other relief. A copy of the Order of Madam Justice Pepall dated July 27, 2010, is attached hereto as **Exhibit "B"**.

Restructuring Activities

10. Since the issuance of the Initial Order, Nelson Financial has been working diligently to stabilize its business and maintain operations, the cash flow results of which exceed those forecast in the cash projections filed with this Honourable Court.

11. On July 27, 2010, the Honourable Madam Justice Pepall issued an Order (the "**Claims Procedure Order**") approving a claims procedure established by Nelson Financial and the Monitor. Attached hereto as a **Exhibit "C"** is a copy of the Order of the Honourable Madam Justice Pepall dated July 27, 2010.
12. Based on my discussions with the Monitor, I understand that the Monitor sent the requisite document packages as required by the Claims Procedure Order and is currently in the process of assessing the Proofs of Claim and the Proofs of Shareholding filed (as defined in the Claims Procedure Order).
13. Based on my discussions with the Monitor, I continue to believe that Nelson Financial will be able to propose a plan of compromise or arrangement to its creditors that offers stakeholders a better result than bankruptcy or liquidation. Furthermore, Nelson Financial should be able to generate stable and increased margins from its business, based on a changed focus towards the financing of consumer goods for customers with stronger credit histories.
14. In conjunction with the Monitor, Nelson Financial has substantially developed a plan of compromise or arrangement which will (a) not require external financing, and (b) not require the historic volumes of customer receivables provided by Lendcare Financial Services Inc.
15. On September 23, 2010, the Honourable Mr. Justice Cumming issued an Order adjourning the Preferred Shareholder Motion scheduled to be heard on September 27, 2010 to instead be heard on October 18, 2010 and October 19, 2010. Attached hereto as **Exhibit "D"** is a copy of the Order of the Honourable Mr. Justice Cumming dated September 23, 2010.
16. In view of the adjournment of the Preferred Shareholder Motion to October 17 and 18, 2010, it is both premature and impossible for Nelson Financial to put forward a complete plan of compromise or arrangement until such time as the Preferred Shareholder Motion is resolved.

Foscarini Mackie Settlement

17. Foscarini Mackie Holdings Inc. ("**Foscarini Mackie**") held a valid and enforceable security interest securing amounts due to Foscarini Mackie under certain promissory notes issued by Nelson Financial (the "**Foscarini Mackie Security**"). The security interest created by the Foscarini Mackie Security attached to certain contracts financed by Nelson Financial and continued to accrue interest.
18. On September 16, 2010, the Honourable Madam Justice Pepall approved a settlement made between Nelson Financial and Foscarini Mackie. Attached hereto as a **Exhibit "E"** is a copy of the Order of the Honourable Madam Justice Pepall dated September 16, 2010.
19. On September 20, 2010, Nelson Financial paid the sum of \$696,775.43 to Foscarini Mackie and the parties completed the remaining terms of the settlement made between Nelson Financial and Foscarini Mackie.

Ontario Securities Commission

20. As previously disclosed to this Honourable Court in my Affidavit sworn July 5, 2010, Nelson Investment Group Limited ("**Nelson Investment**") has been the subject of a compliance review and investigation by the Ontario Securities Commission (the "**OSC**"). Nelson Financial cooperated with the OSC enforcement staff handling the investigation and worked with the OSC to ensure that issues raised were addressed with the OSC in a timely fashion.
21. On May 12, 2010, the OSC delivered a Notice of Hearing pursuant to section 127(1) and 127.1 of the *Securities Act*, together with a Statement of Allegations (the "**OSC Proceedings**"), to Nelson Financial, Nelson Investment, Marc Boutet, Stephanie Lockman Sobol, Paul Manuel Torres and H.W. Peter Knoll.
22. The hearing of the OSC Proceedings has been scheduled to be heard between February 14, 2011 to March 1, 2011.

23. Nelson Financial maintains that the OSC Proceedings against Nelson Financial, Nelson Investment, Marc Boutet and Stephanie Lockman Sobol are not necessary or in the public interest.
24. With respect to Nelson Financial's intended restructuring, it should be noted that under its current plans, Nelson Financial will not require the ability to issue securities to the public in order to finance its operations, nor does it intend to do so (except in accordance with a creditor and Court-approved plan substituting new notes and preferred shares for existing notes in a manner and to an extent to be determined). Accordingly, the actions by the OSC described above are not directly relevant to Nelson Financial's ability to restructure.

Stay Extension

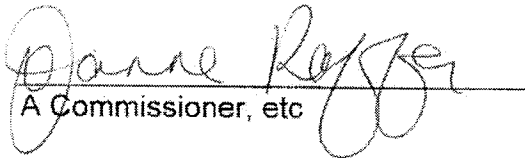
25. In order to permit Nelson Financial to move forward with its intended restructuring in conjunction with the Monitor and interested stakeholders, it is appropriate and necessary to extend the stay of proceedings to and including November 15, 2010.
26. The continuation of the stay of proceedings is necessary to provide the stability required to continue Nelson Financial's restructuring activities which have been ongoing following the granting of the Initial Order.
27. Nelson Financial has acted in good faith and with due diligence since the issuance of the Initial Order in pursuing its restructuring.
28. I am informed by the Monitor that the projected cash flow that will be contained in the Monitor's Eighth Report supports an extension of the stay of proceedings to and including November 15, 2010.

Conclusion

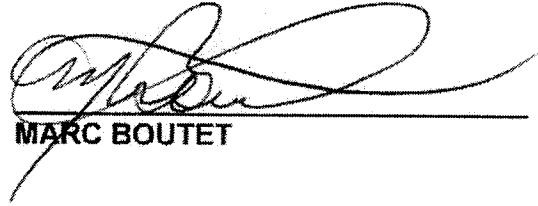
29. Nelson Financial has taken significant steps as outlined herein towards its restructuring goals.

30. This Affidavit is made in support of Nelson Financial's motion for the relief sought in Nelson Financial's Notice of Motion and for no other or improper purpose.

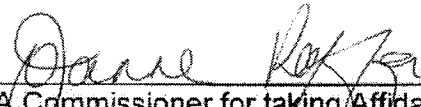
SWORN before me at the City of
Pickering, in the Province
of Ontario this 28th day of September,
2010.


A Commissioner, etc

JOANNE JOSEPHINE RAFFA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO
FOR NELSON FINANCIAL GROUP LTD.
EXPIRES FEBRUARY 1, 2013.


MARC BOUTET

This is **Exhibit "A"** to the
Affidavit of Marc Boutet
sworn before me, this 28th day of
September, 2010.


A Commissioner for taking Affidavits

JOANNE JOSEPHINE RAFFA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO
FOR NELSON FINANCIAL GROUP LTD.
EXPIRES FEBRUARY 1, 2013.

Court File No. 10-8630-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM)	TUESDAY, THE 23 rd
)	
JUSTICE PEPALL)	DAY OF MARCH, 2010

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF NELSON FINANCIAL GROUP LTD. (the "Applicant")**

Applicant

INITIAL ORDER

THIS APPLICATION, made by the Applicant, Nelson Financial Group Ltd. ("Nelson Financial" or the "Applicant"), without notice, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Marc Boutet sworn March 22, 2010 and the Exhibits thereto, and the Report of A. John Page & Associates Inc. in its capacity as the Proposed Monitor to the Applicant dated March 22, 2010 and the Exhibits thereto, and on hearing the submissions of counsel for Nelson Financial, and counsel for A. John Page & Associates Inc., and on reading the consent of A. John Page & Associates Inc. to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

6. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any

nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$100,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").

11. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

12. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

13. THIS COURT ORDERS that until and including April 22, 2010, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

15. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data

services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant

after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

20. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$200,000, as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraphs 31 and 33 herein.

21. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 19 of this Order.

APPOINTMENT OF MONITOR

22. THIS COURT ORDERS that A. John Page & Associates Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (d) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

24. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations

thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

27. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis.

29. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of

\$1,000,000.00. as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 31 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

31. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,000,000.00); and

Second – Directors' Charge (to the maximum amount of \$200,000.00).

32. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge and the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

33. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, save and except the Encumbrances in favour of Glen Mackie and Lisa Mackie and Foscarini Mackie Holdings Inc., to the extent they are determined to be valid and enforceable and properly perfected by counsel to the Monitor.

34. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge, unless the Applicant also obtains the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

35. THIS COURT ORDERS that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicant pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

36. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

37. THIS COURT ORDERS that, subject to paragraph 38 of this Order, the Monitor shall (i) without delay, publish in the Globe and Mail newspaper a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the

estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

38. THIS COURT ORDERS that notwithstanding the provisions of paragraph 23(1)(a)(ii) of the CCAA, the Monitor shall not be obliged to publish and/or make publicly available the name or address of (i) any current and former Nelson Financial employees on account of employment-related liabilities, and (ii) any person holding securities issued by the Applicant which includes, but is not limited to, any person holding Notes and Pref Shares as defined in the Affidavit of Marc Boutet sworn March 22, 2010.

39. THIS COURT ORDERS that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

40. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.ajohnpage.com.

GENERAL

41. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

42. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

43. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

44. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.


45. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

46. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order.



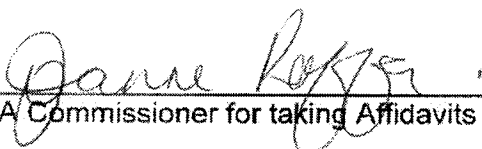
CLERK OF THE COURT
 COURT OF CHANCERY
 LEICESTER SQUARE LONDON WC2A 4PU

MAR 23 2010

PER / PAR 

<p style="text-align: center;">Court File No. 10-8630-00CL</p> <p style="text-align: center;">IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED</p> <p style="text-align: center;">AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NELSON FINANCIAL GROUP LTD.</p> <p style="text-align: right;">Applicant</p>	<table border="1"><tr><td data-bbox="427 140 634 863"><p style="text-align: center;">ONTARIO</p><p style="text-align: center;">SUPERIOR COURT OF JUSTICE</p><p style="text-align: center;">(PROCEEDING COMMENCED AT TORONTO)</p></td><td data-bbox="634 140 781 863"><p style="text-align: center;">INITIAL ORDER</p></td><td data-bbox="781 140 1403 863"><p>GOWLING LAFLEUR HENDERSON LLP Barristers and Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 TORONTO, Ontario M5X 1G5</p><p>Clifton P. Prophet / Frank Lamie LSUC No.: 34345K / 54035S</p><p>Telephone: (416) 862-3509 / (416) 862-3609 Facsimile: (416) 862-7661</p><p style="text-align: center;">SOLICITORS FOR THE APPLICANT</p></td></tr></table>	<p style="text-align: center;">ONTARIO</p> <p style="text-align: center;">SUPERIOR COURT OF JUSTICE</p> <p style="text-align: center;">(PROCEEDING COMMENCED AT TORONTO)</p>	<p style="text-align: center;">INITIAL ORDER</p>	<p>GOWLING LAFLEUR HENDERSON LLP Barristers and Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 TORONTO, Ontario M5X 1G5</p> <p>Clifton P. Prophet / Frank Lamie LSUC No.: 34345K / 54035S</p> <p>Telephone: (416) 862-3509 / (416) 862-3609 Facsimile: (416) 862-7661</p> <p style="text-align: center;">SOLICITORS FOR THE APPLICANT</p>
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This is **Exhibit "B"** to the
Affidavit of Marc Boutet
sworn before me, this 28th day of
September, 2010.


A Commissioner for taking Affidavits

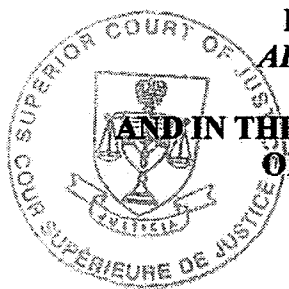
JOANNE JOSEPHINE RAFFA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO
FOR NELSON FINANCIAL GROUP LTD.
EXPIRES FEBRUARY 1, 2013.

Court File No. 10-8630-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM)
)
JUSTICE PEPALL)

TUESDAY, THE 27th
DAY OF JULY, 2010



**IN THE MATTER OF THE COMPANIES' CREDITORS
 ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
 OF NELSON FINANCIAL GROUP LTD. (the "Applicant")**

Applicant

ORDER

THIS MOTION made by the Applicant, Nelson Financial Group Ltd. ("**Nelson Financial**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an Order, *inter alia*:

- (a) abridging and validating the time for service of the Notice of Motion, the Motion Record, the Fifth Report of the Monitor, A. John Page & Associates Inc. (the "**Monitor**") dated July 21, 2010 (the "**Fifth Report**"), and the Supplemental to Fifth Report dated July 23, 2010 (the "**Supplemental to Fifth Report**"), so that this motion is properly returnable today and dispensing with further service thereof;
- (b) approving the Fifth Report;
- (c) approving the Supplemental to Fifth Report;
- (d) approving the fees and disbursements of the Monitor and its counsel;

- (e) approving an extension of the stay of proceedings from July 30, 2010, to and including October 1, 2010,

was heard this day at 330 University Avenue, Toronto, Ontario.

UPON READING the material filed, including the Notice of Motion, the Fifth Report, and the Affidavit of Marc Boutet sworn July 20, 2010, and upon hearing the submissions of counsel for Nelson Financial, counsel for the Monitor, counsel for Staff of the Ontario Securities Commission, representative counsel for the holders of promissory notes issued by Nelson Financial (the "**Representative Counsel**") and special counsel to the Representative Counsel, counsel for Foscarini Mackie Holdings Inc., Glenn Mackie and Lisa Mackie, no one else appearing although duly and properly served,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record, the Fifth Report, and the Supplemental to Fifth Report is hereby abridged and validated such that this Motion is properly returnable today and hereby dispenses with further service thereof.

MONITOR'S ACTIVITIES

2. **THIS COURT ORDERS** that the Fifth Report, the Supplemental to Fifth Report, and the conduct and activities of the Monitor described therein be and are hereby approved.

FEE APPROVAL

3. **THIS COURT ORDERS** that the fees for professional services and the disbursements of the Monitor, as set out in the Affidavit of A. John Page sworn July 16, 2010, and counsel for the Monitor, as set out in the Affidavit of James H. Grout sworn July 16, 2010, be and are hereby approved.

STAY EXTENSION

4. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 13 of the Initial Order of the Honourable Madam Justice Pepall, dated March 23, 2010) is hereby extended until and including Friday, October 1, 2010.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUL 27 2010

PER / PAR: 

Court File No. 10-8630-00CL

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NELSON FINANCIAL GROUP LTD.

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
(PROCEEDING COMMENCED AT TORONTO)

ORDER

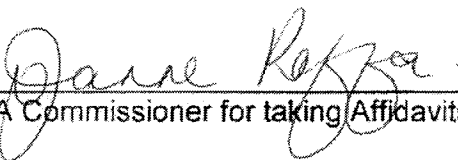
GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Clifton P. Prophet / Frank Lamie
LSUC No.: 34345K / 54035S

Telephone: (416) 862-3509 / (416) 862-3609
Facsimile: (416) 862-7661

SOLICITORS FOR THE APPLICANT

This is **Exhibit "C"** to the
Affidavit of Marc Boutet
sworn before me, this 28th day of
September, 2010.


A Commissioner for taking Affidavits

JOANNE JOSEPHINE RAFFA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO
FOR NELSON FINANCIAL GROUP LTD.
EXPIRES FEBRUARY 1, 2013.

Court File No. 10-8630-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM

)

TUESDAY, THE 27th**JUSTICE PEPALL**

)

DAY OF JULY, 2010

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF NELSON FINANCIAL GROUP LTD. (the "Applicant")**

**Applicant**

CLAIMS PROCEDURE ORDER

THIS MOTION, made by the Applicant, for an Order, *inter alia*, approving the claims procedure with respect to holders of promissory notes issued by the Applicant, other creditors of the Applicant and holders of preferred shares issued by the Applicant was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicant's Notice of Motion, the Affidavit of Marc Boutet sworn July 21, 2010, the Fifth Report of A. John Page & Associates Inc. ("**AJP&AI**") in its capacity as the Monitor of the Applicant (the "**Monitor**") dated July 21, 2010 and the Supplemental to the Fifth Report and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, Representative Counsel for the holders of promissory notes issued by the Applicant, counsel for Foscarini Mackie Holdings Inc., Greg Mackie and Lisa Mackie, and

counsel for Staff of the Ontario Securities Commission, no one appearing for the other parties served with the Applicant's Motion Record, although duly served:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record filed by the Applicant in support of this Motion be and it is hereby abridged such that the Motion is properly returnable today.

MONITOR'S ROLE

2. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA (as hereinafter defined) and under the Initial Order of this Court dated March 23, 2010 (such Order, as supplemented, amended or varied from time to time, is referred to herein as the "**Initial Order**"), is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order.

