

**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

**AFFIDAVIT OF RICHARD B. JONES
(Sworn November 17, 2010)**

I, **Richard B. Jones**, Barrister and Solicitor, of the City of Toronto in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Barrister and Solicitor qualified to practice law in the Province of Ontario and have been retained by Douglas Turner Q.C., the Representative Counsel appointed by the order of this Honourable Court made on June 15, 2010 as his special counsel. This retainer was specifically in compliance with the direction of the Court in paragraph 3(e) of such Order. As such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. Attached hereto as Exhibit "A" are true copies of the invoices forwarded to the Representative Counsel by me for fees and disbursements incurred by me in the course of providing services as special counsel to the Representative Counsel between June 16, 2010 and October 21, 2010 (the "Special Counsel Accounts"). The Special Counsel Accounts have been redacted to protect information subject to solicitor-client privilege and information in respect of which the Representative Counsel has given undertakings of confidentiality or which he has received on a confidential basis.
3. Attached hereto as Exhibit "B" is a schedule summarizing each of the Special Counsel Accounts as to the matters generally dealt with, the billable hours charged in the account and the professional fee charged for such billable time, before taxes and any disbursements.

4. I received the degree of LL.B. from the University of Toronto Faculty of Law in 1967 and was awarded the Dean's Key and the Butterworth Prize. I received the degree of LL.M. from Harvard Law School in 1970 with honours. I was called to the bar of Ontario in 1969 and to the bar of Alberta in 1993. I have also been permitted to appear before the Courts of New Brunswick and Newfoundland and Labrador in insolvency matters. I teach courses in creditors' remedies and advanced insolvency and business restructuring at Queen's University Faculty of Law as an adjunct professor.
5. The Special Counsel Accounts have been prepared based upon an hourly rate of \$600 per hour with such reductions to billed time as I determined were appropriate to allow for less productive or less valuable professional time. To the best of my knowledge, the hourly billing rate charged throughout these accounts is comparable to or less than the rates charged by other law firms in Toronto for similar professional services in matters of comparable difficulty.
6. All of the professional work billed under the Special Counsel Accounts was necessary and was performed in accordance with the requests of the Representative Counsel and without duplication of his activities. The amount of work necessarily increased as the Representative Counsel learnt that the incumbent management had conducted itself in ways that made it unlikely that any plan of restructuring presented by them would either succeed or be approved by the creditors.
7. The work relating to the preferred shareholder creditor claims issue was specifically assigned to the Representative Counsel and authorized by the Order of this Honourable Court made on August 27, 2010. It was particularly complicated by the need for the special counsel to deal appropriately with self-represented respondents and the last minute appearance of counsel for the largest older of preferred shares.
8. I make this affidavit in support of the motion of the Representative Counsel for, among other relief, approval of the fees and disbursements of the Representative Counsel including the Special Counsel Accounts.

SWORN BEFORE ME
at the City of Toronto, in the
Province of Ontario, this 17th
day of November, 2010

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Richard B. Jones



A/Commissioner etc.

M. CATH COLLINS

This is Exhibit "A" to
the Affidavit of Richard B. Jones
sworn the 17th day of
November, 2010



A Commissioner etc.

**Jones
Counsel LLP**

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Business Counsel at Law

IN ACCOUNT WITH

Douglas Turner, Q.C.
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63 Albert Street
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Uxbridge, ON L9P 1E5

June 25, 2010

**Re: Representative Counsel
Nelson Financial Group Ltd.
Superior Court of Justice (Commercial List)
Court File No. 10-8630-00CL**

TO PROFESSIONAL SERVICES RENDERED to you in acting as your special counsel in accordance with the Order of June 15, 2010 appointing you as Representative Counsel for the Noteholders of Nelson Financial Group Ltd., including initial consultations with you, gathering background material, preliminary advice as to the issues presented by any restructuring plan and including all matters referred to in the attached time summary, necessary correspondence and attendances to date.

Professional Fee:	\$8,880.00
Goods and services tax on professional fee	444.00
Disbursements:	
Printing copies of background documents from Monitor's website (210 pages at .35)	73.50
Goods and services tax on disbursements	<u>3.67</u>
Total of this Account	<u>\$9,401.17</u>

This is my account prepared in accordance with the terms of the Retainer

Richard B. Jones

E. & O. E.
GST Registration No. 81564 4356 RT0001

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

**Time Record
of
Richard B. Jones as Special Counsel**

Date	Description	Time	Amount
June 16, 2010	PC from D. Turner, receive advice that he wishes to retain me as special counsel pursuant to order made by Pepall, J. yesterday, discuss his needs for CCAA support, advise him that hired to act, receive briefing as to most recent developments, examine copy of endorsement and order posted on Monitor's website, download and begin review of Monitor's Third Report;	.8	\$480.00
June 18, 2010	Continuing review of background material on Monitor's website, assemble document book of Initial Order, Monitor's reports, considering scope of Representative Counsel's mandate, drafting letter to D. Turner confirming retainer, letter to C. Prophet advising of retainer and requesting copy of service list, letter to J. Grout advising of retainer, letter to Monitor advising of retainer and asking to be included on service list, together with Representative Counsel;	2.6	1,560.00
June 20, 2010	Reading Monitor's Third Report, beginning review of Viability Reviews and Liquidation Analysis prepared by Monitor;	1.5	900.00
June 21, 2010	Continuing review of background documents, review of application record and affidavit of M. Boutet sworn March 22, 2010, email from D. Turner, email to D. Turner, scheduling telephone meeting, extended telephone discussion with D. Turner as to his needs, emerging profile of Noteholders, need for timeline and costs budget before July 19 Noteholders' meeting, discussion of equity claims, concerns on viability, continuing review of background material, memo to file on legal research on equity claims under BIA and CCAA;	3.0	1,800.00
June 22, 2010	Identify changing economic parameters for restructured entity business according to Monitor's Reports, noting	4.2	2,520.00

secured creditor claim and considering issues relating to possible challenge, preparing extended letter of advice to D. Turner concerning issues relevant to restructuring plan and evaluation of alternatives including liquidation, considering sale alternatives, identifying needed information, including offering memoranda, email to D. Turner concerning offering memoranda used by Nelson Investment and by Nelson Financial, updating time records, preparing draft account for services;

June 23, 2010	Finalize letter of advice on review of Monitor's Third Report, receive email from D. Turner with timetable and notice for meeting of Noteholders, consider Noteholders' committee potential liabilities, Court approval, email reply to D. Turner, telephone discussion with D. Turner, finalize account;	2.7	1,620.00
Total		<u>14.8</u>	<u>\$8,880.00</u>

Jones Counsel LLP

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Business Counsel at Law

IN ACCOUNT WITH

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Barrister & Solicitor
63 Albert Street
P.O. Box 760
Uxbridge, ON L9P 1E5

July 21, 2010

**Re: Representative Counsel
Nelson Financial Group Ltd.
Superior Court of Justice (Commercial List)
Court File No. 10-8630-00CL**

TO PROFESSIONAL SERVICES RENDERED to you in acting as your special counsel in accordance with the Order of June 15, 2010 appointing you as Representative Counsel for the Noteholders of Nelson Financial Group Ltd. during the period from June 28, 2010 to July 21, 2010, including all matters referred to in the attached time summary, necessary correspondence and attendances to date.

