

**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**

**Amendment to Meeting Order and Release of Noteholder Information**

**Gloria Bissell and Globis Administrators**, in their capacity as Promissory Noteholders of Nelson Financial Group Ltd. (respectively the "Bissell Noteholders" and the "Company"), will make a motion before a judge of the Ontario Superior Court of Justice sitting on the Commercial List on April 14, 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 granting, *inter alia*, the following relief:

1. An Order adjourning the meeting of the Creditors of the Applicant currently scheduled to be held on April 16, 2011 to consider and approve the Plan of Compromise and Arrangement of the Applicant dated February 11, 2011 (amended February 24, 2011) (the "Plan");
2. An Order amending the Order of the Honourable Justice Morawetz dated March 4, 2011 to amend the date of the meeting of the Creditors of the Applicant will be held;

3. An Order that notwithstanding paragraph 38 of the Initial Order in this proceeding dated March 23, 2010, the Monitor shall provide to the Bissell Noteholders a list of all Noteholders including their names, addresses and the amount of their investments, that the Bissell Noteholders is entitled to communicate with the Noteholders and that the Noteholders are entitled to know who each other is and their respective interests in this proceeding and that the Noteholders are free to communicate with one another with respect to their interests and the Plan and any other option available to the Applicant under these proceedings;
4. An Order directing the Monitor and/or the Applicant to obtain and produce further and better accounting regarding the Applicant's affairs, including, but not limited to additional accounting analysis of the liquidation value of the Applicant and additional financial data and analysis of selling all or part of the Applicant's assets to third party purchasers;
5. An Order abridging or extending the time for service and filing of the within Motion Record, as appropriate; and,
6. Such further and other relief as this Honourable Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

7. On April 15, 2010, the First Report of the Monitor was served and enclosed the liquidation value of the Company as at March 31, 2010. The First Report of the Monitor valued the Company's liquidation value at 38 cents.
8. The Interim Operating Officer ("IOO") served a Notice of Motion for an order to hold a meeting of creditors to vote on the Plan for the Company; generally, the Plan proposes two options for Noteholders: 1) an immediate payout option for the full satisfaction of Noteholders electing for payment of their debt at the rate of 25 cents on the dollar of the amount owing, capped at \$10,000,000 (the "Cash-Out Option"); and, 2) the exchange of the value of the debt owing to a Noteholder for

a Capital Recovery Debenture, Special Shares and Common Shares of the Applicant (the "Going Concern Option").

9. The Bissell Shareholders advised the Noteholders Committee, the IOO and Messers. Doug Turner and Richard Jones (collectively the "Representative Counsel") that more information ought to be forwarded to the Noteholders about the benefits and pitfalls of liquidation of the Company.
10. After receipt of the Plan, the Bissell Shareholders attempted to work with the Noteholders Committee, the IOO and the Representative Counsel to ensure that enough information was being provided to the Noteholders regarding the Cash-Out and Ongoing-Concern Options as well liquidation of the Company. The Noteholders Committee, the IOO and the Representative Counsel were not supportive of the option to liquidate the Company and did not forward any advice onto the Noteholders regarding the liquidation option.
11. An informal information meeting was held for the Noteholders on March 26, 2011 at which time the members of the Noteholders Committee and the IOO provided information on the Plan and the benefits of implementing the Ongoing-Concern Option.
12. The liquidation of the Company was not discussed at the March 26, 2011 meeting by the members of the Noteholders Committee, the IOO and the Representative Counsel.
13. The Applicant, the IOO and the Representative Counsel are of the opinion that the Plan proposed is fair and reasonable, but have failed to provide sufficient information to the Noteholders regarding its calculations, assumptions and projections in comparison or in contrast with the liquidation of the Company.
14. Both before and after the March 26, 2011 meeting, the Bissell Noteholders attempted to have communicate with other Noteholders through the Noteholders Committee. These attempts were not successful.

15. The Monitor served its Thirteenth Report of the Monitor (the “13<sup>th</sup> Report”) the afternoon of April 7, 2011; the 13<sup>th</sup> Report contained an updated liquidation analysis for the Applicant and projected the Company’s value in liquidation at 42 cents – an increase of 12% since March 31, 2010. The Plan relies on the old liquidation analysis generated in March 31, 2010.
16. It is important to develop a system or interface wherein the Noteholders can communicate, question, receive information and express concerns to each other. It is also important to be able to advise the Noteholders about the potential benefits of the liquidation of the Company.
17. The Noteholders received tax advice on or about July 21, 2010; the plan under which that advice was given has changed; however, there has not been any updated tax advice provided to the Noteholders under the Plan.
18. Given the Service of the 13<sup>th</sup> Report and the potential implications of the information contained therein, the Noteholders require additional time to synthesize and obtain independent professional advice regarding the implications of the Plan and liquidation.
19. To date, neither the Plan nor the 13<sup>th</sup> Report considers the saleable value of the Company’s debts to third party purchasers.
20. Sections 4 and 7 and of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
21. Rules 1.04, 3.02, 37 and 59.06 of the *Rules of Civil Procedure*; and,
22. 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 Affidavit of Brenda Bissell sworn April 12, 2011 and exhibits attached thereto;
- b) The Affidavit of Michael Carnegie sworn April 12, 2011 and exhibits attached thereto;
- c) The Initial Order made by Madam Justice Pepall on March 23, 2010;
- d) The First Report of the Monitor dated April 15, 2010;
- e) The Order of Justice Pepall dated June 15, 2010 appointing Representative Counsel;
- f) The Order of Justice Cumming dated September 23, 2010 permitting the release of preferred shareholder information;
- g) The Order of Justice Pepall dated November 22, 2010 appointing the Interim Operating Officer;
- h) The First Report of the Interim Operating Officer dated February 11, 2011;
- i) The proposed Plan of Compromise and Arrangement of the Applicant dated February 11, 2011 (amended February 24, 2011);
- j) The Order of Justice Morawetz dated March 4, 2011 regarding the Plan and setting a Meeting of Creditors on April 16, 2011; and,
- k) The Thirteenth Report of the Monitor dated April 6, 2011; and,

- l) Such further and other material as counsel may advise and this Honourable Court may permit.

February 11, 2011

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Lawyers for the Bissell  
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**TO: THIS HONOURABLE COURT**

**AND TO: THE ATTACHED SERVICE LIST**