

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

BETWEEN:

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 EDUCATION LTD.
AND NELSON EDUCATION HOLDINGS LTD.

Applicants

MOTION RECORD

**(Re: Directing certain Payments be made prior to the conclusion
of the FLL Credit Bid Transaction)
(returnable on August 13, 2015)**

July 13, 2015

Thornton Grout Finnigan LLP
Barristers and Solicitors
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Lawyers for Royal Bank of Canada

**ONTARIO
SUPERIOR COURT OF JUSTICE
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BETWEEN:

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

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TAB 1

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 EDUCATION LTD.
AND NELSON EDUCATION HOLDINGS LTD.

Applicants

NOTICE OF MOTION
(Re: Directing certain Payments be made prior to the
conclusion of the FLL Credit Bid Transaction)
(returnable on August 13, 2015)

Royal Bank of Canada (“**RBC**”) will make a motion before a Judge of the Ontario Superior Court of Justice (Commercial List) on Thursday, August 13, 2015 at 10:00 o’clock in the morning, 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 AN ORDER:

1. Directing Nelson Education Ltd. (“**Nelson Education**”) to pay to Royal Bank of Canada (“**RBC**”), in its capacity as Administrative Agent and Collateral Agent (the “**Second Lien Agent**”) pursuant to the Second Lien Credit Agreement dated as of July 7, 20107 (the “**Second Lien Credit Agreement**”) the costs, expenses and professional fees incurred by the Second Lien Agent prior to the date of commencement (the “**Filing**”

- Date**) of these proceeding (the **“CCAA Proceedings”**) in the amount of CDN \$1,316,181.73 (the **“Second Lien Agent Fees”**);
2. Directing Nelson Education to pay to RBC, in its capacity as Second Lien Agent, the accrued and unpaid interest under the Second Lien Credit Agreement outstanding as at the Filing Date in the amount of U.S. \$15,365,998.83 (the **“Second Lien Agent Interest”**);
 3. Declaring that RBC, in its capacity as a lender under the First Lien Credit Agreement (a **“First Lien Lender”**) dated as of July 5, 2007 (the **“First Lien Credit Agreement”**), is entitled to its proportionate share of the Initial First Lien Early Consent Fee and the Additional First Lien Early Consent Fee (each as defined in the Support Agreement dated as of September 10, 2014 (the **“Support Agreement”**) among Nelson Education, Nelson Education Holding Ltd. (**“Holdings”**), Wilmington Trust, National Association, as Administrative Agent and Collateral Agent (the **“First Lien Agent”**) and certain lenders under the First Lien Credit Agreement (together with the Joining Consenting First Lien Lenders, collectively the **“Consenting First Lien Lenders”**)) (collectively, the **“Consent Fee”**) paid to the Consenting First Lien Lenders, being all lenders under the First Lien Credit Agreement except RBC, and directing Nelson Education and/or the Consenting First Lien Lenders to pay RBC its proportionate share of the Consent Fee in the amount of U.S. \$1,559,492 (the **“RBC Consent Fee”**);
 4. Declaring that the Second Lien Agent Fees, the Second Lien Agent Interest and the RBC Consent Fee shall be paid to RBC forthwith and prior to the conclusion of the sale of substantially all of the property and assets of Nelson Education as contemplated by an

asset purchase agreement (the “**Sale Agreement**”) between Nelson Education, as Seller, and 682534 N.B. Inc., as Purchaser, a corporation established at the direction of the Consenting First Lien Lenders, (the “**FLL Credit Bid Transaction**”);

5. Granting RBC’s costs of this motion on a full indemnity basis in accordance with its previously-determined contractual entitlement; and
6. Such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. The Applicants sought protection under the *Companies’ Creditors Arrangement Act*, RSC. 1985 c. C-36 (“**CCAA**”) and obtained the Initial Order of Justice Newbould dated May 12, 2015;

Second Lien Agent Fees

2. The Second Lien Credit Agreement requires Nelson Education to pay or reimburse the Second Lien Agent and each Second Lien Lender for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement of any rights or remedies under the agreement or the other loan documents;
3. Notwithstanding the contractual requirement to pay Second Lien Agent Fees, Nelson Education ceased paying the Second Lien Agent Fees in or around the time it entered into the Support Agreement;
4. In respect of the Second Lien Agent’s legal fees the first account of Thornton Grout Finnigan LLP, Canadian counsel to the Second Lien Agent (“**TGF**”), presented to Nelson

Education that was not paid was dated September 3, 2014 and the first account of Paul Hastings LLP, U.S. counsel to the Second Lien Agent (“**Paul Hastings**”) presented to Nelson Education that was not paid was dated October 10, 2014. The Second Lien Agent’s legal fees that have not been paid by Nelson Education total \$376,601.68;

