

**ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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

**AFFIDAVIT OF RICHARD B. JONES
(Sworn October 4, 2011)**

I, **Richard B. Jones**, of the City of Toronto, in the Province of Ontario, Barrister and Solicitor, MAKE OATH AND SAY:

1. I am a Barrister and Solicitor qualified to practice law in the Province of Ontario and I am duly retained as Special Counsel to the Representative Counsel for the Noteholder Creditors of the Applicant in accordance with paragraph 3(e) of the Order of this Court dated June 15, 2010 (the "Representative Counsel Appointment Order"). I have acted as such since June 16, 2010 and as such have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. All accounts for services rendered by me to the Representative Counsel for services as his Special Counsel up to October 21, 2010 were passed and approved by Order of the Honourable Madame Justice Pepall made on December 9, 2010. The Applicant has paid all such accounts in full in accordance with the terms of the Representative Counsel Appointment Order, as amended by the Order of this Court made November 22, 2010.

3. By the terms of the Order of the Honourable Madame Justice Pepall made November 22, 2010 (the "IOO Appointment Order"), Sherry Townsend was appointed as the Interim Operating Officer (the "IOO") of the Applicant, the IOO was authorized and directed to proceed in conjunction with the Representative Counsel to develop a plan of arrangement for the restructuring of the Applicant, and the mandate of the Representative Counsel was amended to expand the scope of his mandate, responsibilities and authority. The IOO and the Representative Counsel thereafter retained me jointly to act as their special counsel to advise and assist in respect of the performance of their mandates and the provisions of the *Companies Creditors' Arrangement Act* (the "CCA") relevant to such.

4. Attached hereto as Exhibit "A" to this my affidavit are true copies (subject to redactions) of the invoices that I forwarded to the Representative Counsel and to the IOO for fees and disbursements incurred in the course of acting as special counsel for them for the period October 22, 2010 to April 29, 2011. The redactions are done for the protection of the solicitor and client privilege of the Applicant and of the Noteholders in respect of possible future claims and litigation involving either the Applicant or the litigation trust established under the terms of the Plan of Arrangement sanctioned by the Order of the Court made on April 21, 2011. They also include redactions to protect the identity and privacy rights of persons to whom the Representative Counsel and the IOO have given assurances of confidentiality in the course of their dealings with such persons. I ask that an un-redacted set of the accounts contained in Exhibit "A" be filed with the Court as a sealed document in order to preserve and protect the rights of all such parties.

5. The total of my accounts now presented for approval for fees, disbursements and HST is \$437,802.25 made up as follows:

a) Fees:	\$384,900.00
HST on Fees:	\$ 50,037.00
b) Disbursements:	\$ 2,584.74
HST on Disbursements subject to HST:	\$ 280.51

6. The professional time included in the accounts in Exhibit "A" was my billable professional time of 641.5 hours in the aggregate and was billed at an hourly rate of \$600 per hour, as agreed with and approved by the Representative Counsel and the IOO. Actual time expended exceeded that number of hours but it is my practice to reduce docketed time to eliminate or reduce less productive or wasted time such as waiting or travel time.

7. I hold an LL.B. from the University of Toronto Faculty of Law and an LL.M. from Harvard Law School, in both cases with honours. I was the co-editor of the U. of T. Faculty of Law Review, awarded the Dean's Key in law and awarded the Butterworth Prize for 1967 as the outstanding graduate entering practice. I also hold a B.A.Sc. in Engineering Physics from the University of Toronto and a Dean's Key in Engineering and I am licensed as a professional engineer in Ontario. I was called to the Ontario Bar in 1969, and to the Alberta Bar in 1993. My practice has since 1987 included acting as counsel in numerous CCAA proceedings before the Alberta Court of Queen's Bench, the Supreme Court of Newfoundland and Labrador, the Court of Queen's Bench of New Brunswick and the Ontario Superior Court of Justice. I have also appeared as counsel before the Federal Court of Canada, the Court of Appeal of Alberta, the Court of Appeal for Ontario and the Supreme Court of Canada. I am an adjunct professor of law at Queen's University Faculty of Law where I teach courses in bankruptcy law and in the reorganization of insolvent enterprises.

8. My professional time in insolvency matters is currently charged to private clients at between \$600 and \$750 per hour. To the best of my knowledge, the rate of \$600 per billable hour charged in the accounts throughout the course of these proceedings is comparable to or less than the rates charged by senior insolvency counsel with other law firms in Ontario for the provision of services by counsel with similar experience and qualifications.

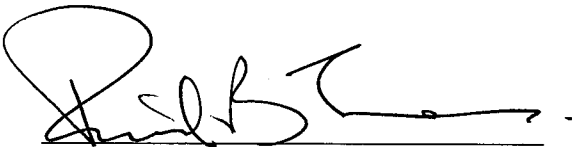
9. The time billed in each of the accounts was necessarily spent in advancing the restructuring of the Applicant and was work done in accordance with the instructions and directions of the Representative Counsel and the IOO and consistent with the authority granted to them by Orders of the Court. My responsibilities as a solicitor included principal responsibility for the design of the


plan of restructuring, including the determination of its financial terms, the drafting of the plan of arrangement, the capital recovery debenture, the articles of reorganization, the share conditions, the declaration of trust for the litigation trust, the information circular, and the numerous ancillary and implementing documents. As counsel, I appeared for the Representative Counsel and for the IOO in all motions, drafted their respective materials, prepared all submissions and settled all orders from the Order of November 16, 2010 dealing with the equity claims of the preferred shareholder investors with the Applicant to the Sanction Order of April 21, 2011.


10. The Representative Counsel, the IOO, and the Monitor were fully and currently informed at all times of my activities as the special counsel. The accounts attached as Exhibit "A" were rendered in a timely manner and were reviewed and approved for payment by the IOO. Payment of the accounts was promptly made from accounts of the Applicant subject to the review of the Monitor. The accounts in Exhibit "A" have all been approved by the Representative Counsel, the IOO and Applicant, which appears from the Report of the IOO filed in this motion. The Monitor raised no concern or question at any time as to my accounts, their quantum or their payment by the Applicant.

11. I make this affidavit in support of the motion seeking the passing and approval by the Court of the fees and disbursements in the accounts rendered by me as Special Counsel to the Representative Counsel and to the IOO in accordance with the Representative Counsel Appointment Order as amended by the IOO Appointment Order.

Sworn before me at the)
City of Toronto in the Province)
of Ontario, this 4th day of)
October, 2011.)


Richard B. Jones


A Commissioner, etc.
M. CATH COLLINS

This Exhibit "A" is in the
of Richard B. Jones
sworn before me this 4th
day of October 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

M. CATH COLLINS

Exhibit "A"

SUMMARY OF ACCOUNTS

Invoice Date	Number of Billable Hours	Fees Charged
December 14, 2010	138.8	\$83,280.00
February 7, 2011	81.1	\$48,660.00
March 10, 2011	123.5	\$74,100.00
March 31, 2011	157.4	\$94,440.00
May 3, 2011	<u>140.7</u>	<u>\$84,420.00</u>
Totals	641.5 hrs	\$384,900.00

Richard B. Jones

Business Counsel at Law

100 Yonge Street
Suite 1201
Toronto, CANADA
M5C 2W1

Telephone: 416-863-0576
Fax: 416-863-0089
Mobile: 416-508-6009
Email: richard.jones@sympatico.ca

IN ACCOUNT WITH

Douglas Turner, Q.C.
Barrister & Solicitor
63 Albert Street
P.O. Box 760
Uxbridge, ON L9P 1E5

December 14, 2010

**Re: Representative Counsel
Nelson Financial Group Ltd.
Superior Court of Justice (Commercial List)
Court File No. 10-8630-00CL**

TO PROFESSIONAL SERVICES RENDERED to you in acting as your special counsel in accordance with the Order of June 15, 2010 appointing you as Representative Counsel for the Noteholders of Nelson Financial Group Ltd., during the time period from October 22 to December 13, 2010, including all matters referred to in the attached time summary, all other related matters, necessary correspondence and attendances to December 13, 2010.

Professional Fee:	\$83,280.00
Harmonized sales tax on professional fee	10,826.40

Disbursements:

Paid to The Printing House for reproduction of Fee Affidavit	\$47.80	
Photocopies (150 pages at .35)	52.50	
Parking	47.78	
Taxis	<u>33.63</u>	\$ 181.71
Harmonized sales tax on disbursements		<u>23.63</u>

Total of this Account Now Due	<u>\$94,311.74</u>
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This is my account prepared in accordance with the terms of the Retainer

Richard B. Jones

E. & O. E.
HST Registration No. 81564 4356 RT0001

Douglas Turner, Q.C.

Douglas Turner, Q.C.
as Representative Counsel
for the Noteholders of Nelson Financial Group Ltd.

Time Record
of
Richard B. Jones as Special Counsel

Date	Description	Time	Amount
October 22, 2010	Review discussion concerning management change from yesterday, meeting of S. Townsend with J. Page, prepare and finalize account, email to D. Turner;	1.2	720.00
October 25, 2010	Receive reply from C. Prophet approving Heads of Agreement but imposing condition of OSC settlement, amend paragraph 5 at his request to deal with release of S. Sobol and requested pay to stay bonus, email to D. Turner forwarding revised draft, receive email from D. Turner rejecting condition now sought to be imposed by M. Boutet, email to C. Prophet demanding execution by October 27, receive email from S. Aggarwal rejecting deadlines and asking that Monitor be removed as a party, telephone call D. Turner advising him to reject this position, receive email from D. Turner rejecting Monitor's position, further emails from S. Aggarwal, email from T. Young;	1.6	960.00
October 25, 2010	Receive email from S. Aggarwal refusing Monitor's signature on Heads of Agreement, telephone call D. Turner, M. Boutet and C. Prophet have now agreed to terms, review and revise draft response of D. Turner, receive email from T. Young expressing concerns, receive email from S. Townsend, receive copy of reply email from S. Aggarwal, draft response and forward to D. Turner for approval;	1.5	900.00
October 26, 2010	Telephone call D. Turner (2X), J. Page is not taking the same position, email to S. Aggarwal responding	2.2	1,320.00

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to concerns raised by Monitor respecting any references to “material adverse change” in Heads of Agreement, pointing out that s.23(1) of CCAA only applies to financial change, major concern of Noteholders is that characteristics of management now preclude successful restructuring, particularly fraud allegations and OSC proceedings, email to D. Turner recommending preparation of notice of motion to remove M. Boutet as a director under s.5.1 of CCAA, review draft restructuring plan received from S. Townsend, receiving email from S. Townsend with further revision to provisional plan, email to D. Turner respecting first report of Representative Counsel and revisions to draft notice of motion;

October 27, 2010	Receive copy of Monitor’s reply to L. Debono seeking to raise additional facts relating to practices of Nelson in 2007;	.2	120.00
October 28, 2010	Meeting with D. Turner review lack of progress on management change, considering role of Monitor in obstructing this, meeting at TGF, extended discussion of title of new chief executive, S. Aggarwal and Monitor are objecting to CRO, settle on title of Interim Operating Officer, receive email from S. Townsend with particulars on consultants proposed to review procedures and portfolio of Nelson, receive email from S. Townsend [REDACTED];	3.3	1,980.00
October 29, 2010	Revise Heads of Agreement to reflect position being taken by Monitor, change title of S. Townsend, remove any use of phrase “material adverse change”, revise schedule for motion and outside date for order approving, letter to C. Prophet with revised draft and explanation of changes to format, receive email from S. Aggarwal with further minor amendments, make same, receive email from S. Aggarwal concerning Representative Counsel fees and suggesting that Representative Counsel should seek approval from C. Prophet, assisting D. Turner in coordinating with R. Shastri acting for S. Townsend, discussion with D. Turner, not feasible, further telephone call D. Turner reviewing and	2.0	1,200.00

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	approving amendments to Heads of Agreement, discussion of position of OSC, prospects of settlement by M. Boutet are remote;		
October 30, 2010	Review Monitor's projections of NFGL performance under M. Boutet plan, unrealistic payouts of over \$7 million in first year, considering need for financial statements, email to D. Turner, draft notice of motion for approval of consensual change of management under Heads of Agreement and other revisions, reviewing and revising latest draft of Representative Counsel First Report;	2.8	1,680.00
October 31, 2010	Draft letter to Monitor requesting financial statements including quarterlies, email to D. Turner for review with revised drafts of notice of motion and revised first report draft;	.6	360.00
November 1, 2010	Letter to J. Page concerning financial statements, email from C. Prophet, approves latest draft of Heads of Agreement but still insisting on OSC settlement as condition, email from D. Turner approving notice of motion, eletter to C. Prophet concerning OSC condition, email from S. Townsend [REDACTED], reviewing law on Court's power to remove management under s.5.1 and otherwise;	2.8	1,680.00
November 2, 2010	Email from T. Young, M. Boutet's position is inflaming the Noteholders, revising draft notice of motion to provide for removal under s.5.1, email to D. Turner, email to H. Stephen seeking suggestions on terms for CRO engagement letter, receive email with his recommendations and suggested forms, drafting alternatives for notice of motion, drafting form of order, forward for review of alternatives to Representative Counsel, First Report will also require alternatives depending on circumstances, email to D. Turner with drafts, further exchange of emails with C. Prophet concerning OSC condition;	6.0	3,600.00
November 3, 2010	Email from C. Prophet, scheduling appointment for Monday or Tuesday, email from D. Turner with further suggested additions to report, telephone call D. Turner assisting in finalizing report, confirm	4.3	2,580.00

