

**NOTICE TO THE PREFERRED SHAREHOLDERS OF NELSON FINANCIAL GROUP LTD.**

**September 23, 2010**

As you are aware, the Representative Counsel for the Noteholders had scheduled a motion to the Court on September 27, 2010 for a ruling that all the claims and potential claims of the Preferred Shareholders are “equity claims” and that Preferred Shareholders are not entitled to vote on the plan or receive any payments under the plan (the “**Preferred Shareholder Motion**”).

Nelson, the Monitor, staff of the Ontario Securities Commission, the Representative Counsel and Mr. John McVey, one of the Preferred Shareholders, went to Court today to discuss a possible adjournment of the Preferred Shareholder Motion. After submissions to the Court and discussions, the parties consented to the adjournment. This means that the Preferred Shareholder Motion will not proceed on September 27, 2010. The Preferred Shareholder Motion is now scheduled to proceed on October 18, 2010 for 3 hours and on October 19, 2010 for 3 hours.

The parties also agreed that the list of Preferred Shareholders, including their names, addresses and amount of their investments, will be given to Mr. McVey so that he may communicate with other Preferred Shareholders as to retaining a lawyer to represent the interests of the Preferred Shareholders at the return of the Preferred Shareholder Motion.

Attached, please find the Order of the Honourable Mr. Justice Cumming dated September 23, 2010 and his Endorsement (transcription).

Mr. McVey may be contacted by phone at 1-262-893-5020 or by email at [shareholders@genevaonline.com](mailto:shareholders@genevaonline.com).

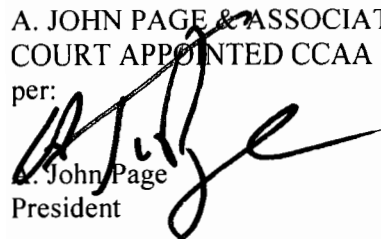
If you have any questions or concerns, please contact Colleen Delaney of the Monitor’s office. Ms. Delaney may be contacted by phone at 416-364-4894 or by email at [nelson@ajohnpage.com](mailto:nelson@ajohnpage.com).

Yours very truly,

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

per:

A. John Page  
President





**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE HONOURABLE**

)

**THURSDAY, THE 23<sup>rd</sup>**

)

**MR. JUSTICE CUMMING**

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**DAY OF SEPTEMBER, 2010**

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**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.**

**Applicant**

**ORDER**

**THE REQUEST** by John McVey for an adjournment of the motion brought by Douglas Turner, Q.C. in his capacity as the Representative Counsel for the holders of promissory notes issued by the Applicant (the "Representative Counsel") returnable on Monday, September 27, 2010 (the "Preferred Shareholder Motion") was heard this day at 330 University Avenue, in the City of Toronto, Ontario.

**UPON HEARING** the submissions of Mr. McVey, Special Counsel to the Representative Counsel, counsel for the Applicant, counsel for the Ontario Securities Commission and counsel for the Monitor:

1. **THIS COURT ORDERS** that the Preferred Shareholder Motion be and it is hereby adjourned to be heard by the Honourable Madam Justice Pepall on Monday, October 18, 2010 for 3 hours and on Tuesday, October 19, 2010 for 3 hours.

2. **THIS COURT ORDERS** that, notwithstanding paragraph 38 of the Initial Order in this proceeding dated Tuesday, March 23, 2010, the Monitor shall provide to Mr. McVey a list of the holders of preferred shares issued by the Applicant (the "Preferred Shareholders") including their names, addresses and the amount of their investments, that Mr. McVey is entitled to communicate with the Preferred Shareholders for the purpose of retaining counsel to represent the interests of the Preferred Shareholders at the return of the Preferred Shareholder Motion, that the Preferred Shareholders are entitled to know who each other is and their respective interests in this proceeding and that the Preferred Shareholders are free to communicate with one another with respect to the retention of counsel to represent their interests at the return of the Preferred Shareholder Motion.

*Sept 22, 2010*

*Peter A. Cumming J.*

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

SEP 23 2010

PER / PAR:

*MB*

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.: 10-8630-00CL

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

Proceedings commenced at **Toronto**

**ORDER**

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Barristers and Solicitors  
Suite 3200, P.O. Box 329  
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Tel: 416-304-1616  
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Lawyers for the Monitor

**Nelson Financial Group Ltd.**

**Unofficial Transcription of the Endorsement of Justice Peter A. Cumming**

**September 23, 2010**

*(Endorsement was erroneously dated September 22, 2010)*

After submissions and discussion on consent, the "preferred shareholders' motion" ie. the noteholders' "characterization of preferred shareholders' claims as creditors" motion, scheduled for September 27, 2010 (one day) is adjourned to be heard before Pepall J. October 18, 2010 (3 hours) and October 19, 2010 (3 hours).

It is agreed the list of preferred shareholders will be given to Mr. McVey forthwith and he is free to communication with them as to retaining counsel to represent their interests at the return of the motion.

Order signed, to issue,

Peter A Cumming J.

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")

*Sept 27/10* Court File No. 10-8630-00CL

*Sept 22/2010*

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

*After submissions & discussion  
in court, the "preferred shareholders"  
motion i.e. the noteholders'  
characterization of pref. shareholders' claims as creditors'  
motion, scheduled for Sept 27/10  
(one day) is adjourned to be  
heard before Regal 5 Oct 18/10  
(3 hrs) & Oct 19/10 (3 hrs.)*

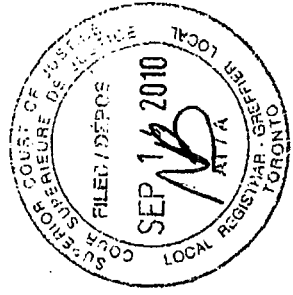
MOTION RECORD  
OF REPRESENTATIVE COUNSEL  
FOR NOTEHOLDERS

(Motion returnable September 27, 2010)

Douglas Turner Q.C. as Representative Counsel  
for the Noteholders of Nelson Financial Group  
Ltd.

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*It is agreed the list of Mr.  
pref. shs. will be given to Mr.  
Mcvey forthwith and he is free  
to communicate with them as  
to retaining counsel to represent  
their interests at the return  
of the motion.*

*Order signed, & issue,  
Peter A. Cumming J.*