

**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

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

September 28, 2010

INTRODUCTION

1. By Order of this Honourable Court dated March 23, 2010 ("**the Initial Order**"), Nelson Financial Group Ltd. ("**Nelson**" or "**the Applicant**") obtained protection from its creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**the CCAA**"). A copy of the Initial Order is attached as **Exhibit "A"**.
2. Pursuant to the Initial Order, A. John Page & Associates Inc. was appointed as monitor of the Applicant ("**the Monitor**"). Pursuant to the Initial Order, all proceedings against the Applicant were stayed until April 22, 2010, or such later date as this Honourable Court may order.
3. By Order of this Honourable Court dated April 22, 2010, the stay of proceedings was extended from April 22, 2010 to and including April 30, 2010.
4. By Order of this Honourable Court dated April 30, 2010, the stay of proceedings was extended from April 30, 2010 to and including June 7, 2010. The First Report of the Monitor dated April 15, 2010 ("**the First Report**") was also approved.

5. By Order of this Honourable Court dated June 4, 2010, the stay of proceedings was extended from June 7, 2010 to and including June 15, 2010. The Second Report of the Monitor dated June 2, 2010 ("**the Second Report**") was also approved.
6. By Order of this Honourable Court dated June 15, 2010, the stay of proceedings was extended from June 15, 2010 to and including July 30, 2010. The Third Report of the Monitor dated June 11, 2010 ("**the Third Report**") was also approved.
7. By Order of this Honourable Court dated July 7, 2010, the Fourth Report of the Monitor dated July 2, 2010 ("**the Fourth Report**") was approved.
8. By Order of this Honourable Court dated July 27, 2010, the stay of proceedings was extended from July 30, 2010 to and including October 1, 2010. The Fifth Report of the Monitor dated July 21, 2010 ("**the Fifth Report**") and the Supplemental to Fifth Report dated July 23, 2010 ("**the Supplemental to Fifth Report**") were also approved.
9. By Order of this Honourable Court dated August 27, 2010, the Sixth Report of the Monitor dated August 23, 2010 ("**the Sixth Report**") was approved.
10. The Monitor has filed the Seventh Report of the Monitor dated September 13, 2010 ("**the Seventh Report**") and the Supplemental to Seventh Report dated September 17, 2010 ("**the Supplemental to Seventh Report**") with this Honourable Court. The Seventh Report and the Supplemental to Seventh Report were prepared in connection with the Preferred Shareholder Motion (as defined herein).
11. A. John Page & Associates Inc. also prepared a report dated March 22, 2010 in its capacity as proposed monitor ("**the Pre Filing Report**").

PURPOSE OF THE REPORT

12. This is the Eighth Report of the Monitor in this proceeding (“**the Report**”). The purpose of the Report is to provide information to this Honourable Court on the activities of the Applicant and the Monitor since July 21, 2010, including, without limitation, the following:
- (a) the Applicant’s request to repay the secured indebtedness of Foscarini Mackie Holdings Inc. (“**Foscarini**”);
 - (b) dealings with Ms Elizabeth Pillon, the Monitor’s Independent Counsel (“**the Independent Counsel**”);
 - (c) the status of the Preferred Shareholder Motion (as defined herein);
 - (d) the status of the Claims Procedure (as defined herein);
 - (e) the development of a restructuring plan and the implementation thereof;
 - (f) the status of the proceeding commenced by staff of the Ontario Securities Commission (“**the OSC**”);
 - (g) the receipts and disbursements of the Applicant for the period from July 10, 2010 to September 10, 2010, including budget to actual variance analysis;
 - (h) the status of the Applicant’s operations and employees;
 - (i) the Applicant’s request for an extension of the stay of proceedings for the period commencing October 1, 2010 to and including November 15, 2010;
 - (j) dealings with the Representative Counsel (as defined herein) and the Noteholder

Committee (as defined herein); and

- (k) dealings with the Applicant's investors.

THE APPLICANT'S REQUEST TO REPAY THE SECURED INDEBTEDNESS OF FOSCARINI

13. The Applicant was indebted to Foscarini pursuant to a promissory note dated November 16, 2009 in the principal amount of \$653,341.63 ("**the Foscarini Promissory Note**"), which was secured by a pool of consumer loans pursuant to a Security Agreement dated November 16, 2009 ("**the Foscarini Security Agreement**"). Glenn Mackie and Lisa Mackie, the principals of Foscarini, also hold preferred shares of the Applicant.
14. Pursuant to the Fifth Report, the Monitor advised that the Applicant had entered into a settlement with Foscarini that included the payment of all amounts owing to Foscarini on account of the Foscarini Promissory Note and an exchange of mutual releases between the parties and the directors and officers of the Applicant. As at July 27, 2010, the total amount owing to Foscarini, including principal, interest and fees, was \$695,772.49.
15. Pursuant to the Supplemental to Fifth Report, the Monitor recommended that this Honourable Court approve the payment by the Applicant of all outstanding amounts owing by the Applicant to Foscarini for the following reasons:
 - (a) the Monitor had obtained an opinion from its legal counsel that the Foscarini Promissory Note and the Foscarini Security Agreement were valid and enforceable in accordance with their terms;
 - (b) the discharge of this secured indebtedness would stop the accrual of interest at the rate of 12% per annum; and
 - (c) the discharge of this secured indebtedness would also eliminate the Applicant's

administrative and legal costs associated therewith.

16. By Order of this Honourable Court dated June 15, 2010 (“**the June 15 Order**”), Douglas Turner, Q.C. was appointed as representative counsel (“**the Representative Counsel**”) for the holders of promissory notes issued by the Applicant (“**the Noteholders**”). Pursuant to the June 15 Order, the Representative Counsel was directed to engage Mr. Richard Jones as his special counsel to provide the Representative Counsel with advice in respect of the Mandate (as defined in the June 15 Order) and the provisions and operation of the CCAA. Attached as **Exhibit “B”** is a copy of the June 15 Order.
17. Mr. Jones raised concerns regarding whether Foscarini gave valid consideration for the Foscarini Promissory Note and whether the granting of the Foscarini Security Agreement constitutes a fraudulent preference or transaction at undervalue pursuant to Sections 95 and 96 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (“**the BIA**”). Mr. Jones requested that this Honourable Court adjourn the Applicant’s motion for approval of the repayment to allow him an opportunity to investigate these issues.
18. Pursuant to the Endorsement of the Honourable Madam Justice Pepall dated July 27, 2010 (“**the July 27 Endorsement**”), this Honourable Court adjourned the motion to August 24, 2010 to either hear the Applicant’s motion for approval of the repayment or to set a date upon which the Representative Counsel would challenge the validity, enforceability and priority of the Foscarini Promissory Note and the Foscarini Security Agreement. This Honourable Court also ordered that cross-examinations of Marc Boutet, the President of Nelson, and Foscarini occur on August 17 and 20, 2010, respectively. Attached as **Exhibit “C”** is a copy of the July 27 Endorsement.
19. On August 17 and 20, 2010, Mr. Jones conducted a cross-examination of Mr. Boutet and an examination of Lisa Mackie, respectively.
20. On August 24, 2010, Mr. Jones advised this Honourable Court that he required additional time to confer with the Representative Counsel on whether he would challenge the

validity, enforceability and priority of the Foscarini Promissory Note and the Foscarini Security Agreement. Accordingly, pursuant to the Endorsement of the Honourable Madam Justice Pepall dated August 24, 2010 (“**the August 24 Endorsement**”), this Honourable Court set a schedule for the resolution of this issue (“**the Foscarini Schedule**”) and ordered that the Applicant maintain at least the amount of \$800,000 to fund the proposed settlement with Foscarini. Attached as **Exhibit “D”** is a copy of the August 24 Endorsement.

21. Pursuant to Section 1 of the Foscarini Schedule, the Representative Counsel was required to decide whether he would oppose the proposed repayment of the Foscarini claim by noon on Friday, September 3, 2010.
22. On Wednesday, September 1, 2010, the Representative Counsel advised counsel for Foscarini that he would not be in a position to comply with Section 1 of the Foscarini Schedule and that he understood this triggered Section 2 thereunder. Section 2 of the Foscarini Schedule provides that the Representative Counsel is required to serve and file a statement of issues and the general facts upon which it would rely by September 10, 2010.
23. The Monitor understands that, subsequently, the Representative Counsel and Mr. Jones concluded that it was in the best interests of the Noteholders that a settlement be reached with Foscarini.
24. On September 8, 2010, Mr. Jones and counsel for Foscarini sought the agreement of the Applicant and the support of the Monitor as to a revised settlement on the following terms:
 - (a) Nelson shall pay to Foscarini, on or before September 27, 2010, the sum of \$696,775.43 in full and final satisfaction of all debts, interest and recovery costs owed up to that date. If payment is not made by September 27, 2010, then interest shall continue to accrue at the rate set out in the Foscarini Promissory Note until

repayment is made in full;

- (b) Foscarini, Glenn Mackie and Lisa Mackie will execute full and final releases in favour of Nelson, its officer and director and Stephanie Lockman Sobol, the controller of Nelson, in a form acceptable to counsel for Nelson and Foscarini, acting reasonably;
- (c) Glenn Mackie and Lisa Mackie shall take no further steps in connection with the restructuring of Nelson but shall be entitled to retain any benefits arising out of their ownership of preferred shares of Nelson;
- (d) the terms of settlement shall remain confidential until September 16, 2010; and
- (e) Nelson shall proceed to obtain an Order of this Honourable Court approving this revised settlement at a 9:30 a.m. hearing as soon as practicable and the Representative Counsel will consent to the relief sought therein.

- 25. On September 9, 2010, the Applicant's counsel advised the parties that the Applicant agreed to the revised settlement and the Monitor's counsel advised the parties that the Monitor would recommend the revised settlement to this Honourable Court.
- 26. On September 16, 2010, the parties attended before the Honourable Madam Justice Pepall and obtained an Order approving the revised settlement. Attached as **Exhibit "E"** is a copy of the Order dated September 16, 2010.
- 27. On September 20, 2010, the Applicant paid the sum of \$696,775.43 to Foscarini and the parties completed the remaining terms of the revised settlement.

DEALINGS WITH INDEPENDENT COUNSEL

- 28. As outlined in the Sixth Report, Ms Elizabeth Pillon was appointed pursuant to the Order

of the Honourable Madam Justice Pepall dated July 7, 2010 (“**the July 7 Order**”) as the Monitor’s Independent Counsel to provide her opinion to the Monitor on whether the claims and potential claims of the holders of preferred shares of the Applicant (“**the Preferred Shareholders**”) are claims provable within the meaning of Section 20(1)(a) of the CCAA and Section 121 of the BIA and, if so, whether they are “equity claims” within the meaning of Section 2 of the CCAA (“**the Opinion**”). Attached as **Exhibit “F”** is a copy of the July 7 Order.

29. On August 11, 2010, the Independent Counsel provided the Opinion to the Monitor. Further details regarding the Opinion are outlined in the Sixth Report.

THE PREFERRED SHAREHOLDER MOTION (AS DEFINED HEREIN)

30. Subsequent to obtaining the Opinion from the Independent Counsel, the Monitor brought a motion, returnable on August 27, 2010, for the following:
 - (a) advice and directions on the disclosure of the Opinion; and
 - (b) an Order authorizing and directing the Representative Counsel to bring a motion for an Order that all claims and potential claims of the Preferred Shareholders relating directly or indirectly to the ownership, purchase or sale of such preferred shares are “equity claims” within the meaning of the CCAA and that the Preferred Shareholders are to constitute a separate class in any plan of arrangement, are not entitled to vote at any meeting of creditors and that such claims shall not participate in any distribution by the Applicant to its creditors pursuant to any plan of compromise or arrangement in this proceeding until all creditors of the Applicant have been paid in full (“**the Preferred Shareholder Motion**”).
31. Pursuant to the Order of the Honourable Madam Justice Pepall dated August 27, 2010 (“**the August 27 Order**”), this Honourable Court:

- (a) authorized the disclosure of the Opinion by the Monitor subject to certain protections regarding solicitor-client privilege and the cross-examination of the Monitor and its legal counsel;
- (b) authorized and directed the Representative Counsel to bring the Preferred Shareholder Motion at 10:00 a.m. on September 27, 2010; and
- (c) required the Monitor to serve the Preferred Shareholders with notice of the Preferred Shareholder Motion by sending a letter to each of the Preferred Shareholders enclosing the Representative Counsel's Notice of Motion and advising the Preferred Shareholders that, among other things, if any Preferred Shareholder wished to oppose the Preferred Shareholder Motion, it was required to do so by serving responding court materials by September 17, 2010 ("**the Preferred Shareholder Letter**").

Attached as **Exhibit "G"** is a copy of the August 27 Order.

32. In accordance with the August 27 Order and as outlined in the Seventh Report, the Monitor:
- (a) posted, immediately, a copy of the Opinion on its website and made it available for unrestricted download;
 - (b) sent, by ordinary prepaid mail on September 3, 2010, the Preferred Shareholder Letter to each of the Preferred Shareholders at their last known address based upon the books and records of the Applicant; and
 - (c) published a notice to the Preferred Shareholders in the Toronto Star and the Globe and Mail on September 5 and 7, 2010, respectively.
33. On September 13 and 17, 2010, respectively, the Monitor served the Seventh Report and

the Supplemental to Seventh Report. On September 13 and 20, 2010, respectively, the Monitor posted the Seventh Report and the Supplemental to Seventh Report on the Monitor's website.

34. The Supplemental to Seventh Report included correspondence addressed to this Honourable Court from Preferred Shareholders setting out their respective views on the Preferred Shareholder Motion and requesting certain relief, including, in some instances, an adjournment of the Preferred Shareholder Motion.
35. On September 23, 2010, Nelson, the Monitor, staff of the OSC, Mr. Jones and Mr. John McVey, one of the Preferred Shareholders, attended before the Honourable Mr. Justice Cumming to address Mr. McVey's request for an adjournment of the Preferred Shareholder Motion.
36. After submissions to this Honourable Court and discussions, the parties agreed to an adjournment of the Preferred Shareholder Motion to October 18, 2010 for 3 hours and October 19, 2010 for 3 hours. The parties also agreed that the list of Preferred Shareholders would be disclosed to Mr. McVey. Attached as **Exhibit "H"** is a copy of the Order and Endorsement of the Honourable Mr. Justice Cumming dated September 23, 2010 with respect to these issues (**collectively, the "September 23 Order"**).
37. On September 23, 2010, in accordance with the September 23 Order, the Monitor provided Mr. McVey with a list of the Preferred Shareholders.
38. On September 23, 2010, the Monitor posted a copy of the September 23 Order and a notice to the Preferred Shareholders on its website advising them of the adjournment. Attached as **Exhibit "I"** is a copy of the Monitor's notice to the Preferred Shareholders dated September 23, 2010.
39. On September 23, 2010, the Monitor's legal counsel also contacted by telephone those Preferred Shareholders who had advised the Monitor that they would be attending on September 27, 2010 to advise them that the Preferred Shareholder Motion had been

adjourned.

THE CLAIMS PROCEDURE (as defined herein)

40. Pursuant to the Order of the Honourable Madam Justice Pepall dated July 27, 2010 (“**the Claims Procedure Order**”), this Honourable Court approved a claims procedure established by the Applicant and the Monitor (“**the Claims Procedure**”). Attached as **Exhibit “J”** is a copy of the Claims Procedure Order.
41. In accordance with the Claims Procedure, the Monitor sent letters enclosing the requisite document packages to all Known Noteholders, Known Trade Creditors and Known Preferred Shareholders (each term as defined in the Claims Procedure Order) on August 10, 2010. Attached as **Exhibit “K”** are copies of these letters without enclosures.
42. Also in accordance with the Claims Procedure, the Monitor posted the requisite Notice to Creditors and Preferred Shareholders in the Toronto Star and the Globe and Mail on August 22 and 24, 2010, respectively. Attached as **Exhibit “L”** are copies of the Notice to Creditors and Preferred Shareholders.
43. Pursuant to the Claims Procedure, the procedure for proving the Claims (as defined in the Claims Procedure Order) of the Noteholders and the Shareholdings (as defined in the Claims Procedure Order) of the Preferred Shareholders was based on a “negative confirmation” whereby the Monitor delivered a “Notice of Noteholder Claim” and “Notice of Shareholding”, respectively, to the known Noteholders and Preferred Shareholders of Nelson. Only if a Noteholder or Preferred Shareholder disagreed with the amounts and/or other information contained therein was there an obligation on that Noteholder or Preferred Shareholder to file a Proof of Claim or Proof of Shareholding, respectively, with the Monitor by the Claims Bar Date. Pursuant to the Claims Procedure, the “**Claims Bar Date**” was 4:00 p.m. (Eastern Daylight Time) on September 15, 2010.

44. The Claims Procedure did not consist of this “negative confirmation” procedure for the claims of any other type of claimant of Nelson, such as trade creditors. Accordingly, these other claimants were required to file a Proof of Claim with the Monitor by the Claims Bar Date.

45. As at the Claims Bar Date, the total claims of Noteholders and Shareholdings against Nelson (based on the “negative confirmation” procedure) are 321 claims totalling \$36,764,805.48 and 82 claims totalling \$14,775,199.05, respectively. In addition, the Monitor received 21 Proofs of Claim totalling \$1,543,443 (one of which was subsequently withdrawn) and 5 Proofs of Shareholding totalling \$1,218,200. In addition one Proof of Claim for \$12,860 was received after the Claims Bar Date.

46. The Monitor is in the process of reviewing and assessing the Proofs of Claim and Proofs of Shareholding filed.

47. Based on the Monitor’s initial review, of the 21 Proofs of Claim filed, the following Proofs of Claim are worth mentioning at this time:
 - (a) 7 Proofs of Claim are from Trade Creditors totaling \$3,445.00;

 - (b) 1 Proof of Claim is from a claimant claiming damages for a disclaimed lease totaling \$69,982.00;

 - (c) 1 Proof of Claim is from Nelson Investment Group Ltd. (“**Nelson Investment**”). As noted in the Third Report, Nelson Investment, an affiliated company of the Applicant, had registered a security interest under the *Personal Property Security Act (Ontario)* (“**the PPSA**”). Pursuant to Nelson Investment’s Proof of Claim, it claims to be owed \$167,317.64 as at March 23, 2010 and it claims to have security over all of the assets of the Applicant pursuant to a General Security Agreement dated September 20, 2006. Pursuant to a letter from Nelson Investment’s legal counsel that accompanied the Proof of Claim, Nelson

Investment indicated that Nelson Investment would waive its claim to security on the condition that the plan proposed by the Applicant is accepted by the requisite majorities of the classes of creditors and approved by this Honourable Court. In these circumstances, Nelson Investment would rank *pari passu* with all other unsecured creditors of the Applicant;

- (d) 1 Proof of Claim is from a Noteholder who claims to be owed \$276,096 as at March 23, 2010 and who claims to have a security interest in a number of old car leases pursuant to an Assignment Agreement dated May 16, 2006 (“**the Lease Assignment Agreement**”). This security interest has not been registered under the PPSA. Subsequent to the making of the Claims Procedure Order, it came to the Monitor’s attention that there are other investors who had received a similar form of Lease Assignment Agreement from the Applicant. The Monitor is in the process of determining with the Applicant the scope of any such other investors, the value of any subject car leases and the manner in which the claims of such investors should be treated in this proceeding. The Monitor will report to this Honourable Court on this issue in greater detail at a later date;
- (e) 2 Proofs of Claim are from Preferred Shareholders who are claiming that they made shareholder loans to the Applicant; and
- (f) 1 Proof of Claim is from a Preferred Shareholder who claims to have security, however, no security agreement has been provided.

48. As indicated above, the Monitor is in the process of reviewing and assessing the Proofs of Claim and Proofs of Shareholding filed and will provide a report to this Honourable Court at a later date.

49. The Monitor is of the view that none of the Proofs of Claim and Proofs of Shareholding filed raise concerns about the underlying accuracy of the Investor Database that was used to produce the Notice of Noteholder Claim and Notice of Shareholding that were

delivered to the Noteholders and the Preferred Shareholders, respectively. Accordingly, the Monitor is comfortable with the “negative confirmation” Claims Procedure that was used in this proceeding.

