

**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

**SEVENTH REPORT OF A. JOHN PAGE & ASSOCIATES INC.
IN ITS CAPACITY AS THE MONITOR OF THE APPLICANT**

September 13, 2010

INTRODUCTION

1. By Order of this Honourable Court dated March 23, 2010 ("**the Initial Order**"), Nelson Financial Group Ltd. ("**Nelson**" or "**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**"). A copy of the Initial Order is attached as **Exhibit "A"**.
2. Pursuant to the Initial Order, A. John Page & Associates Inc. was appointed as monitor of the Applicant ("**the Monitor**"). Pursuant to the Initial Order, all proceedings against the Applicant were stayed until April 22, 2010, or such later date as this Honourable Court may order.
3. By Order of this Honourable Court dated April 22, 2010, the stay of proceedings was extended from April 22, 2010 to and including April 30, 2010.
4. By Order of this Honourable Court dated April 30, 2010, the stay of proceedings was extended from April 30, 2010 to and including June 7, 2010. The First Report of the Monitor

dated April 15, 2010 ("**the First Report**") was also approved.

5. By Order of this Honourable Court dated June 4, 2010, the stay of proceedings was extended from June 7, 2010 to and including June 15, 2010. The Second Report of the Monitor dated June 2, 2010 ("**the Second Report**") was also approved.
6. By Order of this Honourable Court dated June 15, 2010, the stay of proceedings was extended from June 15, 2010 to and including July 30, 2010. The Third Report of the Monitor dated June 11, 2010 ("**the Third Report**") was also approved.
7. By Order of this Honourable Court dated July 7, 2010, Ms Elizabeth Pillon was appointed as independent counsel to the Monitor ("**the Independent Counsel**") to provide the Monitor with her opinion as to whether the claims and potential claims of the holders of preferred shares issued by the Applicant ("**the Preferred Shareholders**") are claims provable within the meaning of Section 20(1)(a) of the CCAA and Section 121 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, and, if so, whether they are "equity claims" within the meaning of Section 2 of the CCAA ("**the Opinion**"). The Fourth Report of the Monitor dated July 2, 2010 ("**the Fourth Report**") was also approved.
8. By Orders of this Honourable Court dated July 27, 2010, the stay of proceedings was extended from July 30, 2010 to and including October 1, 2010 and a claims procedure was established ("**the Claims Procedure**"). The Fifth Report of the Monitor dated July 21, 2010 ("**the Fifth Report**") and the Supplemental to the Fifth Report dated July 23, 2010 ("**the Supplemental to Fifth Report**") were also approved.
9. By Order of this Honourable Court dated August 27, 2010, (**the "August 27 Order"**), Douglas Turner, Q.C., in his capacity as Representative Counsel for the holders of promissory notes issued by the Applicant ("**the Representative Counsel**"), was authorized and directed to bring a motion to this Honourable Court at 10:00 a.m. on September 27, 2010 for an Order that all claims and potential claims of the Preferred Shareholders relating

directly or indirectly to the ownership, purchase or sale of such preferred shares are “equity claims” within the meaning of the CCAA and that the Preferred Shareholders are to constitute a separate class in any plan of arrangement, are not entitled to vote at any meeting of creditors and that such claims shall not participate in any distribution by the Applicant to its creditors pursuant to any plan of compromise or arrangement in this proceeding until all creditors of the Applicant have been paid in full (**the “Preferred Shareholder Motion”**). Pursuant to the August 27 Order, the Monitor was required to serve the Preferred Shareholders with notice of the Preferred Shareholder Motion by sending a letter to each of them enclosing Representative Counsel’s Notice of Motion and advising them that, among other things, the Monitor obtained the Opinion and agreed with its conclusions and that, if a Preferred Shareholder wished to oppose the Preferred Shareholder Motion, it was free to do so by serving and filing responding court materials by no later than September 17, 2010. The Sixth Report of the Monitor dated August 23, 2010 (**the “Sixth Report”**) was also approved. Attached as **Exhibit “B”** is a copy of the August 27 Order.

10. A. John Page & Associates Inc. also prepared a report dated March 22, 2010 in its capacity as proposed monitor (**“the Pre Filing Report”**).

PURPOSE OF THE REPORT

11. This is the Seventh Report of the Monitor in this proceeding (**“the Report”**). The purpose of the Report is to provide this Honourable Court with the following:
 - a. an update on the Monitor’s service of the Preferred Shareholder Motion;
 - b. a factual background for the Preferred Shareholder Motion; and
 - c. the Monitor’s views on the Representative Counsel’s request for amendments to the Claims Procedure.

NOTICE TO READER

12. In preparing this Report and making the comments contained in the Report, the Monitor has been provided with and has relied upon unaudited financial information, information from the Applicant's books and records and financial information prepared by the Applicant and its advisors. In addition, the Monitor has held discussions with management of the Applicant and has relied upon the information conveyed in those discussions. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy and completeness of any of the information obtained and, accordingly, expresses no opinion or other form of assurance in respect of the information contained in this Report. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Future oriented financial information referred to or relied upon in this Report was based on management's estimates and assumptions. Readers are cautioned that, since such information is based on assumptions about future events and conditions that are not ascertainable, the actual results will vary from the forecasts and projections and the variations may be material.
13. Unless otherwise stated, all monetary amounts referred to in this Report are expressed in Canadian dollars.
14. All capitalized terms used in this Report and not otherwise defined are as defined in the Sixth Report.

SERVICE TO PREFERRED SHAREHOLDERS

15. In accordance with the August 27 Order, on September 3, 2010, the Monitor sent a letter to the Preferred Shareholders informing them of the forthcoming Preferred Shareholder Motion (**“the September 3 Preferred Shareholder Letter”**) and enclosing a copy of the Notice of Motion of the Representative Counsel (**“the Representative Counsel Notice of Motion”**).

Attached as **Exhibit “C”** is a copy of the September 3 Preferred Shareholder Letter together with the Representative Counsel Notice of Motion.

16. Also in accordance with the August 27 Order, the Monitor published a Notice to Preferred Shareholders in the Toronto Star on September 5, 2010 and in the Globe and Mail on September 7, 2010. Attached as **Exhibit “D”** are copies of the two Notices to Preferred Shareholders.

FACTUAL BACKGROUND FOR THE PREFERRED SHAREHOLDER MOTION

(a) Nelson’s Issuance of Promissory Notes and Preferred Shares

17. As indicated in the Pre Filing Report, the First Report and the Third Report, Nelson’s business model has been based upon it being able to raise money from investors through the issuance of promissory notes bearing a rate of return of 12% per annum or through the issuance of preferred shares yielding an annual dividend of 10% and, in turn, using the money raised to extend credit, at significantly higher rates, to customers in the vendor-assisted financing programs.
18. Historically, Nelson has not had financing arrangements with a chartered bank or other financial institution. Nelson voluntarily suspended distribution of its promissory notes and preferred shares on January 29, 2010 and has not raised any money from investors since that date.
19. As at the date of filing, being March 23, 2010 (**“the Filing Date”**), Nelson had issued the following:
 - a. 685 outstanding promissory notes in the aggregate principal amount of \$36,583,422.89 (**“the Promissory Notes”**) together with unpaid interest thereon in the amount of \$181,382.59. The Promissory Notes are held by approximately 321 persons (**“the Noteholders”**); and

- b. outstanding preferred shares with an aggregate stated capital of \$14,647,914.48 (“**the Preferred Shares**”) with \$53,632.06 of due but unpaid dividends thereon as at the Filing Date and a further \$73,652.51 of accumulated dividends thereon as at the Filing Date. The Preferred Shares are held by approximately 82 persons.
20. The Promissory Notes were documented by way of promissory notes and term sheets. Attached as **Exhibits “E” and “F”** are sample copies of a promissory note and term sheet, respectively.
21. The Preferred Shares were issued in two series, Series A and Series B, and documented by way of certain Articles of Amendment, share certificates and term sheets, which are explained in further detail, below.
22. Nelson issued certain documentation to potential and existing investors and placed advertisements in selected publications outlining the nature of the various investment options (“**the Investment Documentation**”). Attached as **Exhibit “G”** are samples of some of the Investment Documentation.
23. Pursuant to the Investment Documentation, Nelson provided potential investors with term sheets for each of the promissory notes and preferred shares and outlined the differential tax treatment of the two investment options, including providing sample calculations.

(b) The Rights Attributed to the Preferred Shares

24. Pursuant to the Articles of Amendment dated April 5, 2007 and the Articles of Amendment dated July 14, 2008, the Applicant has an authorized capital permitting it to issue 2,800,000 Series A preferred shares and 2,000,000 Series B preferred shares, each preferred share having a stated capital of \$25.00. Attached as **Exhibits “H” and “I”** are copies of Nelson’s Articles of Amendment dated April 5, 2007 and July 14, 2008, respectively.

25. Pursuant to the Articles of Amendment, the rights, privileges, restrictions and conditions attaching to both series of the Preferred Shares are identical and are as follows:

- a. except as required under the *Business Corporations Act*, the Preferred Shares are non-voting;
- b. each series of the Preferred Shares ranks on a parity with each other and are entitled to priority over the common shares of the Applicant. Marc Boutet holds all of the issued and outstanding common shares of the Applicant;
- c. the Preferred Shareholders are entitled to receive fixed preferential cumulative cash dividends at the rate of 10% per annum on the “**Redemption Price**”, which is the amount paid by the Preferred Shareholder for each Preferred Share. Such dividends are payable monthly on the first day of each month in each year and shall accrue and be cumulative from the date of issue; and
- d. subject to the provisions of the *Business Corporations Act*, the Applicant may redeem or purchase all or any of the outstanding Preferred Shares on payment to the holders thereof of the “**Redemption Amount**”, which is the Redemption Price together with all dividends which shall have accrued thereon and continuing to accrue until the date of such redemption.

26. As outlined above, Nelson also documented the issuance of the Preferred Shares by way of share certificates and term sheets. Attached as **Exhibits “J”** is a sample copy of a share certificate dated June 23, 2009 with respect to 400,000 Series B preferred shares.

27. Attached as **Exhibits “K”, “L” and “M”**, respectively, are sample copies of the following term sheets:

- a. a term sheet dated June 18, 2007 with respect to the issuance of Series A preferred shares with a subscription period of February 7, 2007 to December 31, 2007 (“**the**

2007 Series A Term Sheet”);

- b. a term sheet dated April 1, 2008 with respect to the issuance of Series A preferred shares with a subscription period of January 1, 2008 to December 31, 2008 (**“the 2008 Series A Term Sheet”**); and
- c. a term sheet with respect to the issuance of Series B preferred shares with a subscription period of July 14, 2008 to December 31, 2010 (**“the Series B Term Sheet”**).

The 2007 Series A Term Sheet, the 2008 Series A Term Sheet and the Series B Term Sheet are collectively referred to herein as the **“Term Sheets”**.

28. Notwithstanding that Nelson issued two different series of the Preferred Shares, the principal terms of the Term Sheets are almost identical and, subject to certain exceptions discussed below, provide as follows:

- a. the issuer is Nelson;
- b. the par value of each Preferred Share remains fixed at \$25.00;
- c. the purpose is to finance Nelson’s business operations;
- d. the dividend is 10% per annum, payable monthly, commencing one month after the investment is made;
- e. Preferred Shareholders are eligible for a dividend tax credit;
- f. Nelson issues Preferred Shareholders annual T-3 slips on account of dividend income; and

g. the Preferred Shares are non-voting (except where voting as a class is required), redeemable at the option of Nelson and rank ahead of common shares. Dividends are cumulative and no dividends shall be paid on common shares if Preferred Share dividends are in arrears.

29. In addition to the foregoing, the Series B Term Sheet provides that the monthly dividend may be reinvested pursuant to the Dividend Reinvestment Plan (“**DRIP**”).
30. Based on the Monitor’s review of a sample of the documentation contained in the Applicant’s books and records pertaining to the issuance of the Preferred Shares, the Monitor is of the view that the Preferred Shareholders executed a term sheet in conjunction with their investment in the Preferred Shares.
31. Notwithstanding that Nelson was authorized to issue Series A preferred shares pursuant to Articles of Amendment filed on April 5, 2007, the 2007 Series A Term Sheet provides for a subscription period commencing on February 7, 2007, which pre-dates the Articles of Amendment. The Monitor understands that there may have been one Preferred Shareholder that invested \$15,000.00 on or about February 2, 2007, which would have pre-dated not only the Articles of Amendment but also the subscription period provided for in the 2007 Series A Term Sheet.
32. Nelson issued Preferred Shares on the second, sixteenth and twenty-fifth day of each month (“**the Issue Dates**”).
33. Pursuant to the Term Sheets, dividends were to be paid monthly commencing one month after the corresponding Issue Date. Nelson paid cumulative monthly dividends on the corresponding Issue Dates. Nelson paid all dividends due up to and including those that were due on March 2, 2010. Nelson did not pay the cumulative dividends that became due on March 16, 2010 in the amount of \$53,804.00.

34. While the Term Sheets provide for cumulative dividends of 10% per annum, the Monitor understands that, in certain circumstances, Preferred Shareholders were able to negotiate a higher rate of return. At this time, the Monitor is aware of 6 different Preferred Shareholders with 15 separate holdings of Preferred Shares that negotiated cumulative dividends of 10.5% to 13.75% per annum. Attached as **Exhibit “N”** is a term sheet dated June 5, 2007 with respect to the issuance of Series A preferred shares with a dividend of 13.75% per annum (**“the 13.75% Term Sheet”**). The 13.75% Term Sheet is an example of a term sheet issued by Nelson pursuant to which the Preferred Shareholder had negotiated a higher cumulative dividend.
35. As outlined above, pursuant to the Series B Term Sheet, the Preferred Shareholder had the option of reinvesting its monthly dividend pursuant to the DRIP. However, the Monitor understands that all Preferred Shareholders, regardless of which series of Preferred Shares they invested in, had the option of reinvesting their monthly dividends pursuant to a DRIP but only a few Preferred Shareholders exercised this option.
36. Nelson issued T-3 slips to all of the Preferred Shareholders on account of the dividends paid to them.
37. Pursuant to the Term Sheets, Nelson had the unilateral right to redeem the Preferred Shares at any time. However, the Monitor understands that, in certain circumstances, Preferred Shareholders were able to negotiate a formal right of redemption. At this time, the Monitor is aware of one investor who negotiated a right of redemption. Attached as **Exhibit “O”** is a copy of a term sheet dated June 20, 2008 with respect to the issuance of Series B preferred shares pursuant to which a Preferred Shareholder has the right to seek redemption of its Preferred Shares upon 30 days notice to Nelson (**“the Right of Redemption Term Sheet”**). The Right of Redemption Term Sheet is an example of a term sheet issued by Nelson pursuant to which a Preferred Shareholder had negotiated a formal right of redemption.

38. Notwithstanding that the Term Sheets (other than the Right of Redemption Term Sheet) did not provide Preferred Shareholders with a right of redemption, where a Preferred Shareholder indicated to Nelson that it wanted its Preferred Shares redeemed, Nelson would, as a matter of practice, generally exercise its right to do so. The Monitor is aware of two redemption requests from Preferred Shareholders that remained outstanding as at the Filing Date.
39. Based on the Monitor's review, the Preferred Shares were documented as equity on Nelson's books and records and financial statements.

THE AMENDMENTS TO THE CLAIMS PROCEDURE

40. As indicated above, pursuant to an Order of the Honourable Madam Justice Pepall dated July 27, 2010, the Claims Procedure was established ("**the Claims Procedure Order**"). Attached as **Exhibit "P"** is a copy of the Claims Procedure Order.
41. Pursuant to the Representative Counsel's Notice of Motion, the Representative Counsel has requested an Order amending the Claims Procedure Order to require the Monitor in assessing any Preferred Shareholder Claim filed to designate such claim in a separate class of claim designated as "Equity Claim" and not as an unsecured creditor claim.
42. The Monitor is of the view that, if this Honourable Court determines that the Preferred Shareholder Claims are "equity claims" within the meaning of the CCAA, then amendments to the Claims Procedure Order will be required. However, until such time as this Honourable Court makes any such determination and the parties understand the scope and impact of that determination, it is difficult to outline the exact amendments that would be required. Accordingly, the Monitor will address any amendments to the Claims Procedure Order at a later date.

CONCLUSION

43. As outlined above, the Report has been prepared in connection with the Preferred Shareholder Motion.

All of which is respectfully submitted this 13th day of September, 2010

**A. JOHN PAGE & ASSOCIATES INC. IN ITS
CAPACITY AS THE MONITOR OF NELSON
FINANCIAL GROUP LTD.**

Per:

Name:  _____
A. JOHN PAGE, CA • CIRP

Title: PRESIDENT

**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.**

**EXHIBITS TO THE SEVENTH REPORT OF A. JOHN PAGE & ASSOCIATES INC. IN
ITS CAPACITY AS THE MONITOR OF THE APPLICANT**

September 13, 2010

Initial Order of the Ontario Superior Court of Justice (Commercial List) dated March 23, 2010	A
Order of the Ontario Superior Court of Justice (Commercial List) dated August 27, 2010	B
Letter to the Preferred Shareholders dated September 3, 2010	C
Notices to the Preferred Shareholders published in the Toronto Star and the Globe & Mail	D
Sample promissory note	E
Sample term sheet for the issuance of promissory notes	F
Sample Investment Documentation issued by Nelson	G
Articles of Amendment dated April 5, 2007	H
Articles of Amendment dated July 14, 2008	I
Sample preferred share certificate	J
2007 Series A Term Sheet	K
2008 Series A Term Sheet	L
Series B Term Sheet	M

13.75% Term Sheet	N
Right of Redemption Term Sheet	O
Claims Procedure Order of the Ontario Superior Court of Justice (Commercial List) dated July 27, 2010	P

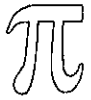


Exhibit "A"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

Initial Order

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM)
)
JUSTICE PEPALL) TUESDAY, THE 23RD
) DAY OF MARCH, 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

INITIAL ORDER

THIS APPLICATION, made by the Applicant, Nelson Financial Group Ltd. ("Nelson Financial" or the "Applicant"), without notice, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Marc Boutel sworn March 22, 2010 and the Exhibits thereto, and the Report of A. John Page & Associates Inc. in its capacity as the Proposed Monitor to the Applicant dated March 22, 2010 and the Exhibits thereto, and on hearing the submissions of counsel for Nelson Financial, and counsel for A. John Page & Associates Inc., and on reading the consent of A. John Page & Associates Inc. to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

6. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any

nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$100,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing.

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").

11. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

12. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

13. THIS COURT ORDERS that until and including April 22, 2010, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

15. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data

services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

17. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant

after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

20. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$200,000, as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraphs 31 and 33 herein.

21. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 19 of this Order.

APPOINTMENT OF MONITOR

22. THIS COURT ORDERS that A. John Page & Associates Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. THIS COURT ORDERS that the Monitor, in addition to its proscribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;

- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (d) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

24. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations

thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

27. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis.

29. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of

\$1,000,000.00, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 31 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

31. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$1,000,000.00); and

Second – Directors' Charge (to the maximum amount of \$200,000.00).

32. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge and the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

33. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, save and except the Encumbrances in favour of Glen Mackie and Lisa Mackie and Foscarini Mackie Holdings Inc., to the extent they are determined to be valid and enforceable and properly perfected by counsel to the Monitor.

34. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge, unless the Applicant also obtains the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

35. THIS COURT ORDERS that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicant pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

36. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

37. THIS COURT ORDERS that, subject to paragraph 38 of this Order, the Monitor shall (i) without delay, publish in the Globe and Mail newspaper a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the

estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

38. THIS COURT ORDERS that notwithstanding the provisions of paragraph 23(1)(a)(ii) of the CCAA, the Monitor shall not be obliged to publish and/or make publicly available the name or address of (i) any current and former Nelson Financial employees on account of employment-related liabilities, and (ii) any person holding securities issued by the Applicant which includes, but is not limited to, any person holding Notes and Pref Shares as defined in the Affidavit of Marc Boutet sworn March 22, 2010.

39. THIS COURT ORDERS that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

40. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.ajohnpage.com.

GENERAL

41. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.


42. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

43. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

44. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

45. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

46. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order.



16/1/00

MAR 23 2000

PER / PAR JV

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)

INITIAL ORDER

GOWLING LAFLEUR HENDERSON LLP

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SOLICITORS FOR THE APPLICANT



Exhibit "B"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

**Order of the Ontario Superior Court of Justice
(Commercial List) Dated August 27, 2010**

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

FRIDAY, THE 27TH DAY
OF AUGUST, 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.

APPLICANT

ORDER

THIS MOTION made by A. John Page & Associates Inc., in its capacity as the Court-appointed monitor of the Applicant (the "**Monitor**"), for the relief set out in its Notice of Motion dated August 23, 2010 (the "**Notice of Motion**") was heard this day at 330 University Avenue, Toronto, Ontario.

UPON READING the Monitor's Sixth Report to the Court dated August 23, 2010 and upon hearing from counsel for the Monitor, counsel for the Applicant, counsel for Staff of the Ontario Securities Commission, counsel for Douglas Turner Q.C. in his capacity as Court-appointed Representative Counsel for the holders of promissory notes issued by the Applicant (the "**Representative Counsel**"), counsel for Foscarini Mackie Holdings Inc. and Glen and Lisa

Mackie, no one else appearing although duly served as appears from the Affidavit of Service filed:

SERVICE

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

THE PREFERRED SHAREHOLDER MOTION

2. **THIS COURT ORDERS** that the Representative Counsel is authorized and directed to make a motion to this Court at 10:00 a.m. on September [✓] 27 [✓], 2010 for an Order that all claims and potential claims of the holders of preferred shares of the Applicant (the "**Preferred Shareholders**") relating directly or indirectly to the ownership, purchase or sale of such preferred shares are "equity claims" within the meaning of the *Companies' Creditors Arrangement Act* (Canada) and that the Preferred Shareholders are to constitute a separate class in any plan of arrangement, are not entitled to vote at any meeting of creditors and that such claims shall not participate in any distribution by the Applicant to its creditors pursuant to any plan of compromise or arrangement in this proceeding until all creditors of the Applicant have been paid in full (the "**Preferred Shareholder Motion**"). sp

3. **THIS COURT ORDERS** that the Representative Counsel shall serve its motion record in respect of the Preferred Shareholder Motion by no later than September 2, 2010 and that the Monitor shall post such motion record on the Monitor's website.

4. **THIS COURT ORDERS** that the Order of this Court made June 15, 2010 in this proceeding (the “**Representative Counsel Appointment Order**”) be and the same is hereby amended and varied to include the bringing and prosecution of the Preferred Shareholder Motion and any related motions or appeals that may arise therefrom within the scope of the Mandate of the Representative Counsel.

5. **THIS COURT ORDERS** that the costs and disbursements of the Representative Counsel incurred in preparing and prosecuting the Preferred Shareholder Motion shall be subject to review and reasonable approval by the Monitor without waiver of any privilege by the Representative Counsel, shall thereupon be reimbursed and paid by the Applicant and shall not be subject to the terms and limitations of paragraph 6 of the Representative Counsel Appointment Order.

6. **THIS COURT ORDERS** that the Monitor shall serve the Preferred Shareholders with notice of the Preferred Shareholder Motion by sending a letter to each of the Preferred Shareholders (the “**Preferred Shareholder Letter**”), by ordinary prepaid mail to the Preferred Shareholder’s last known address based on the books and records of the Applicant by no later than September 3, 2010, enclosing a copy of the Representative Counsel’s Notice of Motion in respect of the Preferred Shareholder Motion, and advising the Preferred Shareholders as follows:

- (a) the Monitor has obtained an opinion from the Monitor’s Independent Counsel (the “**Opinion**”) and setting out the conclusions contained therein;
- (b) the Representative Counsel will make the Preferred Shareholder Motion to this Court at 10:00 a.m. on the date set forth in paragraph 2 above. The Monitor shall

advise that a copy of the complete motion record is available on the Monitor's website;

(c) the Monitor agrees with the conclusions of the Independent Counsel set out in the Opinion and will file a report in support of the Preferred Shareholder Motion;

(d) pursuant to the Order of the Honourable Madam Justice Pepall dated July 7, 2010, the Opinion does not constitute issue estoppel or *res judicata* with respect to any matters of fact or law referred to in the Opinion.

(e) if the Preferred Shareholder wishes to oppose the Preferred Shareholder Motion and assert that it is entitled to rank equally with the Applicant's creditors, it is free to do so; and

MP

but security + filing materials on or before Sept 17, 2010

(f) the Monitor recommends that, if the Preferred Shareholder wishes to oppose the Preferred Shareholder Motion and assert that it is entitled to rank equally with the Applicant's creditors, that the Preferred Shareholder should obtain legal advice and retain legal counsel to represent it.

MP

7. **THIS COURT ORDERS** that Monitor shall publish a notice to the Preferred Shareholders once in each of the *Globe & Mail* and the *Toronto Star* by no later than September

7, 2010.

DISCLOSURE OF OPINION

8. **THIS COURT ORDERS** that, in connection with the Preferred Shareholder Motion, the Monitor shall post a copy of the Opinion on its website and report to the stakeholders and this Court on the conclusions of the Opinion.

MP

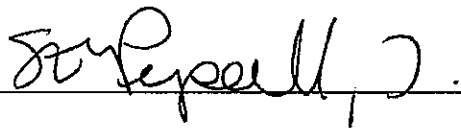
9. **THIS COURT ORDERS** that the Monitor's disclosure of the Opinion shall not constitute a waiver of the solicitor-client privilege of the Monitor with respect to any matters pertaining to the Opinion.

10. **THIS COURT ORDERS** that the Opinion shall not constitute evidence and the legal conclusions contained in any Monitor's report and the Preferred Shareholder Letter shall not constitute expert opinion evidence in this proceeding, or any subsequent proceeding, and the Monitor, its counsel and its Independent Counsel shall not be cross-examined on these documents or any of them.

11. **THIS COURT ORDERS** that the Monitor is hereby authorized, *nunc pro tunc*, to redact the Opinion attached as Exhibit "D" to the version of the Sixth Report served upon any party other than this Court.

MONITORS ACTIVITIES

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



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED
OF NELSON FINANCIAL GROUP LTD.

APPLICANT

Court File No.: 10-8630-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER

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Tel: 416-304-1616
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Lawyers for the Monitor



Exhibit "C"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

Letter to the Preferred Shareholders

September 3, 2010

To the Preferred Shareholders of Nelson

Nelson Financial Group Ltd. ("Nelson")

On July 7, 2010 the Court appointed Elizabeth Pillon as Independent Counsel to the Monitor to report on whether the claims of the Preferred Shareholders against Nelson were all "Equity Claims". This is important because the *Companies' Creditors Arrangement Act* (the "CCAA") says that no restructuring plan that would see Nelson pay any money on account of any Equity Claim can be approved by the Court unless all the Promissory Noteholders and other creditors are first paid in full. This means that, if the claims of Preferred Shareholders are Equity Claims, then the Preferred Shareholders will, in all likelihood, receive nothing from Nelson through any plan. Full details of Ms Pillon's mandate are set out in the Order of Madam Justice Pepall dated July 7, 2010. A copy of this order has been posted on our website at www.ajohnpage.com/html/files.html.

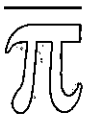
On August 11, 2010 Ms Pillon sent us her "Opinion". We have posted a copy of the "Opinion" on our website. She has concluded, in particular, that the following claims against Nelson are all Equity Claims:

1. Any claim for unpaid dividends
2. Any outstanding redemption requests
3. Any claims for misrepresentation
4. Any oppression claims
5. Any claims for rescission ie for cancellation of the shares and repayment of any money paid for the shares

We recommend that Preferred Shareholders read the Opinion to get a better understanding of what claims are, in Ms Pillon's opinion, Equity Claims.

We have reviewed the Opinion and have discussed it with our legal counsel. We agree with its conclusions.

As you know, a plan is in the process of being drafted. Nelson and the Promissory Noteholders need to be certain that the Preferred Shareholders are not to receive any payments for their Equity Claims under any plan. Therefore, on August 27, 2010, the Court set down a timetable for the adjudication of this issue. A copy of the Order of Madam Justice Pepall made on August 27, 2010 (the "August 27 Order") has been posted on our website. The Court has ordered as follows: on September 27, 2010 the Representative Counsel for the Noteholders is to ask the Court to rule that all the claims of Preferred Shareholders are Equity



Page 2
September 3, 2010

Claims and, as such, cannot vote on the plan or receive any payments under the plan. We enclose a copy of the Representative Counsel's Notice of Motion seeking this result which is delivered to you in accordance with the August 27 Order. A complete copy of the Representative Counsel's Motion Record has been posted on our website and all other materials will also be posted there.

If you wish to oppose this "Motion" by Representative Counsel you are free to do so, but the Court has ordered that you MUST do so "by serving and filing(*responding court*) materials on or before September 17, 2010". The Monitor recommends that, if you are unsure as to your legal position or if you are contemplating opposing the Motion, you promptly obtain your own legal advice.

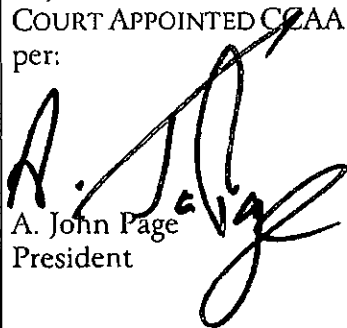
Please note that Ms Pillon is independent counsel to the Monitor. As such she is not able to act for any Preferred Shareholder or to discuss the Opinion with anyone other than the Monitor.

One Preferred Shareholder, John McVey, has indicated that he would like to discuss/communicate with Preferred Shareholders in a similar position re the possibility of their engaging common counsel. Preferred Shareholders interested in communicating with Mr. McVey should email him at shareholders@genevaonline.com or call him at 1-262-893-5020.

If you have any questions about this matter please contact Colleen Delaney of the Monitor's office at 416-364-4894 ext. 13 or by email to nelson@ajohnpage.com.

Yours very truly,

A. JOHN PAGE & ASSOCIATES INC.
COURT APPOINTED CCAA MONITOR OF NELSON
per:



A. John Page
President

Court File No. 10-8630-00CL

**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
OF REPRESENTATIVE COUNSEL FOR NOTEHOLDERS
(Motion returnable September 27, 2010)**

Douglas Turner, Q.C., in his capacity as the Court-appointed Representative Counsel for the holders of promissory notes issued by the Applicant (the "Representative Counsel"), will make a motion before a judge of the Ontario Superior Court of Justice sitting on the Commercial List on September 27, 2010 at 10:00 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 that all claims and potential claims of holders of preferred shares of the Applicant (the "**Preferred Shareholders**") against the Applicant, Nelson

Financial Group Ltd. (“**Nelson Financial**”), including, without limitation, any claims for unpaid dividends, redemption or retraction of such preferred shares, rescission of a purchase or subscription of such preferred shares or damages or other compensatory orders with respect to negligent or fraudulent misrepresentations made by or on behalf of the Applicant in connection with the sale or purchase of any such preferred shares, (severally and collectively a “Preferred Shareholder Claim”) shall for all purposes of these proceedings, including the claims procedure established under the Claims Procedure Order made by this Honourable Court on July 27, 2010 and any plan of arrangement that may be filed by the Applicant or by any creditor, be classified as “equity claims” within the meaning of the *Companies’ Creditors Arrangement Act* (the “CCAA”);

- (c) An order amending the Claims Procedure Order to require the Monitor in assessing any Preferred Shareholder Claim filed to designate such claim in a separate class of claim designated as an Equity Claim and not as an unsecured creditor claim;
- (d) An order directing that all Preferred Shareholder Claims shall form a separate class of claims and shall not be entitled to vote at any meeting of creditors called to consider any plan of arrangement in this proceeding in respect of any such Claims as such are defined in the Claims Procedure Order;
- (e) An order directing that any plan of arrangement to be proposed by the Applicant or by any creditor must provide that all claims of unsecured creditors are to be paid in full before any Preferred Shareholder Claim is to be paid; and

- (f) Such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

- (a) Pursuant to the order of the Honourable Madam Justice Pepall made March 23, 2010 (the “Initial Order”), the Applicant obtained protection from its creditors pursuant to the CCAA, the Monitor was appointed and the Applicant was authorized to prepare and file a plan of arrangement pursuant to the CCAA;
- (b) Pursuant to the order of the Honourable Madam Justice Pepall dated June 15, 2010, the Representative Counsel was appointed for the holders of promissory notes issued by the Applicant investors (the “Noteholders”);
- (c) Pursuant to the order of the Honourable Madam Justice Pepall dated August 27, 2010, the Representative Counsel was authorized and directed to bring this motion for the purpose of classifying the claims of Preferred Shareholders and for the purpose of providing a forum for any Preferred Shareholder to address the issue as to whether or not such person’s claims against the Applicant constitute an “equity claim” as defined in the CCAA;
- (d) The Applicant is reported to have outstanding promissory notes in the aggregate principal amount of \$36,583,422, together with unpaid interest of \$181,382 to March 23, 2010, held by some 321 Noteholders;

- (e) The Applicant has an authorized capital permitting it to issue 2,800,000 Series A preferred shares and 2,000,000 Series B preferred shares, each with a stated capital of \$25.00;
- (f) As of the date of the application in the within proceeding, the Applicant had outstanding 585,916.6 preferred shares (the "Preferred Shares") with an aggregate stated capital of \$14,647,914.48 and said to be entitled to receive \$53,632.06 of declared but unpaid dividends. Dividends continue to cumulate at the rate of 10 percent per annum and a further \$83,285.22 is said by the Applicant to have accumulated by March 23, 2010. The Preferred Shares are held by some 82 persons according to the records of the Applicant;
- (g) It has been alleged by the Staff of the Ontario Securities Commission that the Preferred Shares that were issued and sold to investors in breach of the prospectus requirements, and not within any of the exemptions from such requirements, of the *Securities Act* (Ontario);
- (h) It appears that Preferred Shareholders may file claims as creditors of Nelson Financial for unpaid dividends, for the rescission of their purchases or subscriptions for Preferred Shares, for redemption of Preferred Shares or for damages or compensation for either negligent or fraudulent misrepresentations made by the Applicant, or by persons for whom it is responsible, in the course of the sale of the Preferred Shares;
- (i) Any of the said claims of Preferred Shareholders and any other claim that any Preferred Shareholder might assert against Nelson Financial in respect of the

Preferred Shares would constitute an "equity claim" within the meaning ascribed to such term under the CCAA;

- (j) Any equity claim made by a Preferred Shareholder of the Applicant is in a class separate from the class comprised of the unsecured creditors of the Applicant and should not be entitled to vote at any meeting of unsecured creditors of the Applicant in respect of such equity claim;
- (k) In order for the Applicant or any creditor to propose a plan of arrangement or compromise in this proceeding, it is necessary for there to be some reasonable degree of certainty as to the classification and the rights and priorities of the various creditors and their respective claims;
- (l) The CCAA, including section 2(1), 6(8), 11, 22 and 22.1; and
- (m) Such further and other grounds as counsel may advise and this Honourable Court may accept.

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

- (a) The Application Record including the affidavit of Marc Boutet sworn March 22, 2010, the transcript of his cross-examination thereon, exhibits and responses to undertakings;
- (b) The Seventh Report of the Monitor (to be filed); and

- (c) Such further and other material as counsel may advise and this Honourable Court may permit.

September 2, 2010

**Douglas Turner Q.C. as Representative
Counsel for the Noteholders of Nelson
Financial Group Ltd.**
Barrister & Solicitor
63 Albert Street
Uxbridge, ON L9P 1E5

Tel: (905) 852-6196
Fax: (905) 852-6197
Email: doug@pdturner.com

By his Special Counsel:

Richard B. Jones
Barrister & Solicitor
Suite 1201, Scotia Plaza
100 Yonge Street
Toronto, ON M5C 2W1

Richard B. Jones (LSUC No. 11575V)
Tel: 416-863-0576
Fax: 416-863-0092
Email: richard.jones@sympatico.ca

Special Counsel for the Representative
Counsel for Noteholders

- TO: **THIS HONOURABLE COURT**
- AND TO: The holders of Preferred Shares issued by Nelson Financial Group Ltd. by way of substitutional service in accordance with the Order of this Honourable Court made August 27, 2010.
- AND TO: **THE ATTACHED SERVICE LIST**

SERVICE LIST

TO: ONTARIO SECURITIES COMMISSION
20 Queen Street West
Suite 1903
Toronto, ON M5H 3S8

Pamela Foy
Tel: (416) 593-8314
Email: pfoy@osc.gov.on.ca

Counsel for the Ontario Securities Commission

AND TO: AIRD & BERLIS LLP
Brookfield Place
181 Bay Street, Suite 1800
Box 754
Toronto, ON M5L 2T9

Sunjeev Mitra
Tel: (416) 863-1500
Fax: (416) 863-1515
Email: smitra@airdberlis.com

Counsel for Glenn Mackie, Lisa Mackie and Foscarini Mackie Holdings Inc.

AND TO: WALKER HEAD LAWYERS
Suite 800
1315 Pickering Parkway
Pickering, ON L1V 7G5

Paul S. Przybylo
Tel: (905) 839-4484
Fax: (905) 420-1073
Email: p.przybylo@walkerhead.com

Counsel for David Baker

AND TO: CHAITONS LLP
5000 Yonge Street
10th Floor
Toronto, ON M2N 7E9

Harvey Chaiton
Tel: (416) 218-1129
Fax: (416) 218-1849
Email: harvey@chaitons.com

Counsel for Lendcare Financial Services

AND TO: THORNTONGROUTFINNIGAN LLP
Suite 3200, Canadian Pacific Tower
100 Wellington Street West, P.O. Box 329
Toronto-Dominion Centre
Toronto, ON M5K 1K7

James H. Grout
Tel: (416) 304-0557
Fax: (416) 304-1313
E-mail: jgrout@tgf.ca

Seema Aggarwal
Tel: (416) 304-0603
Fax: (416) 304-1313
E-mail: saggarwal@tgf.ca

Counsel for the Monitor, A. John Page & Associates Inc.

AND TO: GOWLING LAFLEUR HENDERSON LLP
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, ON M5X 1G5

Clifton Prophet
Tel: (416) 862-3509
Fax: (416) 862-7661
Email: clifton.prophet@gowlings.com

Frank Lamie
Tel: (416) 862-3609
Fax: (416) 862-7661
Email: frank.lamie@gowlings.com

Counsel for Nelson Financial Group Ltd. and Nelson Investment Group Ltd.

