

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

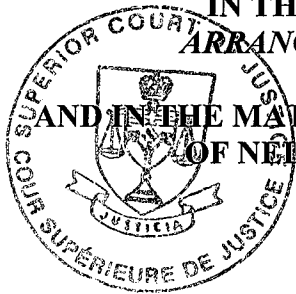
THE HONOURABLE MADAM

JUSTICE PEPALL

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THURSDAY, THE 9TH

DAY OF DECEMBER, 2010.



**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")**

Applicant

ORDER

THESE MOTIONS made by Douglas Turner, Q.C., in his capacity as the Representative Counsel (the "**Representative Counsel**") for the holders of promissory notes issued by the Applicant (collectively, the "**Noteholders**" and each a "**Noteholder**"), for the relief set out in its Amended Notice of Motion dated November 12, 2010 (the "**Representative Counsel Notice of Motion**") and made by A. John Page & Associates Inc., in its capacity as the Court-appointed Monitor of the Applicant (the "**Monitor**"), for the relief set out in its Notices of Motion dated November 12, 2010 and November 24, 2010 (the "**Monitor Notices of Motion**") were heard on this day at 330 University Avenue, Toronto, Ontario.

ON READING the material filed, including the Representative Counsel Notice of Motion, the First Report of the Representative Counsel dated November 3, 2010, the Second Report of the Representative Counsel dated November 15, 2010, the Third Report of the Representative Counsel dated November 29, 2010, the Affidavit of Douglas Turner sworn November 16, 2010, the Affidavit of Richard B. Jones sworn November 17, 2010, the Monitor Notices of Motion, the Seventh Report of the Monitor dated September 13, 2010 (the “**Seventh Report**”), the Supplemental to Seventh Report of the Monitor dated September 17, 2010 (the “**Supplemental to Seventh Report**”), the Second Supplemental to Seventh Report of the Monitor dated October 14, 2010 (the “**Second Supplemental to Seventh Report**”), the Ninth Report of the Monitor dated November 15, 2010 (the “**Ninth Report**”), the Supplement to Ninth Report of the Monitor dated November 18, 2010 (the “**Supplement to Ninth Report**”), the Tenth Report of the Monitor dated November 29, 2010 (the “**Tenth Report**”), the Eleventh Report of the Monitor dated December 8, 2010, the Affidavits of A. John Page sworn October 26, 2010 and December 2, 2010 , the Affidavits of James H. Grout sworn October 29, 2010 and December 8, 2010 and the two Affidavits of Tina M. Woodside sworn November 17, 2010 (collectively, the “**Motion Materials**”), and on hearing from the Representative Counsel, special counsel for the Representative Counsel, counsel for the Monitor, counsel for the Applicant, counsel for Staff of the Ontario Securities Commission (the “**OSC**”), no one else appearing although duly served as appears from the Affidavits of Service filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Motion Materials is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF PROFESSIONAL COSTS

2. **THIS COURT ORDERS** that the professional fees and disbursements of the Representative Counsel for the period May 20, 2010 to and including October 25, 2010, as set out in the Affidavit of Douglas Turner sworn November 16, 2010, be and they are hereby approved.

3. **THIS COURT ORDERS** that the professional fees and disbursements of Richard B. Jones, in his capacity as the special counsel to the Representative Counsel, for the period June 16, 2010 to and including October 21, 2010, as set out in the Affidavit of Richard B. Jones sworn November 17, 2010, be and they are hereby approved.

4. **THIS COURT ORDERS** that the professional fees and disbursements of the Monitor for the period July 1, 2010 to and including November 30, 2010, as set out in the Affidavits of A. John Page sworn October 26, 2010 and December 2, 2010, be and they are hereby approved subject to a gross reduction in the amount of \$90,816.36 inclusive of HST.

5. **THIS COURT ORDERS** that the professional fees and disbursements of Thornton Grout Finnigan LLP, in its capacity as counsel to the Monitor, for the period July 1, 2010 to and including November 30, 2010, as set out in the Affidavits of James H. Grout sworn October 29, 2010 and December 8, 2010, be and they are hereby approved.

6. **THIS COURT ORDERS** that the professional fees and disbursements of Gowling Lafleur Henderson LLP (“**Gowlings**”), in its capacity as counsel to the Applicant, for:

- (a) the period March 16, 2010 to and including November 11, 2010 in respect of the proceedings commenced by the OSC against, among others, the Applicant and Nelson Investment Group Ltd., as set out in the Affidavit of Tina M. Woodside sworn November 17, 2010; and
- (b) for the period March 9, 2010 to November 12, 2010 in respect of these proceedings, as set out in the Affidavit of Tina M. Woodside sworn November 17, 2010,

be and they are hereby approved subject to a gross reduction in the amount of \$82,475.00 inclusive of HST.

7. **THIS COURT ORDERS** that no further claim for an assessment under the *Solicitors Act*, R.S.O. 1990, c. S.15, as amended, shall be made with respect to any other legal services provided by Gowlings to the Applicant or to any of its related entities, including, without limitation, Nelson Investment Group Ltd., for the account of or paid by the Applicant.

APPROVAL OF MONITOR REPORTS

8. **THIS COURT ORDERS** that the Seventh Report, the Supplemental to Seventh Report, the Second Supplemental to Seventh Report, the Ninth Report, the Supplement to Ninth Report, the Tenth Report and the conduct and activities of the Monitor described therein be and they are hereby approved.

MONITOR'S ROLE

9. **THIS COURT ORDERS** that the Order of this Court dated November 22, 2010 be and it is hereby amended as follows:

- (a) the powers, responsibilities and duties of the IOO set out in paragraph 6 are not subject to any approval or supervision of the Monitor except as required by the Monitor to fulfill its statutory obligations pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"); and
- (b) paragraphs 11 and 12 are rescinded.

10. **THIS COURT ORDERS** that paragraph 4 of the Order of this Court dated December 1, 2010 be and it is hereby amended to:

- (a) include having the Monitor complete its duties pursuant to the Claims Procedure Order of this Court dated July 27, 2010, as amended by any Order of this Court, including reviewing the claims of John McVey and the claims of Larry and Frances Debono and Larr Engineered Prototypes as directed by this Court pursuant to the Reasons for Decision of this Court dated November 16, 2010;
- (b) provide that, in order for the Monitor to monitor the receipts and disbursements of the Applicant, the IOO shall provide the Monitor each week with reports providing details of the receipts and disbursements of the Applicant in the prior week with sufficient documentary support to enable the Monitor to identify the nature of the receipt or disbursement and to compare such receipt or disbursement to any cash flow forecast that the Applicant may have prepared. The IOO shall also provide the Monitor on request with a brief written account of the

performance of the Applicant and an update on the status of the restructuring and the business prospects of the Applicant. The Monitor shall not be required to visit the Applicant's premises or meet with the IOO unless so requested by the IOO or unless the Monitor is of the view that it should do so in order to fulfil its statutory obligations pursuant to the CCAA; and

- (c) provide that the Monitor shall complete and supply to the IOO the memorandum it has been preparing on its overall review of any preferential transactions and transfers at undervalue.

TRANSFER OF FUNDS

11. **THIS COURT ORDERS** that the Monitor shall transfer the amount of \$5 million that it is holding in trust and that it has invested in a guaranteed investment certificate ("**GIC**") plus any interest earned thereon (the "**Funds**") to the Applicant as soon as the Funds may be withdrawn from the GIC without penalty.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAR 04 2011

PER / PAR:



A. Anissimova
Registrar

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ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED**

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Applicants

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

Proceedings commenced at **Toronto**

ORDER

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