THE CLAIMS PROCESS

3. **THIS COURT ORDERS** that the following terms shall have the following meanings ascribed thereto:

- (a) "Business Day" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
- (b) "CCAA" means *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- (c) "Claim" means

- (i) any right of any Person against the Applicant in connection with any

indebtedness, liability or obligation of any kind of the Applicant, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Filing Date or which would have been claims provable in bankruptcy had the Applicant become bankrupt on the Filing Date, and any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement after the Filing Date to and including the Valuation Date (each a "Claim", and collectively, the "Claims"); and,

- (ii) any right of any Person against the Directors of the Applicant that relates to the Claims for which the Directors of the Applicant are by law liable to pay in their capacity as directors, officers, management and/or in such other similar capacity,

provided however, that "Claim" shall not include an Excluded Claim;

- (d) "Claims Bar Date" means 4:00 p.m. (Eastern Daylight Time) on September 15, 2010, or such later date as may be ordered by the Court;

- (e) "Commencement Date" means 4:00 p.m. (Eastern Daylight Time) on August 13, 2010, or such later date as may be ordered by the Court;
- (f) "Court" means the Ontario Superior Court of Justice (Commercial List);
- (g) "Creditor" means any Person having a Claim;
- (h) "Creditors' Meeting" means the meeting or meetings of Creditors scheduled pursuant to further Order of this Court, or by the Plan when and as filed with this Court;
- (i) "Directors" means Marc Boutet, Stephanie Sobol and all other current and former directors, officers and Persons acting in a management or other similar capacity of the Applicant;
- (j) "Dispute Notice" means a written notice to the Monitor, in substantially the form attached as **Schedule "F"** hereto, delivered to the Monitor by a Creditor or a Preferred Shareholder who has received a Notice of Disallowance, of its intention to dispute such Notice of Disallowance and provide further evidence to support its Claim or Shareholding, respectively;
- (k) "Document Packages" means the Noteholder Package, the Trade Creditor Package and the Preferred Shareholder Package (each a "Document Package");
- (l) "Excluded Claim" means
 - (i) claims secured by any of the "Charges", as defined in the Initial Order;

- (ii) claims against a Director which cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA;
 - (iii) claims for interest accruing on a Claim after the Filing Date;
 - (iv) claims secured by any of the "Charges" subsequently incorporated by means of an amendment or variation of the Initial Order; and,
 - (v) Shareholdings;
- (m) "Filing Date" means March 23, 2010;
- (n) "Initial Order" has the meaning ascribed to that term in paragraph 2 of this Order;
- (o) "Instruction Letter for Noteholders" means the Instruction Letter to Noteholders, in substantially the form attached as **Schedule "B1"** hereto;
- (p) "Instruction Letter for Preferred Shareholders" means the Instruction Letter to Preferred Shareholders, in substantially the form attached as **Schedule "B2"** hereto;
- (q) "Instruction Letter for Trade Creditors" means the Instruction Letter to Trade Creditors, in substantially the form attached as **Schedule "B3"** hereto;
- (r) "Known Preferred Shareholders" means those Persons which the books and records of the Applicant disclose as holding preferred shares issued by the Applicant as at the Filing Date;

- (s) "Known Noteholders" means those Persons which the books and records of the Applicant disclose as holding promissory notes issued by the Applicant as at the Filing Date;
- (t) "Known Trade Creditors" means all Persons which the books and records of the Applicant disclose as holding Claims, other than Noteholders;
- (u) "Noteholder" means any Person holding promissory notes issued by the Applicant.
- (v) "Noteholder Package" means a document package that includes a copy of the Instruction Letter for Noteholders, a Notice of Noteholder Claim, a blank Proof of Claim, the Claims Procedure Order and such other materials as the Monitor may consider appropriate or desirable;
- (w) "Notice of Disallowance" means the notice, in substantially the form attached as **Schedule "E"** hereto, advising
 - (i) a Creditor that the Monitor has revised or rejected all or part of such Creditor's Claim set out in the Proof of Claim; or,
 - (ii) a Preferred Shareholder that the Monitor has revised or rejected all or part of such Preferred Shareholder's Shareholding set out in the Proof of Shareholding;
- (x) "Notice of Noteholder Claim" means the notice to Noteholders substantially in the form attached as **Schedule "C1"** hereto;

- (y) "Notice of Shareholding" means the notice to Preferred Shareholders substantially in the form attached as **Schedule "C2"** hereto;
- (z) "Notice to Creditors and Preferred Shareholders" means the notice to Creditors and Preferred Shareholders for publication in substantially the form attached as **Schedule "A"** hereto;
- (aa) "Person" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;
- (bb) "Plan" means the plan of arrangement by the Applicant, if and when filed and approved by this Court, as revised, amended, modified or supplemented from time to time in accordance with its terms;
- (cc) "Preferred Shareholder" means any Person holding preferred shares issued by the Applicant;
- (dd) "Preferred Shareholder Package" means a document package that includes a copy of the Instruction Letter for Preferred Shareholders, a Notice of Shareholding, a blank Proof of Shareholding, a blank Proof of Claim, the Claims Procedure Order and such other materials as the Monitor may consider appropriate or desirable;
- (ee) "Proof of Claim" means the form of Proof of Claim in substantially the form attached as **Schedule "D1"** hereto;

- (ff) "Proof of Shareholding" means the form of Proof of Shareholding in substantially the form attached as **Schedule "D2"** hereto;
- (gg) "Proven Claim" has the meaning ascribed to that term in paragraph 4 of this Order;
- (hh) "Proven Shareholding" has the meaning ascribed to that term in paragraph 5 of this Order;
- (ii) "Recorded Noteholding" has the meaning ascribed to that term in paragraph 7 of this Order;
- (jj) "Recorded Shareholding" has the meaning ascribed to that term in paragraph 10 of this Order;
- (kk) "Secured Claim" means any Claim or portion thereof that is secured by a security interest, pledge, mortgage, lien, hypothec or charge on any property of the Applicant, but only to the extent of the value of the security in respect of the Claim;
- (ll) "Shareholding" means
 - (i) the number of preferred shares issued by the Applicant and held by a Preferred Shareholder as at the Filing Date;
 - (ii) the amount of any due but unpaid dividends thereon as at the Filing Date;and,

- (iii) the amount of any accrued and unpaid dividends thereon as at the Filing Date;
- (mm) "Trade Creditor" means any Person asserting a Claim other than a Noteholder, including, without limitation, the following:
 - (i) those Persons which the books and records of the Applicant disclose were owed monies by the Applicant as of the Filing Date and which monies remain unpaid in whole or in part;
 - (ii) any Person who commenced a legal proceeding against the Applicant which legal proceeding was commenced and served upon the Applicant prior to the Filing Date;
 - (iii) any Person who is party to a lease, contract, employment agreement or other agreement of the Applicant which was terminated or disclaimed by the Applicant between the Filing Date and the Valuation Date; and,
 - (iv) any other Creditor actually known to the Applicant as at the Valuation Date;
- (nn) "Trade Creditor Package" means a document package that includes a copy of the Instruction Letter for Trade Creditors, a blank Proof of Claim, the Claims Procedure Order and such other materials as the Monitor may consider appropriate or desirable; and,
- (oo) "Valuation Date" means the date of this Order.

DETERMINATION OF PROVEN CLAIM AND PROVEN SHAREHOLDING

4. **THIS COURT ORDERS** that the amount and status of every Claim of a Creditor, as finally determined in accordance with the forms and procedures hereby authorized (a **"Proven Claim"**), including any determination as to the nature, amount, value, priority or validity of any Claim, including any Secured Claim, shall be final for all purposes, including the Plan, and including, without limitation, for any distribution made to Creditors.
5. **THIS COURT ORDERS** that the Shareholding of a Preferred Shareholder, as finally determined in accordance with the forms and procedures hereby authorized (a **"Proven Shareholding"**), shall be final for all purposes to be determined by further Order of the Court.

NOTICE TO CREDITORS AND PREFERRED SHAREHOLDERS

6. **THIS COURT ORDERS** that:
- (a) the Monitor shall, by no later than the Commencement Date, post copies of the Claims Procedure Order, the Instruction Letter for Noteholders, the Instruction Letter for Trade Creditors, the Instruction Letter for Preferred Shareholders, a blank Proof of Claim and a blank Proof of Shareholding on its website and make them available for unrestricted download;
 - (b) the Monitor shall, by no later than the Commencement Date, send on behalf of the Applicant
 - (i) a Noteholder Package to each of the Known Noteholders;

- (ii) a Trade Creditor Package to each of the Known Trade Creditors; and,
- (iii) a Preferred Shareholder Package to each of the Known Preferred Shareholders;
- (c) the Monitor shall publish on one (1) day, within 12 days of the Commencement Date, a Notice to Creditors and Preferred Shareholders (in substantially the form attached hereto as **Schedule "A"** hereto) in the Globe and Mail and the Toronto Star; and
- (d) the Monitor shall, provided such request is received prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request therefore a copy of the applicable Document Package to any Person claiming to be a Creditor or Preferred Shareholder and requesting such material.

