

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.

APPLICANT

REPORT OF A. JOHN PAGE & ASSOCIATES INC.
IN ITS CAPACITY AS THE PROPOSED MONITOR OF THE APPLICANT

MARCH 22, 2010

INTRODUCTION

1. A. John Page & Associates Inc. ("AJP&AI" or the "Proposed Monitor") has been advised that Nelson Financial Group Ltd. ("the Applicant") has brought/intends to bring an application before this Honourable Court seeking certain relief under the *Companies' Creditors Arrangement Act* , R.S.C. 1985, c. C-36, as amended ("CCAA"), including appointing AJP&AI as monitor.

2. This is the first report of AJP&AI , the Proposed Monitor, in the Applicant's CCAA proceedings. AJP&AI has consented to act as Monitor in the CCAA proceedings.

PURPOSE

3. This report is prepared by AJP&AI as Proposed Monitor in the Applicant's CCAA proceedings to assist this Honourable Court in considering the Applicant's requests for relief and, in particular, to provide this Honourable Court with information on the following:
 - background information on the business of the Applicant
 - financial position of the Applicant
 - causes of financial difficulty and events leading up to the current situation
 - cash flow forecast of the Applicant
 - Applicant's debt structure
 - Applicant's proposed restructuring strategy
 - charges contemplated in the draft Initial Order
 - Proposed Monitor's recommendations
4. In preparing this Report and making the comments contained in the Report, AJP&AI has been provided with and has relied upon unaudited financial information, information from the Applicant's books and records and financial information prepared by the Applicant and its advisors. In addition AJP&AI has held discussions with management of the Applicant and has relied upon the information conveyed in those discussions. AJP&AI has not audited,

reviewed or otherwise attempted to verify the accuracy and completeness of any of the information obtained and, accordingly, expresses no opinion or other form of assurance in respect of the information contained in this Report. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Future oriented financial information referred to or relied upon in this Report was based on management's estimates and assumptions. Readers are cautioned that, since such information is based on assumptions about future events and conditions that are not ascertainable, the actual results will vary from the forecasts and projections and the variations may be material.

5. Unless otherwise stated, all monetary amounts referred to in this Report are expressed in Canadian dollars.

AJP&AI'S QUALIFICATIONS TO ACT AS MONITOR

6. AJP&AI was first retained/contacted by the Applicant on March 5, 2010. Since that date, AJP&AI has been looking at the Applicant's available financial and other information to gain a knowledge of the business and financial affairs of the Applicant and has been preparing for the Applicant's anticipated CCAA application.
7. John Page of AJP&AI will have primary carriage of this matter. He is a trustee within the meaning of subsection 2 of the *Bankruptcy and Insolvency Act*.

8. Neither AJP&AI nor any of its employees or officers have been at any time in the two preceding years the auditor or accountant of the Applicant, a director, officer or employee of the Applicant or related to the Applicant or any director or officer of the Applicant.

BACKGROUND

9. The Applicant is a Pickering, Ontario based privately owned company. Its principal business is vendor assisted financing. Until recently, its principal business was sub-prime vehicle financing but the Applicant has been moving out of this industry since 2005 and expects to exit the sub-prime vehicle finance market in 2011.
10. The Applicant's end customers include a mix of prime borrowers (bank quality), non prime borrowers (below bank quality) and sub prime borrowers (lowest quality). Their customers are typically individuals who are under serviced by traditional banks and financial service companies. Customers in the Applicant's remaining sub-prime vehicle leasing business are, for the most part, sub-prime borrowers. Customers in the vendor assisted programs are typically a mix of prime borrowers and non-prime borrowers.
11. The Applicant was established by its current President, Marc Boutet, in 1990.
12. The Applicant currently finances customers of vendors in two sectors, consumer household goods/appliances and food. The vendor provides the end customer with an application form and contract. The application form is submitted to the Applicant by the vendor for approval. If approved, the

Applicant pays the vendor the cost of the product being financed, usually at a discount. The customer repays the Applicant in accordance with the terms of their agreement.