50. Pursuant to the Preferred Shareholder Motion, the Representative Counsel is seeking certain amendments to the Claims Procedure in the event that this Honourable Court determines that the claims and potential claims of the Preferred Shareholders are “equity claims” within the meaning of the CCAA and grants the related relief requested by the Representative Counsel.
51. The Monitor has set out its views on any amendments that should be made to the Claims Procedure in the Seventh Report and Supplemental to Seventh Report.

THE DEVELOPMENT OF A RESTRUCTURING PLAN

52. As advised in the Fifth Report, the Monitor is continuing to work closely with Nelson to develop a restructuring plan. In that regard, the Monitor has held a number of meetings with Nelson and its legal counsel to explore aspects of the plan.
53. The Monitor understands that the Applicant’s legal counsel is close to finalizing a first draft of a restructuring plan that would provide creditors with various options, including receiving a cash payment of approximately 25% of the amount of their claim within a few months of plan acceptance. Other options include continuing to invest in Nelson and receiving new promissory notes with a face value of approximately 50% of the creditor’s claim. The draft plan would also enable investors to maximize their tax losses for the taxation year.
54. Preferred Shareholders would have their existing Preferred Shares cancelled. They would then be able to either immediately claim a tax loss on their investment or be given a new form of preferred shares with rights to be determined.
55. On or about September 17, 2010, Lendcare Financial Services Inc. (“**Lendcare**”) sent a

letter to the Applicant and to the Monitor expressing its interest to purchase the Applicant's loan portfolio on an "as is where is" basis for a purchase price in the range of \$8 million to \$10 million ("**the Lendcare Letter of Intent**"). Attached as **Exhibit "M"** is a copy of the Lendcare Letter of Intent.

56. On or about September 18, 2010, the Monitor provided the Lendcare Letter of Intent to the Representative Counsel.
57. As outlined in the Second Report and the Third Report, the Applicant had previously partnered with Lendcare, which is a national provider of financial services that specializes in consumer financing partnerships with finance companies to offer retail and direct financing programs to customers. Also as outlined in the Second Report and the Third Report, Lendcare ceased referring customers to the Applicant and the Applicant sought to terminate its agreement with Lendcare including the non-compete provisions thereof. Pursuant to the Order of the Honourable Madam Justice Pepall dated June 15, 2010, this Honourable Court approved an Amendment and Termination Agreement dated June 11, 2010 between the Applicant and Lendcare pursuant to which the parties agreed to settle their dispute on the terms contained therein.
58. The Monitor has reviewed briefly the Lendcare Letter of Intent and is of the view that the purchase price offered for the Applicant's loan portfolio is significantly less than the total net recovery estimated pursuant to the Monitor's liquidation analysis.
59. Pursuant to the Third Report, the Monitor prepared a liquidation analysis pursuant to which the Monitor estimated a total net recovery of \$14,561,772. Accordingly, the Monitor does not recommend the offer made pursuant to the Lendcare Letter of Intent at this time.

CCAA DRAFT CRITICAL PATH TIMETABLE TO IMPLEMENTATION

60. Pursuant to the Fifth Report, the Monitor advised that it was of the view that there would

be a significant tax benefit to investors if any restructuring plan is implemented in the 2010 tax year. In this regard, the Monitor had prepared and attached as Exhibit "D" to the Fifth Report a draft timetable setting out the key dates by which certain aspects of the restructuring must be completed in order to achieve this objective (**"the Draft Critical Path Timetable"**). For ease, the Monitor has reproduced the Draft Critical Path Timetable as **Exhibit "N"** to this Report.

61. Pursuant to the Draft Critical Path Timetable, the status and priority of the claims and potential claims of the Preferred Shareholders, which are the subject of the Preferred Shareholder Motion, were to have been resolved by September 15, 2010 so that the Applicant could proceed to finalize a plan. However, this deadline was not met as a result of certain unanticipated issues such as the dispute regarding the repayment of the Foscarini secured indebtedness, the disclosure of the Opinion, the service of the Preferred Shareholder Motion on the Preferred Shareholders and the scheduling of the Preferred Shareholder Motion itself including the recent adjournment discussed above.
62. The Monitor will continue working with the parties towards the development of a plan, however, recent developments make it most unlikely that any such plan will be implemented in the 2010 tax year.

THE OSC PROCEEDING

63. Pursuant to the Third Report, the Monitor advised that, on May 12, 2010, Staff of the OSC had issued a Notice of Hearing pursuant to Section 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended and a Statement of Allegations against, among others, the Applicant, Nelson Investment Group Ltd., Marc Boutet and Stephanie Lockman Sobol.
64. The hearing of this matter on the merits is scheduled to be heard for two weeks commencing on February 14, 2011 and continuing on each day through to March 1, 2011 except for February 22, 2011.

THE APPLICANT'S RECEIPTS AND DISBURSEMENTS

65. Pursuant to the Third Report, the Monitor provided this Honourable Court with the Applicant's cash flow forecast for the period May 31, 2010 to September 10, 2010 ("**the Updated Cash Flow Forecast**").
66. Pursuant to the Supplemental to Fifth Report, the Monitor provided this Honourable Court with the Applicant's cash flow forecast for the period May 31, 2010 to October 1, 2010 ("**the Second Updated Cash Flow Forecast**"). The Second Updated Cash Flow Forecast was prepared in order to assist this Honourable Court in considering the Applicant's motion for an extension of the stay of proceedings to and including October 1, 2010. The Second Updated Cash Flow Forecast is identical to the Updated Cash Flow Forecast during the period from May 31, 2010 to September 10, 2010.
67. The Monitor has been monitoring the Applicant's receipts and disbursements on a weekly basis in accordance with the Initial Order and the CCAA. The Monitor has been comparing the actual results with the Second Updated Cash Flow Forecast. The Monitor provided information to this Honourable Court on the actual cash flows to July 9, 2010 in the Fifth Report. Attached as **Exhibit "O"** are the following three schedules:
 - (a) the Second Updated Cash Flow Forecast covering the period by week from May 31 to October 1, 2010 together with the cumulative forecasted cash flows for the period from July 10 to September 10, 2010;
 - (b) the actual cash flow by week from May 31 to September 10, 2010 and the projected cash flow by week from then on together with the cumulative actual cash flow for the period from July 10 to September 10, 2010 ("**the Actual/Projected Cash Flow**"); and

- (c) the variance by week from the Second Updated Cash Flow Forecast together with the cumulative variance for the period from July 10 to September 10, 2010 (**“the Cash Flow Variance Report”**).

68. As detailed in the Actual/Projected Cash Flow, the Applicant’s cash position as at September 10, 2010 is lower than the cash position anticipated in the Second Updated Cash Flow. The Applicant had on hand \$4,744,211 on September 10, 2010 compared to a budgeted balance of \$5,208,337, a difference of \$464,126. In the Fifth Report, the Monitor reported that the Applicant had on hand \$4,256,092 on July 9, 2010 whereas it had projected to have only \$3,957,279, a difference of \$298,813. Therefore, between July 10 and September 10, 2010, the Applicant’s cash collections, net of disbursements, are \$762,939 lower than forecast.

69. The major reasons for the difference are as follows:

- (a) Foscarini – the Applicant had budgeted on transferring \$40,826 from estimated collections on accounts assigned to Foscarini into a separate bank account pending resolution of the secured claim of Foscarini. Pursuant to the August 24 Endorsement, the Applicant was required to maintain at least \$800,000 in that separate bank account. Accordingly, the Applicant transferred sufficient funds to that separate bank account to comply with the August 24 Endorsement. As a result, transfers to that separate bank account were \$697,942 in excess of the amount included in the Second Updated Cash Flow Forecast;
- (b) net new deal funding was \$226,134 lower than forecast primarily because of the loss of two vendors. The Applicant’s efforts to build up its vendor-based lending are discussed later in this Report;
- (c) restructuring costs paid were \$139,276 higher than forecast. As noted earlier and as detailed in the Reports of the Monitor, the Monitor and its legal counsel, the

Applicant's legal counsel, the Representative Counsel and the Independent Counsel have collectively had to deal with a number of issues that were not fully anticipated in early June 2010 when the Updated Cash Flow Forecast was prepared. Some of the restructuring costs relating to these matters have yet to be billed and paid and, therefore, are included in the Third Updated Cash Flow Forecast;

- (d) collections from existing loans were \$184,666 lower than forecast; and
- (e) payroll and administrative expenses were \$33,774 lower than forecast.

OPERATIONS

- 70. Since the issuance of the Initial Order, the Applicant has continued its business generally in the normal course on the basis of lower lending volumes (including ongoing collection activity on the large number of existing loans) and paying all of its obligations when due. The Applicant has not disposed of any material assets outside of the ordinary course.
- 71. As noted in the Third Report, in order to provide for the repayment of existing investors as part of a successful restructuring plan, the Applicant decided to scale back lending to approximately 50% of historical lending levels because of its inability to locate adequate reasonably priced alternative funding. The Lendcare relationship referred to earlier in this Report had represented between 60% and 65% of the Applicant's lending volume. As detailed in the Third Report, when the Lendcare relationship ended, the Applicant was left with the task of building up its lending volumes to the reduced 50% level.
- 72. The decision by the Applicant to reduce its lending to 50% of its historical lending volume was based on the premise that the average term of new loans would be similar to that of its historical lending. On that basis, the Applicant's loan book would have trended to about half of its historical level, freeing up cash for creditors but allowing it to make sufficient profits to continue in business etc. Recent lending has however been more short

term. The Applicant has therefore recently decided to endeavour to increase its lending volumes beyond its self imposed cap of 50% of prior lending levels so that its book of loans will, ultimately be about 50% of their pre filing levels.

73. The Applicant currently has approximately eleven active vendors through which it sources consumer loans. It has recently signed on six new vendors. One of these vendors is already sourcing consumer loans that represent between 5-10% of the Applicant's lending. However, the Applicant also recently lost two vendors. One of these vendors, LG Electronics, had undertaken a pilot lending project but then elected to terminate the project when anticipated volumes of business did not materialize. The other vendor terminated its relationship with the Applicant when an underlying government program was cancelled. As noted earlier, it is actively searching for new vendors in order to increase its lending volumes so that its book of loans will ultimately be about 50% of their historical levels.

74. In response, in part, to comments made by the Monitor in the Third Report, the Applicant has been taking steps to improve its monitoring of delinquent accounts and its provisioning for such accounts. It has made short term improvements to its accounts receivable tracking software (although acknowledging that perhaps a more radical improvement will ultimately be required). It has formalized procedures to ensure all accounts are reviewed on a regular basis. It has also reached an agreement with a collection agency and has forwarded a number of delinquent accounts to that agency for action. It has booked, effective March 31, 2010, a bad debt provision of \$6,102,640. It is reassessing the adequacy of that provision on a quarterly basis.

EMPLOYEES

75. Since the Fifth Report the Applicant has reduced its headcount from 27 to 24 employees. All employee-related payments remain up to date. The Applicant is planning to reduce its headcount by a further three employees early in 2011.

76. The Applicant is in the process of cross-training existing staff in order to have a more flexible work force that is better able to handle the Applicant's reduced volume of business. At the present time, although lending volumes are approximately 65% below historical levels, the value of the loans on the Applicant's books has only fallen by approximately 25%. The Applicant is, therefore, reluctant to reduce headcount in the collections area at this time. In light of this, the Applicant anticipates that it may take many months before it reaches a new, stable, reduced staffing level.

OVERHEAD COSTS REDUCTION

77. The Applicant has been endeavoring to reduce its overhead costs in light of its plans to reduce its lending volumes to approximately 50% of its historical levels. However, the major component of its overhead costs is payroll and, as noted earlier, the number of employees is being reduced in line with the reduction of the book value of the Applicant's loans.
78. The Applicant has reduced rent expenditures by disclaiming a lease of premises in Barrie, Ontario.
79. Transaction-based costs, such as credit report fees and banking costs, are reducing automatically along with lending volumes.
80. The Monitor understands that the Applicant hopes to be able to reduce overhead costs further over the forthcoming months.

THE APPLICANT'S REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

81. The Applicant has requested that this Honourable Court approve an extension of the stay of proceedings from October 1, 2010 to and including November 15, 2010. The basis for this request is to allow the Applicant an opportunity to take further steps in its

restructuring, including continuing to develop a restructuring plan.

82. The Applicant has prepared an updated cash flow projection covering the period from September 11, 2010 to December 10, 2010 (**“the Third Updated Cash Flow Forecast”**). Attached as **Exhibits “P”, “Q” and “R”** are copies of the Third Updated Cash Flow Forecast, the management representation letter relating to the Third Updated Cash Flow Forecast and the Monitor’s Report on the Third Updated Cash Flow Forecast, respectively.
83. Based on the Third Updated Cash Flow Forecast, the Monitor is of the view that the Applicant has sufficient cash with which to operate for the period up to and including December 10, 2010.
84. Furthermore, the Monitor is of the view that the Applicant has been acting in good faith and with due diligence since the issuance of the Initial Order and is in compliance with the provisions of the Initial Order.
85. Accordingly, the Monitor recommends that this Honourable Court approve the Applicant’s request for the extension of the stay of proceedings.

DEALINGS WITH THE REPRESENTATIVE COUNSEL AND THE NOTEHOLDER COMMITTEE (as defined herein)

86. In late June 2010, the Representative Counsel established a committee consisting of 4 individual Noteholders (**“the Noteholder Committee”**) to assist and advise the Representative Counsel in this CCAA proceeding.
87. The Monitor has received numerous requests from the Representative Counsel, Mr. Jones, the Noteholder Committee and individual members of the Noteholder Committee for information regarding all aspects of the Applicant’s business, including, without limitation, past operations, current operations, employees, customer base, financial

information, the development of the Applicant's plan in this CCAA proceeding and the Applicant's future business plans.

88. The Monitor has had several face to face meetings, telephone conferences and email communications with the Representative Counsel, Mr. Jones, the Noteholder Committee and individual members of the Noteholder Committee pursuant to which the Monitor responded to many of their information requests. The Monitor also provided them with its working Excel model spreadsheet that is being used by the Monitor and the Applicant to develop a plan in this CCAA proceeding.
89. The Monitor denied those information requests which, in the Monitor's view, were confidential to the Applicant, too onerous to respond to and irrelevant to any plan in this CCAA proceeding.
90. The Monitor is of the view that it has acted reasonably in responding to the ongoing information requests from the Representative Counsel, Mr. Jones, the Noteholder Committee and individual members of the Noteholder Committee. The Monitor is also of the view that, in order to implement a plan as expeditiously as possible, the Monitor must focus on only those further information requests that are germane to any such plan.
91. The June 15, 2010 Order orders that "subject to such fee arrangements as have been agreed to by the Applicant and Representative Counsel, all reasonable legal fees and other incidental fees and disbursements incurred by Representative Counsel, up to an aggregate amount of \$75,000, shall be paid by the Applicant on a monthly basis..." The aggregate fees and disbursements of the Representative Counsel covering time spent to the latter part of July 2010 totaling almost \$75,000 have been paid by the Applicant. Billings for work done after that time have only been rendered recently by the Representative Counsel. Substantial time has been spent by the Representative Counsel and Mr. Jones since late July 2010. The Monitor anticipates that the Representative Counsel will be bringing a motion to this Honourable Court with respect to increasing the \$75,000 limit in the near future.

DEALINGS WITH INDIVIDUAL INVESTORS

92. Since July 21, 2010, which is the date of the Fifth Report, the Monitor and the Applicant have received a further approximately 300 telephone and other enquiries from investors.
93. The Monitor has, in particular, received and responded to a number of investor email, mail and fax inquiries. The Monitor and the Applicant have also had a number of face to face meetings with individual investors.
94. The Monitor has provided investors with information on the status of the restructuring, the Claims Procedure, the Preferred Shareholder Motion and other matters.

WEBSITE

95. The Monitor has posted all public documents related to this CCAA proceeding, including copies of all court orders, motion records and court reports, on its website at www.ajohnpage.com/html/files.html. Based on feedback received by the Monitor, the Monitor is of the view that this method of disseminating information is being well used by stakeholders.

RECOMMENDATION

96. Based on the foregoing, the Monitor recommends that this Honourable Court:
 - (a) extend the stay of proceedings for the period from October 1, 2010 to and including November 15, 2010; and
 - (b) approve the Seventh Report, the Supplemental to Seventh Report and this Report (**collectively, “the Reports”**) and the Monitor’s conduct and activities as described in the Reports.

All of which is respectfully submitted this 28th day of September, 2010

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

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

September 28, 2010

Initial Order of the Ontario Superior Court of Justice (Commercial List) dated March 23, 2010	A
Order of the Honourable Madam Justice Pepall dated June 15, 2010	B
Endorsement of the Honourable Madam Justice Pepall dated July 27, 2010	C
Endorsement of the Honourable Madam Justice Pepall dated August 24, 2010	D
Order of the Honourable Madam Justice Pepall dated September 16, 2010	E
Order of the Honourable Madam Justice Pepall dated July 7, 2010	F
Order of the Honourable Madam Justice Pepall dated August 27, 2010	G
Order and Endorsement of the Honourable Mr. Justice Cumming dated September 23, 2010	H
Notice to the Preferred Shareholders dated September 23, 2010	I
Claims Procedure Order dated July 27, 2010	J

Letters from the Monitor enclosing the Claims Procedure document packages	K
Notice to Creditors and Preferred Shareholders re Claims Procedure	L
Lendcare Letter of Intent dated September 17, 2010	M
Draft Critical Path Timetable	N
Second Updated Cash Flow Forecast	O
Actual/Projected Cash Flow	
Cash Flow Variance Report	
Third Updated Cash Flow Forecast	P
Management Representation Letter on the Third Updated Cash Flow Forecast	Q
Monitor's Report on the Third Updated Cash Flow Forecast	R



Exhibit "A"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

Initial Order

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

6. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any

nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$100,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").

11. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

12. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

13. THIS COURT ORDERS that until and including April 22, 2010, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

15. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data

services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant

after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

20. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$200,000, as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraphs 31 and 33 herein.

21. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 19 of this Order.

APPOINTMENT OF MONITOR

22. THIS COURT ORDERS that A. John Page & Associates Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (d) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

24. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations

thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

27. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis.

29. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of

\$1,000,000.00. as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 31 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

31. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,000,000.00); and

Second – Directors' Charge (to the maximum amount of \$200,000.00).

32. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge and the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

33. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, save and except the Encumbrances in favour of Glen Mackie and Lisa Mackie and Foscarini Mackie Holdings Inc., to the extent they are determined to be valid and enforceable and properly perfected by counsel to the Monitor.

34. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge, unless the Applicant also obtains the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

35. THIS COURT ORDERS that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicant pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

36. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

37. THIS COURT ORDERS that, subject to paragraph 38 of this Order, the Monitor shall (i) without delay, publish in the Globe and Mail newspaper a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the

estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

38. THIS COURT ORDERS that notwithstanding the provisions of paragraph 23(1)(a)(ii) of the CCAA, the Monitor shall not be obliged to publish and/or make publicly available the name or address of (i) any current and former Nelson Financial employees on account of employment-related liabilities, and (ii) any person holding securities issued by the Applicant which includes, but is not limited to, any person holding Notes and Pref Shares as defined in the Affidavit of Marc Boutet sworn March 22, 2010.

39. THIS COURT ORDERS that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

40. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.ajohnpage.com.

GENERAL

41. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

42. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

43. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

44. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

45. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

46. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order.



