

Nelson Financial Group Ltd.

August 24th, 2010 Endorsement by Pepall, J. of July 27th, 2010 Motion

To address the issue of the validity, priority and enforceability of the secured claim of Foscarini Mackie Holdings Inc., the parties will proceed in accordance with the following steps and schedule:

1. The Representative Counsel will decide on or before Friday, September 3, 2010 whether or not he will oppose the proposed settlement of the Foscarini Mackie claim. If he determines not to oppose, the order can be granted on consent or without opposition on a chambers attendance of the debtor Applicant.
2. If the matter is to proceed there shall be a trial of an issue on the following schedule:
 - (a) On or before Friday, September 10, 2010, Representative Counsel shall serve and file a statement of issues and the general facts on which it relies.
 - (b) On or before Friday, September 17, 2010, any parties interested shall serve and file replies setting out their positions and the general facts on which they rely.
 - (c) The statement of issues and the replies shall constitute pleadings. The transcripts, exhibits and responses to undertakings of the examinations of Marc Boutet and of Lisa Mackie shall be dealt with as discoveries.
 - (d) Factums shall be delivered and filed by noon on Thursday, October 7, 2010.
 - (e) The trial of the issue shall be held commencing at 2:00 pm on Tuesday, October 12, 2010 and continuing as needed on October 13, 2010.
3. The company shall maintain at least \$800,000 to fund the proposed settlement with Mr. Mitra's client.

Pepall, J.

August 24, 2010

To address the issue of the validity, priority and enforceability of the secured claim of Foscarini MacKie Holdings Inc. the parties will proceed in accordance with the following steps and schedule:

1. The Representative Counsel will decide on or before Friday, September 3, 2010 whether or not he will oppose the proposed settlement of the Foscarini MacKie claim. If he determines not to oppose, the order can be granted on consent or without opposition on a chambers attendance of the debtor Applicant.
2. If the matter is to proceed there shall be a trial of an issue on the following schedule:
 - a) on or before Friday September 10, 2010, Representative Counsel shall serve and file a statement of issues and the general facts on which it relies.
 - b) on or before Friday September 17, 2010, any parties interested shall ^{serve and} file replies setting out their positions and the general facts on which they rely.
 - c) The ~~statement~~ ^{pleadings} of issues and the replies shall constitute the pleadings. ~~And~~ ^{The} transcripts, exhibits and responses to undertakings of the examinations of Marc Bootet and of his MacKie shall be dealt with as discovery and shall be admissible evidence at trial.
 - d) Facts shall be delivered and filed by noon on Thursday October 7, 2010.
 - e) The trial of the issue shall be held commencing at 2:00 pm on Tuesday October 12, 2010 and continuing as needed on October 13, 2010.
3. The company shall maintain at least \$50,000 to fund the proposed settlement with Mr. Nutra's client. (SVP Pell,)

27 JULY 2010

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 July 27, 2010)

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Nelson Financial Group Ltd

Aug 24, 2010

on consent, order to issue as per attached.

Sepeck, J.

