

**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

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

March 2, 2011

1. The purpose of this Supplement to the Twelfth Report of A. John Page & Associates Inc., in its capacity as the Monitor of the Applicant in this proceeding, is to:
 - (a) provide this Honourable Court with further information regarding the IOO's cash flow projection attached to the IOO Report;
 - (b) provide this Honourable Court with a status update on the IOO's provision of the business plan underlying the Plan; and
 - (c) correct an inaccuracy contained at paragraphs 27 and 34 of the Twelfth Report.
2. All capitalized terms used herein and not otherwise defined are as defined in the Twelfth Report.

CASH FLOW PROJECTION

3. Pursuant to paragraph 74 of the Twelfth Report, the Monitor advised that it had not received the IOO's cash flow projection for the period through to the end of May, 2011.

4. Subsequent to the date of the Twelfth Report, on Friday, February 25, 2011, the Monitor was provided with a copy of a cash flow projection to June 3, 2011 (the “**Cash Flow Projection**”) but was not provided with the underlying assumptions nor a management representation letter from the IOO with respect thereto.
5. By email sent at 1:10 p.m. on February 28, 2011, the Monitor advised the IOO that it required the underlying assumptions to the Cash Flow Projection and would be reviewing them in preparation for the stay extension motion scheduled for Thursday, March 3, 2011. In this latter regard, the Monitor advised that, in accordance with past practice, Colleen Delaney of the Monitor’s office would contact Stephanie Lockman Sobol, Nelson’s general manager, to discuss the cash flow. A copy of the Monitor’s email to the IOO is attached hereto as Exhibit “A”.
6. Ms Delaney of the Monitor’s office left a voicemail message for Ms Sobol and, by email sent at 1:25 p.m. on February 28, 2011, requested that Ms Sobol contact her to discuss the Cash Flow Projection. The IOO was not copied on this email. A copy of Ms Delaney’s email to Ms Sobol is attached hereto as Exhibit “B”.
7. By email sent at 2:18 p.m. on February 28, 2011, Ms Delaney of the Monitor’s office reiterated her request to Ms Sobol. The IOO was copied on this email. A copy of Ms Delaney’s email to Ms Sobol is attached hereto as Exhibit “C”.
8. To date, the IOO has not provided the Monitor with the assumptions underlying the Cash Flow Projection nor the IOO’s management representation letter with respect thereto. In addition, the IOO is not communicating with the Monitor and is not enabling the Monitor to review the Cash Flow Projection as the Monitor is required to do pursuant to the CCAA.

STATUS UPDATE ON PROVISION OF BUSINESS PLAN

9. Pursuant to paragraph 68 of the Twelfth Report, the Monitor advised that, as at February 24, 2011 (which is the date of the Twelfth Report), the Monitor had not been provided

with the business plan underlying the Plan or any findings of Avanzare beyond its December 15, 2010 Phase I power point presentation.

10. Subsequent to the chambers appointment on February 28, 2011, the Monitor met with the IOO and the Representative Counsel each of whom advised the Monitor that the business plan would be provided to the Monitor within 24 hours.
11. In addition, at this meeting, the Representative Counsel advised the Monitor that, at the request of Staff of the Ontario Securities Commission, “they” were preparing an information circular to be distributed to the creditors of Nelson containing “prospectus standard” disclosure to the creditors of the securities purporting to be issued to them under the Plan and that a draft of this information circular may be prepared by Friday, March 4, 2011. The Monitor understood the Representative Counsel’s reference to “they” to mean the IOO, the Representative Counsel and their legal counsel, Mr. Jones. This was the first time the Monitor was advised that such an information circular was being prepared for the creditors.
12. The Monitor was not provided with a copy of the business plan within 24 hours, however, late in the evening on March 1, 2011, Mr. Jones emailed Ms Aggarwal and advised that Mr. Ian Townsend, the principal of Avanzare, which is the IOO’s consultant, had experienced a death in the family and that efforts would be made to provide a draft business plan (subject to final approval) to the Monitor on Thursday, March 3, 2011.

CORRECTION OF TWELFTH REPORT

13. Pursuant to paragraphs 27 and 34 of the Twelfth Report, the Monitor advised that, at the hearing on December 9, 2010, Mr. Jones advised the Court that a draft restructuring plan would be circulated the following week and would be put forward in mid-January, 2011.
14. The Monitor wishes to correct an inaccuracy. It was the Representative Counsel and not Mr. Jones that advised the Court of the foregoing.