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service and filing of Representative Counsel First Report, email from T. Young concerning [REDACTED] latest proposal, noticing that same was copied to Monitor, email to T. Young [REDACTED], receive, review and comment on letter from Representative Counsel to Noteholders reporting on status, further eletter from and further reply to T. Young concerning restructuring alternatives and confidentiality risks, she is certain that the Monitor understands that all discussion is confidential, receive email from S. Aggarwal seeking to reduce duties and authority of IOO and increase powers of Monitor, clear that they want to control the drafting of the Order in order to increase the Monitor's function, she is refusing to comment on our draft, eletter to T. Young concerning roles and responsibility of Representative Counsel and the advisory committee, eletter of advice to Representative Counsel concerning his responsibility and permissible role for committee;

November 4, 2010	Receive email from D. Turner regarding coordination of Noteholders' Committee and their expectations, discussion with D. Turner concerning need to move to forcible removal of M. Boutet, finalize notice of motion, prepare request form for scheduling 9:30 appointment on November 10, eletter to S. Aggarwal and service list, revising draft order, receive email and draft form of order for voluntary removal of management from S. Aggarwal, new focus on professional fees, email to Commercial List office with request form and form of notice of motion, receive email from S. Townsend in evening respecting [REDACTED], email to S. Townsend, telephone discussion with her, receive email from S. Townsend with copy of email from Newstart concerning "mutual investors";	5.0	3,000.00
November 6, 2010	Receive email from Commercial List office advising that 9:30 booking not possible for Tuesday, email to book same for November 10, receive emails from T. Young, S. Townsend and D. Turner respecting Newstart, review and consider email from Representative Counsel to P. Foy of OSC;	1.3	780.00

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November 7, 2010	Receive email from T. Young enquiring as to disposition of claims of M. Boutet under Heads of Agreement;	.2	120.00
November 8, 2010	Forward email from Commercial List to service list for scheduling 9:30 and proposing Wednesday, receive responses from P. Foy, S. Aggarwal and C. Prophet, email to Commercial List office confirming 9:30 for Wednesday, November 10, receive copies of [REDACTED] to D. Turner, T. Young and S. Townsend, receive copy of email from D. Turner to OSC forwarding analysis of connections of M. Boutet to [REDACTED] receive copy of direct approach by Newstart Canada to S. Townsend;	3.5	2,100.00
November 9, 2010	Email from S. Townsend concerning her pending meeting with J. Page, Monitor is trying to negotiate revisions to his position through terms of IOO Engagement Letter, email reply to her advising of need to coordinate terms of her contract with terms of draft order, asking her solicitor to contact me, subsequent email from S. Townsend forwarding direct communication from J. Page with new form of draft order prepared by S. Aggarwal following their meeting today, noting that Representative Counsel is being cut out of the communications, email to S. Townsend advising her of failure of Monitor's counsel to respond to our draft order with any comments, copying R. Shastri, email to S. Aggarwal concerning scheduling of motion to remove M. Boutet, asking her again for comments on our draft order, receive further email from S. Townsend concerning settling terms of her appointment as IOO;	1.7	1,020.00
November 9, 2010	Receive email in evening from S. Aggarwal, she and the Monitor do not support any force removal of management, the Monitor is also attempting to appropriate substantial control of the restructuring process from either the IOO or the Representative	2.0	1,200.00

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	Counsel, receive email from P. Foy concerning proposed dates for return of motion to remove M. Boutet, drafting and revising reply eletter to S. Aggarwal concerning draft order, addressing multiple issues respecting the change of management, further revisions to draft order for removal of director and printing copies for 9:30 appointment;		
November 10, 2010	Prepare for and attend on 9:30 appointment before Justice Pepall for scheduling, motion to remove under s.11.5 scheduled for 3 hours on December 1, further 9:30 scheduled for November 12 to deal with possible consensual change of management and motion for stay extension, email to service list concerning chambers attendance for Friday, November 12 for brief stay extension and for transfer of funds into Monitor's trust account, receive email from S. Townsend for update, receive notice of motion and draft order from Monitor for Friday stay extension and transfer of funds;	3.4	2,040.00
November 11, 2010	Receive email from P. Foy with copy of Amended Statement of Allegations, noting assertion of fraudulent misrepresentations and conduct damaging to the integrity of the capital markets, email in reply, revising Heads of Agreement dealing with request of M. Boutet for \$90,000 of additional retainer and to provide for immediate access for S. Townsend without responsibility until Court approved, forward same to D. Turner, email to S. Townsend and her solicitor forwarding revised Heads of Agreement and advising them of Amended Statement of Allegations by OSC, receive email from C. Prophet confirming that as amended Heads of Agreement are now acceptable to M. Boutet, small changes to paragraph 8 by him accepted, receive email from S. Aggarwal confirming Monitor approval of amended Heads of Agreement, scheduling will be dealt with at tomorrow's 9:30 attendance by D. Turner, email to S. Aggarwal advising that no fresh notice of motion is required since Representative Counsel will amend his existing motion;	5.5	3,300.00
November 12, 2010	Telephone call from D. Turner, email from D. Turner with schedule, revised notice of motion for November 22, email from R. Shastri requesting	1.5	900.00

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	precedent material, receive email from S. Townsend concerning scope of changes of authority of Representative Counsel, email in response, email from S. Townsend, email from R. Shastri, email to D. Turner, committee and R. Shastri confirming that position is to now in support of our draft order;		
November 13, 2010	Addressing issue of differences between Representative Counsel draft order and draft order being pressed by Monitor's solicitor, responding to questions from S. Townsend, lengthy eletter to S. Townsend, D. Turner and committee, receiving further question from T. Young concerning [REDACTED] request of Gowlings for blanket approval of their accounts;	1.0	600.00
November 15, 2010	Receive email from D. Turner forwarding first draft of IOO Engagement Letter, quick review, noting absence of contractual indemnity, email to D. Turner, receive and review Ninth Report of Monitor, reviewing and edits of Representative Counsel Second Report;	.6	360.00
November 16, 2010	Receive and review reasons for decision of Justice Pepall on preferred shareholder motion, receive email from T. Young congratulating, receive Representative Counsel Second Report, telephone call from [REDACTED] respecting breach of confidentiality by Monitor in Ninth Report, extended discussion with him concerning same, confirming regret and apology, subsequent email from [REDACTED] requesting November 3 email, email from S. Aggarwal concerning service of materials resulting from November 12 chambers appointment, enquiring as to Monitor's motion record since non-served, locating same posted on Monitor's website, receive further email from S. Aggarwal with 2-volume motion record seeking fee approval, telephone call D. Turner, proceed to draft fee affidavit, assemble copies of all prior accounts to Representative Counsel, receive email from D. Turner with his fee affidavit;	2.6	1,560.00
November 16, 2010	Email from D. Turner on various matters, including progress by S. Townsend in reviewing background	.7	420.00

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	material in Nelson, receive email from S. Townsend with Lendcare Merchant list, receive email from S. Townsend with copy of amendment and termination agreement between Nelson and Lendcare from June 2010, review same;		
November 17, 2010	Finalize, arrange for reproduction and service of fee affidavit;	1.0	600.00
November 17, 2010	Considering issues arising from Monitor's breach of confidentiality and erroneous analysis of ██████; recommendations as to damage control, amending notice of motion of Representative Counsel, serving on service list, eletter to S. Aggarwal concerning failure of TGF email system to serve Monitor's motion record, receive email with attached fee affidavits, including fee affidavits respecting Gowlings accounts, begin review of Gowlings accounts, noting that all OSC work has been billed to Nelson Investment Group Ltd., email to D. Turner concerning same, recommending that all Gowlings accounts should go to assessment under Solicitors' Act;	2.4	1,440.00
November 18, 2010	Email from and reply to ██████, email from D. Turner on enquiries concerning account for services respecting preferred share motion, exchanges of emails with J. Page, eventually determining that he had left J. Page out in his summing of hours and account, no error, account now approved for payment, receive service of supplement to Monitor's Ninth Report, review same, draft letter to Monitor, forward same for review by Representative Counsel, discussion, conclusion that no point in expending time on attempting to correct his errors in reading and analyzing the ██████ proposal;	1.7	1,020.00
November 19, 2010	Receive email from D. Turner forwarding current state of drafting of engagement letter by R. Shastri, noting position of support for S. Aggarwal form of draft order, noting that form results in Monitor controlling the restructuring process, recommending rejection, eletter to R. Shastri, providing him with latest draft of Representative Counsel form of order for management change, further email to R. Shastri	1.4	840.00

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advising him that Representative Counsel will not support the Monitor's form of order and providing him with a further copy of the Representative Counsel form of order, receive emails on enquiries from Commercial List, telephone call D. Turner asking him to deal directly with Court on their needs, receive email from S. Townsend confirming that she has spoken with [REDACTED] and no apology needed, receive email from S. Aggarwal insisting upon addressing her form of draft order, unacceptable, telephone call D. Turner;

November 21, 2010	Receive email from S. Townsend forwarding results of enquiries respecting records of Nelson Financial in respect of L. Debono and J. McVey as preferred shareholders, email to S. Townsend regarding that [REDACTED], receive copy of email from T. Young respecting J. McVey and L. Debono claims, review and revise latest draft, revising and redrafting portions of same, email to D. Turner, continuing working on draft, correcting errors with respect to amendments to paragraph 6 of appointment order, correct formatting, further email to D. Turner, email to S. Aggarwal confirming position of Representative Counsel from his email of this afternoon, receive reply email from S. Aggarwal, she does not bother to provide me with her reply to D. Turner, email to S. Aggarwal requesting copy of her latest communication to D. Turner and correcting her misstatement as to the motions that are before the Court tomorrow, further work revising Representative Counsel form of order to incorporate unobjectionable comments and suggestions finally provided by Monitor's counsel, email to S. Aggarwal with revised form of order for use tomorrow;	6.0	3,600.00
November 22, 2010	Receive email from S. Aggarwal approving revised Representative Counsel form of order, attend in Court, submissions before Justice Pepall, appointment of Interim Operating Officer approved, order granted with exception that all professional fees and approval of Monitor's orders are adjourned to December 1, evident that major issue is with Gowlings and second issue is excessive costs of	6.5	3,900.00

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Monitor, transcribing and circulating endorsement, amend and circulate order, email from Monitor respecting cash flows required for stay extension, email from T. Young concerning reviews of professional charges, clear that costs are a major issue, preparing closing agenda for implementation of Heads of Agreement, addressing suggestion that Heads of Agreement should be amended to incorporate engagement letter, email to S. Townsend suggesting simple reliance on engagement letter combined with effective Court order, receiving comments and settling amended order, emails to S. Townsend, T. Young and S. Aggarwal, further emails concerning billing and docket review in evening with T. Young and S. Townsend, email transcription of endorsement and final form of order to all counsel who attended, further email from S. Aggarwal, reply with amended order, receive approval of order from S. Aggarwal, receive copy of Gowlings draft of plan of arrangement, briefly review, standard form with minimal work done;

November 23, 2010	Receive email from D. Turner with outline of his thoughts and concerns regarding professional fee approval motion, receive email from S. Townsend with particulars of documentation found within Nelson Financial concerning preferred share positions of L. Debono and J. McVey, receive email from Monitor requesting estimate of budget for professional fees for next three months, telephone call with J. Page concerning stay extension to February 28 and rough estimate of Representative Counsel fees, further email from S. Townsend concerning costs of restructuring going forward and assignment of responsibility to prepare restructuring plan and to prepare business plan;	3.5	2,100.00
November 23, 2010	Email from S. Townsend concerning [REDACTED] [REDACTED] [REDACTED] [REDACTED] email to S. Townsend with preliminary suggestions, email to [REDACTED]	1.2	720.00

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[REDACTED], email from J. Page concerning outstanding accounts, reply email;

November 24, 2010	Drafting closing documents to implement M. Boutet transfer of management to IOO, drafting releases, email from S. Townsend with email from Monitor concerning redactions on Monitor's legal accounts, receive documents on McVey and Debono investments in Nelson Financial, cashflow projections, emails from S. Townsend, concerns regarding projections prepared by S. Sobol and Monitor that IOO is now being asked to certify, email from T. Young on projected future budget for professional costs as high as \$1.8 million, receive copy of IOO email to Monitor concerning weekly visits to Pickering by Monitor's staff, request executed copy of STCI engagement letter as closing document, receive copies of emails between IOO and Monitor, receive service of stay extension motion, added for December 1, email to C. Prophet with closing agenda of documents required to implement change of management, forward drafts of release for approval, copy of engagement letter, drafting Gowlings receipt, directors' resolution, M. Boutet acknowledgement, S. Sobol release, email draft documents to C. Prophet for review and approval, request discussion of timing for execution;	6.0	3,600.00
November 25, 2010	Following up on issue and entry of November 22 order, copy to Monitor for posting on website, meeting with Monitor concerning management transition and issues on new reduced role for Monitor, receive email from S. Townsend concerning legal costs projection and her discussion with Monitor, email from T. Young, with letter of direction from Committee concerning costs of Monitor and of Gowlings and objections, email from S. Townsend on same issue, email to T. Young on costs position, email from S. Townsend concerning contact information to be posted by Monitor referring investor enquiries to her, email from D. Davis on costs of motion, receive copy of T. Young email to Monitor concerning account of E. Pillon (Stikemans) above cap in order, receive and review	4.8	2,880.00

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engagement letters of Monitor with Nelson Financial, letter to IOO advising her as to confirmation of cash flow projection and provisions contained in engagement letter, recommending steps for her to take, reply from her on communications and on hold placed on all legal accounts at Nelson Financial, telephone call C. Prophet respecting approval of documents and time of closing for implementation of management change, email to S. Townsend on state of signing by M. Boutet, confirming payroll processed to terminate M. Boutet as employee at November 22, advising her that order now on Monitor's website and public;

November 26, 2010	Email from T. Young, email from S. Townsend, email to S. Townsend with advice as to cashflow projection requesting her position on needed Monitor functions going forward, email from S. Aggarwal concerning need for IOO to sign new cashflow projections so that Monitor can issue its Tenth Report, email to S. Aggarwal advising that no response from C. Prophet concerning settlement of documents to confirm S. Townsend as IOO and she will not certify financial position until she is in place, receive analysis work from T. Young concerning Gowlings accounts and Monitor's time expended and accounts;	1.8	1,080.00
November 27, 2010	Receive detailed request from IOO as to scope of needed future services of Monitor, receive email from S. Aggarwal confirming view of counsel for Monitor that S. Townsend is in place and effective as IOO from order of November 22, receive further emails from T. Young with results of her continuing detailed analysis of Monitor's accounts and TGF accounts, email to D. Turner arranging for discussion to brief him on developments this week;	.4	240.00
November 28, 2010	Extended discussion with D. Turner, further emails from T. Young concerning E. Pillon invoice and breakdown of time expended by TGF, email from S. Townsend arranging for conference call discussion with D. Turner and RBJ, email from S. Townsend with PwC quote on preparation of review engagement financials for July 31, 2009 and July 31,	2.2	1,320.00

Douglas Turner, Q.C.