RECEIVED
MARCH 23 1986

MAR 23 1986

PER/PAR JV

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)

INITIAL ORDER

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Clifton P. Prophet / Frank Lamie
LSUC No.: 34345K / 54035S

Telephone: (416) 862-3509 / (416) 862-3609
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SOLICITORS FOR THE APPLICANT



Exhibit "B"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
dated September 28, 2010**

**Order of the
Honourable Madam Justice Pepall
dated June 15, 2010**

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM
JUSTICE PEPALL

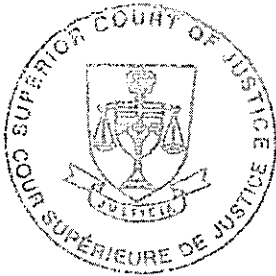
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TUESDAY, THE 15th
DAY OF JUNE, 2010

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. (the "Applicant")

Applicant



ORDER

(Appointing Representative Counsel)

THIS MOTION, made by Nelson Financial Group Ltd. (the "Applicant") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the Affidavit of Marc Boutet sworn June 11, 2010 and the Third Report (the "Third Report") of A. John Page & Associates Inc. in its capacity as Court-appointed monitor of the Applicant (the "Monitor") and on hearing from counsel for the Applicant, the Monitor, ^{the Ontario Securities Commission, Foscarni Mackie Holdings} ~~and such other counsel as were present, no one else~~ ^{the Ontario Securities Commission, Foscarni Mackie Holdings, Noel and Lorna D'Elves and Lendcare Financial Services Inc., no one else} appearing although duly served as appears from the affidavit of service, filed.

the Gr + L Mackie

svf

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

- subject to 3(e) -

of

2. **THIS COURT ORDERS** that Douglas Turner, Q.C. be and is hereby appointed as representative counsel (the "**Representative Counsel**") to represent the interests of all persons who, as at March 23, 2010, held promissory notes issued by the Applicant (the "**Noteholders**") for the sole purpose of advising the Noteholders in respect of any plan of compromise or arrangement in this CCAA proceeding (the "**Mandate**").

3. **THIS COURT ORDERS** that, in fulfilling the Mandate, the Representative Counsel:

- (a) may consult with individual Noteholders but shall not be obligated to follow the instructions of nor provide opinions to individual Noteholders;
- (b) may consult with and provide his views to the Monitor and/or the Applicant;
- (c) shall act in the best interests of the Noteholders as a whole and take such necessary and appropriate actions and steps as the Representative Counsel deems fit from time to time; and,
- (d) shall incur no liability or obligation as a result of his appointment or the carrying out of the provisions of this Order save and except for any gross negligence or

✓ wilful misconduct on his part; and,

(e) is directed to engage Richard B. James as special counsel on an as needed basis to provide the Representative Counsel with advice in respect of the Mandate and the provisions and operation of the CCAA.

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

87P

5. **THIS COURT ORDERS** that the Applicant shall, subject to the Representative Counsel executing a confidentiality agreement, provide to Representative Counsel, without charge, the names, last known addresses, last known telephone numbers, and last known e-mail addresses (if any) of all the Noteholders, to be used only for the purposes of the performance by the Representative Counsel of the Mandate.

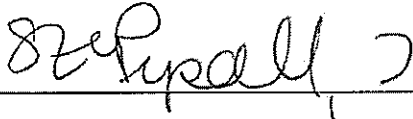
6. **THIS COURT ORDERS** that, subject to such fee arrangements as have been agreed to by the Applicant and Representative Counsel, all reasonable legal fees and other incidental fees and disbursements incurred by Representative Counsel, up to an aggregate amount of \$75,000, shall be paid by the Applicant 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 Court for determination.

7. **THIS COURT ORDERS** that the Representative Counsel is authorized to take all steps and to do all acts necessary or desirable to carry out the terms of this Order, including dealing with any Court or any regulatory body, other governmental ministry, department or agency (each a “**Governmental Authority**”), and to take all such steps as are necessary or incidental thereto, provided adequate notice is given to the Applicant and the Monitor before any formal proceedings before a Court or Governmental Authority are commenced.

8. **THIS COURT ORDERS** that a copy of this Order and a letter from the Representative Counsel explaining the effect of this Order be posted on the Monitor’s website.


9. **THIS COURT ORDERS** that no action or other proceedings shall be commenced against the Representative Counsel relating to their acting as such, except with prior leave of this Court, on at least 7 days’ notice to the Representative Counsel.

10. **THIS COURT ORDERS** that Representative Counsel may from time to time apply to this Court for advice and directions in respect of its appointment or the fulfillment of its duties in carrying out the provisions of this Order, upon notice to the Applicant and the Monitor and to other interested parties, unless otherwise ordered by the Court.



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

JUN 15 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 Representative Counsel)

GOWLING LAFLEUR HENDERSON LLP

Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Clifton P. Prophet / Frank Lamie
LSUC No.: 34345K / 54035S

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Facsimile: (416) 862-7661

SOLICITORS FOR THE APPLICANT



Exhibit "C"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Endorsement of the
Honourable Madam Justice Pepall
dated July 27, 2010**

Nelson Financial Group Ltd.
Unofficial Transcription of the Endorsement of Madam Justice Pepall

July 27, 2010

The Applicants apply for various relief. No one is opposed.

1. The stay is extended to Oct 1, 2010. Based on the cash flows there is adequate cash to support the company during the stay period. This time will enable the company to proceed with the claims process and work on its plan. Ongoing stability will be provided. The Monitor is of the view that the company is acting in good faith and with due diligence. In my view it is appropriate to grant the stay extension requested.
2. The Claims Procedure Order requested as amended is a fair and cost effective approach to the determination of claims. Given the reported state of the books and records of the Applicant and the nature of the business, the negative confirmation approach for the noteholders and preferred shareholders is appropriate.

Ms Pillon was going to deliver a legal opinion by July 31, 2010 but this time line is now extended to August 11, 2010.

The Applicant is proposing that disputed claims be brought to the court rather than to a claims officer. The Applicant and the Monitor will consider this issue further subject to the number of disputed claims, if any. The amended CP order is approved.

3. Paragraph 1(d) of the Notice of Motion is adjourned to August 24, 2010 for 1 hour before me to either set a date or to hear the motion for approval.

In the circumstances no formal proof of claim need be filed by Foscarini Mackie Holdings Inc. There will be an issue ultimately relating to interest and costs to be addressed. Cross examinations of Mr. Boutet and Foscarini Mackie will take place on Aug 17 and 20.

* The schedules contained in the proposed order may be amended to clarify that the definition of Directors is that found in the definition section of the Claims Procedure Order (para 3.)

4. The Monitor's 5th Report and Supplement are approved as are the fees of the Monitor and its counsel. I am satisfied that the latter are fair and reasonable. This should not be interpreted as approval of the legal opinion letter contained in the Supplement.

Madam Justice Pepall

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Re Nelson Financial Group Ltd.
Plaintiff(s)

AND

Defendant(s)

Case Management Yes No by Judge: Ripoll, J

Counsel	Telephone No.:	Facsimile No.:
<u>see attached</u>		

- Order Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: _____
- Time Table approved (as follows): _____

The Applicants apply for various relief. No one is opposed.

1. The Stay is extended to Oct 1, 2010. Based on the cash flows there is adequate cash to support the company during the stay period. This time will enable the company to proceed with the claims process + work on its plan. Ongoing Ability will be provided. The monitor is of the view that the company is acting in good faith + with due diligence. In my view it is appropriate to grant the stay extension requested.

2. The claims procedure order requested as amended is a fair + cost effective approach to the determination of claims. Given the reported state of the books + records of the Applicant + the nature of the matters,

July 27, 2010
Date

Ripoll, J
Judge's Signature

Additional Pages 2

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

The repetitive correspondence approach for the noteholders - preferred shareholders is appropriate. *

Mrs. Pilon was going to deliver a legal opinion by July 31, 2010, but this timeline is now extended to August 11, 2010.

The Applicant is proposing that disputed claims be brought to the court rather than to a claims officer. The Applicant + the Monitor will consider this issue further, subject to the number of disputed claims, if any. The amended order is approved.

3. Paragraph 3.1(d) of the Notice of Motion is adjourned to August 24, 2010 for 1 hour before me to either set a date or to hear the motion for approval.

In the circumstances, no final proof of claim need be filed by Pascarni Machine Holdings Inc. There will be an issue ultimately relating to interest + costs to be addressed. HES of MV Bantet + Pascarni Machine will take place on Aug 17 + 20.

* The schedules contained in the proposed order may be amended to clarify that the definition of director is that found in the definition section of the Claims Procedure Order (para 3).

4. The ^{Monitor's} report + supplement are approved as are the fees of the Monitor + its counsel. I am satisfied that the latter are fair + reasonable. This should not be interpreted as approval of the legal opinion letter.

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

contained in the supplement.

Asprell, J

SUPERIOR COURT OF JUSTICE

COURT FILE NO: 10-CL-8630

DATE: July 27/10

SHORT TITLE:

NELSON FINANCIAL GROUP LTD
LEND CARE FINANCIAL SERVICES INC

COUNSEL SHEETS FOR MOTION (CIVIL)

MOVING COUNSEL

NAME: Clifton Prophet
for Nelson Financial
416 862-3509 (p)
416 863-3509 (f)

TELEPHONE:
FAX:

RESPONDING COUNSEL

NAME: ① Pamela Fou
Ontario Sec. Comm
T-416 593-23
F-416 593-23

② DOUGLAS TURNER
905-852-6196
FAX - 6194

③ Jordana Bergman-Stiteman
(416) 869-5510 Elliott LL

④ S. Aggarwal for the Monitor
T: 416-304-1616
F: 416-304-1313

TELEPHONE:

FAX: ⑤ S. MITRA for Foscarini Mackie
Holdings Inc.
(416) 865 3085
(416) 863 1515 (f)

APPEARING FOR

- PLAINTIFF/PETITIONER/APPLICANT
- DEFENDANT/RESPONDENT
- OTHER--SPECIFY

APPEARING FOR

- PLAINTIFF/PETITIONER/APPLICANT
- DEFENDANT/RESPONDENT
- OTHER--SPECIFY - Note holders
- independent counsel

TYPE OF MOTION (CHECK ONE ONLY)

- INJUNCTION
- JUDGMENT
- DECLARATION
- CONTEMPT
- DISMISS ACTION
- STAY PROCEEDINGS
- ORDER TO GO

- ATTEND EXAMINATION
- APPEAL MASTER
- EXPEDITE TRIAL
- VEXATIOUS PROCEEDINGS
- OPINION/ADVISE/DIRECTIONS
- APPOINT OR REMOVE EXECUTOR
- OTHER

NATURE OF MOTION (CHECK ONE ONLY)

- CONTESTED
- UNOPPOSED

- ON CONSENT
- WITHOUT NOTICE



Exhibit "D"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Endorsement of the
Honourable Madam Justice Pepall
dated August 24, 2010**

Nelson Financial Group Ltd.

August 24th, 2010 Endorsement by Pepall, J. of July 27th, 2010 Motion

To address the issue of the validity, priority and enforceability of the secured claim of Foscarini Mackie Holdings Inc., the parties will proceed in accordance with the following steps and schedule:

1. The Representative Counsel will decide on or before Friday, September 3, 2010 whether or not he will oppose the proposed settlement of the Foscarini Mackie claim. If he determines not to oppose, the order can be granted on consent or without opposition on a chambers attendance of the debtor Applicant.
2. If the matter is to proceed there shall be a trial of an issue on the following schedule:
 - (a) On or before Friday, September 10, 2010, Representative Counsel shall serve and file a statement of issues and the general facts on which it relies.
 - (b) On or before Friday, September 17, 2010, any parties interested shall serve and file replies setting out their positions and the general facts on which they rely.
 - (c) The statement of issues and the replies shall constitute pleadings. The transcripts, exhibits and responses to undertakings of the examinations of Marc Boutet and of Lisa Mackie shall be dealt with as discoveries.
 - (d) Factums shall be delivered and filed by noon on Thursday, October 7, 2010.
 - (e) The trial of the issue shall be held commencing at 2:00 pm on Tuesday, October 12, 2010 and continuing as needed on October 13, 2010.
3. The company shall maintain at least \$800,000 to fund the proposed settlement with Mr. Mitra's client.

Pepall, J.

August 24, 2010

To address the issue of the validity, priority and enforceability of the secured claim of Foscarini MacKie Holdings Inc. the parties will proceed in accordance with the following steps and schedule:

1. The Representative Counsel will decide on or before Friday, September 3, 2010 whether or not he will oppose the proposed settlement of the Foscarini MacKie claim. If he determines not to oppose, the order can be granted on consent or without opposition on a chambers attendance of the debtor Applicant.
2. If the matter is to proceed there shall be a trial of an issue on the following schedule:
 - a) on or before Friday September 10, 2010, Representative Counsel shall serve and file a statement of issues and the general facts on which it relies.
 - b) on or before Friday September 17, 2010, any parties interested shall ^{serve and} file replies setting out their positions and the general facts on which they rely.
 - c) The ~~statement of~~ issues and the replies shall constitute pleadings. ~~All~~ ^{The} transcripts, exhibits and responses to undertakings of the examinations of Marc Bootet and of his MacKie shall be dealt with as discovered and shall be admissible evidence at trial.
 - d) Facts shall be delivered and filed by noon on Thursday October 7, 2010.
 - e) The trial of the issue shall be held commencing at 2:00 pm on Tuesday October 12, 2010 and continuing as needed on October 13, 2010.
3. The company shall maintain at least \$500,000 to fund the proposed settlement with Mr. Miron's client. SVP Repell, J

27 JULY 2010

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
(COMMERCIAL LIST)

(PROCEEDING COMMENCED AT TORONTO)

MOTION RECORD
(Returnable July 27, 2010)

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

Clifton P. Prophet (LSUC# 34845K)
Frank Lamie (LSUC #54035S)
Tel: (416) 862-3509
Fax: (416) 863-3509

Solicitors for the Applicant
Nelson Financial Group Ltd.

Aug 24, 2010

on consent, order to issue as per attached.

Seppell, J.

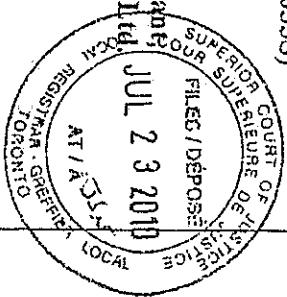




Exhibit "E"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Order of the
Honourable Madam Justice Pepall
dated September 16, 2010**



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**THE HONOURABLE MADAM)
JUSTICE PEPALL)**

**THURSDAY, THE 16th
DAY OF SEPTEMBER, 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. (the "Applicant")**

Applicant

ORDER

THIS MOTION made by the Applicant, Nelson Financial Group Ltd. ("**Nelson Financial**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an Order, *inter alia*:

- (a) abridging and validating the time for service of the Affidavit of Marc Boutet sworn September 15, 2010, so that this motion is properly returnable today and dispensing with further service thereof; and,
- (b) approving a certain settlement with and payment to Foscarini Mackie Holdings Inc. ("**Foscarini Mackie**"), in full and final satisfaction of the claims of Foscarini Mackie under security held over certain of the assets of Nelson Financial (the "**Foscarini Mackie Security**"),

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

UPON READING the material filed, including the Notice of Motion dated July 21, 2010, the Fifth Report, the Supplemental to the Fifth Report, the Affidavit of Marc Boutet sworn July 21, 2010, and the Affidavit of Marc Boutet sworn September 15, 2010 and upon hearing the submissions of counsel for Nelson Financial, counsel for the Monitor, representative counsel for the holders of promissory notes issued by Nelson Financial (the "Representative Counsel") and special counsel to the Representative Counsel, counsel for Foscarini Mackie Holdings Inc., Lisa Mackie and Glenn Mackie, ^{and on consent of all of the aforementioned} no one else appearing although duly and properly served, SWP

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Affidavit of Marc Boutet sworn September 15, 2010 is hereby abridged and validated such that this Motion is properly returnable today and hereby dispenses with further service thereof.

FOSCARINI MACKIE SECURITY

2. **THIS COURT ORDERS** that the settlement arrangements for the payment by Nelson Financial of amounts claimed by Foscarini Mackie under the Foscarini Mackie Security, as documented by the correspondence attached as **Exhibit "D"** to the Affidavit of Mark Boutet sworn September 15, 2010, are hereby approved.

3. **THIS COURT ORDERS** that Nelson Financial is hereby authorized and directed to pay \$696,775.43 to Foscarini Mackie Holdings Inc., in full and final settlement of the claims of Foscarini Mackie under the Foscarini Mackie Security and in consideration of the release to be granted by Foscarini Mackie in favour of Nelson Financial and others.



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

SEP 16 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

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
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Clifton P. Prophet / Frank Lamie
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SOLICITORS FOR THE APPLICANT



Exhibit "F"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Order of the
Honourable Madam Justice Pepall
dated July 7, 2010**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM)
)
JUSTICE PEPALL)
)
)

WEDNESDAY, THE 7th

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.

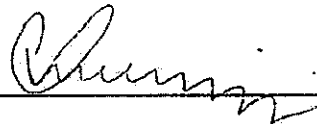
7. **THIS COURT ORDERS** that the activities of the Independent Counsel shall be restricted to fulfilling the Mandate.

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.

ENTERED AT / INSCRITA 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



Exhibit "G"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Order of the
Honourable Madam Justice Pepall
dated August 27, 2010**



ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM) FRIDAY, THE 27TH DAY
)
JUSTICE PEPALL) OF AUGUST, 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

THIS MOTION made by A. John Page & Associates Inc., in its capacity as the Court-appointed monitor of the Applicant (the "**Monitor**"), for the relief set out in its Notice of Motion dated August 23, 2010 (the "**Notice of Motion**") was heard this day at 330 University Avenue, Toronto, Ontario.

UPON READING the Monitor's Sixth Report to the Court dated August 23, 2010 and upon hearing from counsel for the Monitor, counsel for the Applicant, counsel for Staff of the Ontario Securities Commission, counsel for Douglas Turner Q.C. in his capacity as Court-appointed Representative Counsel for the holders of promissory notes issued by the Applicant (the "**Representative Counsel**"), counsel for Foscarini Mackie Holdings Inc. and Glen and Lisa

Mackie, 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 Sixth Report is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

THE PREFERRED SHAREHOLDER MOTION

2. **THIS COURT ORDERS** that the Representative Counsel is authorized and directed to make a motion to this Court at 10:00 a.m. on September [✓]27[✓], 2010 for an Order that all claims and potential claims of the holders of preferred shares of the Applicant (the "**Preferred Shareholders**") relating directly or indirectly to the ownership, purchase or sale of such preferred shares are "equity claims" within the meaning of the *Companies' Creditors Arrangement Act* (Canada) and that the Preferred Shareholders are to constitute a separate class in any plan of arrangement, are not entitled to vote at any meeting of creditors and that such claims shall not participate in any distribution by the Applicant to its creditors pursuant to any plan of compromise or arrangement in this proceeding until all creditors of the Applicant have been paid in full (the "**Preferred Shareholder Motion**").

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3. **THIS COURT ORDERS** that the Representative Counsel shall serve its motion record in respect of the Preferred Shareholder Motion by no later than September 2, 2010 and that the Monitor shall post such motion record on the Monitor's website.

4. **THIS COURT ORDERS** that the Order of this Court made June 15, 2010 in this proceeding (the “**Representative Counsel Appointment Order**”) be and the same is hereby amended and varied to include the bringing and prosecution of the Preferred Shareholder Motion and any related motions or appeals that may arise therefrom within the scope of the Mandate of the Representative Counsel.

5. **THIS COURT ORDERS** that the costs and disbursements of the Representative Counsel incurred in preparing and prosecuting the Preferred Shareholder Motion shall be subject to review and reasonable approval by the Monitor without waiver of any privilege by the Representative Counsel, shall thereupon be reimbursed and paid by the Applicant and shall not be subject to the terms and limitations of paragraph 6 of the Representative Counsel Appointment Order.