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)

NOTICE OF MOTION
OF REPRESENTATIVE COUNSEL
FOR NOTEHOLDERS

(Motion returnable September 27, 2010)

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

Barrister & Solicitor
63 Albert Street
Uxbridge, ON L9P 1E5

Tel: (905) 852-6196

Fax: (905) 852-6197

Email: doug@pdtturner.com

Representative Counsel for the Noteholders of
Nelson Financial Group Ltd.



Exhibit "D"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

Notices to the Preferred Shareholders

The Toronto Star
Sunday September 5, 2010

Legal and Statutory Notices

**NOTICE TO PREFERRED SHAREHOLDERS OF
NELSON FINANCIAL GROUP LTD. ("NELSON")**

**RE: FORTHCOMING MOTION RE CLAIMS OF PREFERRED SHAREHOLDERS IN
NELSON'S RESTRUCTURING PURSUANT TO THE COMPANIES' CREDITORS
ARRANGEMENT ACT (the "CCAA")**

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice made August 27, 2010 (the "August 27 Order").

On March 23, 2010, Nelson obtained protection pursuant to the CCAA and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor").

Pursuant to the August 27 Order, Representative Counsel for the Noteholders of Nelson has been authorized and directed to make a motion (the "Motion") to the Court at 10:00 a.m. on September 27, 2010 for an Order that all claims of the holders of preferred shares of Nelson (the "Preferred Shareholders") relating to their ownership of such preferred shares are "Equity Claims" within the meaning of the CCAA and, as such, shall not be entitled to vote on any restructuring plan or participate in any distribution by Nelson under any such plan until all creditors of Nelson have been paid in full.

On September 3, 2010 the Monitor sent a letter to all known Preferred Shareholders indicating that if Preferred Shareholders wished to oppose the Motion they were free to do so but they must serve and file responding court materials on or before September 17, 2010. The Monitor also indicated that it had received an opinion from its Independent Counsel, which provides that certain claims of the Preferred Shareholders against Nelson are "Equity Claims" within the meaning of the CCAA.

A copy of the August 27 Order, the letter sent by the Monitor to Preferred Shareholders on September 3, 2010, the Motion Record of the Representative Counsel for the Noteholders and the opinion of the Monitor's Independent Counsel referred to in the Monitor's September 3, 2010 letter can be downloaded from the Monitor's website at www.ajohnpage.com/html/files.html.

DATED at Toronto this 5th day of September, 2010.

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
209 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K5
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869



Globe and Mail
Business Section

September 7, 2010

LEGALS

**NOTICE TO PREFERRED SHAREHOLDERS
OF NELSON FINANCIAL GROUP LTD. ("NELSON")**

**RE: FORTHCOMING MOTION RE CLAIMS OF PREFERRED
SHAREHOLDERS IN NELSON'S RESTRUCTURING PUR-
SUANT TO THE COMPANIES' CREDITORS ARRANGE-
MENT ACT (THE "CCAA")**

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice made August 27, 2010 (the "August 27 Order").

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A copy of the August 27 Order, the letter sent by the Monitor to Preferred Shareholders on September 3, 2010, the Motion Record of the Representative Counsel for the Noteholders and the opinion of the Monitor's Independent Counsel referred to in the Monitor's September 3, 2010 letter can be downloaded from the Monitor's website at www.ajohnpage.com/itfm/files.html.

DATED at Toronto this 5th day of September, 2010.



A. John Page & Associates, Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869



Exhibit "E"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

Sample Promissory Note



**NELSON FINANCIAL
GROUP LTD.**

PROMISSORY NOTE

Amount: \$ _____

FOR VALUE RECEIVED, the undersigned, Nelson Financial Group Ltd. acknowledges itself indebted and hereby promises to pay Investor Name, the principal sum of _____ Thousand Dollars (\$ _____) in lawful money of Canada (the "Principal") together with interest thereon in like money on the unpaid portion from time to time of the Principal until the Principal is repaid in full at the rate of 12% per annum, calculated monthly, not in advance, and shall be payable both before and after default and or judgment as well after as before maturity.

Interest (accruing from and in respect of the ___ day of ____, 2008) calculated as aforesaid shall be payable monthly in the amount of \$____.00 on the ___ day of each month starting ____, 2008 and the Principal shall become due and be paid in full on the ___ day of ____, 20**.

Arrears of interest from time to time shall bear interest calculated and payable in the same manner as provided for above.

In the event that the undersigned shall at any time default in the payment of any interest due hereunder, then without prejudice to any other rights that Investor Name may have, the Principal together with any unpaid interest shall immediately be accelerated and become due and payable forthwith.

This promissory note may not be assigned, discounted, pledged or hypothecated by Investor Name and by any subsequent holder of this promissory note. This promissory note is not intended by the parties to be, and is not, a negotiable instrument.

The provisions of this promissory note shall be governed by and construed in accordance with the Province of Ontario and the federal laws of Canada applicable therein.

This note is subordinated, please see the Term Sheet for details.

Dated at Pickering, Ontario, this ___ day of ____, 2008

Investor Name(s) – Print Please

Investor Signature(s)

Date

Nelson Financial Group Ltd.
Marc Boutet

Nelson Investment Group Ltd.
Pete Knoll, Compliance



Exhibit "F"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

Sample Term Sheet



**TERM SHEET
FIXED RATE INVESTMENT**

ISSUER	Nelson Financial Group Ltd.
OFFER VOLUME	Unlimited
PURPOSE	To finance the Company's business operations
SUBSCRIPTION PERIOD	January 1 st , 2008 to December 31 st , 2008
TENURE	1 – 5 year maximum
MATURITY	See Promissory Note
INTEREST RATE	Fixed at 12% per annum, until maturity on; see Promissory Note
PRINCIPAL PAYMENTS	Principal will be repaid at maturity on; see Promissory Note
INTEREST PAYMENTS	The first interest payment will become due and payable on (see Promissory Note). Thereafter, interest will be paid monthly, until maturity. The final interest payment will be paid on; see Promissory Note.
TAXATION	Taxable
BUSINESS DAY	In the event that a payment day occurs on a day other than a business day, such payments will be made on the business day preceding that date. Interest will be calculated up to the actual payment date with 360 day calculations.
MINIMUM PURCHASE	\$150,000.00 \$10,000.00 – limited to accredited investors
CLOSING	Currently, closing is estimated to occur on or before; see Promissory Note
PAYMENT OPTIONS	Interest payments will be made electronically (EFT)
REPORTING REQUIREMENTS	Company issues investors annual T-5 slips
RELATED ISSUER	Nelson Investment Group Ltd.
DEPOSITS	Made to Nelson Financial Group Ltd.

The Lender acknowledges and agrees that the Borrower incur "Debt" in connection with institutional lenders, including but not limited to banks and institutional funds, and the Lender hereby agrees to subordinate for all purposes its rights and remedies under this Promissory Note to the rights and remedies of the lender(s) of the Debt pursuant to any security agreements entered into in connection with the Debt and the indebtedness thereunder such that the Debt Lenders' security interests shall rank, in all circumstances and for all purposes, in priority to the security interests of the Lender against the existing and future undertaking and assets of the Borrower, without any limitation. Each Debt Lender shall be entitled to rely upon this postponement and subordination as if it had been and is a party to this Promissory Note.

Investor Name(s) – Print Please

Investor Signature(s)

Date

Nelson Financial Group Ltd.
Marc Boutet

Nelson Investment Group Ltd.
Pete Knoll, Compliance



Exhibit "G"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

Sample Investment Documentation



Investment Opportunity

Background

Nelson Financial Group Ltd., incorporated in 1990, is a privately owned acceptance corporation providing financing for conditional sales contracts as well as consumer, corporate and commercial lending.

The principal, Marc Boutet, offers 30+ years experience in the investment banking and finance industries, with the growth and ongoing success of Nelson Group, a testament to his prudent and proven management expertise.

The Concept

We are primarily focused on customers that are often ignored and/or under serviced by the traditional banks and financial services companies. Nelson Financial Group Ltd. has recognized this marketplace opportunity and extends consumer loans and credit cards to individuals under specific terms and conditions. Floorplan financing is offered to auto dealers and Nelson manages a vehicle lease portfolio. We also factor vendor receivables such as computers, air/water purification, time share vacations and dry goods & frozen meats food vendors.

Our management model recognizes the nature of the credit risk and mitigates the risk via proactive measures and prudent management practices.

Interest Rates and Returns

We extend credit at rates ranging from 29.9% to our consumer and vendor driven business, with the investor offered a 12.00% or 10.00% fixed rate of return per annum. The remaining spread is utilized by Nelson Financial Group Ltd. for portfolio management, administration, underwriting and profit.

Investment Opportunity

There are two investment opportunities available: a 12% per annum, interest income and a 10% per annum dividend.

12% - Interest Income

Fixed term investment yielding 12.00% per annum with a 1-5 year term. There are two options for repayment (a) blended monthly repayments or (b) interest only monthly repayments. Both are fully amortized over the term of the investment.

Example: Repayment options for \$100,000.00 @ 12.00% over 1 year.

(a) Interest payment of \$1,000.00 each month for 12 months. Total repayment to investor \$112,000.00 or

(b) Fully amortized blended principal and interest payment of \$8,884.88 each month for 12 months. Total repayment to investor \$106,618.55

Investment Documentation (enclosed):

- Term Sheet
- Promissory Note

-
- Amortization Schedule – Details the specific dates and repayment amounts for the term of the investment.

10% - Dividend

Fixed term investment yielding 10.00% per annum. There are two options for repayment (a) monthly dividend (\$833.33 monthly on \$100,000) or (b) a DRIP (Dividend Re-Investment Plan).

Investment Documentation (enclosed):

- Term Sheet

Taxation Reporting Requirements: Nelson Investment Group Ltd. issues to each investor annually, T5 slips outlining interest income earned on their investment and/or T3 slips outlining dividends. Investors can be individuals or companies. A valid social insurance number (or business number) and mailing address are required for interest income reporting. Monthly repayments are paid according to investor instructions.

Asset Management Model: Nelson Financial Group Ltd. clearly recognizes the nature of the clientele. Given the generally prudent portfolio management practices, Nelson has implemented a pro-active, no nonsense risk reducing strategy which has proven to be both efficient and highly effective. Our customer service specialists are experienced, sophisticated and well trained. Utilizing the latest technologies they effectively manage the individual portfolio treating every client with professionalism, courtesy and respect.

Our portfolio management system and structure is a practical, sensible and workable approach to protecting our security interests, maintains and enhances the quality of cash flow payment streams, encourages our clients to act reasonably and responsibly and improves the quality of the aggregate loan portfolio. It continues to be a winning strategy and time tested proven asset management formula for ongoing success.

Summary: For the investor, our management practices, procedures and operations offer a sound overall portfolio management, a clear demonstration of our professional capabilities, confirmation of our commitment to ongoing success and an attractive safe high-yield income generating investment.

Take advantage of this passive, profitable fixed rate income investment today and start enjoying a fixed real dollar monthly interest income payment within 30 days.

References

Bank: TD Canada Trust, 2 King Street East, Oshawa, ON
Acct# 3184-52049848-01, Contact: Chad Mills 905-576-7741

Memberships/Associations:

Better Business Bureau: (BBB) www.bbbmwo.ca
National Automotive Finance Association: (NAF) www.nafassociation.com
Ontario Motor Vehicle Industry Association: (OMVIC) www.omvic.on.ca

Investor References:

Available upon request



**TERM SHEET
FIXED RATE INVESTMENT**

ISSUER	Nelson Financial Group Ltd.
OFFER VOLUME	Unlimited
PURPOSE	To finance the Company's business operations
SUBSCRIPTION PERIOD	January 1 st , 2008 to December 31 st , 2008
TENURE	1 – 5 year maximum
MATURITY	See Promissory Note
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CLOSING	Currently, closing is estimated to occur on or before; see Promissory Note
PAYMENT OPTIONS	Interest payments will be made electronically (EFT)
REPORTING REQUIREMENTS	Company issues investors annual T-5 slips
RELATED ISSUER	Nelson Investment Group Ltd.
DEPOSITS	Made to Nelson Financial Group Ltd.

The Lender acknowledges and agrees that the Borrower incur "Debt" in connection with institutional lenders, including but not limited to banks and institutional funds, and the Lender hereby agrees to subordinate for all purposes its rights and remedies under this Promissory Note to the rights and remedies of the lender(s) of the Debt pursuant to any security agreements entered into in connection with the Debt and the indebtedness thereunder such that the Debt Lenders' security interests shall rank, in all circumstances and for all purposes, in priority to the security interests of the Lender against the existing and future undertaking and assets of the Borrower, without any limitation. Each Debt Lender shall be entitled to rely upon this postponement and subordination as if it had been and is a party to this Promissory Note.

Investor Name(s) – Print Please

Investor Signature(s)

Date

Nelson Financial Group Ltd.
Marc Boutet

Nelson Investment Group Ltd.
Pete Knoll, Compliance



**NELSON FINANCIAL
GROUP LTD.**

PROMISSORY NOTE

Amount: \$ _____

FOR VALUE RECEIVED, the undersigned, Nelson Financial Group Ltd. acknowledges itself indebted and hereby promises to pay Investor Name, the principal sum of _____ Thousand Dollars (\$ _____) in lawful money of Canada (the "Principal") together with interest thereon in like money on the unpaid portion from time to time of the Principal until the Principal is repaid in full at the rate of 12% per annum, calculated monthly, not in advance, and shall be payable both before and after default and or judgment as well after as before maturity.

Interest (accruing from and in respect of the ___ day of ___, 2008) calculated as aforesaid shall be payable monthly in the amount of \$____.00 on the ___ day of each month starting ____, 2008 and the Principal shall become due and be paid in full on the ___ day of ___, 20**.

Arrears of interest from time to time shall bear interest calculated and payable in the same manner as provided for above.

In the event that the undersigned shall at any time default in the payment of any interest due hereunder, then without prejudice to any other rights that Investor Name may have, the Principal together with any unpaid interest shall immediately be accelerated and become due and payable forthwith.

This promissory note may not be assigned, discounted, pledged or hypothecated by Investor Name and by any subsequent holder of this promissory note. This promissory note is not intended by the parties to be, and is not, a negotiable instrument.

The provisions of this promissory note shall be governed by and construed in accordance with the Province of Ontario and the federal laws of Canada applicable therein.

This note is subordinated, please see the Term Sheet for details.

Dated at Pickering, Ontario, this ___ day of ___, 2008

Investor Name(s) – Print Please

Investor Signature(s)

Date

Nelson Financial Group Ltd.
Marc Boutet

Nelson Investment Group Ltd.
Pete Knoll, Compliance

Amortization Schedule*

Investor: *Sample*

Pay Frequency: *Monthly, Principal and Interest*

Loan Amt: **\$100,000.00**

Term: **24**

**This Schedule is based on 30 Days to first payment and a 360 day year.*

Nominal Interest (APR) **12.00%**

Payment #	Date	Last Date	Payment	Interest	Principal	Balance
1	2/2/2008	1/2/2008	\$4,707.35	\$1,000.00	\$3,707.35	\$96,292.65
2	3/2/2008	2/2/2008	\$4,707.35	\$982.93	\$3,744.42	\$92,548.23
3	4/2/2008	3/2/2008	\$4,707.35	\$925.48	\$3,781.86	\$88,766.37
4	5/2/2008	4/2/2008	\$4,707.35	\$887.68	\$3,819.68	\$84,946.68
5	6/2/2008	5/2/2008	\$4,707.35	\$849.47	\$3,857.88	\$81,088.80
6	7/2/2008	6/2/2008	\$4,707.35	\$810.89	\$3,896.46	\$77,192.34
7	8/2/2008	7/2/2008	\$4,707.35	\$771.92	\$3,935.42	\$73,256.92
8	9/2/2008	8/2/2008	\$4,707.35	\$732.57	\$3,974.78	\$69,282.14
9	10/2/2008	9/2/2008	\$4,707.35	\$692.82	\$4,014.53	\$65,267.62
10	11/2/2008	10/2/2008	\$4,707.35	\$652.68	\$4,054.67	\$61,212.95
11	12/2/2008	11/2/2008	\$4,707.35	\$612.13	\$4,095.22	\$57,117.73
Totals:	2008		\$51,780.82	\$8,898.55	\$42,882.27	\$57,117.73
12	1/2/2009	12/2/2008	\$4,707.35	\$571.18	\$4,136.17	\$52,981.56
13	2/2/2009	1/2/2009	\$4,707.35	\$529.82	\$4,177.53	\$48,804.03
14	3/2/2009	2/2/2009	\$4,707.35	\$488.04	\$4,219.31	\$44,584.72
15	4/2/2009	3/2/2009	\$4,707.35	\$445.85	\$4,261.50	\$40,323.22
16	5/2/2009	4/2/2009	\$4,707.35	\$403.23	\$4,304.12	\$36,019.10
17	6/2/2009	5/2/2009	\$4,707.35	\$360.19	\$4,347.18	\$31,671.95
18	7/2/2009	6/2/2009	\$4,707.35	\$316.72	\$4,390.63	\$27,281.32
19	8/2/2009	7/2/2009	\$4,707.35	\$272.81	\$4,434.53	\$22,848.79
20	9/2/2009	8/2/2009	\$4,707.35	\$228.47	\$4,478.88	\$18,367.91
21	10/2/2009	9/2/2009	\$4,707.35	\$183.68	\$4,523.67	\$13,844.24
22	11/2/2009	10/2/2009	\$4,707.35	\$138.44	\$4,568.90	\$9,275.33
23	12/2/2009	11/2/2009	\$4,707.35	\$92.75	\$4,614.59	\$4,660.74
Totals:	2009		\$58,488.17	\$4,031.18	\$52,456.99	\$4,660.74
24	1/2/2010	12/2/2009	\$4,707.35	\$46.61	\$4,660.74	\$0.00
Totals:	2010		\$4,707.35	\$46.61	\$4,660.74	\$0.00
Totals:			\$112,976.33	\$12,976.33	\$100,000.00	\$0.00



**NELSON FINANCIAL
GROUP LTD.**

**TERM SHEET
PREFERRED SHARE INVESTMENT**

ISSUER	Nelson Financial Group Ltd.
ISSUE	Series B Preferred Shares
PAR VALUE	Each share is issued at and remains fixed at \$25.00 in lawful money of Canada.
OFFER VOLUME	\$50,000,000.00
PURPOSE	To finance the Company's business operations
SUBSCRIPTION PERIOD	July 14 th , 2008 to December 31 st , 2010
DIVIDEND	10% per annum Principal sum of ___ Thousand Dollars (\$) in lawful money of Canada - \$___ monthly dividend beginning on the ___ day of __, 2008
PAYMENTS	The first dividend payment will become due and payable 1 month after the investment is made. Thereafter, dividends will be paid monthly.
TAXATION	Taxable, eligible for the dividend tax credit
BUSINESS DAY	In the event that a payment day occurs on a day other than a business day, such payments will be made on the business day preceding that date.
MINIMUM PURCHASE	\$150,000.00 \$10,000.00 - limited to accredited investors
PAYMENT OPTIONS	Dividend payments will be made electronically (EFT)
REPORTING REQUIREMENTS	Company issues investors annual T-3 slips
RELATED ISSUER	Nelson Investment Group Ltd.
DEPOSITS	Made to Nelson Financial Group Ltd.
CERTIFICATE	This document (<i>Preferred Share Term Sheet</i>) contains the "rights, privileges, restrictions and conditions" as pertaining to the Certificate.
OTHER TERMS	Preferred shares are non-voting (except where voting as a class is required), redeemable at the option of the Company and rank ahead of common shares. Dividends are cumulative and no dividends shall be paid on common shares if preferred share dividends are in arrears.