5. In respect of the Second Lien Agent’s financial advisor fees, the first account of CDG Group, LLC (“**CDG**”) presented to Nelson Education that was not paid was dated July 30, 2015 for the month of August 2014;
6. CDG was retained by legal counsel for the Second Lien Agent in March 2013 and its engagement was updated as of March 10, 2014 (the “**March 2014 CDG Engagement**”) and in both cases, Nelson Education agreed to and accepted the terms of CDG’s engagement. Pursuant to the March 2014 CDG Engagement, CDG is to be paid by Nelson Education a monthly fee of U.S. \$150,000 commencing April 1, 2014 payable in advance of the first day of each month plus be reimbursed for out-of-pocket expenses;
7. Notwithstanding CDG’s entitlement to a monthly fee of U.S. \$150,000, the Second Lien Agent has negotiated with CDG and requested that for January 1, 2015 to the filing date a total fee of U.S. \$150,000 would be payable. As a result, the Second Lien Agent’s financial advisory fees that have not been paid by Nelson Education for which the Second Lien Agent is seeking payment total \$939,580.05 or U.S. \$751,664.04;
8. Nelson Education has acknowledged that the Second Lien Agent Fees are not being paid as it is restricted from paying these fees without the consent of the Majority Initial Consenting First Lien Lenders (as defined in the Support Agreement) under the Support Agreement, which consent it has not received;

Second Lien Agent Interest

9. Nelson Education is contractually required to pay interest pursuant to the Second Lien Credit Agreement;
10. Nelson Education did not pay the interest payment in the amount of U.S. \$2,392,740.83 that was due and owing and required to be made under section 2.09 of the Second Lien Credit Agreement on March 31, 2014 (the “**March 2014 Interest Payment**”). The Second Lien Agent and Nelson Education entered into a Grace Period Extension Agreement dated as of April 9, 2014, which extended the cure period by which the March 2014 Interest Payment was to be made to May 9, 2014, unless a terminating event occurred thereunder. Pursuant to the terms of the Grace Period Extension Agreement, Nelson Education paid U.S. \$350,000 on account of the March 2014 Interest Payment to the Second Lien Agent;
11. The Second Lien Agent and Nelson Education entered into a Second Grace Period Extension Agreement dated as of April 30, 2014, which extended the cure period by which the March 2014 Interest Payment was to be made to May 30, 2014 unless a terminating event occurred thereunder;
12. After the expiry of the Second Grace Period Extension Agreement on May 30, 2014, Nelson Education and RBC continued negotiations toward a consensual resolution of Nelson Education’s financial issues;
13. Pursuant to section 3.1(f) of the Intercreditor Agreement, except in limited circumstances not applicable to the facts in this case, nothing in the Intercreditor Agreement prohibits the receipt by the Second Lien Agent or any Second Lien Lender of the required

payments of interest, principal and other amounts owed in respect of the obligations under the Second Lien Credit Agreement;

14. Pursuant to the Support Agreement (subsections 5 (o) and (q)(viii), Nelson Education is precluded from making any payment in connection with the Second Lien Credit Agreement, including (x) any interest or other payment that is due or that may become due pursuant to the Second Lien Credit Agreement, and (y) any payment of fees, costs or expenses to any legal, financial or other advisor to the Second Lien Agent;
15. As of the Filing Date, the outstanding interest accrued under the Second Lien Credit Agreement was U.S. \$15,365,998.83. Of this amount, U.S. \$4,457,032.72 was outstanding as at the date of the Support Agreement and U.S. \$10,908,966.11 was payable after the date of the Support Agreement;
16. Up until the date of the Support Agreement, Nelson had the ability to cure the default in respect of its non-payment of interest under the Second Lien Credit Agreement for March and June 2014;
17. From and after executing of the Support Agreement, the decision to pay fees and interest was taken out of the hands of Nelson and turned over to the Consenting First Lien Lenders under the Support Agreement;

Consent Fee

18. RBC, as a First Lien Lender, did not sign the Support Agreement. RBC as First Lien Lender holds approximately 12 percent of the indebtedness owing under the First Lien Credit Agreement;

19. While precluding Nelson Education from paying amounts to the Second Lien Agent that it was contractually obligated to pay, the Consenting First Lien Lenders have received Consent Fees totalling U.S. \$12,639,035.20 purportedly under the Support Agreement, prior to this Court directing on June 2, 2015 that no further amounts could be paid to the First Lien Lenders unless payments were also being made to the Second Lien Lenders;
20. This amount is comprised of U.S. \$7,504,861.50 in respect of the Initial First Lien Early Consent Fee calculated based the total principal indebtedness owing under the First Lien Credit Agreement and U.S. \$5,134,173.70 in respect of the Additional First Lien Early Consent Fee calculated based on approximately 88.3% of the principal indebtedness outstanding under the First Lien Credit Agreement being the amount of the debt held by the Consenting First Lien Lenders;
21. Each Consenting First Lien Lender received payment of the Consent Fee because it made loans to Nelson under the First Lien Credit Agreement and the First Lien Credit Agreement entitles RBC to its rateable share of payments made under the First Lien Credit Agreement, which would include the Consent Fee;
22. The provisions of the Intercreditor Agreement;
23. The provisions of the Second Lien Credit Agreement;
24. The provisions of the First Lien Credit Agreement;
25. The provisions of the Support Agreement;
26. Section 11 of the CCAA and the inherent and equitable jurisdiction of this Court;

27. Section 142 of the *Courts of Justice Act* (Ontario);
28. Rules 1.04, 2.03, 3.02, 16.08 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
29. Such further and other grounds as counsel may advise and this Court may permit.