6. **THIS COURT ORDERS** that the Monitor shall serve the Preferred Shareholders with notice of the Preferred Shareholder Motion by sending a letter to each of the Preferred Shareholders (the “**Preferred Shareholder Letter**”), by ordinary prepaid mail to the Preferred Shareholder’s last known address based on the books and records of the Applicant by no later than September 3, 2010, enclosing a copy of the Representative Counsel’s Notice of Motion in respect of the Preferred Shareholder Motion, and advising the Preferred Shareholders as follows:

- (a) the Monitor has obtained an opinion from the Monitor’s Independent Counsel (the “**Opinion**”) and setting out the conclusions contained therein;
- (b) the Representative Counsel will make the Preferred Shareholder Motion to this Court at 10:00 a.m. on the date set forth in paragraph 2 above. The Monitor shall

advise that a copy of the complete motion record is available on the Monitor's website;

(c) the Monitor agrees with the conclusions of the Independent Counsel set out in the Opinion and will file a report in support of the Preferred Shareholder Motion;

(d) pursuant to the Order of the Honourable Madam Justice Pepall dated July 7, 2010, the Opinion does not constitute issue estoppel or *res judicata* with respect to any matters of fact or law referred to in the Opinion.

(e) if the Preferred Shareholder wishes to oppose the Preferred Shareholder Motion

and assert that it is entitled to rank equally with the Applicant's creditors, it is free to do so; and

(f) the Monitor recommends that, if the Preferred Shareholder wishes to oppose the Preferred Shareholder Motion and assert that it is entitled to rank equally with the Applicant's creditors, that the Preferred Shareholder should obtain legal advice and retain legal counsel to represent it.

7. **THIS COURT ORDERS** that Monitor shall publish a notice to the Preferred Shareholders once in each of the *Globe & Mail* and the *Toronto Star* by no later than September

7, 2010.

DISCLOSURE OF OPINION

8. **THIS COURT ORDERS** that, in connection with the Preferred Shareholder Motion, the Monitor shall post a copy of the Opinion on its website and report to the stakeholders and this Court on the conclusions of the Opinion.

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17 Sept 2010

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9. **THIS COURT ORDERS** that the Monitor's disclosure of the Opinion shall not constitute a waiver of the solicitor-client privilege of the Monitor with respect to any matters pertaining to the Opinion.

10. **THIS COURT ORDERS** that the Opinion shall not constitute evidence and the legal conclusions contained in any Monitor's report and the Preferred Shareholder Letter shall not constitute expert opinion evidence in this proceeding, or any subsequent proceeding, and the Monitor, its counsel and its Independent Counsel shall not be cross-examined on these documents or any of them.

11. **THIS COURT ORDERS** that the Monitor is hereby authorized, *nunc pro tunc*, to redact the Opinion attached as Exhibit "D" to the version of the Sixth Report served upon any party other than this Court.

MONITORS ACTIVITIES

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



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

AUG 27 2010

PER / PAR:

NB

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

Court File No.: 10-8630-00CL

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

Proceedings commenced at Toronto

ORDER

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Fax: 416-304-1313
Lawyers for the Monitor



Exhibit "H"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Order and Endorsement of the
Honourable Mr. Justice Cumming
dated September 23, 2010**



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) **THURSDAY, THE 23rd**
)
MR. JUSTICE CUMMING) **DAY OF SEPTEMBER, 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

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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Seema Aggarwal (LSUC# 50674J)
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Fax: 416-304-1313

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")

Sep 27/10 Court File No. 10-8630-00CL

Sep 22/2010

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

**MOTION RECORD
OF REPRESENTATIVE COUNSEL
FOR NOTEHOLDERS**
(Motion returnable September 27, 2010)

*It is agreed that Mr. McCreary will be given the opportunity to communicate with the noteholders to retain counsel to represent their interests at the return of the motion.
Order signed, & issue,
Peter A. Cumming J.*

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

Barrister & Solicitor
63 Albert Street
Uxbridge, ON L9P 1E5

Tel: (905) 852-6196
Fax: (905) 852-6197
Email: doug@pdturner.com

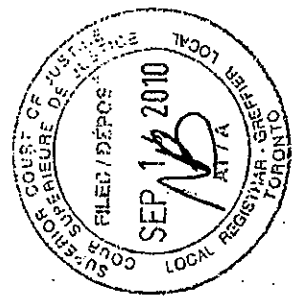




Exhibit "I"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Notice to the Preferred Shareholders
dated September 23, 2010**

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).

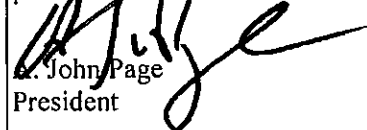
Mr. McVey may be contacted by phone at 1-262-893-5020 or by email at shareholders@genevaonline.com.

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.

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 23rd**
)
MR. JUSTICE CUMMING) **DAY OF SEPTEMBER, 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

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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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

*After submissions & discussion
on demand, the preferred shareholders
motion re the note holders' claims as creditors
& 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.)*

*It is agreed the list of
pref. shs. will be given to Mr.
Meyrey forthwith and he is free
to communicate with them as
to remain correct to represent
their interests at the return
of the motion. I issue,
Order signed, & issue,*

Peter Q. Cumming J.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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.

Barrister & Solicitor
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Exhibit "J"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Claims Procedure Order
dated July 27, 2010**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM)

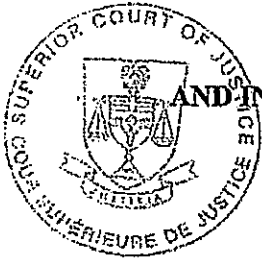
TUESDAY, THE 27th

JUSTICE PEPALL)

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. (the "Applicant")**



Applicant

CLAIMS PROCEDURE ORDER

THIS MOTION, made by the Applicant, for an Order, *inter alia*, approving the claims procedure with respect to holders of promissory notes issued by the Applicant, other creditors of the Applicant and holders of preferred shares issued by the Applicant was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicant's Notice of Motion, the Affidavit of Marc Boutet sworn July 21, 2010, the Fifth Report of A. John Page & Associates Inc. ("AJP&AI") in its capacity as the Monitor of the Applicant (the "Monitor") dated July 21, 2010 and the Supplemental to the Fifth Report and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, Representative Counsel for the holders of promissory notes issued by the Applicant, counsel for Foscarini Mackie Holdings Inc., Greg Mackie and Lisa Mackie, and

counsel for Staff of the Ontario Securities Commission, no one appearing for the other parties served with the Applicant's Motion Record, although duly served:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record filed by the Applicant in support of this Motion be and it is hereby abridged such that the Motion is properly returnable today.

MONITOR'S ROLE

2. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA (as hereinafter defined) and under the Initial Order of this Court dated March 23, 2010 (such Order, as supplemented, amended or varied from time to time, is referred to herein as the "Initial Order"), is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order.

THE CLAIMS PROCESS

3. **THIS COURT ORDERS** that the following terms shall have the following meanings ascribed thereto:
 - (a) "Business Day" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
 - (b) "CCAA" means *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
 - (c) "Claim" means
 - (i) any right of any Person against the Applicant in connection with any

indebtedness, liability or obligation of any kind of the Applicant, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Filing Date or which would have been claims provable in bankruptcy had the Applicant become bankrupt on the Filing Date, and any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement after the Filing Date to and including the Valuation Date (each a "Claim", and collectively, the "Claims"); and,

- (ii) any right of any Person against the Directors of the Applicant that relates to the Claims for which the Directors of the Applicant are by law liable to pay in their capacity as directors, officers, management and/or in such other similar capacity,

provided however, that "Claim" shall not include an Excluded Claim;

- (d) "Claims Bar Date" means 4:00 p.m. (Eastern Daylight Time) on September 15, 2010, or such later date as may be ordered by the Court;

- (e) "Commencement Date" means 4:00 p.m. (Eastern Daylight Time) on August 13, 2010, or such later date as may be ordered by the Court;
- (f) "Court" means the Ontario Superior Court of Justice (Commercial List);
- (g) "Creditor" means any Person having a Claim;
- (h) "Creditors' Meeting" means the meeting or meetings of Creditors scheduled pursuant to further Order of this Court, or by the Plan when and as filed with this Court;
- (i) "Directors" means Marc Boutet, Stephanie Sobol and all other current and former directors, officers and Persons acting in a management or other similar capacity of the Applicant;
- (j) "Dispute Notice" means a written notice to the Monitor, in substantially the form attached as Schedule "F" hereto, delivered to the Monitor by a Creditor or a Preferred Shareholder who has received a Notice of Disallowance, of its intention to dispute such Notice of Disallowance and provide further evidence to support its Claim or Shareholding, respectively;
- (k) "Document Packages" means the Noteholder Package, the Trade Creditor Package and the Preferred Shareholder Package (each a "Document Package");
- (l) "Excluded Claim" means
 - (i) claims secured by any of the "Charges", as defined in the Initial Order;

- (ii) claims against a Director which cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA;
 - (iii) claims for interest accruing on a Claim after the Filing Date;
 - (iv) claims secured by any of the "Charges" subsequently incorporated by means of an amendment or variation of the Initial Order; and,
 - (v) Shareholdings;
-
- (m) "Filing Date" means March 23, 2010;
 - (n) "Initial Order" has the meaning ascribed to that term in paragraph 2 of this Order;
 - (o) "Instruction Letter for Noteholders" means the Instruction Letter to Noteholders, in substantially the form attached as **Schedule "B1"** hereto;
 - (p) "Instruction Letter for Preferred Shareholders" means the Instruction Letter to Preferred Shareholders, in substantially the form attached as **Schedule "B2"** hereto;
 - (q) "Instruction Letter for Trade Creditors" means the Instruction Letter to Trade Creditors, in substantially the form attached as **Schedule "B3"** hereto;
 - (r) "Known Preferred Shareholders" means those Persons which the books and records of the Applicant disclose as holding preferred shares issued by the Applicant as at the Filing Date;

- (s) "Known Noteholders" means those Persons which the books and records of the Applicant disclose as holding promissory notes issued by the Applicant as at the Filing Date;
- (t) "Known Trade Creditors" means all Persons which the books and records of the Applicant disclose as holding Claims, other than Noteholders;
- (u) "Noteholder" means any Person holding promissory notes issued by the Applicant.
- (v) "Noteholder Package" means a document package that includes a copy of the Instruction Letter for Noteholders, a Notice of Noteholder Claim, a blank Proof of Claim, the Claims Procedure Order and such other materials as the Monitor may consider appropriate or desirable;
- (w) "Notice of Disallowance" means the notice, in substantially the form attached as Schedule "E" hereto, advising
 - (i) a Creditor that the Monitor has revised or rejected all or part of such Creditor's Claim set out in the Proof of Claim; or,
 - (ii) a Preferred Shareholder that the Monitor has revised or rejected all or part of such Preferred Shareholder's Shareholding set out in the Proof of Shareholding;
- (x) "Notice of Noteholder Claim" means the notice to Noteholders substantially in the form attached as Schedule "C1" hereto;

- (y) "Notice of Shareholding" means the notice to Preferred Shareholders substantially in the form attached as **Schedule "C2"** hereto;
- (z) "Notice to Creditors and Preferred Shareholders" means the notice to Creditors and Preferred Shareholders for publication in substantially the form attached as **Schedule "A"** hereto;
- (aa) "Person" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;
- (bb) "Plan" means the plan of arrangement by the Applicant, if and when filed and approved by this Court, as revised, amended, modified or supplemented from time to time in accordance with its terms;
- (cc) "Preferred Shareholder" means any Person holding preferred shares issued by the Applicant;
- (dd) "Preferred Shareholder Package" means a document package that includes a copy of the Instruction Letter for Preferred Shareholders, a Notice of Shareholding, a blank Proof of Shareholding, a blank Proof of Claim, the Claims Procedure Order and such other materials as the Monitor may consider appropriate or desirable;
- (ee) "Proof of Claim" means the form of Proof of Claim in substantially the form attached as **Schedule "D1"** hereto;

- (ff) "Proof of Shareholding" means the form of Proof of Shareholding in substantially the form attached as Schedule "D2" hereto;
- (gg) "Proven Claim" has the meaning ascribed to that term in paragraph 4 of this Order;
- (hh) "Proven Shareholding" has the meaning ascribed to that term in paragraph 5 of this Order;
- (ii) "Recorded Noteholding" has the meaning ascribed to that term in paragraph 7 of this Order;
- (jj) "Recorded Shareholding" has the meaning ascribed to that term in paragraph 10 of this Order;
- (kk) "Secured Claim" means any Claim or portion thereof that is secured by a security interest, pledge, mortgage, lien, hypothec or charge on any property of the Applicant, but only to the extent of the value of the security in respect of the Claim;
- (ll) "Shareholding" means
 - (i) the number of preferred shares issued by the Applicant and held by a Preferred Shareholder as at the Filing Date;
 - (ii) the amount of any due but unpaid dividends thereon as at the Filing Date;and,

- (iii) the amount of any accrued and unpaid dividends thereon as at the Filing Date;
- (mm) "Trade Creditor" means any Person asserting a Claim other than a Noteholder, including, without limitation, the following:
 - (i) those Persons which the books and records of the Applicant disclose were owed monies by the Applicant as of the Filing Date and which monies remain unpaid in whole or in part;
 - (ii) any Person who commenced a legal proceeding against the Applicant which legal proceeding was commenced and served upon the Applicant prior to the Filing Date;
 - (iii) any Person who is party to a lease, contract, employment agreement or other agreement of the Applicant which was terminated or disclaimed by the Applicant between the Filing Date and the Valuation Date; and,
 - (iv) any other Creditor actually known to the Applicant as at the Valuation Date;
- (nn) "Trade Creditor Package" means a document package that includes a copy of the Instruction Letter for Trade Creditors, a blank Proof of Claim, the Claims Procedure Order and such other materials as the Monitor may consider appropriate or desirable; and,
- (oo) "Valuation Date" means the date of this Order.

DETERMINATION OF PROVEN CLAIM AND PROVEN SHAREHOLDING

4. **THIS COURT ORDERS** that the amount and status of every Claim of a Creditor, as finally determined in accordance with the forms and procedures hereby authorized (a "Proven Claim"), including any determination as to the nature, amount, value, priority or validity of any Claim, including any Secured Claim, shall be final for all purposes, including the Plan, and including, without limitation, for any distribution made to Creditors.

5. **THIS COURT ORDERS** that the Shareholding of a Preferred Shareholder, as finally determined in accordance with the forms and procedures hereby authorized (a "Proven Shareholding"), shall be final for all purposes to be determined by further Order of the Court.

NOTICE TO CREDITORS AND PREFERRED SHAREHOLDERS

6. **THIS COURT ORDERS** that:
 - (a) the Monitor shall, by no later than the Commencement Date, post copies of the Claims Procedure Order, the Instruction Letter for Noteholders, the Instruction Letter for Trade Creditors, the Instruction Letter for Preferred Shareholders, a blank Proof of Claim and a blank Proof of Shareholding on its website and make them available for unrestricted download;

 - (b) the Monitor shall, by no later than the Commencement Date, send on behalf of the Applicant
 - (i) a Noteholder Package to each of the Known Noteholders;

- (ii) a Trade Creditor Package to each of the Known Trade Creditors; and,
 - (iii) a Preferred Shareholder Package to each of the Known Preferred Shareholders;
- (c) the Monitor shall publish on one (1) day, within 12 days of the Commencement Date, a Notice to Creditors and Preferred Shareholders (in substantially the form attached hereto as **Schedule "A"** hereto) in the Globe and Mail and the Toronto Star; and
- (d) the Monitor shall, provided such request is received prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request therefore a copy of the applicable Document Package to any Person claiming to be a Creditor or Preferred Shareholder and requesting such material.

CREDITORS' CLAIMS

7. **THIS COURT ORDERS** that the Monitor shall, as part of the delivery of the Noteholder Package to each Known Noteholder, record on the Notice of Noteholder Claim (attached as **Schedule "C1"** hereto) the amounts due to the Known Noteholder by the Applicant as at the Filing Date, including the amount of accrued interest to the Filing Date, on each of the promissory notes issued by the Applicant and held by the Known Noteholder (a "**Recorded Noteholding**").
8. **THIS COURT ORDERS** that the Recorded Noteholding set out in a Notice of Noteholder Claim shall be the Proven Claim of that Known Noteholder, unless the Known Noteholder elects to complete and file with the Monitor a Proof of Claim

(attached as **Schedule "D1"** hereto) after receipt of the Notice of Noteholder Claim and on or before the Claims Bar Date, in which case (a) the Claim as set out in the Proof of Claim shall be considered by the Monitor in accordance with the provisions of this Order, (b) the Notice of Noteholder Claim shall cease to have any effect whatsoever; and, (c) the Recorded Noteholding shall cease to be a Proven Claim.

9. **THIS COURT ORDERS** that the Monitor shall, as part of the delivery of the Trade Creditor Package to each Known Trade Creditor, send to any Known Trade Creditor a blank Proof of Claim (attached as **Schedule "D1"** hereto) pursuant to which the Known Trade Creditor may record its Claim. The Known Trade Creditor must complete and file the Proof of Claim with the Monitor on or before the Claims Bar Date in which case the Claim as set out in the Proof of Claim shall be considered by the Monitor in accordance with the provisions of this Order.

PREFERRED SHAREHOLDERS' SHAREHOLDINGS

10. **THIS COURT ORDERS** that the Monitor shall, as part of the delivery of the Preferred Shareholder Package to each Known Preferred Shareholder, record on the Notice of Shareholding (attached as **Schedule "C2"** hereto) the Shareholding of the Known Preferred Shareholder (the "**Recorded Shareholding**").
11. **THIS COURT ORDERS** that the Recorded Shareholding set out in a Notice of Shareholding shall be the Proven Shareholding of that Known Preferred Shareholder, unless the Known Preferred Shareholder elects to complete and file with the Monitor a Proof of Shareholding (attached as **Schedule "D2"** hereto) after receipt of the Notice of Shareholding and on or before the Claims Bar Date, in which case (a) the Shareholding as

set out in the Proof of Shareholding shall be considered by the Monitor in accordance with the provisions of this Order; (b) the Notice of Shareholder shall cease to have any effect whatsoever; and, (c) the Recorded Shareholding shall cease to be a Proven Shareholding.

For greater certainty, the delivery of the Notice of Shareholding, a Proof of Shareholding and/or the existence of a Proven Shareholding under the terms of this Order shall not entitle Preferred Shareholders to vote on or receive distributions under the Plan, absent further Order of this Court.

CLAIMS AND SHAREHOLDINGS BAR

12. **THIS COURT ORDERS** that any Creditor that elects to complete and file a Proof of Claim with the Monitor must do so such that the Proof of Claim is received by the Monitor on or before the Claims Bar Date. Any Creditor that does not file a Proof of Claim as provided for herein such that such Proof of Claim is received by the Monitor on or before the Claims Bar Date

- (a) shall be and is hereby forever barred from making or enforcing any Claim (other than a Recorded Noteholding) against the Applicant, the Directors, or any of them, as applicable;
- (b) shall not be entitled to vote at the Creditors' Meeting in respect of the Plan or to receive any distribution thereunder, except with respect to a Recorded Noteholding; and,
- (c) shall not be entitled to any further notice in, and shall not be entitled to participate

as a Creditor in, these proceedings, except with respect to a Recorded Noteholding.

13. **THIS COURT ORDERS** that any Preferred Shareholder that elects to complete and file a Proof of Shareholding with the Monitor must do so such that the Proof of Shareholding is received by the Monitor on or before the Claims Bar Date. Any Preferred Shareholder that does not file a Proof of Shareholding as provided for herein such that such Proof of Shareholding is received by the Monitor on or before the Claims Bar Date
- (a) shall be and is hereby forever barred from making or enforcing any Shareholding (other than a Recorded Shareholding) against the Applicant, the Directors, or any of them, as applicable;
 - (b) shall not be entitled to vote in its capacity as a Preferred Shareholder at the Creditors' Meeting in respect of the Plan or to receive any distribution thereunder, except with respect to a Recorded Shareholding, if it is determined by further Order of this Court that Preferred Shareholders are entitled to so vote or receive such distributions; and,
 - (c) shall not be entitled to any further notice in, and shall not be entitled to participate in its capacity as a Preferred Shareholder as a creditor in, these proceedings, except with respect to a Recorded Shareholding, if it is determined by further Order of this Court that Preferred Shareholders are entitled to receive further notice in or participate as a creditor in these proceedings.