2010, receive copies of further revised letter from T. Young to Representative Counsel expressing concerns on costs;

November 29, 2010	Email from S. Aggarwal demanding execution by S. Townsend of cashflow projections, receive copy of response from S. Townsend querying legal and restructuring costs, receive copy of S. Aggarwal response assuring IOO that costs will be kept low, receive and review Tenth Report of Monitor, email to C. Prophet enquiring as to whether documents are satisfactory and as to timing of execution, email to S. Aggarwal suggesting discussion with her and J. Grout concerning outstanding fee approval issues, receive draft of Representative Counsel Third Report, review and provide editing changes, discussion with D. Turner, forward revised document for his use, preparing draft order to implement decision of Justice Pepall on equity claims characterization motion, email to D. Turner with draft and outstanding matters requiring clarification;	4.3	2,580.00
November 30, 2010	Reviewing emails from T. Young, addressing apparent practice of Monitor providing interim financing to Nelson Financial for Monitor's fees, email to T. Young [REDACTED], [REDACTED], email to Monitor requesting reconciliation of cashflow with actual costs accrued and requesting estimate of scope of Administration Charge liabilities, telephone call from S. Townsend [REDACTED], [REDACTED], receive her instructions to pursue matter with Nancy Olympia, email to N. Olympia, discussion with J. Grout and S. Aggarwal as to approach to disposition of adjourned approvals of professional costs and Monitor's reports, drafting possible consent order, telephone call D. Turner obtaining his instructions on same, advising D. Turner to have further direct discussion with J. Grout, further telephone call D. Turner receiving instructions;	2.5	1,500.00
December 1,	Email to counsel list with draft order for consent,	4.4	2,640.00

Douglas Turner, Q.C.

2010	disposition of adjournment motion, email to S. Townsend with closing documents for her signature on behalf of Nelson Financial, prepare for and attend in Court on motion for extension of stay, Gowlings refuses to consent to any disposition that does not include approval of their accounts, stay extension granted, approval of professional costs and of Monitor's reports adjourned to December 9, discussions with various counsel, dealing with [REDACTED], telephone discussion with N. Olympia at Nelson Financial, receiving background on various issues, considering same and reviewing settlement agreement with Lendcare of June, dictating time records;		
December 2, 2010	[REDACTED] email to T. Young respecting her continuing review, email from S. Townsend concerning [REDACTED] [REDACTED] letter of response to S. Townsend;	1.5	900.00
December 3, 2010	Following up with D. Turner, he is pursuing C. Prophet respecting execution of M. Boutet documents to complete implementation of November 22 transition of management, no reply to his calls;	.3	180.00
December 6, 2010	Email to S. Townsend on outstanding matters for follow up, receive email from S. Aggarwal forwarding letter from counsel on behalf of Michael Beardsley, draft letter on behalf of Representative Counsel responding to counsel, finalize same, copy Monitor and Representative Counsel, telephone discussion with S. Townsend, email to R. Bajjnath advising that M. Beardsley had filed a proof of claim, receive and review accounting team job descriptions from S. Townsend, email reply with areas for further enquiry, email to S. Townsend and D. Turner updating on responses from C. Prophet	2.3	1,380.00

Douglas Turner, Q.C.

concerning executed documents, receiving advice from S. Townsend that he is reported to be in the process of signing, review and correct error in directors' resolution, requisitioning cheque for additional retainer funds for Gowlings in accordance with Heads of Agreement, working in evening concerning location of legal files at Nelson Financial, email to T. Young concerning these issues;

December 7, 2010	Telephone call S. Townsend, discussion of report from S. Sobol on execution of documents by M. Boutet, question raised respecting typo in directors' resolution, check same and correct typo, email to C. Prophet with corrected directors' resolution for execution, receive email from S. Townsend respecting insurance policy located, reviewing same, email to S. Townsend advising her as to nature of 3-D Bond Insurance, drafting letter to C. Prophet respecting delays in execution of documentation to implement Heads of Agreement and advising of our requirements respecting proposed approval of Gowlings accounts, further email to D. Turner responding;	1.7	1,020.00
December 8, 2010	Receive email from C. Prophet concerning execution by M. Boutet, further minor changes to documents, all approved, email to C. Prophet re timing to get together to exchange documents, email to S. Townsend respecting execution by M. Boutet, email to S. Townsend with revised form of eletter to C. Prophet where evidence required on Gowlings accounts, responding to email from S. Townsend regarding cheque, email to S. Townsend advising her as to how to effect termination of retainer of Gowlings as solicitors for Nelson Financial, email to C. Prophet demanding evidence and production of documents and retainers on accounts for full assessment, exchanges of emails with S. Townsend and D. Turner establishing meeting with consultants to receive review of Nelson Financial business and estimated asset values, receive copy of S. Aggarwal email to Representative Counsel threatening to file a report responding to Representative Counsel's Third Report and advising her that such must be in the	6.0	3,600.00

Douglas Turner, Q.C.

form of an affidavit if it is to be relied upon in connection with the Monitor's own remuneration, receive responding email rejecting my position, receive copy of IOO email to Gowlings terminating their engagement as solicitors, receive email and service of Eleventh Report, begin detailed review of same, forward copy to Representative Counsel, working through evening on preparation of submissions and detailed comments on Eleventh Report of Monitor;

December 9, 2010	Gathering materials, preparing for and attending in Court on adjourned motion for approval of Monitor's, Gowlings and Representative Counsel professional fees, submissions and argument on adjournment, submissions on various aspects of merits respecting Gowlings accounts, adjournment for negotiations and discussions with C. Prophet and others, continuing discussions seeking negotiated resolution, return to Court, agreement with, no agreement with and finally reaching agreement with Gowlings to settle a discount on account, continue with respect to Monitor's remuneration, submissions and arguments focusing on Eleventh Report, directed by judge at mid-afternoon break to seek compromise, further negotiations and discussions with Monitor and Monitor's counsel, various telephone calls with S. Townsend, extended discussions with Representative Counsel, further negotiaions with J. Grout and J. Page, agree to resolution as to quantum of approved accounts, agreed resolution as to modified terms of scope of Monitor's role and function, return to Court, present proposed arrangements to Justice Pepall, such are approved by her, receive endorsement, obtaining substantial reductions in costs for benefit of Noteholders, further discussion with D. Turner;	10.00	6,000.00
December 10, 2010	Email from C. Prophet delaying implementation of Boutet removal until Monday, review financial statements of Nelson Financial for 2004 through 2007, considering possible claims against third parties, drafting letter of advice to IOO, letter to D. Turner; email from J. Page concerning his calculation error, telephone discussion with D.	3.4	2,040.00

Douglas Turner, Q.C.

Turner concerning same, email to J. Page agreeing to revision of endorsement and reminding him that no costs of accounts approval are to be billed to Nelson Financial, receive draft noteholder reporting letter from T. Young, review and revise to events of yesterday in Court, copy to D. Turner and IOO, receive two files on judgment and an action against Nelson Financial, review state of pleadings in m.v. action, consider stay and claims bar effects, begin preparing letter of advice to Nancy Olympia, receive copy of Monitor's counsel account for November, receive instructions from Representative Counsel to finalize order on equity claims motion and address costs, email to C. Prophet confirming closing 2:00 pm Monday, exchange of emails with P. Foy of OSC;

December 11, 2010	Receive email from D. Turner with particulars of [REDACTED]; emails on McVey and Debono claims, email from D. Turner on noteholders update;	.4	240.00
December 12, 2010	Finalizing letter to IOO and to Representative Counsel on third party claims, working on account for services since October 23;	1.6	
December 13, 2010	Review closing agenda, cheque, documents for signature, attend at Gowlings with C. Prophet, exchange documents to implement departure of M. Boutet from management and surrender of his shares, email IOO and Representative Counsel confirming completion, draft letter to NFGL on Alvin Nicely judgment and Vrantis action, effect of stay and of claims bar.	2.6	1,560.00
Totals		138.8	\$83,280.00

Douglas Turner, Q.C.

Douglas Turner, Q.C.
as Representative Counsel
for Noteholders of Nelson Financial Group Ltd.

Disbursement Record
for the period October 22 – December 13, 2010

Date	Description	HST	Amount
Oct. 19, 2010	Taxis to and from Court	2.30	\$17.70
Nov. 10, 2010	Parking re attendance at Court	2.19	16.81
Nov. 17, 2010	Paid to The Printing House for reproduction of Fee Affidavit	6.21	47.80
Nov. 22, 2010	Parking re attendance at Court	1.84	14.16
Dec. 1, 2010	Parking re attendance at Court	2.19	16.81
Dec 9, 2010	Taxis re attendance at Court	2.07	15.93
Dec 9, 2010	Photocopying (150 pages at .35)	6.83	52.50
	HST on disbursements		<u>\$ 23.63</u>
Total			<u><u>\$205.344</u></u>

Richard B. Jones

Business Counsel at Law

100 Yonge Street
Suite 1201
Toronto, CANADA
M5C 2W1

Telephone: 416-863-0576
Fax: 416-863-0089
Mobile: 416-508-6009
Email: richard.jones@sympatico.ca

IN ACCOUNT WITH

Douglas Turner, Q.C.
Barrister & Solicitor
63 Albert Street
P.O. Box 760
Uxbridge, ON L9P 1E5

February 7, 2011

**Re: Representative Counsel
Nelson Financial Group Ltd.
Superior Court of Justice (Commercial List)
Court File No. 10-8630-00CL**

TO PROFESSIONAL SERVICES RENDERED to you in acting as your special counsel in accordance with the Order of June 15, 2010 appointing you as Representative Counsel for the Noteholders of Nelson Financial Group Ltd., as amended, during the time period from December 14, 2010 to January 31, 2011, including all matters referred to in the attached time summary, all other related matters, necessary correspondence and attendances to date.

Professional Fees:		
Harmonized sales tax on professional fees		\$48,660.00 6,325.80
Disbursements:		
Paid to The Printing House for reproduction of Closing Book	\$24.80	
Photocopies (60 pages at .35)	21.00	
Parking	14.16	
Mileage 75 km at .45	<u>33.75</u>	\$ 93.71
Harmonized sales tax on disbursements		<u>12.18</u>
Total of this Account Now Due		<u>\$55,091.69</u>

This is my account prepared in accordance with the terms of the Retainer

Richard B. Jones

E. & O. E.
HST Registration No. 81564 4356 RT0001




Douglas Turner, Q.C.
February 7, 2011
Page 2

Douglas Turner, Q.C.
as Representative Counsel
for the Noteholders of Nelson Financial Group Ltd.