13. At the present time the Applicant has 27 employees.
14. In order to provide financing to customers, the Applicant has borrowed money from investors in the exempt market pursuant to a continuous offering of unsecured promissory notes with a 12% rate of interest and/or preferred shares that have paid a 10.00% per annum dividend monthly. The Applicant has not had and does not have a line of credit or other financing arrangements with a Chartered Bank or other financial institution.
15. The Applicant's business model has been based on being able to raise money from investors at a 12% or 10% rate of return and, in turn, use that money to extend credit at significantly higher rates to lessees in the sub prime vehicle financing business and customers in the vendor assisted financing programs.

FINANCIAL POSITION

16. Financial highlights for the Applicant for the five fiscal years ended July 31, 2009 are presented below:

Key Financial Highlights obtained from Applicant's Annual Financial Statements

	\$000				
	Years ended July 31				
	2005	2006	2007	2008	2009
Profit and Loss					
Revenue	4,465	8,006	7,593	5,101	7,816
Net Income/(Loss)	(2,289)	(1,691)	(1,758)	(6,350)	(1,339)
Balance Sheet					
Total Assets	17,846	21,079	22,307	27,874	30,006
Total Noteholders	19,307	24,946	23,255	33,940	34,612
Total Other Liabilities	2,928	2,213	3,942	1,229	1,151
Total Liabilities	22,235	27,159	27,197	35,169	35,763
Common Stock	0	0	350	350	350
Preferred Shareholders	0	0	4,240	8,913	13,120
Retained Earnings	(4,389)	(6,080)	(9,480)	(16,558)	(19,227)
Total Shareholders' Equity	(4,389)	(6,080)	(4,890)	(7,295)	(5,757)

Notes:

Statements for 2005 and 2006 were audited by the Applicant's accountants

Statements for 2007 were "tax preparation only", no review was conducted

Statements for 2008 were subject to a "review engagement report"

Statements for 2009 are internally prepared. No review has been completed on these statements.

- Attached to the affidavit of Marc Boutet that has been sworn in support of the Applicant's application for protection from its creditors under the CCAA ("the **Marc Boutet Affidavit**") are the unaudited financial statements of the Applicant for the fiscal year ended July 31, 2008 together with internally prepared statements for the year ended July 31, 2009 and the interim period from August 1, 2009 to February 28, 2010.

CAUSES OF FINANCIAL DIFFICULTIES

18. It appears that the Applicant's financial difficulties can be attributed to its venture into the sub prime vehicle financing business in 2003.
19. Prior to that, the Applicant was in the consumer finance business, primarily financing computer systems. In 2003 it "partnered" with an individual and moved into the sub prime automotive finance market. This represented substantially all of its business through 2007. It did not make money in this area and in 2007 the Applicant parted company with the individual who had been co managing the business.
20. That individual filed for bankruptcy and reneged on his obligation to be responsible for some of the sub prime loans.
21. The Applicant ceased writing sub prime car loans in 2007. At its peak it had approximately 4,500 loans totalling \$32,000,000 and a staff of 60 people. It has been running its auto portfolio down and this area of business now comprises only 678 loans totalling \$2,900,000.
22. Further details of the causes of the Applicant's financial difficulties and other relevant information is reported in the Marc Boutet Affidavit.

CASH FLOW FORECAST

23. The Applicant, with the assistance of the Proposed Monitor, has prepared a 13 week cash flow projection ("the "Cash Flow Forecast ") for the period from

March 22, 2010 to June 18, 2010 ("**the Cash Flow Period**"). A copy of the Cash Flow Forecast is attached hereto as Exhibit "A". The Cash Flow Forecast has been prepared by the management of the Applicant, using the probable and hypothetical assumptions set out in Exhibit "B", attached hereto. The report of the Applicant on the Cash Flow Forecast is attached hereto as Exhibit "C". The Proposed Monitor's report on the reasonableness of the Cash Flow Forecast is attached hereto as Exhibit "D".

24. The Cash Flow Forecast estimates that during the Cash Flow Period, the Applicant will have total receipts of approximately \$4,976,000 and total disbursements of \$5,017,000.
25. The Cash Flow Forecast has been prepared solely for the purpose of supporting the Applicant's CCAA application and readers are cautioned that it may not be appropriate for other purposes.
26. The Cash Flow Forecast projects that the Applicant will have sufficient liquidity to operate during the CCAA proceedings.

