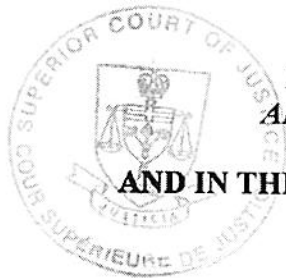


**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE HONOURABLE MADAM**     )  
  )  
**JUSTICE PEPALL**            )  
  )

**WEDNESDAY, THE 7<sup>th</sup>  
DAY OF JULY, 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.**

**Applicant**

**ORDER**

**(Appointing Independent Counsel)**

**THIS MOTION** made by Nelson Financial Group Ltd. (the "**Applicant**") for an Order, *inter alia*:

(a) authorizing and directing the Monitor to retain Elizabeth Pillon as independent counsel for the sole purpose of reviewing the terms and conditions of the preferred shares issued by the Applicant and reporting to the stakeholders and this Honourable Court with her opinion as to (i) the legal relationship of the Applicant and all persons who, as at March 23, 2010, held preferred shares issued by the Applicant (the "**Preferred Shareholders**"); (ii) whether the Preferred Shareholders have a claim provable against the Applicant within the meaning of Section 20(1)(a) of the *Companies' Creditors Arrangement Act* (the "**CCAA**") and Section 121

of the *Bankruptcy and Insolvency Act* (the “**BIA**”); and, if so, (iii) whether such claims provable are equity claims within the meaning of Section 2 of the CCAA (the “**Mandate**”); and

(b) approving the Fourth Report dated July 2, 2010 (the “**Fourth Report**”) of A. John Page & Associates Inc. in its capacity as the Court-appointed Monitor of the Applicant (the “**Monitor**”) and the conduct and activities of the Monitor described therein,

was heard this day at 330 University Avenue, Toronto, Ontario.

**UPON READING** the Affidavit of Marc Boutet sworn July 5, 2010 and the Fourth Report and upon hearing from counsel for the Applicant, counsel for the Monitor, counsel for Staff of the Ontario Securities Commission, Richard Jones in his capacity as special counsel for the holders of promissory notes issues by the Applicant, and the proposed independent counsel, no one else appearing although duly served as appears from the Affidavit of Service, filed:

#### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the Fourth Report is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

#### **INDEPENDENT COUNSEL**

2. **THIS COURT ORDERS** that the Monitor be and is hereby authorized and directed to retain Elizabeth Pillon as independent counsel (the “**Independent Counsel**”) for the sole purpose of advising the Monitor in respect of the Mandate.

3. **THIS COURT ORDERS** that the Independent Counsel shall, by no later than July 31, 2010, provide an opinion to the Monitor as to the assessment by the Independent Counsel of the claims presently held or that may be asserted by the Preferred Shareholders as against the Applicant including whether the Preferred Shareholders have a claim provable against the Applicant within the meaning of Section 20(1)(a) of the CCAA and Section 121 of BIA and, if so, whether such claims provable are equity claims within the meaning of Section 2 of the CCAA.

4. **THIS COURT ORDERS** that the Monitor shall, if it is satisfied that the assumed facts of the opinion are not unreasonable, cause a copy of the opinion to be made available on the Monitor's website for information purposes only and filed with this Honourable Court.

5. **THIS COURT ORDERS** that the opinion of Independent Counsel shall not constitute issue estoppel or *res judicata* with respect to any matters of fact or law referred to in the opinion.

6. **THIS COURT ORDERS** that, in fulfilling the Mandate, the Independent Counsel:

- (a) may consult with individual Preferred Shareholders;
- (b) may consult with and provide her views to the Applicant;
- (c) shall take such necessary and appropriate actions and steps as the Independent Counsel deems fit from time to time; and
- (d) shall incur no liability or obligation as a result of her retainer or the carrying out of this Order save and except for any gross negligence or wilful misconduct on her part.


7. **THIS COURT ORDERS** that the activities of the Independent Counsel shall be restricted to fulfilling the Mandate.

8. **THIS COURT ORDERS** that, subject to such fee arrangements as have been agreed to by the Applicant and the Independent Counsel, all reasonable legal fees and other incidental fees and disbursements incurred by the Independent Counsel up to an aggregate amount of \$50,000, shall be paid by the Applicant on a monthly basis forthwith upon the rendering of accounts to the Applicant. In the event of any disagreement regarding such fees, such matters may be remitted to this Honourable Court for determination.

9. **THIS COURT ORDERS** that, in carrying out the Mandate, the Independent Counsel is authorized to communicate with any Court or any regulatory body, other governmental ministry, department or agency (each a **"Governmental Authority"**).

**MONITOR'S ACTIVITIES**

10. **THIS COURT ORDERS** that the Fourth Report and the conduct and activities of the Monitor described therein be and are hereby approved.

  
\_\_\_\_\_  
**Christina Irwin**  
Registrar, Superior Court of Justice

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

JUL 07 2010

PER / PAR: 

Court File No. 10-8630-00CL

**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**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

(PROCEEDING COMMENCED AT TORONTO)

**ORDER  
(Appointing Independent Counsel)**

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**Solicitors for the Applicant**