Time Record
of
Richard B. Jones as Special Counsel

Date	Description	Time	Amount
December 14, 2010	Assemble documents from closing of transactions in implementation of Heads of Agreement, prepare index, have copies produced and bound, letter to S. Townsend as IOO reporting on completion of transaction and transmitting Record Book, cheque from Gowlings for \$82,495 and minute books, advising her of current status and limited role of Monitor, finalize account to December 13, letter to D. Turner transmitting account and reporting on status and further steps;	3.3	1,980.00
December 14, 2010	Complete review of files on outstanding actions against NFGL, draft and finalize letter of advice to N. Olympia at NFGL as to impact of CCAA stay and effect of bar in claims procedure order, copy to S. Townsend and D. Turner, return litigation files;	1.5	900.00
December 15, 2010	Eletter to S. Townsend concerning state of work on audit and annual financial statements for NFGL, email to S. Townsend concerning possible interest [REDACTED] business, finalize and forward by email letter of advice to N. Olympia concerning outstanding judgment and action, attend meeting with D. Turner, IOO and others with financial consultants, receive presentation on their analysis of systems and management issues at NFGL, prospects for turnaround in business operations, extended discussions, further discussion with D. Turner and S. Townsend;	4.5	2,700.00

December 17, 2010	Receive email from S. Townsend concerning quotation from CustomFirst to implement multiple amortization in LMS software, email to S. Townsend advising that key is scope of work under original contract, particularly specification for deliverables, receive forwarded copy of PwC quote for audit work and for revised tax returns, review same, eletter to S. Townsend commenting on scope of work proposed [REDACTED] [REDACTED] questioning need to revise statements for subsequently determined bad accounts, recommending fresh start discussions with PwC, considering possible claims of Noteholders [REDACTED] [REDACTED] forwarding D. Turner various CCAA plan of arrangement precedents;	3.7	2,220.00
December 22, 2010	Receive email from N. Olympia with summary of claims on defaulted accounts [REDACTED] [REDACTED]; reviewing summary, further review of Amending and Termination Agreement, consideration of specific notice need required under agreement for future claims adjustments, [REDACTED] [REDACTED] drafting letter for NFGL to send to Lendcare giving notice of claims and complying with claims notice provisions of June agreement;	2.1	1,260.00
December 23, 2010	Receive email with further updated claims summaries from N. Olympia, eletter to N. Olympia with draft Lendcare notice letter and with comments and request for further information and clarification on categories of claims, copy same to S. Townsend and D. Turner, extended phone conference from N. Olympia reviewing factual backgrounds of claims types, receiving her advice [REDACTED] [REDACTED]	2.6	1,560.00

			
	drafting letter of revised recommendations to S. Townsend;		
December 24, 2010	Further considering claims  , revising draft of letter for NFGL to send to Lendcare, finalizing letter of advice to S. Townsend, emailing letter to S. Townsend with revised draft of notice letter, emailing to N. Olympia with revised draft, receive and respond to email on Gowlings retainer funds;	1.3	780.00
December 28, 2010	Telephone call from N. Olympia concerning finalization of letter to Lendcare, receiving email with final draft and attached summary sheets, reviewing same, email to N. Olympia with several minor corrections, receiving email from S. Townsend confirming her approval of notice of major claims to be given to Lendcare, advising N. Olympia that letter can now go, receive subsequent email advice from N. Olympia confirming that letter as corrected and attachments were delivered by fax and courier;	1.4	840.00
December 29, 2010	Review and consider original agreement between NFGL and CustomFirst of November 1, 2007, noting that LMS system was always specified to have multiple amortization capability, noting multiple failures of supplier to perform to contract terms and deliverables, negotiation of terms for make-good will be required in January;	.7	420.00
December 30, 2010	Email from S. Townsend concerning demand on Lendcare, reply email confirming sent;	.2	120.00
December 31, 2010	Email from D. Turner with letter from lawyer for Newstart (David Baker), review proposal to collect NFGL accounts, no merit, email comments to D. Turner and to S. Townsend, receive comments;	.3	180.00
January 4, 2011	Email from S. Townsend  , reply	2.8	1,680.00

	advising her [REDACTED] email from S. Townsend asking for advice on attempted download of records and removal of servers by M. Boutet, eletter to her advising, outlining issues needing consideration by IOO and RC in near term, claims [REDACTED] emails and phone call with N. Olympia [REDACTED] [REDACTED];		
January 6, 2011	Email from S. Townsend with copy of [REDACTED] [REDACTED], review, clear movements of investors funds through Nelson Financial [REDACTED];	2.0	1,200.00
January 7, 2011	Continuing review and considering possible effects of [REDACTED] [REDACTED], conference call with [REDACTED];	1.4	840.00
January 11, 2011	Email with D. Turner setting up meeting with G. Macleod as possible replacement Monitor, review D. Turner memo on plan procedure, phone call G. Macleod, drafting response for S. Townsend to Page email, forward same to her;	2.0	1,200.00
January 13, 2011	Prepare for and attend meeting of S. Townsend, Ian Townsend (Avansare), D. Turner and G. Macleod, extended discussion of issues with Page as Monitor, removal or resignation, costs, delay, motives of Page are incomprehensible, G. Macleod recommends efforts to contain situation and keep Page in place, receive from S. Townsend copy of CustomFirst LMS original contract scope and current quotation, email advice to her on proposed meeting, email to J. Grout on Monitor;	5.8	3,480.00
January 14, 2011	Email from J. Grout, wrong on facts throughout, discuss with D. Turner, decide to ignore;	.3	180.00

January 16, 2011	Memo to file outlining context of NFGL restructuring now discovered by IOO, eletter to IOO and RC with copy and recommendations to hold Page in place as monitor, email from T. Young [REDACTED] plan, email reply, [REDACTED], copy IOO and RC;	2.5	1,500.00
January 18, 2011	Outlining plan of arrangement terms, memorandum to file with key terms, outline articles of reorganization, considering governance and other future issues for corporation;	3.3	1,980.00
January 19, 2011	Continuing drafting of plan of arrangement, revise structural memo, eletter to S. Townsend and D. Turner with same and discussing further issues for input, advising of need for an information circular for the creditors' meeting, phone call S. Townsend concerning [REDACTED] inquiries, phone discussion with [REDACTED] [REDACTED] phone discussion with D. Turner, receive and review draft of RC interim report to noteholders, receive T. Young's comments on future projection language, concur, email to D. Turner, eletter to N. Olympia on Ella Plut bankruptcy with draft letter for NFGL to send to trustee, receive email fro Page to S. Townsend from her, draft response on McVey and Debono preferred share claims;	4.7	2,820.00
January 20, 2011	Receive draft settlement agreement between NFGL and OSC, email with caution on cease trading term and possible impact on plan, drafting on plan of arrangement, locating precedent for meeting order;	4.2	2,520.00
January 21, 2011	Receive email from N. Olympia concerning Ella Plut bankruptcy, revise draft letter to Trustee and email to N. Olympia, working on detailed drafting of plan of arrangement, dictating major provisions, editing and revising, preparing new definitions for equity exchange plan, considering need for information circular for meeting of	5.5	3,300.00

January 22, 2011	creditors, receive email from S. Townsend confirming that Avansare are working on this aspect, continuing drafting and amendments, circulating current rough draft; Reviewing and revising draft plan of arrangement, altering order of main articles to be consistent, reviewing release language, noting need for further revisions to exculpation language, receive email from T. Young questioning conversion of Noteholders' interests to equity and asking for additional common equity, receive email from S. Townsend, email response to S. Townsend with comments and suggestions for considerations on capital structure to accommodate needs of business plan, email to D. Turner and S. Townsend with copy of current draft with trackchanges to Friday draft, working on plan filing and meeting procedures, reviewing previous draft orders used in other CCAA cases, email to D. Turner concerning plan approval procedure, sequence and timing;	6.5	3,900.00
January 24, 2011	Receive email from S. Townsend respecting eletter of CustomFirst to Monitor, reviewing websites referred to, email to S. Townsend, telephone call S. Townsend, drafting letter from S. Townsend to send to W. Bartlett at CustomFirst, receive email from N. Olympia, telephone call N. Olympia requesting security interest language to be incorporated in new forms of consumer financing agreements, reviewing December 10, 2010 quotation from CustomFirst, revising draft letter, continuing work on Articles of Reorganization, addressing business name issue, eletter of advice to S. Townsend concerning premature use of Provider Capital Group Corp. and use of business name style;	4.4	2,640.00
January 24, 2011	Receive email from S. Townsend forwarding Monitor's email concerning preferred shareholders, reviewing state of draft equity claims motion order, reviewing amendments requested by S. Aggarwal, accepting most changes, checking Justice Pepall's reasons, email to S. Aggarwal with revised draft, copy to J.	1.4	840.00

January 26, 2011	<p>McVey, receive and review draft of IOO report; Received e-mail from S. Townsend with questions from monitor, e-mail from S. Townsend requesting copy of draft of equity claims order, e-mail to S. Townsend with copy of e-mail to S. Aggarwal and latest draft of order, eletter to S. Townsend with comments on monitor's requests for changes to order, receive advice of adjournment of OSC hearing at request of S. Sobel, further drafting of Articles of Reorganization, forward latest draft to S. Townsend and D. Turner, receive copy of letter concerning [REDACTED], e-mails to S. Townsend regarding issue, terminates possibility of using CustomFirst software and NFGL will need new LMS software;</p>	2.5	1,500.00
January 27, 2011	<p>Draft security interest clause for new form of consumer financing agreement, e-mail to N. Olympia, eletter to S. Townsend and D. Turner concerning risks [REDACTED], issue of the validity of claims process, suggesting use of assignment of derivative rights as part of plan, arrangements for Monday meeting, receive CV of Bruce Clark;</p>	1.7	1,020.00
January 30, 2011	<p>Review first draft of meeting order, begin changes;</p>	.5	300.00
January 31, 2011	<p>Meetings NFGL for day, meeting with N. Olympia reviewing documents related to claims against [REDACTED] extended discussions with S. Townsend reviewing [REDACTED] continuing meeting with D. Turner, discussing plan of arrangement, relations with monitor, timing of motions and meeting, composition of the board of company, state of continuing discussions [REDACTED] extended discussion of claims [REDACTED] selection of counsel to commence proceedings, in evening receive copy</p>	8.0	4,800.00

of draft business plan and begin review;

	<u>81.1</u>	<u>\$48,660.00</u>
Totals		

Richard B. Jones

Business Counsel at Law

100 Yonge Street
Suite 1201
Toronto, CANADA
M5C 2W1

Telephone: 416-863-0576
Fax: 416-863-0092
Mobile: 416-508-6009
Email: richard.jones@sympatico.ca

IN ACCOUNT WITH

Douglas Turner, Q.C.
Barrister & Solicitor
63 Albert Street
P.O. Box 760
Uxbridge, ON L9P 1E5

March 10, 2011

and

Ms. Sherry Townsend
Interim Operating Officer
Nelson Financial Group Ltd.
900 Dillingham Road
Pickering, Ontario
L1W 1Z6

**Re: Acting as Special Counsel to
the Representative Counsel and the Interim Operating Officer
Nelson Financial Group Ltd.
Superior Court of Justice (Commercial List)
Court File No. 10-8630-00CL**

TO PROFESSIONAL SERVICES RENDERED to you in acting as your special counsel in accordance with the Orders of June 15 and November 22, 2010 appointing you as Representative Counsel for the Noteholders and Interim Operating Officer, respectively, of Nelson Financial Group Ltd., during the period from February 1 to February 28, 2011, including all matters referred to in the attached time summary, all other related matters, necessary correspondence and attendances to February 28, 2011.

Professional Fee:	\$74,100.00
Harmonized sales tax on professional fee	9,633.00

Disbursements:

Paid to file Notice of Motion	\$127.00*
Photocopies (414 pages at .35 per page)	144.90
Paid to The Printing House for reproduction and binding of Motion Records	225.25

Douglas Turner, Q.C. and Ms. Sherry Townsend
March 10, 2011
Page 2

Mileage (150 km at .46 per kilometre)	69.00	
Parking	<u>14.16</u>	\$580.31
Harmonized sales tax on taxable disbursements		<u>58.93</u>
Total of this Account Now Due		<u>\$84,372.24</u>

This is my account prepared in accordance with the terms of the Retainers

Richard B. Jones

E. & O. E.

HST Registration No. 81564 4356 RT0001

*indicates hst exempt

Douglas Turner, Q.C.
as Representative Counsel
for Noteholders of Nelson Financial Group Ltd.

Time Record
of
Richard B. Jones as Special Counsel

Date	Description	Time	Amount
February 1, 2011	Meeting with L. Corne as possible litigation counsel, drafting letter for IOO to send to J. Page providing him with update, letter of overall advice to IOO, drafting derivative rights concept and outlining litigation trust for plan of arrangement, drafting revisions to proxy and to voting letters forms, reviewing and correcting Articles of Reorganization, forwarding latest revisions of plan of arrangement to IOO and Representative Counsel;	4.5	2,700.00
February 2, 2011	Email to IOO and Representative Counsel;	.3	180.00
February 3, 2011	Letter to D. Turner and draft letter for him to respond to proposal from Newstart sent by Pryzbylo, telephone call D. Turner, preliminary review of original files of M. Boutet notes from 2007 and agreements [REDACTED];	1.8	1,080.00
February 4, 2011	Continuing review of [REDACTED] [REDACTED], receive and respond to query from IOO concerning termination of employee, [REDACTED];	1.0	600.00
February 5, 2011	Review Representative Counsel's second interim report to Noteholders, revise to correct description of Court process for plan approval, eletter with revisions and other suggestions to D. Turner, exchange of emails and eletters with IOO concerning scheduling of meeting with consultants to review Business Plan and projections, receive email from IOO concerning [REDACTED] [REDACTED], email to IOO with preliminary advice as to impact on claims [REDACTED] [REDACTED]	2.2	1,320.00
February 6, 2011	Prepare and finalize account for January, forward to D. Turner, considering alternative structures for securities to be distributed under plan, reviewing current income tax treatment of income debentures and limitations on them, revise draft meeting order, revise notice of motion for plan filing and meeting order, forwarded to D. Turner for review, email to IOO with meeting order, notice of motion and update on drafting of plan;	4.5	2,700.00
February 7, 2011	Drafting IOO's First Report to Court, addressing	6.7	4,020.00

	confidentiality concerns and conduct of Monitor raised by IOO and advisors, email advice re same, drafting letter to Monitor's counsel seeking assurances, forwarding draft to IOO and Representative Counsel for review, review amended draft of Business Plan received from Avanzare, email to IOO and Representative Counsel with suggested amendments and comments;		
February 8, 2011	Addressing scheduling of motion with Commercial List office, seeking to file notice of motion, referred to Pepall, J. for decision as to scheduling, letter to Pepall, J. asking for directions;	1.3	780.00
February 9, 2011	Further revisions to draft of plan of arrangement, incorporating income debenture concept, term limit problem with income debentures, taxable interest is costly, consider alternatives, eletter to Representative Counsel and IOO circulating for review, further review and finalize notice of motion and draft order, including notice of meeting, meeting with Representative, meeting with Representative Counsel and Pam Foy at O.S.C., extended discussion of draft settlement proposal to resolve proceedings against company, drafting limitations to cease trading requirement, considering the policy concerns of O.S.C. regarding non-accredited investors, requirements for Information Circular review by Staff;	5.0	3,000.00
February 10, 2011	Meeting at Nelson Financial with Avanzare, IOO, D. Turner, T. Young, reviewing latest draft of Business Plan and operating projections, extended discussion of expectations of Noteholders as to terms of securities to be received under plan, advising as to alternatives, income debentures maximum 5-year term will not work, discussion of tax inefficiency of paying interest, discussions of conversion rights and future capital needs of restructured business to enable expansion, instructed to make revisions to plan, email from T. Young in evening with major concerns on her views of Noteholders' expectations, eletter of responsive comments on capital structure (travel time at ½);	8.5	5,100.00
February 11, 2011	Eletter to IOO and Representative Counsel with suggestion for use of capital recovery debentures with mandatory principal payments and no interest, conference call with IOO Representative Counsel and T. Young on structure of plan, seek precedents for litigation trust to meet concepts, refer same to D. Turner for drafting, considering conversion rights and securities, addressing convenience class for small	7.0	4,200.00