DEBT AND PREFERRED SHAREHOLDER STRUCTURE

27. As noted earlier, the Applicant has financed its operations from a combination of investor loan notes and preference shares.
28. We have been informed that the Applicant has approximately 685 outstanding investor loan notes totalling approximately \$37,000,000. There are, in addition, 169 separate holdings of preferred shares with a par value of almost

\$15,000,000. The total number of investors affected by the proposed restructuring is somewhat less than 854 because a number of investors hold more than one investor loan note and/or have more than one preference share holding. Further details on the debt and preferred shareholder structure is provided in the Marc Boutet Affidavit.

29. Two parties who have invested a total of approximately \$900,000 in notes and preference shares have each registered a security interest under the PPSA. The Proposed Monitor has not to date had these potential secured claims reviewed.
30. Nelson Investment Group Limited ("**Nelson Investment**"), an affiliated company, has registered a security interest under the PPSA to secure payment of earned but unpaid commissions re the sale of investor loan notes and preference shares. According to the February 28, 2010 financial statements that are attached to the Marc Boutet Affidavit, Nelson Investment is owed \$190,793. The Proposed Monitor has not to date had this potential secured claim reviewed.
31. Although several other parties have registered security interests under the PPSA, according to the Applicant these registrations are historic or otherwise not meaningful and these parties are not valid secured creditors.

PROPOSED RESTRUCTURING STRATEGY

32. The Applicant is developing a plan that, if implemented, would see note holders exchange a percentage of their notes for a new class of preference shares and existing preference shareholders exchange their preference shares for

the new class of preference shares. By so doing the Applicant would become solvent and able to pay interest and dividends. It would then be able, if it so wished, to raise further funds, enabling it to service the profitable vendor assisted financing market.

CHARGES CONTEMPLATED IN THE DRAFT INITIAL ORDER

33. Certain charges are contemplated in the draft Initial Order as follows:

(a) Administrative Charge

The draft Initial Order contemplates a charge ("**the Administrative Charge**") for the Monitor, the Monitor's counsel and the Applicant's counsel as security for professional fees and disbursements incurred before and after the making of the Initial Order in respect of these CCAA proceedings in the amount of \$1,000,000.

(b) Director's Charge

- i) The draft Initial Order also contemplates a charge ("**the Director's Charge**") in favour of the Applicant's director and officers on the property of the Applicant for \$200,000. The draft Initial Order contemplates that the Director's Charge will be subordinate to the Administrative Charge.
- ii) The Proposed Monitor has been advised that the Applicant

does not have any directors' and officers' indemnification insurance ("**D&O Insurance**"). The Proposed Monitor has been further advised that, in the last few days, the Applicant attempted to obtain D&O Insurance but without success. They were informed by their broker that "it appears unlikely that our insurers will be able to accommodate your requirements for D&O Liability Coverage".

- iii) The Proposed Monitor has been advised that the priority and amount of the Director's Charge is necessary for the continued service of the Applicant's director and officers during the Applicant's restructuring and the quantum has been calculated to adequately cover the obligations that the director and officers might be held liable for.
- iv) The Proposed Monitor believes that the priority and amount of the Director's Charge is required and reasonable in light of the aforementioned circumstances.

RECOMMENDATIONS

- 34. It is the Proposed Monitor's view that the Applicant is insolvent and it would benefit its stakeholders if they were granted the benefit of protection under the CCAA.
- 35. The Proposed Monitor supports the amounts and rankings of the Court

ordered charges proposed in the draft Initial Order, including:

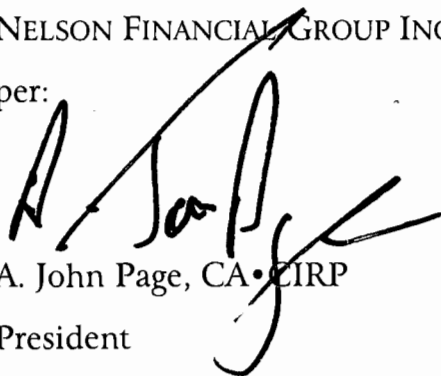
- i) Administrative Charge in the amount of \$1,000,000
- ii) Director's Charge in the amount of \$200,000

All of which is respectively submitted this 22nd day of March, 2010.

A. JOHN PAGE & ASSOCIATES INC.

IN ITS CAPACITY AS THE PROPOSED MONITOR OF
NELSON FINANCIAL GROUP INC.

per:

A handwritten signature in black ink, appearing to read 'A. John Page', written over the printed name and title.