Investor Name(s) - Print Please

Investor Signature(s)

Date

Nelson Financial Group Ltd.
Marc Boutet

Nelson Investment Group Ltd.
Pete Knoll, Compliance

10.00%

\$100,000.00 Investment

highest marginal tax rate - Ontario resident
eligible dividend paying preferred shares \$25.00 per value

Dividend income (\$100,000.00 x 10%)	\$10,000.00
Dividend gross-up (\$10,000.00 x 45%)	\$4,500.00
Taxable income	\$14,500.00
Federal Tax (\$14,500.00 x 29%)	\$4,205.00
Federal dividend tax credit (\$14,500.00 x 18.975%)	\$2,761.38
Federal Tax	\$1,453.63
Provincial Tax (\$14,500.00 x 17.41%)	\$2,524.45
Provincial dividend tax credit (\$14,500.00 x 7.00%)	\$1,015.00
Provincial tax	\$1,509.45
Total tax	\$2,983.08
After-tax income (\$10,000.00 - \$2,983.08)	<u>\$7,036.93</u>
After-tax yield (\$7,036.93 / (\$25.00 x 4000))	7.04%

\$100,000.00 Investment

highest marginal tax rate - Ontario resident

Interest income (\$100,000.00 x 12%)	\$12,000.00
Federal tax (\$12,000.00 x 29%)	(\$3,480.00)
Provincial tax (\$12,000.00 x 17.41%)	(\$2,089.20)
	<u>(\$5,569.20)</u>
After-tax income (\$12,000.00 - \$5,569.20)	<u>\$6,430.80</u>
After-tax yield (\$6,430.80 / \$100,000.00)	6.43%

Preferred dividend income:

Interest income:

Net benefit:

7.04%

6.43%


0.61%

due
west

due
East

Signature box with "OR" and a signature "Paul Tan". Below the signature, it says "All must be signed off or changes approved by..."


Authorized Agent
Nelson Financial Group Ltd. 1-877-509-8108
1-877-509-8108
www.nelson.investment.ca



NELSON INVESTMENT GROUP LTD.

12% per annum

1-877-509-8108



NELSON INVESTMENT GROUP LTD.

DIVIDEND INCOME

- Fixed
- Paid Quarterly
- No maintenance fee

10% per annum

1-877-509-8108



NELSON INVESTMENT GROUP LTD.

- 1 to 5 yr term
- Fixed rate
- Paid monthly
- Min. \$10,000

12%

 per annum

Accredited Investor

Nelson Financial Group Ltd. is a related issuer of FICG.

1-877-509-8108

www.nelsoninvestment.ca

PROMOTING A POSITIVE ACTIVE LIFESTYLE

Fifty-Five Plus™

APPROVED

Paul Toms

OR

APPROVED & THE BENEFIT CHANGES

[Signature area]

*Ads must be signed off or changes approved by
deadline or your ad will appear as per above.*

BELIEVE IT!!
12%
MUSIC FIRST TELEGROUP, LLC
1-877-509-8108



NELSON
MORTGAGE
GROUP LTD.

September 1, 2006



Dear Mr.

We are currently offering our investments through Nelson Mortgage Group Ltd. which in turn, loans the funds to our sister company Nelson Financial Group Ltd. Nelson Financial then uses these proceeds to carry out its auto leasing and personal loans business (business as usual).

Investors are issued a signed Promissory Note from Nelson Mortgage Group Ltd., with an initiation date of either the 2nd or the 16th of August or September.

We accept a minimum amount of \$10,000.00. During this time the investor will earn a rate of 12% paid monthly via electronic funds transfer (either interest only or principal and interest) for a term of 1-5 years.

Please let me know if this timeframe works for you and what amounts you are contemplating.

Sincerely

Paul Torres, AMP
Investor Services, x228

**NELSON INVESTMENT
GROUP LTD.**

December 11, 2007

Dear Mr. and/or Ms.

With current newspapers proclaiming doom and gloom in the world of finance by running headlines such as "sub prime", "defaults", and "recession", we felt it necessary to communicate to our valued investors, the tremendous success the Nelson Group is enjoying and the effect current market conditions are having upon us.

In a nutshell, business is great! We are not in the sub prime lending finance business and what is happening in this arena in the United States has no affect upon us. We are not affected by the Canadian or American dollar fluctuations nor do bank prime rates have influence on our business model.

The relationship with our investors is mutually beneficial. As a result of our investors' faith and trust in our abilities, Nelson Financial (est. 1990) has been able to capture a larger segment of a growing market. The Nelson Group continues to execute its business plan in a controlled and measured pace and has recently become National in scope. We are financing consumer and corporate opportunities and are delighted with our territorial and product diversification.

In order to expand our business we invite you to participate with us as we continue to build on our momentum, expand our presence in the marketplace and grow your investments -- with maximum return. We are currently asking investors to add to their holdings at Nelson either via our time-tested 12% interest bearing offering or our tax-advantaged 10% dividend bearing preferred share offering.

We would also like to bring to our investors' attention our current efforts to offer an exclusive mutual fund which will accept registered funds. We anticipate a launch date in the first quarter of 2008. Stay tuned for rates and particulars.

Finally we are requesting email addresses from our investors. As we continue to grow we wish to keep you informed and maintain control of our expenses. Please forward your email to sheri@nelsoninvestment.ca or contact us via telephone 905-509-8100 or 1-877-509-8108.

As always we thank you for your trust.

Nelson Investment Group

**NELSON INVESTMENT
GROUP LTD.**

May 14, 2008

Dear _____

Nelson Investment Group Ltd. (NIGL) is pleased to announce that effective May 27, 2008 our office will be relocating to 1739 Orangebrook Court in Pickering, Ontario. We will once again share office space with Nelson Financial Group Ltd., Nelson Mortgage Group Ltd. and Nelson Capital Group Ltd.

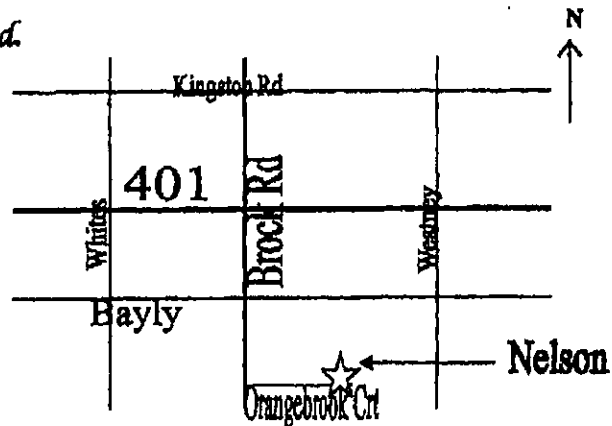
With Nelson currently experiencing 10% monthly growth, it has become necessary for all Nelson companies to operate from one central location. We wish to assure you that there has been no change in ownership, management or corporate strategy. Nelson continues to enjoy tremendous success through the execution of our business plan at a controlled and measured pace. Financing of consumer and corporate opportunities enables Nelson to continue to offer our premium 12% interest bearing investment along with our 10% tax-advantaged dividend bearing offering. Additionally, in June of this year, Nelson will launch our third investment offering which has been accepted by the Ontario Securities Commission. Our new exclusive RRSP and RRIF eligible mutual fund yielding 8% on registered funds will be available via subscription form in late June. Please contact our office for further details.

We recognize that the growth and success of our company is largely dependent upon loyal investors such as yourself and we applaud your contribution in helping us maintain the position we enjoy in the industry. We wish to offer our thanks for your confidence in our ability to service your investment needs.

Yours truly,

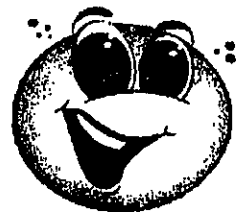
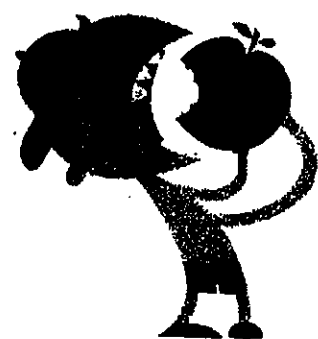
Nelson Investment Group Ltd.

Our new address:
1739 Orangebrook Court
Pickering ON L1W 3G8
Tel: 905-831-0990
Fax: 905-839-7002
sheri@nelsoninvestment.ca
www.nelsoninvestment.ca



\$100,000.00 Investment
Highest tax bracket

	ELIGIBLE DIVIDEND	vs.	INTEREST
Gross Income	\$10,000.00		\$12,000.00
Tax Owed	(\$3,886.98)		(\$5,569.20)
After-Tax Income	\$6,113.02		\$6,430.80
Investor Yield	6.96%		6.36%
Value After 1 Year	<u>\$106,963.70</u>		<u>\$106,430.80</u>





**NELSON INVESTMENT
GROUP LTD.**

April 16, 2008

Dear .

As discussed at our office and on the telephone, Nelson Financial Group Ltd. deploys investor dollars in several ways. Through vendor financing, Nelson underwrites new conditional sales contracts with such companies as: Chambers Foods, Shopease, Shopco, Lendcare and RCI (vacation property ownership). Additionally, Nelson also works with home owners looking to add value to their homes with the purchase of air and water purification systems.

Another rapidly growing arm of Nelson's business is the offering of personal/consumer credit. Through our five branded retail outlets in Barrie, Belleville, London, North York, and Pickering, Nelson Financial Group Ltd. is able to extend credit to individuals who do not qualify with traditional lenders. Please bear in mind this do not mean these individuals are high-risk borrowers.

Further to our phone conversation on Tuesday, April 15, 2008 Nelson Financial Group Ltd. Preferred Shares are redeemable upon written request by the registered owner. Funds will be transferred via electronic funds transfer (EFT) directly into the bank account Nelson has on file.

Sheri has copied the Know Your Client we filled out and I have included it with this letter.

All of us at Nelson thank-you for your investment and your trust.

Regards,

Pete Knoll



**NELSON INVESTMENT
GROUP LTD.**

January 21, 2009

Happy New Year!!

The Nelson Group wishes our investors and their families a Happy New Year! It is with great optimism and enthusiasm that we greet 2009. 2008 was an exceptional year for Nelson despite the global economic turmoil reflected so prominently in the world's newspaper headlines. We realized record sales and have more satisfied investors than ever.

For 2009 Nelson anticipates further increased sales as our marketplace continues to expand. Traditional lenders are scaling back their current lending programs as they shift their focus to more urgent matters which we have all read about recently. Consequently, under-served vendors from coast to coast continue to approach Nelson seeking financing. This is great news as it allows us further product and territorial diversification.

In order to expand our business to service this increased demand, we invite you to participate with us as we continue to build on our momentum, expand our presence in the marketplace and grow your investments – with maximum return. We are currently asking investors to add to their holdings at Nelson either via our time-tested 12% interest bearing offering or our tax-advantaged 10% dividend bearing preferred share offering. It is with extreme pride that we boast of our 18 year track record paying 12% to all our investors without exception. We ask you to further participate in this remarkable success story.

Nelson continues to progress with our exclusive mutual fund. The Ontario Securities Commission has accepted our fund and we are in the final negotiations with registered RRSP/RRIF carriers. We are very close so please bear with us. In addition, it appears we will also have available a Tax-free Savings Account at the same time. As soon as we have the final go ahead for these products, we will relay this news.

Finally we are requesting email addresses from our investors. As we continue to grow we wish to keep you informed and maintain control of our expenses. Please forward your email to sheri@nelsoninvestment.ca or contact us via telephone at 905-831-0990 or toll free at 1-877-509-8108.

As always, we thank you for your trust.

Nelson Investment Group Ltd.

June 2009


NELSON INVESTMENT GROUP LTD.

1789 Orangebrook Court Pickering ON L1W 3G8

Phone: 905-831-0990 Fax: 905-839-7002

NEWS FROM NELSON

Updated Website:
www.nelsoninvestment.ca

NELSON  GROUP

RRSP/RRIF Fund

Nelson continues to progress with our exclusive mutual fund. The Ontario Securities Commission has accepted our fund and we are in the final negotiations with registered RRSP/RRIF carriers.

No additional information is available at this time however we are looking forward to launch in 2010.

Bank Leverage

Unlike the U.S. where several dozen banks went under in the past year, Canada has suffered no bank failures. Our healthy banking system compares:

Canadian Bank leveraged 18:1

American Bank leveraged 26:1

European Bank leveraged 61:1

"Canada's housing market experienced less of a blip because mortgage interest is not deductible here the way it is in the U.S. That, along with sub-prime foolishness, tempted too many Americans to gorge on houses they really couldn't afford." (Mark Milke, Calgary Herald, Feb09)

Invested Since 1990

One of our longest standing investors has been with us for 18 years! To this day, he is enjoying our fixed-rate interest investment. Nelson has been making monthly payments for 18 years -> 18 years x 12 payments per year = 216 consecutive monthly payments! This satisfied investor has tripled his investment dollars!

The Rule of 72

Double Your Money!

The Rule of 72 is a math formula indicating how long it will take to double the value of the money you invest:

- Find out your interest rate...
- Second...do the math!

$$72 / \text{interest rate} = \text{years}$$

Example: \$10,000 invested at 12% interest rate

$$72 / 12 = 6 \text{ years} \rightarrow \text{In 6 years } \$10,000 \text{ will double at } 12\%$$

In order to double your money within a certain amount of years, flip flop the Rule of 72. This indicates the percent rate at which you need to invest:

- Decide the number of years you want to invest...
- Second... do the math!

$$72 / \text{years} = \text{interest rate}$$

Example: \$10,000 invested for 8 years

$$72 / 8 = 9 \text{ (\% interest rate)} \rightarrow \text{In 8 years } \$10,000 \text{ will double at } 9\%$$

In our next issue:

- Nelson offers mortgage services
- 2008—our best year to date
- Notary services currently available to investors at no charge



We realized record sales and have more satisfied investors than ever!

NELSON INVESTMENT GROUP LTD.

Marc Boutet, President x232

Pete Knoll, Sales and Compliance x265

Paul Torres, Sales x228

Sheri Sampedro, Sales and Admin x242

**NELSON INVESTMENT
GROUP LTD.**

Nelson Investment Group Ltd. (NIGL) is pleased to announce that effective July 30, 2009 our office will be relocating to 900 Dillingham Road in Pickering, Ontario. We will share new office space with Nelson Financial Group Ltd., Nelson Mortgage Group Ltd. and Nelson Capital Group Ltd.

We wish to assure you that there has been no change in ownership, management or corporate strategy. Nelson continues to enjoy tremendous success through the execution of our business plan at a controlled and measured pace. Financing of consumer and corporate opportunities enables Nelson to continue to offer our premium 12% interest bearing investment along with our 10% tax-advantaged dividend bearing offering.

We recognize that the growth and success of our company is largely dependent upon loyal investors such as yourself and we applaud your contribution in helping us maintain the position we enjoy in the industry. We wish to offer our thanks for your confidence in our ability to service your investment needs.

Yours truly,

Nelson Investment Group Ltd.

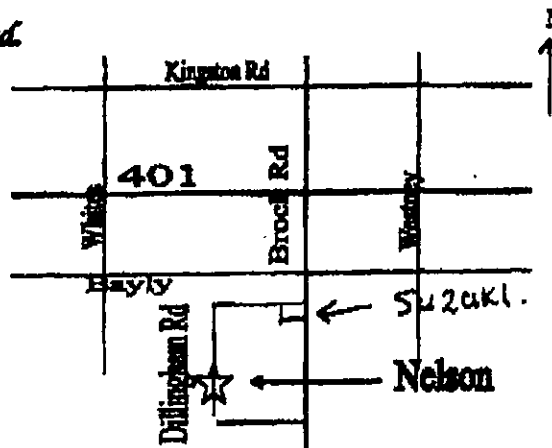
Our new address:

900 Dillingham Road
Pickering ON L1W 1Z6

Tel: 905-831-0990

Fax: 905-839-7002

sheri@nelsoninvestment.ca
www.nelsoninvestment.ca




June 2009

NELSON INVESTMENT GROUP LTD.
1789 Orangebrook Court Pickering ON L1W 3G8
Phone: 905-881-0990 Fax: 905-889-7002

NEWS FROM NELSON

Updated Website
www.nelsoninvestment.ca

NELSON  GROUP

RRSP/RRIF Fund

Nelson continues to progress with our exclusive mutual fund. The Ontario Securities Commission has accepted our fund and we are in the final negotiations with registered RRSP/RRIF carriers.

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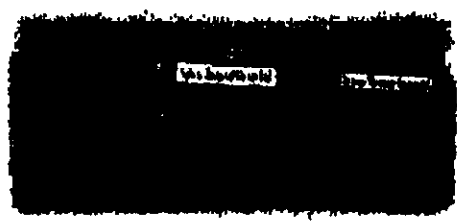


We realized record sales and have more satisfied investors than ever!

NELSON INVESTMENT GROUP LTD.

Maro Boutet, President x232
Pete Knoll, Sales and Compliance x265
Paul Torres, Sales x228
Sheri Sampedro, Sales and Admin x242

**Nelson
Group.ca**



- >> [Dealers Login](#)
- >> [Investors Investment D](#)
- >> [Customers Apply Today!](#)

[Investor Home Page](#)

[Security Package Info](#)

[Home Page](#)

Nelson Group offers investors an opportunity to enjoy:

- A passive fully secured investment.
- A fixed ROI at 12% per annum.
- 1 to 4 year fixed term options. (Minimum Investment \$10,000)
- 1st priority chattel mortgage security on vehicles and lease contracts

3 repayment options to choose from:
(based on \$10,000 invested over 4 year term)

Repayment Options	Monthly Payment	Total Return
a) Principal and Interest	\$ 263.34	\$12,640.32
b) Interest Only	\$ 100.00	\$14,600.00
c) Annual Compound	N/A	\$16,122.27

Investor Profile:

Our investors come from all walks of life. They include retirees, tradesmen, homemakers, self-employed and recipients of inheritance. Some require a monthly income stream of principal and interest, while others are looking to maintain their capital and live off the interest. Due to the marginal returns offered by the traditional banking sector, and the fees and commissions for investment management services charged by investment firms, Nelson is a logical alternative.

The formula:

Nelson operates in the sub prime automobile marketplace and extends credit to those who cannot obtain credit from traditional lenders. The investor and Nelson Financial share in the proceeds of the cash flow generated.

Managing the aggregate lease portfolio is the essential element in our ongoing success and key to ensuring investor obligations are satisfied. Our management model includes accredited auto dealership partners who participate financially in every car sold, GPS technology to monitor, track and maintain control of our

Investor Testimon

"I consider my investment Nelson Financial solid, safe and well managed. My capital is and I have been living off monthly interest for 3 1/2 yrs
....R.M..

"Nelson has delivered on counts. The fixed 12% yield far the best investment deal I have made. It is significant outperforming my other investments."D.B.

"I'm impressed with the portfolio management structure and fully confident in their ability to deliver."R.C.

"Nelson encouraged extensive due diligence, were frank direct and explained the mechanics of the investment with my complete satisfaction." ..

"I have received 77 months interest payments from Nelson. They have consistently delivered on all fronts."R.W.

"I was so impressed with the opportunity, I leveraged my borrowed at 4% and am enjoying the 8% interest rate spread reducing my tax exposure while writing off the cost of the investment." I T

Products

Services

by JENNIFER AITKENS

Investing in Sub-Prime Loans

If you've been reading *The Toronto Star* over the past three years, you may have seen a pile of offering memoranda offering guaranteed 12% returns. Many but curious, I recently decided to find out more, and called the 800 number listed.