CREDITORS' CLAIMS

7. **THIS COURT ORDERS** that the Monitor shall, as part of the delivery of the Noteholder Package to each Known Noteholder, record on the Notice of Noteholder Claim (attached as **Schedule "C1"** hereto) the amounts due to the Known Noteholder by the Applicant as at the Filing Date, including the amount of accrued interest to the Filing Date, on each of the promissory notes issued by the Applicant and held by the Known Noteholder (a **"Recorded Noteholding"**).
8. **THIS COURT ORDERS** that the Recorded Noteholding set out in a Notice of Noteholder Claim shall be the Proven Claim of that Known Noteholder, unless the Known Noteholder elects to complete and file with the Monitor a Proof of Claim

(attached as **Schedule "D1"** hereto) after receipt of the Notice of Noteholder Claim and on or before the Claims Bar Date, in which case (a) the Claim as set out in the Proof of Claim shall be considered by the Monitor in accordance with the provisions of this Order, (b) the Notice of Noteholder Claim shall cease to have any effect whatsoever; and, (c) the Recorded Noteholding shall cease to be a Proven Claim.

9. **THIS COURT ORDERS** that the Monitor shall, as part of the delivery of the Trade Creditor Package to each Known Trade Creditor, send to any Known Trade Creditor a blank Proof of Claim (attached as **Schedule "D1"** hereto) pursuant to which the Known Trade Creditor may record its Claim. The Known Trade Creditor must complete and file the Proof of Claim with the Monitor on or before the Claims Bar Date in which case the Claim as set out in the Proof of Claim shall be considered by the Monitor in accordance with the provisions of this Order.

PREFERRED SHAREHOLDERS' SHAREHOLDINGS

10. **THIS COURT ORDERS** that the Monitor shall, as part of the delivery of the Preferred Shareholder Package to each Known Preferred Shareholder, record on the Notice of Shareholding (attached as **Schedule "C2"** hereto) the Shareholding of the Known Preferred Shareholder (the "**Recorded Shareholding**").
11. **THIS COURT ORDERS** that the Recorded Shareholding set out in a Notice of Shareholding shall be the Proven Shareholding of that Known Preferred Shareholder, unless the Known Preferred Shareholder elects to complete and file with the Monitor a Proof of Shareholding (attached as **Schedule "D2"** hereto) after receipt of the Notice of Shareholding and on or before the Claims Bar Date, in which case (a) the Shareholding as

set out in the Proof of Shareholding shall be considered by the Monitor in accordance with the provisions of this Order; (b) the Notice of Shareholder shall cease to have any effect whatsoever; and, (c) the Recorded Shareholding shall cease to be a Proven Shareholding.

For greater certainty, the delivery of the Notice of Shareholding, a Proof of Shareholding and/or the existence of a Proven Shareholding under the terms of this Order shall not entitle Preferred Shareholders to vote on or receive distributions under the Plan, absent further Order of this Court.

CLAIMS AND SHAREHOLDINGS BAR

12. **THIS COURT ORDERS** that any Creditor that elects to complete and file a Proof of Claim with the Monitor must do so such that the Proof of Claim is received by the Monitor on or before the Claims Bar Date. Any Creditor that does not file a Proof of Claim as provided for herein such that such Proof of Claim is received by the Monitor on or before the Claims Bar Date

- (a) shall be and is hereby forever barred from making or enforcing any Claim (other than a Recorded Noteholding) against the Applicant, the Directors, or any of them, as applicable;
- (b) shall not be entitled to vote at the Creditors' Meeting in respect of the Plan or to receive any distribution thereunder, except with respect to a Recorded Noteholding; and,
- (c) shall not be entitled to any further notice in, and shall not be entitled to participate

as a Creditor in, these proceedings, except with respect to a Recorded Noteholding.

13. **THIS COURT ORDERS** that any Preferred Shareholder that elects to complete and file a Proof of Shareholding with the Monitor must do so such that the Proof of Shareholding is received by the Monitor on or before the Claims Bar Date. Any Preferred Shareholder that does not file a Proof of Shareholding as provided for herein such that such Proof of Shareholding is received by the Monitor on or before the Claims Bar Date
- (a) shall be and is hereby forever barred from making or enforcing any Shareholding (other than a Recorded Shareholding) against the Applicant, the Directors, or any of them, as applicable;
 - (b) shall not be entitled to vote in its capacity as a Preferred Shareholder at the Creditors' Meeting in respect of the Plan or to receive any distribution thereunder, except with respect to a Recorded Shareholding, if it is determined by further Order of this Court that Preferred Shareholders are entitled to so vote or receive such distributions; and,
 - (c) shall not be entitled to any further notice in, and shall not be entitled to participate in its capacity as a Preferred Shareholder as a creditor in, these proceedings, except with respect to a Recorded Shareholding, if it is determined by further Order of this Court that Preferred Shareholders are entitled to receive further notice in or participate as a creditor in these proceedings.

PROOFS OF CLAIM AND PROOFS OF SHAREHOLDINGS**14. THIS COURT ORDERS that:**

- (a) the Monitor may, where it is satisfied that a Claim or Shareholding has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Claim or Proofs of Shareholding;
- (b) the Monitor may determine the amount and status of any claim of a creditor arising after the Valuation Date but prior to the implementation of any Plan on a case by case basis; and,
- (c) any Claims denominated in any currency other than Canadian dollars shall, for the purposes of this Order, be converted to, and constitute obligations in, Canadian dollars, such calculation to be effected by the Monitor using the Bank of Canada noon spot rate on the Filing Date, as applicable.

REVIEW OF PROOFS OF CLAIM AND PROOFS OF SHAREHOLDING

- 15. THIS COURT ORDERS** that the Monitor, in consultation with the Applicant, shall review all Proofs of Claims and Proofs of Shareholding filed on or before the Claims Bar Date and shall accept or disallow (in whole or in part) the amount and/or status of the Claim or Shareholding set out therein. Where the Monitor, in consultation with the Applicant, disallows (in whole or in part) the amount and/or status of a Claim or Shareholding, then the Monitor shall deliver a Notice of Disallowance (attached as **Schedule "E"** hereto) as soon as practicable to the respective Creditor or Preferred Shareholder. At any time, the Monitor may request additional information with respect to the Claim or Shareholding, and may request that the Creditor file a revised Proof of

Claim or that the Preferred Shareholder file a revised Proof of Shareholding. Where the Monitor delivers a Notice of Disallowance in accordance with this paragraph 15, it shall also deliver a blank Dispute Notice (attached as **Schedule "F"** hereto).

16. **THIS COURT ORDERS** that where a Claim has been accepted by the Monitor, such Claim shall constitute such Creditor's Proven Claim for all purposes, including for the purposes of voting and distribution under the Plan.
17. **THIS COURT ORDERS** that where a Shareholding has been accepted by the Monitor, such Shareholding shall constitute a Proven Shareholding, however, this determination shall not entitle Preferred Shareholders to vote on or receive distributions under the Plan absent further Order of this Court.
18. **THIS COURT ORDERS** that where a Claim or Shareholding has been disallowed (in whole or in part), the disallowed Claim or Shareholding (or disallowed portion thereof) shall not be a Proven Claim or Proven Shareholding, respectively, unless the Creditor or the Preferred Shareholder has disputed the disallowance and proven the disallowed Claim or Shareholding (or portion thereof) in accordance with paragraphs 21 to 25 of this Order.

EFFECT OF CLAIM THAT IS NOT A PROVEN CLAIM

19. **THIS COURT ORDERS** that where a Creditor has delivered a Proof of Claim but ^{- 17 - sup}their Claim has not become a Proven Claim prior to the Creditors' Meeting, the Creditor may vote its Claim at the Creditors' Meeting, and such vote shall be recorded by the Monitor, but the validity of the Claim and the corresponding vote by the Creditor shall not be final or binding on the Creditor, the Monitor, or the Applicant unless and until, and only to the extent that, the Claim becomes a Proven Claim.