Professional Fee:	\$23,820.00
Goods and services tax on professional fee of \$2,700.00	135.00
Harmonized sales tax on professional fee of \$21,120.00	2,745.60

Disbursements:	
Mileage (170 kms @ .47 per km)	79.90
Harmonized sales tax on disbursements	<u>10.38</u>

Total of this Account Now Due	<u>\$26,790.88</u>
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GST and HST Registration No. 81564 4356 RT0001

This is my account prepared in accordance with the terms of the Retainer

Richard B. Jones

E. & O. E.

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

**Time Record
of
Richard B. Jones as Special Counsel**

Date	Description	Time	Amount
June 28, 2010	Review revised projected timetable from Representative Counsel, email to D. Turner, receive email from C. Prophet with service list, email to C. Prophet confirming receipt and enquiring as to Confidentiality Agreement;	.5	\$300.00
June 28, 2010	Receive email from C. Prophet with draft Confidentiality Agreement, preliminary review, email requesting copy in Word format to communicate amendments, email to D. Turner with preliminary comments and suggestions as to approach to resolve quickly, proceed with full review of draft agreement, draft letter to C. Prophet, forward draft by email to D. Turner for review and instructions, revising draft Confidentiality Agreement, revising draft letter to C. Prophet in view of scope of revisions required to correct errors in debtor's draft, email to D. Turner with revised draft letter and revised draft agreement;	2.7	1,620.00
June 29, 2010	Telephone call at length with D. Turner concerning procedures for rendering of Representative Counsel accounts and approval, concerning Confidentiality Agreement, receive approval of draft letter and proposed revisions to Confidentiality Agreement;	.6	360.00

June 30, 2010	Review and finalize letter to C. Prophet and suggested amendments to Confidentiality Agreement, preparing letter, forward same by email;	.7	420.00
July 1, 2010	Email to C. Prophet, copy to D. Turner forwarding letter and revisions to Confidentiality Agreement;	.2	120.00
July 5, 2010	Receive and review motion record of debtor returnable Wednesday for appointment of Independent Counsel respecting preferred shares, receive and review Fourth Report of Monitor, telephone call D. Turner, risk of open-ended engagement with all costs being born by Noteholders;	1.2	720.00
July 6, 2010	Review draft order for appointment of Independent Counsel respecting issues concerning preferred shareholders of Nelson Financial, telephone call from D. Turner, conference call with D. Turner and Pamela Foy, draft replacement paragraphs for order and other amendments, email same to D. Turner for review and approval, receive his approval, forward same to counsel list, telephone call Sanj Mitra concerning position of his clients as preferred shareholders, email to C. Prophet requesting response on Confidentiality Agreement, email from C. Prophet approving proposed amendments to draft order on independent counsel, email to C. Prophet re same, email to D. Turner reporting on status of efforts to settle order and avoid argument on motion, discussion of questions relating to intentions of debtor company to seek releases, forwarding comments on Court of Appeal ABCP decision to D. Turner, receive email from P. Foy approving order, receive email from S. Mitra not opposing, receive email with notice of Noteholders' meeting as finally settled and sent, gathering materials for attendance in chambers tomorrow;	3.5	\$2,100.00

July 7, 2010	<p>Prepare for and attend at Court for chambers attendance to have amended order granted on consent, receive email from J. Grout suggesting that matter should be dealt with in open Court, discussion with C. Prophet, discussion with P. Foy, no opposition, matter stood down until 11:00, telephone call to D. Turner advising him of status, Court convening, directions of Justice Pepall to make independent counsel retainer from Monitor, working with other counsel on revisions to draft order, draft order settled, re-convening Court, order granted and will be issued and entered, brief discussion with Noteholder in attendance, discussion with C. Prophet concerning Confidentiality Agreement, he has not revised it yet;</p>	2.5	1,500.00
July 8, 2010	<p>Receive and review order appointing independent counsel to Monitor respecting preferred share issues, email to C. Prophet enquiring as to Confidentiality Agreement, telephone call from D. Turner re Confidentiality Agreement, receive revised draft and review same, substantive points previously advised to debtor's counsel and discussed have not been dealt with, discussion with D. Turner respecting same, he is firm that several provisions are unacceptable, e-letter to C. Prophet re same, copy to Monitor and Monitor's counsel, receive email from C. Prophet responding partially, further email to C. Prophet, discussion with D. Turner as to options;</p>	2.7	1,620.00
July 9, 2010	<p>Follow up with C. Prophet concerning Confidentiality Agreement, draft e-letter to C. Prophet, review same with D. Turner, approve to send, forward with amended version of Confidentiality Agreement that we will execute;</p>	.7	420.00

July 9, 2010	Receive reply from C. Prophet, our form of Confidentiality Agreement is now approved, execute in counterpart, email D. Turner, letter to C. Prophet delivering counterpart, copy to J. Page with counterpart, scan and email executed counterpart, email to C. Prophet concerning uses of names and procedures to preserve privacy rights;	1.8	1,080.00
July 9, 2010	Receive email from C. Prophet accepting our revised form of Confidentiality Agreement, forward to D. Turner, preparing counterparts of Confidentiality Agreement for execution, executing same, letter to C. Prophet delivering executed counterpart, telephone call D. Turner re same, receive copy of his request to Monitor for listing of Noteholders, scanning executed counterpart of Confidentiality Agreement and emailing same to Monitor;	1.2	720.00
July 12, 2010	Receive Noteholder and Preferred Shareholder listings from Monitor, preliminary review of same, telephone call D. Turner re composition of Noteholder Committee;	.5	300.00
July 13, 2010	Receive and consider listing of Noteholder issues from D. Turner, amending same to add concerns relevant to equity claims, set-off issues with respect to improper dividends, preferences in reviewable transactions under s.36.1, receive email from D. Turner with list of potential candidates for Noteholder Committee, reviewing same and identifying extent of direct and family holdings, checking to ensure that none have direct or indirect interests in preferred shares as apparent from listings;	1.0	600.00