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

1. The Affidavit of Greg Nordal sworn on May 11, 2015;
2. The Responses to Written Questions on Affidavit of Greg Nordal sworn on May 11, 2015 dated May 25, 2015;
3. The Affidavit of Les Vowell sworn on July 13, 2015; and
4. Such further and other material as counsel may advise and this Honourable Court may permit.

July 13, 2015

Thornton Grout Finnigan LLP
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Lawyers for Royal Bank of Canada

TO: THIS HONOURABLE COURT

AND TO: THE ATTACHED SERVICE LIST

**NELSON EDUCATION LTD.
EMAIL SERVICE LIST
[AS AT JULY 13, 2015]**

TO:	<p>GOODMANS LLP Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto ON, M5H 2S7</p> <p>Benjamin Zarnett Tel: (416) 597-4204 Fax: (416) 979-1234 Email: bzarnett@goodmans.ca</p> <p>Jessica Kimmel Tel: (416) 597-4219 Fax: (416) 979-1234 Email: jkimmel@goodmans.ca</p> <p>Robert J. Chadwick Tel: (416) 597-4285 Fax: (416) 979-1234 Email: rchadwick@goodmans.ca</p> <p>Caroline Descours Tel: (416) 597-6275 Fax: (416) 979-1234 Email: cdescours@goodmans.ca</p> <p>Sydney Young Tel: (416) 849.6965 Fax: (416) 979-1234 Email: syoung@goodmans.ca</p> <p>Lawyers for the Applicants</p>
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AND TO:	<p>NORTON ROSE FULBRIGHT CANADA LLP Royal Bank Plaza, South Tower 200 Bay Street, Suite 3800 P.O. Box 84 Toronto, ON M5J 2Z4</p> <p>Orestes Pasparakis Tel: (416) 216-4815 Fax: (416) 216-3930 Email: orestes.pasparakis@nortonrosefulbright.com</p> <p>Evan Cobb Tel: (416) 216-1929 Fax: (416) 216-3930 Email: evan.cobb@nortonrosefulbright.com</p> <p>Lawyers for the Monitor</p>
AND TO:	<p>FTI CONSULTING CANADA INC. TD Waterhouse Tower 79 Wellington Street West, Suite 2010 P.O. Box 104 Toronto, ON M5K 1G8</p> <p>Nigel Meakin Tel: (416) 649-8065 Fax: (416) 649-8101 Email: nigel.meakin@fticonsulting.com</p> <p>Toni Vanderlaan Tel: (416) 649-8075 Fax: (416) 649-8101 Email: toni.vanderlaan@fticonsulting.com</p> <p>Craig Munro Tel: (604) 601-5699 Email: craig.munro@fticonsulting.com</p> <p>Monitor</p>

AND TO:	<p>THORNTON GROUT FINNIGAN LLP Barristers & Solicitors Suite 3200, TD West Tower 100 Wellington Street West P.O. Box 329, Toronto-Dominion Centre Toronto, ON M5K 1K7</p> <p>John Finnigan Tel: (416) 304-0558 Fax: (416) 304-1313 Email: jfinnigan@tgf.ca</p> <p>D.J. Miller Tel: (416) 304-0559 Fax: (416) 304-1313 Email: djmiller@tgf.ca</p> <p>Kyla E. M. Mahar Tel: (416) 304-0594 Fax: (416) 304-1313 Email: kmahar@tgf.ca</p> <p>Lawyers for Royal Bank of Canada, as the Second Lien Agent</p>
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AND TO:	<p>BENNETT JONES LLP 3400 One First Canadian Place P.O. Box 130 Toronto, ON M5X 1A4</p> <p>Robert Staley Tel: (416) 777-4857 Fax: (416) 863-1716 Email: staleyr@bennettjones.com</p> <p>Kevin Zych Tel: (416) 777-5738 Fax: (416) 863-1716 Email: zychk@bennettjones.com</p> <p>Sean Zweig Tel: (416) 777-6254 Fax: (416) 863-1716 Email: zweigs@bennettjones.com</p> <p>Lawyers for Wilmington Trust, National Association, as the First Lien Agent, Cortland Capital Market Services LLC, as the Supplemental Agent, and the First Lien Steering Committee</p>
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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 EDUCATION LTD.
 AND NELSON EDUCATION HOLDINGS LTD. (collectively, the "APPLICANTS")

Court File No.: CV15-10961-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
 (COMMERCIAL LIST)

Proceedings commenced at **Toronto**

NOTICE OF MOTION
(RETURNABLE ON AUGUST 13, 2015)

Thornton Grout Finnigan LLP
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Lawyers for Royal Bank of Canada

TAB 2

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 EDUCATION LTD.
AND NELSON EDUCATION HOLDINGS LTD.