20. **THIS COURT ORDERS** that where a a Creditor has delivered a Proof of Claim but ^{its} ~~their~~ Claim has not become a Proven Claim prior to a distribution under any Plan, the dividend to Creditors shall be calculated on the basis of the full amount of the Claim, and a reserve in respect of the specific Claim shall be established and held by the Monitor, but the Creditor shall not be entitled to a dividend based on the Claim unless and until, and only to the extent that, the Claim becomes a Proven Claim.

DISPUTE NOTICE

21. **THIS COURT ORDERS** that any Creditor or Preferred Shareholder who intends to dispute a Notice of Disallowance shall file a Dispute Notice (attached as **Schedule "F"** hereto) with the Monitor as soon as reasonably possible but in any event such that such Dispute Notice shall be received by the Monitor on or before 4:00 p.m. (Eastern Daylight Time) on the day that is fourteen (14) days after the Monitor sends the Notice of Disallowance in accordance with paragraph 15 of this Order. The filing of a Dispute Notice with the Monitor within the time limited therefore shall constitute an application to have the amount or status of such Claim or Shareholding determined as set out in paragraphs 23 to 25 hereof.
22. **THIS COURT ORDERS** that where a Creditor or Preferred Shareholder that receives a Notice of Disallowance fails to file a Dispute Notice with the Monitor within the time limited therefore, the amount and status of such Creditor's Claim or such Preferred Shareholder's Shareholding shall be deemed to be as set out in the Notice of Disallowance and such amount and status, if any, shall constitute such Creditor's Proven Claim or such Preferred Shareholder's Proven Shareholding.

RESOLUTION OF CLAIMS

23. **THIS COURT ORDERS** that as soon as practicable after the delivery of the Dispute Notice to the Monitor, the Creditor or the Preferred Shareholder and the Monitor, in consultation with the Applicant, shall attempt to resolve and settle the Creditor's Claim or the Preferred Shareholder's Shareholding.
24. **THIS COURT ORDERS** that, in the event that the dispute between the Creditor or the Preferred Shareholder and the Monitor is not settled within ten (10) days after delivery of the Dispute Notice to the Monitor, ^{concerning} ~~the~~ ^{- subject to any further order of this court on the appointment of a claims officer -} the Monitor shall bring the dispute to the Court for determination, by way of a motion for advice and direction.
25. **THIS COURT ORDERS** that the determination of a Claim or Shareholding by this Court shall be final and binding for all purposes, and that there shall be no further right of appeal, review or recourse from this Court's determination of a Claim or Shareholding.

NOTICE OF TRANSFEREES

26. **THIS COURT ORDERS** that if, after the Filing Date, the holder of a Claim or Shareholding on the Filing Date, or any subsequent holder of the whole of a Claim or Shareholding, transfers or assigns the whole of such Claim or Shareholding to another Person, neither the Applicant nor the Monitor shall be obligated to give notice to or to otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof or of a Shareholding as the Preferred Shareholder in respect thereof, unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Monitor, at least five (5) Business Days before any Creditors' Meeting, and thereafter such transferee or assignee shall for

the purposes hereof constitute the "Creditor" in respect of such Claim or the "Preferred Shareholder" in respect of such Shareholding. Any such transferee or assignee of a Claim or Shareholding, and such Claim or Shareholding, shall be bound by any notices given or steps taken in respect of such Claim or Shareholding in accordance with this Order prior to receipt by the Monitor of satisfactory evidence of such transfer or assignment.

27. **THIS COURT ORDERS** that if, after the Filing Date, the holder of a Claim or Shareholding on the Filing Date, or any subsequent holder of the whole of a Claim or Shareholding, transfers or assigns the whole of such Claim or Shareholding to more than one Person or part of such Claim or Shareholding to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims or Shareholding, respectively, and such Claim or Shareholding shall continue to constitute and be dealt with as a single Claim or Shareholding notwithstanding such transfer or assignment, and the Applicant and the Monitor shall in each such case not be bound to recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim or Shareholding only as a whole and then only to and with the Person last holding such Claim or Shareholding in whole as the Creditor or Preferred Shareholder in respect of such Claim or Shareholding, provided such Creditor or Preferred Shareholder may by notice in writing to the Monitor, received at least five (5) Business Days prior to a Creditors' Meeting, direct that subsequent dealings in respect of such Claim or Shareholding, but only as a whole, shall be with a specified Person and in such event, such Creditor or Preferred Shareholder, such transferee or assignee of the Claim or Shareholding and the whole of such Claim or Shareholding shall be bound by any notices

given or steps taken in respect of such Claim or Shareholding by or with respect to such Person in accordance with this Order.

SERVICE AND NOTICE

28. **THIS COURT ORDERS** that the Monitor be at liberty to deliver the Document Packages, and any letters, notices or other documents to Creditors, Preferred Shareholders or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, registered mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by ordinary prepaid mail, on the second Business Day after mailing. Notwithstanding anything to the contrary in this paragraph 28, Disallowances of Claims shall be sent only by registered mail or by courier.
29. **THIS COURT ORDERS** that any notice or other communication (including, without limitation, Proofs of Claim, Proofs of Shareholding and Dispute Notices) to be given under this Order by a Creditor or a Preferred Shareholder to the Monitor shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed to:

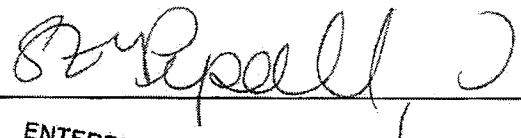
A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: A. John Page
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

Any such notice or other communication by a Creditor or Preferred Shareholder shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

MISCELLANEOUS

30. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to Section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUL 27 2010

PER / PAR: 

SCHEDULE "A"

**NOTICE TO CREDITORS AND PREFERRED SHAREHOLDERS
OF NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")**

**RE: NOTICE OF CLAIMS PROCEDURE FOR NELSON PURSUANT TO THE
COMPANIES' CREDITORS ARRANGEMENT ACT (the "CCAA")**

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice made July 27, 2010 (the "**Claims Procedure Order**").

On March 23, 2010, Nelson obtained protection pursuant to the CCAA and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "**Monitor**"). Pursuant to the Claims Procedure Order, Nelson has been authorized to conduct a claims procedure under the CCAA for all claims of creditors and preferred shareholders of Nelson (the "**Claims Procedure**").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "**Claim**"). The Claims Procedure is also intended for any Person that held preferred shares of Nelson as at March 23, 2010 (a "**Shareholding**"). Please review the Claims Procedure Order, which may be found on the Monitor's website at (www.ajohnpage.com/html/files.html), for the complete definition of Claim, Excluded Claim, Directors and Shareholding.

On August 13, 2010, the Monitor sent by mail packages to all known promissory noteholders, other creditors and preferred shareholders of Nelson providing information on the Claims Procedure. The package sent to promissory noteholders contained a schedule detailing the amount shown in the records of Nelson as being owed to that noteholder (the "**Recorded Noteholding**"). The package sent to preferred shareholders contained a schedule detailing the number of preferred shares held by that preferred shareholder and any accrued and unpaid dividends thereon shown in the records of Nelson (the "**Recorded Shareholding**").

If you are a noteholder or preferred shareholder of Nelson and you either (i) do not agree with the amount detailed in the Recorded Noteholding or Recorded Shareholding in the package sent to you, or (ii) did not receive a package from the Monitor, then you must file a Proof of Claim or Proof of Shareholding with the Monitor.

If you are an other creditor of Nelson, then you must file a Proof of Claim with the Monitor. All promissory noteholders, other creditors and preferred shareholders of Nelson must file a Proof of Claim with the Monitor for any Claims against the Directors.

Please take notice that preferred shareholders will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of their preferred shares absent further order of the court.

A copy of the Claims Procedure Order, blank Proof of Claim and Proof of Shareholding forms and the other general information contained in the packages can be downloaded from the Monitor's website at www.ajohnpage.com/html/files.html.

You must file your Proof of Claim or Proof of Shareholding so that it is received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). If the Monitor does not receive your Proof of Claim or Proof of Shareholding by the Claims Bar Date, then your claims on account of your promissory notes and preferred shares will be limited to the Recorded Noteholding and Recorded Shareholding, respectively, and any other Claims will be forever barred and extinguished.

DATED at Toronto this _____ day of August, 2010.

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "B1"

**INSTRUCTION LETTER FOR PROMISSORY NOTEHOLDERS
FOR THE CLAIMS PROCEDURE
OF NELSON FINANCIAL GROUP LTD. ("Nelson")**

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). Please review the enclosed Claims Procedure Order for the complete definition of Claim, Excluded Claim and Directors.