Since 1980, Nelson Financial Group has been arranging car loans for individuals who are unable to qualify for bank loans. These "sub-prime" loans, as they are called in the industry, enable higher-risk individuals to finance a decent, reliable car, and get on with the business of making a living.

Nelson provides credit financing in partnership with 250 car dealers across Ontario, and currently has 2500 vehicles on the road under their loan program.

The capital for these loans

comes from people like you and me with a balance of \$10,000 to invest. The money is loaned out at 25.5%. 12% is paid to the investor and 17.5% is kept by Nelson Financial. In response to my concern about the high cost to the borrower, investor representative Paul Turner pointed out that it was comparable to department store credit cards loans at 28.8%, Canadian Tire Optima MasterCard at up to 23% for individuals with no credit history. He also reminded me that the ability to obtain credit is a temporary loan for many individuals, including young people, individuals with no credit history, those who have lost two years at a job or in school, those whose debt service ratio exceeds 40%, and the self-employed. According to Turner, "Most lenders want to people when they average

financing is the monthly payment, and our loans tend to average out at about \$400 per month."

Clearly, lending money to someone deemed by the banks to be a high risk should be approached with caution. In this case, company founder Paul Sackett, a former Royal Bank executive, has built in a number of safeguards, including GPS location and disabling mechanisms installed in all cars, a security pool supported by participating insurers, and an 80% loan-to-value ratio. No loans are made until references have been checked and the applicant's ability to repay the loan has been confirmed through a budget review.

Investors can receive income as a regular repayment of principal plus interest, as a monthly interest-only payment, or as a lump sum at the end of the term. Typical returns on a four-year investment are shown in the table below.

Note that if the flow of investment money coming into the company exceeds loan demand, investors will receive

5% while waiting for their funds to be assigned.

If you are interested in learning more about Nelson Financial's sub-prime loans, and will be in the Greater Toronto Area, Toronto—a self-proclaimed "I need to see things for myself" individual—invites you to visit the company's offices in Pickering. If a personal visit isn't possible, check out the website at www.nelsonfinance.ca or contact Paul Turner at 1-800-348-8500, ext. 228.

Government Surpluses

After WW II, my great-uncle built a cottage-retiring complex at Wharfedale Beach on the southeast shore of Lake St. Lawrence. There were fifty-lucky (fifty white cabins with garish pink and blue accents, all built with lumber salvaged from military barracks sold as government surplus.

In Canada, federal government surplus is managed by Public Works and Government Services Canada. The Crown Assets Distribution Centre (CADC) operates auctions and cash-and-carry sales of

Investment Option	Monthly Payment	Net Return
a) Principal and Interest	\$ 263.34	\$12,646.34
b) Interest Only	\$ 208.00	\$14,000.00
c) Annual Coupon	n/a	\$16,122.17



NELSON INVESTMENT
GROUP LTD.

October 2, 2009

Dear

As discussed at our office Nelson Financial Group Ltd. deploys investor dollars in several ways. Through vendor financing, Nelson underwrites new conditional sales contracts with such companies as: Chambers Foods, Shopease, Shopco, Lendcare, RCI (vacation property ownership) and Ontario Energy Solutions. Additionally, Nelson also works with home owners looking to add value to their homes with the purchase of air and water purification systems.

Our customers are bankable clients as well as individuals who are under-serviced by traditional banks and financial services companies. Nelson Financial Group Ltd. has recognized this marketplace opportunity and extends consumer loans to individuals under specific terms and conditions. We factor vendor receivables such as computers, air and water purification systems, time share vacations, dry goods & frozen meats food vendors, tank-less hot water heaters and health products and procedures.

Nelson Financial Group Ltd. Preferred Shares are redeemable upon written request by the registered owner. Funds will be transferred via electronic funds transfer (EFT) directly into the bank account Nelson has on file.

All of us at Nelson thank you for your investment and your trust.

Regards,



Paul Torres



Exhibit "H"

Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010

Articles of Amendment Dated April 5, 2007

12611

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Ontario Corporation Number
Numéro de la société en Ontario

911152

Ontario
CERTIFICATE
The Ontario Corporation Act
Régulation des sociétés

Articles of Amendment
Statuts de modification

APRIL 05 AVRIL, 2007

Registrar of Companies

**ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION**

NW

Form 3
Business
Corporations
Act

Formule 3
Loi sur les
sociétés par
actions

1 The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale actuelle de la société (écrire en LETTRES MAJUSCULES SEULEMENT):

N	E	L	S	O	N		F	I	N	A	N	C	I	A	L		G	R	O	U	P		L	T	D	.
---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	--	---	---	---	---

2 The name of the corporation is changed to (if applicable): (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrire en LETTRES MAJUSCULES SEULEMENT):

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

3 Date of incorporation/amalgamation:
Date de la constitution ou de la fusion: **1990-09-14**

(Year, Month, Day)
(année, mois, jour)

4 Complete only if there is a change in the number of directors or the minimum / maximum number of directors.
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé.

Number of directors is/are or minimum and maximum number of directors is/are:
Nombre d'administrateurs : ou nombres minimum et maximum d'administrateurs :

Number or minimum and maximum
Nombre ou minimum et maximum

5 The articles of the corporation are amended as follows:
Les statuts de la société sont modifiés de la façon suivante :

See pages 1A through to and including 1E attached.

1. The Articles of the Corporation are amended to:
 - (a) split the existing 100 issued and outstanding Class A common shares into 1,500,000 issued and outstanding Class A common shares;
 - (b) split the existing 100 issued and outstanding Class B common shares into 1,500,000 issued and outstanding Class B common shares;
 - (c) remove Sections 4(a), (b), (c) and (e) from the Articles of Amendment filed by the Corporation on August 8, 2003;
 - (d) increase the authorized capital of the Corporation by the creation of Preferred Shares, issuable in series;
 - (e) provide that the Preferred Shares, issuable in series shall have attached to them the rights, privileges, restrictions and conditions as set out at Schedule "A";
 - (f) create the first series of Preferred Shares and to designate them as Series A Preferred Shares;
 - (g) provide that the Series A Preferred Shares shall consist of 2,800,000 shares and shall have attached to them the rights, privileges, restrictions and conditions as set out at Schedule "B".

SCHEDULE "A"

PREFERRED SHARES

Subject to the rights of any class of shares that are expressed to rank prior to them, the Preferred Shares shall have the following rights, privileges, restrictions and conditions:

1. **Directors' Rights to Issue in One or More Series.** The Preferred Shares may at any time or from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the Board of Directors of the Corporation.
2. **Directors to Fix Terms of Each Series.** The directors of the Corporation shall (subject as hereinafter provided) by resolution fix, from time to time, before the issue thereof, the rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series including, without limiting the generality of the foregoing, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the redemption and/or purchase prices and terms and conditions of redemption and/or purchase, any voting rights, any conversion rights and any sinking fund or other provisions, the whole to be subject to the issue of a certificate of amendment setting forth the rights, privileges, restrictions and conditions attaching to the Preferred Shares of such series.
3. **Ranking of Preferred Shares.** The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, rank on a parity with the Preferred Shares of every other series and be entitled to priority over the Class A common shares, the Class B common shares and over any other shares of the Corporation ranking junior to the Preferred Shares. The Preferred Shares of any series may also be given such other preferences, not inconsistent with provisions hereof, over the Class A common shares, the Class B common shares and over any other shares of the Corporation ranking junior to the Preferred Shares as may be fixed in accordance with paragraph 2 hereof.
4. **Liquidation, Dissolution and Winding-Up Rights.** In the event of the liquidation, dissolution, winding-up or other distribution of assets of the Corporation, the holders of the Preferred Shares will be entitled to receive the amount paid per share thereon together with all accrued and unpaid dividends, whether or not earned or declared, the whole before any amount shall be paid to holders of the Class A common shares, the Class B common shares and any other shares of the Corporation ranking junior to the Preferred Shares.

SCHEDULE "B"

SERIES A PREFERRED SHARES

The following are the rights, privileges, restrictions and conditions attached to the Series A Preferred Shares (the "Series A Shares"):

1. **Number of Series A Shares.** The Series A Shares shall consist of 2,800,000 shares.
2. **Non-Voting.** Except as required by the *Business Corporations Act*, the holders of the Series A Shares shall not be entitled to receive notice of or to attend any meetings of shareholders of the Corporation.
3. **Cumulative Dividends:** The holders of the Series A Shares, in priority to the holders of the Class A common shares, the Class B common shares and all other shares ranking junior to the Series A Shares, shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends, fixed preferential cumulative cash dividends at the rate of 10% per annum on the Redemption Price (as hereinafter defined) per share. Such dividends shall be payable monthly on the first day of each month in each year and shall accrue and be cumulative the date of issue. If on any dividend payment date the dividend payable on such date is not paid in full on all the Series A Shares then issued and outstanding, such dividend, or the unpaid part thereof, shall be paid at a subsequent date or dates in priority to dividends on the Class A common shares, the Class B common shares and any other shares ranking junior to the Series A Shares. The holders of Series A Shares shall not be entitled to any dividends other than or in excess of the preferential cumulative cash dividends hereinbefore provided.
4. **Dividends Preferential:** Except with the consent in writing of the holders of all the Series A Shares outstanding, no dividend shall at any time be declared and paid on or set apart for payment on the Class A common shares, the Class B common shares or on any other shares ranking junior to the Series A Shares in any financial year unless and until the accrued preferential cumulative cash dividends on all the Series A Shares outstanding have been declared and paid or set apart for payment.
5. **Redemption**
 - a. **Right to Redeem.** Subject to the *Business Corporations Act*, the Corporation may redeem or purchase the Series A Shares in accordance with the following terms and conditions. In these share provisions, "Redemption Price" shall be equal to amount paid per share. The "Redemption Amount" for each Series A Share shall be the Redemption Price together with all dividends which shall have accrued thereon and which shall be treated as accruing to the date of such redemption.

b. Redemption at the Option of the Corporation

- i. **Right to redeem.** The Corporation may redeem all or from time to time any of the outstanding Series A Shares on payment to the holders thereof of the Redemption Amount. If less than all of the outstanding shares are to be redeemed, the shares to be redeemed shall be selected by lot or (disregarding fractions) pro rata to the number of shares registered in the name of each shareholder or in such other manner as the directors may determine with the written consent of all the holders of the Series A Shares.
- ii. **Notice.** At least 30 days before the redemption date the Corporation shall give written notice of redemption to each holder of the shares to be redeemed. The notice shall set out the Redemption Amount, the redemption date, the place of redemption and the number of shares to be redeemed. Accidental failure to give such notice shall not affect the validity of any redemption.
- iii. **Payment.** On and after the redemption date the Corporation shall cause the Redemption Amount to be paid to or to the order of the holders of the shares to be redeemed, on surrender of the certificates representing such shares at the redemption place. Such shares shall thereupon be redeemed. From and after the redemption date, the holders of the shares called for redemption shall cease to be entitled to any rights of shareholders in respect thereof except to receive the Redemption Amount, unless it is not paid or deposited in accordance herewith (in which case their rights shall remain unimpaired).
- iv. **Deposit** The Corporation may at any time deposit the Redemption Amount of any Series A Shares called for redemption with any Canadian chartered bank or trust company or solicitors of the Corporation named in the notice of redemption or in a subsequent notice to the holders of the shares in respect of which the deposit is made, in a special account for the holders of such shares. On the date of deposit (or redemption date, if later) the shares in respect of which such deposit is made shall be redeemed and from and after such date the rights of their holders shall be limited to severally receiving out of the moneys so deposited, without interest, the Redemption Amount of their redeemed shares upon surrender to such bank, trust company or solicitors, as the case may be, of the certificates representing such shares. Any interest on such deposit belongs to the Corporation.

6. **Participation upon Liquidation, Dissolution or Winding-Up:** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the

1E

holders of the Series A Shares shall be entitled to receive the Redemption Amount of such shares and shall not share further in any final distribution.

TOR_LAW\6550554\1

- 6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la Loi sur les sociétés par actions.
- 7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2007/3/23

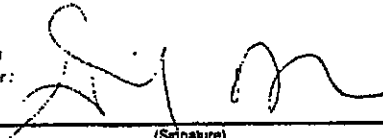
(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

FINANCIAL GROUP LTD.

(Name of Corporation) (If the name is to be changed by these articles set out current name)
(Dénomination sociale de la société) (Si l'on demande un changement de nom, indiquer ci-dessus la dénomination sociale actuelle).

By/
Par:



(Signature)
(Signature)

PRESIDENT

(Description of Office)
(Fonction)



Exhibit "I"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

Articles of Amendment Dated July 14, 2008

For Ministry Use Only
Usage exclusif du ministère

Ontario Corporation Number
Numéro de la société en Ontario



Ministry of
Government Services

Ministère des
Services gouvernementaux

911152

CERTIFICATE

This is to certify that these articles
are effective on

CERTIFICAT

Ce certificat certifie que les statuts
entre en vigueur le

JULY 14 JUILLET, 2008

statuts

**ARTICLES OF AMENDMENT
STATUTS DE MODIFICATION**

Form 1
Business
Corporations
Act

Form 1
Loi sur les
sociétés par
actions

- 1 The name of the corporation is (Set out in BLOCK CAPITAL LETTERS)
Denomination sociale actuelle de la société (écrite en LETTRES MAJUSCULES SEULEMENT)

NELSON FINANCIAL GROUP LTD.

- 2 The name of the corporation is changed to (if applicable) (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société (s'il y a lieu) (écrite en LETTRES MAJUSCULES SEULEMENT)

- 3 Date of incorporation/amalgamation
Date de la constitution ou de la fusion **1990-09-14**

Year Month Day
Année Mois Jour

- 4 Complete only if there is a change in the number of directors or the minimum / maximum number of directors.
Il faut remplir cette partie seulement si le nombre d'administrateurs ou si le nombre minimal ou maximal d'administrateurs a changé

Number of directors is/are Of minimum and maximum number of directors is/are
Nombre d'administrateurs ou nombres minimum et maximum d'administrateurs
 Number or minimum and maximum
Nombre ou minimum et maximum

- 5 The articles of the corporation are amended as follows
Les statuts de la société sont modifiés de la façon suivante

See pages 1A to 1C attached.

h

The Articles of the Corporation are amended to:

- (a) create the second series of Preferred Shares and to designate them as Series B Preferred Shares; and
- (b) provide that the Series B Preferred Shares shall consist of 2,000,000 shares and shall have attached to them the rights, privileges, restrictions and conditions as set out at Schedule "A".

SCHEDULE "A"**SERIES B PREFERRED SHARES**

The following are the rights, privileges, restrictions and conditions attached to the Series B Preferred Shares (the "Series B Shares"):

1. **Number of Series B Shares.** The Series B Shares shall consist of 2,000,000 shares.
2. **Non-Voting.** Except as required by the *Business Corporations Act*, the holders of the Series B Shares shall not be entitled to receive notice of or to attend any meetings of shareholders of the Corporation.
3. **Cumulative Dividends.** The holders of the Series B Shares, in priority to the holders of the Class A common shares, the Class B common shares and all other shares ranking junior to the Series B Shares, shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends, fixed preferential cumulative cash dividends at the rate of 10% per annum on the Redemption Price (as hereinafter defined) per share. Such dividends shall be payable monthly on the first day of each month in each year and shall accrue and be cumulative the date of issue. If on any dividend payment date the dividend payable on such date is not paid in full on all the Series B Shares then issued and outstanding, such dividend, or the unpaid part thereof, shall be paid at a subsequent date or dates in priority to dividends on the Class A common shares, the Class B common shares and any other shares ranking junior to the Series B Shares. The holders of Series B Shares shall not be entitled to any dividends other than or in excess of the preferential cumulative cash dividends herebefore provided.
4. **Dividends Preferential.** Except with the consent in writing of the holders of all the Series B Shares outstanding, no dividend shall at any time be declared and paid on or set apart for payment on the Class A common shares, the Class B common shares or on any other shares ranking junior to the Series B Shares in any financial year unless and until the accrued preferential cumulative cash dividends on all the Series B Shares outstanding have been declared and paid or set apart for payment.
5. **Redemption**
 - (a) **Right to Redeem.** Subject to the *Business Corporations Act*, the Corporation may redeem or purchase the Series B Shares in accordance with the following terms and conditions. In these share provisions, "Redemption Price" shall be equal to amount paid per share. The "Redemption Amount" for each Series B Share shall be the Redemption Price together with all dividends which shall have accrued thereon and which shall be treated as accruing to the date of such redemption.

(b) **Redemption at the Option of the Corporation**

- (i) **Right to Redeem.** The Corporation may redeem all or from time to time any of the outstanding Series B Shares on payment to the holders thereof of the Redemption Amount. If less than all of the outstanding shares are to be redeemed, the shares to be redeemed shall be selected by lot or (disregarding fractions) pro rata to the number of shares registered in the name of each shareholder or in such other manner as the directors may determine with the written consent of all the holders of the Series B Shares.
- (ii) **Notice.** At least 30 days before the redemption date the Corporation shall give written notice of redemption to each holder of the shares to be redeemed. The notice shall set out the Redemption Amount, the redemption date, the place of redemption and the number of shares to be redeemed. Accidental failure to give such notice shall not affect the validity of any redemption.
- (iii) **Payment.** On and after the redemption date the Corporation shall cause the Redemption Amount to be paid to or to the order of the holders of the shares to be redeemed, on surrender of the certificates representing such shares at the redemption place. Such shares shall thereupon be redeemed. From and after the redemption date, the holders of the shares called for redemption shall cease to be entitled to any rights of shareholders in respect thereof except to receive the Redemption Amount, unless it is not paid or deposited in accordance herewith (in which case their rights shall remain unimpaired).
- (iv) **Deposit.** The Corporation may at any time deposit the Redemption Amount of any Series B Shares called for redemption with any Canadian chartered bank or trust company or solicitors of the Corporation named in the notice of redemption or in a subsequent notice to the holders of the shares in respect of which the deposit is made, in a special account for the holders of such shares. On the date of deposit (or redemption date, if later) the shares in respect of which such deposit is made shall be redeemed and from and after such date the rights of their holders shall be limited to severally receiving out of the moneys so deposited, without interest, the Redemption Amount of their redeemed shares upon surrender to such bank, trust company or solicitors, as the case may be, of the certificates representing such shares. Any interest on such deposit belongs to the Corporation.
6. **Participation upon Liquidation, Dissolution or Winding-Up** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Series B Shares shall be entitled to receive the Redemption Amount of such shares and shall not share further in any final distribution.

- 6 The amendment has been duly authorized as required by sections 166 and 171 (as applicable) of the Business Corporations Act
 La modification a été dûment autorisée conformément aux articles 166 et 171 (selon le cas) de la Loi sur les sociétés par actions.
- 7 The resolution authorizing the amendment was approved by the shareholders, directors, or a majority of the corporation in
 Les administrateurs ou les administrateurs (selon le cas) de la société ont approuvé la modification autorisée par la modification de

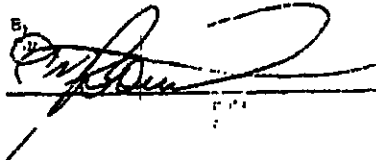
2008-Jun-23

Marc Boulet
Administrateur

This document has been signed in duplicate
Les présents statuts ont été signés en double exemplaire

NELSON FINANCIAL GROUP LTD.