Applicants

AFFIDAVIT OF LES VOWELL
(Sworn on July 13, 2015)

I, **Les Vowell**, of the City of New York, in the State of New York, **MAKE OATH**
AND SAY AS FOLLOWS:

1. I am the Managing Director of RBC Capital Markets. As such, I have personal knowledge of the matters to which I hereinafter depose. Where the source of my information or belief is other than my own personal knowledge, I have identified the source and the basis for my information and believe it to be true. Where I refer to legal invoices or similar information, RBC does not waive privilege in respect of same, or otherwise.
2. This Affidavit is sworn in support of a motion brought by the Royal Bank of Canada (“RBC”) in these proceedings (the “**CCAA Proceedings**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the “**CCAA**”)

commenced on May 12, 2015 (the “**Filing Date**”) pursuant to the Initial Order of Mr. Justice Newbould (as amended, the “**Initial Order**”) seeking an Order:

- (a) Directing Nelson Education Ltd. (“**Nelson Education**”) to pay to RBC, in its capacity as Administrative Agent and Collateral Agent (the “**Second Lien Agent**”) pursuant to the Second Lien Credit Agreement dated as of July 7, 20107 (the “**Second Lien Credit Agreement**”) the costs, expenses and professional fees incurred by the Second Lien Agent prior to the Filing Date in the amount of CDN \$1,316,181.73 (the “**Second Lien Agent Fees**”);
- (b) Directing Nelson Education to pay to RBC, in its capacity as Second Lien Agent, accrued and unpaid interest under the Second Lien Credit Agreement outstanding as at the Filing Date in the amount of U.S. \$15,365,998.83 (the “**Second Lien Agent Interest**”);
- (c) Declaring that RBC, in its capacity as a lender under the First Lien Credit Agreement (“**First Lien Lender**”) dated as of July 5, 2007 (the “**First Lien Credit Agreement**”), is entitled to its proportionate share of the Initial First Lien Early Consent Fee and the Additional First Lien Early Consent Fee (each as defined in the Support Agreement dated as of September 10, 2014 (the “**Support Agreement**”) among Nelson Education, Nelson Education Holding Ltd. (“**Holdings**”), Wilmington Trust, National Association, as Administrative Agent and Collateral Agent (the “**First Lien Agent**”) and certain lenders under the First Lien Credit Agreement (together with the Joining Consenting First Lien Lenders, collectively the “**Consenting First Lien Lenders**”)) (collectively, the “**Consent Fee**”) paid to the Consenting First Lien Lenders, being all lenders

under the First Lien Credit Agreement except RBC, and directing Nelson Education and/or the Consenting First Lien Lenders to pay RBC its proportionate share of the Consent Fee in the amount of U.S. \$1,559,492 (the “**RBC Consent Fee**”);

- (d) Declaring that the Second Lien Agent Fees, the Second Lien Agent Interest and the RBC Consent Fee shall be paid to RBC forthwith from cash on hand, and in any event prior to the conclusion of the sale of substantially all of the property and assets of Nelson Education as contemplated by an asset purchase agreement (the “**Sale Agreement**”) between Nelson Education, as Seller, and 682534 N.B. Inc., as Purchaser, a corporation established at the direction of the Consenting First Lien Lenders, (the “**FLL Credit Bid Transaction**”); and
- (e) RBC’s costs of the motion on a full indemnity basis in accordance with its previously-determined contractual entitlement.

Second Lien Agent Fees

- 3. Pursuant to the Second Lien Credit Agreement, the Second Lien Agent is contractually entitled to receive payment from Nelson Education for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement of any rights or remedies under the agreement or the other loan documents.
- 4. Nelson Education ceased paying the Second Lien Agent Fees in or around the time it entered into the Support Agreement. A chart setting out the outstanding legal and financial advisor fees outstanding as at the Filing Date is attached hereto as **Exhibit “A”**.

5. In respect of the Second Lien Agent's legal fees the first account of Thornton Grout Finnigan LLP, Canadian counsel to the Second Lien Agent ("**TGF**"), presented to Nelson Education that was not paid was dated September 3, 2014 and the first account of Paul Hastings LLP, U.S. counsel to the Second Lien Agent ("**Paul Hastings**") presented to Nelson Education that was not paid was dated October 10, 2014. The Second Lien Agent's legal fees that have not been paid by Nelson Education total \$376,601.68.
6. In respect of the Second Lien Agent's financial advisor fees, the first account of CDG Group, LLC ("**CDG**") presented to Nelson Education that was not paid was dated July 30, 2015 for services to be rendered for the month of August, 2014.
7. CDG was retained by legal counsel for the Second Lien Agent in March, 2013 (the "**March 2013 CDG Engagement**") and its engagement was updated as of March 10, 2014 (the "**March 2014 CDG Engagement**"). Copies of the March 2013 CDG Engagement and the March 2014 CDG Engagement are attached hereto as **Exhibit "B"**.
8. In respect of both engagement letters in respect of CDG, Nelson Education agreed to and accepted the terms of CDG's engagement. Pursuant to the March 2014 CDG Engagement, CDG is to be paid by Nelson Education a monthly fee of U.S. \$150,000 commencing April 1, 2014 payable in advance of the first day of each month plus be reimbursed for out-of-pocket expenses.
9. Notwithstanding CDG's entitlement to a monthly fee of U.S. \$150,000, the Second Lien Agent has negotiated with CDG and requested that for January 1, 2015 to the filing date

a total fee of U.S. \$150,000 would be payable. As a result, the Second Lien Agent's financial advisory fees that have not been paid by Nelson Education for which the Second Lien Agent is seeking payment total CDN \$939,580.05 or U.S. \$751,664.04 to the Filing Date.