February 13, 2011	trade creditors, drafting provisions for the plan to include convenience class and to document a cash out option, revising terms of debenture and reviewing draft, letter to J. Grout, reviewed and revised with IOO, finalized and sent; Review and advise IOO on claim of [REDACTED] and others that dividends paid should not be issued T-5's, claim that they were return of capital, email to IOO concerning obligations of Nelson Financial to file T-5's and pointing out that there is little impact on preferred shareholders, draft notice of meeting to be Schedule "B" to meeting order, receive T. Young email requests for interest on debenture, eletter to IOO as to why the debentures should not bear interest, eletter to T. Young on same issue, further email from T. Young, extended eletter outlining rationale for drafting of the securities package, finalize notice of meeting, continue work on drafting of plan, review notice of motion;	4.5	2,700.00
February 14, 2011	Receive copy of letter to Pepall, J. from Monitor's counsel, finalize drafting of capital recovery debenture and circulate latest draft to IOO and Representative Counsel, email from T. Young, drafting receipt, release and assignment for plan to move creditors' causes of action into litigation trust, advising IOO on termination of leases under CCAA, drafting letter to landlord for IOO proposing termination terms for Dillingham Road premises, drafting letter to C. Prophet advising of [REDACTED] [REDACTED] in connection with resignation of M. Boutet, circulate for approval of IOO, approved, forward letters, eletter to IOO concerning procedures to disclaim contracts generally;	7.0	4,200.00
February 15, 2011	Email to S. Townsend with draft for review and approval of letter to counsel for Monitor agreeing to his removal, email from S. Townsend, replying, email from T. Young, replying, working on drafting of IOO's First Report, addressing response to J. Page email concerning cash flow projections in conjunction with stay extension, email from D. Turner concerning funding of litigation trust, further work on IOO's First Report, receive email from counsel for Monitor proposing meeting for tomorrow afternoon, telephone call from Justice Pepall concerning scheduling and case management, she will advise after she speaks with Justice Morawetz, emails concerning scheduling of meeting with Monitor and his counsel, receive and review latest accounts	10.5	6,300.00

from Monitor's counsel, telephone discussion with I. Townsend of Avanzare respecting Business Plan, forwarding copy of plan of arrangement, preparing for Thursday meeting, advising IOO concerning refusal of Monitor to deliver trust funds as ordered on December 9, instructed by IOO and Representative Counsel to locate replacement monitor, making enquiries with respect [REDACTED]

[REDACTED] will

speak to J. Page before he will decide, forwarding background material to potential replacement monitors, responding to concerns raised by members of Advisory Committee;

February 16, 2011

Eletter to IOO advising as to remaining functions for which a monitor is required, telephone call [REDACTED]

10.0

6,000.00

[REDACTED] to check conflicts and will get back to me, advising IOO as to string of emails from J. Page, drafting additional text for IOO's First Report, reviewing and editing draft Report, forwarding same to IOO for her review, exchange of emails with IOO concerning demand of Monitor for full response to his email of January 3, receive her instructions to prepare same, drafting detail response to each specific item, forwarding same for review by IOO, finalizing IOO's First Report, receive email from Justice Pepall, Justice Morawetz will become case management judge, attempt scheduling for February 22, no time available on Justice Morawetz' list on February 28, receive resume of J. McCabe as potential director, schedule of discussion with [REDACTED], email from S. Aggarwal, receive [REDACTED], no

reasons provided, maybe misunderstanding as to circumstances, assisting IOO on steps being taken to deal with deficiencies in IT systems, receive D. Turner email to Monitor's counsel and accepting resignation of Monitor, receive cash flow projections to May 31, review same, review and finalize letter to Monitor responding to his queries of January 3, mostly outside his mandate, forward draft of First Report to IOO for review, eletter to IOO concerning deficiencies in cash flow projections provided by S. Sobol, receive IOO's revisions to draft letter to Monitor, receive and read draft Business Plan from Avanzare with outline of sensitivity cases to be run, exchanges of emails

between IOO and counsel for Monitor with peremptory demand that IOO attend meeting tomorrow, respond, counsel for Monitor are now ignoring both Representative Counsel and special counsel and refusing to respond, finalize letter to Monitor addressing all items from his January 3 email, working on drafting of litigation trust as schedule to plan of arrangement, exchange of emails with [REDACTED], receive further projection materials from Avanzare under different scenarios, extended telephone discussion with [REDACTED], giving him background on Nelson Financial and remaining tasks needed from a monitor, email to [REDACTED] current draft of plan, email from IOO concerning requests of preferred shareholders to cancel T-5's claiming that dividends are returns of capital, eletter to IOO addressing issue and suggesting response, including comment on negligible difference in tax effect, preparing and forwarding request form to all counsel for February 22 scheduling attendance, working on preparation of motion record;
Travel to Pickering, extended telephone discussion with [REDACTED] as to needs of debtor company and IOO in respect of Monitor functions to complete plan sanction, he is waiting for final conflict clearance but agrees to accept appointment to replace Monitor, lengthy meeting with Ian Townsend (Avansare), IOO, Representative Counsel, T. Young, Rina Mancini, reviewing Business Plan, validating assumptions, extended discussion of terms for securities to be used in plan of arrangement, income debentures, capital recovery debentures, reviewing financial projections, sensitivity cases, preliminary comments on matters requiring revision, receiving letter from counsel for Monitor advising that he now refuses to resign, discussion with IOO and Representative Counsel as to response and tactical alternatives, receive email from P. Foy for OSC concerning attendance at scheduling appointment, addressing handling of unsecured trade claims, receive emails concerning Monitor's access to accounting system, mounting costs notwithstanding agreements of December 9, circulate copy of notice of motion and plan of arrangement as served on service list, revisions to form of debenture, conference call with IOO and Representative Counsel as to whether or not to move for removal, risk of delay and additional costs, decision to move ahead with plan, email to B. Davidson,

February 17, 2011

9.5

5,700.00

	email to [REDACTED] [REDACTED], working on final draft of IOO First Report, email to IOO with recommendations as to timing;		
February 18, 2011	Drafting letter to J. Grout, receive and respond to email from S. Townsend concerning First Report, amending Report respecting stay extension and cash position, send final for signature, discussion with Commercial List office concerning scheduling, earliest date to see Morawetz, J. is February 28, email to all counsel advising, preparing request form, receive consent of Monitor's counsel, receive Report of Representative Counsel to Noteholders for review and comment;	2.3	1,380.00
February 22, 2011	Reviewing and responding to emails received over weekend, consider projected cash position of company under Business Plan, need to reflect in income and in business development, receive email from I. Townsend on reasons for cash build up, respond and approve, receive query regarding indemnification and insurance for new directors, email of advice to IOO concerning indemnity under by-law and D&O insurance, correcting typos and inconsistencies in draft plan of arrangement, drafting language to implement decisions of last week's meeting, drafting convenience class, drafting revised term for cash check out option, receive and consider [REDACTED], involved in email exchanges respecting continuing refusal of Monitor to return \$5 million, further emails from T. Young concerning alternative capital structures, further consideration of income debentures, clarifying nature of cumulative dividends, email exchange clarifying mechanics of conversion language from debentures to special shares, further email exchanges concerning return of \$5 million, flat out refusal by Monitor, contempt, further revisions to plan of arrangement, extended email exchange and responding advice respecting ABIL, considering possibility of advanced ruling, doubtful;	7.0	4,200.00
February 23, 2011	Eletter to T. Young concerning ABIL, ruling request must not delay Plan or implementation, eletter to S. Aggarwal demanding return of \$5 million in compliance by Monitor with order of December 9, letter to counsel for Monitor responding to his refusal to resign, revising draft letter, circulating to Representative Counsel and IOO for review, comments and approval, finalize and send, receive email	10.0	6,000.00

from S. Aggarwal enquiring as to the "investment" proposed for the \$5 million, receive and review listing of all redemptions of notes and preferred shares during six months' prior to CCAA filing, email to S. Aggarwal advising that funds will be held as all working capital, receive email from Monitor's counsel advising that funds will be returned in compliance with Court order, extended discussion with R. Dale concerning ABIL opinion of Evans Martin and practical aspects of getting advice to Noteholders, deliver First Report of IOO [REDACTED]

[REDACTED], reporting on same to IOO, [REDACTED], letter of strategic advice as to conduct of restructuring in face of positions being taken by Monitor, discussion of same with IOO, drafting of cash exit option and reviewing same with T. Young, exchange of emails with R. Dale concerning tax sections of Plan and impacts on Noteholders, emails with T. Young on drafting and correcting typos in Plan documents, email to IOO concerning proxies and voting letters, revising forms, finalization of major amendments to Plan, pagination and index to be coordinated;

February 24, 2011	Working on revised motion record, obtaining signed copy of IOO First Report, conforming amended plan of arrangement, correcting definition of permitted liens, checking corrected index, following up on transfer of \$5 million back to company, dealing with cash flow projection for stay extension period, receive instructions from IOO concerning [REDACTED], receive Twelfth Report of Monitor, dealing with Representative Counsel on O.S.C. settlement concerns, arranging scheduling, letter to Morawetz, J., letter to J. Grout, letter to C. Prophet concerning release of Nelson Mortgage, dealing with Court office and scheduling, receive confirmation that matter is on Justice Morawetz' list for February 28, receive comment from D. Davies concerning net present value of debenture with no interest, eletter of response setting out rationale for structure and desirability of conversion to special shares as soon as investors comfortable with prospects for company, finalize letters;	7.5	4,500.00
February 25, 2011	Assembling motion record, arranging reproduction, service	6.5	3,900.00

	and filing, filing First Report of IOO, letter of instructions to [REDACTED], letter to IOO concerning CustomFirst, emails from T. Young concerning cash flow information provided to Monitor, emails from T. Young concerning enquiries of Noteholders on ABIL, emails from T. Young concerning expressions of interest in attending March 26 Noteholders' meeting, considering response of Representative Counsel and of IOO to Monitor's personal attack, need for IOO Supplement Report;		
February 27, 2011	Reviewing materials and preparing for chambers attendance before Morawetz, J. tomorrow, receive email from D. Bourassa for Lendcare with his letter to IOO, draft response and circulate to IOO and Representative Counsel for review and approval, reviewing emails from T. Young with details of extensive reporting since appointment of IOO, reviewing prior misconduct of Monitor and considering most appropriate response to Twelfth Report, receive approval from IOO for response to Lendcare counsel, send email to D. Bourassa, receive summary of additional reporting on cash flows done by staff under direction of IOO;	1.5	900.00
February 28, 2011	Prepare for and attend at Court for chambers scheduling with Morawetz, J., discussion with Representative Counsel as to position, attend in chambers with Monitor, J. Grout, S. Aggarwal, D. Bourassa and D. Turner, IOO's motion for plan filing, meeting order and stay extension scheduled for March 3 and temporary stay extension until motion heard, subsequent settlement discussions between IOO, Representative Counsel and Monitor, further meeting with J. Grout receiving proposal, consulting with IOO and Representative Counsel, preparing and forwarding eletter to J. Grout responding to proposal with clarifications, further email to J. Grout enquiring as to response, receive his email that he will not be able to respond until tomorrow;	4.4	2,640.00
		123.5	\$74,100.00
Totals			

Richard B. Jones

Business Counsel at Law

100 Yonge Street
Suite 1201
Toronto, CANADA
M5C 2W1

Telephone: 416-863-0576
Fax: 416-863-0092
Mobile: 416-508-6009
Email: richard.jones@sympatico.ca

IN ACCOUNT WITH

Douglas Turner, Q.C.
Barrister & Solicitor
63 Albert Street
P.O. Box 760
Uxbridge, ON L9P 1E5

March 31, 2011

and

Ms. Sherry Townsend
Interim Operating Officer
Nelson Financial Group Ltd.
900 Dillingham Road
Pickering, Ontario
L1W 1Z6

**Re: Acting as Special Counsel to
the Representative Counsel and the Interim Operating Officer
Nelson Financial Group Ltd.
Superior Court of Justice (Commercial List)
Court File No. 10-8630-00CL**

TO PROFESSIONAL SERVICES RENDERED in acting as your special counsel in accordance with the Orders of June 15 and November 22, 2010 appointing you as Representative Counsel for the Noteholders and Interim Operating Officer, respectively, of Nelson Financial Group Ltd., during the period from March 1 to March 31, 2011, inclusive and including all matters referred to in the attached time summary, all other related matters, necessary correspondence and attendances to March 31, 2011.

