

Nelson Financial Group Ltd.

Unofficial Transcription of the Endorsement of The Honourable Mr. Justice Geoffrey B. Morawetz - August 18, 2011 re Motion Record (Discharge of Interim Operating Officer)

The endorsement applies to this motion and the motion to discharge representative counsel.

Counsel to the Monitor requested that this motion and the motion to discharge rep. counsel be adjourned to the time when the Monitor brings forth its motion to have its fees approved and to request its discharge. In addition, counsel to the Monitor brought to the court's attention the mandatory provision of the Order of Pepall J. dated November 22, 2010 at paragraph 15 which amends paragraph 6 of the Order of June 15, 2010. This mandatory provision requires Rep. counsel and his special counsel to pass all accounts in respect of their fees and disbursements before a Judge of this Court. This has not been done.

It seems to me that the request of the Monitor to have all 3 motions considered at the same time is reasonable in the circumstances.

Mr. Jones submitted that in view of approvals obtained from Nelson and its board with respect to the passing of accounts that the issue has become moot. I have difficulty accepting this submission as it appears to be directly contrary to the Order of Pepall J. dated November 22, 2010.

In CCAA matters the court retains a supervisory function over the process so as to ensure that the entire process is fair and reasonable to all parties. With respect to fees and expenses of court officers, it is clear that it is a zero sum game for all stakeholders. Every dollar that is paid for professional fees means a dollar less for the stakeholders. It is up to the Court, in exercising its supervisory function, to be satisfied that fees are fair and reasonable in the circumstances.

In the circumstances of this case, the I.O.O., Rep. Counsel and Special Counsel to Rep. Counsel shall file appropriate documentation to support their fees. It should be kept in mind that the I.O.O., Rep. Counsel and Special Counsel are requesting a discharge and release. In considering this request for relief, the court has to have these matters addressed.

In the meantime the two motions returnable today are adjourned to October 17, 2011 to be heard together with the Monitor's motion for assessment of fees and its discharge.

Two hours booked before me.

The parties have agreed upon a timetable to have materials filed, which timetable contemplates a factum by October 12, 2011. If hearing and delivery dates are not workable for the parties, the parties can attend at a 9:30 to have the schedule adjusted.

The Honourable Mr. Justice Geoffrey B. Morawetz

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.

Aug 18, 2011 Court File No. CV-10-8630-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Aug 11, 2011

The endorsement applies to this motion
and the motion to discharge representative
counsel.

Counsel to the Trustee requested that
these this motion and the motion
to discharge rep. counsel be
dispensed to the same when
The monitor brings forth its
motion to have the fees
approved and to have
request its discharge.

In addition, I counsel
to the Trustee brought
to the court attention

MOTION RECORD
(Discharge of Interim Operating Officer)

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Counsel for the Interim Operating Officer



the mandatory provision of the Order of
Perrell / dated Nov 22, 2010 at
paragraph 15 which reads
paragraph 6 of the Order of Jan 15, 2011

The mandatory provision requires
Ray counsel and his specified counsel
to give all accounts in respect
of their fees + disbursements before a judge
of the Court. This has not been
done. ~~Therefore~~

It seems to me that the
request of the Plaintiff to
have all 3 matters considered
at the same time is reasonable
in the circumstances.

The fees submitted that in
view of approvals obtained
from Nelson and its
board with respect to

The passing of accounts that the
same has become moot. I
have difficulty accepting this
submission as it appears to
be directly contrary to the
Order of Recall of dated
Nov 22, 2010. ~~It says in~~

In CCAA matters the court
retains a supervisory function
over the process so as to
ensure that the entire
process is fair and reasonable
to all parties. With respect
to fees and expenses of court officers,
it is clear that it is
a zero sum game for all stakeholders.
Every dollar that is paid for
professional fees means a

Court File No. 10-8630-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ORDER
(Discharge of Interim Operating Officer)

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Interim Operating Officer

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

order less for the stated fees.
It is up to the Court, in
exercising its supervisory function,
to be satisfied that fees
are fair + reasonable in
the circumstances.

~~The order to~~
In the circumstances of this
case, the J.O.O., Reg. Counsel
& Spec. Counsel to Reg. Counsel
shall file appropriate

documents to support their fees.
It should be kept in mind
that ~~the~~ the 100,
Pres Counsel + Special Counsel
are requesting a discharge
& release. In considering
this request for relief, the
court has to have these
matters addressed.

In the result the two
motions returnable today are
adjourned to Oct 17, 2011,
to be heard together with
the Thuto's motion for
~~request~~

assessment of fees + its discharge.
2 hours looked before me.

The parties have agreed

upon a timetable to

have materials filed,

which timetable commences

in fact by Oct ~~15~~¹² 2011

if ^{hearing + delivery} dates are not ~~of~~ ^{practically} workable

for Mr. Porter, the parties

can attend at a 9:30

to have the schedule

adjusted