July 15, 2010	Receive draft of agenda for Noteholders' meeting for July 21, review and amend same, e-letter to D. Turner advising as to Noteholders' meeting agenda, concerns relevant to creditor meeting issues, noting D. Turner's security concern, providing comments and advice to D. Turner respecting enquiries for meeting at offices of Nelson on July 19, outlining areas of enquiry and factual material needed;	1.7	1,020.00
July 15, 2010	Extended telephone discussion with D. Turner reviewing his selection of five members for advisory committee of Noteholders, discussion of his criteria for selection of some and rejection of others, discussion of permissible functions to assign or delegate to Noteholders Committee, extended discussion of issues raised in my eletter of today, discussion of agenda for Noteholders' meeting of July 21, discussion of procedures and agenda for meeting with Noteholders' Committee and with Monitor at offices of debtor on Monday, review listing of issues for discussion with Noteholders' Committee members and adding specific CCAA issues concerning claims process and plan development and approval process;	.9	540.00
July 15, 2010	Receive email request from D. Turner to prepare Confidentiality Undertaking for signature by members of Noteholders' Committee, email to D. Turner, drafting undertaking, checking obligations of committee members under July 9 Confidentiality Agreement, instructions for circulation of draft tomorrow;	1.2	720.00

July 19, 2010	Travel to Nelson offices in Pickering, preparing notes of issues on restructuring for discussion with advisory committee of Noteholders, brief meeting with Marc Boutet, continuing preparation for meeting, brief meeting with Stephanie Sobol, pre-meeting with D. Turner, meeting with D. Turner, Tina Young, Sherry Townsend, Doug Davies and Rob Catinari, extensive discussion of restructuring process, discussion of Confidentiality Agreement binding Representative Counsel, presentation of undertaking of confidentiality, review with each of the committee members, executed copies delivered to D. Turner, continuing discussion of restructuring issues, discussion of apparent redemptions of persons who are friends of principals, extensive discussion of security interest claimed by Foscarini Mackie Holdings, receiving advice as to relationship between Mrs. Mackie and Mrs. Boutet, advising committee as to principals engaged with respect to preferences, receive instructions to pursue issue and require satisfaction as to circumstances of advances under security, meeting adjourned at 1:00 p.m., further discussion with T. Young, S. Townsend and D. Turner;	4.7	2,820.00
July 20, 2010	Review security agreements of Foscarini Mackie in application record, note that this creditor is recorded by the debtor company as Noteholder with principal amount of \$653,341.63, letter to counsel for monitor concerning proposal to deal with repayment of this claim next Tuesday and objecting to same, receive email response confirming that the factual circumstances of advances will be addressed in the opinion of counsel to be appended to next report of monitor, reviewing listings of Noteholders and agenda in preparation for Noteholders' meeting tomorrow, receive email and advising Representative Counsel concerning security and issues relating to conduct of meeting;	2.2	1,320.00

July 21, 2010	Travel to Ajax, prepare for meeting of Noteholders, prepare presentation on CCAA process and principles of restructuring plan negotiation, preliminary meeting with D. Turner, preliminary meeting with security staff, preliminary meeting with members of Noteholders advisory committee, participating in meeting, continuing with Noteholders to 2:30, post-meeting discussion with D. Turner, S. Townsend and T. Young, return to Toronto;	7.0	4,200.00
July 21, 2010	Receive Motion Record for motion of debtor company on July 27, 2010, receive and review Fifth Report of Monitor, no basis to support validity of Foscarini Mackie Holdings Inc. claimed security, letter to Representative Counsel raising tactical alternatives	2.2	1,320.00
Totals		<u>39.7</u>	<u>\$23,820.00</u>

Richard B. Jones

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IN ACCOUNT WITH

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September 14, 2010

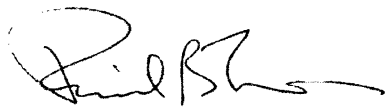
**Re: Representative Counsel
Nelson Financial Group Ltd.
Superior Court of Justice (Commercial List)
Court File No. 10-8630-00CL**

TO PROFESSIONAL SERVICES RENDERED to you in acting as your special counsel in accordance with the Order of June 15, 2010 appointing you as Representative Counsel for the Noteholders of Nelson Financial Group Ltd. during the period from July 22, 2010 to September 3, 2010, including all matters referred to in the two attached time summaries, necessary correspondence and attendances to date.

Professional Fee:	\$44,820.00
Harmonized sales tax on professional fee of \$44,820.00	<u>5,826.60</u>

Total of this Account Now Due	<u>\$50,646.60</u>
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This is my account prepared in accordance with the terms of the Retainer as Special Counsel



Richard B. Jones

GST and HST Registration No. 81564 4356 RT0001
E. & O. E.

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

Time Record
of
Richard B. Jones as Special Counsel

Date	Description	Time	Amount
July 22, 2010	Letter to D. Turner addressing concerns of committee on reputational risk issues concerning M. Boutet and prospects for successful restructuring, advising as to additional information that should be requested through the Monitor, finalizing letter and account, reviewing emails from Noteholders, telephone call D. Turner on adjournment of motion set for next Tuesday;	1.5	\$900.00
July 24, 2010	Receive and review supplement to Fifth Report of Monitor including further documents and opinion of Monitor's counsel concerning Foscarini Mackie claim to be secured creditor, telephone call D. Turner concerning adjournment of Tuesday motion, recommending tactical approach to dealing with other counsel in context of Commercial List proceedings;	.8	480.00
July 26, 2010	Edit and finalize letter of advice to Representative Counsel, review emails between counsel concerning adjournment, telephone call D. Turner, receive email from S. Mitra on behalf of Mr. and Mrs. Mackie, telephone call S. Mitra, telephone call D. Turner, adjournment agreed with respect to Foscarini Mackie preference issue, Representative Counsel consenting to extension of stay and to claims procedure order, taking no position with respect to approval of Monitor's costs;	1.3	780.00
July 27, 2010	Telephone call from D. Turner at Court concerning scheduling of adjourned motion concerning Foscarini Mackie, checking calendar as to available dates for cross-examinations and for return of motion, telephone call to D. Turner re scheduling;	.4	240.00