Professional Fee:	\$94,440.00
Harmonized sales tax on professional fee	12,277.20

Disbursements:

Photocopies (180 pages at .35 per page)	\$54.25
Paid for copying, reproduction and scanning of Orders and IOO Supplement Report	118.94

Douglas Turner, Q.C. and Ms. Sherry Townsend
March 31, 2011
Page 2

Mileage (155 km at .46 per kilometre)	71.30	
Postage	5.75	
Parking	<u>36.28</u>	
Total Disbursements		\$286.52
Harmonized sales tax on taxable disbursements		<u>37.25</u>
Total of this Account Now Due		<u>\$107,040.97</u>

This is my account prepared in accordance with the terms of the Retainers

Richard B. Jones

E. & O. E.
HST Registration No. 81564 4356 RT0001
*indicates hst exempt

**Douglas Turner, Q.C. and Sherry Townsend
as Representative Counsel and Interim Operating Officer
for Noteholders of Nelson Financial Group Ltd.**

**Time Record
of
Richard B. Jones as Special Counsel**

Date	Description	Time	Amount
March 1, 2011	Reviewing Monitor's Twelfth Report, drafting Supplement to IOO's First Report, receive email from S. Aggarwal rejecting any settlement or consensual process, circulate same to IOO and Representative Counsel, receive directions to reject position being taken and to proceed with motion to file plan and order meeting, also receive instructions to proceed with motion to remove Monitor for cause, eletter response to S. Aggarwal, email exchange with T. Young, reviewing original retainer agreements between NFGL and J. Page, email to D. Bourassa with portion of Supplement text concerning Lendcare, receive email response, make portion of changes, email to D. Bourassa re same, eletter to [REDACTED], receive directions from Representative Counsel as to particular issues in conduct of Monitor, forwarding emails to IOO and Representative Counsel in preparation for conference call in evening, attending on conference call with S. Townsend, D. Turner and T. Young, email to S. Aggarwal advising of I. Townsend commitments during next two days, discussion with I. Townsend regarding February 19 draft of Business Plan, editing same, re-writing description of securities to be issued under Plan, email to I. Townsend, copy IOO, copy Representative Counsel;	9.0	5,400.00
March 2, 2011	Writing factum for motion, email to D. Turner, reviewing and amending first draft of factum, reading ARIL article on monitors, finalize factum, serve and file by 2:00 p.m. deadline, delivery copy to chambers, email from L. Debono, email from J. McVey, email from I. Townsend with revised confidential draft of Business Plan, receive factum and book of authorities of Monitor, preparing for argument of motion tomorrow;	8.0	4,800.00
March 3, 2011	Preparation of oral submissions for motion, meeting with	8.5	5,100.00

	<p>Representative Counsel, attend in Court on motion for plan filing, meeting and stay extension, directed by Morawetz, J. to negotiate resolution of differences with Monitor, extended negotiations, terms reached as to date of meeting of creditors, interim arrangements, conduct of meetings, motion adjourned to chambers at 3:30 tomorrow and stay extended, working on revisions to draft meeting order, discussion with G. Macleod as to his willingness to act as chair of creditors' meeting, confirming same, discussion with R. Dale as to his availability to act as scrutineer for the creditors' meeting, confirming same, correcting error in number of New Special Shares in plan of arrangement, Schedule "B", eletter to J. Grout with draft order and amended plan of arrangement;</p>		
March 4, 2011	<p>Correcting minor errors in draft meeting order, forwarding same to J. Grout, receive response from S. Aggarwal asking for separate order to deal with stay extension, exchanges of emails and orders, drafts settled, reproduction of necessary copies, attend in chambers with Morawetz, J., equity claims order granted, December 9 fee approval order granted, stay extension order granted, plan filing and creditors' meeting order granted, attending at Court office to issue and enter same [REDACTED] (time reduced to reflect unproductive delays);</p>	5.0	3,000.00
March 5, 2011	<p>Receive email of requested information sent by J. Page on Friday afternoon after order is granted, reviewing same at request of IOO and preparing responsive communication, circulating same to IOO and Representative Counsel for review and approval, receiving approval, final revisions, forwarding same to Monitor, copy his counsel, eletter to I. Townsend concerning state of Business Plan in preparation for meeting with Monitor on Monday afternoon, addressing small changes to Plan raised by T. Young on proofreading;</p>	3.5	2,100.00
March 6, 2011	<p>Various emails concerning Plan, telephone discussion with I. Townsend on sensitivity analyses of operating projections, he will provide scenarios for use at meeting tomorrow;</p>	1.2	720.00
March 7, 2011	<p>Email from IOO, eletter reply on implementation documents and Plan issues, eletter to T. Young responding to queries on elections of Cash Exit Option, scan issued and entered order, serve on service list, prepare for and attend meeting with J. Page, J. Grout, S. Aggarwal and P. Foy, discussion of Monitor's initial review of plan of arrangement, no structural concerns, basic outline of plan is fair and reasonable, need to verify and update liquidation analysis, discussion of business plan, no concerns raised, reporting to</p>	5.8	3,480.00

	IOO and Representative Counsel, email from T. Young, dealing with correction of schedule references in meeting order, email to J. Grout with correcting order, email T. Young with true copy of corrected meeting order for mailing;		
March 8, 2011	Addressing correcting order with S. Aggarwal, letter to IOO with draft letter, eletter to Avansare with correcting language for plan description on page 5, email from [REDACTED] and IOO re same, comments on effect of Plan and no "lock in" when creditors will be the shareholders, discussion of projections and accounting for effect of cash exit option, eletter to Greg MacLeod and Ron Dale with copy of Meeting Order and business plan, email to IOO on write-offs and liquidation value [REDACTED], eletter and draft letter to Monitor for IOO concerning Debono, receive email that correcting order granted, email to J. Grout, eletter to IOO with transmittal letter to creditors and enclosures, drafting transmittal letter for mailing of meeting notice, plan, order, proxy and voting letter to creditors, email from T. Young, email to IOO with draft letter and comments, sending copy of Plan to IOO for signature for Court filing;	6.3	3,780.00
March 9, 2011	Email from Ron Dale concerning treatment of write-offs pre-Plan, eletter in reply, working on account for February, checking time records, further emails to Ron Dale, telephone discussion of financial projection presentation for Information Circular, phone discussion with Representative Counsel on drafting of Information Circular and on tax treatment issues, eletter to Avansare on effect of check out on common share equity, receive copy of Sobol spread sheet on reserves and write-offs, data only, no links month to month, email to IOO with cautions on same; dealing with questions on creditor mailing of meeting notice and materials, multiple emails to T. Young;	6.0	3,600.00
March 10, 2011	Finalize account for February, transmittal letter, drafting amendment to settlement agreement proposed by OSC, eletter to Representative Counsel on same, draft comment text for committee posting on tax treatment of losses, review opinion obtained by Monitor, copy to G. MacLeod for meeting, receive and review first draft of Information Circular from D. Turner as filed with OSC, receive final creditor list with corrected addresses from IOO, phone conversation with Peter Zevenhuizen, draft letter to P. Zevenhuizen at Justice on ABIL issues and CRA;	5.0	3,000.00
March 11, 2011	Eletter to P. Foy at OSC with copies of creditor mailing	2.8	1,680.00

	from Wednesday and enclosures, report to IOO on discussion with Justice CRA liaison, deliver letter to P. Zevenhuizen, emails to R. Dale on opening balance sheet for business plan and Information Circular, eletter to IOO on third party interest and contacts;		
March 13, 2011	Drafting further version of Supplement to IOO First Report, email to IOO, considering agenda of issues for meeting tomorrow with IOO, email from T. Young concerning tax treatment text, email to T. Young with answers;	2.4	1,440.00
March 14, 2011	Receive further email questions from T. Young on tax treatment questions, email responses, receive and review draft Q and A noteholder communiqué from T. Young, notes to same and return to her, review questions raised by Avansare on preparation and format of financial projection statements, eletter of detailed comments, travel to Pickering, meeting with IOO, extended discussion of Monitor issues, plan process, premises negotiations, meeting with IOO and noteholder responding to his questions, receive revised financial projections from Avansare, note discrepancies, email to I. Townsend with queries;	7.5	4,500.00
March 15, 2011	Email IOO on financing source, email from I. Townsend on defect in formulae, emails (3) from R. Dale, email from P. Zevenhuizen on status, meeting with [REDACTED], receive latest draft of Information Circular from D. Turner, email from I. Townsend with latest financial model, conference call with I. Townsend and R. Dale, emails from IOO on Monitor's inquiries, receive copies of email inquiries from noteholder, phone calls T. Young, [REDACTED], receive first draft of presentation for noteholders information meeting, begin review;	5.5	3,300.00
March 16, 2011	Begin major edit and rewrite of draft Information Circular, circulate amended first part for comment, report to IOO on meeting [REDACTED], email to IOO concerning email and posting of notice materials, Monitor request for future receipts aging for loan portfolio, not available under LMS, receive and review six emails from Brenda Bissell, receive further email and review, requires considered response, letter to IOO and Representative Counsel on handling B. Bissell situation, amendments to presentation draft, draft letter to counsel for Monitor concerning request of B. Bissell for noteholder contact list, confidentiality and PIPEDA, email from Representative Counsel accepting recommendations, receive update from [REDACTED] drafting recommended noteholder	8.0	4,800.00

March 17, 2011	website posting protocol, receive comments, amend, drafting letter to B. Bissell responding to some of her concerns and misunderstanding of Plan, emails(6) from T. Young and responses concerning Supplement to IOO First Report; Email to T. Young and IOO concerning wording of website announcement of posting protocol, circulate draft of response to B. Bissell to IOO and Representative Counsel for approval, IOO email suggesting speaking to B. Bissell, advise caution by eletter, review Monitor email to Sobol on write-offs, receive G. MacLeod requirements on voting by deceased noteholders' estates or joint holders, update draft of Supplement and forward to IOO for review, receive email from Lendcare counsel on Supplement to First Report as settled, email reply confirming, emails with D. Turner and T. Young settling posting protocol, email from IOO approving letter to B. Bissell, receive latest draft of Information Circular from D. Turner, finalize and send letter to Monitor's counsel on confidentiality and lists of noteholders contacts, finalize and send letter to B. Bissell;	6.0	3,000.00
March 18, 2011	Draft outline pro forma opening balance sheets under different cash exit levels, eletter to Representative Counsel to settle approach with I. Townsend and R. Dale;	1.6	960.00
March 20, 2011	Review emails from last three days, prepare for responses tomorrow;	.8	480.00
March 21, 2011	Email to R. Dale concerning issues of terminology and opening balance sheet for use in conjunction with Information Circular, further emails regarding accounting treatment of revaluation and restatements, reviewing email from weekend with B. Bissell and observing that she has changed her email address, email to IOO and Representative Counsel with text for suggested eletter to her correcting misunderstandings in her weekend emails and forwarding further copy of my letter of March 17, circulating for approval, receiving approval, finalizing and forwarding, email to R. Dale concerning fixed asset historic cost, accumulated depreciation and appropriate level to record in <i>pro forma</i> opening balance sheet, email from IOO concerning loan management system software deficiencies and Monitor's approach to liquidation analysis, email response, [REDACTED], forward to IOO, email to T. Young re common share capital and relationship of stated capital to fair value, eletter to IOO advising as to consequences and next steps if vote is negative, email to J. Grout suggesting meeting to address Monitor's Twelfth Report, conference call with IOO,	7.5	4,500.00

	Representative Counsel and other members of the team to update, further emails with R. Dale, further emails to I. Townsend, draft posting protocol notice amendments for T. Young to use on website, further work on Supplement to First Report of IOO;		
March 22, 2011	Drafting resolutions for meeting of creditors, forward same with email suggesting procedures to G. MacLeod, do full edit and substantive rewrites of portions of Information Circular, recommending removal of Frequently Asked Questions, discussion with D. Turner re same, revise Frequently Asked Questions, drafting additional question to address conversion of debentures into new special shares, exchange emails with S. Townsend concerning ballots and desirability of independent printing, further work on Information Circular, circulate same to T. Young for insertion of latest updates of financial projections, circulate to IOO and Representative Counsel, discussion with D. Turner concerning filing same with OSC and copying Monitor, confirming meeting for tomorrow with J. Grout and S. Aggarwal to discuss Twelfth Report, further review of Twelfth Report and matters addressed in current draft of Supplement for IOO First Report, preparing for meeting tomorrow, further revisions to draft Information Circular, including corrected front page, dealing with stated capital on page 23, rewrite of s.17, forwarding revisions to T. Young for inclusion, working on same in evening, further emails with T. Young;	10.0	6,000.00
March 23, 2011	Finalize draft of FAQ on conversion feature of capital recovery debenture and email same to T. Young, working on drafts of Receipt, Release and Assignment and of election to take Cash Exit Option, forwarding draft documents to IOO with caution concerning premature circulation, considering needed detail amendments to Plan of Arrangement, preparing for and attending meeting with counsel for the Monitor, extended discussion of issues surrounding Twelfth Report and decision of IOO concerning correction of misstatements, no resolution but better understanding and cordial discussion, attend on conference call with IOO, Representative Counsel and T. Young, report on discussions with Monitor's counsel, authorized to continue to work collaboratively to settle Supplement and address other issues of possible joint communications, receive telephone call from IOO advising of discovery of posting by Monitor of B. Bissell emails, reviewing posting on Monitor's website, noting that Monitor indicates opposition to Plan and process,	9.0	5,400.00

email advice to J. Grout and S. Aggarwal, telephone call from S. Aggarwal offering explanation relating to letter responding to my letter of March 17 concerning posting protocol, abject apology, receive protocol as posted on Noteholders' website, noting that my letter to B. Bissell cannot be posted due to solicitor/client confidentiality and privilege, drafting general memo to Noteholders addressing issues, circulating same to IOO and Representative Counsel, further telephone call from S. Aggarwal in evening, informing her that situation and conduct of Monitor is completely unacceptable and that her explanation that their responding letter (not delivered) has anything to do with it is not understood;