B. RECORDED NOTEHOLDINGS

Nelson's records indicate that you hold promissory notes issued by Nelson. In accordance with the Claims Procedure, enclosed, please find a Notice of Noteholder Claim, which has been completed on your behalf by the Monitor and sets out all amounts owing to you on your promissory notes by Nelson as at March 23, 2010. This is your Recorded Noteholding.

If you agree with all amounts owing to you on your promissory notes as set out in the Recorded Noteholding, then you do not need to take any further steps. Your Recorded Noteholding will be your Proven Claim for Nelson's CCAA proceeding and you will be entitled to vote on and receive distributions on account of your Proven Claim for any plan of arrangement or compromise proposed by Nelson.

However, if you disagree with any amount set out in your Recorded Noteholding, then you must complete and file a Proof of Claim with the Monitor as set out in Section C below within the time periods described. Please note that if you properly file a Proof of Claim, then the Notice of Noteholder Claim will cease to be a Recorded Noteholding and will cease to have any effect.

In addition, if you believe that you have any other Claims, other than Excluded Claims, against Nelson and/or the Directors, then you must also complete and file a Proof of Claim with the Monitor in respect of such Claim as set out in Section C below within the time periods described.

C. FOR PROMISSORY NOTEHOLDERS FILING A PROOF OF CLAIM

A blank Proof of Claim form is enclosed.

You must ensure that the Monitor receives your Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. **If the Monitor does not receive your Proof of Claim by the Claims Bar Date, then your Claim on account of your promissory notes will be limited to the Recorded Noteholding and any other Claims against Nelson and/or the Directors will be forever barred and extinguished.**

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "B2"

INSTRUCTION LETTER FOR PREFERRED SHAREHOLDERS FOR THE CLAIMS PROCEDURE OF NELSON FINANCIAL GROUP LTD. ("Nelson")

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). The Claims Procedure is also intended for any Person that held preferred shares of Nelson as at March 23, 2010 (a "Shareholding"). Please review the enclosed Claims Procedure Order for the complete definition of Claim, Excluded Claim, Directors and Shareholding.

B. RECORDED SHAREHOLDINGS

Nelson's records indicate that you hold preferred shares issued by Nelson. In accordance with the Claims Procedure, enclosed, please find a Notice of Shareholding, which has been completed on your behalf by the Monitor and sets out the number of preferred shares of Nelson held by you as at March 23, 2010 and the amount of all unpaid dividends thereon. This is your Recorded Shareholding.

If you agree with the number of preferred shares and the amount of unpaid dividends thereon set out in the Recorded Shareholding, then you do not need to take any further steps. Your Recorded Shareholding will be your Proven Shareholding for Nelson's CCAA proceeding.

However, if you disagree with the number of preferred shares and/or the amount of unpaid dividends thereon set out in your Recorded Shareholding, then you must complete and file a Proof of Shareholding with the Monitor as set out in Section C below within the time periods described. Please note that if you properly file a Proof of Shareholding, then the Notice of Shareholding will cease to be a Recorded Shareholding and will cease to have any effect.

Please be advised that, even if you agree with your Recorded Shareholding or you file a Proof of Shareholding with the Monitor, you will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of your preferred shares absent further order of the court.

In addition, if you believe that you have any Claims, other than Excluded Claims, against Nelson and/or the Directors, then you must also complete and file a Proof of Claim with the Monitor in respect of such Claim as set out in Section C below within the time periods described.

C. FILING A PROOF OF SHAREHOLDING AND/OR PROOF OF CLAIM

Blank Proof of Shareholding and Proof of Claim forms are enclosed.

You must ensure that the Monitor receives your Proof of Shareholding and/or Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Shareholding and/or Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. **If the Monitor does not receive your Proof of Shareholding and/or Proof of Claim by the Claims Bar Date, then your claims on account of your preferred shares will be limited to the Recorded Shareholding and any Claims will be forever barred and extinguished.**

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Shareholding and Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "B3"

INSTRUCTION LETTER FOR TRADE CREDITORS FOR THE CLAIMS PROCEDURE OF NELSON FINANCIAL GROUP LTD. (hereinafter referred to as "Nelson")

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). Please review the enclosed Claims Procedure Order for the complete definition of Claim, Excluded Claim and Directors.

B. FOR TRADE CREDITORS FILING A PROOF OF CLAIM

If you believe that you have a Claim against Nelson and/or the Directors, then you must complete and file a Proof of Claim with the Monitor. A blank Proof of Claim form is enclosed.

You must ensure that the Monitor receives your Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. **If the Monitor does not receive your Proof of Claim by the Claims Bar Date, then your Claim will be forever barred and extinguished.**

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6

Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "C1"

**NOTICE OF NOTEHOLDER CLAIM
RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")**

PARTICULARS OF CLAIM:

The books and records of Nelson indicate that you had a Claim against Nelson at at March 23, 2010 relating to the promissory note(s) issued by Nelson listed at the bottom of this notice.

Our review of your Claim indicates that it is an unsecured Claim.

The Claim listed below is your **"Recorded Noteholding"**.

ACTION REQUIRED:

If you agree with the Recorded Noteholding, then you do not have to take any further steps. If, however, you disagree with the Recorded Noteholding in any respect, then you must file a Proof of Claim with the Monitor by the time and date set out below. Please note that if you file a Proof of Claim, then this notice and the Recorded Noteholding will cease to have any effect.

In addition, if you have any other Claims against Nelson and/or the Directors, then you must file a Proof of Claim with the Monitor in respect of that Claim by the time and date set out below.

FILING OF PROOF OF CLAIM

If you disagree with the Recorded Noteholding in any respect and/or have additional Claims against Nelson and/or the Directors, then you must complete and file a Proof of Claim with the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. If the Monitor does not receive your Proof of Claim by the Claims Bar Date, then your Claim on account of your promissory notes will be limited to the Recorded Noteholding and any other Claims against Nelson and/or the Directors will be forever barred and extinguished.

Dated at _____ this _____ day of _____, 2010.

Schedule listing:

Name of Noteholder(s)

Address of Noteholder

Each promissory note held by the Noteholder, detailing investment account number and amount owing including accrued interest, all as at March 23, 2010

Total amount owing with respect to all promissory notes held

SCHEDULE "C2"

**NOTICE OF SHAREHOLDING
RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")**

PARTICULARS OF CLAIM:

The books and records of Nelson indicate that you owned the number of preferred shares issued by Nelson as of March 23, 2010 (the "**Preferred Shares**") listed at the bottom of this notice.

The books and records of Nelson indicate that the amount of dividends due but unpaid on your Preferred Shares as of March 23, 2010 is as listed at the bottom of this notice.

The books and records of Nelson indicate that the amount of dividends accrued and unpaid on your Preferred Shares as of March 23, 2010 is as listed at the bottom of this notice.

The Shareholding listed below is, collectively, the "**Recorded Shareholding**".

ACTION REQUIRED:

If you agree with the Recorded Shareholding, then you do not have to take any further steps. If, however, you disagree with the Recorded Shareholding in any respect, then you must file a Proof of Shareholding by the time and date set out below. Please note that if you file a Proof of Shareholding, then this notice and the Recorded Shareholding will cease to have any effect.

In addition, if you have any Claims against Nelson and/or the Directors, then you must file a Proof of Claim with the Monitor in respect of that Claim by the time and date set out below.

FILING OF PROOF OF SHAREHOLDING

If you disagree with the Recorded Shareholding in any respect, then you must complete and file a Proof of Shareholding with the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date").

If you have Claims against Nelson and/or the Directors, then you must complete and file a Proof of Claim with the Monitor by no later than the Claims Bar Date.

You may deliver your completed Proof of Shareholding and/or Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. **If the Monitor does not receive your Proof of Shareholding and/or Proof of Claim by the Claims Bar Date, then your claim on account of your Preferred Shares will be limited to the Recorded Shareholding and any Claims against Nelson and/or the Directors will be forever barred and extinguished.**

Please be advised that, even if you agree with your Recorded Shareholding or you file a Proof of Shareholding with the Monitor, you will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of your Preferred Shares absent further order of the court.

Dated at _____ this _____ day of _____, 2010.

Schedule listing:

TOR_LAW\7431814\2
7/27/10

Name of Preferred shareholder(s)

Address of Preferred shareholder(s)

Each holding of preferred shares held by the shareholder, detailing investment account number, the number of shares held, the amount of dividends due but unpaid, the amount of dividends accrued and unpaid, all as at March 23, 2010

Total of the above shareholdings

SCHEDULE "D1"

PROOF OF CLAIM RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim.

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____

(the "Creditor"). (Full legal name should be the name of the original Creditor of Nelson or the Directors, notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred following March 23, 2010.)