A. John Page, CA • CFP

President

**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.**

**EXHIBITS TO THE REPORT OF A. JOHN PAGE & ASSOCIATES INC.
IN ITS CAPACITY AS THE PROPOSED MONITOR OF THE APPLICANT**

MARCH 22, 2010

Cash Flow Forecast	A
Probable and Hypothetical Assumptions re Cash Flow Forecast	B
Report of the Applicant on the Cash Flow Forecast	C
Proposed Monitor's Report on the Cash Flow Forecast	D



Exhibit "A"

**Report of
A. John Page & Associates Inc.
In its Capacity as the Proposed Monitor of
Nelson Financial Group Ltd.
Dated March 22, 2010**

Cash Flow Forecast

Nelson Financial Group Ltd
 Weekly Cash Flow Forecast
 For the 13 week period ending June 18, 2010

Unaudited

Week Ending

	26-Mar-10	02-Apr-10	09-Apr-10	16-Apr-10	23-Apr-10	30-Apr-10	07-May-10	14-May-10	21-May-10	28-May-10	04-Jun-10	11-Jun-10	18-Jun-10	Total
Opening Cash	\$405,004	\$455,153	\$421,478	\$382,965	\$354,710	\$420,539	\$374,141	\$376,606	\$274,363	\$419,631	\$373,233	\$402,196	\$299,953	\$405,004
Total Operating Receipts	411,124	428,113	314,541	395,145	402,116	353,619	400,200	314,541	471,555	353,619	416,698	314,541	400,623	4,976,435
Disbursements:														
Payroll and benefits	53,730	53,730	53,730	53,730	53,730	53,730	6,293	53,730	53,730	53,730	6,293	53,730	53,730	334,966
Rent	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	25,164
SG&A	8,664	17,047	25,431	17,047	8,664	8,664	25,431	25,431	8,664	8,664	25,431	25,431	8,664	213,233
Net new Deal Funding	322,311	317,623	317,623	317,623	317,623	317,623	317,623	317,623	317,623	317,623	317,623	317,623	317,623	4,133,787
Payments to Noteholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments to Pref Shareholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restructuring Costs	30,000	65,000	10,000	35,000	10,000	20,000	40,000	20,000	0	20,000	30,000	20,000	10,000	310,000
Total Disbursements	360,975	461,788	353,054	423,400	336,287	400,017	397,735	416,784	326,287	400,017	387,735	416,784	336,287	5,017,150
Net Operating Cash Flow	50,149	(33,675)	(38,513)	(28,255)	65,829	(46,398)	2,465	(102,243)	145,268	(46,398)	28,963	(102,243)	64,336	(40,715)
Closing Cash	\$455,153	\$421,478	\$382,965	\$354,710	\$420,539	\$374,141	\$376,606	\$274,363	\$419,631	\$373,233	\$402,196	\$299,953	\$364,289	\$364,289

See attached schedule entitled - Notes/Probable and Hypothetical Assumptions underlying Weekly Cash Flow Forecast for the 13 week period ending June 18, 2010



Exhibit "B"

**Report of
A. John Page & Associates Inc.
In its Capacity as the Proposed Monitor of
Nelson Financial Group Ltd.
Dated March 22, 2010**

**Probable and Hypothetical Assumptions
re Cash Flow Forecast**

NELSON FINANCIAL GROUP LTD. ("Nelson")
NOTES/PROBABLE AND HYPOTHETICAL ASSUMPTIONS UNDERLYING
WEEKLY CASH FLOW FORECAST FOR THE 13 WEEK PERIOD ENDED JUNE 18, 2010

