

**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.**

**NOTICE OF MOTION
OF THE INTERIM OPERATING OFFICER
Plan Filing, Meeting Order and Stay Extension
(Motion returnable February 22, 2011)**

Sherry Townsend, in her capacity as the Interim Operating Officer of Nelson Financial Group Ltd. appointed by this Court (the "IOO"), will make a motion before a judge of the Ontario Superior Court of Justice sitting on the Commercial List on February 22, 2011 at 10:00 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, in the City of Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR an Order substantially in the form attached hereto as Schedule "A" granting, *inter alia*, the following relief:

1. An Order accepting for filing the Plan of Compromise and Arrangement in respect of Nelson Financial Group Ltd. (the "Applicant") dated

February 11, 2011 and directing the Applicant to seek acceptance and sanctioning of the Plan;

2. an Order directing that a meeting of the Creditors of the Applicant be called to be held on March 26, 2011 to consider and approve the Plan as such may be amended in accordance with its terms by the Applicant, together with such directions as are required for the proper conduct of such meeting;
3. an Order scheduling a sanction hearing, if the Plan should be approved by the requisite majorities of Creditors at the Meeting, on April 1, 2011 or such other and later date as the Court may approve;
4. an Order extending the Stay Termination Date under the Initial Order to May 31, 2011; and,
5. such further and other relief as this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- a) The terms of the Initial Order;
- b) The Applicant under the direction of the IOO has been proceeding diligently and in good faith with the preparation of the Plan, the cash flow position of the Applicant remains positive and the Creditors who are Noteholders of the Applicant have been and are actively engaged in the development of the Plan and are supportive of the restructuring efforts;

- c) The Plan provides for the exchange of the Proven Claim of each Proven Creditor for a Capital Recovery Debenture, Special Shares and Common Shares of the Applicant;
- d) The Plan provides an immediate payout option by way of a cash pool of \$2,500,000 for the full satisfaction of Claims electing this option by payment at the rate of 25 cents on the dollar of the Proven Claim amount, provided that if more than \$10,000,000 of Proven Claims elect this option such Claims shall only be permitted to exercise the option on a pro rata basis;
- e) The Plan further provides for the filing of Articles of Reorganization under section 186 of the Ontario *Business Corporations Act* to change the name of the Applicant to Provider Capital Group Inc., to cancel all of the currently issued and the authorized share capital of the Applicant, to authorize new Special Shares and new Common Shares to be issued under the Plan and to put in place a board of directors of the Applicant comprised of persons selected and designated by the Meeting of Creditors;
- f) The Plan further provides that, following the implementation of the Plan if approved, the only shares outstanding in the capital stock of the Applicant will be shares issued to eligible Creditors in proportion to their Proven Claims;
- g) The Applicant, the Interim Operating Officer and the Representative Counsel are of the opinion that the Plan proposed is fair and reasonable,

that the Plan should be accepted for filing and that the Plan should be presented to the Creditors for their approval at a meeting to be convened for that purpose;

- h) Sections 4 and 6 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- i) Rules 1.04, 3.02 and 37 of the *Rules of Civil Procedure*; and,
- j) Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- a) The Notice of Motion and draft Order herein;
- b) The Initial Order made by Madam Justice Pepall on March 23, 2010;
- c) The Representative Counsel Order made by Madam Justice Pepall on June 15, 2010;
- d) The Order appointing the Interim Operating Officer made by Madam Justice Pepall on November 22, 2010;
- e) The First Report of the Interim Operating Officer dated February 11, 2011;

- f) The Plan of Compromise and Arrangement of the Applicant dated February 11, 2011; and,
- g) Such further and other material as counsel may advise and this Honourable Court may permit.

February 11, 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
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Special Counsel for the Interim Operating
Officer and for the Representative Counsel
for the Noteholders of the Applicant

TO: **THIS HONOURABLE COURT**

AND TO: **THE ATTACHED SERVICE LIST**

Schedule “A”

Draft Order

File No. CV-10-8630-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM) TUESDAY, THE 22ND
)
JUSTICE PEPALL) DAY OF FEBRUARY, 2011

**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.**

**ORDER
(Plan Filing, Creditor Meeting and Stay Extension)**

THIS MOTION, made by the Interim Operating Officer of the Applicant, Nelson Financial Group Ltd., seeking the relief set out in the Notice of Motion dated February 10, 2010, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the Motion Record and the First Report dated February , 2011 of Sherry Townsend in her capacity as Interim Operating Officer appointed by the Order of this Court made November 22, 2010 (the “IOO”), and on hearing the submissions of counsel for the IOO on behalf of Nelson Financial Group Ltd.

(the “Applicant”), the Representative Counsel and the Monitor, no other persons appearing although duly served;

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record in respect of this Motion be and its is hereby abridged and that the service of the Notice of Motion and Motion Record herein as affected by the Applicant is hereby validated in all respects.

