

**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 RETURN OF MOTION
(Discharge of Monitor)**

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 Thursday, December 22, 2011 by 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 approving the Monitor's Eleventh Report dated December 8, 2010 (the "**Eleventh Report**"), the Monitor's Twelfth Report dated February 24, 2011 and the Supplement to the Twelfth Report dated March 2, 2011 (the "**Twelfth Report**"), the Monitor's Thirteenth

Report dated April 6, 2011 (the “**Thirteenth Report**”) and the Monitor’s Fourteenth Report dated October 7, 2011 (the “**Fourteenth Report**”) (collectively, the “**Reports**”) and the conduct and activities of the Monitor as set out in the Reports;

(c) an Order sealing from the public record the unredacted versions of the McVey Claim Memorandum and the Debono Claims Memorandum attached as Exhibits “G” and “H” to the Fourteenth Report;

(d) an Order approving the fees and disbursements of the Monitor and its legal counsel for the period December 1, 2010 to and including the date of the Monitor’s discharge;

(e) an Order requiring the Applicant to pay the fees and disbursements of the Monitor and its legal counsel within two days of the making of the Order approving them by way of certified cheque or bank draft;

(f) an Order discharging and releasing the Monitor; and

(g) such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. pursuant to the Initial Order of the Honourable Madam Justice Pepall dated March 23, 2010 (the “**Initial Order**”), 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**”), and the Monitor was appointed;

2. pursuant to paragraph 28 of the Initial Order, the Applicant is required to pay the accounts of the Monitor and its legal counsel on a bi-weekly basis;

3. pursuant to paragraph 29 of the Initial Order, the Monitor and its legal counsel are required to pass their accounts from time to time before a Judge of this Honourable Court;
4. on March 4, 2011 this Honourable Court made an Order authorizing the Applicant to file a Plan of Compromise and Arrangement and to hold a meeting of its creditors to vote upon the Plan of Compromise and Arrangement;
5. the Applicant filed its Plan of Compromise and Arrangement on March 4, 2011;
6. the Applicant held a meeting of its creditors to vote upon the Plan of Compromise and Arrangement on April 16, 2011 at which time the Plan of Compromise and Arrangement was approved by its creditors;
7. the Honourable Court made an Order sanctioning the Plan of Compromise and Arrangement on April 21, 2011;
8. the Monitor's remaining duties were to complete and file its memoranda regarding the claims of John McVey, Larry Debono, Frances Debono and LARR Engineered Prototypes (the "**McVey and Debono Memoranda**") and to complete and supply to the Interim Operating Officer (the "**IOO**") a memorandum it had been preparing on its overall review of any preferential transactions and transfers at undervalue (the "**Preferential and TUV Memorandum**");
9. these memoranda are being filed with this Honourable Court as part of the Fourteenth Report;

10. it is appropriate that the exhibits attached to the McVey and Debono Memoranda be sealed;
11. the Monitor has completed its Preferential and TUV Memorandum and has provided a copy to the IOO;
12. the Monitor has completed its duties and it is appropriate for the Monitor to be discharged;
13. the Applicant has failed to pay the accounts of the Monitor and its legal counsel for the period February 1, 2011 to August 31, 2011 in breach of paragraph 28 of the Initial Order; and
14. the such further and other grounds as counsel may advise and this Honourable Court may deem just.

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

- (a) the Eleventh Report (without Exhibits);
- (b) the Twelfth Report (without Exhibits);
- (c) the Thirteenth Report (without Exhibits);
- (d) the Fourteenth Report;
- (e) the Affidavit of A. John Page sworn October 7, 2011;
- (f) the Affidavit of James H. Grout sworn October 7, 2011; and

(g) such further and other material as counsel may advise and this Honourable Court may permit.

December 13, 2011

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TO: THIS HONOURABLE COURT

AND TO: THE ATTACHED SERVICE LIST

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

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APPLICANT
Court File No. 10-8630-00CL

ONTARIO
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(COMMERCIAL LIST)
Proceedings commenced at Toronto

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(Discharge of Monitor)

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