2. Full Mailing Address of the Creditor (the original Creditor not the Assignee):

3. Telephone Number: _____

4. E-Mail Address: _____

5. Facsimile Number: _____

6. Attention (Contact Person): _____

7. Has the Claim been sold or assigned by the Creditor to another party [check (✓) one]?

Yes: ☐

No: ☐

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

8. Full Legal Name of Assignee(s):

(If Claim has been assigned, insert full legal name of assignee(s) of Claim. If there is more than one assignee, please attach a separate sheet with the required information.)

9. Full Mailing Address of Assignee(s):

10. Telephone Number of Assignee(s): _____

11. E-Mail Address: _____

12. Facsimile Number: _____

13. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, _____
 [name of Creditor or Representative of the Creditor], of
 _____ do hereby certify:
 (city and province)

(a) that I [check (√) all that apply]

☐ am the Creditor of Nelson;☐ am the Creditor of the Directors;☐ am _____ (state position or title) of

_____;
(name of creditor)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) the Creditor asserts its claim against [check (✓) one or both, as applicable]:

(i) Nelson ☐

(ii) Director(s) ☐

(If you are making a claim against the Directors, please list the Director(s) against which you assert your claim); and

(d) Nelson/the Director(s) was/were and still is/are indebted to the Creditor as follows:

(i) CLAIM ARISING ON OR PRIOR TO [FILING DATE]:

\$ _____ [insert \$ value of claim] CAD.

(ii) INTERIM PERIOD CLAIM:

(Interim Period Claim against Nelson or any Director arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement after March 23, 2010 to and including [DATE OF CLAIMS PROCEDURE ORDER])

(iii) TOTAL CLAIM: \$ _____ [total (i) plus (ii)] CAD

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at March 23, 2010. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN\$●/US\$1.00.

D. NATURE OF CLAIM

(check (✓) one and complete appropriate category)

☐ A. UNSECURED CLAIM OF \$ _____

That in respect of this debt, I do not hold any security and

(Check (✓) appropriate description)

☐ Regarding the amount of \$ _____, I do not claim a right to a priority.

☐ Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") or would claim such a priority if this Proof of Claim were being filed in accordance with that Act.

(Set out on an attached sheet details to support priority claim.)

☐ B. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold security valued at \$ _____, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any

guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by Nelson or any Director to the Creditor and estimated value of such security, and particulars of any interim period claim.)

This Proof of Claim must be received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail nelson@ajohnpage.com
Fax: (416) 364-4869

F. FILING OF PROOF OF CLAIM

Failure to file your Proof of Claim by the Claims Bar Date will result in your Claim being barred and forever extinguished and in you being prevented from making or enforcing a Claim against Nelson and/or the Directors. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a creditor in, these proceedings (other than a Recorded Noteholding as set out in Section G below).

G. RECORDED NOTEHOLDINGS

If your Claim on account of your promissory notes has already been recorded by a Notice of Noteholder Claim delivered to you by the Monitor (the "Recorded Noteholding"), and if you agree with the Recorded Noteholding, then you do not need to file a Proof of

Claim on account of such Claim. If you file a Proof of Claim on account of such Claim, then the Recorded Noteholding will cease to have any effect.

If you disagree with the Recorded Noteholding in any respect, then you must complete and file a Proof of Claim with the Monitor by no later than the Claims Bar Date.

H. EXCLUDED CLAIMS

The following are Excluded Claims and no person needs to file any Proof of Claim in respect thereof at this time: (i) claims secured by any of the "Charges", as defined in the Initial Order made in these proceedings on March 23, 2010, (ii) any claim against a Director which cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA, (iii) claims for interest accruing on a Claim after March 23, 2010, (iv) claims secured by any of the "Charges" subsequently incorporated by means of an amendment or variation of the Initial Order, and (v) claims on account of preferred shares issued by Nelson (which must be asserted pursuant to a Proof of Shareholding form that can be obtained on the Monitor's website www.ajohnpage.com/html/files.html or by contacting the Monitor).

Dated at _____ this _____ day of _____, 2010.

Signature of Creditor

SCHEDULE "D2"

PROOF OF SHAREHOLDING RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")

Please read carefully the enclosed Instruction Letter for completing this Proof of Shareholding.

A. PARTICULARS OF PREFERRED SHAREHOLDER:

14. Full Legal Name of Preferred Shareholder:

(the "Preferred Shareholder"). (Full legal name should be the name of the original Preferred Shareholder of Nelson whether an assignment of preferred shares, or a portion thereof, has occurred following March 23, 2010.)

15. Full Mailing Address of the Preferred Shareholder (the original Preferred Shareholder not the Assignee):

16. Telephone Number: _____

17. E-Mail Address: _____

18. Facsimile Number: _____

19. Attention (Contact Person): _____

20. Have the Shareholding been sold or assigned by the Preferred Shareholder to another party [check (√) one]?

Yes: ☐ No: ☐

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

21. Full Legal Name of Assignee(s):

(If the Shareholding has been assigned, insert full legal name of assignee(s) of the Shareholding. If there is more than one assignee, please attach a separate sheet with the required information.)

22. Full Mailing Address of Assignee(s):

23. Telephone Number of Assignee(s): _____

24. E-Mail Address: _____

25. Facsimile Number: _____

26. Attention (Contact Person): _____

C. PROOF OF SHAREHOLDING:

I, _____
[name of Preferred Shareholder or Representative of the Preferred Shareholder], of
_____ do hereby certify:
(city and province)

(a) that I [check (✓) one]

☐ am the Preferred Shareholder of Nelson; OR

☐ am _____ (state position or title) of

(name of Preferred Shareholder)

- (b) that I have knowledge of all the circumstances connected with the Shareholding referred to below;
- (c) The Preferred Shareholder owns [NUMBER] of preferred shares of Nelson.

D. PARTICULARS OF SHAREHOLDING:

Other than as already set out herein the particulars of the undersigned's total Shareholding, including copies of the share certificates evidencing such Shareholding, are attached.

(Provide all particulars of the Shareholding and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Shareholding.

This Proof of Shareholding must be received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
 100 Richmond Street West, Suite 447
 Toronto, Ontario, M5H 3K6
 Canada

Attention: Colleen Delaney
 Telephone: (416) 364-4894
 E-mail: nelson@ajohnpage.com
 Fax: (416) 364-4869

E. FILING OF SHAREHOLDING

Failure to file your Proof of Shareholding by the Claims Bar Date will result in your claim on account of your Preferred Shares being barred and forever extinguished

and in you being prevented from making or enforcing such a claim against Nelson (other than a Recorded Shareholding as set out in Section G below).

G. RECORDED SHAREHOLDINGS

If your Shareholding has already been recorded by a Notice of Shareholding delivered to you by the Monitor (the "**Recorded Shareholding**"), and if you agree with the Recorded Shareholding, then you do not need to file a Proof of Shareholding on account of such Shareholding. If you file a Proof of Shareholding on account of such Shareholding, then the Recorded Shareholding will cease to have any effect.

If you disagree with the Recorded Shareholding in any respect, then you must complete and file a Proof of Shareholding with the Monitor by no later than the Claims Bar Date.

Dated at _____ this _____ day of _____, 2010.

Signature of Preferred Shareholder

SCHEDULE "E"**REFERENCE NUMBER [●]**

**NOTICE OF DISALLOWANCE
RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")**

TO: [insert name of Creditor or Preferred Shareholder]

The Monitor hereby gives you notice that it has reviewed your Claim and has revised or rejected your Claim as follows:

	The Proof of Claim as Submitted	The Claim as Accepted
A. Claim relating to facts existing on or prior to March 23, 2010		
B. Interim Period Claim arising after March 23, 2010 to and including July 27, 2010		
C. Total Claim		

The Monitor hereby gives you notice that it has reviewed your Shareholding and has revised or rejected your Shareholding as follows:

Shareholding	Proof of Shareholding as submitted	Shareholding as accepted

D. Reasons for Disallowance or Revision:

[insert explanation]

If you do not agree with this Notice of Disallowance, please take notice of the following:

- 1. If you dispute this Notice of Disallowance, you must, by no later than 4:00 p.m. (Eastern Daylight Time) on [INSERT DATE], being fifteen (15) days after the Notice of Disallowance is sent to you by the Monitor (see paragraph 21 of the Claims Procedure Order), notify the Monitor by delivery of a Dispute Notice. The form of Dispute Notice is enclosed.**
- 2. If you do not deliver a Dispute Notice, your Claim or Shareholding, as applicable, shall be deemed to be as set out in this Notice of Disallowance.**

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF DISALLOWANCE WILL BE BINDING UPON YOU.