10. Attached hereto as **Exhibit "C"** is a letter from Kyla Mahar, Canadian counsel for RBC, to Robert Chadwick, counsel for Nelson Education, dated today in respect of the outstanding amounts owing to the Second Lien Agent's financial advisor, CDG.
11. Nelson Education has acknowledged that the Second Lien Agent Fees are not being paid as it is restricted from paying these fees without the consent of the Majority Initial Consenting First Lien Lenders (as defined in the Support Agreement) under the Support Agreement, which consent it has not received. A copy of an email exchange between myself and Greg Nordal, CEO of Nelson Education, in November, 2014 in respect of payment of the Second Lien Agent Fees is attached hereto as **Exhibit "D"**. In addition, relevant correspondence between Andrew Tenzer, U.S. counsel to RBC, and Robert Chadwick is attached hereto as **Exhibit "E"**.

Second Lien Agent Interest

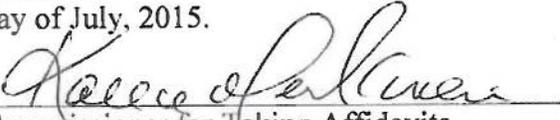
12. Attached hereto as **Exhibit "F"** is a chart setting out the outstanding Second Lien Agent Interest in the amount of U.S. \$15,365,998.83.

RBC Consent Fee

13. A table setting out RBC's calculation of the Consent Fee paid to date and the calculation of the RBC Consent Fee is Attached hereto as **Exhibit "G"**.

14. I swear this Affidavit in support of the RBC's motion and for no other or improper purpose.

SWORN before me at the City of New York, in the State of New York, this 13th day of July, 2015.


Commissioner for Taking Affidavits


LES VOWELL

07/13/2015

KAREN MARKMAN
Notary Public, State of New York
No. 01MA6320771
Qualified in Kings County
Commission Expires March 9, 2019

EXHIBIT "A"

Exhibit "A"

Summary of Outstanding Fees of the Second Lien Agent as at the Filing Date

ThorntonGroutFinnigan LLP

<u>Number</u>	<u>Invoice Date</u>	<u>Invoice Period</u>	<u>C\$ Amount</u>
28521	03-Sep-14	July 1-31, 2014	\$ 24,534.50
28539	10-Sep-14	Aug. 1-31, 2014	\$ 30,975.41
28685	20-Oct-14	Sept. 1-30, 2014	\$ 23,098.92
28735	13-Nov-14	Oct. 1-31, 2014	\$ 8,282.10
28869	22-Dec-14	Nov. 1-30, 2014	\$ 4,141.47
28895	13-Jan-15	Dec. 1-31, 2014	\$ 791.00
28992	20-Feb-15	Jan. 1-31, 2015	\$ 4,719.78
29047	10-Mar-15	Feb. 1-28, 2015	\$ 2,094.74
29201	15-Apr-15	Mar. 1-31, 2015	\$ 3,818.01
29380	05-Jun-15	Apr. 1-30, 2015	\$ 4,915.50
29389	08-Jun-15	May 1-11, 2015	\$ 43,007.80
Total			\$ 150,379.23

Paul Hastings LLP

<u>Number</u>	<u>Invoice Date</u>	<u>Invoice Period</u>	<u>C\$ Equivalent</u>	<u>US\$ Amount</u>
2020830	26-Aug-14	June 1-Aug. 31, 2014	\$ 72,043.78	\$ 57,635.02
2025828	10-Oct-14	Sept. 1-30, 2014	\$ 91,898.94	\$ 73,519.15
2031240	25-Nov-14	Oct. 1-31, 2014	\$ 10,014.46	\$ 8,011.57
2034418	22-Dec-14	Nov. 1-30, 2014	\$ 2,051.15	\$ 1,640.92
2039029	31-Jan-15	Dec. 1-31, 2014	\$ 1,009.73	\$ 807.78
2040407	28-Feb-15	Jan. 1-31, 2015	\$ 25,334.19	\$ 20,267.35
2041745	16-Mar-15	Feb. 1-28, 2015	\$ 5,466.38	\$ 4,373.10
Unbilled		May 1-10, 2015	\$ 18,403.84	\$ 14,723.07
Total			\$ 226,222.45	\$ 180,977.96

EXHIBIT “B”



CDG Group, LLC
645 Fifth Avenue
New York, New York 10022
Tel: 212 613 1500
www.cdggroup.com

Dated as of March 1, 2013

Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022

Attention: Andrew V. Tenzer

Dear Mr. Tenzer:

This letter agreement (this "Agreement") confirms the engagement of CDG Group, LLC ("CDG") by Shearman & Sterling LLP (the "Law Firm"), in connection with the Law Firm's representation of Royal Bank of Canada, as administrative agent and collateral agent (in such capacities, the "Agent"), under the Second Lien Credit Agreement, dated as of July 5, 2007 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among the Agent, the other financial institutions party thereto (the "Lenders"), Nelson Education Ltd. (the "Borrower") and Nelson Education Holdings Ltd. to perform financial advisory services in connection with the rendering of legal advice with respect to the Credit Agreement. We agree that this Agreement and the terms and conditions set forth herein constitute the arrangement pursuant to which our services will be provided.

As set forth in greater detail below, such services will include financial analysis for the purpose of assisting the Law Firm in providing legal advice to the Agent. We understand and agree that our work on this matter will be solely for the Law Firm and not for Borrower, any of its principals, any holder of debt (other than the Lenders) or equity of Borrower or any other party. Notwithstanding this fact, our fees, expenses and costs will be paid directly by Borrower as discussed below.