PROOFS OF CLAIM AND PROOFS OF SHAREHOLDINGS

14. **THIS COURT ORDERS** that:

- (a) the Monitor may, where it is satisfied that a Claim or Shareholding has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Claim or Proofs of Shareholding;
- (b) the Monitor may determine the amount and status of any claim of a creditor arising after the Valuation Date but prior to the implementation of any Plan on a case by case basis; and,
- (c) any Claims denominated in any currency other than Canadian dollars shall, for the purposes of this Order, be converted to, and constitute obligations in, Canadian dollars, such calculation to be effected by the Monitor using the Bank of Canada noon spot rate on the Filing Date, as applicable.

REVIEW OF PROOFS OF CLAIM AND PROOFS OF SHAREHOLDING

15. **THIS COURT ORDERS** that the Monitor, in consultation with the Applicant, shall review all Proofs of Claims and Proofs of Shareholding filed on or before the Claims Bar Date and shall accept or disallow (in whole or in part) the amount and/or status of the Claim or Shareholding set out therein. Where the Monitor, in consultation with the Applicant, disallows (in whole or in part) the amount and/or status of a Claim or Shareholding, then the Monitor shall deliver a Notice of Disallowance (attached as Schedule "E" hereto) as soon as practicable to the respective Creditor or Preferred Shareholder. At any time, the Monitor may request additional information with respect to the Claim or Shareholding, and may request that the Creditor file a revised Proof of

20. **THIS COURT ORDERS** that where a a Creditor has delivered a Proof of Claim but ^{as} their Claim has not become a Proven Claim prior to a distribution under any Plan, the dividend to Creditors shall be calculated on the basis of the full amount of the Claim, and a reserve in respect of the specific Claim shall be established and held by the Monitor, but the Creditor shall not be entitled to a dividend based on the Claim unless and until, and only to the extent that, the Claim becomes a Proven Claim.

DISPUTE NOTICE

21. **THIS COURT ORDERS** that any Creditor or Preferred Shareholder who intends to dispute a Notice of Disallowance shall file a Dispute Notice (attached as Schedule "F" hereto) with the Monitor as soon as reasonably possible but in any event such that such Dispute Notice shall be received by the Monitor on or before 4:00 p.m. (Eastern Daylight Time) on the day that is fourteen (14) days after the Monitor sends the Notice of Disallowance in accordance with paragraph 15 of this Order. The filing of a Dispute Notice with the Monitor within the time limited therefore shall constitute an application to have the amount or status of such Claim or Shareholding determined as set out in paragraphs 23 to 25 hereof.
22. **THIS COURT ORDERS** that where a Creditor or Preferred Shareholder that receives a Notice of Disallowance fails to file a Dispute Notice with the Monitor within the time limited therefore, the amount and status of such Creditor's Claim or such Preferred Shareholder's Shareholding shall be deemed to be as set out in the Notice of Disallowance and such amount and status, if any, shall constitute such Creditor's Proven Claim or such Preferred Shareholder's Proven Shareholding.

Claim or that the Preferred Shareholder file a revised Proof of Shareholding. Where the Monitor delivers a Notice of Disallowance in accordance with this paragraph 15, it shall also deliver a blank Dispute Notice (attached as Schedule "F" hereto).

16. **THIS COURT ORDERS** that where a Claim has been accepted by the Monitor, such Claim shall constitute such Creditor's Proven Claim for all purposes, including for the purposes of voting and distribution under the Plan.
17. **THIS COURT ORDERS** that where a Shareholding has been accepted by the Monitor, such Shareholding shall constitute a Proven Shareholding, however, this determination shall not entitle Preferred Shareholders to vote on or receive distributions under the Plan absent further Order of this Court.
18. **THIS COURT ORDERS** that where a Claim or Shareholding has been disallowed (in whole or in part), the disallowed Claim or Shareholding (or disallowed portion thereof) shall not be a Proven Claim or Proven Shareholding, respectively, unless the Creditor or the Preferred Shareholder has disputed the disallowance and proven the disallowed Claim or Shareholding (or portion thereof) in accordance with paragraphs 21 to 25 of this Order.

EFFECT OF CLAIM THAT IS NOT A PROVEN CLAIM

19. **THIS COURT ORDERS** that where a Creditor has delivered a Proof of Claim but their ^{with} Claim has not become a Proven Claim prior to the Creditors' Meeting, the Creditor may vote its Claim at the Creditors' Meeting, and such vote shall be recorded by the Monitor, but the validity of the Claim and the corresponding vote by the Creditor shall not be final or binding on the Creditor, the Monitor, or the Applicant unless and until, and only to the extent that, the Claim becomes a Proven Claim. ^{sup}

RESOLUTION OF CLAIMS

23. **THIS COURT ORDERS** that as soon as practicable after the delivery of the Dispute Notice to the Monitor, the Creditor or the Preferred Shareholder and the Monitor, in consultation with the Applicant, shall attempt to resolve and settle the Creditor's Claim or the Preferred Shareholder's Shareholding.
24. **THIS COURT ORDERS** that, in the event that the dispute between the Creditor or the Preferred Shareholder and the Monitor is not settled within ten (10) days after delivery of the Dispute Notice to the Monitor, the Monitor shall bring the dispute to the Court for determination, by way of a motion for advice and direction. *concerning*
- subject to any further order of this court on the appointment of a claims officer - OK
25. **THIS COURT ORDERS** that the determination of a Claim or Shareholding by this Court shall be final and binding for all purposes, and that there shall be no further right of appeal, review or recourse from this Court's determination of a Claim or Shareholding.

NOTICE OF TRANSFEREES

26. **THIS COURT ORDERS** that if, after the Filing Date, the holder of a Claim or Shareholding on the Filing Date, or any subsequent holder of the whole of a Claim or Shareholding, transfers or assigns the whole of such Claim or Shareholding to another Person, neither the Applicant nor the Monitor shall be obligated to give notice to or to otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof or of a Shareholding as the Preferred Shareholder in respect thereof, unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Monitor, at least five (5) Business Days before any Creditors' Meeting, and thereafter such transferee or assignee shall for

the purposes hereof constitute the "Creditor" in respect of such Claim or the "Preferred Shareholder" in respect of such Shareholding. Any such transferee or assignee of a Claim or Shareholding, and such Claim or Shareholding, shall be bound by any notices given or steps taken in respect of such Claim or Shareholding in accordance with this Order prior to receipt by the Monitor of satisfactory evidence of such transfer or assignment.

27. **THIS COURT ORDERS** that if, after the Filing Date, the holder of a Claim or Shareholding on the Filing Date, or any subsequent holder of the whole of a Claim or Shareholding, transfers or assigns the whole of such Claim or Shareholding to more than one Person or part of such Claim or Shareholding to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims or Shareholding, respectively, and such Claim or Shareholding shall continue to constitute and be dealt with as a single Claim or Shareholding notwithstanding such transfer or assignment, and the Applicant and the Monitor shall in each such case not be bound to recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim or Shareholding only as a whole and then only to and with the Person last holding such Claim or Shareholding in whole as the Creditor or Preferred Shareholder in respect of such Claim or Shareholding, provided such Creditor or Preferred Shareholder may by notice in writing to the Monitor, received at least five (5) Business Days prior to a Creditors' Meeting, direct that subsequent dealings in respect of such Claim or Shareholding, but only as a whole, shall be with a specified Person and in such event, such Creditor or Preferred Shareholder, such transferee or assignee of the Claim or Shareholding and the whole of such Claim or Shareholding shall be bound by any notices

given or steps taken in respect of such Claim or Shareholding by or with respect to such Person in accordance with this Order.

SERVICE AND NOTICE

28. **THIS COURT ORDERS** that the Monitor be at liberty to deliver the Document Packages, and any letters, notices or other documents to Creditors, Preferred Shareholders or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, registered mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by ordinary prepaid mail, on the second Business Day after mailing. Notwithstanding anything to the contrary in this paragraph 28, Disallowances of Claims shall be sent only by registered mail or by courier.
29. **THIS COURT ORDERS** that any notice or other communication (including, without limitation, Proofs of Claim, Proofs of Shareholding and Dispute Notices) to be given under this Order by a Creditor or a Preferred Shareholder to the Monitor shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed to:


A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: A. John Page
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

Any such notice or other communication by a Creditor or Preferred Shareholder shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

MISCELLANEOUS

30. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to Section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.


ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:
JUL 27 2010
PER / PAR: *ck*

SCHEDULE "A"

NOTICE TO CREDITORS AND PREFERRED SHAREHOLDERS OF NELSON FINANCIAL GROUP LTD. (hereinafter referred to as "Nelson")

RE: NOTICE OF CLAIMS PROCEDURE FOR NELSON PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT* (the "CCAA")

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order").

On March 23, 2010, Nelson obtained protection pursuant to the CCAA and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Claims Procedure Order, Nelson has been authorized to conduct a claims procedure under the CCAA for all claims of creditors and preferred shareholders of Nelson (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). The Claims Procedure is also intended for any Person that held preferred shares of Nelson as at March 23, 2010 (a "Shareholding"). Please review the Claims Procedure Order, which may be found on the Monitor's website at (www.ajohnpage.com/html/files.html), for the complete definition of Claim, Excluded Claim, Directors and Shareholding.

On August 13, 2010, the Monitor sent by mail packages to all known promissory noteholders, other creditors and preferred shareholders of Nelson providing information on the Claims Procedure. The package sent to promissory noteholders contained a schedule detailing the amount shown in the records of Nelson as being owed to that noteholder (the "Recorded Noteholding"). The package sent to preferred shareholders contained a schedule detailing the number of preferred shares held by that preferred shareholder and any accrued and unpaid dividends thereon shown in the records of Nelson (the "Recorded Shareholding").

If you are a noteholder or preferred shareholder of Nelson and you either (i) do not agree with the amount detailed in the Recorded Noteholding or Recorded Shareholding in the package sent to you, or (ii) did not receive a package from the Monitor, then you must file a Proof of Claim or Proof of Shareholding with the Monitor.

If you are an other creditor of Nelson, then you must file a Proof of Claim with the Monitor. All promissory noteholders, other creditors and preferred shareholders of Nelson must file a Proof of Claim with the Monitor for any Claims against the Directors.

Please take notice that preferred shareholders will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of their preferred shares absent further order of the court.

A copy of the Claims Procedure Order, blank Proof of Claim and Proof of Shareholding forms and the other general information contained in the packages can be downloaded from the Monitor's website at www.ajohnpage.com/html/files.html.

You must file your Proof of Claim or Proof of Shareholding so that it is received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). If the Monitor does not receive your Proof of Claim or Proof of Shareholding by the Claims Bar Date, then your claims on account of your promissory notes and preferred shares will be limited to the Recorded Noteholding and Recorded Shareholding, respectively, and any other Claims will be forever barred and extinguished.

DATED at Toronto this _____ day of August, 2010.

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "B1"

**INSTRUCTION LETTER FOR PROMISSORY NOTEHOLDERS
FOR THE CLAIMS PROCEDURE
OF NELSON FINANCIAL GROUP LTD. ("Nelson")**

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). Please review the enclosed Claims Procedure Order for the complete definition of Claim, Excluded Claim and Directors.

B. RECORDED NOTEHOLDINGS

Nelson's records indicate that you hold promissory notes issued by Nelson. In accordance with the Claims Procedure, enclosed, please find a Notice of Noteholder Claim, which has been completed on your behalf by the Monitor and sets out all amounts owing to you on your promissory notes by Nelson as at March 23, 2010. This is your Recorded Noteholding.

If you agree with all amounts owing to you on your promissory notes as set out in the Recorded Noteholding, then you do not need to take any further steps. Your Recorded Noteholding will be your Proven Claim for Nelson's CCAA proceeding and you will be entitled to vote on and receive distributions on account of your Proven Claim for any plan of arrangement or compromise proposed by Nelson.

However, if you disagree with any amount set out in your Recorded Noteholding, then you must complete and file a Proof of Claim with the Monitor as set out in Section C below within the time periods described. Please note that if you properly file a Proof of Claim, then the Notice of Noteholder Claim will cease to be a Recorded Noteholding and will cease to have any effect.

In addition, if you believe that you have any other Claims, other than Excluded Claims, against Nelson and/or the Directors, then you must also complete and file a Proof of Claim with the Monitor in respect of such Claim as set out in Section C below within the time periods described.

C. FOR PROMISSORY NOTEHOLDERS FILING A PROOF OF CLAIM

A blank Proof of Claim form is enclosed.

You must ensure that the Monitor receives your Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. If the Monitor does not receive your Proof of Claim by the Claims Bar Date, then your Claim on account of your promissory notes will be limited to the Recorded Noteholding and any other Claims against Nelson and/or the Directors will be forever barred and extinguished.

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "B2"

INSTRUCTION LETTER FOR PREFERRED SHAREHOLDERS FOR THE CLAIMS PROCEDURE OF NELSON FINANCIAL GROUP LTD. ("Nelson")

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). The Claims Procedure is also intended for any Person that held preferred shares of Nelson as at March 23, 2010 (a "Shareholding"). Please review the enclosed Claims Procedure Order for the complete definition of Claim, Excluded Claim, Directors and Shareholding.

B. RECORDED SHAREHOLDINGS

Nelson's records indicate that you hold preferred shares issued by Nelson. In accordance with the Claims Procedure, enclosed, please find a Notice of Shareholding, which has been completed on your behalf by the Monitor and sets out the number of preferred shares of Nelson held by you as at March 23, 2010 and the amount of all unpaid dividends thereon. This is your Recorded Shareholding.

If you agree with the number of preferred shares and the amount of unpaid dividends thereon set out in the Recorded Shareholding, then you do not need to take any further steps. Your Recorded Shareholding will be your Proven Shareholding for Nelson's CCAA proceeding.

However, if you disagree with the number of preferred shares and/or the amount of unpaid dividends thereon set out in your Recorded Shareholding, then you must complete and file a Proof of Shareholding with the Monitor as set out in Section C below within the time periods described. Please note that if you properly file a Proof of Shareholding, then the Notice of Shareholding will cease to be a Recorded Shareholding and will cease to have any effect.

Please be advised that, even if you agree with your Recorded Shareholding or you file a Proof of Shareholding with the Monitor, you will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of your preferred shares absent further order of the court.

In addition, if you believe that you have any Claims, other than Excluded Claims, against Nelson and/or the Directors, then you must also complete and file a Proof of Claim with the Monitor in respect of such Claim as set out in Section C below within the time periods described.

C. FILING A PROOF OF SHAREHOLDING AND/OR PROOF OF CLAIM

Blank Proof of Shareholding and Proof of Claim forms are enclosed.

You must ensure that the Monitor receives your Proof of Shareholding and/or Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Shareholding and/or Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. If the Monitor does not receive your Proof of Shareholding and/or Proof of Claim by the Claims Bar Date, then your claims on account of your preferred shares will be limited to the Recorded Shareholding and any Claims will be forever barred and extinguished.

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Shareholding and Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "B3"

INSTRUCTION LETTER FOR TRADE CREDITORS FOR THE CLAIMS PROCEDURE OF NELSON FINANCIAL GROUP LTD. (hereinafter referred to as "Nelson")

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). Please review the enclosed Claims Procedure Order for the complete definition of Claim, Excluded Claim and Directors.

B. FOR TRADE CREDITORS FILING A PROOF OF CLAIM

If you believe that you have a Claim against Nelson and/or the Directors, then you must complete and file a Proof of Claim with the Monitor. A blank Proof of Claim form is enclosed.

You must ensure that the Monitor receives your Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. **If the Monitor does not receive your Proof of Claim by the Claims Bar Date, then your Claim will be forever barred and extinguished.**

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6

Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "C1"

**NOTICE OF NOTEHOLDER CLAIM
RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")**

PARTICULARS OF CLAIM:

The books and records of Nelson indicate that you had a Claim against Nelson at at March 23, 2010 relating to the promissory note(s) issued by Nelson listed at the bottom of this notice.

Our review of your Claim indicates that it is an unsecured Claim.

The Claim listed below is your "Recorded Noteholding".

ACTION REQUIRED:

If you agree with the Recorded Noteholding, then you do not have to take any further steps. If, however, you disagree with the Recorded Noteholding in any respect, then you must file a Proof of Claim with the Monitor by the time and date set out below. Please note that if you file a Proof of Claim, then this notice and the Recorded Noteholding will cease to have any effect.

In addition, if you have any other Claims against Nelson and/or the Directors, then you must file a Proof of Claim with the Monitor in respect of that Claim by the time and date set out below.

FILING OF PROOF OF CLAIM

If you disagree with the Recorded Noteholding in any respect and/or have additional Claims against Nelson and/or the Directors, then you must complete and file a Proof of Claim with the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. If the Monitor does not receive your Proof of Claim by the Claims Bar Date, then your Claim on account of your promissory notes will be limited to the Recorded Noteholding and any other Claims against Nelson and/or the Directors will be forever barred and extinguished.

Dated at _____ this _____ day of _____, 2010.

Schedule listing:

Name of Noteholder(s)

Address of Noteholder

Each promissory note held by the Noteholder, detailing investment account number and amount owing including accrued interest, all as at March 23, 2010

Total amount owing with respect to all promissory notes held

SCHEDULE "C2"

**NOTICE OF SHAREHOLDING
RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")**

PARTICULARS OF CLAIM:

The books and records of Nelson indicate that you owned the number of preferred shares issued by Nelson as of March 23, 2010 (the "Preferred Shares") listed at the bottom of this notice.

The books and records of Nelson indicate that the amount of dividends due but unpaid on your Preferred Shares as of March 23, 2010 is as listed at the bottom of this notice.

The books and records of Nelson indicate that the amount of dividends accrued and unpaid on your Preferred Shares as of March 23, 2010 is as listed at the bottom of this notice.

The Shareholding listed below is, collectively, the "Recorded Shareholding".

ACTION REQUIRED:

If you agree with the Recorded Shareholding, then you do not have to take any further steps. If, however, you disagree with the Recorded Shareholding in any respect, then you must file a Proof of Shareholding by the time and date set out below. Please note that if you file a Proof of Shareholding, then this notice and the Recorded Shareholding will cease to have any effect.

In addition, if you have any Claims against Nelson and/or the Directors, then you must file a Proof of Claim with the Monitor in respect of that Claim by the time and date set out below.

FILING OF PROOF OF SHAREHOLDING

If you disagree with the Recorded Shareholding in any respect, then you must complete and file a Proof of Shareholding with the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date").

If you have Claims against Nelson and/or the Directors, then you must complete and file a Proof of Claim with the Monitor by no later than the Claims Bar Date.

You may deliver your completed Proof of Shareholding and/or Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. **If the Monitor does not receive your Proof of Shareholding and/or Proof of Claim by the Claims Bar Date, then your claim on account of your Preferred Shares will be limited to the Recorded Shareholding and any Claims against Nelson and/or the Directors will be forever barred and extinguished.**

Please be advised that, even if you agree with your Recorded Shareholding or you file a Proof of Shareholding with the Monitor, you will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of your Preferred Shares absent further order of the court.

Dated at _____ this _____ day of _____, 2010.

Schedule listing:

TOR_LAW\7431814\2
7/27/10

Name of Preferred shareholder(s)

Address of Preferred shareholder(s)

Each holding of preferred shares held by the shareholder, detailing investment account number, the number of shares held, the amount of dividends due but unpaid, the amount of dividends accrued and unpaid, all as at March 23, 2010

Total of the above shareholdings

SCHEDULE "D1"

PROOF OF CLAIM RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim,

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____

(the "Creditor"). (Full legal name should be the name of the original Creditor of Nelson or the Directors, notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred following March 23, 2010.)

2. Full Mailing Address of the Creditor (the original Creditor not the Assignee):

3. Telephone Number: _____

4. E-Mail Address: _____

5. Facsimile Number: _____

6. Attention (Contact Person): _____

7. Has the Claim been sold or assigned by the Creditor to another party [check (✓) one]?

Yes: No:

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

8. Full Legal Name of Assignee(s):

(If Claim has been assigned, insert full legal name of assignee(s) of Claim. If there is more than one assignee, please attach a separate sheet with the required information.)