English text of the document is subject to the provisions of the Act and the regulations. The French text of the document is subject to the provisions of the Act and the regulations.

By 

Marc Boulet - Director

Description of Office:
(English)



Exhibit "J"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

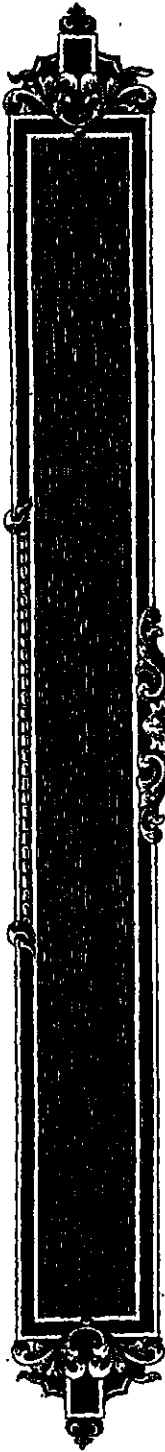
Sample Preferred Share Certificate

No. SBP-83

INCORPORATED UNDER THE LAW OF THE PROVINCE OF ONTARIO

400.00

Shares



This is to Certify that
is the registered holder of
fully paid and non-assessable

-- 400.0000 --

-- Series B Preferred --

shares of

NELSON FINANCIAL GROUP LTD.

The class or series of shares represented by this Certificate has rights, privileges, restrictions or conditions attached thereto and the Corporation will furnish to the holder, on demand and without charge, a full copy of the text of,

- (i) the rights, privileges, restrictions and conditions attached to the said shares and to each class authorized to be issued and to each series insofar as the same have been fixed by the directors, and
 - (ii) the authority of the directors to fix the rights, privileges, restrictions and conditions of subsequent series, if applicable.
- LIEN ON SHARES.** The corporation has a lien on the shares represented by this Certificate for any debt of the shareholder to the Corporation.

RESTRICTIONS ON TRANSFER. There are restrictions on the right to transfer the shares represented by this Certificate. **IN WITNESS WHEREOF** the Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the seal of the Corporation this 23rd day of June 2009

[Handwritten Signature]

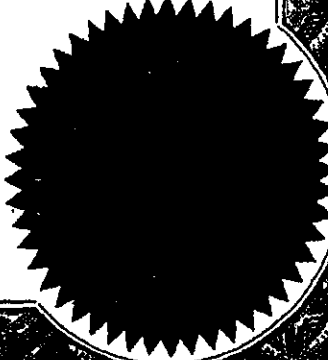




Exhibit "K"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

2007 Series A Term Sheet



**NELSON FINANCIAL
GROUP LTD.**

**TERM SHEET
PREFERRED SHARE INVESTMENT**

ISSUER Nelson Financial Group Ltd.

ISSUE Series A Preferred Shares

OFFER VOLUME \$7,000,000.00

PURPOSE To finance the Company's business operations

SUBSCRIPTION PERIOD February 7th, 2007 to December 31st, 2007

DIVIDEND 10% per annum

PAYMENTS The first dividend payment will become due and payable 1 month after the investment is made. Thereafter, dividends will be paid monthly.

TAXATION Taxable, eligible for the dividend tax credit

BUSINESS DAY In the event that a payment day occurs on a day other than a business day, such payments will be made on the business day preceding that date.

MINIMUM PURCHASE \$150,000.00
\$10,000.00 – limited to accredited investors

PAYMENT OPTIONS Dividend payments will be made electronically (EFT)

REPORTING REQUIREMENTS Company issues investors annual T-3 slips

RELATED ISSUER Nelson Investment Group Ltd.

DEPOSITS Made to Nelson Financial Group Ltd.

OTHER TERMS Preferred shares are non-voting (except where voting as a class is required), redeemable at the option of the Company and rank ahead of common shares. Dividends are cumulative and no dividends shall be paid on common shares if preferred share dividends are in arrears.


Investor Name – Print Please


Investor Signature

4/18/07
Date


Nelson Financial Group Ltd.


Nelson Investment Group Ltd.



Exhibit "L"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

2008 Series A Term Sheet



NELSON FINANCIAL GROUP LTD.

TERM SHEET
PREFERRED SHARE INVESTMENT

ISSUER Nelson Financial Group Ltd.

ISSUE Series A Preferred Shares

PAR VALUE Each share is issued at and remains fixed at \$25.00 in lawful money of Canada.

OFFER VOLUME \$7,000,000.00

PURPOSE To finance the Company's business operations

SUBSCRIPTION PERIOD January 1st, 2008 to December 31st, 2008

DIVIDEND 10% per annum
Principal sum of Eighty Thousand Dollars (\$80,000.00) in lawful money of Canada - \$666.67 monthly dividend beginning on the 2nd day of May, 2008

PAYMENTS The first dividend payment will become due and payable 1 month after the investment is made. Thereafter, dividends will be paid monthly.

TAXATION Taxable, eligible for the dividend tax credit

BUSINESS DAY In the event that a payment day occurs on a day other than a business day, such payments will be made on the business day preceding that date.

MINIMUM PURCHASE \$150,000.00
\$10,000.00 - limited to accredited investors

PAYMENT OPTIONS Dividend payments will be made electronically (EFT)

REPORTING REQUIREMENTS Company issues investors annual T-3 slips

RELATED ISSUER Nelson Investment Group Ltd.

DEPOSITS Made to Nelson Financial Group Ltd.

CERTIFICATE This document (*Preferred Share Term Sheet*) contains the "rights, privileges, restrictions and conditions" as pertaining to the Certificate.

OTHER TERMS Preferred shares are non-voting (except where voting as a class is required), redeemable at the option of the Company and rank ahead of common shares. Dividends are cumulative and no dividends shall be paid on common shares if preferred share dividends are in arrears.

[Redacted]
Investor Name(s) - Print Please

[Redacted]
Investor Signature(s)

10/21/08
Date

Nelson Financial Group Ltd.
Marc Boutet

Nelson Investment Group Ltd.
Pete Knoll, Compliance



Exhibit "M"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

Series B Term Sheet



**NELSON FINANCIAL
GROUP LTD.**

**TERM SHEET
PREFERRED SHARE INVESTMENT**

ISSUER	Nelson Financial Group Ltd.
ISSUE	Series B Preferred Shares
PAR VALUE	Each share is issued at and remains fixed at \$25.00 in lawful money of Canada.
OFFER VOLUME	\$50,000,000.00
PURPOSE	To finance the Company's business operations
SUBSCRIPTION PERIOD	July 14 th , 2008 to December 31 st , 2010
DIVIDEND	10% per annum Principal sum of ___ Thousand Dollars (\$) in lawful money of Canada - \$___ monthly dividend - into Dividend Reinvestment Plan (DRIP) beginning on the ___ day of ___, 2009
PAYMENTS	The first dividend payment will become due and payable 1 month after the investment is made. Thereafter, dividends will be paid monthly.
TAXATION	Taxable, eligible for the dividend tax credit
BUSINESS DAY	In the event that a payment day occurs on a day other than a business day, such payments will be made on the business day preceding that date.
MINIMUM PURCHASE	\$150,000.00 \$10,000.00 - limited to accredited investors
PAYMENT OPTIONS	Dividend payments will be made electronically (EFT)
REPORTING REQUIREMENTS	Company issues investors annual T-3 slips
RELATED ISSUER	Nelson Financial Group Ltd.
DEPOSITS	Made to Nelson Financial Group Ltd.
CERTIFICATE	This document (<i>Preferred Share Term Sheet</i>) contains the "rights, privileges, restrictions and conditions" as pertaining to the Certificate.
OTHER TERMS	Preferred shares are non-voting (except where voting as a class is required), redeemable at the option of the Company and rank ahead of common shares. Dividends are cumulative and no dividends shall be paid on common shares if preferred share dividends are in arrears.

Investor Name(s) - Print Please

Investor Signature(s)

Date

Nelson Financial Group Ltd.
Stephanie Sobol, General Manager

Nelson Investment Group Ltd.
Marc Boutet, President



Exhibit "N"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

13.75% Term Sheet

**NELSON FINANCIAL
GROUP LTD.**

**TERM SHEET
PREFERRED SHARE INVESTMENT**

ISSUER Nelson Financial Group Ltd.
ISSUE Series A Preferred Shares
OFFER VOLUME \$7,000,000.00
PURPOSE To finance the Company's business operations
SUBSCRIPTION PERIOD February 7th, 2007 to December 31st, 2007
DIVIDEND 13.75% per annum
PAYMENTS The first dividend payment will become due and payable 1 month after the investment is made. Thereafter, dividends will be paid monthly.
TAXATION Taxable, eligible for the dividend tax credit
BUSINESS DAY In the event that a payment day occurs on a day other than a business day, such payments will be made on the business day preceding that date.
MINIMUM PURCHASE \$150,000.00
\$10,000.00 – limited to accredited investors
PAYMENT OPTIONS Dividend payments will be made electronically (EFT)
REPORTING REQUIREMENTS Company issues investors annual T-3 slips
RELATED ISSUER Nelson Investment Group Ltd.
DEPOSITS Made to Nelson Financial Group Ltd.
OTHER TERMS Preferred shares are non-voting (except where voting as a class is required), redeemable at the option of the Company and rank ahead of common shares; Dividends are cumulative and no dividends shall be paid on common shares if preferred share dividends are in arrears.

Investor Name – Print Please

Investor Signature

Date

5/16/07


Nelson Financial Group Ltd.
Marc Boutet


Nelson Investment Group Ltd.
Pete Knoll, Compliance Officer



Exhibit "O"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

Right of Redemption Term Sheet



RECEIVED JUN 21 2010

TERM SHEET
PREFERRED SHARE INVESTMENT

ISSUER Nelson Financial Group Ltd.

ISSUE Series B Preferred Shares

PAR VALUE Each share is issued at and remains fixed at \$25.00 in lawful money of Canada.

OFFER VOLUME \$50,000,000.00

PURPOSE To finance the Company's business operations

SUBSCRIPTION PERIOD July 14th, 2008 to December 31st, 2010

DIVIDEND 10% per annum
Principal sum of Fifty Thousand Dollars (\$50,000.00) in lawful money of Canada - \$416.67 monthly dividend beginning on the 25th day of July, 2008

PAYMENTS The first dividend payment will become due and payable 1 month after the investment is made. Thereafter, dividends will be paid monthly.

TAXATION Taxable, eligible for the dividend tax credit

BUSINESS DAY In the event that a payment day occurs on a day other than a business day, such payments will be made on the business day preceding that date.

MINIMUM PURCHASE \$150,000.00
\$10,000.00 - limited to accredited investors

PAYMENT OPTIONS Dividend payments will be made electronically (EFT)

REPORTING REQUIREMENTS Company issues investors annual T-3 slips

RELATED ISSUER Nelson Investment Group Ltd.

DEPOSITS Made to Nelson Financial Group Ltd.

CERTIFICATE This document (*Preferred Share Term Sheet*) contains the "rights, privileges, restrictions and conditions" as pertaining to the Certificate.

OTHER TERMS Preferred shares are non-voting (except where voting as a class is required), redeemable at the option of the Company and rank ahead of common shares. Dividends are cumulative and no dividends shall be paid on common shares if preferred share dividends are in arrears. There is the option to redeem the full amount with 30-days notice.

[Redacted]

Investor Name(s) - Print Please

[Redacted]

Investor Signature(s)

June 20, 2008
Date

Nelson Financial Group Ltd.
Marc Boutet, President

To: A. John Page, as per your request.

FAX: 416 364-9869

[Redacted]

DATE - JUNE 21, 2010



Exhibit "P"

**Seventh Report of
A. John Page & Associates Inc.
In its Capacity as the Monitor of
Nelson Financial Group Ltd.
Dated September 13, 2010**

Claims Procedure Order

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**THE HONOURABLE MADAM
JUSTICE PEPALL**

)
)
)

**TUESDAY, THE 27th
DAY OF JULY, 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

CLAIMS PROCEDURE ORDER

THIS MOTION, made by the Applicant, for an Order, *inter alia*, approving the claims procedure with respect to holders of promissory notes issued by the Applicant, other creditors of the Applicant and holders of preferred shares issued by the Applicant was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicant's Notice of Motion, the Affidavit of Marc Boutet sworn July 21, 2010, the Fifth Report of A. John Page & Associates Inc. ("**AJP&AI**") in its capacity as the Monitor of the Applicant (the "**Monitor**") dated July 21, 2010 and the Supplemental to the Fifth Report and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, Representative Counsel for the holders of promissory notes issued by the Applicant, counsel for Foscarini Mackie Holdings Inc., Greg Mackie and Lisa Mackie, and

counsel for Staff of the Ontario Securities Commission, no one appearing for the other parties served with the Applicant's Motion Record, although duly served:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record filed by the Applicant in support of this Motion be and it is hereby abridged such that the Motion is properly returnable today.

MONITOR'S ROLE

2. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA (as hereinafter defined) and under the Initial Order of this Court dated March 23, 2010 (such Order, as supplemented, amended or varied from time to time, is referred to herein as the "**Initial Order**"), is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order.

THE CLAIMS PROCESS

3. **THIS COURT ORDERS** that the following terms shall have the following meanings ascribed thereto:
 - (a) "Business Day" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
 - (b) "CCAA" means *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
 - (c) "Claim" means
 - (i) any right of any Person against the Applicant in connection with any

indebtedness, liability or obligation of any kind of the Applicant, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Filing Date or which would have been claims provable in bankruptcy had the Applicant become bankrupt on the Filing Date, and any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement after the Filing Date to and including the Valuation Date (each a "Claim", and collectively, the "Claims"); and,

- (ii) any right of any Person against the Directors of the Applicant that relates to the Claims for which the Directors of the Applicant are by law liable to pay in their capacity as directors, officers, management and/or in such other similar capacity,

provided however, that "Claim" shall not include an Excluded Claim;

- (d) "Claims Bar Date" means 4:00 p.m. (Eastern Daylight Time) on September 15, 2010, or such later date as may be ordered by the Court;

- (e) "Commencement Date" means 4:00 p.m. (Eastern Daylight Time) on August 13, 2010, or such later date as may be ordered by the Court;
- (f) "Court" means the Ontario Superior Court of Justice (Commercial List);
- (g) "Creditor" means any Person having a Claim;
- (h) "Creditors' Meeting" means the meeting or meetings of Creditors scheduled pursuant to further Order of this Court, or by the Plan when and as filed with this Court;
- (i) "Directors" means Marc Boutet, Stephanie Sobol and all other current and former directors, officers and Persons acting in a management or other similar capacity of the Applicant;
- (j) "Dispute Notice" means a written notice to the Monitor, in substantially the form attached as **Schedule "F"** hereto, delivered to the Monitor by a Creditor or a Preferred Shareholder who has received a Notice of Disallowance, of its intention to dispute such Notice of Disallowance and provide further evidence to support its Claim or Shareholding, respectively;
- (k) "Document Packages" means the Noteholder Package, the Trade Creditor Package and the Preferred Shareholder Package (each a "Document Package");
- (l) "Excluded Claim" means
 - (i) claims secured by any of the "Charges", as defined in the Initial Order;

- (ii) claims against a Director which cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA;
 - (iii) claims for interest accruing on a Claim after the Filing Date;
 - (iv) claims secured by any of the "Charges" subsequently incorporated by means of an amendment or variation of the Initial Order; and,
 - (v) Shareholdings;
-
- (m) "Filing Date" means March 23, 2010;
 - (n) "Initial Order" has the meaning ascribed to that term in paragraph 2 of this Order;
 - (o) "Instruction Letter for Noteholders" means the Instruction Letter to Noteholders, in substantially the form attached as **Schedule "B1"** hereto;
 - (p) "Instruction Letter for Preferred Shareholders" means the Instruction Letter to Preferred Shareholders, in substantially the form attached as **Schedule "B2"** hereto;
 - (q) "Instruction Letter for Trade Creditors" means the Instruction Letter to Trade Creditors, in substantially the form attached as **Schedule "B3"** hereto;
 - (r) "Known Preferred Shareholders" means those Persons which the books and records of the Applicant disclose as holding preferred shares issued by the Applicant as at the Filing Date;

- (s) "Known Noteholders" means those Persons which the books and records of the Applicant disclose as holding promissory notes issued by the Applicant as at the Filing Date;
- (t) "Known Trade Creditors" means all Persons which the books and records of the Applicant disclose as holding Claims, other than Noteholders;
- (u) "Noteholder" means any Person holding promissory notes issued by the Applicant.
- (v) "Noteholder Package" means a document package that includes a copy of the Instruction Letter for Noteholders, a Notice of Noteholder Claim, a blank Proof of Claim, the Claims Procedure Order and such other materials as the Monitor may consider appropriate or desirable;
- (w) "Notice of Disallowance" means the notice, in substantially the form attached as **Schedule "E"** hereto, advising
 - (i) a Creditor that the Monitor has revised or rejected all or part of such Creditor's Claim set out in the Proof of Claim; or,
 - (ii) a Preferred Shareholder that the Monitor has revised or rejected all or part of such Preferred Shareholder's Shareholding set out in the Proof of Shareholding;
- (x) "Notice of Noteholder Claim" means the notice to Noteholders substantially in the form attached as **Schedule "C1"** hereto;

- (y) "Notice of Shareholding" means the notice to Preferred Shareholders substantially in the form attached as **Schedule "C2"** hereto;
- (z) "Notice to Creditors and Preferred Shareholders" means the notice to Creditors and Preferred Shareholders for publication in substantially the form attached as **Schedule "A"** hereto;
- (aa) "Person" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;
- (bb) "Plan" means the plan of arrangement by the Applicant, if and when filed and approved by this Court, as revised, amended, modified or supplemented from time to time in accordance with its terms;
- (cc) "Preferred Shareholder" means any Person holding preferred shares issued by the Applicant;
- (dd) "Preferred Shareholder Package" means a document package that includes a copy of the Instruction Letter for Preferred Shareholders, a Notice of Shareholding, a blank Proof of Shareholding, a blank Proof of Claim, the Claims Procedure Order and such other materials as the Monitor may consider appropriate or desirable;
- (ee) "Proof of Claim" means the form of Proof of Claim in substantially the form attached as **Schedule "D1"** hereto;

- (ff) "Proof of Shareholding" means the form of Proof of Shareholding in substantially the form attached as **Schedule "D2"** hereto;
- (gg) "Proven Claim" has the meaning ascribed to that term in paragraph 4 of this Order;
- (hh) "Proven Shareholding" has the meaning ascribed to that term in paragraph 5 of this Order;
- (ii) "Recorded Noteholding" has the meaning ascribed to that term in paragraph 7 of this Order;
- (jj) "Recorded Shareholding" has the meaning ascribed to that term in paragraph 10 of this Order;
- (kk) "Secured Claim" means any Claim or portion thereof that is secured by a security interest, pledge, mortgage, lien, hypothec or charge on any property of the Applicant, but only to the extent of the value of the security in respect of the Claim;
- (ll) "Shareholding" means
 - (i) the number of preferred shares issued by the Applicant and held by a Preferred Shareholder as at the Filing Date;
 - (ii) the amount of any due but unpaid dividends thereon as at the Filing Date;and,

- (iii) the amount of any accrued and unpaid dividends thereon as at the Filing Date;
- (mm) "Trade Creditor" means any Person asserting a Claim other than a Noteholder, including, without limitation, the following:
 - (i) those Persons which the books and records of the Applicant disclose were owed monies by the Applicant as of the Filing Date and which monies remain unpaid in whole or in part;
 - (ii) any Person who commenced a legal proceeding against the Applicant which legal proceeding was commenced and served upon the Applicant prior to the Filing Date;
 - (iii) any Person who is party to a lease, contract, employment agreement or other agreement of the Applicant which was terminated or disclaimed by the Applicant between the Filing Date and the Valuation Date; and,
 - (iv) any other Creditor actually known to the Applicant as at the Valuation Date;
- (nn) "Trade Creditor Package" means a document package that includes a copy of the Instruction Letter for Trade Creditors, a blank Proof of Claim, the Claims Procedure Order and such other materials as the Monitor may consider appropriate or desirable; and,
- (oo) "Valuation Date" means the date of this Order.

