

**IN THE MATTER OF THE PROPOSAL OF
NORTH AMERICAN FINANCIAL GROUP INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

NOTICE OF PROPOSAL TO CREDITORS

Take notice that North American Financial Group Inc. of the City of Toronto, in the Province of Ontario, has lodged with me a Proposal under the *Bankruptcy and Insolvency Act*.

Enclosed please find the following documents:

1. Report of the Trustee on the Financial Position of the Company and on the Proposal;
2. Proposal dated December 29, 2010;
3. Condensed Statement of the Debtor's Assets and Liabilities;
4. A list of the trade creditors affected by the Proposal;
5. A copy of the Order authorizing the Trustee to not make public or make publicly available the name and address of any person holding securities issued by North American Financial Group Inc.; and,
6. Proof of Claim and Voting Letter.

A General Meeting of Creditors will be held at the Yorkland Hotel located at 185 Yorkland Blvd., North York, Ontario on Wednesday, January 19, 2011 at 10:00 a.m.

The creditors or any class of creditors qualified to vote at the meeting may, by resolution, accept the Proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the Court, the Proposal is binding on all the creditors or the class of creditors affected.

Proofs of Claim, proxies and voting letters intended to be used at the meeting must be lodged with me prior thereto.

DATED AT TORONTO this 7th day of January, 2011.

**A. FARBER & PARTNERS INC.
IN ITS CAPACITY AS TRUSTEE *IN RE*
THE PROPOSAL OF NORTH AMERICAN FINANCIAL GROUP INC.**

Michael Baigel

Per: Michael Baigel, FCA(UK), FIPA, CIRP