9. Full Mailing Address of Assignee(s):

10. Telephone Number of Assignee(s): _____

11. E-Mail Address: _____

12. Facsimile Number: _____

13. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, _____
[name of Creditor or Representative of the Creditor], of
_____ do hereby certify:
(city and province)

(a) that I [check (✓) all that apply]

am the Creditor of Nelson;

am the Creditor of the Directors;

am _____ (state position or title) of

(name of creditor)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) the Creditor asserts its claim against [check (✓) one or both, as applicable]:

(i) Nelson

(ii) Director(s)

(If you are making a claim against the Directors, please list the Director(s) against which you assert your claim); and

(d) Nelson/the Director(s) was/were and still is/are indebted to the Creditor as follows:

(i) CLAIM ARISING ON OR PRIOR TO [FILING DATE]:

\$ _____ [insert \$ value of claim] CAD.

(ii) INTERIM PERIOD CLAIM:

(Interim Period Claim against Nelson or any Director arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement after March 23, 2010 to and including [DATE OF CLAIMS PROCEDURE ORDER])

(iii) TOTAL CLAIM: \$ _____ [total (i) plus (ii)] CAD

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at March 23, 2010. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN\$●/US\$1.00.

D. NATURE OF CLAIM

(check (✓) one and complete appropriate category)

A. UNSECURED CLAIM OF \$ _____

That in respect of this debt, I do not hold any security and

(Check (✓) appropriate description)

Regarding the amount of \$ _____, I do not claim a right to a priority.

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") or would claim such a priority if this Proof of Claim were being filed in accordance with that Act.

(Set out on an attached sheet details to support priority claim.)

B. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold security valued at \$ _____, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any

guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by Nelson or any Director to the Creditor and estimated value of such security, and particulars of any interim period claim.)

This Proof of Claim must be received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

**A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada**

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

F. FILING OF PROOF OF CLAIM

Failure to file your Proof of Claim by the Claims Bar Date will result in your Claim being barred and forever extinguished and in you being prevented from making or enforcing a Claim against Nelson and/or the Directors. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a creditor in, these proceedings (other than a Recorded Noteholding as set out in Section G below).

G. RECORDED NOTEHOLDINGS

If your Claim on account of your promissory notes has already been recorded by a Notice of Noteholder Claim delivered to you by the Monitor (the "Recorded Noteholding"), and if you agree with the Recorded Noteholding, then you do not need to file a Proof of

Claim on account of such Claim. If you file a Proof of Claim on account of such Claim, then the Recorded Noteholding will cease to have any effect.

If you disagree with the Recorded Noteholding in any respect, then you must complete and file a Proof of Claim with the Monitor by no later than the Claims Bar Date.

H. EXCLUDED CLAIMS

The following are Excluded Claims and no person needs to file any Proof of Claim in respect thereof at this time: (i) claims secured by any of the "Charges", as defined in the Initial Order made in these proceedings on March 23, 2010, (ii) any claim against a Director which cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA, (iii) claims for interest accruing on a Claim after March 23, 2010, (iv) claims secured by any of the "Charges" subsequently incorporated by means of an amendment or variation of the Initial Order, and (v) claims on account of preferred shares issued by Nelson (which must be asserted pursuant to a Proof of Shareholding form that can be obtained on the Monitor's website www.ajohnpage.com/html/files.html or by contacting the Monitor).

Dated at _____ this _____ day of _____, 2010.

Signature of Creditor

SCHEDULE "D2"

PROOF OF SHAREHOLDING RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")

Please read carefully the enclosed Instruction Letter for completing this Proof of Shareholding.

A. PARTICULARS OF PREFERRED SHAREHOLDER:

14. Full Legal Name of Preferred Shareholder:

(the "Preferred Shareholder"). (Full legal name should be the name of the original Preferred Shareholder of Nelson whether an assignment of preferred shares, or a portion thereof, has occurred following March 23, 2010.)

15. Full Mailing Address of the Preferred Shareholder (the original Preferred Shareholder not the Assignee):

16. Telephone Number: _____

17. E-Mail Address: _____

18. Facsimile Number: _____

19. Attention (Contact Person): _____

20. Have the Shareholding been sold or assigned by the Preferred Shareholder to another party [check (✓) one]?

Yes: No:

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

21. Full Legal Name of Assignee(s):

(If the Shareholding has been assigned, insert full legal name of assignee(s) of the Shareholding. If there is more than one assignee, please attach a separate sheet with the required information.)

22. Full Mailing Address of Assignee(s):

23. Telephone Number of Assignee(s): _____

24. E-Mail Address: _____

25. Facsimile Number: _____

26. Attention (Contact Person): _____

C. PROOF OF SHAREHOLDING:

I, _____
[name of Preferred Shareholder or Representative of the Preferred Shareholder], of
_____ do hereby certify:
(city and province)

(a) that I [check (✓) one]

am the Preferred Shareholder of Nelson; OR

am _____ (state position or title) of

(name of Preferred Shareholder)

- (b) that I have knowledge of all the circumstances connected with the Shareholding referred to below;
- (c) The Preferred Shareholder owns [NUMBER] of preferred shares of Nelson.

D. PARTICULARS OF SHAREHOLDING:

Other than as already set out herein the particulars of the undersigned's total Shareholding, including copies of the share certificates evidencing such Shareholding, are attached.

(Provide all particulars of the Shareholding and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Shareholding.

This Proof of Shareholding must be received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

**A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada**

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

E. FILING OF SHAREHOLDING

Failure to file your Proof of Shareholding by the Claims Bar Date will result in your claim on account of your Preferred Shares being barred and forever extinguished

and in you being prevented from making or enforcing such a claim against Nelson (other than a Recorded Shareholding as set out in Section G below).

G. RECORDED SHAREHOLDINGS

If your Shareholding has already been recorded by a Notice of Shareholding delivered to you by the Monitor (the "Recorded Shareholding"), and if you agree with the Recorded Shareholding, then you do not need to file a Proof of Shareholding on account of such Shareholding. If you file a Proof of Shareholding on account of such Shareholding, then the Recorded Shareholding will cease to have any effect.

If you disagree with the Recorded Shareholding in any respect, then you must complete and file a Proof of Shareholding with the Monitor by no later than the Claims Bar Date.

Dated at _____ this _____ day of _____, 2010.

Signature of Preferred Shareholder

SCHEDULE "E"

REFERENCE NUMBER [●]

**NOTICE OF DISALLOWANCE
RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")**

TO: [insert name of Creditor or Preferred Shareholder]

The Monitor hereby gives you notice that it has reviewed your Claim and has revised or rejected your Claim as follows:

	The Proof of Claim as Submitted	The Claim as Accepted
A. Claim relating to facts existing on or prior to March 23, 2010		
B. Interim Period Claim arising after March 23, 2010 to and including July 27, 2010		
C. Total Claim		

The Monitor hereby gives you notice that it has reviewed your Shareholding and has revised or rejected your Shareholding as follows:

Shareholding	Proof of Shareholding as submitted	Shareholding as accepted

D. Reasons for Disallowance or Revision:

[insert explanation]

SCHEDULE "F"

**DISPUTE NOTICE
RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")**

We hereby give you notice of our intention to dispute the Notice of Disallowance bearing Reference Number _____ and dated _____ issued in respect of our Claim and/or Shareholding.

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Name of Creditor or Preferred Shareholder _____

(Signature of individual completing this Dispute)

Date

(Please print name)

Telephone Number: () _____

E-mail Address: _____

Facsimile Number: () _____

Full Mailing Address _____

**THIS FORM TO BE RETURNED BY PREPAID ORDINARY MAIL, COURIER,
PERSONAL DELIVERY OR ELECTRONIC OR DIGITAL TRANSMISSION-AND BE**

RECEIVED NO LATER THAN 4:00 P.M. (EASTERN DAYLIGHT TIME) ON [INSERT DATE] TO:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

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)

CLAIMS PROCEDURE ORDER

GOWLING LAFLEUR HENDERSON LLP

Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Clifton P. Prophet / Frank Lamie
LSUC No.: 34345K / 5403SS

Telephone: (416) 862-3509 / (416) 862-3609
Facsimile: (416) 862-7661

SOLICITORS FOR THE APPLICANT



Exhibit "K"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Letters from the Monitor enclosing the
Claims Procedure document packages**

August 6, 2010

**INSTRUCTION LETTER FOR PROMISSORY NOTEHOLDERS
FOR THE CLAIMS PROCEDURE
OF NELSON FINANCIAL GROUP LTD. ("Nelson")**

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

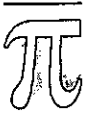
The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). Please note that, for the purposes of the Claims Procedure, "Directors" means Marc Boutet, Stephanie Sobol and all other current and former directors, officers and Persons acting in a management or other similar capacity of Nelson. Please review the enclosed Claims Procedure Order for the complete definition of Claim and Excluded Claim.

B. RECORDED NOTEHOLDINGS

Nelson's records indicate that you hold promissory notes issued by Nelson. In accordance with the Claims Procedure, enclosed, please find a Notice of Noteholder Claim, which has been completed on your behalf by the Monitor and sets out all amounts owing to you on your promissory notes by Nelson as at March 23, 2010. This is your Recorded Noteholding.

If you agree with all amounts owing to you on your promissory notes as set out in the Recorded Noteholding, then you do not need to take any further steps. Your Recorded Noteholding will be your Proven Claim for Nelson's CCAA proceeding and you will be entitled to vote on and receive distributions on account of your Proven Claim for any plan of arrangement or compromise proposed by Nelson.

However, if you disagree with any amount set out in your Recorded Noteholding, then you must complete and file a Proof of Claim with the Monitor as set out in Section C below within the time periods described. Please note that if you properly file a Proof of Claim, then the Notice of Noteholder Claim will cease to be a Recorded Noteholding and will cease to have any effect.



Page 2
August 6, 2010

In addition, if you believe that you have any other Claims, other than Excluded Claims, against Nelson and/or the Directors, then you must also complete and file a Proof of Claim with the Monitor in respect of such Claim as set out in Section C below within the time periods described.

C. FOR PROMISSORY NOTEHOLDERS FILING A PROOF OF CLAIM

A blank Proof of Claim form is enclosed.

You must ensure that the Monitor receives your Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. If the Monitor does not receive your Proof of Claim by the Claims Bar Date, then your Claim on account of your promissory notes will be limited to the Recorded Noteholding and any other Claims against Nelson and/or the Directors will be forever barred and extinguished.

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

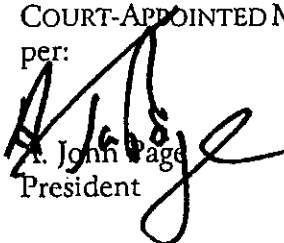
A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

Yours very truly

A. JOHN PAGE & ASSOCIATES INC.
COURT-APPOINTED MONITOR OF NELSON FINANCIAL GROUP LTD.

per:


A. John Page
President

August 6, 2010

**INSTRUCTION LETTER FOR PERSONS ASSERTING A CLAIM
(OTHER THAN NOTEHOLDERS) ("TRADE CREDITORS")
FOR THE CLAIMS PROCEDURE
OF NELSON FINANCIAL GROUP LTD. ("Nelson")**

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). Please note that, for the purposes of the Claims Procedure, "Directors" means Marc Boutet, Stephanie Sobol and all other current and former directors, officers and Persons acting in a management or other similar capacity of Nelson. Please review the enclosed Claims Procedure Order for the complete definition of Claim and Excluded Claim.

B. FOR TRADE CREDITORS FILING A PROOF OF CLAIM

If you believe that you have a Claim against Nelson and/or the Directors, then you must complete and file a Proof of Claim with the Monitor. A blank Proof of Claim form is enclosed.

You must ensure that the Monitor receives your Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. If the Monitor does not receive your Proof of Claim by the Claims Bar Date, then your Claim will be forever barred and extinguished.

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Claim forms and other information from the Monitor's website.



Page 2
August 6, 2010

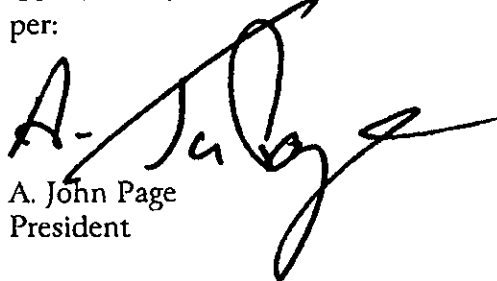
All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

Yours very truly

A. JOHN PAGE & ASSOCIATES INC.
COURT-APPOINTED CCAA MONITOR OF NELSON FINANCIAL GROUP LTD.
per:



A. John Page
President

August 6, 2010

INSTRUCTION LETTER FOR PREFERRED SHAREHOLDERS
FOR THE CLAIMS PROCEDURE
OF NELSON FINANCIAL GROUP LTD. ("Nelson")

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). The Claims Procedure is also intended for any Person that held preferred shares of Nelson as at March 23, 2010 (a "Shareholding"). Please note that, for the purposes of the Claims Procedure, "Directors" means Marc Boutet, Stephanie Sobol and all other current and former directors, officers and Persons acting in a management or other similar capacity of Nelson. Please review the enclosed Claims Procedure Order for the complete definition of Claim and Excluded Claim.

B. RECORDED SHAREHOLDINGS

Nelson's records indicate that you hold preferred shares issued by Nelson. In accordance with the Claims Procedure, enclosed, please find a Notice of Shareholding, which has been completed on your behalf by the Monitor and sets out the amount of preferred shares of Nelson held by you as at March 23, 2010 and the amount of all unpaid dividends thereon. This is your Recorded Shareholding.

If you agree with the amount of preferred shares and the amount of unpaid dividends thereon set out in the Recorded Shareholding, then you do not need to take any further steps. Your Recorded Shareholding will be your Proven Shareholding for Nelson's CCAA proceeding.

However, if you disagree with the amount of preferred shares and/or the amount of unpaid dividends thereon set out in your Recorded Shareholding, then you must complete and file a Proof of Shareholding with the Monitor as set out in Section C below within the time periods



Page 2
August 6, 2010

described. Please note that if you properly file a Proof of Shareholding, then the Notice of Shareholding will cease to be a Recorded Shareholding and will cease to have any effect. **Please be advised that, even if you agree with your Recorded Shareholding or you file a Proof of Shareholding with the Monitor, you will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of your preferred shares absent further order of the court.**

In addition, if you believe that you have any Claims, other than Excluded Claims, against Nelson and/or the Directors, then you must also complete and file a Proof of Claim with the Monitor in respect of such Claim as set out in Section C below within the time periods described.

C. FILING A PROOF OF SHAREHOLDING AND/OR PROOF OF CLAIM

Blank Proof of Shareholding and Proof of Claim forms are enclosed.

You must ensure that the Monitor receives your Proof of Shareholding and/or Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Shareholding and/or Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. If the Monitor does not receive your Proof of Shareholding and/or Proof of Claim by the Claims Bar Date, then your claims on account of your preferred shares will be limited to the Recorded Shareholding and any Claims will be forever barred and extinguished.

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Shareholding and Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson
100 Richmond Street West, Suite 447
Toronto, ON, M5H 3K6 Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

Yours very truly

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

per:

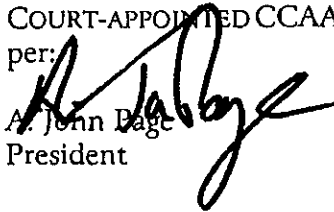

A. John Page
President



Exhibit "L"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Notice to Creditors and Preferred
Shareholders re Claims Procedure**

The Toronto Star
Sunday August 22, 2010

Legal and Statutory Notices

NOTICE TO CREDITORS AND PREFERRED SHAREHOLDERS OF NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")

RE: NOTICE OF CLAIMS PROCEDURE FOR NELSON PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT (the "CCAA")

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order").

On March 23, 2010, Nelson obtained protection pursuant to the CCAA and A. John Page & Associates Inc. was appointed as the Monitor of Nelson (the "Monitor"). Pursuant to the Claims Procedure Order, Nelson has been authorized to conduct a claims procedure under the CCAA for all claims of creditors and preferred shareholders of Nelson (the "Claims Procedure").

The Claims Procedure is intended for any person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010, to and including July 27, 2010, as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). The Claims Procedure is also intended for any Person that held preferred shares of Nelson as at March 23, 2010 (a "Shareholding"). Please review the Claims Procedure Order, which may be found on the Monitor's website at www.ajpage.com/nelson/claims.pdf, for the complete definition of Claim, Excluded Claim, Directors and Shareholding.

On August 10, 2010, the Monitor sent by mail packages to all known promissory noteholders, other creditors and preferred shareholders of Nelson providing information on the Claims Procedure. The package sent to promissory noteholders contained a schedule detailing the amount shown in the records of Nelson as being owed to that noteholder (the "Recorded Noteholding"). The package sent to preferred shareholders contained a schedule detailing the number of preferred shares held by that preferred shareholder and any accrued and unpaid dividends thereon shown in the records of Nelson (the "Recorded Shareholding").

If you are a noteholder or preferred shareholder of Nelson and you either (i) do not agree with the amount detailed in the Recorded Noteholding or Recorded Shareholding in the package sent to you or (ii) did not receive a package from the Monitor, then you must file a Proof of Claim or Proof of Shareholding with the Monitor.

If you are a claim creditor of Nelson, then you must file a Proof of Claim with the Monitor. All promissory noteholders, other creditors and preferred shareholders of Nelson must file a Proof of Claim with the Monitor for any Claims against the Directors.

Please take notice that preferred shareholders will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of their preferred shares absent further order of the court.

A copy of the Claims Procedure Order, blank Proof of Claim and Proof of Shareholding forms and the other general information contained in the packages can be downloaded from the Monitor's website at www.ajpage.com/nelson/claims.pdf.

You must file your Proof of Claim or Proof of Shareholding so that it is received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). If the Monitor does not receive your Proof of Claim or Proof of Shareholding by the Claims Bar Date, then your claims on account of your promissory notes and preferred shares will be limited to the Recorded Noteholding and Recorded Shareholding, respectively, and any other Claims will be forever barred and extinguished.

DATED at Toronto this 11th day of August 2010.

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6, Canada
Attention: Colleen Delaney
Telephone: (416) 464-4894, E-mail: nelson@ajpage.com,
Fax: (416) 464-4893



The Globe and Mail - Report on Business
Tuesday August 24, 2010

Legals

**NOTICE TO CREDITORS AND PREFERRED
SHAREHOLDERS OF NELSON FINANCIAL GROUP LTD.**
(hereinafter referred to as "**Nelson**")

**RE: NOTICE OF CLAIMS PROCEDURE FOR NELSON
PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT
ACT (the "CCAA")**

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice made July 27, 2010 (the "**Claims Procedure Order**").

On March 23, 2010, Nelson obtained protection pursuant to the CCAA and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "**Monitor**"). Pursuant to the Claims Procedure Order, Nelson has been authorized to conduct a claims procedure under the CCAA for all claims of creditors and preferred shareholders of Nelson (the "**Claims Procedure**").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "**Claim**"). The Claims Procedure is also intended for any Person that held preferred shares of Nelson as at March 23, 2010 (a "**Shareholding**"). Please review the Claims Procedure Order, which may be found on the Monitor's website at (www.ajohnpage.com/html/files.html), for the complete definition of Claim, Excluded Claim, Directors and Shareholding.

On August 10, 2010, the Monitor sent by mail packages to all known promissory noteholders, other creditors and preferred shareholders of Nelson providing information on the Claims Procedure. The package sent to promissory noteholders contained a schedule detailing the amount shown in the records of Nelson as being owed to that noteholder (the "**Recorded Noteholding**"). The package sent to preferred shareholders contained a schedule detailing the amount of preferred shares held by that preferred shareholder and any accrued and unpaid dividends thereon shown in the records of Nelson (the "**Recorded Shareholding**").

If you are a noteholder or preferred shareholder of Nelson and you either (i) do not agree with the amount detailed in the Recorded Noteholding or Recorded Shareholding in the package sent to you, or (ii) did not receive a package from the Monitor, then you must file a Proof of Claim or Proof of Shareholding with the Monitor.