DETERMINATION OF PROVEN CLAIM AND PROVEN SHAREHOLDING

4. **THIS COURT ORDERS** that the amount and status of every Claim of a Creditor, as finally determined in accordance with the forms and procedures hereby authorized (a **"Proven Claim"**), including any determination as to the nature, amount, value, priority or validity of any Claim, including any Secured Claim, shall be final for all purposes, including the Plan, and including, without limitation, for any distribution made to Creditors.

5. **THIS COURT ORDERS** that the Shareholding of a Preferred Shareholder, as finally determined in accordance with the forms and procedures hereby authorized (a **"Proven Shareholding"**), shall be final for all purposes to be determined by further Order of the Court.

NOTICE TO CREDITORS AND PREFERRED SHAREHOLDERS

6. **THIS COURT ORDERS** that:
 - (a) the Monitor shall, by no later than the Commencement Date, post copies of the Claims Procedure Order, the Instruction Letter for Noteholders, the Instruction Letter for Trade Creditors, the Instruction Letter for Preferred Shareholders, a blank Proof of Claim and a blank Proof of Shareholding on its website and make them available for unrestricted download;

 - (b) the Monitor shall, by no later than the Commencement Date, send on behalf of the Applicant
 - (i) a Noteholder Package to each of the Known Noteholders;

- (ii) a Trade Creditor Package to each of the Known Trade Creditors; and,
 - (iii) a Preferred Shareholder Package to each of the Known Preferred Shareholders;
- (c) the Monitor shall publish on one (1) day, within 12 days of the Commencement Date, a Notice to Creditors and Preferred Shareholders (in substantially the form attached hereto as **Schedule "A"** hereto) in the Globe and Mail and the Toronto Star; and
- (d) the Monitor shall, provided such request is received prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request therefore a copy of the applicable Document Package to any Person claiming to be a Creditor or Preferred Shareholder and requesting such material.

CREDITORS' CLAIMS

7. **THIS COURT ORDERS** that the Monitor shall, as part of the delivery of the Noteholder Package to each Known Noteholder, record on the Notice of Noteholder Claim (attached as **Schedule "C1"** hereto) the amounts due to the Known Noteholder by the Applicant as at the Filing Date, including the amount of accrued interest to the Filing Date, on each of the promissory notes issued by the Applicant and held by the Known Noteholder (a "**Recorded Noteholding**").
8. **THIS COURT ORDERS** that the Recorded Noteholding set out in a Notice of Noteholder Claim shall be the Proven Claim of that Known Noteholder, unless the Known Noteholder elects to complete and file with the Monitor a Proof of Claim

(attached as **Schedule "D1"** hereto) after receipt of the Notice of Noteholder Claim and on or before the Claims Bar Date, in which case (a) the Claim as set out in the Proof of Claim shall be considered by the Monitor in accordance with the provisions of this Order, (b) the Notice of Noteholder Claim shall cease to have any effect whatsoever; and, (c) the Recorded Noteholding shall cease to be a Proven Claim.

9. **THIS COURT ORDERS** that the Monitor shall, as part of the delivery of the Trade Creditor Package to each Known Trade Creditor, send to any Known Trade Creditor a blank Proof of Claim (attached as **Schedule "D1"** hereto) pursuant to which the Known Trade Creditor may record its Claim. The Known Trade Creditor must complete and file the Proof of Claim with the Monitor on or before the Claims Bar Date in which case the Claim as set out in the Proof of Claim shall be considered by the Monitor in accordance with the provisions of this Order.

PREFERRED SHAREHOLDERS' SHAREHOLDINGS

10. **THIS COURT ORDERS** that the Monitor shall, as part of the delivery of the Preferred Shareholder Package to each Known Preferred Shareholder, record on the Notice of Shareholding (attached as **Schedule "C2"** hereto) the Shareholding of the Known Preferred Shareholder (the "**Recorded Shareholding**").
11. **THIS COURT ORDERS** that the Recorded Shareholding set out in a Notice of Shareholding shall be the Proven Shareholding of that Known Preferred Shareholder, unless the Known Preferred Shareholder elects to complete and file with the Monitor a Proof of Shareholding (attached as **Schedule "D2"** hereto) after receipt of the Notice of Shareholding and on or before the Claims Bar Date, in which case (a) the Shareholding as

set out in the Proof of Shareholding shall be considered by the Monitor in accordance with the provisions of this Order; (b) the Notice of Shareholder shall cease to have any effect whatsoever; and, (c) the Recorded Shareholding shall cease to be a Proven Shareholding.

For greater certainty, the delivery of the Notice of Shareholding, a Proof of Shareholding and/or the existence of a Proven Shareholding under the terms of this Order shall not entitle Preferred Shareholders to vote on or receive distributions under the Plan, absent further Order of this Court.

CLAIMS AND SHAREHOLDINGS BAR

12. **THIS COURT ORDERS** that any Creditor that elects to complete and file a Proof of Claim with the Monitor must do so such that the Proof of Claim is received by the Monitor on or before the Claims Bar Date. Any Creditor that does not file a Proof of Claim as provided for herein such that such Proof of Claim is received by the Monitor on or before the Claims Bar Date

- (a) shall be and is hereby forever barred from making or enforcing any Claim (other than a Recorded Noteholding) against the Applicant, the Directors, or any of them, as applicable;
- (b) shall not be entitled to vote at the Creditors' Meeting in respect of the Plan or to receive any distribution thereunder, except with respect to a Recorded Noteholding; and,
- (c) shall not be entitled to any further notice in, and shall not be entitled to participate

as a Creditor in, these proceedings, except with respect to a Recorded Noteholding.

13. **THIS COURT ORDERS** that any Preferred Shareholder that elects to complete and file a Proof of Shareholding with the Monitor must do so such that the Proof of Shareholding is received by the Monitor on or before the Claims Bar Date. Any Preferred Shareholder that does not file a Proof of Shareholding as provided for herein such that such Proof of Shareholding is received by the Monitor on or before the Claims Bar Date
- (a) shall be and is hereby forever barred from making or enforcing any Shareholding (other than a Recorded Shareholding) against the Applicant, the Directors, or any of them, as applicable;
 - (b) shall not be entitled to vote in its capacity as a Preferred Shareholder at the Creditors' Meeting in respect of the Plan or to receive any distribution thereunder, except with respect to a Recorded Shareholding, if it is determined by further Order of this Court that Preferred Shareholders are entitled to so vote or receive such distributions; and,
 - (c) shall not be entitled to any further notice in, and shall not be entitled to participate in its capacity as a Preferred Shareholder as a creditor in, these proceedings, except with respect to a Recorded Shareholding, if it is determined by further Order of this Court that Preferred Shareholders are entitled to receive further notice in or participate as a creditor in these proceedings.

PROOFS OF CLAIM AND PROOFS OF SHAREHOLDINGS

14. **THIS COURT ORDERS** that:

- (a) the Monitor may, where it is satisfied that a Claim or Shareholding has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Claim or Proofs of Shareholding;
- (b) the Monitor may determine the amount and status of any claim of a creditor arising after the Valuation Date but prior to the implementation of any Plan on a case by case basis; and,
- (c) any Claims denominated in any currency other than Canadian dollars shall, for the purposes of this Order, be converted to, and constitute obligations in, Canadian dollars, such calculation to be effected by the Monitor using the Bank of Canada noon spot rate on the Filing Date, as applicable.

REVIEW OF PROOFS OF CLAIM AND PROOFS OF SHAREHOLDING

15. **THIS COURT ORDERS** that the Monitor, in consultation with the Applicant, shall review all Proofs of Claims and Proofs of Shareholding filed on or before the Claims Bar Date and shall accept or disallow (in whole or in part) the amount and/or status of the Claim or Shareholding set out therein. Where the Monitor, in consultation with the Applicant, disallows (in whole or in part) the amount and/or status of a Claim or Shareholding, then the Monitor shall deliver a Notice of Disallowance (attached as **Schedule "E"** hereto) as soon as practicable to the respective Creditor or Preferred Shareholder. At any time, the Monitor may request additional information with respect to the Claim or Shareholding, and may request that the Creditor file a revised Proof of

20. **THIS COURT ORDERS** that where a a Creditor has delivered a Proof of Claim but ^{its} their Claim has not become a Proven Claim prior to a distribution under any Plan, the dividend to Creditors shall be calculated on the basis of the full amount of the Claim, and a reserve in respect of the specific Claim shall be established and held by the Monitor, but the Creditor shall not be entitled to a dividend based on the Claim unless and until, and only to the extent that, the Claim becomes a Proven Claim.

DISPUTE NOTICE

21. **THIS COURT ORDERS** that any Creditor or Preferred Shareholder who intends to dispute a Notice of Disallowance shall file a Dispute Notice (attached as **Schedule "F"** hereto) with the Monitor as soon as reasonably possible but in any event such that such Dispute Notice shall be received by the Monitor on or before 4:00 p.m. (Eastern Daylight Time) on the day that is fourteen (14) days after the Monitor sends the Notice of Disallowance in accordance with paragraph 15 of this Order. The filing of a Dispute Notice with the Monitor within the time limited therefore shall constitute an application to have the amount or status of such Claim or Shareholding determined as set out in paragraphs 23 to 25 hereof.
22. **THIS COURT ORDERS** that where a Creditor or Preferred Shareholder that receives a Notice of Disallowance fails to file a Dispute Notice with the Monitor within the time limited therefore, the amount and status of such Creditor's Claim or such Preferred Shareholder's Shareholding shall be deemed to be as set out in the Notice of Disallowance and such amount and status, if any, shall constitute such Creditor's Proven Claim or such Preferred Shareholder's Proven Shareholding.

Claim or that the Preferred Shareholder file a revised Proof of Shareholding. Where the Monitor delivers a Notice of Disallowance in accordance with this paragraph 15, it shall also deliver a blank Dispute Notice (attached as **Schedule "F"** hereto).

16. **THIS COURT ORDERS** that where a Claim has been accepted by the Monitor, such Claim shall constitute such Creditor's Proven Claim for all purposes, including for the purposes of voting and distribution under the Plan.
17. **THIS COURT ORDERS** that where a Shareholding has been accepted by the Monitor, such Shareholding shall constitute a Proven Shareholding, however, this determination shall not entitle Preferred Shareholders to vote on or receive distributions under the Plan absent further Order of this Court.
18. **THIS COURT ORDERS** that where a Claim or Shareholding has been disallowed (in whole or in part), the disallowed Claim or Shareholding (or disallowed portion thereof) shall not be a Proven Claim or Proven Shareholding, respectively, unless the Creditor or the Preferred Shareholder has disputed the disallowance and proven the disallowed Claim or Shareholding (or portion thereof) in accordance with paragraphs 21 to 25 of this Order.

EFFECT OF CLAIM THAT IS NOT A PROVEN CLAIM

19. **THIS COURT ORDERS** that where a Creditor has delivered a Proof of Claim but their ^{~ 175 ~} Claim has not become a Proven Claim prior to the Creditors' Meeting, the Creditor may vote its Claim at the Creditors' Meeting, and such vote shall be recorded by the Monitor, but the validity of the Claim and the corresponding vote by the Creditor shall not be final or binding on the Creditor, the Monitor, or the Applicant unless and until, and only to the extent that, the Claim becomes a Proven Claim. ^{sup}

RESOLUTION OF CLAIMS

23. **THIS COURT ORDERS** that as soon as practicable after the delivery of the Dispute Notice to the Monitor, the Creditor or the Preferred Shareholder and the Monitor, in consultation with the Applicant, shall attempt to resolve and settle the Creditor's Claim or the Preferred Shareholder's Shareholding.
24. **THIS COURT ORDERS** that, in the event that the dispute between the Creditor or the Preferred Shareholder and the Monitor is not settled within ten (10) days after delivery of the Dispute Notice to the Monitor, the Monitor shall bring the dispute to the Court for determination, by way of a motion for advice and direction. *concerning*
- subject to any further order of this court on the appointment of a claims officer - DWP
25. **THIS COURT ORDERS** that the determination of a Claim or Shareholding by this Court shall be final and binding for all purposes, and that there shall be no further right of appeal, review or recourse from this Court's determination of a Claim or Shareholding.

NOTICE OF TRANSFEREES

26. **THIS COURT ORDERS** that if, after the Filing Date, the holder of a Claim or Shareholding on the Filing Date, or any subsequent holder of the whole of a Claim or Shareholding, transfers or assigns the whole of such Claim or Shareholding to another Person, neither the Applicant nor the Monitor shall be obligated to give notice to or to otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof or of a Shareholding as the Preferred Shareholder in respect thereof, unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Monitor, at least five (5) Business Days before any Creditors' Meeting, and thereafter such transferee or assignee shall for

the purposes hereof constitute the "Creditor" in respect of such Claim or the "Preferred Shareholder" in respect of such Shareholding. Any such transferee or assignee of a Claim or Shareholding, and such Claim or Shareholding, shall be bound by any notices given or steps taken in respect of such Claim or Shareholding in accordance with this Order prior to receipt by the Monitor of satisfactory evidence of such transfer or assignment.

27. **THIS COURT ORDERS** that if, after the Filing Date, the holder of a Claim or Shareholding on the Filing Date, or any subsequent holder of the whole of a Claim or Shareholding, transfers or assigns the whole of such Claim or Shareholding to more than one Person or part of such Claim or Shareholding to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims or Shareholding, respectively, and such Claim or Shareholding shall continue to constitute and be dealt with as a single Claim or Shareholding notwithstanding such transfer or assignment, and the Applicant and the Monitor shall in each such case not be bound to recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim or Shareholding only as a whole and then only to and with the Person last holding such Claim or Shareholding in whole as the Creditor or Preferred Shareholder in respect of such Claim or Shareholding, provided such Creditor or Preferred Shareholder may by notice in writing to the Monitor, received at least five (5) Business Days prior to a Creditors' Meeting, direct that subsequent dealings in respect of such Claim or Shareholding, but only as a whole, shall be with a specified Person and in such event, such Creditor or Preferred Shareholder, such transferee or assignee of the Claim or Shareholding and the whole of such Claim or Shareholding shall be bound by any notices

given or steps taken in respect of such Claim or Shareholding by or with respect to such Person in accordance with this Order.

SERVICE AND NOTICE

28. **THIS COURT ORDERS** that the Monitor be at liberty to deliver the Document Packages, and any letters, notices or other documents to Creditors, Preferred Shareholders or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, registered mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by ordinary prepaid mail, on the second Business Day after mailing. Notwithstanding anything to the contrary in this paragraph 28, Disallowances of Claims shall be sent only by registered mail or by courier.
29. **THIS COURT ORDERS** that any notice or other communication (including, without limitation, Proofs of Claim, Proofs of Shareholding and Dispute Notices) to be given under this Order by a Creditor or a Preferred Shareholder to the Monitor shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: A. John Page
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

Any such notice or other communication by a Creditor or Preferred Shareholder shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

MISCELLANEOUS

30. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to Section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUL 27 2010

PER / PAR: *cl*

SCHEDULE "A"

NOTICE TO CREDITORS AND PREFERRED SHAREHOLDERS OF NELSON FINANCIAL GROUP LTD. (hereinafter referred to as "Nelson")

RE: NOTICE OF CLAIMS PROCEDURE FOR NELSON PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT* (the "CCAA")

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice made July 27, 2010 (the "**Claims Procedure Order**").

On March 23, 2010, Nelson obtained protection pursuant to the CCAA and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "**Monitor**"). Pursuant to the Claims Procedure Order, Nelson has been authorized to conduct a claims procedure under the CCAA for all claims of creditors and preferred shareholders of Nelson (the "**Claims Procedure**").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "**Claim**"). The Claims Procedure is also intended for any Person that held preferred shares of Nelson as at March 23, 2010 (a "**Shareholding**"). Please review the Claims Procedure Order, which may be found on the Monitor's website at (www.ajohnpage.com/html/files.html), for the complete definition of Claim, Excluded Claim, Directors and Shareholding.

On August 13, 2010, the Monitor sent by mail packages to all known promissory noteholders, other creditors and preferred shareholders of Nelson providing information on the Claims Procedure. The package sent to promissory noteholders contained a schedule detailing the amount shown in the records of Nelson as being owed to that noteholder (the "**Recorded Noteholding**"). The package sent to preferred shareholders contained a schedule detailing the number of preferred shares held by that preferred shareholder and any accrued and unpaid dividends thereon shown in the records of Nelson (the "**Recorded Shareholding**").

If you are a noteholder or preferred shareholder of Nelson and you either (i) do not agree with the amount detailed in the Recorded Noteholding or Recorded Shareholding in the package sent to you, or (ii) did not receive a package from the Monitor, then you must file a Proof of Claim or Proof of Shareholding with the Monitor.

If you are an other creditor of Nelson, then you must file a Proof of Claim with the Monitor. All promissory noteholders, other creditors and preferred shareholders of Nelson must file a Proof of Claim with the Monitor for any Claims against the Directors.

Please take notice that preferred shareholders will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of their preferred shares absent further order of the court.

A copy of the Claims Procedure Order, blank Proof of Claim and Proof of Shareholding forms and the other general information contained in the packages can be downloaded from the Monitor's website at www.ajohnpage.com/html/files.html.

You must file your Proof of Claim or Proof of Shareholding so that it is received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). If the Monitor does not receive your Proof of Claim or Proof of Shareholding by the Claims Bar Date, then your claims on account of your promissory notes and preferred shares will be limited to the Recorded Noteholding and Recorded Shareholding, respectively, and any other Claims will be forever barred and extinguished.

DATED at Toronto this _____ day of August, 2010.

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "B1"

**INSTRUCTION LETTER FOR PROMISSORY NOTEHOLDERS
FOR THE CLAIMS PROCEDURE
OF NELSON FINANCIAL GROUP LTD. ("Nelson")**

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). Please review the enclosed Claims Procedure Order for the complete definition of Claim, Excluded Claim and Directors.

B. RECORDED NOTEHOLDINGS

Nelson's records indicate that you hold promissory notes issued by Nelson. In accordance with the Claims Procedure, enclosed, please find a Notice of Noteholder Claim, which has been completed on your behalf by the Monitor and sets out all amounts owing to you on your promissory notes by Nelson as at March 23, 2010. This is your Recorded Noteholding.

If you agree with all amounts owing to you on your promissory notes as set out in the Recorded Noteholding, then you do not need to take any further steps. Your Recorded Noteholding will be your Proven Claim for Nelson's CCAA proceeding and you will be entitled to vote on and receive distributions on account of your Proven Claim for any plan of arrangement or compromise proposed by Nelson.

However, if you disagree with any amount set out in your Recorded Noteholding, then you must complete and file a Proof of Claim with the Monitor as set out in Section C below within the time periods described. Please note that if you properly file a Proof of Claim, then the Notice of Noteholder Claim will cease to be a Recorded Noteholding and will cease to have any effect.