1. The Cash Flow Forecast has been prepared in order to accompany, in accordance with Section 10(2)(a) of the Companies' Creditors Arrangement Act ("CCAA"), the initial application of Nelson for protection from its creditors under the CCAA.
2. Nelson is assumed to continue to operate on a going concern basis throughout the Cash Flow Period.
3. Opening Cash - This is the projected opening cash balance of the Applicant at the commencement of the CCAA proceedings based on the actual reconciled cash balance on March 12, 2010.
4. Sales forecasts are based on historical trends adjusted for a slight change in the mix as the Nelson replaces some of the existing business with a more profitable business line.
5. No significant changes to rates billed to client or accepted from vendors.
6. Collection of accounts receivable are based on historic average sales patterns over past six weeks.
7. Employee liabilities are assumed to be paid in the ordinary course. All other pre filing liabilities are stayed as a result of the CCAA proceedings
8. Payments of investor interest, investor redemptions, preferred share dividends and preferred share redemptions are stayed as a result of the CCAA proceedings
9. Post-filing rent payments are on the basis of existing lease arrangements.
10. Post-filing selling, general and administrative expenses are calculated based on existing arrangements and historical patterns of payment.
11. Restructuring costs represent projected payments on account of the fees and expenses of the Monitor, the Monitor's counsel and the Nelson's counsel. It is assumed that the fees and expenses billed by the Monitor during the Cash Flow Period will be paid by Nelson at the rate of \$30,000 per month through 2010.
12. The Cash Flow Forecast does not include any payments that might flow from of the successful adoption of a plan of compromise or arrangement.



Exhibit "C"

**Report of
A. John Page & Associates Inc.
In its Capacity as the Proposed Monitor of
Nelson Financial Group Ltd.
Dated March 22, 2010**

**Report of the Applicant
on the Cash Flow Forecast**

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.

**Report on Cash Flow Statement
(Paragraph 10.2(b) of the CCAA)**

The management of Nelson Financial Group Ltd. has developed the assumptions and prepared the attached "Weekly Cash Flow Forecast for the 13 Week Period Ended June 18, 2010" ("the Projections").

1. The hypothetical assumptions are reasonable and consistent with the purpose of the Projections described in Note 1 to the Projections, and the probable assumptions are suitably supported and consistent with the plans of Nelson Financial Group Ltd. and provide a reasonable basis for the Projections. All such assumptions are disclosed in Notes 2 through 12 attached to the Projections.
2. Since the Projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.
3. The Projections have been prepared solely for the purpose described in Note 1 to the Projections, using the probable and hypothetical assumptions set out in Notes 2 through 12. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Pickering, Ontario this 22nd day of March, 2010



Marc Boutet
President
Nelson Financial Group Inc.

Nelson Financial Group Ltd
 Weekly Cash Flow Forecast
 For the 13 week period ending June 18, 2010

Unaudited

Week Ending

	26-Mar-10	02-Apr-10	09-Apr-10	16-Apr-10	23-Apr-10	30-Apr-10	07-May-10	14-May-10	21-May-10	28-May-10	04-Jun-10	11-Jun-10	18-Jun-10	Total
Opening Cash	\$405,004	\$455,153	\$421,478	\$382,965	\$354,710	\$420,539	\$374,141	\$376,606	\$274,363	\$419,631	\$373,233	\$402,196	\$299,953	\$405,004
Total Operating Receipts	411,124	428,113	314,541	395,145	402,116	353,619	400,200	314,541	471,555	353,619	416,698	314,541	400,623	4,976,435
Disbursements:														
Payroll and benefits	53,730	53,730	53,730	53,730	53,730	53,730	6,293	53,730	53,730	53,730	6,293	53,730	53,730	334,966
Rent	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	8,388	25,164
SG&A	8,664	17,047	25,431	17,047	8,664	8,664	25,431	25,431	8,664	8,664	25,431	25,431	8,664	213,233
Net new Deal Funding	322,311	317,623	317,623	317,623	317,623	317,623	317,623	317,623	317,623	317,623	317,623	317,623	317,623	4,133,787
Payments to Noteholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments to Pref Shareholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restructuring Costs	30,000	65,000	10,000	35,000	10,000	20,000	40,000	20,000	0	20,000	30,000	20,000	10,000	310,000
Total Disbursements	360,975	461,788	353,054	423,400	336,287	400,017	397,735	416,784	326,287	400,017	387,735	416,784	336,287	5,017,150
Net Operating Cash Flow	50,149	(33,675)	(38,513)	(28,255)	65,829	(46,398)	2,465	(102,243)	145,268	(46,398)	28,963	(102,243)	64,336	(40,715)
Closing Cash	\$455,153	\$421,478	\$382,965	\$354,710	\$420,539	\$374,141	\$376,606	\$274,363	\$419,631	\$373,233	\$402,196	\$299,953	\$364,289	\$364,289