If you are another creditor of Nelson, then you must file a Proof of Claim with the Monitor. All promissory noteholders, other creditors and preferred shareholders of Nelson must file a Proof of Claim with the Monitor for any Claims against the Directors.

Please take notice that preferred shareholders will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of their preferred shares absent further order of the court.

A copy of the Claims Procedure Order, blank Proof of Claim and Proof of Shareholding forms and the other general information contained in the packages can be downloaded from the Monitor's website at www.ajohnpage.com/html/files.html.

You must file your Proof of Claim or Proof of Shareholding so that it is received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). If the Monitor does not receive your Proof of Claim or Proof of Shareholding by the Claims Bar Date, then your claims on account of your promissory notes and preferred shares will be limited to the Recorded Noteholding and Recorded Shareholding, respectively, and any other Claims will be forever barred and extinguished.

DATED at Toronto this 11th day of August, 2010.



A. JOHN PAGE & ASSOCIATES INC.

Court-Appointed Monitor of
Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6, Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869



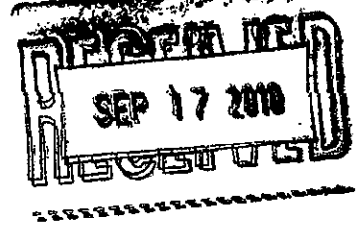
Exhibit "M"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Lendcare Letter of Intent
dated September 17, 2010**



LEND CARE
FINANCIAL SERVICES INC.



September 17, 2010

**DELIVERED BY COURIER
PRIVATE AND CONFIDENTIAL**

Nelson Financial Group Ltd.
900 Dillingham Rd.
Pickering, ON
L1W 1Z6

Attention: Marc Boutet

-and-

A. John Page & Associates Inc.
100 Richmond Street West
Suite 447
Toronto, ON
M5H 3K6

Attention: John Page

Dear Sirs:

Re: Nelson Financial Group Ltd.

We are pleased to submit this letter as an expression of our intent to purchase Nelson Financial Group Ltd.'s (the "**Company**") loan portfolio (including its portfolio of itinerant loans, consumer loans, conditional sales contracts and car leases and loans) from a court appointed monitor or the Company (the vendor of the loan portfolio being the "**Seller**"). Either Lendcare Financial Services Inc. or a new company controlled by Lendcare Financial Services Inc. will be incorporated to complete the purchase contemplated by this letter (the "**Purchaser**"). We have outlined below the basis on which the Purchaser is interested in effecting the foregoing transaction.

1. Purchased Assets and Assumed Liabilities

The Purchaser will purchase, and the Seller will sell, assign, transfer and convey to the Purchaser, (a) all indebtedness to or in favour of the Company in connection with, relating to or arising from any itinerant loan, consumer loan, conditional sales contract or car lease or loan and (b) in connection with, relating to or arising from the foregoing, all evidences of indebtedness, all security granted and all agreements and supporting documentation (including, without limitation,

Doc#999261v1E



all loan agreements, leases, supporting certificates, opinions, etc. in connection with same) and all books and records in the possession or control of the Company (collectively, the "**Purchased Assets**"). The Purchaser will purchase the Purchased Assets on an "as is, where is" basis, free and clear of any liens, pledges, security interests or other encumbrances of any nature whatsoever. Accordingly, any such encumbrances must be released by way of a vesting order by a court of competent jurisdiction on or prior to the closing date of the transaction (the "**Closing Date**").

2. Purchase Price

Subject to the Purchaser's due diligence and based upon the *Third Report of A. John Page & Associates Inc. as Monitor of Nelson Financial Group Ltd. dated June 11, 2010*, it is estimated that the purchase price for all of the Purchased Assets will be in the range of \$8 million to \$10 million. The definitive purchase price will be determinable subsequent to completion of the Purchaser's due diligence and is to be mutually satisfactory to the Purchaser and the Seller (the "**Purchase Price**").

3. Payment of Purchase Price

The Purchase Price will be satisfied on the Closing Date by payment of the amount thereof by the Purchaser to the Seller by certified cheque or bank draft.

The Purchaser will not bear any of the liabilities of the Company other than those specifically assumed.

4. Asset Purchase Agreement

An Asset Purchase Agreement to be entered into by the Seller and the Purchaser shall be in a form and content satisfactory to the Seller and the Purchaser.

Without limiting the foregoing, the Asset Purchase Agreement shall contain representations, warranties, covenants, conditions and other terms normally associated with the purchase and sale of assets in comparable circumstances.

In addition, we note that the section 2.1.2 of the Amendment and Termination Agreement between Nelson Financial Group Ltd. and Lendcare Financial Services Inc. provides for additional payments by Lendcare Financial Services Inc. to Nelson Financial Group Ltd. in respect of customer contracts which have been cancelled within the period permitted by law or are fraudulent and in respect of certain Quebec contracts. The Asset Purchase Agreement or, alternatively, a separate agreement will provide that section 2.1.2 of the Amendment and Termination Agreement will not be applicable in respect of contracts which comprise part of the Purchased Assets.

5. Due Diligence

The Purchaser will have the right to conduct legal and business due diligence of the Company for a period commencing on the day following the acceptance of this Letter of Intent and ending on the 10th business day thereafter to further familiarize itself with the Purchased Assets. In order to assist the Purchaser in conducting its due diligence, the Purchaser and/or its authorized representatives will be provided reasonable access to the Company's premises, personnel, books



and records and customers. The foregoing access will be provided during usual business hours or as otherwise agreed.

6. Conditions

The major conditions to be fulfilled prior to the Closing Date include:

- a) the Purchaser being satisfied with the results of its due diligence investigation, in its sole discretion;
- b) the execution of a mutually agreeable definitive asset purchase agreement and other mutually satisfactory legal documentation which may be necessary or desirable to complete the proposed transaction;
- c) an approval and vesting order (in form and substance satisfactory to the Seller and the Purchaser) shall have been duly granted by a court of competent jurisdiction, and such order shall not have been stayed, suspended, set aside, varied or appealed at the time of closing;
- d) in the interval between the acceptance of this Letter of Intent and the Closing Date, the Company will (i) continue to operate in a manner which preserves and protects the Purchased Assets, without changes in accounting systems and without, in whole or in part, compromise, forgiveness, postponement, discharge, assignment or change to or of any indebtedness, security or terms relating to or in respect of any Purchased Assets; (ii) maintain its books, records and accounts in the ordinary course on a basis consistent with past practice; (iii) confer regularly with the Purchaser to report on the status of the Purchased Assets; and (iv) refrain from making any decisions likely to have a material effect on the Purchased Assets;
- e) no material adverse change in the Purchased Assets;
- f) all necessary or desirable approvals and consents, if any, shall have been obtained including, without limitation, consents required in respect of the assignment of any indebtedness, security or agreements;
- g) the sale of the Purchased Assets is exempt from compliance with bulk sales legislation;
- h) there shall be no litigation or proceedings pending or threatened to prevent the completion of the transaction contemplated herein; and
- i) other usual and normal conditions in transactions of the kind proposed.

All of the foregoing agreements, instruments and documents referred to above in this Section 6 are to be in form and substance satisfactory to the parties thereto or the parties receiving the benefit thereof.

For purposes of greater certainty, completion of the transaction described herein is not conditional upon financing.



7. Good Faith Negotiation & Timing

If the Purchaser is satisfied with the results of its due diligence investigation (in its sole discretion), the Seller and the Purchaser will negotiate in good faith to settle a form of mutually satisfactory Asset Purchase Agreement within 15 days following the end of the 10 business day due diligence period referred to in Section 5 above. Promptly following agreement by the Seller and Purchaser of a form of Asset Purchase Agreement, the Seller will seek to obtain all necessary approvals in connection with the transaction contemplated therein. Assuming the Purchaser is satisfied with the results of its due diligence investigation, the Seller and Purchaser agree upon a form of Asset Purchase Agreement and satisfactory completion of the conditions noted herein, we would estimate closing the transaction within 30 to 45 days following the end of the 10 business day due diligence period referred to in Section 5 above.

8. Confidentiality

During the course of our negotiations and investigations, we will receive, and be in possession of, confidential information concerning the business, affairs and assets of the Company ("**Confidential Information**"). Subject to applicable law, we agree to maintain the secrecy of the Confidential Information and not to use it for any purpose other than evaluating and completing the transaction contemplated by this letter. In this regard we may provide such information to our directors, officers, advisors and to potential investors and bankers. If the transaction contemplated by this letter fails to close, we will return to you, or destroy all documents and other material which you and/or your advisors have provided to us. Notwithstanding the foregoing, the Purchaser may disclose Confidential Information to the extent it is compelled or otherwise required to do so by applicable law or any relevant judicial or government authority (in which case, the Purchaser will provide the Company notice of same).

The term Confidential Information does not include information which:

- (i) was in the public domain at the time of its disclosure by the Company or the Seller;
- (ii) becomes generally available to the public other than as a result of disclosure by the Company or the Seller;
- (iii) was available to or in the possession of the Purchaser on a non-confidential basis prior to its disclosure to the Purchaser by the Company or the Seller;
- (iv) becomes available to the Purchaser on a non-confidential basis from a source other than the Company or the Seller, provided that such source, to the knowledge of the Purchaser, is not prohibited from disclosing such information by a contractual, fiduciary or other legal obligation at the time that such source conveyed the information to the Purchaser; or
- (v) information which is independently developed by the Purchaser without the use of information provided by the Company or the Seller.

9. Exclusivity

The Company acknowledges that the Purchaser will be incurring substantial costs, directly and indirectly, in completing its due diligence investigation and other efforts relating to the proposed purchase and sale of the Purchased Assets and in consideration of its doing so and its execution of



this letter, the Company agrees that for a period of 45 days from the date of its acceptance of this letter it will, and it will cause the Company's officers and directors to, (i) refrain, directly and indirectly (through agents or otherwise), from encouraging or soliciting any inquiries or accepting any proposals by, or engaging in any discussions or negotiations with or furnishing any information to, any other person, corporation or entity concerning a sale of all or a portion of any of the common shares issued by the Company or a sale of all or a substantial portion of the Company's assets (including Purchased Assets) or the Company's business (whether through an asset sale, share sale, amalgamation, merger, consolidation, share exchange or otherwise); and (ii) promptly communicate to the Purchaser the material substance of any inquiry or proposal concerning any such transaction that may be received by it.

10. Expenses

Each party will pay for its own costs and expenses associated with this transaction and the remuneration paid to any of their agents or advisors.

11. Binding Nature

This letter does not, and is not intended to, obligate the parties to complete the purchase and sale transaction described herein. Binding obligations to complete such transaction will result only from the execution and delivery of a definitive agreement of purchase and sale, subject to any conditions contained therein. Notwithstanding the foregoing, Sections 7, 8, 9, 10 and 11 hereof are intended by the parties to constitute legally binding obligations.

If you accept the terms of this letter please sign a copy of this letter in the space provided below and return a copy to Ali Metel at Lendcare Financial Services Inc. by facsimile (905 - 839 - 4003). If an accepted copy is not received by 5:00 p.m. on the date which is 5 business days from the date of this letter, this proposal shall automatically become null and void.

We look forward to hearing from you and sincerely hope that we will be able to negotiate and complete a mutually satisfying and rewarding transaction.

LEDCARE FINANCIAL SERVICES INC.

Ali Metel

I have authority to bind the corporation

ACCEPTED this _____ day of _____, 2010

NELSON FINANCIAL GROUP LTD.

Name and Title:

I have authority to bind the corporation

cc: James H. Grout at Thornton Grout Finnigan LLP

cc: Cliff Prophet at Gowling Lafleur Henderson LLP



Exhibit "N"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

Draft Critical Path Timetable

**Nelson - CCAA Draft Critical Path Timetable to Implementation
July 20, 2010**

There would appear to be a significant benefit to the Investors of Nelson to have any successful restructuring plan ("the Plan") implemented in 2010 so that Investors can gain the benefits of any tax losses that might be triggered in the 2010 tax year rather than having to wait another year. The Monitor has therefore set down the timetable below to enable all concerned to see what needs to have happened by when in order that the Investors can gain those benefits in 2010.

The critical path timetable below is on the assumption that the Creditors of Nelson vote in favour of the Plan and the Court then sanctions or approves the Plan.

Event	Likely Date or Deadline	Notes
Claims Procedure Court Hearing	July 27, 2010	
Mail out Claims Procedure forms using negative confirmation; Post Claims Procedure on website	August 15, 2010	
Advertisement in newspapers	August, 27, 2010	Ad 12 days after mail to avoid noteholders filing Claims where their notice is in mail
Preferred Share priority status resolved	September 15, 2010	Cannot finalize Plan until resolved
Claims Bar Date	September 15, 2010	Cannot finalize Plan and monitor's report on same until extent of Claims is known
Court hearing to approve calling meeting to consider Plan and next extension application; Mail Plan and meeting/voting details to creditors	October 1, 2010	To include form re option selection with voting letter
Creditors meeting and vote on Plan	November 1, 2010	
Court hearing to sanction approved Plan	November 15, 2010	
Implement Plan: "QuickPay" payment Issuance of new Promissory Notes	December 15, 2010	



Exhibit "O"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Second Updated Cash Flow Forecast
Actual/Projected Cash Flow
Cash Flow Variance Report**

Nelson Financial Group Ltd
Weekly Cash Flow Forecast
For the 18 week period ending Oct 1, 2010

Updated Cash Flow Projection

Unaudited

	Week Ending																		Total	
	04-Jun-10	11-Jun-10	18-Jun-10	25-Jun-10	02-Jul-10	09-Jul-10	16-Jul-10	23-Jul-10	30-Jul-10	06-Aug-10	13-Aug-10	20-Aug-10	27-Aug-10	03-Sep-10	10-Sep-10	17-Sep-10	24-Sep-10	01-Oct-10	31/5-1/10/10	10/7-10/8/10
Operating Cash	\$3,006,084	\$3,136,273	\$3,290,873	\$3,499,549	\$3,683,639	\$3,834,260	\$3,957,279	\$4,156,656	\$4,340,483	\$4,537,570	\$4,495,336	\$4,692,101	\$4,869,278	\$5,054,214	\$5,011,847	\$5,208,337	\$5,332,328	\$5,551,993	\$3,006,084	\$3,957,279
Total Operating Receipts	407,106	343,210	380,246	387,760	530,098	328,629	379,228	387,379	346,879	400,764	346,498	410,810	394,610	380,514	346,120	357,336	369,266	380,786	6,814,979	3,332,602
Disbursements:																				
Payroll and benefits	6,293	53,730	53,730	53,730	6,293	53,730	53,730	53,730	60,023	60,023	60,023	53,730	60,023	60,023	60,023	53,730	0	60,023	515,095	227,506
Rent	8,388	14,970	14,910	14,910	6,300	14,850	14,821	14,792	14,762	14,732	14,703	14,673	14,644	14,615	14,600	14,585	14,571	14,556	33,588	12,600
SG&A	15,000	14,970	14,910	14,910	14,881	14,850	14,821	14,792	14,762	14,732	14,703	14,673	14,644	14,615	14,600	14,585	14,571	14,556	285,605	132,342
Other	40,826	119,910	119,910	126,630	20,413	20,413	20,413	20,413	20,413	20,413	20,413	20,413	20,413	20,413	20,413	20,413	20,413	20,413	122,478	40,826
Net new Deal Funding	119,910	119,910	126,630	135,030	185,030	135,030	135,030	135,030	135,030	135,030	135,030	135,030	135,030	135,030	135,030	135,030	135,030	135,030	2,391,900	1,215,270
Payments to Noteholders	0	0	0	0	0	0	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	0	0	0	0	0	0
Restructuring Costs	86,500	0	30,000	0	186,500	0	30,000	0	0	208,500	0	30,000	186,500	186,500	186,500	30,000	186,500	186,500	982,500	453,000
Total Disbursements	276,917	188,810	171,570	203,676	379,417	203,610	179,851	203,652	149,782	442,998	149,733	233,433	149,674	422,881	149,630	233,345	149,601	422,822	4,311,106	2,081,544
Net Operating Cash Flow	130,189	154,600	208,676	184,090	150,621	123,019	199,377	183,627	197,087	(42,234)	196,765	177,177	184,936	(42,367)	196,490	123,991	219,665	(42,036)	2,503,873	1,251,058
Closing Cash	\$3,136,273	\$3,290,873	\$3,499,549	\$3,683,639	\$3,834,260	\$3,957,279	\$4,156,656	\$4,340,483	\$4,537,570	\$4,495,336	\$4,692,101	\$4,869,278	\$5,054,214	\$5,011,847	\$5,208,337	\$5,332,328	\$5,551,993	\$5,509,957	\$5,509,957	\$5,509,957

See attached schedule entitled - Notes/Probable and Hypothetical Assumptions underlying Weekly Cash Flow Forecast for the 18 week period ending October 1, 2010

NELSON FINANCIAL GROUP LTD. ("Nelson")
NOTES/PROBABLE AND HYPOTHETICAL ASSUMPTIONS UNDERLYING
WEEKLY CASH FLOW FORECAST FOR THE 18 WEEK PERIOD ENDED
OCTOBER 1, 2010

1. The Cash Flow Forecast has been prepared by Nelson to support a further application to extend the stay of proceedings first ordered when Nelson filed for and obtained protection from its creditors pursuant to the Companies Creditors' Arrangement Act ("CCAA") on March 23, 2010
2. Nelson is assumed to continue to operate on a going concern basis throughout the Cash Flow Period.
3. Opening Cash - The actual reconciled cash balance on May 28, 2010.
4. Sales forecasts are based on historical trends and the removal of Lendcare as a vendor. Included in operating receipts is a lump sum cash settlement expected from Lendcare during the week ended July 2, 2010. Nelson has also included minimal sales estimates from two new, more profitable vendors starting in June 2010.
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 initially based on existing arrangements and historical patterns of payment but then trending down to reflect lower loan volumes.
11. Restructuring costs represent projected payments on account of the fees and expenses of the Monitor, the Monitor's counsel, Nelson's counsel and "rep counsel" to represent promissory note holders. It is assumed that the unpaid balance of the fees and expenses billed by the Monitor up to June 30, 2010 will be paid by Nelson at the rate of \$30,000 per month through 2010. All other fees and expenses to be paid as billed.
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.

13. The disbursement labelled "Other" reflects the transfer monthly to a separate bank account of an estimate of the amount collected on account of loan payments over which a secured creditor, Foscarini Mackie Holdings Inc., has a secured charge.

