

**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")**

**Endorsement November 22, 2010**

Rep Counsel has brought a motion requesting approval of arrangements entered into between the Monitor, Rep Counsel and Mr. Boutet dated November 12, 2010. Other ancillary relief is requested the net effect of which is that Mr. Boutet will resign as a director, officer and employee of Nelson Financial and Ms. Sherry Townsend will be appointed to manage the business and assets of Nelson Financial on certain terms.

No one appeared to oppose the relief requested although submissions were made to clarify certain aspects of the proposed Heads of Agreement. Significantly, in my view, no one appeared on behalf of any of the preferred shareholders although they were served with the motion on November 12, 2010.

I am granting the order requested on the following basis:

- 1) Approval of all fees and the subject Monitors reports are adjourned to December 1, 2010.
- 2) The release granted in favor of Mr. Boutet and Ms. Sobel is not to be interpreted as impacting in any way any direct claims against these individuals that any or all of the preferred shareholders may have against either or both of them. In addition, the exceptions set out in section 5.1 (2) of the CCAA would continue to be effective and applicable. Put differently and for greater clarity, any direct claims that any or all of the preferred shareholders may have are unaffected by the Heads of Agreement and this Order and this Order is granted on that basis. That said, no finding is made today with respect to the conduct of the either or both of these individuals.
- 3) Paragraph 8 of the Heads of Agreement is amended on consent to state in the 5th line "... in full satisfaction of any claims Mr. Boutet may make..." and to delete "... in full satisfaction of any obligations...". If in any event, no finding of fact is made by me nor should any inference be drawn from this Order or the Heads of Agreement that there has or has not been compliance with section 6.2 of the General Bylaw of Nelson Financial.

I am satisfied that in the circumstances it is fair or reasonable to grant the order requested as amended by me and I do so.

S. Pepall, J.

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Re Nelson Financial Group Ltd  
Plaintiff(s)

AND

Defendant(s)

Case Management  Yes  No by Judge: Ripoll

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

- Order  Direction for Registrar (No formal order need be taken out)  
 Above action transferred to the Commercial List at Toronto (No formal order need be taken out)  
 Adjourned to: \_\_\_\_\_  
 Time Table approved (as follows): \_\_\_\_\_

Repcounsel has brought a motion requesting approval of amendments entered into between the Amener, Rep Counsel + Mr Baret dated Nov 12, 2010. Other ancillary relief is requested, the net effect of which is that Mr Baret will resign as a director, officer + employee of Nelson Financial + Mrs Sherry Townsend will be appointed to manage the business + assets of Nelson Financial on certain terms. No one appeared to oppose the relief requested although submissions were made to clarify certain aspects of the proposed Heads of Agreement. Significantly in my view, no one appeared on behalf of any of the presumed shareholders although they were served with the motion on Nov 12, 2010.

Nov 22, 2010  
Date

Ripoll,  
Judge's Signature

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**FILE/DIRECTION/ORDER**

Judges Endorsement Continued

1) I am granting the order requested on the following basis:

1) approval of all fees + the subject Monitors reports are adjourned to Dec 1, 2010.

2) the release granted - favour of Mr Bantet + Ms Sobel is not to be interpreted as impacting in any way any direct claims against those individuals that arise or all of the preferred shareholders may have against either or both of them. In addition, the exceptions set forth in s.5.1(2) of the CCAA would continue to be effective + applicable. Not differently + in greater clarity, any direct claims that the preferred shareholders may have are unaffected by the Heads of Agreement + this order + this order is granted on that basis. That said, no finding is made today with respect to the conduct of either or both of these individuals.

3) para 8 of the Heads of Agreement is amended as consent to state in the s.11 line "in full satisfaction of any claims Mr Bantet may have" + to delete "in full satisfaction of any obligations". In any event, no finding of fact is made by me nor should any reference be drawn from this order by the heads of Agreement that there has or has not been compliance with s.6.2 of the

Superior Court of Justice  
Commercial List

**FILE/DIRECTION/ORDER**

Judges Endorsement Continued

General Mgt - law of Nelson Financial.

I am satisfied that in the  
circumstances it is fair + reasonable  
to grant the order requested as  
demanded by me + I do so.

(J. Russell, J.)