All of which is respectfully submitted this 2nd day of March, 2011

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

Per:

Name: 
A. JOHN PAGE, CA • CIRP

Title: **PRESIDENT**

INDEX

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

March 2, 2011

Monitor's email to the IOO dated February 28, 2011	A
Ms Delaney's email to Ms Sobol dated February 28, 2011 at 1:25 p.m.	B
Ms Delaney's email to Ms Sobol dated February 28, 2011 at 2:18 p.m.	C



Exhibit "A"

Supplement to the Twelfth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated March 2, 2011

Seema Aggarwal

From: A. John Page [ajpage@ajohnpage.com]
Sent: February 28, 2011 1:10 PM
To: Sherry Townsend
Cc: Sherry Townsend; Stephanie Lockman Sobol; Colleen Delaney; Seema Aggarwal
Subject: Nelson and Cash Flows

Sherry

In preparation for the extension application hearing on Thursday we need to take a look at the cash flows to May 31, 2011 that were attached to your First Report and the assumptions that back them up.

Colleen Delaney has looked at all the previous cash flows with Stephanie. I am therefore going to ask her to contact Stephanie directly to discuss them as I am assuming she prepared them for you.

Please let me immediately know if you would like Colleen to talk to someone else, otherwise I will ask her to contact Stephanie shortly.

Thanks

John

John Page
President
A. John Page & Associates Inc.
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Toronto, Ontario, Canada M5H 3K6

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Thank you



Exhibit "B"

Supplement to the Twelfth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated March 2, 2011

Seema Aggarwal

Subject: FW: Nelson's Cash Flows to June 3, 2011

----- Original Message -----

From: "Colleen Delaney" <chdelaney@ajohnpage.com>
To: "John Page" <ajpage@ajohnpage.com>
Sent: Monday, February 28, 2011 3:54 PM
Subject: FW: Nelson's Cash Flows to June 3, 2011

>
> John
>
> First email - Sherry Townsend not copied
> -----Original Message-----
> From: Colleen Delaney [<mailto:chdelaney@ajohnpage.com>]
> Sent: February 28, 2011 1:25 PM
> To: 'Stephanie Lockman Sobol'
> Subject: Nelson's Cash Flows to June 3, 2011
>
>
> Stephanie,
>
> As per my voice mail, can you please call me to discuss these cash flows
> and
> the supporting schedules and assumptions related thereto?
>
> Regards, Colleen
>
> Colleen H. Delaney
> Senior Vice-President
> A. John Page & Associates Inc.
> 100 Richmond St. West, Suite 447
> Toronto, Ontario
> M5H 3K6
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>
> Telephone: 416-364-4894 ext. 13
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- >
- > Thank you
- >
- >
- >



Exhibit "C"

Supplement to the Twelfth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated March 2, 2011

Seema Aggarwal

Subject: FW: Nelson - Cash Flows to June 3 2011

----- Original Message -----

From: "Colleen Delaney" <chdelaney@ajohnpage.com>
To: "John Page" <ajpage@ajohnpage.com>
Sent: Monday, February 28, 2011 3:55 PM
Subject: FW: Nelson - Cash Flows to June 3 2011

>
> John
>
> Email sent to S. Sobol with copy to S. Townsend
>
> Colleen
> -----Original Message-----
> From: Colleen Delaney [<mailto:chdelaney@ajohnpage.com>]
> Sent: February 28, 2011 2:18 PM
> To: 'Stephanie Lockman Sobol'
> Cc: 'Sherry@promotionalprintandpackaginging.com';
> 'stownsend@providercapitalgroup.com'
> Subject: Nelson - Cash Flows to June 3 2011
>
>
> Stephanie,
>
> As per my voice mail, can you please call me to discuss these cash flows
> and
> the supporting schedules and assumptions related thereto?
>
> Regards, Colleen
>
> Colleen H. Delaney
> Senior Vice-President
> A. John Page & Associates Inc.
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> Toronto, Ontario
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> Thank you
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Court File No.: 10-8630-00CL

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**SUPPLEMENT TO THE TWELFTH REPORT OF
A. JOHN PAGE &
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DATED MARCH 2, 2011**

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Lawyers for the Monitor