

Notice to the Stakeholders of Nelson Financial Group Ltd. and Other Interested Parties - November 12, 2010

In the last few days, the following "Notices of Motion" have been filed with the court:

1. Notice of Motion of Representative Counsel for the Noteholders dated November 4, 2010;
2. Notice of Motion of Representative Counsel for the Noteholders dated November 12, 2010 (effectively replacing the November 4, 2010 Notice of Motion); and
3. Notice of Motion of the Monitor dated November 12, 2010. This Notice of Motion is contained in the Monitor's Motion Record dated November 12, 2010.

In addition, Representative Counsel has issued a First Report dated November 3, 2010.

Copies of the three Notices of Motion, the Monitor's Motion Record and the First Report of Representative Counsel have been posted on the Monitor's website at www.ajohnpage.com/html/files.html.

A court hearing has been set for 9:00 a.m. on Monday November 22, 2010, on the 8th Floor at 330 University Avenue in Toronto, to hear the above three motions.

The Notices of Motion are primarily to ask the court to approve an agreement that provides for a change of management at Nelson with Marc Boutet being replaced by Sherry Townsend.

The court will also be asked to, among other things:

1. Set down the powers and duties of Ms Townsend as Interim Operating Officer;
2. Expand the powers of the Monitor;
3. Expand the responsibilities of the Representative Counsel;
4. Approve certain reports of the Monitor; and
5. Approve certain professional fees.

The Monitor and its legal counsel are currently working with Representative Counsel on an agreed form of order that can be presented to the court setting out Ms Townsend's, the Monitor's and Representative Counsel's duties.

The Monitor anticipates posting its Ninth Report addressing, among other things, the issues raised in the three Notices of Motion on Monday November 15, 2010. Affidavits of the Monitor and its legal counsel supporting their respective fees are already included in the Monitor's Motion Record.

It should be noted that Nelson continues to operate as normal.

It is the intention of Ms Townsend and the Monitor, working together, to move quickly to put together a restructuring plan for creditors of Nelson to consider.