Plan of Compromise and Arrangement

2. **THIS COURT ORDERS** that the Plan of Compromise and Arrangement in respect of Nelson Financial Group Ltd. dated February 11, 2011 in the form attached as Schedule “A” hereto (the “Plan”) is hereby accepted for filing and the Applicant shall seek acceptance and sanctioning of the Plan, subject to such amendments as may advised and permitted in accordance with the terms of the Plan, in the manner set forth herein.

3. **THIS COURT ORDERS** that, except where otherwise defined, capitalized terms in this Order have the meanings assigned to such in the Plan.

The Meeting of Creditors

4. **THIS COURT ORDERS** that the Applicant is hereby authorized to call, hold and conduct a meeting of the Eligible Voting Creditors for the purpose of considering, and if deemed advisable, passing, with or without variation, a resolution to approve the Plan in respect of the Applicant (the “Meeting”).

5. **THIS COURT ORDERS** that on or before February 28, 2011, the Applicant shall send or have sent by prepaid post to each Eligible Voting Creditor who has filed a

proof of claim in accordance with the Claims Procedure Order to the address set forth on the proof of claim filed by the Eligible Voting Creditor or whose Claim is deemed to be a Proven Claim by the terms of the Claims Procedure Order at the last known address for such creditor as shown on the records of the Applicant; (a) a Notice of Meeting in the form attached as Schedule "B" hereto; (b) a copy of this Order (without attachments); (c) a copy of the Plan; (d) a Report of the IOO describing the Plan and the business and future plans of the Applicant; and (e) forms of proxy and voting letter substantially in the forms attached as Schedules to the Plan.

6. **THIS COURT ORDERS** that the Meeting of Creditors of Nelson Financial Group Ltd. shall be held on Saturday, March 26, 2011 (the "Meeting Date") at 11:00 a.m. (Toronto time) at the Ajax Convention Centre, 550 Beck Crescent, Ajax, Ontario and the Applicant is hereby authorized, with the consent of the meeting, to adjourn the Meeting to such time and place as it deems necessary or desirable.

7. **THIS COURT ORDERS** that the Applicant be and is hereby authorized to modify, amend or supplement the Plan by way of a supplementary or amended plan of compromise and arrangement at any time or from time to time prior to the Meeting or at the Meeting, in which case any such supplementary plan of compromise and arrangement shall, for all purposes, be and is deemed to be a part of and incorporated into the Plan.

8. **THIS COURT ORDERS** that the Representative Counsel shall preside as the chairperson of the Meeting (the "Chair") and shall decide all matters relating to the rules and procedures at, and the conduct of, the Meeting.

9. **THIS COURT ORDERS** that, for the purposes of voting to approve the Plan, there shall be one class of Eligible Voting Creditors of the Applicant as set forth in the Plan.

10. **THIS COURT ORDERS** that Eligible Voting Creditors of the Applicant shall be entitled to attend and vote at the Meeting in respect of the Applicant's Eligible Voting Creditors in person, by proxy, or by voting letter.

11. **THIS COURT ORDERS** that the Chair be and is hereby authorized to accept and rely upon proxies and voting letters substantially in the form of such attached as Schedules "C" and "D" to the Plan or in such other form as the Chair determines to be functionally and substantively identical and acceptable.

12. **THIS COURT ORDERS** that the only persons entitled to attend the Meeting are (a) the Eligible Voting Creditors of the Applicant, including proxy holders and the legal counsel for any such creditor; (b) the IOO; (c) the Representative Counsel and the Special Counsel; (d) the Monitor; (e) the Applicant and their respective authorized representatives, officers, directors and legal counsel.

13. **THIS COURT ORDERS** that the quorum required at the Meeting in respect of the Applicant shall be any one Eligible Voting Creditor of the Applicant present in person, by voting letter or by proxy.

14. **THIS COURT ORDERS** that the amount of the Proven Claim that each Eligible Voting Creditor is entitled to vote at the Meeting shall be as established in accordance with the Claims Procedure Order.

15. **THIS COURT ORDERS** that, subject to further Order of the Court, where the Claim of an Eligible Voting Creditor has not become a Proven Claim by the Meeting Date, that Eligible Voting Creditor's Claim, for the purpose of voting on the Plan only, shall be in the amount of 50% of the Claim set out in the proof of claim filed by the Eligible Voting Creditor pursuant to the Claims Procedure Order.

16. **THIS COURT ORDERS** that the Chair shall direct a vote with respect to a resolution to approve the Plan as amended and under consideration at the Meeting and containing such other related provisions as the Applicant may consider appropriate.

17. **THIS COURT ORDERS** that, following the vote to approve the Plan, the Chair shall tally the vote and determine whether the Plan under consideration has been accepted by the majority required by section 6 of the *Companies' Creditors Arrangement Act* (Canada).

18. **THIS COURT ORDERS** that, if the Plan is accepted by the required majority of Eligible Voting Creditors, the Chair shall then call for nominations for persons to be designated as the directors of the Applicant in the Articles of Reorganization and the Chair shall then conduct an election by the Meeting to select five (5) persons to be so designated.

