

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

**THE HONOURABLE MADAM**            )  
  )  
**JUSTICE PEPALL**                    )

**TUESDAY, THE 15<sup>th</sup>**  
**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**

**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 Notice of Motion, the Motion Record, the Third Report of the Monitor, A. John Page & Associates Inc. (the "**Monitor**") dated June 11, 2010 (the "**Third Report**"), so that this motion is properly returnable today and dispensing with further service thereof;
- (b) approving the Third Report;
- (c) approving the Amendment and Termination Agreement dated June 11, 2010 (the "**Lendcare Agreement**") made between Nelson Financial and Lendcare Financial Services Inc. ("**Lendcare**"); and,

- (d) approving an extension of the stay of proceedings from June 15, 2010, to and including July 30, 2010,

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

**ON READING** the material filed, including the Notice of Motion, the Third Report, and the Affidavit of Marc Boutet sworn June 11, 2010, and on hearing the submissions of counsel for Nelson Financial, counsel for the Monitor, counsel for Noel D'Alves and Lorna D'Alves, and counsel for the Ontario Securities Commission, *Lendcare + Green + Lisa Machi*

**SERVICE**

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

**MONITOR'S ACTIVITIES**

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

**APPROVAL OF LENDCARE AGREEMENT**

3. **THIS COURT ORDERS** that the Lendcare Agreement is approved and that Nelson Financial is hereby authorized and directed to execute the Lendcare Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the matters contemplated by the Lendcare Agreement.

4. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Nelson Financial and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Nelson Financial;

the Lendcare Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of Nelson Financial and shall not be void or voidable by creditors of Nelson Financial, nor shall it constitute or be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

✓  
SR ✓  
~~5. THIS COURT ORDERS that the Lendcare Agreement is sealed until further Order of this Court.~~


#### STAY EXTENSION

6. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 13 of the Initial Order of the Honourable Justice Pepall, dated March 23, 2010) is hereby extended until and including Friday, July 30, 2010.

  
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ENTERED AT / INSCRIT À 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)

**STAY EXTENSION ORDER**

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**SOLICITORS FOR THE APPLICANT**