March 24, 2011	Review IOO presentation for Noteholders' Information Meeting, edit, suggest changes, eletter of advice, finalize draft of Supplement to First Report of IOO, circulate to IOO and Representative Counsel, telephone call IOO and T. Young concerning same, no comments received from Monitor, although draft provided last week, instructed that Supplement is signed and that scanned signature page will be forwarded to me and that it is being posted on Noteholders' website, receive eletter from S. Aggarwal about noon indicating that comments will be provided, no comments received until 4:20, letter to S. Aggarwal advising that her comments are too late and that Supplement has been executed and is being served, receive letter from S. Aggarwal purporting to record all discussions of yesterday, drafting response;	4.6	2,760.00
March 25, 2011	Finalize letter to S. Aggarwal responding to her letter of yesterday, requesting liquidation analysis and requesting response to March 17 letter, draft letter to J. Grout concerning overall position of Monitor as dupe of the fraud, circulate to Representative Counsel for review and comment, extended discussion with D. Turner, decision that communicating to Monitor and its counsel is an exercise in futility, finalize hard copy of Supplement to IOO's First Report with four exhibits, have same scanned, serve Supplement to service list, copies for Court filing, receive advice that OSC has approved with one minor change the Information Circular, assemble materials for Noteholders' Information Meeting, email to Monitor's counsel with advice of OSC approval of Information Circular and copy for their files, confirming attendance at Monday meeting and requesting copy of liquidation analysis, extended discussion with IOO reviewing her presentation for Information	7.0	4,200.00

March 26, 2011	Meeting, addressing technical details of restructuring plan, further email to S. Aggarwal, further email to S. Townsend; Prepare for and attend Noteholders' Information Meeting in Ajax, preliminary meeting with IOO and Representative Counsel, participating in meeting and responding to Noteholders' questions and concerns, email from T. Young, email from S. Townsend, telephone call S. Townsend (2X);	5.4	3,240.00
March 27, 2011	Email to J. Grout concerning meeting scheduled for Monday, receive reply, email from R. Dale, reply, email from T. Young, reply with two matters for her to consider and address;	.6	360.00
March 28, 2011	Emails to T. Young, receive query from noteholder R. Miller, forward to IOO and Representative Counsel, email from S. Aggarwal indicating that Monitor's draft coming today, receive inquiry respecting sales of claims by creditors, eletter of general advice to Representative Counsel and IOO on transfers, receive draft liquidation analysis of Monitor, forward, review, note discrepancies, forward comments to IOO and Representative Counsel, receive comments from T. Young and IOO, eletter to S. Aggarwal on need to see draft Monitor's report before meeting, dealing with response to preferred shareholder inquiries, draft statement for IOO use, email to IOO;	4.8	2,880.00
March 29, 2011	Advising IOO on voting procedures for director nominees, on request of IOO drafting transmittal letter for Information Circular and other meeting materials, receiving suggestions for issues to be dealt with in transmittal letter of IOO, email to IOO re same, receive and review comments of S. Sobol on Monitor's draft liquidation analysis, reply to R. Miller inquiry, [REDACTED] from IOO, draft letter to OCJ (family), copy Family Responsibility Office, email from Monitor's counsel concerning report, email to IOO with recommendation for solicitor for Provider, forward draft transmittal letter for IOO, receive initial comments from T. Young;	5.6	3,360.00
March 30, 2011	Revise draft transmittal letter and forward same, finalize letters on [REDACTED] and copy enclosure, receive Monitor's draft report, forward same, emails of further issues on transmittal letter scope and concerns on plan amendments, receive IOO approval of letter, issue and enter correcting order and IOO Supplement, serve order, further on Debono and on directors, emails from Representative Counsel on meeting issues and references to Information Circular, email from IOO on deceased noteholder, email and attachment from Monitor on Covecrest claim compromise, recommend to	3.5	2,100.00

March 31, 2011	IOO approval of claim; Email of advice to IOO concerning [REDACTED] [REDACTED], drafting March account, receive current cash flow report, phone call T. Young on transmittal letter, redraft portions, forward latest draft with track changes, review Monitor's draft report, prepare for and participate on conference call with IOO, Representative Counsel and T. Young, revisions for Monitor's draft thirteenth report, email to IOO with final changes to transmittal letter, discussion with Representative Counsel on requirements of Meeting Order for sending of Information Circular.	6.5	3,900.00
Totals		<u>157.4</u>	<u>\$94,400.00</u>

Richard B. Jones

Business Counsel at Law

100 Yonge Street
Suite 1201
Toronto, CANADA
M5C 2W1

Telephone: 416-863-0576
Fax: 416-863-0092
Mobile: 416-508-6009
Email: richard.jones@sympatico.ca

IN ACCOUNT WITH

Provider Capital Group Inc.
900 Dillingham Road
Pickering, ON L1W 1Z6

May 3, 2011

Attention: Ms. Sherry Townsend
President and Chief Executive Officer

**Re: Nelson Financial Group Ltd. CCAA Proceeding
Superior Court of Justice (Commercial List)
Court File No. 10-8630-00CL**

TO PROFESSIONAL SERVICES RENDERED for you and as special counsel to the Representative Counsel and the Interim Operating Officer during the period from April 1 to April 29, 2011, including all matters referred to in the attached time summary, all other related matters, necessary correspondence and attendances to April 29, 2011.

Professional Fee:	\$84,420.00
Harmonized sales tax on professional fee	10,974.60

Disbursements:

Reproducing and scanning Sanction Motion materials, Factum and draft Order	\$727.32	
Paid for Court-certified copy of Sanction Order	300.00*	
Copying and scanning final Sanction Order	29.18	
Photocopies of Orders	44.52	
Photocopies	122.50	
Parking	109.74	
Postage	2.50	
Taxis	29.65	
Mileage (164 kms at .47 per km)	<u>77.08</u>	\$1,442.49
Harmonized sales tax on taxable disbursements		<u>148.52</u>

Total of this Account Now Due	<u><u>\$96,985.61</u></u>
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Provider Capital Group Inc.
May 3, 2011
Page 2

This is my account prepared in accordance with the terms of the Retainers

Richard B. Jones

E. & O. E.

HST Registration No. 81564 4356 RT0001

*indicates hst exempt

Provider Capital Group Inc.

**Time Record
of
Richard B. Jones as Special Counsel**

Date	Description	Time	Amount
April 1, 2011	Eletter to M. Nimetz of CRA, consider reply, further eletter to M. Nimetz concerning ruling suggestion, receive and review final draft of transmittal letter for distribution of Information Circular, Evans Martin letter of advice and voting letter to creditors, email to IOO with final version for printing, further email from M. Nimetz, further discussion on Monday, telephone conference with IOO, exchange of emails with T. Young finalizing transmittal letter, discussion with D. Turner considering response of CRA, considering refusal of Monitor to provide February account, noting extended list of activities sited by Monitor as consuming his time, receive and review invoice of R. Dale at request of IOO, addressing issues concerning execution of voting letters by a single joint holder, telephone call T. Young advising that both holders should sign, reviewing draft Thirteenth Report of Monitor, making notes and revisions on draft;	4.0	2,400.00
April 2, 2011	Continuing review of draft Monitor's Report, email to IOO and Representative Counsel for comments, receive comments from IOO, receive comments from T. Young, email from Monitor with proposal to settle creditor claim of Covecrest, recommend approval of same, receiving voting statistics update, further drafting and revisions to Monitor's draft Thirteenth Report, emails concerning same with T. Young, D. Turner and IOO;	3.5	2,100.00
April 3, 2011	Receive email from T. Young on allowed ABIL claim from a noteholder for 2010, receive update on voting stats indicating majority is now in hand, drafting letter to J. Grout concerning Thirteenth Report with revised draft as attachment;	2.4	1,440.00
April 4, 2011	Circulate draft letter and final suggestion revisions and comments to Thirteenth Report for approval, email from M. Soltys with further suggestions for transactions with Provider Capital, receive approval of IOO, telephone conversation with T. Young on Thirteenth Report, telephone conversation with D. Turner on Thirteenth Report and on letter to J. Grout, finalize and forward letter and marked-up and commented draft Report to J. Grout, S. Aggarwal and Monitor, finalize and forward March account with	4.4	2,640.00

April 5, 2011	<p>explanatory cover letter, arranging with his office for hard copy to be available for him for meeting tomorrow; Forward copy of letter and Thirteenth Report, comments to T. Young, email to J. Brunt concerning needed solicitor services for Provider Capital Group Inc., providing him with copy of Information Circular and requesting background information, email from J. Brunt, exchange of emails with J. Grout concerning meeting and settling of Thirteenth Report, receive background and c.v. of J. Brunt and forward same to D. Turner for review, meeting with [REDACTED] [REDACTED], telephone discussion with G. MacLeod concerning preparation of materials for creditors' meeting, providing him with copies of draft Thirteenth Report of Monitor, eletter to M. Nimetz seeking update on CRA position on ABIL claims for Noteholders, receive reply with references to various forms and guides provided by CRA, forward same to T. Young for review and possible posting on Noteholders' website, follow up eletter to J. Grout on finalizing Monitor's Thirteenth Report in face of mailing deadline for tomorrow, confirming that Company's material is ready and waiting for mailing, receive email from R. Dale questioning how a Noteholder could have used the ABIL on 2009, reply, email from G. MacLeod confirming accuracy of voting majority description and suggesting one further clarification for Monitor's Thirteenth Report, receive telephone call from S. Aggarwal advising that Monitor has accepted most of our requested amendments to his Report, receive further draft of Monitor's Thirteenth Report, forwarding to Representative Counsel and IOO, proceeding to review same, responding to enquiry from IOO as to whether any tax treatment information gathered can be provided to preferred shareholders, recommending against such communications, eletter to T. Young, IOO and D. Turner on this point, reviewing revised draft of Monitor's Thirteenth Report, noting various outstanding items, letter to J. Grout with further requested revisions;</p>	6.5	3,900.00
April 6, 2011	<p>Receive email from S. Aggarwal advising that J. Grout is ill and cancelling scheduled meeting, email response stressing the importance to finalize Report today, discussion with D. Turner concerning need to settle text of settlement agreement with OSC, receive copy of draft forwarded to J. Waechter, receive further revised draft of Monitor's</p>	3.7	2,220.00

Thirteenth Report, telephone conference S. Aggarwal and J. Grout, discussion of last drafting points, satisfied as to form, confirm arrangements to get signed copy electronically to IOO for printing and inclusion in today's mailing to creditors, report to IOO, address issues being raised by Noteholders claiming errors in T-5's for 2010 on basis that Notes were held on joint account, receive service of Monitor's Thirteenth Report, revision from J. Page for missing attachment, forward final to IOO, email and telephone conversation with IOO concerning claim of Noteholders to be on joint account and requested revisions to T-5's;

April 7, 2011

Meeting with J. Brunt concerning need for corporate solicitor's work for Provider Capital Group, providing him with background, receiving query from S. Aggarwal concerning Thirteenth Report, confirming with IOO that mailing was completed and that emailing to all known email addresses was also done yesterday, confirming same to S. Aggarwal, dealing with emails of Thirteenth Report that bounced, eventually discovering that only four and probably due to cancelled email addresses, dealing with request of B. Bissell for posting of Monitor's Report on Noteholders' website, no prior reports were posted, telephone call T. Young advising her to ignore request, noting outstanding request for proper corporate documentation for Globis Administrators, receive solicitation from P. Johnnes seeking to provide investment banking services to Provider Capital, [REDACTED], eletter to B. Bissell responding to her request that the Thirteenth Report should be posted on the Noteholders' website, receive and respond to request from IOO concerning D&O insurance coverage for proposed board of directors, request IOO to forward minute books for corporate solicitor review, receive confirmation that same have been sent by courier, report to IOO on meeting with J. Brunt, requesting and obtaining approval to have corporate materials drafted in anticipation of plan sanction, meeting arranged for IOO to meet J. Brunt next Wednesday, receive advice that settlement agreement with OSC substantially settled and hearing dates are now being scheduled to get approved prior to April 20, exchange of emails with J. Brunt concerning meeting scheduled for next week, emails with IOO on Monitor billing and voting reminder, receive reply email from B. Bissell claiming that

7.5

4,500.00

she did not receive the email of the Monitor's Thirteenth Report or of the Information Circular, reply eletter with attached copy of Monitor's Thirteenth Report and clarification as to meaning of term "service list", further email to B. Bissell, receive eletter from B. Bissell requesting copies of all emails distributed since March 20, referring same with the recommendation not to provide;