August 4, 2010	Receive email forwarded from D. Turner from [REDACTED], receive comment from T. Young, research background on [REDACTED] mail to D. Turner re prospect for sale, receive email from D. Turner with request for further consideration and comment;	1.2	720.00
August 5, 2010	Draft eletter to [REDACTED] eletter to D. Turner with draft and comments requesting approval, email from D. Turner approving letter and authorizing it to be sent, receive email from T. Young commenting on prospective buyer, receive email from T. Young with further work and financial modeling of business plan for restructured Nelson Financial, review same, noting issues relating to Monitor's model and assumptions, email to D. Turner and members of the Committee concerning required payout period with limited EBITDA, preliminary comments on utilization of tax losses, finalize eletter to [REDACTED] and forward same; Checking background and connections of [REDACTED] [REDACTED], email to D. Turner with results of enquiries, email from Monitor concerning payment of outstanding billings, reply, voicemail for [REDACTED];	1.7	1,020.00
		.6	360.00
August 6, 2010	Email to counsel for applicant requesting documents and confirming examination of M. Boutet, letter to S. Mitra requesting documents and indicating requirement for examination under Rule 39.03 of Mr. and Mrs. Mackie, receive response email from S. Mitra, email to him confirming change of dates to August 20 and M. Boutet to August 17, receive emails from D. Turner, S. Townsend and T. Young concerning Noteholders' Committee matters;	.9	540.00

August 9, 2010	Receive and review emails from T. Young with developing business plan, receive and review email from Monitor concerning corrections to restructuring financial analysis, receive summary from D. Turner of system to coordinate documentation, update my document index and provide copy of same to D. Turner for his assistance, receive email from S. Townsend concerning accounting support for business plan development and possibility of forensic audit, receive email from D. Turner responding, receive and review latest draft of business plan from T. Young, receive message from [REDACTED] exchange emails and arrange meetings for this afternoon;	1.3	780.00
	Prepare for and attend meeting with [REDACTED] meeting confidential and without prejudice, extended discussion [REDACTED] [REDACTED] discussion of needs of Noteholders to maximize recovery, discussion of tax loss structuring, confidentiality, need to identify his client and desirability of a firm proposal, constructive discussion, [REDACTED] this week and seek to develop a proposal, report to D. Turner on discussion and apparent favourable prospect;	2.0	1,200.00
August 10, 2010	Receive email from T. Young concerning capital structure alternatives, respond by comments on email, email from S. Townsend concerning possible validity of existing shares held by M. Boutet, respond by email, email from D. Turner concerning scheduling of conference call with Noteholders' Committee, telephone call from T. Young concerning issues relating to execution of documentation by Nelson Financial with Mackie, email from T. Young, email from D. Turner concerning meeting with OSC, telephone call D. Turner on information needs connected to possible proposal from Noverra client;	1.2	720.00
August 11, 2010	Receive email from T. Young requesting that Representative Counsel raise issues concerning handling of funds and missing information with Monitor, email to D. Turner concerning drafting of a letter for him;	.7	420.00

August 13, 2010	Meeting with D. Turner in Uxbridge, review and finalize Representative Counsel First Report, extended discussion of possible proposed settlement between Nelson Financial and Mackie, possible alternative settlements to resolve contested motion, continuing discussion of restructuring options for Noteholders;	3.0	1,800.00
August 16, 2010	Preparing for cross-examination of M. Boutet, reviewing document brief filed on behalf of Mackie, emails from and to C. Prophet, emails from and to P. Foy, continuing preparation of questions, receive email from [REDACTED] and forward same to D. Turner;	5.0	3,000.00
August 17, 2010	Completing preparation, p.c. from P. Foy, conducting cross-examination of M. Boutet, numerous undertakings, eletter to D. Turner itemizing principal facts established;	6.3	3,780.00
August 18, 2010	Finalize eletter to D. Turner reporting on cross- examination of M. Boutet, send same, telephone call [REDACTED]. [REDACTED] appointment for August 24 for meeting and dinner, telephone call T. Young responding to her enquiries;	1.2	720.00
August 19, 2010	Reviewing cross-examination of M. Boutet, considering implications of factual admissions on Monitor's counsel opinion, preparing for cross- examination of Lisa Mackie, letter to Monitor's counsel asking for revision to opinion letter of July 23, 2010 in view of facts established by examinations of witnesses, email from T. Young, email in reply, further email from T. Young concerning accounting investigations required;	3.4	2,040.00
August 20, 2010	Attend and conduct examination of Lisa Mackie as witness under Rule 39.03, undertakings given, report to D. Turner by email, updating D. Turner on numerous matters, p.c. D. Turner, receive committee's plan to replace management of debtor, comment;	2.5	1,500.00
August 23, 2010	Extended telephone conference with D. Turner briefing him on developments, receive email and documents on undertakings of L. Mackie, reviewing same, email to S. Mitra, email from S. Mitra, telephone call S. Aggarwal concerning request for revisions to opinion on secured creditor claim settlement, email from S. Townsend, reply email, email from T. Young, reply email,	.8	480.00

August 24, 2010	Attending at Court on return of motion to approve Foscarini/Mackie payout, chambers attendance with Pepall, J. and counsel to establish procedure and schedule for trial of issue, drafting outline of such, obtaining approval of other counsel, order issued, receive electronic version of endorsement, circulate same to D. Turner with email concerning require decision by Friday, September 3;	2.0	1200.00
August 24, 2010	Meeting with [REDACTED] [REDACTED] [REDACTED] extended discussion on background of proposed party and approach to possible transaction with partnership arrangement with Noteholders;	5.0	3,000.00
August 26, 2010	Receive emails from T. Young and S. Townsend, emails to respond, receive letter on undertakings from C. Prophet, review same, refer material on state of Foscarini security accounts as of March 23 to T. Young for analysis;	.6	360.00
August 27, 2010	Letter to D. Turner concerning various matters for follow up next week, reviewing facts concerning Foscarini Mackie secured claim and formulating recommendation for Representative Counsel;	.7	420.00
August 28, 2010	Completing drafting of letter of recommendation to Representative Counsel concerning Foscarini Mackie secured creditor claim;	1.4	840.00
August 29, 2010	Revise and finalize letter of recommendation to Representative Counsel on Foscarini Mackie secured creditor claim, set up email to Turner.	.8	480.00
August 30, 2010	3 emails from S. Townsend on various issues, email from T. Young, email from S. Mitra with accountants letter concerning Mackies, not corroborative.	.7	420.00
Sept. 2, 2010	Review updated PPSA search on debtor company and affiliates, receive and respond to concerns raised by committee members	.4	240.00
Totals		47.4	\$28,440.00

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

Time Record
of
Richard B. Jones as Special Counsel
Time on Preferred Shareholder Claims Characterization to September 3, 2010