In addition, if you believe that you have any other Claims, other than Excluded Claims, against Nelson and/or the Directors, then you must also complete and file a Proof of Claim with the Monitor in respect of such Claim as set out in Section C below within the time periods described.

C. FOR PROMISSORY NOTEHOLDERS FILING A PROOF OF CLAIM

A blank Proof of Claim form is enclosed.

You must ensure that the Monitor receives your Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. **If the Monitor does not receive your Proof of Claim by the Claims Bar Date, then your Claim on account of your promissory notes will be limited to the Recorded Noteholding and any other Claims against Nelson and/or the Directors will be forever barred and extinguished.**

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "B2"

INSTRUCTION LETTER FOR PREFERRED SHAREHOLDERS FOR THE CLAIMS PROCEDURE OF NELSON FINANCIAL GROUP LTD. ("Nelson")

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). The Claims Procedure is also intended for any Person that held preferred shares of Nelson as at March 23, 2010 (a "Shareholding"). Please review the enclosed Claims Procedure Order for the complete definition of Claim, Excluded Claim, Directors and Shareholding.

B. RECORDED SHAREHOLDINGS

Nelson's records indicate that you hold preferred shares issued by Nelson. In accordance with the Claims Procedure, enclosed, please find a Notice of Shareholding, which has been completed on your behalf by the Monitor and sets out the number of preferred shares of Nelson held by you as at March 23, 2010 and the amount of all unpaid dividends thereon. This is your Recorded Shareholding.

If you agree with the number of preferred shares and the amount of unpaid dividends thereon set out in the Recorded Shareholding, then you do not need to take any further steps. Your Recorded Shareholding will be your Proven Shareholding for Nelson's CCAA proceeding.

However, if you disagree with the number of preferred shares and/or the amount of unpaid dividends thereon set out in your Recorded Shareholding, then you must complete and file a Proof of Shareholding with the Monitor as set out in Section C below within the time periods described. Please note that if you properly file a Proof of Shareholding, then the Notice of Shareholding will cease to be a Recorded Shareholding and will cease to have any effect.

Please be advised that, even if you agree with your Recorded Shareholding or you file a Proof of Shareholding with the Monitor, you will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of your preferred shares absent further order of the court.

In addition, if you believe that you have any Claims, other than Excluded Claims, against Nelson and/or the Directors, then you must also complete and file a Proof of Claim with the Monitor in respect of such Claim as set out in Section C below within the time periods described.

C. FILING A PROOF OF SHAREHOLDING AND/OR PROOF OF CLAIM

Blank Proof of Shareholding and Proof of Claim forms are enclosed.

You must ensure that the Monitor receives your Proof of Shareholding and/or Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Shareholding and/or Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. If the Monitor does not receive your Proof of Shareholding and/or Proof of Claim by the Claims Bar Date, then your claims on account of your preferred shares will be limited to the Recorded Shareholding and any Claims will be forever barred and extinguished.

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Shareholding and Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "B3"

INSTRUCTION LETTER FOR TRADE CREDITORS FOR THE CLAIMS PROCEDURE OF NELSON FINANCIAL GROUP LTD. (hereinafter referred to as "Nelson")

A. CLAIMS PROCEDURE

On March 23, 2010, Nelson obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and A. John Page & Associates Inc. was appointed as the monitor of Nelson (the "Monitor"). Pursuant to the Order of the Ontario Superior Court of Justice made July 27, 2010 (the "Claims Procedure Order"), Nelson has been authorized to conduct a claims procedure under the CCAA to prove the claims of all of its creditors and preferred shareholders (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claim of any kind or nature whatsoever, other than an Excluded Claim, against Nelson, that arose on or prior to March 23, 2010, unliquidated, contingent or otherwise; (ii) any claim arising after March 23, 2010 to and including July 27, 2010 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement; and (iii) certain claims against the Directors of Nelson (collectively, a "Claim"). Please review the enclosed Claims Procedure Order for the complete definition of Claim, Excluded Claim and Directors.

B. FOR TRADE CREDITORS FILING A PROOF OF CLAIM

If you believe that you have a Claim against Nelson and/or the Directors, then you must complete and file a Proof of Claim with the Monitor. A blank Proof of Claim form is enclosed.

You must ensure that the Monitor receives your Proof of Claim by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. **If the Monitor does not receive your Proof of Claim by the Claims Bar Date, then your Claim will be forever barred and extinguished.**

If you have any questions regarding the Claims Procedure, please consult the Monitor's website (www.ajohnpage.com/html/files.html) or contact the Monitor at the address provided below. Please note that you may obtain additional Proof of Claim forms and other information from the Monitor's website.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6

Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail nelson@ajohnpage.com
Fax: (416) 364-4869

SCHEDULE "C1"

**NOTICE OF NOTEHOLDER CLAIM
RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")**

PARTICULARS OF CLAIM:

The books and records of Nelson indicate that you had a Claim against Nelson at at March 23, 2010 relating to the promissory note(s) issued by Nelson listed at the bottom of this notice.

Our review of your Claim indicates that it is an unsecured Claim.

The Claim listed below is your "**Recorded Noteholding**".

ACTION REQUIRED:

If you agree with the Recorded Noteholding, then you do not have to take any further steps. If, however, you disagree with the Recorded Noteholding in any respect, then you must file a Proof of Claim with the Monitor by the time and date set out below. Please note that if you file a Proof of Claim, then this notice and the Recorded Noteholding will cease to have any effect.

In addition, if you have any other Claims against Nelson and/or the Directors, then you must file a Proof of Claim with the Monitor in respect of that Claim by the time and date set out below.

FILING OF PROOF OF CLAIM

If you disagree with the Recorded Noteholding in any respect and/or have additional Claims against Nelson and/or the Directors, then you must complete and file a Proof of Claim with the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"). You may deliver your completed Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. If the Monitor does not receive your Proof of Claim by the Claims Bar Date, then your Claim on account of your promissory notes will be limited to the Recorded Noteholding and any other Claims against Nelson and/or the Directors will be forever barred and extinguished.

Dated at _____ this _____ day of _____, 2010.

Schedule listing:

Name of Noteholder(s)

Address of Noteholder

Each promissory note held by the Noteholder, detailing investment account number and amount owing including accrued interest, all as at March 23, 2010

Total amount owing with respect to all promissory notes held

SCHEDULE "C2"

NOTICE OF SHAREHOLDING RELATING TO NELSON FINANCIAL GROUP LTD. (hereinafter referred to as "Nelson")

PARTICULARS OF CLAIM:

The books and records of Nelson indicate that you owned the number of preferred shares issued by Nelson as of March 23, 2010 (the "**Preferred Shares**") listed at the bottom of this notice.

The books and records of Nelson indicate that the amount of dividends due but unpaid on your Preferred Shares as of March 23, 2010 is as listed at the bottom of this notice.

The books and records of Nelson indicate that the amount of dividends accrued and unpaid on your Preferred Shares as of March 23, 2010 is as listed at the bottom of this notice.

The Shareholding listed below is, collectively, the "**Recorded Shareholding**".

ACTION REQUIRED:

If you agree with the Recorded Shareholding, then you do not have to take any further steps. If, however, you disagree with the Recorded Shareholding in any respect, then you must file a Proof of Shareholding by the time and date set out below. Please note that if you file a Proof of Shareholding, then this notice and the Recorded Shareholding will cease to have any effect.

In addition, if you have any Claims against Nelson and/or the Directors, then you must file a Proof of Claim with the Monitor in respect of that Claim by the time and date set out below.

FILING OF PROOF OF SHAREHOLDING

If you disagree with the Recorded Shareholding in any respect, then you must complete and file a Proof of Shareholding with the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date").

If you have Claims against Nelson and/or the Directors, then you must complete and file a Proof of Claim with the Monitor by no later than the Claims Bar Date.

You may deliver your completed Proof of Shareholding and/or Proof of Claim to the Monitor by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission. **If the Monitor does not receive your Proof of Shareholding and/or Proof of Claim by the Claims Bar Date, then your claim on account of your Preferred Shares will be limited to the Recorded Shareholding and any Claims against Nelson and/or the Directors will be forever barred and extinguished.**

Please be advised that, even if you agree with your Recorded Shareholding or you file a Proof of Shareholding with the Monitor, you will not be entitled to vote on or receive any distributions under any plan of arrangement or compromise proposed by Nelson on account of your Preferred Shares absent further order of the court.

Dated at _____ this _____ day of _____, 2010.

Schedule listing:

TOR_LAW\7431814\2
7/27/10

Name of Preferred shareholder(s)

Address of Preferred shareholder(s)

Each holding of preferred shares held by the shareholder, detailing investment account number, the number of shares held, the amount of dividends due but unpaid, the amount of dividends accrued and unpaid, all as at March 23, 2010

Total of the above shareholdings

SCHEDULE "D1"

PROOF OF CLAIM RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim.

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____

(the "Creditor"). (Full legal name should be the name of the original Creditor of Nelson or the Directors, notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred following March 23, 2010.)

2. Full Mailing Address of the Creditor (the original Creditor not the Assignee):

3. Telephone Number: _____

4. E-Mail Address: _____

5. Facsimile Number: _____

6. Attention (Contact Person): _____

7. Has the Claim been sold or assigned by the Creditor to another party [check (✓) one]?

Yes: No:

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

8. Full Legal Name of Assignee(s):

(If Claim has been assigned, insert full legal name of assignee(s) of Claim. If there is more than one assignee, please attach a separate sheet with the required information.)

9. Full Mailing Address of Assignee(s):

10. Telephone Number of Assignee(s): _____

11. E-Mail Address: _____

12. Facsimile Number: _____

13. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, _____
[name of Creditor or Representative of the Creditor], of
_____ do hereby certify:
(city and province)

(a) that I [check (✓) all that apply]

am the Creditor of Nelson;

am the Creditor of the Directors;

am _____ (state position or title) of

(name of creditor)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) the Creditor asserts its claim against [check (√) one or both, as applicable]:

(i) Nelson

(ii) Director(s)

(If you are making a claim against the Directors, please list the Director(s) against which you assert your claim); and

(d) Nelson/the Director(s) was/were and still is/are indebted to the Creditor as follows:

(i) CLAIM ARISING ON OR PRIOR TO [FILING DATE]:

\$ _____ [insert \$ value of claim] CAD.

(ii) INTERIM PERIOD CLAIM:

(Interim Period Claim against Nelson or any Director arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement after March 23, 2010 to and including [DATE OF CLAIMS PROCEDURE ORDER]

(iii) TOTAL CLAIM: \$ _____ [total (i) plus (ii)] CAD

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at March 23, 2010. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN\$●/US\$1.00.

D. NATURE OF CLAIM

(check (√) one and complete appropriate category)

A. UNSECURED CLAIM OF \$ _____

That in respect of this debt, I do not hold any security and

(Check (√) appropriate description)

Regarding the amount of \$ _____, I do not claim a right to a priority.

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") or would claim such a priority if this Proof of Claim were being filed in accordance with that Act.

(Set out on an attached sheet details to support priority claim.)

B. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold security valued at \$ _____, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any

guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by Nelson or any Director to the Creditor and estimated value of such security, and particulars of any interim period claim.)

This Proof of Claim must be received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

**A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada**

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail: nelson@ajohnpage.com
Fax: (416) 364-4869

F. FILING OF PROOF OF CLAIM

Failure to file your Proof of Claim by the Claims Bar Date will result in your Claim being barred and forever extinguished and in you being prevented from making or enforcing a Claim against Nelson and/or the Directors. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a creditor in, these proceedings (other than a Recorded Noteholding as set out in Section G below).

G. RECORDED NOTEHOLDINGS

If your Claim on account of your promissory notes has already been recorded by a Notice of Noteholder Claim delivered to you by the Monitor (the "Recorded Noteholding"), and if you agree with the Recorded Noteholding, then you do not need to file a Proof of

Claim on account of such Claim. If you file a Proof of Claim on account of such Claim, then the Recorded Noteholding will cease to have any effect.

If you disagree with the Recorded Noteholding in any respect, then you must complete and file a Proof of Claim with the Monitor by no later than the Claims Bar Date.

H. EXCLUDED CLAIMS

The following are Excluded Claims and no person needs to file any Proof of Claim in respect thereof at this time: (i) claims secured by any of the "Charges", as defined in the Initial Order made in these proceedings on March 23, 2010, (ii) any claim against a Director which cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA, (iii) claims for interest accruing on a Claim after March 23, 2010, (iv) claims secured by any of the "Charges" subsequently incorporated by means of an amendment or variation of the Initial Order, and (v) claims on account of preferred shares issued by Nelson (which must be asserted pursuant to a Proof of Shareholding form that can be obtained on the Monitor's website www.ajohnpage.com/html/files.html or by contacting the Monitor).

Dated at _____ this _____ day of _____, 2010.

Signature of Creditor

SCHEDULE "D2"

PROOF OF SHAREHOLDING RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")

Please read carefully the enclosed Instruction Letter for completing this Proof of Shareholding.

A. PARTICULARS OF PREFERRED SHAREHOLDER:

14. Full Legal Name of Preferred Shareholder:

(the "Preferred Shareholder"). (Full legal name should be the name of the original Preferred Shareholder of Nelson whether an assignment of preferred shares, or a portion thereof, has occurred following March 23, 2010.)

15. Full Mailing Address of the Preferred Shareholder (the original Preferred Shareholder not the Assignee):

16. Telephone Number: _____

17. E-Mail Address: _____

18. Facsimile Number: _____

19. Attention (Contact Person): _____

20. Have the Shareholding been sold or assigned by the Preferred Shareholder to another party [check (✓) one]?

Yes: No:

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

21. Full Legal Name of Assignee(s):

(If the Shareholding has been assigned, insert full legal name of assignee(s) of the Shareholding. If there is more than one assignee, please attach a separate sheet with the required information.)

22. Full Mailing Address of Assignee(s):

23. Telephone Number of Assignee(s): _____

24. E-Mail Address: _____

25. Facsimile Number: _____

26. Attention (Contact Person): _____

C. PROOF OF SHAREHOLDING:

I, _____
[name of Preferred Shareholder or Representative of the Preferred Shareholder], of
_____ do hereby certify:
(city and province)

(a) that I [check (✓) one]

am the Preferred Shareholder of Nelson; OR

am _____ (state position or title) of

(name of Preferred Shareholder)

- (b) that I have knowledge of all the circumstances connected with the Shareholding referred to below;
- (c) The Preferred Shareholder owns [NUMBER] of preferred shares of Nelson.

D. PARTICULARS OF SHAREHOLDING:

Other than as already set out herein the particulars of the undersigned's total Shareholding, including copies of the share certificates evidencing such Shareholding, are attached.

(Provide all particulars of the Shareholding and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Shareholding.

This Proof of Shareholding must be received by the Monitor by no later than 4:00 p.m. (Eastern Daylight Time) on September 15, 2010 (the "Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail nelson@ajohnpage.com
Fax: (416) 364-4869

E. FILING OF SHAREHOLDING

Failure to file your Proof of Shareholding by the Claims Bar Date will result in your claim on account of your Preferred Shares being barred and forever extinguished

and in you being prevented from making or enforcing such a claim against Nelson (other than a Recorded Shareholding as set out in Section G below).

G. RECORDED SHAREHOLDINGS

If your Shareholding has already been recorded by a Notice of Shareholding delivered to you by the Monitor (the "**Recorded Shareholding**"), and if you agree with the Recorded Shareholding, then you do not need to file a Proof of Shareholding on account of such Shareholding. If you file a Proof of Shareholding on account of such Shareholding, then the Recorded Shareholding will cease to have any effect.

If you disagree with the Recorded Shareholding in any respect, then you must complete and file a Proof of Shareholding with the Monitor by no later than the Claims Bar Date.

Dated at _____ this _____ day of _____, 2010.

Signature of Preferred Shareholder

SCHEDULE "E"

REFERENCE NUMBER [●]

**NOTICE OF DISALLOWANCE
RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")**

TO: [insert name of Creditor or Preferred Shareholder]

The Monitor hereby gives you notice that it has reviewed your Claim and has revised or rejected your Claim as follows:

	The Proof of Claim as Submitted	The Claim as Accepted
A. Claim relating to facts existing on or prior to March 23, 2010		
B. Interim Period Claim arising after March 23, 2010 to and including July 27, 2010		
C. Total Claim		

The Monitor hereby gives you notice that it has reviewed your Shareholding and has revised or rejected your Shareholding as follows:

Shareholding	Proof of Shareholding as submitted	Shareholding as accepted

D. Reasons for Disallowance or Revision:

[insert explanation]

If you do not agree with this Notice of Disallowance, please take notice of the following:

1. **If you dispute this Notice of Disallowance, you must, by no later than 4:00 p.m. (Eastern Daylight Time) on [INSERT DATE], being fifteen (15) days after the Notice of Disallowance is sent to you by the Monitor (see paragraph 21 of the Claims Procedure Order), notify the Monitor by delivery of a Dispute Notice. The form of Dispute Notice is enclosed.**
2. **If you do not deliver a Dispute Notice, your Claim or Shareholding, as applicable, shall be deemed to be as set out in this Notice of Disallowance.**

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF DISALLOWANCE WILL BE BINDING UPON YOU.

DATED at Toronto, this day of , 2010.

A. JOHN PAGE & ASSOCIATES INC., COURT-APPOINTED MONITOR OF NELSON FINANCIAL GROUP LTD.

SCHEDULE "F"

**DISPUTE NOTICE
RELATING TO NELSON FINANCIAL GROUP LTD.
(hereinafter referred to as "Nelson")**

We hereby give you notice of our intention to dispute the Notice of Disallowance bearing Reference Number _____ and dated _____ issued in respect of our Claim and/or Shareholding.

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Name of Creditor or Preferred Shareholder _____

(Signature of individual completing this Dispute)

Date

(Please print name)

Telephone Number: () _____

E-mail Address: _____

Facsimile Number: () _____

Full Mailing Address _____

**THIS FORM TO BE RETURNED BY PREPAID ORDINARY MAIL, COURIER,
PERSONAL DELIVERY OR ELECTRONIC OR DIGITAL TRANSMISSION-AND BE**

RECEIVED NO LATER THAN 4:00 P.M. (EASTERN DAYLIGHT TIME) ON [INSERT DATE] TO:

A. John Page & Associates Inc.
Court-Appointed Monitor of Nelson Financial Group Ltd.
100 Richmond Street West, Suite 447
Toronto, Ontario, M5H 3K6
Canada

Attention: Colleen Delaney
Telephone: (416) 364-4894
E-mail nelson@ajohnpage.com
Fax: (416) 364-4869

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)

CLAIMS PROCEDURE ORDER

GOWLING LAFLEUR HENDERSON LLP

Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Clifton P. Prophet / Frank Lamie
LSUC No.: 34345K / 54035S

Telephone: (416) 862-3509 / (416) 862-3609
Facsimile: (416) 862-7661

SOLICITORS FOR THE APPLICANT

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.

Court File No.: 10-8630-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced at Toronto

**SEVENTH REPORT OF A. JOHN PAGE &
ASSOCIATES INC. IN ITS CAPACITY AS THE
MONITOR OF THE APPLICANT
DATED SEPTEMBER 13, 2010**

A. John Page & Associates Inc.
100 Richmond St. West, Suite 447
Toronto, Ontario
M5H 3K6

A. John Page
Tel: 416-364-4894
Fax: 416-364-4869