April 8, 2011	Working on [REDACTED]	4.4	2,640.00
April 10, 2011	<p>receive copies of handwritten notes from J. McVey to Nelson authorizing investment, reviewing same and recommending that IOO immediately forward same to Monitor as relevant to preferred shareholder claim, telephone call N. Olympia [REDACTED]</p> <p>[REDACTED], drafting language for Noteholders' Committee use concerning Thirteenth Report of Monitor, addressing D&O insurance applications, considering issue of Monitor's continuing refusal to provide accounts for February and March, continuing exchanges of emails with B. Bissell and T. Young concerning her claims to have not received emails; Email T. Young, IOO and Representative Counsel concerning proposals to raise issues with Monitor on outstanding accounts, receive responding position from T. Young, further reply addressing concerns and assuring her that approval of accounts issues will be fully dealt with but should not be allowed to impede the plan approval process;</p>	1.0	600.00
April 11, 2011	<p>Receive emails concerning resending to B. Bissell, email from IOO requesting cancellation of Wednesday meeting, reply and copy to J. Brunt, receive confirmation from J. Brunt, receive letter from Ross & McBride on behalf of B. Bissell requesting delay of meeting and a valuation process for liquidation alternative, circulate to IOO and Representative Counsel, receive latest update on settling of documentation for settlement with OSC, receive comments and direction from Representative Counsel concerning B. Bissell's adjournment request, receive email from IOO concerning missing documentation for Globis Administrators, gather materials for response to B. Bissell's counsel, receive further letter from B. Bissell's counsel</p>	10.5	6,300.00

insisting on proceeding with motion on Thursday although no materials yet served, review protocol previously advised to B. Bissell for communications with Noteholders by posting on Noteholders' website, email response to B. Bissell's counsel advising that no consent to any motion being heard on Thursday, further communication from office of B. Bissell's counsel confirming 9:30 chambers attendance with Justice Mesbur for Wednesday, email demanding appearance and requesting motion material, including undertaking as to damages, drafting responding affidavit [REDACTED], email exchange [REDACTED] [REDACTED], eletter to R. Kis responding to earlier letters and advising that Representative Counsel and IOO will oppose any delay of the creditors' meeting, receive responding eletter from R. Kis, reviewing previous email correspondence from last month with B. Bissell, receive draft agenda for meeting from G. MacLeod, review same, further eletter to R. Kis, receiving further background information [REDACTED] to assist in preparation for response to motion;

April 12, 2011	Reviewing background materials on positions previously taken by B. Bissell, considering legal analysis of claim to adjourn a meeting ordered by Court on March 4, receive notice of motion, affidavit of B. Bissell, affidavit of M. Carnegie, reviewing affidavit and extensive exhibits of M. Carnegie and noting no direct knowledge of any of the facts set out in the affidavit, opinion and alleged to be expert opinion, considering law on expert opinion by affidavit and their admissibility, email to D. Turner asking for some authority, receive response referring to Rule 53.02, telephone conference with B. Yellin, no likelihood of agreed resolution, working in evening on preparation of submissions in anticipation for 9:30 tomorrow morning, reviewing plan in detail and making final technical and correcting amendments, forward amended draft with track changes copy to J. Grout requesting Monitor's consent;	7.6	4,560.00
April 13, 2011	Prepare for and attend on 9:30 chambers attendance with Justice Mesbur, make submissions that motion seeking adjournment is a motion for interim injunction, clear that motion cannot proceed this week due to controverted facts and required responding materials and cross-examinations, refuse to consent to any adjournment as interim relief, Justice concurs, communications arrangements agreed	8.4	5,040.00

substantially identical to those already agreed by IOO and Representative Counsel, Monitor provided unredacted Schedule B listing of names, addresses and claim amounts for all Noteholders from his claims procedure memorandum, motion of B. Bissell adjourned to be considered as responding materials on sanction hearing, reporting to IOO and to Representative Counsel that there will be no adjournment of the Meeting of Creditors, attending with IOO and Representative Counsel on settlement conference before Commissioner of the OSC, drafting and forwarding text for email to be distributed to all known Noteholders advising them of B. Bissell's motion and availability of her materials on Monitor's website, drafting notice of motion for sanction of Plan, motion record, affidavit and report of Chair for creditors' meeting, begin drafting Second Report of IOO, receive email from S. Aggarwal with further typos in plan, receive email from R. Kis with text requested to be emailed to all Noteholders, preliminary review, receipt to R. Kis; Eletter to IOO and Representative Counsel reviewing present status and forwarding copy of final plan documentation for signature, outlining matters that should be addressed at first meeting of board of directors after filing Articles of Reorganization, response and comments from T. Young, response and comments from IOO, addressing review of B. Bissell document, comments from Representative Counsel, comments from IOO, suggest required alterations of text by email to R. Kis, dealing with position of Monitor referring all preferred shareholder enquiries to IOO, receive email from B. Bissell indicating that she will nominate L. Debono to stand as director, drafting cover commentary for IOO to send ahead of B. Bissell statement, receive comments from S. Aggarwal respecting meeting agenda, clear that Monitor seeks last word, receive further eletters from R. Kis objecting to response but submitting revised language substantially accepting a substance of our concerns, finalize and forward same for emailing and posting, receive copy of executed settlement agreement between Nelson Financial and the OSC, arrangements made for telephone conference between G. MacLeod, Monitor and Monitor's counsel for tomorrow morning, receiving final application materials concerning D&O insurance coverage, continuing dealing with counsel for B. Bissell and posting of email, receiving requests from

April 14, 2011

6.0

3,600.00

Monitor as to arrangements for his presentation at creditors' meeting, further eletter to R. Kis, forwarding text for immediate emailing to Noteholder, receive information and consider effect of telephone solicitations now underway by B. Bissell's lawyer, dealing with issues relating to agenda for creditors' meeting and position of Monitor, receive confirmation of delivery of email by B. Bissell to Noteholders, receive and review latest update on voting register, in evening receive copy of letter from D. Baker's lawyers to IOO, email to IOO commenting, receive email from J. Brunt offering Blaney McMurtry boardroom, meeting scheduled for location near airport, eletter to IOO concerning [REDACTED];

April 15, 2011	Revise draft agenda for creditors' meeting, email to G. MacLeod, conference call with G. MacLeod, J. Page, S. Aggarwal and J. Grout on agenda, make final plan amendments and forward same to counsel for Monitor requesting consent, receive consent, review IOO Powerpoint presentation, edit and offer comments, drafting corporate documents, directors' consents, directors' certificates, prepare for and attend as counsel at hearing before Commissioner of OSC for approval of settlement, submissions to Commissioner, settlement agreement approved, receive email and telephone discussion with R. Dale concerning his exchange with solicitor for B. Bissell making demands as to conduct of meeting, discussion with S. Aggarwal concerning sealing of portion of Monitor's claims memorandum, advising Monitor and Monitor's counsel of OSC settlement, receiving OSC order and circulating, final corrections to Articles of Reorganization, preparing for creditors' meeting, eletter to IOO with NUANS search and corporate name advice;	8.5	5,100.00
April 16, 2011	Prepare for and attend creditors' meeting, assisting Chair, responding to several questions from creditors, moving motions as proxy, Plan of Compromise and Arrangement overwhelmingly approved by about 95% of creditors present and voting, discussion with IOO, Representative Counsel and T. Young as to further steps, sanction motion schedule, advising that Chair's report already prepared in draft, receive email copy from L. Debono continuing to press his DRIP claim, receive copy of email report to Noteholders, receive copy of Fourth Report of Representative Counsel in	7.5	4,500.00

	draft for review, receive comments from T. Young and from IOO on creditor information form draft, eletter to E. Claxton concerning judgment of Nicely v. Nelson, finalized letter to N. Olympia [REDACTED];		
April 17, 2011	Emails and telephone discussions with G. MacLeod concerning Report of Chair, reviewing, revising and amending Report, finalizing notice of motion for sanction order, finalize Report of Chair, working on draft order, effect service by email of notice of motion and of Report of Chair;	4.8	2,880.00
April 18, 2011	Complete drafting Second Report of IOO, circulating to IOO and Representative Counsel for review and comment, amend and finalize, reviewing all materials, researching law and drafting factum, serving Report of Chair with names redacted from voting register;	7.0	4,200.00
April 19, 2011	Continue drafting factum, finalize factum, assemble motion record, finalize Second Report of IOO, obtain execution page electronically, assemble same, reproduce, serve all materials on service list, file materials with Court, deliver extra copies to judge, preparing for motion tomorrow, obtain confirmation that Bissel will not appear, reviewing Fourth Report of Representative Counsel, confirming that same has been served and filed;	7.5	4,500.00
April 20, 2011	Prepare for and attend at Court, matter delayed, meeting with IOO and Representative Counsel, reattend at Court at 2:30 pm, further delay, submissions to Court, motion adjourned overnight for revisions to draft order and for preparation of an affidavit evidencing compliance with endorsement of Justice Mesbur from April 13, in evening drafting affidavit with copies of all emails to confirm compliance with items of endorsement of Justice Mesbur, revising draft order to remove approval of reports and conduct of Monitor, Representative Counsel or IOO (time reduced);	8.0	4,800.00
April 21, 2011	Complete drafting of affidavit, reproduce amended sanction order, attend at Court to file affidavit and amended draft order with Registrar for Justice Morawetz, meeting in Pickering with IOO to review and execute Articles of Reorganization, return to Toronto, receive email advising that order has been granted, attend on Monitor's counsel to obtain copy of order and endorsement, attend at Court to have order issued and entered, prepare certified copies and attend with clerk at Companies' Branch to file Articles of	6.5	3,900.00

April 21, 2011	<p>Reorganization; Prepare for and attend first meeting of new board of directors appointed under the terms of the Articles of Reorganization, extended discussion of various matters and procedures available for board decisions, obtain executed resolutions for material organizational matters;</p>	2.0	1,200.00
April 26, 2011	<p>Receive and review Monitor's memoranda reports on J. McVey preferred share claim and on L. Debono claim respecting preferred share dividend reinvestments, considering requirements of decision of November 16, 2010 and that Justice Pepall still seized of issues, receive and review Monitor's memorandum of preferences and transfers at under value, noting useful detail [REDACTED], noting concerns raised by T. Young and S. Townsend as to further work by Monitor, receive letter from P. Przybylo to IOO and email from IOO instructing response, email from D. Turner concerning further motion week of May 16, email to D. Turner recommending caution, email from B. Yellin requesting copy of endorsement and order, eletter to IOO, Representative Counsel and T. Young concerning Monitor's continuing activities, email to B. Yellin and other counsel concerning copy of order and endorsement, eletter to P. Milne concerning calculation of partial cash out options, eletter to G. MacLeod requesting Excel version of creditors' list, various emails with T. Young and S. Townsend concerning development of database for use with generation of implementation documents, drafting and forwarding capital recovery debenture conversion election, respond to question raised by T. Young as to date from which cumulative dividends accrue, extended email dialogue;</p>	5.7	3,420.00
April 27, 2011	<p>Researching law concerning <i>Consumer Reporting Act</i> and complaints raised by D. Baker, drafting and finalizing reply to P. Przybylo letter of April 21 advising that credit reports were obtained pursuant to ss. 8(1)(d)(i) and (vi), email from D. Turner concerning bringing Monitor's functions to a close, advising that only outstanding matter is the passing of accounts which requires their motion, receive and review draft of letter proposed by Representative Counsel asking for final account from Monitor, eletter to Monitor confirming view as to the J. McVey and L. Debono reports required, telephone discussion with T. Young concerning joint owners of claims and [REDACTED]</p>	6.0	3,600.00

April 28, 2011	<p>[REDACTED] drafting letter of legal advice to Provider Capital Group with recommended course of action, reviewing and finalizing; Receive email from S. Townsend instructing to take no further steps without explicit instructions, eletter to S. Townsend forwarding letter respecting legal issues [REDACTED], arranging for scanning of issued and entered sanction order, response to S. Townsend concerning eletter sent to J. Page yesterday on J. McVey and L. Debono reports, receive email from S. Townsend instructing no further work, telephone conference with S. Townsend and instructed to terminate all work and not to attend on implementation of plan actions scheduled for next week, further instructed to terminate Blaney, McMurry and ask for account for all work to date, eletter to J. Brunt, receive acknowledgement from J. Brunt, eletter to all counsel serving issued and entered sanction order and providing text of endorsement, problem discovered with TPH scanner, obtain corrected scan of sanction order and reserve, email from T. Young requesting copies of implementation documents as currently drafted, providing documents to her, including corrected and updated form of preferred shareholder letter to supercede pre-plan sanction form of March 28, forwarding current drafts of implementation documents to T. Young, forwarding G. MacLeod invoice for payment;</p>	5.0	3,000.00
April 29, 2011	<p>Receive responding letter from P. Przybylo, telephone conference P. Przybylo [REDACTED], working on draft final account, gathering disbursements and updating time summary, eletter to S. Townsend concerning further letter from P. Przybylo [REDACTED] and reporting on telephone discussion;</p>	2.3	1,380.00
Totals		<hr/> 140.7	<hr/> \$84,420.00

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. (the "Applicant")

Court File No. 10-8630-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

FEES AFFIDAVIT OF
RICHARD B. JONES
(Sworn October 4, 2011)

Richard B. Jones
Barrister & Solicitor
Suite 1201, Scotia Plaza
100 Yonge Street
Toronto, ON M5C 2W1

Richard B. Jones (LSUC No. 11575V)
Tel: 416-863-0576
Fax: 416-863-0092
Email: richard.jones@sympatico.ca

Special Counsel for the
Representative Counsel for Noteholders
of Nelson Financial Group Ltd.