

Nelson Financial Group Ltd.

Unofficial Transcription of the Endorsement of The Honourable Mr. Justice Geoffrey B. Morawetz - December 22, 2011

D. Turner, QC

R. Jones for IOO

J. Porter for Monitor

D. Bourassa for Lendcare

L. Debono in person

J. McVey in person

The endorsement is in respect of Motions:

1. To discharge Representative Counsel to Noteholders
2. To discharge the Monitor
3. To discharge the Interim Operating Officer

The motion also covers fees of the various professionals

The motions proceeded on an unopposed basis.

I am satisfied that in each motion, the record supports the requested relief.

I do note, however, the following:

1. The approval by the Court of the Monitor's 14th Report and particularly the memoranda attached as Exhibit "G" and "H" is not to be construed as a determination by this Court of any of the facts stated or alleged in such memoranda.
2. The approval by the Court of the IOO's reports, and particularly the 12th paragraph of the First Report, is not to be construed as a determination by this Court of any of the facts stated or alleged in such reports. With reference to any issues between the Applicant and Lendcare Financial Services there has been no admission of any such allegations by Lendcare Financial Services Inc. and, on the contrary, they are explicitly denied by it.

The Court has no objection to the Monitor and Representative Counsel taking steps to modify their respective websites to reflect up to date information. The IOO can also file, if it so wishes, an updated Report to supplant the existing Report.

The motion to discharge representative counsel is granted. Order to go in the form presented. This Order approves activities and fees of Representative Counsel and Special Counsel and grants requested discharge. Order to go in the form submitted. The unredacted fee amounts are to be sealed, as they contain privileged information.

The motion to discharge the Monitor is granted. Order to go in the form presented which approves Reports 11-14 and activities therein, approves fees of the Monitor and its counsel; and discharges and releases the Monitor. In addition, unredacted reports and memoranda relating to the McVey Claim and Debono Claim to be sealed pending further order, as such information relates to ongoing litigation.

The motion to discharge the IOO is granted. An order shall issue in the form provided, as amended, which order approving the activities of the IOO, approving the fees and expense reimbursements paid to the IOO and discharges the IOO.

Finally, the parties have indicated that the issues relating to Mr. McVey and Mr. Debono will be addressed through negotiation. If the issues are not resolved by February 17, 2012, further direction can be obtained from the Court.

The Honourable Mr. Justice Geoffrey B. Morawetz

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C., 1985 c. C-36, AS AMENDED

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

Court File No. CV-10-8630-00CL

D. Turner A.C. for 100
R. Jones for Monitor
J. Porter for Hancock
D. Borawka for Pomeroy
L. DeBruin for J. Pomeroy
J. Pomeroy for J. Pomeroy

The defendant is in receipt of notices:

① To discharge Representative Counsel to Whittles

② To discharge the Monitor

③ To discharge the Interim Operating Officer

The notices also cover fees of the various professionals.

The above notices proceeded on a ~~unopposed~~ basis.

I am satisfied that, on read made, the pleadings support the requested relief.

I do not, however, file the plan:

① The approval by the Court of the Turner 14th report and particularly the memorandum attached as Exhibit "6" and "4"

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

NOTICE OF RETURN OF MOTION
(Discharge of Interim Operating Officer)

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Counsel for the Interim Operating Officer



is not to be construed as a determination
by this Court of any of the facts
stated or alleged in such memoranda.

- ② The approval by the Court of the 100's reports,
and particularly the 12th paragraph of the
First Report, is not to be construed as a determination
by this Court of any of the facts stated or alleged
in such reports. With reference to any issues
between the Applicant and Lendcare Financial
Services there has been no admission of
any such allegations by Lendcare Financial
Services Inc and, in the contrary, they are explicitly
denied by it.

The Court has no objection to the Plaintiff and Representative
Council ~~to provide~~ taking steps to modify their
respective ~~websites~~ ~~websites~~ ~~websites~~ ~~websites~~
to reflect up to date information. ~~to~~
The D & O can also file ^{if it so wishes,} an updated
Report to supplement the existing Report.

The motion to discharge representative counsel is
granted. Order to go in the form
presented. This Order approves activities & fees
of Representative Counsel and Special Counsel
and grants requested discharge
Order to go in the form submitted.
The unredacted fee amounts are to

be sealed, as they contain privileged information.
The motion to discharge the Trustee is granted.
Order to go is the form attached which
approves Reports 11-14 and activities ~~therein~~
therein, ~~expenses~~ ^{expenses} of the Trustee and its counsel; and
~~that~~ ~~the~~ discharges and releases the Trustee
In addition ^{unredacted} reports and memoranda
relating to the T'Vey, Clair and DeBono
Clair to be sealed pending further order,
as such information relates to ongoing litigation.

The motion to discharge the 100 is granted.
An order shall issue is the form attached,
as amended, which order approves
the activities of the 100, approves
the fees and expense ~~reimbursements~~
reimbursements paid to the 100 and
discharges the 100.

Finally, the parties have indicated that the
issues relating to the T'Vey and the DeBono
will be addressed through negotiations.

If these issues are not resolved by
February 17, 2012, further direction can
be obtained from the Court.