Date	Description	Time	Amount
August 12, 2010	Telephone call J. Page, meeting and extended discussion with J. Page concerning his views as to possible outcomes for Nelson Financial, discussion of pending opinion from his special counsel on the equity claim issue, discussion of approach to obtain binding Court determination for class purposes in considering a plan of arrangement, extended discussion of restructuring options available for debtor company and for its stakeholders, receive and respond to email messages concerning scheduling of meetings next week with OSC, pointing out that time will not permit accessing of OSC materials for purposes of cross-examinations to be conducted next Tuesday and Friday, may be relevant to equity claim motion probably to be dealt with in September;	2.5	1,500.00
August 20, 2010	Discussion with S. Aggarwall concerning plan of Monitor to deal with preferred shareholder claims, recommend against declaratory relief, motion to classify is better in context of CCAA plan preparation, receive email confirming scheduling motion for August 27, 2010	.8	480.00

August 23, 2010	Researching rescission rights of investors sold shares in breach of prospectus requirements of securities legislation, consultation with J. Dublin, telephone call S. Aggarwal concerning timing and scheduling of motion to classify preferred shareholder claims as equity claims, discussion of most appropriate stakeholder to be moving party is Representative Counsel, receive and review motion record of Monitor for August 27, attended telephone call P. Foy concerning position of OSC and scheduling of hearings, begin outlining motion to classify preferred shareholder claims as Equity Claims;	4.2	2,520.00
August 24, 2010	Drafting motion record and notice of motion for Representative Counsel's motion to classify preferred shareholder claims as Equity Claims, first draft;	1.4	840.00
August 26, 2010	Email to S. Aggarwal concerning amendments to draft order for Monitor's motion to direct and schedule motion to classify preferred shareholders claims as equity claims, telephone call from D. Turner, telephone call to D. Turner, email from S. Aggarwal, email to S. Aggarwal, our amendments accepted, reviewing factum served by Monitor for Friday motion, preparing submissions, telephone call D. Turner concerning final amendments to draft order and process to advance prospect of deal with a plan sponsor;	2.1	1,260.00

August 27, 2010	Prepare for and attend at Court on return of Monitor's motion concerning independent counsel opinion on preferred shares and concerning procedures for Representative Counsel to bring motion to declare claims of preferred shareholders to be Equity Claims, discussion with counsel for Monitor, discussion with counsel for debtor company, appear before Pepall, J., make responding submissions, order amended, schedule established for motion to be argued September 27, review endorsement, extended discussion with I. Kranc, receive issued and entered order, receive and begin review of opinion of E. Pillon, telephone call from T. Young, email report to D. Turner and to members of the Committee;	5.8	3,480.00
August 28, 2010	Continuing review of opinion of E. Pillon, receive and reply to email queries of committee members on facts disclose in opinion, considering legal issues ignored in opinion including "equity interest" and nature of rescission for illegality, studying legal analysis of Stikemans.	1.3	780.00
August 30, 2010	Eletter to D. Turner with preliminary comments on E. Pillon opinion, prepare for committee meeting conference call, extended p.c. D Turner, conference call with committee and Representative Counsel, briefing on preferred share issue motion, briefing on impact on terms of restructuring, briefing on potential plan sponsor, email from Monitor's counsel with comments and suggested amendments for notice of motion.	2.8	1880.00
August 31, 2010	Revising draft notice of motion for equity claims motion, email to Monitor's counsel and to Representative Counsel, receive draft of Monitor's letter to preferred shareholders, review and comment by track changes, email to Monitor's counsel with response to her comments and further revised draft of notice of motion for equity claims motion, p.c. from D. Turner.	1.7	1020.00
Sept. 1, 2010	Receive email from Monitor's counsel with draft of preferred shareholder newspaper notice, review and comment by reply email, further revisions to notice of motion, circulate as final to Monitor's counsel, C. Prophet and D. Turner, p.c. D. Turner	.8	480.00

Sept. 2, 2010	Assemble Motion Record, email to Representative Counsel for assembly, service and filing, letter to Monitor's counsel with detailed comments on draft letter to preferred shareholders and specific comment on notice, considering law of rescission for fraudulent misrepresentation, illegality or breach of securities law, letter to D. Turner with outline for needed legal research on issue, receive email from Monitor requesting final notice of motion, receive email from Monitor's counsel with further requests for amendments to notice of motion, make amendments, email circulate, p.c. Turner office, preparation of motion record is delayed, make email service of final notice of motion, motion record to follow.	3.2	2040.00
Sept. 3, 2010	P.c. from D. Turner, discuss requirements to assemble, serve and file Motion Record, planning for steps for next week;	.7	420.00
Total		<u>27.3</u>	<u>\$16,380.00</u>

Richard B. Jones

Business Counsel at Law

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M5C 2W1

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Mobile: 416-508-6009
Email: richard.jones@sympatico.ca

IN ACCOUNT WITH

Douglas Turner, Q.C.
Barrister & Solicitor
63 Albert Street
P.O. Box 760
Uxbridge, ON L9P 1E5

October 22, 2010

**Re: Representative Counsel
Nelson Financial Group Ltd.
Superior Court of Justice (Commercial List)
Court File No. 10-8630-00CL**

TO PROFESSIONAL SERVICES RENDERED to you in acting as your special counsel in accordance with the Order of June 15, 2010 appointing you as Representative Counsel for the Noteholders of Nelson Financial Group Ltd., during the time period from September 4 to October 21, 2010, including all matters referred to in the attached time summary, necessary correspondence and attendances to date.

Professional Fee:	\$71,100.00
Harmonized sales tax on professional fee	9,243.00

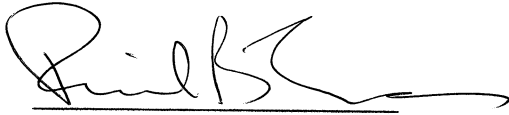
Disbursements:

Paid to The Printing House for reproduction of Factum and Compendium of Evidence	417.74	
Photocopies/Printing (500 pages @ .35 per page)	175.00	
Parking	64.00	
Travel	20.00	
Postage	<u>5.03</u>	681.77
Harmonized sales tax on disbursements		<u>88.63</u>

Total of this Account Now Due	<u>\$81,113.40</u>
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Douglas Turner, Q.C.
October 22, 2010
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This is my account prepared in accordance with the terms of the Retainer

A handwritten signature in black ink, appearing to read 'Richard B. Jones', written over a horizontal line.