See attached schedule entitled - Notes/Probable and Hypothetical Assumptions underlying Weekly Cash Flow Forecast for the 13 week period ending June 18, 2010

NELSON FINANCIAL GROUP LTD. ("Nelson")
NOTES/PROBABLE AND HYPOTHETICAL ASSUMPTIONS UNDERLYING
WEEKLY CASH FLOW FORECAST FOR THE 13 WEEK PERIOD ENDED JUNE 18,
2010

1. The Cash Flow Forecast has been prepared in order to accompany, in accordance with Section 10(2)(a) of the Companies' Creditors Arrangement Act ("CCAA"), the initial application of Nelson for protection from its creditors under the CCAA.
2. Nelson is assumed to continue to operate on a going concern basis throughout the Cash Flow Period.
3. Opening Cash - This is the projected opening cash balance of the Applicant at the commencement of the CCAA proceedings based on the actual reconciled cash balance on March 12, 2010.
4. Sales forecasts are based on historical trends adjusted for a slight change in the mix as the Nelson replaces some of the existing business with a more profitable business line.
5. No significant changes to rates billed to client or accepted from vendors.
6. Collection of accounts receivable are based on historic average sales patterns over past six weeks.
7. Employee liabilities are assumed to be paid in the ordinary course. All other pre filing liabilities are stayed as a result of the CCAA proceedings
8. Payments of investor interest, investor redemptions, preferred share dividends and preferred share redemptions are stayed as a result of the CCAA proceedings
9. Post-filing rent payments are on the basis of existing lease arrangements.
10. Post-filing selling, general and administrative expenses are calculated based on existing arrangements and historical patterns of payment.
11. Restructuring costs represent projected payments on account of the fees and expenses of the Monitor, the Monitor's counsel and the Nelson's counsel. It is assumed that the fees and expenses billed by the Monitor during the Cash Flow Period will be paid by Nelson at the rate of \$30,000 per month through 2010.
12. The Cash Flow Forecast does not include any payments that might flow from of the successful adoption of a plan of compromise or arrangement.



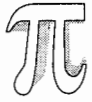


Exhibit "D"

**Report of
A. John Page & Associates Inc.
In its Capacity as the Proposed Monitor of
Nelson Financial Group Ltd.
Dated March 22, 2010**

**Proposed Monitor's Report
on the Cash Flow Forecast**

PROPOSED MONITOR'S REPORT ON CASH FLOW FORECAST

The attached Weekly Cash Flow Forecast attached as Exhibit "A" to the Report of the Proposed Monitor dated March 22, 2010 (the "Cash Flow Forecast") of Nelson Financial Group Ltd., (the "Company") for the period from March 22, 2010 through to June 18, 2010, has been prepared by the management of the Company for the purpose described in the Draft Initial Order, using the Probable and Hypothetical Assumptions set out in Exhibit B.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by certain of the management and employees of the Company. Since Hypothetical Assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. We have also reviewed the support provided by management of the Company for the Probable Assumptions, and the preparation and presentation of the Cash Flow Forecast.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Forecast;
- b) as at the date of this report, the Probable Assumptions developed by management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash Flow Forecast, given the Hypothetical Assumptions; or
- c) the Cash Flow Forecast does not reflect the Probable and Hypothetical Assumptions.

Since the Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Hypothetical Assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Forecast will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report.

The Cash Flow Forecast has been prepared solely for the purpose described in Note 1 to the Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

All of which is respectfully submitted at Toronto this 22nd day of March, 2010

A. JOHN PAGE & ASSOCIATES INC.
IN ITS CAPACITY AS PROPOSED MONITOR OF NELSON FINANCIAL GROUP LTD.
per:

A. John Page, President

S:\DATA\WP\CLIENTS\NELSON\NELCFRP2.WPD

Court File No. _____

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.

**Report of
A. John Page & Associates Inc.
In its Capacity as the
Proposed Monitor of
Nelson Financial Group Ltd.**

Dated March 22, 2010

A. John Page & Associates Inc.
100 Richmond St. West, Suite 447
Toronto, Ontario
M5H 3K6
Tel: (416) 364-4894
Fax: (416) 364-4869
Email: ajpage@ajohnpage.com

Attention: A. John Page