Scope of Engagement

CDG will perform the financial advisory services described below in connection with an evaluation and critical assessment of the businesses of Borrower and of the loans and loan commitments made by the Lenders to the Borrower as well as certain potential restructuring transactions (the "Exposure"). Working at the direction of the Law Firm, CDG will develop and report these findings and, if possible, identify and assist in implementing ways in which the Exposure can be recovered or otherwise improved and protected.

It is contemplated that the services for this engagement (the "Services") will consist of the following:

- Reviewing the loan documentation and meeting with the Law Firm, the Agent, and, if requested by the Agent, the Lenders to understand overall transaction structure;
- Reviewing the organization of the Borrower and its subsidiaries, together with their respective operations, financings, and capital structures, to understand the functions, interrelationships, assets, and obligations of each;
- Performing analyses to advise the Law Firm, for the benefit of the Agent, on the proper size, structure, and terms of any new or replacement financing for the Borrower or any restructuring of the Credit Agreement;
- Conducting due diligence for the purpose of, among other things:
 - Reviewing and analyzing the Borrower's current and historical financial condition and performance
 - Examining and critically evaluating the Borrower's long-term business and financial plans
 - Examining and evaluating short-term liquidity, including any cash conservation strategies
 - Analyzing the education publishing industry and the Borrower's competitive position in the marketplace
 - Examining and evaluating current or potential loan collateral, both for current Exposure and any new Exposure which may be under consideration
 - Understanding critical third-party financial, contractual, or other relationships and commitments entered into by Borrower (including the Borrower's relationship with Cengage Learning) which relate to or have an impact upon the Exposure
- Analyzing items related to the Borrower's operations such as business mix, product offering, relationships with authors and customers, sales and distribution model, pre-publication and other capital expenditures, and SG&A costs;
- Analyzing the Borrower's 13 week cash flow forecasts;
- Providing valuation advice as well as debt capacity analysis of Borrower;
- Assisting in the development of strategic and financial restructuring alternatives, and actively representing and assisting the Law Firm in any negotiations with Borrower or other third parties;

- Performing such other specific services and financial analyses arising from or relating to an evaluation of the Exposure as the Law Firm may reasonably request; and
- Performing any other services requested by the Law Firm that are reasonably related to the foregoing or typical for an engagement of this type, size, and scope as to which CDG has consented, which consent shall not be unreasonably withheld.

In addition to these specific services, we understand that we will participate, at your request and to the extent appropriate, in meetings and discussions with Borrower, the Agent, the Lenders and other credit constituencies, and with their respective professionals.

Notwithstanding anything to the contrary in this Agreement, (i) CDG shall not, and shall not be required to, provide any services that involve in any way the direction or control of any aspect of the management, operations, or business affairs of Borrower, and (ii) CDG hereby agrees that it will not at any time take action that in any way directs or controls, or seeks to direct or control, any aspect of the management, operations, or business affairs of Borrower. The employees of CDG shall in no event be considered employees or agents of the Law Firm, the Agent, or any Lender, nor shall they be entitled to or eligible, by reason of the contractual relationship hereby created, to participate in any benefits or privileges given or extended by the Law Firm, the Agent, or any Lender to their respective employees. Notwithstanding anything contained in this Agreement to the contrary, CDG makes no representations or warranties about the Lenders' ability to (a) reduce commitments to or recover funds advanced to the Borrower or (b) otherwise minimize, improve, or strengthen the quality of, or recover any amount of, the Exposure.

Project Management

CDG's services will be led by Jonathan Miller. In addition to Mr. Miller, CDG's performance of this Agreement will be staffed by such other personnel possessing the requisite skills and experience necessary to provide the services set forth above in an expeditious and effective manner.

Attorney Work Product/Confidentiality

CDG shall not prepare written reports, memoranda, or status summaries, except as directed by the Law Firm. All work product that CDG prepares in connection with any services performed hereunder shall be prepared at the direction of the Law Firm, shall be addressed to the Law Firm and shall be prominently labeled "PRIVILEGED AND CONFIDENTIAL - ATTORNEY WORK PRODUCT." Any reports, drafts, written evaluations, and analyses or other findings, summaries, or work papers (collectively, the "Reports") that CDG prepares or generates in connection with any services performed hereunder shall be construed as confidential attorney work product. Subject to the terms of any confidentiality agreement entered into with Borrower, CDG (i) shall use the

Reports only in connection with the services performed hereunder, (ii) except as may be required by applicable law or regulation, government authority, duly authorized subpoena or court order, shall not disclose to anyone other than the Law Firm and the Agent the content of any oral or written confidential communication received during the course of this engagement or the Reports without the permission of the Law Firm and (iii) shall not use, disclose, or disseminate the Reports for any other purpose. Any advice (written or oral) rendered by CDG pursuant to this engagement may not be disclosed publicly by CDG without the Law Firm's prior written consent; provided, that such advice may be disclosed to the extent CDG's counsel advises it that such disclosure is required by applicable law or regulation, government authority, duly authorized subpoena or court order. Without limiting the foregoing, CDG acknowledges that the provisions of Section 10.08 of the Credit Agreement shall apply to all Information provided to CDG in connection with CDG's activities hereunder as if CDG were a Lender.

