

**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

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Re Nelson Financial Group Ltd.  
Plaintiff(s)

AND

Defendant(s)

Case Management  Yes  No by Judge: Ripoll, J

Counsel	Telephone No.:	Facsimile No.:
<u>see attached</u>		

- Order  Direction for Registrar (No formal order need be taken out)  
 Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

Adjourned to: \_\_\_\_\_

Time Table approved (as follows):

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 + work on its plan. Ongoing liquidity will be provided. The monitor is of the view that the company is acting in good faith + 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 + cost effective approach to the determination of claims. Given the reported state of the books + records of the Applicant + the nature of the matters,

July 27, 2010  
Date

Ripoll, J  
Judge's Signature

Additional Pages 2

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

the negative confirmation approach for the noteholders - preferred shareholders is appropriate. \*

Ms. Pilon was to deliver a legal opinion by July 31, 2010, but this timeline is now extended to August 11, 2010.

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

3. Paragraph 1(d) of the Notice of Motion is amended 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 Foscarni Machine Holdings Inc. There will be an issue ultimately relating to interest + costs to be addressed.

XIES of Mr. Bennett + Foscarni Machine will take place on Aug 17 + 20.

\* The schedules contained in the proposed order may be amended to clarify that the definition of director is that found in the definition section of the Claims Procedure Order (para 3).

4. The <sup>Monitor's</sup> report + supplement are approved as are the fees of the Monitor + its counsel. I am satisfied that the latter are fair + reasonable. This should not be interpreted as approval of the legal opinion letter.

Court File Number: \_\_\_\_\_

Superior Court of Justice  
Commercial List

**FILE/DIRECTION/ORDER**

Judges Endorsement Continued

*contained in the supplement.*

*Asprey, J*

SUPERIOR COURT OF JUSTICE

COURT FILE NO: 10-CL-8630

DATE: July 27/10

SHORT TITLE:

NELSON FINANCIAL GROUP LTD  
LEND CARE FINANCIAL SERVICES INC

COUNSEL SHEETS FOR MOTION (CIVIL)

MOVING COUNSEL  
NAME:

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*for Nelson Financial*  
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APPEARING FOR

- PLAINTIFF/PETITIONER/APPLICANT
- DEFENDANT/RESPONDENT
- OTHER--SPECIFY

APPEARING FOR

- PLAINTIFF/PETITIONER/APPLICANT
- DEFENDANT/RESPONDENT
- OTHER--SPECIFY - *Not a holder*  
*= independent counsel*

TYPE OF MOTION (CHECK ONE ONLY)

- INJUNCTION
- JUDGMENT
- DECLARATION
- CONTEMPT
- DISMISS ACTION
- STAY PROCEEDINGS
- ORDER TO GO
- ATTEND EXAMINATION
- APPEAL MASTER
- EXPEDITE TRIAL
- VEXATIOUS PROCEEDINGS
- OPINION/ADVISE/DIRECTIONS
- APPOINT OR REMOVE EXECUTOR
- OTHER

NATURE OF MOTION (CHECK ONE ONLY)

- CONTESTED
- UNOPPOSED
- ON CONSENT
- WITHOUT NOTICE