Richard B. Jones

E. & O. E.
HST Registration No. 81564 4356 RT0001

Douglas Turner, Q.C.
October 22, 2010
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**Douglas Turner, Q.C.
as Representative Counsel
for Noteholders of Nelson Financial Group Ltd.**

**Time Record
of
Richard B. Jones as Special Counsel**

Date	Description	Time	Amount
September 7, 2010	Receive letter from [REDACTED], forward copy of letter and data sheet to D. Turner, review Powerpoint presentation, telephone call D. Turner, review email correspondence between T. Young and Monitor, noting response and fact that it was copied to debtor and debtor's counsel, email note to J. Page, email to J. Sarra, noting agenda for conference call meeting of Representative Counsel with Noteholders' Committee, receive and review response of Monitor to information request, receive email from Monitor responding to suggestion that we should meet;	.8	480.00
September 8, 2010	Telephone call D. Turner concerning resolution of issues relating to Mackie secured creditor claim, telephone call D. Turner concerning plan and plan sponsorship, need for information requested from Monitor, attending on conference call meeting with Noteholders' Committee, extended discussion of timing of various initiatives, extended discussion of settlement negotiated on Mackie secured claim, extended discussion of plan development and plan sponsorship, preparation for meeting tomorrow;	1.8	1,080.00

Douglas Turner, Q.C.

October 22, 2010

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September 9, 2010	Preparing for and attending meeting with Representative Counsel, members of Noteholders' Committee, [REDACTED], [REDACTED], [REDACTED], extended discussion of approach to develop a transaction outline;	5.0	3,000.00
September 16, 2010	Discussion with D. Turner, J. Page and S. Aggarwal regarding restructuring of Nelson Financial, advising Monitor that Noteholders' confidence in incumbent management has substantially disappeared and that there will be little support for a plan of arrangement as outlined previously, advising Monitor of probable proposal by Noteholders of plan in conjunction with sponsoring party, further meeting with D. Turner reviewing state of discussions [REDACTED], [REDACTED] receive emails from S. Townsend and T. Young concerning possible preferences, receive email [REDACTED]	2.7	1,620.00
September 17, 2010	Receive email from [REDACTED] [REDACTED] client to be in discussion;	.3	180.00
September 19, 2010	Receive emails from T. Young, S. Townsend, H. Chaiton, reply to H. Chaiton, call arranged for tomorrow morning;	.3	180.00
September 20, 2010	Addressing concerns raised by Noteholders Committee concerning preferences and procedures to challenge same, email to T. Young et al, telephone conference with [REDACTED], [REDACTED] email to D. Turner advising him of same, advising that he request copy from J. Page, subsequent receipt of email with copy of letter of intent from J. Page, reviewing same;	1.8	1,080.00

Douglas Turner, Q.C.

October 22, 2010

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September 20, 2010	Detailed review of letter from [REDACTED] [REDACTED] [REDACTED] negotiation, receive e [REDACTED] reply email, telephone call from [REDACTED] telephone call D. Turner re same, email from [REDACTED] requesting telephone discussion, evening telephone call from [REDACTED] [REDACTED] extended (1 hour) discussion with them as to need to establish business context and relationship for transaction before addressing legalistic terms, they will further consider matter;	2.8	1,680.00
September 23, 2010	Attend meeting with D. Turner at OSC with P. Foy and Brian (investigator), extended discussion of position of OSC and public interest concerns, extended discussion of receivership alternatives and different uses, discussion of OSC position respecting preferred shareholders' motion, review remedies available under s.128 of <i>Securities Act</i> , confidential collaboration and consultation agreement, subsequent meeting with D. Turner, instructions from him to begin preparation of motion to add receiver's powers to monitor's capacity, targeting for October 19 return of motion provided we receive support and evidentiary assistance from OSC;	2.7	1,620.00
September 28, 2010	Telephone call D. Turner (2X), review of OBCA liability provisions, including ss.130 and 134, estimate of personal liabilities facing M. Boutet arising out of preferred share issuance, unlawful dividends and unlawful redemptions in excess of \$20 million, extended discussion with J. Page, receive and review Monitor's Eighth Report, receive and review Applicant's motion record for extension, telephone call D. Turner respecting his appearance on Friday and discussion of draft Representative Counsel's report;	2.4	1,440.00

Douglas Turner, Q.C.

October 22, 2010

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September 29, 2010	Preparing for scheduled meeting with C. Prophet concerning liability of M. Boutet under OBCA concerning preferred shares, meeting delayed, meeting further delayed, meeting with C. Prophet at end of day, he is still in denial as to position of M. Boutet, please see D. Turner reporting on discussion;	1.2	720.00
September 30, 2010	Reviewing draft of Representative Counsel report, drafting notice of motion to expand authority of Monitor, authorize additional mandate for Representative Counsel and to amend June 15 order, drafting grounds and additional items for relief, receive emails from T. Young concerning possible plan sponsor and issues to be on agenda for business discussion;	.7	420.00
October 1, 2010	Discussion with H. Chaiton, considering possibility of Lendcare as plan sponsor with Noteholders, receive email from H. Chaiton confirming his client is prepared to meet;	.4	240.00
October 1, 2010	Telephone call D. Turner, email from [REDACTED] arrangements being confirmed for meeting next Tuesday, receive email from [REDACTED] re same, receive and review draft notice of motion for extension of Monitor's powers and amendments to mandate and terms of Representative Counsel, receive and review email from T. Young, emails confirming meeting [REDACTED] [REDACTED] be in attendance, receive copy of issued and entered order extending stay;	.8	480.00

October 4, 2010	Email to [REDACTED], telephone call D. Turner re same, receive business queries from T. Young, email to her requesting additional information on portfolio valuation and assumptions as to possible collections of delinquent accounts, costs of same, review further draft of notice of motion for Representative Counsel, forward same with email to D. Turner, telephone D. Turner reviewing overall matters and plans for meeting tomorrow concerning both M. Boutet circumstances and meeting [REDACTED];	1.2	720.00
October 5, 2010	Meeting with D. Turner, meeting with D. Turner, J. Grout and junior, discussion of departure of M. Boutet, discussion of Monitor's concerns regarding receivership powers and other alternatives;	1.5	900.00
October 5, 2010	Extended discussion with D. Turner as to outline to present at meeting [REDACTED] preparing for meeting, attending with D. Turner at [REDACTED] [REDACTED] presenting reaction of Noteholders to earlier proposal and suggestions for business arrangement, extended discussion, receive analysis, discussion and revised proposal based on [REDACTED] improvement to terms, brief discussion with D. Turner reviewing same;	3.5	2,100.00

