Nelson Financial Group Ltd. Unofficial Transcription of the Endorsement of Madam Justice Pepall

July 27, 2010

The Applicants apply for various relief. No one is opposed.

- 1. The stay is extended to Oct 1, 2010. Based on the cash flows there is adequate cash to support the company during the stay period. This time will enable the company to proceed with the claims process and work on its plan. Ongoing stability will be provided. The Monitor is of the view that the company is acting in good faith and with due diligence. In my view it is appropriate to grant the stay extension requested.
- 2. The Claims Procedure Order requested as amended is a fair and cost effective approach to the determination of claims. Given the reported state of the books and records of the Applicant and the nature of the business, the negative confirmation approach for the noteholders and preferred shareholders is appropriate.

Ms Pillon was going to deliver a legal opinion by July 31, 2010 but this time line is now extended to August 11, 2010.

The Applicant is proposing that disputed claims be brought to the court rather than to a claims officer. The Applicant and the Monitor will consider this issue further subject to the number of disputed claims, if any. The amended CP order is approved.

3. Paragraph 1(d) of the Notice of Motion is adjourned to August 24, 2010 for 1 hour before me to either set a date or to hear the motion for approval.

In the circumstances no formal proof of claim need be filed by Foscarini Mackie Holdings Inc. There will be an issue ultimately relating to interest and costs to be addressed. Cross examinations of Mr. Boutet and Foscarini Mackie will take place on Aug 17 and 20.

- * The schedules contained in the proposed order may be amended to clarify that the definition of Directors is that found in the definition section of the Claims Procedure Order (para 3.)
- 4. The Monitor's 5th Report and Supplement are approved as are the fees of the Monitor and its counsel. I am satisfied that the latter are fair and reasonable. This should not be interpreted as approval of the legal opinion letter contained in the Supplement.

Madam Justice Pepall

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Superior Court of Justice Commercial List

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Superior Court of Justice Commercial List

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Superior Court of Justice Commercial List

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SUPERIOR COURT OF JUSTICE	COURT FILE NO: 10-CL-8630
	DATE: JULY 27/10
SHORT TITLE:	
NELSON FINANCIAL GROUP	> Lī D
LENDOARE FINANCIAL SERVICE	ES INC
COUNSEL SHEETS FO	OR MOTION (CIVIL)
MOVING COUNSEL NAME: Clifton Prophet For Nelson Financial 416862-3509(p) 416863-3509(f).	RESPONDING COUNSEL PAMELA FOUND NAME: DOUGHS TORNER F-416 593-23 905- 852-6191 1544-6194 3 Joidana Berjman-Stiteman (416) 867-3510 Elliottle
TELEPHONE: FAX:	# Aggarwal for the Monitor T. 416-304-1616 F. 416-304-1313 TELEPHONE: FAX: (5) S. MITRA for Foscarini Muckie Holdings Inc. (416) 865 3085 (416) 863 15/5 (f)
APPEARING FOR	APPEARING FOR
PLAINTIFF/PETITIONER/APPLICANT DEFENDANT/RESPONDENT OTHERSPECIFY	PLAINTIFF/PETITIONER/APPLICANT DEFENDANT/RESPONDENT OTHER-SPECIFY - Note holder - Independent counsel
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