DATED at Toronto, this day of , 2010.

A. JOHN PAGE & ASSOCIATES INC., COURT-APPOINTED MONITOR OF NELSON FINANCIAL GROUP LTD.

SCHEDULE "F"

DISPUTE NOTICE RELATING TO NELSON FINANCIAL GROUP LTD. (hereinafter referred to as "Nelson")

We hereby give you notice of our intention to dispute the Notice of Disallowance bearing Reference Number _____ and dated _____ issued in respect of our Claim and/or Shareholding.

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Name of Creditor or Preferred Shareholder _____

(Signature of individual completing this Dispute)

Date

(Please print name)

Telephone Number: () _____

E-mail Address: _____

Facsimile Number: () _____

Full Mailing Address _____

**THIS FORM TO BE RETURNED BY PREPAID ORDINARY MAIL, COURIER,
PERSONAL DELIVERY OR ELECTRONIC OR DIGITAL TRANSMISSION-AND BE**

RECEIVED NO LATER THAN 4:00 P.M. (EASTERN DAYLIGHT TIME) ON [INSERT DATE] TO:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

Court File No. 10-8630-00CL
IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NELSON FINANCIAL GROUP LTD.

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE

(PROCEEDING COMMENCED AT TORONTO)

CLAIMS PROCEDURE ORDER

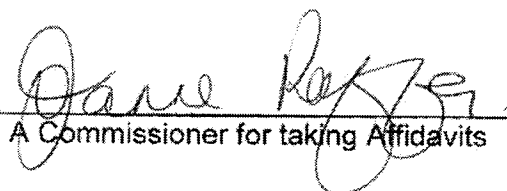
GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Clifton P. Prophet / Frank Lamie
LSUC No.: 34345K / 54035S

Telephone: (416) 862-3509 / (416) 862-3609
Facsimile: (416) 862-7661

SOLICITORS FOR THE APPLICANT

This is **Exhibit "D"** to the
Affidavit of Marc Boutet
sworn before me, this 28th day of
September, 2010.


A Commissioner for taking Affidavits

JOANNE JOSEPHINE RAFFA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO
FOR NELSON FINANCIAL GROUP LTD.
EXPIRES FEBRUARY 1, 2013.

Court File No. 10-8630-00CL



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

THURSDAY, THE 23rd

MR. JUSTICE CUMMING

DAY OF SEPTEMBER, 2010

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF NELSON FINANCIAL GROUP LTD.**

Applicant

ORDER

THE REQUEST by John McVey for an adjournment of the motion brought by Douglas Turner, Q.C. in his capacity as the Representative Counsel for the holders of promissory notes issued by the Applicant (the "Representative Counsel") returnable on Monday, September 27, 2010 (the "Preferred Shareholder Motion") was heard this day at 330 University Avenue, in the City of Toronto, Ontario.

UPON HEARING the submissions of Mr. McVey, Special Counsel to the Representative Counsel, counsel for the Applicant, counsel for the Ontario Securities Commission and counsel for the Monitor:

1. **THIS COURT ORDERS** that the Preferred Shareholder Motion be and it is hereby adjourned to be heard by the Honourable Madam Justice Pepall on Monday, October 18, 2010 for 3 hours and on Tuesday, October 19, 2010 for 3 hours.

2. **THIS COURT ORDERS** that, notwithstanding paragraph 38 of the Initial Order in this proceeding dated Tuesday, March 23, 2010, the Monitor shall provide to Mr. McVey a list of the holders of preferred shares issued by the Applicant (the "Preferred Shareholders") including their names, addresses and the amount of their investments, that Mr. McVey is entitled to communicate with the Preferred Shareholders for the purpose of retaining counsel to represent the interests of the Preferred Shareholders at the return of the Preferred Shareholder Motion, that the Preferred Shareholders are entitled to know who each other is and their respective interests in this proceeding and that the Preferred Shareholders are free to communicate with one another with respect to the retention of counsel to represent their interests at the return of the Preferred Shareholder Motion.

Sept 22, 2010

Peter A. Cumming J.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

SEP 23 2010

PER / PAR:

MB

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF NELSON FINANCIAL GROUP LTD.

Court File No.: 10-8630-00CL

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

Proceedings commenced at **Toronto**

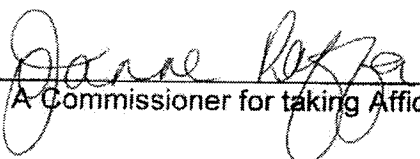
ORDER

ThorntonGroutFinnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

James H. Grout (LSUC# 22741H 1B)
Seema Aggarwal (LSUC# 50674J)
Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Monitor

This is **Exhibit "E"** to the
Affidavit of Marc Boutet
sworn before me, this 28th day of
September, 2010.


A Commissioner for taking Affidavits

JOANNE JOSEPHINE RAFFA,
A COMMISSIONER, ETC.,
PROVINCE OF ONTARIO
FOR NELSON FINANCIAL GROUP LTD.
EXPIRES FEBRUARY 1, 2013.

Court File No. 10-8630-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM JUSTICE PEPALL)))	THURSDAY, THE 16th DAY OF SEPTEMBER, 2010
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IN THE MATTER OF THE *COMPANIES' CREDITORS*
***ARRANGEMENT ACT*, R.S.C., 1985 c. C-36, AS AMENDED**

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF NELSON FINANCIAL GROUP LTD. (the "Applicant")

Applicant

ORDER

THIS MOTION made by the Applicant, Nelson Financial Group Ltd. ("**Nelson Financial**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an Order, *inter alia*:

- (a) abridging and validating the time for service of the Affidavit of Marc Boutet sworn September 15, 2010, so that this motion is properly returnable today and dispensing with further service thereof; and,
- (b) approving a certain settlement with and payment to Foscarini Mackie Holdings Inc. ("**Foscarini Mackie**"), in full and final satisfaction of the claims of Foscarini Mackie under security held over certain of the assets of Nelson Financial (the "**Foscarini Mackie Security**"),

was heard this day at 330 University Avenue, Toronto, Ontario.

<p style="text-align: center;">Court File No. 10-8630-00CL</p> <p style="text-align: center;">IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED</p> <p style="text-align: center;">AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NELSON FINANCIAL GROUP LTD.</p> <p style="text-align: right;">Applicant</p>	
<p style="text-align: center;">ONTARIO</p> <p style="text-align: center;">SUPERIOR COURT OF JUSTICE</p> <p style="text-align: center;">(PROCEEDING COMMENCED AT TORONTO)</p>	
<p style="text-align: center;">ORDER</p>	<p>GOWLING LAFLEUR HENDERSON LLP Barristers and Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 TORONTO, Ontario M5X 1G5</p> <p>Clifton P. Prophet / Frank Lamie LSUC No.: 34345K / 54035S</p> <p>Telephone: (416) 862-3509 / (416) 862-3609 Facsimile: (416) 862-7661</p> <p style="text-align: right;">SOLICITORS FOR THE APPLICANT</p>

<p style="text-align: center;">Court File No. 10-8630-00CL</p> <p>IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED</p> <p>AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NELSON FINANCIAL GROUP LTD.</p>	<p style="text-align: right;">Applicant</p>
	<p style="text-align: center;">ONTARIO</p> <p style="text-align: center;">SUPERIOR COURT OF JUSTICE</p> <p style="text-align: center;">(PROCEEDING COMMENCED AT TORONTO)</p>
	<p style="text-align: center;">AFFIDAVIT OF MARC BOUTET</p> <p style="text-align: center;">(Sworn September 28, 2010)</p>
	<p>GOWLING LAFLEUR HENDERSON LLP</p> <p>Barristers and Solicitors 1 First Canadian Place 100 King Street West, Suite 1600 TORONTO, Ontario M5X 1G5</p> <p>Clifton P. Prophet / Frank Lamie LSUC No.: 34845K / 54035S</p> <p>Telephone: (416) 862-3509 / (416) 862-3609 Facsimile: (416) 862-7661</p> <p>SOLICITORS FOR THE APPLICANT, NELSON FINANCIAL GROUP LTD.</p>

Court File No.: 10-8630-00CL

**IN THE MATTER OF THE COMPANIES' CREDITORS' ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NELSON FINANCIAL GROUP LTD.**

Applicant

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

(PROCEEDING COMMENCED AT TORONTO)

**MOTION RECORD
(Returnable October 1, 2010)**

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**Solicitors for the Applicant,
Nelson Financial Group Ltd.**