October 5, 2010	Preparing for and attending at offices of Monitor's counsel for meeting with debtor company and Monitor, receive email advice that C. Prophet is meeting with M. Boutet in Pickering and had not recorded meeting, discussion of nature of problem with J. Grout, emails from J. Page, further meeting with D. Turner, telephone call S. Townsend briefing her, preparing for meeting [REDACTED] [REDACTED] her and meeting with [REDACTED] on conference call, extended discussion of our concerns with respect to the first draft term sheet, receive presentation on completely revised business deal approach, appears to be reasonably promising, preliminary work analyzing economic impact and discussing same with [REDACTED] and others, request copy of financial model on which analysis based, further discussion with D. Turner, receive email [REDACTED] financial model in evening;	6.5	3,900.00
October 6, 2010	Meeting at offices of Monitor's counsel, with C. Prophet, J. Page, J. Grout and D. Turner, discussion of M. Boutet wishes, extended discussion of elements, including requests for sweeping releases, request for intervention with OSC to settle their proceedings, further private discussion with D. Turner and J. Page, further discussion with D. Turner and reporting to S. Townsend and T. Young on developments, further discussion with J. Grout and D. Turner;	4.3	2,580.00
October 7, 2010	Finalize letter to C. Prophet, email as draft to D. Turner for his review and approval, receive approval, forward letter by email to C. Prophet, J. Grout and J. Page, considering legal risks attendant upon CRO position, need for Court approval of entire arrangement and particularly releases of claims of corporation against M. Boutet;	2.2	1,320.00

October 12, 2010	Telephone call C. Prophet concerning response to letter regarding departure of M. Boutet, he has not yet discussed it with his client, letter to Monitor's counsel raising concerns, receive email response from J. Grout advising as to his discussions with counsel for OSC, receive response from C. Prophet asserting that no urgency, unsatisfactory response to proposals;	1.2	720.00
October 14, 2010	Email from D. Turner re requests for information by R. Wyers, advising caution, email from C. Prophet, no response to my letter of a week ago due to today's power outage, discussion with D. Turner as to mounting concerns of Noteholders regarding incumbent management and progress on solicitation of their positions to either support or oppose any plan of arrangement, evident that overwhelming majority will not support M. Boutet plan;	1.0	600.00
October 19, 2010	Discussions with D. Turner concerning removal of management and enhanced need to do so in view of evidence on motion, attending meeting at Monitor's counsel office, receiving presentation of outlines of transactions as proposed by M. Boutet, various unsatisfactory elements of same, extended discussion, further brief discussion with D. Turner, considering appropriate response;	2.8	1,680.00
October 20, 2010	Telephone call from S. Aggarwal concerning Representative Counsel's proposed report, telephone call D. Turner, further telephone call S. Aggarwal, now apparent that S. Sobol will not cooperate with Monitor in meetings settled for Thursday, email to Monitor's counsel and debtor company counsel, objecting to circumstances, receive self-serving email from Monitor's counsel alleging agreements reached on Tuesday, rejecting same, email to Monitor's counsel requesting delivery of report of material adverse change of debtor company, telephone call D. Turner (3X);	1.6	960.00

October 21, 2010	Reviewing term sheet proposed by C. Prophet on behalf of M. Boutet, restructuring as heads of agreement and redrafting substantially on terms that might be acceptable to Representative Counsel, email to D. Turner, telephone call D. Turner re need to establish timeline and firmer position, receive approval of draft and of approach, eletter to C. Prophet, copy to counsel for Monitor, presenting heads of agreement and advising of time limit, working on draft notice of motion and redraft of Representative Counsel's report to Court, preparing account for services since September 3, 2010;	4.0	2,400.00
Totals		<u>53.5</u>	<u>\$32,100.00</u>

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

Time Record
of
Richard B. Jones as Special Counsel
Preferred Shareholder Motion to October 19, 2010

Date	Description	Time	Amount
September 7, 2010	Reviewing motion record as served and Monitor's letter is finally delivered, receive email from J. Sarra with copy of her 2007 paper, reading same and related legal research on issue of equity claims and policy arguments for more differential treatment;	2.6	\$1,560.00
September 8, 2010	Briefing Noteholders' Committee on preparation of and duplications surrounding preferred shareholder motion;	0.5	300.00
September 9, 2010	Working on gathering materials for preferred shareholder motion, continuing work on outline for argument assuming that there are creditor claims filed by preferred shareholders;	.7	420.00
September 16, 2010	Attend at Court on chambers motion to approve Foscarini Mackie settlement, Pepall, J. concerned respecting letters sent directly to the Court by preferred shareholders, directions to advise preferred shareholders to communicate only to parties, copies provided of all letters, undertaking to accept letters as responding submissions for self-represented preferred shareholders for motion returnable September 27, judge available for next week if adjournment requests brought forward, discussion with S. Aggarwal concerning supplementary report from Monitor for use on preferred shareholders motion;	1.5	900.00

September 16, 2010	Meeting with D. Turner, J. Page and S. Aggarwal at Monitor's office, discussion of preferred shareholder claims filed, discussion of communications to be made by Monitor and Representative Counsel to individual preferred shareholders, letter to C. Prophet requesting share register as previously discussed, letter to preferred shareholders responding to their letters addressed to the Court, continuing legal research in preparation of factum and submissions on preferred shareholder and equity claims issue;	3.2	1,920.00
September 17, 2010	Revise and finalize letter to C. Prophet, revise and finalize letters to six individual preferred shareholders, instruct sending of same;	.8	480.00
September 17, 2010	Receive telephone call from S. Aggarwal concerning Monitor's Supplemental Seventh Report dealing with preferred shareholders, receive draft language for report from her, review same, email back advising of no objection, copy D. Turner, receive Supplemental Report in final form as served, review same;	0.9	540.00
September 19, 2010	Receive email from P. McNulty enclosing documents said to constitute a proof of claim, reviewing same;	0.4	240.00
September 20, 2010	Preparing materials and dealing with self-represented preferred shareholders for preferred shareholders' motion, review email from J. McVey, letter in response to J. McVey, letter to P. McNulty, telephone call D. Turner, working on preparation of factum for motion;	4.0	2,400.00
September 21, 2010	Reading law for preparation of factum, including <i>EarthFirst</i> and <i>Merit Energy</i> , locating and reviewing article by A. Gray, Commercial Insolvency Reporter, editing of current draft of factum;	1.5	900.00