19. **THIS COURT ORDERS** that, if the Plan is accepted by the required majority of Eligible Voting Creditors, the Applicant shall bring a Motion seeking an Order sanctioning the Plan and, if so sanctioned, directing the filing of the Articles of Reorganization pursuant to s.186 of the Ontario *Business Corporations Act* shall be returnable on Friday, April 1, 2011, or such earlier or later date as the Court may order.

Stay Extension

20. **THIS COURT ORDERS** that the Stay Period, as defined in the Initial Order dated March 23, 2010 be and is hereby extended to May 31, 2011.

Further and Other Orders

21. **THIS COURT ORDERS** that the Applicant, the IOO or the Representative Counsel may, from time to time, apply to this Court for directions in the discharge of their powers and duties under or in respect of the proper execution of this Order, including without limitation the holding of the Meeting or any adjournment thereof.

Approval of IOO's First Report

22. **THIS COURT ORDERS** that the First Report of the IOO dated February 11, 2011 and the activities of the IOO described therein be and are the same are hereby approved.

Schedule “A”

Plan of Arrangement

Schedule “B”

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
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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.**

**NOTICE OF MEETING OF THE CREDITORS
OF NELSON FINANCIAL GROUP LTD.**

NOTICE IS HEREBY GIVEN that a meeting of the Eligible Voting Creditors¹ of Nelson Financial Group Ltd. will be held at the Ajax Convention Centre, 550 Beck Crescent, Ajax, Ontario, on **Saturday, the 26th day of March, 2011 at 11:00 a.m.** (Toronto time) for the following purposes:

1. to consider and vote on, with or without variation, a resolution to approve the Plan of Compromise and Arrangement (the “Plan”) proposed by the Applicant under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985,

¹ Capitalized terms not otherwise defined have the meanings ascribed to them in the Plan or in the CCAA Meeting Order.

- c. C-36, as amended, and dated February 11, 2011 as such may be amended;
2. if a resolution to approve the Plan shall have been passed by the requisite majorities of the Eligible Voting Creditors present in person or by proxy, to proceed to accept nominations and to elect and designate persons to be named in the Articles of Reorganization to be the directors of Provider Capital Group Inc., formerly named Nelson Financial Group Ltd.; and,
3. to transact such other business as may properly become before the Meeting or any adjournment(s) thereof.

The Plan is being considered pursuant to the Creditors' Meeting Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") made on February 22, 2011. The Plan, if the resolution of Creditors to approve it is passed by the requisite majorities, must then be approved by an order of the Court (the "Sanction Order") before it can be implemented. A motion seeking a Sanction Order is scheduled to be heard on April 1, 2011 at 10:00 a.m., or such later date as may be scheduled by the Applicant or ordered by the Court, at 330 University Avenue, Toronto, Ontario. Any change to the date or location of the motion will be posted on the Monitor's website.

Eligible Voting Creditors requiring information or additional copies of the Plan, the Creditors' Meeting Order, the form of Proxy or the Voting Letter for the Meeting may contact the Court-appointed Representative Counsel for the Noteholders, Douglas Turner, Q.C., in writing to request such or may visit the Monitor's website at

www.ajohnpage.com and download such documents. The documents are not available in a French version.

The Plan enclosed with this Notice remains subject to change or amendment in accordance with its terms. Alterations, amendments, modifications and supplements will be filed with the Court, provided to all Eligible Voting Creditors at the Meeting but prior notice thereof may be limited to postings on the Monitor's website.

Eligible Voting Creditors who are not attending the Meeting in person and who wish to vote on the resolution to approve the Plan are required to date, sign and return either the enclosed form of Proxy or the enclosed form of Voting Letter in the enclosed pre-addressed envelope so that it is received by the Representative Counsel by no later than 5:00 p.m. (Toronto time) on Friday, March 25, 2011. Proxies and voting letters may also be accepted if deposited with the Chair at the Meeting or, for purposes of voting at an adjourned, postponed or other rescheduled Meeting, if received by the Representative Counsel prior to 5:00 p.m. Eastern time on the Business Day immediately proceeding any adjourned, postponed or otherwise rescheduled Meeting. The Proxy or Voting Letter will not be valid and will not be acted upon, voted or recorded unless it is completed as specified in the form of Proxy or Voting Letter and the related instructions.

The Monitor has filed numerous reports on the business and financial affairs of the Applicant with the Court and all such reports are posted and available on the Monitor's website. Further reports may be filed prior to the Meeting and those will include a report of the Monitor addressed to the Court as to the fairness and reasonableness of the Plan.

The address of the Representative Counsel for the purposes of filing proxies and voting letters and obtaining any additional information or materials related to the Meeting is:

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

Tel: 905-852-6196
Fax: 905-852-6197
Email: doug@pdturner.com

DATED at Pickering, Ontario, this 22nd day of February, 2011.

NELSON FINANCIAL GROUP LTD.

Per: _____
Ms. Sherry Townsend
Interim Operating Officer