The Law Firm will use the Reports in connection with providing the Lenders with legal advice. The Reports, or portions thereof, may be distributed by the Law Firm to the Agent and the Lenders, but may not be relied upon by any person or entity (other than the Agent and the Lenders) without written permission of CDG. All documents in CDG's possession received from the Law Firm, the Agent, the Borrower, or any affiliate thereof will be returned upon the Law Firm's or the Agent's request.

Terms of Engagement

For the Services to be provided pursuant to this Agreement, CDG shall be paid by Borrower by wire transfer a monthly fee of \$175,000 (the "Monthly Fee") payable upon execution hereof and on each subsequent monthly anniversary hereof (or, if such day is not a Business Day, on the next day that is a Business Day) during the term of this Agreement. The Borrower shall also pay to CDG on the date hereof a retainer in the amount of \$175,000, which shall be applied against our final invoice and, to the extent unused, returned to the Borrower. If after the date hereof the services of CDG substantially decrease, then the parties shall negotiate in good faith to adjust the fees to an amount commensurate with such reduction in services. CDG will also be reimbursed for all of its reasonable, documented, out-of-pocket expenses (including travel, legal, telephone, courier and copy expenses) incurred in connection with CDG's engagement.

CDG acknowledges and agrees that under no circumstances will the Law Firm (or any individual member of the Law Firm) have (i) any responsibility or obligation to pay CDG's fees, expenses, or other charges in connection with the engagement or (ii) any liability or payment obligations under or in connection with this letter agreement or the engagement.

The engagement contemplated by this Agreement will commence on the date hereof and may be terminated by CDG or the Law Firm upon written notice to the other parties to this Agreement. In the event the engagement is terminated mid-month, the Monthly Fee for that period will be pro-rated. Any termination of the engagement contemplated by

this Agreement shall not affect (x) the obligations set forth in the "Attorney Work Product/Confidentiality" or "Other Matters" sections of this Agreement including, for the avoidance of doubt, the indemnification provisions contained herein or (y) the rights and obligations of the parties under the Credit Agreement.

Other Matters

Borrower agrees to indemnify CDG and its affiliates and their respective members, directors, officers, employees, agents, affiliates, and controlling parties (CDG and each such person being an "Indemnified Party") from and against any and all out-of-pocket losses, claims, damages, liabilities and expenses, joint or several (collectively, "Losses"), to which such Indemnified Party may become subject under any applicable law as a result of, or otherwise related to, this letter and will reimburse each such Indemnified Party for all reasonable expenses (including reasonable legal fees and expenses of a single law firm) as they are incurred in connection with the investigation of, preparation for, or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto. Borrower will not be liable under the foregoing indemnification provision to any Indemnified Party to the extent that Losses result from such Indemnified Party's bad faith, gross negligence, or willful misconduct.

The Agent and Lenders and the Law Firm agree that CDG shall not have any liability (whether direct or indirect, in contract or tort, or otherwise) in connection with this engagement, except to the extent resulting from CDG's bad faith, gross negligence, or willful misconduct.

CDG's work will be performed on behalf of the Law Firm and, except as expressly provided herein, should not be relied upon by any other party for any purpose. The Law Firm and the Agent recognize and acknowledge that by performing the services set forth in this Agreement, CDG is not acting in the capacity of the Law Firm, the Agent or the Lenders, and that neither the Law Firm nor the Agent nor the Lenders have asked CDG to make, nor has CDG agreed to make, any business decisions on behalf of the Law Firm, the Agent and/or the Lenders. This Agreement is not intended to and does not create an agency relationship between the Law Firm or the Agent and CDG, and no such party has the authority to bind the other in such regard.

This Agreement shall constitute the entire understanding among the parties hereto with respect to the subject matter hereof, and supersedes and cancels all prior agreements, negotiations, correspondence, undertakings, and communications of the parties, oral or written, respecting such subject matter. No change or modification under this Agreement shall be valid unless it is in writing and signed by the parties hereto.

We understand that the Law Firm may terminate our engagement at any time. If any portion of this Agreement is held to be void, invalid, or otherwise unenforceable, in whole or part, the remaining portions of this Agreement shall remain in effect.

This Agreement shall be governed by the internal substantive laws and not the choice of law rules of the State of New York.

This engagement is important to us and we appreciate the opportunity to serve you. If you are in agreement with the terms set forth herein, please indicate by signing and returning this letter. This letter may be signed in multiple counterparts each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.

Any signatures delivered by facsimile transmission shall be deemed an original signature hereto.

Very truly yours,

CDG Group, LLC

By: Rafael A. Del Rio

Agreed To and Accepted By:

Shearman & Sterling LLP

By: Andrew V. Tenzer
Andrew V. Tenzer

Agreed To and Accepted By:

Royal Bank of Canada

By: _____

Agreed To and Accepted By:

Nelson Education Ltd.

By: G. Nordel

This Agreement shall be governed by the internal substantive laws and not the choice of law rules of the State of New York.

This engagement is important to us and we appreciate the opportunity to serve you. If you are in agreement with the terms set forth herein, please indicate by signing and returning this letter. This letter may be signed in multiple counterparts each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.

Any signatures delivered by facsimile transmission shall be deemed an original signature hereto.