September 23, 2010	Finalizing factum for preferred shareholder motion, locating better copy of decision in <i>Stirling Homex</i> , discussion of timing to reproduce and serve factum and book of authorities with D. Turner, prepare for and attend on scheduling chambers proceeding with unrepresented preferred shareholders before Cumming, J., make submissions on position of preferred shareholders and opportunity had to retain counsel or obtain legal advice, judge concerned that debtor company has refused to provide shareholder list to preferred shareholder, adjournment for discussion with counsel and to enable counsel for debtor company to obtain instructions, matter resolved with order lifting confidentiality on preferred shareholder list and adjourning Representative Counsel motion to October 18 and 19, telephone call D. Turner re same, obtain his consent, consent to order, brief discussion with P. Foy for OSC, meeting with D. Turner reviewing circumstances and reporting;	4.3	2,580.00
September 27, 2010	Working on preferred shareholder motion, reviewing share register delivered by C. Prophet, advising D. Turner re same, receiving comments from Noteholders' Committee identifying errors in data, email to C. Prophet and Monitor asking him to review and advise, arranging meeting with C. Prophet, receiving emails from J. Page seeking to expand meeting, email exchange with J. Page and J. Grout concerning same, receive email and analysis spread sheet concerning preferred shares from T. Young, receive emails from T. Young concerning details of redemptions and dividends paid on preferred shares and specific errors in share register;	3.2	1,920.00
October 1, 2010	Receive and review draft notice for preferred shareholders, telephone call S. Aggarwal re same;	.2	120.00
October 4, 2010	Email to J. Page concerning notice to preferred shareholders and timing for any responding materials, email to C. Prophet;	.3	180.00

Douglas Turner, Q.C.

October 22, 2010

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October 5, 2010	Advising Representative Counsel of communications received from preferred shareholders, reviewing anticipated proceedings for October 18, making final additions to factum to record evidentiary points from cross-examination transcript of M. Boutet and correcting references to exhibits to Monitor's Reports;	1.2	720.00
October 12, 2010	Receive affidavits of three self-represented preferred shareholders responding to preferred shareholders' motion, argue, Lees, McLearn and Van Netten, forward to D. Turner, considering materials and effect on argument, finalizing factum and book of authorities, locating missing authority, telephone discussion with S. Aggarwal as to methods of placing filed affidavits or legal arguments before the Court, waiving technical objections improper execution or unmarked exhibits, email from S. Aggarwal re same;	2.5	1,500.00
October 13, 2010	Receive three further affidavits filed by self-represented preferred shareholders with Monitor, receive advice M. Boutet is seeking to raise capital from his father to fund settlement, receive letter from Harold Van Winssen on behalf of Cliff Styles, appearing to oppose motion, letter to H. Van Winssen refusing requested adjournment with grounds, advising service list of developments, requesting materials and argument from H. Van Winssen, finalizing factum and brief of authorities, sending for reproduction, reviewing transcripts and considering need for compendium of evidence;	4.3	2,580.00

Douglas Turner, Q.C.

October 22, 2010

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October 14, 2010	Preparing compendium of evidence for preferred shareholder motion, serving factum electronically, serving factum on Monitor, serving compendium electronically, filing factum and book of authorities on Court file, receive responding material from H. Van Winssen concerning C. Styles, begin reviewing same, legal research on securities law argument, email from L. Debono, self-represented preferred shareholder, email from Monitor's counsel concerning adjournment issue, agreeing that Court should be advised of request that H. Van Winssen can make oral argument on Tuesday, October 19, reviewing written argument, receiving sworn copy of C. Styles affidavit, continuing legal research with preparation of argument, telephone call D. Turner;	6.0	3,600.00
October 15, 2010	Preparing arguments responding to C. Styles arguments, outlining argument on separate agreement, outlining argument on no prospectus;	4.0	2,400.00
October 16, 2010	Continuing working on argument in response to C. Styles' argument, analyzing preferred shareholding position of C. Styles, unlawful dividends of \$410,000, outlining further issues on unlawful nature of alleged separate agreement, continuing preparation of argument for motion;	2.6	1,560.00
October 16, 2010	Receive and respond to emails from L. Debono, self-represented preferred shareholder, organizing materials for final preparation for motion;	.8	480.00
October 18, 2010	Preparing for and attending upon return of motion, main argument presentation as moving party, dealing with responses from individual preferred shareholders, preparation in evening for responding argument tomorrow;	6.0	3,600.00
October 19, 2010	Prepare for and attend on continuation of argument of motion, responding argument by H. Van Winssen, preparing and presenting for reply, arguments are concluded, decision reserved;	6.5	3,900.00
Totals		<u>65.0</u>	<u>\$39,000.00</u>

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

Disbursement Record
for the period July 22 – October 18, 2010

Date	Description	Amount
July 22, 2010	Printing copies of background documents from Monitor's website (375 pages at .35)	\$131.25
August 24, 2010	Parking re attendance at Court	10.00
August 27, 2010	Parking re attendance at Court	18.00
August 27, 2010	Printing copies of Factum and Book of Authorities (90 pages at .35)	31.50
August 27, 2010	Printing copies of Motion Record and Sixth Report of Monitor (35 pages at .35)	12.25
Sept. 16, 2010	Parking re attendance at Court	36.00
Sept. 17, 2010	Postage	5.03
October 18, 2010	Taxi to and from Court	20.00
October 18, 2010	Paid to The Printing House for reproduction of Factum and Compendium of Evidence	417.74
Total		\$681.77

This is Exhibit "B" to
the Affidavit of Richard B. Jones
sworn the 17th day of
November, 2010



A Commissioner etc.

Account Date	Matters Dealt With	Billable Time	Professional Fee
June 25, 2010	General advice as to mandate, reviewing record and briefing Representative Counsel on plan process	14.8	\$8,880.00
July 21, 2010	Settling confidentiality agreement, advising as to claims process, recommending default allowance of notes	39.7	\$23,820.00
September 14, 2010	Assisting respecting liaison with noteholders ad claims process, challenge Foscarini Mackie preference, cross-examine Marc Boutet and Lisa Mackie, claims process	47.4	\$28,440.00
Ditto	Addressing preferred shareholder creditor claims issue, preparing notice of motion and motion record	27.3	\$16,380.00
October 22, 2010	Advising Representative Counsel of need for alternative restructuring plan, responding to proposals from potential plan sponsors, considering effect of management fraud and negotiations for consensual change	53.5	\$32,100.00
Ditto	Preferred shareholder claims motion, dealing with self-represented respondents, factum and argument	65.4	\$39,000.00
Totals		247.7	\$148,620.00

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")

Court File No. 10-8630-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

AFFIDAVIT OF
RICHARD B. JONES
(Sworn November 17, 2010)

Richard B. Jones
Barrister & Solicitor
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Toronto, ON M5C 2W1

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Special Counsel for the
Representative Counsel for Noteholders
of Nelson Financial Group Ltd.