

August 6, 2010

**INSTRUCTION LETTER FOR PREFERRED SHAREHOLDERS  
FOR THE CLAIMS PROCEDURE  
OF NELSON FINANCIAL GROUP LTD. ("Nelson")**

**A. CLAIMS PROCEDURE**

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

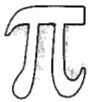
The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). The Claims Procedure is also intended for any Person that held preferred shares of Nelson as at March 23, 2010 (a "Shareholding"). Please note that, for the purposes of the Claims Procedure, "Directors" means Marc Boutet, Stephanie Sobol and all other current and former directors, officers and Persons acting in a management or other similar capacity of Nelson. Please review the enclosed Claims Procedure Order for the complete definition of Claim and Excluded Claim.

**B. RECORDED SHAREHOLDINGS**

Nelson's records indicate that you hold preferred shares issued by Nelson. In accordance with the Claims Procedure, enclosed, please find a Notice of Shareholding, which has been completed on your behalf by the Monitor and sets out the amount of preferred shares of Nelson held by you as at March 23, 2010 and the amount of all unpaid dividends thereon. This is your Recorded Shareholding.

**If you agree with the amount of preferred shares and the amount of unpaid dividends thereon set out in the Recorded Shareholding, then you do not need to take any further steps. Your Recorded Shareholding will be your Proven Shareholding for Nelson's CCAA proceeding.**

However, if you disagree with the amount of preferred shares and/or the amount of unpaid dividends thereon set out in your Recorded Shareholding, then you must complete and file a Proof of Shareholding with the Monitor as set out in Section C below within the time periods



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described. Please note that if you properly file a Proof of Shareholding, then the Notice of Shareholding will cease to be a Recorded Shareholding and will cease to have any effect. **Please be advised that, even if you agree with your Recorded Shareholding or you file a Proof of Shareholding with the Monitor, you will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of your preferred shares absent further order of the court.**

In addition, if you believe that you have any Claims, other than Excluded Claims, against Nelson and/or the Directors, then you must also complete and file a Proof of Claim with the Monitor in respect of such Claim as set out in Section C below within the time periods described.

### C. FILING A PROOF OF SHAREHOLDING AND/OR PROOF OF CLAIM

Blank Proof of Shareholding and Proof of Claim forms are enclosed.

**You must ensure that the Monitor receives your Proof of Shareholding and/or Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Shareholding and/or Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. If the Monitor does not receive your Proof of Shareholding and/or Proof of Claim by the Claims Bar Date, then your claims on account of your preferred shares will be limited to the Recorded Shareholding and any Claims will be forever barred and extinguished.**

If you have any questions regarding the Claims Procedure, please consult the Monitor's website ([www.ajohnpage.com/html/files.html](http://www.ajohnpage.com/html/files.html)) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Shareholding and Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.  
Court-Appointed Monitor of Nelson  
100 Richmond Street West, Suite 447  
Toronto, ON, M5H 3K6 Canada

Attention: Colleen Delaney  
Telephone: (416) 364-4894  
E-mail: [nelson@ajohnpage.com](mailto:nelson@ajohnpage.com)  
Fax: (416) 364-4869

Yours very truly

A. JOHN PAGE & ASSOCIATES INC.  
COURT-APPOINTED CCAA MONITOR OF NELSON

per:

  
A. John Page  
President

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