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Nelson Financial Group Ltd
 Weekly Cash Flow Forecast
 For the 18 week period ending Oct 1, 2010
 Unaudited
 Actual/Projected Cash Flows to October 1, 2010

	Week Ending																		Total	
	04-Jun-10	11-Jun-10	18-Jun-10	25-Jun-10	02-Jul-10	09-Jul-10	16-Jul-10	23-Jul-10	30-Jul-10	06-Aug-10	13-Aug-10	20-Aug-10	27-Aug-10	03-Sep-10	10-Sep-10	17-Sep-10	24-Sep-10	01-Oct-10	31/05-1/10/10	10/7-10/9/10
Operating Cash	3,006,084	\$3,216,140	\$3,386,351	\$3,673,519	\$3,901,079	\$4,340,163	\$4,255,052	\$4,535,620	\$4,701,270	\$4,863,223	\$4,835,334	\$4,963,962	\$5,066,243	\$4,537,124	\$4,602,479	\$4,744,211	\$4,869,202	\$5,087,867	\$3,006,084	\$4,255,052
Total Operating Receipts	446,928	321,023	406,927	389,063	609,006	277,988	388,352	368,666	356,234	353,006	298,508	436,614	297,197	384,949	254,410	357,336	359,266	380,786	6,706,269	3,147,936
Disbursements:																				
Payroll and benefits	7,105	51,985	58,863	62,321	6,300	58,863	51,114	57,247	57,247	49,298	52,496	6,780	6,780	22,268	5,412	53,730	0	60,023	464,192	210,165
Rent	3,144	1,044	2,088	1,044	6,300	2,088	16,772	16,895	6,780	23,290	6,780	6,486	10,918	22,268	5,412	14,586	14,571	14,596	32,436	13,660
SG&A	22,616	9,390	14,896	10,131	24,164	16,772	16,895	23,290	8,486	10,885	10,918	718,358	718,358	94,260	44,029	135,030	135,030	20,413	820,420	115,919
Other	40,826	89,427	104,863	80,374	80,374	113,347	91,889	112,404	121,859	106,590	158,995	136,196	122,884	94,260	44,029	135,030	135,030	135,030	1,994,292	989,136
Net new Deal Funding	131,681	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments to Noteholders	0	0	0	0	0	0	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	0	0	0	0	0	0
Restructuring Costs	31,500	0	0	17,633	38,671	170,992	22,718	38,741	203,768	115,916	143,740	63,237	30,000	186,500	1,087,572	592,276	592,276	592,276	592,276	592,276
Total Disbursements	235,872	160,812	119,759	161,503	169,922	362,059	108,824	203,016	194,281	350,895	169,880	304,333	856,316	319,594	112,678	233,345	149,601	422,922	4,666,512	2,659,817
Net Operating Cash Flow	210,056	170,211	287,168	227,560	439,084	(84,071)	279,528	165,650	161,953	(27,889)	128,628	132,281	(559,119)	65,355	141,732	123,991	219,665	(42,036)	2,039,747	488,119
Closing Cash	\$3,216,140	\$3,386,351	\$3,673,519	\$3,901,079	\$4,340,163	\$4,255,052	\$4,535,620	\$4,701,270	\$4,863,223	\$4,835,334	\$4,963,962	\$5,066,243	\$4,537,124	\$4,602,479	\$4,744,211	\$4,869,202	\$5,087,867	\$5,045,831	\$5,045,831	\$4,744,211

Nelson Financial Group Ltd
 Weekly Cash Flow Forecast
 For the 16 week period ending Oct 1, 2010

Unaudited

Cash Flow Variance Report

	Week Ending																Total				
	04-Jun-10	11-Jun-10	18-Jun-10	25-Jun-10	02-Jul-10	09-Jul-10	16-Jul-10	23-Jul-10	30-Jul-10	06-Aug-10	13-Aug-10	20-Aug-10	27-Aug-10	03-Sep-10	10-Sep-10	17-Sep-10	24-Sep-10	01-Oct-10	31/5-1/10/10	10/7-10/9/10	
Opening Cash	0	\$79,867	\$95,478	\$173,970	\$217,440	\$505,903	\$298,813	\$378,964	\$360,787	\$325,653	\$339,998	\$271,861	\$226,965	(\$517,090)	(\$409,366)	(\$464,126)	(\$464,126)	(\$464,126)	\$0	\$298,813	
Total Operating Receipts	39,822	(22,187)	26,681	1,303	78,968	(48,641)	9,124	(18,713)	9,355	(37,759)	(47,950)	26,004	(37,413)	4,435	(91,710)	0	0	0	0	(108,720)	(184,669)
Disbursements:																					
Payroll and benefits	812	(1,735)	0	(1,409)	(6,283)	5,133	0	(2,816)	0	(2,776)	0	(4,432)	0	(7,527)	0	0	0	0	0	(20,843)	(17,351)
Rent	(5,244)	0	0	1,044	0	2,088	0	0	6,780	(8,300)	0	0	0	460	0	0	0	0	0	(1,152)	960
SG&A	7,616	(5,980)	(44)	(4,779)	9,283	1,822	2,114	1,988	(6,274)	8,558	(3,818)	(11,750)	(3,726)	7,673	(9,188)	0	0	0	0	(8,005)	(16,423)
Other	0	0	0	0	0	(3)	0	0	20,413	(20,413)	0	0	718,358	(20,413)	0	0	0	0	0	697,945	697,945
Net new Deal Funding	11,771	(30,483)	(21,767)	(54,656)	(54,656)	(21,663)	(43,141)	(22,828)	(13,171)	(28,440)	23,985	1,166	(12,146)	(40,740)	(91,001)	0	0	0	0	(397,608)	(228,134)
Payments to Nonholders	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0
Restructuring Costs	(55,000)	0	0	0	0	0	0	0	0	(2,732)	0	85,916	4,156	(42,760)	63,237	0	0	0	0	85,072	139,276
Total Disbursements	(40,045)	(37,798)	(51,811)	(42,187)	(209,495)	158,449	(71,027)	(598)	44,488	(52,103)	20,147	70,900	706,642	(103,287)	(38,952)	0	0	0	0	355,406	578,273
Net Operating Cash Flow	79,867	15,611	78,492	43,470	288,463	(207,090)	80,151	(18,177)	(35,154)	14,345	(68,137)	(44,896)	(744,055)	107,722	(54,758)	0	0	0	0	(464,126)	(762,939)
Closing Cash	\$79,867	\$95,478	\$173,970	\$217,440	\$505,903	\$298,813	\$378,964	\$360,787	\$325,653	\$339,998	\$271,861	\$226,965	(\$517,090)	(\$409,366)	(\$464,126)	(\$464,126)	(\$464,126)	(\$464,126)	(\$464,126)	(\$464,126)	(\$464,126)



Exhibit "P"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

Third Updated Cash Flow Forecast

Nelson Financial Group Ltd
 Weekly Cash Flow Forecast
 For the 13 week period ending December 10, 2010

Unaudited

Week Ending

	17-Sep-10	24-Sep-10	01-Oct-10	08-Oct-10	15-Oct-10	22-Oct-10	29-Oct-10	05-Nov-10	12-Nov-10	19-Nov-10	26-Nov-10	03-Dec-10	10-Dec-10	Total
Opening Cash	\$4,744,211	\$4,894,799	\$5,193,072	\$5,289,835	\$5,284,586	\$5,408,529	\$5,375,315	\$5,409,844	\$5,441,678	\$5,547,555	\$5,679,550	\$5,716,555	\$5,769,908	\$4,744,211
Total Operating Receipts	324,308	346,243	353,733	302,131	286,207	346,666	298,559	354,794	294,457	342,375	340,585	349,713	290,385	4,228,156
Disbursements:														
Payroll and benefits	50,000		55,800		46,000		46,000	5,800	46,000		46,000	5,800	46,000	347,400
Rent			6,780				6,780					6,780		20,340
SG&A	12,000	12,000	16,000	20,000	11,000	11,000	11,000	23,000	11,000	11,000	11,000	21,000	11,000	181,000
Other		(104,000)												(104,000)
Net new Deal Funding	111,720	111,720	111,720	131,580	105,264	131,580	131,580	131,580	131,580	131,580	131,580	131,580	131,580	1,624,644
Payments to Noteholders														0
Payments to Pref Shareholders														0
Restructuring Costs		28,250	66,670	155,800		237,300	73,450	155,800		67,800	113,000	133,200		1,031,270
Total Disbursements	173,720	47,970	256,970	307,380	162,264	379,880	262,030	322,960	188,580	210,380	301,580	286,360	188,580	3,100,654
Net Operating Cash Flow	150,588	298,273	96,763	(5,249)	123,943	(33,214)	34,529	31,834	105,877	131,995	39,005	51,353	101,805	1,127,502
Closing Cash	\$4,894,799	\$5,193,072	\$5,289,835	\$5,284,586	\$5,408,529	\$5,375,315	\$5,409,844	\$5,441,678	\$5,547,555	\$5,679,550	\$5,716,555	\$5,769,908	\$5,871,713	\$5,871,713

See attached schedule entitled - Notes/Probable and Hypothetical Assumptions underlying Weekly Cash Flow Forecast for the 13 week period ending December 10, 2010

NELSON FINANCIAL GROUP LTD. ("Nelson")
NOTES/PROBABLE AND HYPOTHETICAL ASSUMPTIONS UNDERLYING
WEEKLY CASH FLOW FORECAST FOR THE 13 WEEK PERIOD ENDED
DECEMBER 10, 2010

1. The Cash Flow Forecast has been prepared by Nelson to support a further application to extend the stay of proceedings first ordered when Nelson filed for and obtained protection from its creditors pursuant to the Companies Creditors' Arrangement Act ("CCAA") on March 23, 2010
2. Nelson is assumed to continue to operate on a going concern basis throughout the Cash Flow Period.
3. Opening Cash - The actual reconciled cash balance on September 10, 2010.
4. Net new lending forecasts are based on recent historical trends combined with the net addition of certain new vendors. The net new lending forecasts do not include the impact, if any, of the recent decision by Nelson to abandon its self imposed lending cap and instead seek out further vendors in order to ensure that its book of loans trend towards 50% of their historical level.
5. No significant changes underwriting criteria and related loan pricing
6. Collection of accounts receivable is based on historical average collection patterns having regard to the declining loan balances and the change in the mix of lending.
7. Payroll costs are based on 24 full time staff. 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. Rent payments are on the basis of existing lease arrangement at the Pickering location only.
10. Selling, general and administrative expenses are calculated based on the recent patterns of payment in which variable components are lower than historical levels reflecting lower loan volumes.
11. Restructuring costs represent projected payments on account of the fees and expenses of the Monitor, the Monitor's counsel, Nelson's counsel, the Noteholders' Representative Counsel and the Independent Counsel to the Monitor. It is assumed that the unpaid balance of the fees and expenses billed by the Monitor up to June 30, 2010 will be paid by Nelson at the rate of \$30,000 per month through 2010. All other fees and expenses to be paid as billed.

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.
13. The disbursement labelled "Other" reflects the amount transferred back to Nelson's general operating account in connection with the settlement reached with a secured creditor, Foscarini Mackie Holdings Inc.

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Exhibit "Q"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Management Representation Letter on the
Third Updated 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

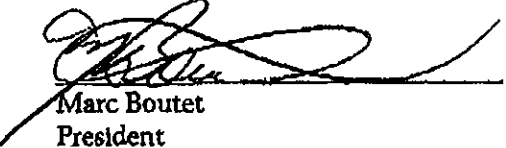
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF
NELSON FINANCIAL GROUP LTD.

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 December 10, 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 13 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 13. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Pickering, Ontario this 27th day of September, 2010



Marc Boutet
President
Nelson Financial Group Inc.

Nelson Financial Group Ltd
Weekly Cash Flow Forecast
For the 13 week period ending December 10, 2010

Unaudited

Week Ending

	17-Sep-10	24-Sep-10	01-Oct-10	08-Oct-10	15-Oct-10	22-Oct-10	29-Oct-10	05-Nov-10	12-Nov-10	19-Nov-10	26-Nov-10	03-Dec-10	10-Dec-10	Total
Opening Cash	\$4,744,211	\$4,894,789	\$5,163,072	\$5,289,835	\$5,284,565	\$5,408,529	\$5,375,315	\$5,409,844	\$5,441,678	\$5,547,555	\$5,679,550	\$5,714,555	\$5,780,368	\$4,744,211
Total Operating Receipts	324,308	346,243	353,733	292,131	246,237	346,696	296,598	356,794	234,457	342,375	349,585	349,713	230,385	4,228,155
Disbursements:														
Payroll and Benefits	50,000		55,000		46,000		46,000	5,800	5,800	46,000	46,000	6,800	46,000	347,800
Rent			6,780					6,780				6,780		20,340
SGLA	12,000		16,000	20,000	11,000	11,000	11,000	23,800	11,000	11,000	11,000	21,000	11,000	181,000
Other	(104,000)													(104,000)
Net new Debt Funding	111,720	111,720	111,720	131,590	105,264	131,590	131,590	131,590	131,590	131,590	131,590	131,590	131,590	1,624,644
Payments to Noteholders														0
Payments to Preferred Shareholders														0
Restructuring Costs		28,250	65,670	155,800		287,300	73,450	155,800		67,800	133,010	135,200		1,081,270
Total Disbursements	173,720	47,970	238,370	307,290	162,264	379,890	262,838	322,960	188,590	210,280	301,590	298,260	188,580	3,700,654
Net Operating Cash Flow	150,588	298,273	96,763	(5,249)	123,943	(33,214)	34,328	31,334	105,277	131,335	38,995	51,353	407,805	9,127,502
Closing Cash	\$4,894,789	\$5,163,072	\$5,289,835	\$5,284,566	\$5,408,529	\$5,375,316	\$5,409,844	\$5,441,678	\$5,547,556	\$5,679,550	\$5,714,555	\$5,780,368	\$5,871,713	\$5,671,713

See attached schedule entitled - "Notes Probable and Hypothetical Assumptions underlying Weekly Cash Flow Forecast for the 13 week period ending December 10, 2010"

NELSON FINANCIAL GROUP LTD. ("Nelson")
NOTES/PROBABLE AND HYPOTHETICAL ASSUMPTIONS UNDERLYING
WEEKLY CASH FLOW FORECAST FOR THE 13 WEEK PERIOD ENDED
DECEMBER 10, 2010

1. The Cash Flow Forecast has been prepared by Nelson to support a further application to extend the stay of proceedings first ordered when Nelson filed for and obtained protection from its creditors pursuant to the Companies Creditors' Arrangement Act ("CCAA") on March 23, 2010
2. Nelson is assumed to continue to operate on a going concern basis throughout the Cash Flow Period.
3. Opening Cash - The actual reconciled cash balance on September 10, 2010.
4. Net new lending forecasts are based on recent historical trends combined with the net addition of certain new vendors. The net new lending forecasts do not include the impact, if any, of the recent decision by Nelson to abandon its self imposed lending cap and instead seek out further vendors in order to ensure that its book of loans trend towards 50% of their historical level.
5. No significant changes underwriting criteria and related loan pricing
6. Collection of accounts receivable is based on historical average collection patterns having regard to the declining loan balances and the change in the mix of lending.
7. Payroll costs are based on 24 full time staff. 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. Rent payments are on the basis of existing lease arrangement at the Pickering location only.
10. *Selling, general and administrative expenses are calculated based on the recent patterns of payment in which variable components are lower than historical levels reflecting lower loan volumes.*
11. *Restructuring costs represent projected payments on account of the fees and expenses of the Monitor, the Monitor's counsel, Nelson's counsel, the Noteholders' Representative Counsel and the Independent Counsel to the Monitor. It is assumed that the unpaid balance of the fees and expenses billed by the Monitor up to June 30, 2010 will be paid by Nelson at the rate of \$30,000 per month through 2010. All other fees and expenses to be paid as billed.*

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.
13. The disbursement labelled "Other" reflects the amount transferred back to Nelson's general operating account in connection with the settlement reached with a secured creditor, Foscarini Mackie Holdings Inc.

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Exhibit "R"

**Eighth Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 28, 2010**

**Monitor's Report on the
Third Updated Cash Flow Forecast**

MONITOR'S REPORT ON CASH FLOW FORECAST

The attached Weekly Cash Flow Forecast attached as Exhibit "P" to the Eighth Report of the Monitor dated September 28, 2010 (the "Cash Flow Forecast") of Nelson Financial Group Ltd., (the "Company") for the period from September 11, 2010 through to December 10, 2010, has been prepared by the management of the Company to support a further application to extend the stay of proceedings using the Probable and Hypothetical Assumptions set out in Exhibit "P".

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.

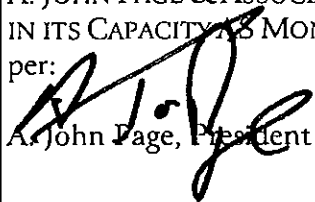
Since the Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Hypothetical Assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Forecast will be achieved. 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 28th day of September, 2010

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

per:


A. John Page, President

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Nelson Financial Group Ltd
Weekly Cash Flow Forecast
For the 13 week period ending December 10, 2010

Unaudited

Week Ending

	17-Sep-10	24-Sep-10	01-Oct-10	08-Oct-10	15-Oct-10	22-Oct-10	29-Oct-10	05-Nov-10	12-Nov-10	19-Nov-10	26-Nov-10	03-Dec-10	10-Dec-10	Total
Opening Cash	\$4,744,211	\$4,894,799	\$5,193,072	\$5,289,835	\$5,284,586	\$5,408,529	\$5,375,315	\$5,409,844	\$5,441,678	\$5,547,555	\$5,679,550	\$5,718,555	\$5,769,908	\$4,744,211
Total Operating Receipts	324,308	346,243	353,733	302,131	286,207	346,666	296,559	354,794	294,457	342,375	340,565	349,713	290,385	4,228,156
Disbursements:														
Payroll and benefits	50,000		55,800		46,000		46,000	5,800	46,000		46,000	5,800	46,000	347,400
Rent			6,780				6,780					6,780		20,340
SG&A	12,000	12,000	16,000	20,000	11,000	11,000	11,000	23,000	11,000	11,000	11,000	21,000	11,000	181,000
Other		(104,000)												(104,000)
Net new Deal Funding	111,720	111,720	111,720	131,580	105,264	131,580	131,580	131,580	131,580	131,580	131,580	131,580	131,580	1,624,644
Payments to Noteholders														0
Payments to Pref Shareholders														0
Restructuring Costs		28,250	66,670	155,800		237,300	73,450	155,800		67,800	113,000	133,200		1,031,270
Total Disbursements	173,720	47,970	256,970	307,380	162,264	379,880	262,030	322,960	188,580	210,380	301,580	298,360	188,580	3,100,654
Net Operating Cash Flow	150,588	298,273	96,763	(5,249)	123,943	(33,214)	34,529	31,834	105,877	131,995	39,005	51,353	101,805	1,127,502
Closing Cash	\$4,894,799	\$5,193,072	\$5,289,835	\$5,284,586	\$5,408,529	\$5,375,315	\$5,409,844	\$5,441,678	\$5,547,555	\$5,679,550	\$5,718,555	\$5,769,908	\$5,871,713	\$5,871,713

See attached schedule entitled - Notes/Probable and Hypothetical Assumptions underlying Weekly Cash Flow Forecast for the 13 week period ending December 10, 2010

NELSON FINANCIAL GROUP LTD. ("Nelson")
NOTES/PROBABLE AND HYPOTHETICAL ASSUMPTIONS UNDERLYING
WEEKLY CASH FLOW FORECAST FOR THE 13 WEEK PERIOD ENDED
DECEMBER 10, 2010

1. The Cash Flow Forecast has been prepared by Nelson to support a further application to extend the stay of proceedings first ordered when Nelson filed for and obtained protection from its creditors pursuant to the Companies Creditors' Arrangement Act ("CCAA") on March 23, 2010
 2. Nelson is assumed to continue to operate on a going concern basis throughout the Cash Flow Period.
 3. Opening Cash - The actual reconciled cash balance on September 10, 2010.
 4. Net new lending forecasts are based on recent historical trends combined with the net addition of certain new vendors. The net new lending forecasts do not include the impact, if any, of the recent decision by Nelson to abandon its self imposed lending cap and instead seek out further vendors in order to ensure that its book of loans trend towards 50% of their historical level.
 5. No significant changes underwriting criteria and related loan pricing
 6. Collection of accounts receivable is based on historical average collection patterns having regard to the declining loan balances and the change in the mix of lending.
 7. Payroll costs are based on 24 full time staff. 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. Rent payments are on the basis of existing lease arrangement at the Pickering location only.
 10. Selling, general and administrative expenses are calculated based on the recent patterns of payment in which variable components are lower than historical levels reflecting lower loan volumes.
 11. Restructuring costs represent projected payments on account of the fees and expenses of the Monitor, the Monitor's counsel, Nelson's counsel, the Noteholders' Representative Counsel and the Independent Counsel to the Monitor. It is assumed that the unpaid balance of the fees and expenses billed by the Monitor up to June 30, 2010 will be paid by Nelson at the rate of \$30,000 per month through 2010. All other fees and expenses to be paid as billed.
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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.
13. The disbursement labelled "Other" reflects the amount transferred back to Nelson's general operating account in connection with the settlement reached with a secured creditor, Foscarini Mackie Holdings Inc.

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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.**

Court File No.: 10-8630-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**EIGHTH REPORT OF A. JOHN PAGE &
ASSOCIATES INC. IN ITS CAPACITY AS THE
MONITOR OF THE APPLICANT
DATED SEPTEMBER 28, 2010**

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