

Urgent Notice to the Preferred Shareholders of Nelson Financial Group Ltd. ("Nelson")

October 4, 2010

This Notice is to provide you with an update on the status of the motion by the Representative Counsel for the Noteholders of Nelson for a ruling that the claims and potential claims of the Preferred Shareholders of Nelson are "equity claims" and that the Preferred Shareholders are not entitled to vote on any forthcoming CCAA Plan or to receive any payments under any such Plan in their capacity as Preferred Shareholders.

Mr. John McVey, a preferred shareholder, requested an adjournment of this motion. Mr. McVey's request for an adjournment was heard by the Court on September 23, 2010.

After hearing submissions from Mr. McVey, the Special Counsel for the Representative Counsel and Nelson, and after discussions amongst counsel present with Mr. McVey, the parties agreed that the motion would be adjourned to October 18 and 19, 2010.

Nelson brought a motion on Friday, October 1, 2010 to continue the stay of proceedings for its restructuring until November 15, 2010. That motion was granted.

Counsel for the Monitor requested directions from the Court on Friday, October 1, 2010 regarding letters written by Preferred Shareholders to the Court regarding the facts surrounding their investment in Nelson and any arguments they may have to be treated on the same basis as the Noteholders.

The Court directed that the Monitor send this Notice and post this Notice on its website to advise the Preferred Shareholders of the following:

1. if a Preferred Shareholder wishes to deliver evidence of the facts surrounding their purchase of Preferred Shares in Nelson or their claims against Nelson, they must deliver a sworn Affidavit to the Monitor setting out those facts. The Monitor will file the Affidavit with the Court. An unsworn letter or document setting out those facts will not be considered by the Court; and
2. if a Preferred Shareholder wishes to make written **legal** arguments as to why the Preferred Shareholders should be treated equally with Noteholders, they may send a letter setting out their written **legal** arguments to the Monitor which it will file with the Court. Such written arguments need not be sworn under oath unless they contain statements of fact that are not already in the evidence.



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Any such documentation must be received by the Monitor by no later than 4pm on Thursday October 14, 2010.

If you have any questions regarding the directions delivered by the Court on Friday, October 1, 2010 or regarding the hearing on October 18 and 19, 2010 please contact Colleen Delaney of the Monitor's office. Ms Delaney may be contacted at 416-364-4894 or by email at nelson@ajohnpage.com.

Yours very truly

A. JOHN PAGE & ASSOCIATES INC.
COURT APPOINTED CCAA MONITOR OF NELSON
per:

A handwritten signature in black ink that reads "A. John Page". The signature is written in a cursive style with a large, sweeping initial "A".

A. John Page
President

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