

URGENT NOTICE TO THE PREFERRED SHAREHOLDERS OF NELSON FINANCIAL GROUP LTD.

September 16, 2010

The Monitor is posting this notice in response to the recent letters that some of the Preferred Shareholders have addressed to the Honourable Madam Justice Pepall.

The Monitor understands that Preferred Shareholders are distressed and upset about the financial losses they have suffered from their investment in preferred shares of Nelson. The Monitor also understands that Preferred Shareholders are distressed and upset about the motion that the Representative Counsel for the Noteholders will be making to the Court on September 27, 2010 for a ruling that the claims and potential claims of Preferred Shareholders are "equity claims" and that Preferred Shareholders are not entitled to vote on the plan or receive any payments under the plan.

As reported to you in the Monitor's letter dated September 3, 2010, the Monitor has obtained an opinion from Ms Elizabeth Pillon which provides that certain claims of the Preferred Shareholders against Nelson are all "equity claims". The Monitor agrees with this opinion and believes that; unfortunately, Preferred Shareholders with such claims against Nelson are not entitled to vote on the plan or receive any payments under the plan.

Despite this opinion, if Preferred Shareholders wish to oppose the Representative Counsel's motion on September 27, 2010, then they must do so by exercising one of the following options:

1. Retain legal counsel who must serve and file responding court materials on or before September 17, 2010;
2. Act on their own behalf and serve and file proper responding court materials on or before September 17, 2010;
3. Attend at Court on September 27, 2010 and orally address the Court; or
4. Seek an appointment before the Court to orally address their issues.

The Court has ordered that Preferred Shareholders do not send letters to the Court, directly.

If Preferred Shareholders are planning on opposing the Representative Counsel's motion, then the Monitor strongly recommends that they exercise option 1 above and, immediately, retain legal counsel to represent them. It may be desirable for Preferred Shareholders to retain legal counsel as a group. Please note that, based on the opinion, the Monitor does not anticipate that the Preferred Shareholders will receive any economic recovery from Nelson and, therefore, Nelson should not fund representative counsel for the Preferred Shareholders.

The Representative Counsel has agreed to treat the recent letters written by the Preferred Shareholders to the Court or the Monitor with respect to the Representative Counsel's motion as proper responding court materials that have been served and filed (i.e. option 2) if the Preferred Shareholders who wrote them so desire. If any of those Preferred Shareholders so desire, this means that he/she would be formally going on the record as opposing the Representative Counsel's motion. If any of those Preferred

Shareholders would like the Representative Counsel to treat his/her letter as formal responding court materials, then please contact him, immediately, to discuss next steps. The Representative Counsel may be contacted c/o Mr. Richard Jones at Richard.jones@sympatico.ca.

We note that some of the letters asked for an adjournment or delay of the Representative Counsel's motion. If any of those Preferred Shareholders would like to formally request an adjournment, then they must do so by either retaining legal counsel or formally going on the record as acting on their own behalf. Any Preferred Shareholder who formally requests an adjournment, or his/her legal counsel, should contact the Representative Counsel, immediately, and make himself/herself available to attend at Court next week to argue why an adjournment is necessary.

Attached, please find the Endorsement (transcription) of the Honourable Madam Justice Pepall dated September 16, 2010 regarding this issue.

If you have any questions or concerns, please contact John Page of the Monitor's office, immediately. Mr. Page may be contacted by phone at 416-364-4894 or by email at nelson@ajohnpage.com.

Yours very truly,

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

Per:

A handwritten signature in black ink, appearing to read 'A. John Page', written over a light gray rectangular background.

A. John Page
President

Nelson Financial Group Ltd.
Unofficial Transcription of the Endorsement of Madam Justice Pepall -
September 16, 2010

Court File Number: 10-8630-00CC

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Re: Nelson Financial Group Ltd.

Case Management by Judge: Pepall

I have been sent the following letters:

- Sept 2, 2010 (received by me Sept 14, 2010) from Keith McLear
- Sept 11, 2010 (received by me Sept 15, 2010) from Michael Beardsley
- Sept 11, 2010 (received by me Sept 15, 2010) from Joan Frederick
- Sept 14, 2010 (received by me Sept 16, 2010) from Arnold Bolliger
- Sept 14, 2010 (received by me Sept 16, 2010) from John McVey

The court does not engage in letter communication with interested parties. Parties may -
-retain counsel who will file materials on their behalf
-act on their own behalf and file proper court material with the court
-attend at court on the return date of the motion to address the court orally
-seek an appointment before the court to address their issues orally

The monitor is a court appointed officer and should be responsive to inquiries made by stakeholders. I am giving copies of these letters to counsel for the monitor so that the monitor may attend to the inquiries made therein.

That said, retaining counsel as a group is the safest approach as then the individuals know that their interests are being advanced for their benefit only. The monitor cannot be beholden to just one group of stakeholders.

Mr. Jones acting as counsel to the representative counsel to the noteholder group has indicated that if they so desire, he is prepared to treat the aforementioned letters as the materials relied upon by the aforementioned authors. He may be contacted at Richard.jones@sympatico.ca

Sept 16, 2010

Pepall J.

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Re Nelson Financial Group Ltd.

Plaintiff(s)

AND

Defendant(s)

Case Management Yes No by Judge: Ripoll

| Counsel | Telephone No.: | Facsimile No.: |
|---------|----------------|----------------|
| | | |
| | | |
| | | |

- Order Direction for Registrar (No formal order need be taken out)
 Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
 Adjourned to: _____
 Time Table approved (as follows):

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 - act on their own behalf + file

Sept 16, 2010

Date

Ripoll

Judge's Signature

Additional Pages _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsement Continued

- proper court materials with the court
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Scarpell, J