

**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

**NOTICE OF MOTION
(returnable November 12, 2010)**

A. John Page & Associates Inc., in its capacity as the Court-appointed Monitor of the Applicant (the “**Monitor**”), will make a motion before a judge of the Ontario Superior Court of Justice (Commercial List) on November 12, 2010 at 9:30 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, in the City of Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

- (a) an Order that this motion is properly returnable at that time and dispensing with further service thereof;
- (b) an Order authorizing and directing the Applicant to transfer the amount of \$5 million (the “**Fund**”) to the Monitor where it shall be held in trust for the Applicant and released in accordance with a further Order of this Court;

- (c) an Order directing and empowering the Monitor to receive the Fund from the Applicant, to hold the Fund in trust for the Applicant in an interest-bearing account and to release the Fund in accordance with a further Order of this Court; and
- (d) an Order extending the Stay Period (as defined in paragraph 13 of the Initial Order of the Honourable Madam Justice Pepall dated March 23, 2010 (the “**Initial Order**”)) from November 15, 2010 to and including December 3, 2010.

THE GROUNDS FOR THE MOTION ARE:

The Fund

1. Douglas Turner, Q.C., in his capacity as the representative counsel (the “**Representative Counsel**”) for the holders of promissory notes issued by the Applicant has requested that the Applicant transfer the Fund to the Monitor to be held in trust by the Monitor in an interest-bearing account and released in accordance with a further Order of this Honourable Court.
2. The Monitor is of the view that, at this time, the Fund is not required by the Applicant for its operations and the transfer of the Fund to the Monitor will not jeopardize the Applicant’s operations.

The Extension of the Stay Period

3. Pursuant to the Order of the Honourable Madam Justice Pepall dated October 1, 2010, the stay of proceedings expires on November 15, 2010.
4. Pursuant to the Monitor’s Eighth Report dated September 28, 2010 (the “**Eighth Report**”), the Monitor provided this Honourable Court with the Applicant’s updated cash

flow projection for the period September 11, 2010 to December 10, 2010 (the “**Third Updated Cash Flow Forecast**”).

5. Pursuant to the Eighth Report, the Monitor advised that, based on the Third Updated Cash Flow Forecast, the Monitor was of the view that the Applicant has sufficient cash with which to operate for the period up to and including December 10, 2010.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the Monitor’s previous Reports filed with this Honourable Court and, in particular, the Eighth Report; and
- (b) such further and other material as counsel may advise and this Honourable Court may permit.

November 10, 2010

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AND TO: THE ATTACHED SERVICE LIST

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TO: ONTARIO SECURITIES COMMISSION

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ARRANGEMENT ACT, R.S.C., 1985 c. C-36, AS AMENDED**

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Applicants

Court File No. 10-8630-00CL

**ONTARIO
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Proceedings commenced at **Toronto**

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