Very truly yours,

CDG Group, LLC

By: Robert A. Dal Sano

Agreed To and Accepted By:

Shearman & Sterling LLP

By: Andrew V. Tenzer

Agreed To and Accepted By:

Royal Bank of Canada

By: Late S. Howell

Agreed To and Accepted By:

Nelson Education Ltd.

By: G. Nordel



CDG Group LLC
645 Fifth Avenue
New York, New York 10022
Tel: 212 813 1300
www.cdgroup.com

Dated as of March 10, 2014

Paul Hastings LLP
75 East 55th Street
New York, NY 10022

Attention: Andrew V. Tenzer

Dear Mr. Tenzer:

This letter agreement (this "Agreement") confirms the engagement of CDG Group, LLC ("CDG") by Paul Hastings LLP (the "Law Firm"), in connection with the Law Firm's representation of Royal Bank of Canada, as administrative agent and collateral agent (in such capacities, the "Agent"), under the Second Lien Credit Agreement, dated as of July 5, 2007 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among the Agent, the other financial institutions party thereto (the "Lenders"), Nelson Education Ltd. (the "Borrower") and Nelson Education Holdings Ltd. to perform financial advisory services in connection with the rendering of legal advice with respect to the Credit Agreement. This Agreement shall replace the letter agreement previously entered into as of March 1, 2013 among CDG, Shearman & Sterling LLP, Agent and Borrower (the "Original Agreement"). We agree that this Agreement and the terms and conditions set forth herein constitute the arrangement pursuant to which our services will continue to be provided.

As set forth in greater detail below, such services will include financial analysis for the purpose of assisting the Law Firm in providing legal advice to the Agent. We understand and agree that our work on this matter will be solely for the Law Firm and not for Borrower, any of its principals, any holder of debt (other than the Lenders) or equity of Borrower or any other party. Notwithstanding this fact, our fees, expenses and costs will be paid directly by Borrower as discussed below.

Scope of Engagement

CDG will perform the financial advisory services described below in connection with an evaluation and critical assessment of the businesses of Borrower and of the loans and loan commitments made by the Lenders to the Borrower as well as certain potential restructuring transactions (the "Exposure"). Working at the direction of the Law Firm, CDG will develop and report these findings and, if possible, identify and assist in implementing ways in which the Exposure can be recovered or otherwise improved and protected.

It is contemplated that the services for this engagement (the "Services") will consist of the following:

- Reviewing the loan documentation and meeting with the Law Firm, the Agent, and, if requested by the Agent, the Lenders to understand overall transaction structure;
- Reviewing the organization of the Borrower and its subsidiaries, together with their respective operations, financings, and capital structures, to understand the functions, interrelationships, assets, and obligations of each;
- Performing analyses to advise the Law Firm, for the benefit of the Agent, on the proper size, structure, and terms of any new or replacement financing for the Borrower or any restructuring of the Credit Agreement;
- Conducting due diligence for the purpose of, among other things:
 - Reviewing and analyzing the Borrower's current and historical financial condition and performance
 - Examining and critically evaluating the Borrower's long-term business and financial plans
 - Examining and evaluating short-term liquidity, including any cash conservation strategies
 - Analyzing the education publishing industry and the Borrower's competitive position in the marketplace
 - Examining and evaluating current or potential loan collateral, both for current Exposure and any new Exposure which may be under consideration
 - Understanding critical third-party financial, contractual, or other relationships and commitments entered into by Borrower (including the Borrower's relationship with Cengage Learning) which relate to or have an impact upon the Exposure
- Analyzing items related to the Borrower's operations such as business mix, product offering, relationships with authors and customers, sales and distribution model, pre-publication and other capital expenditures, and SG&A costs;
- Analyzing the Borrower's 13 week cash flow forecasts;
- Providing valuation advice as well as debt capacity analysis of Borrower;
- Assisting in the development of strategic and financial restructuring alternatives, and actively representing and assisting the Law Firm in any negotiations with Borrower or other third parties;

- Performing such other specific services and financial analyses arising from or relating to an evaluation of the Exposure as the Law Firm may reasonably request; and
- Performing any other services requested by the Law Firm that are reasonably related to the foregoing or typical for an engagement of this type, size, and scope as to which CDG has consented, which consent shall not be unreasonably withheld.

In addition to these specific services, we understand that we will participate, at your request and to the extent appropriate, in meetings and discussions with Borrower, the Agent, the Lenders and other credit constituencies, and with their respective professionals.

Notwithstanding anything to the contrary in this Agreement, (i) CDG shall not, and shall not be required to, provide any services that involve in any way the direction or control of any aspect of the management, operations, or business affairs of Borrower, and (ii) CDG hereby agrees that it will not at any time take action that in any way directs or controls, or seeks to direct or control, any aspect of the management, operations, or business affairs of Borrower. The employees of CDG shall in no event be considered employees or agents of the Law Firm, the Agent, or any Lender, nor shall they be entitled to or eligible, by reason of the contractual relationship hereby created, to participate in any benefits or privileges given or extended by the Law Firm, the Agent, or any Lender to their respective employees. Notwithstanding anything contained in this Agreement to the contrary, CDG makes no representations or warranties about the Lenders' ability to (a) reduce commitments to or recover funds advanced to the Borrower or (b) otherwise minimize, improve, or strengthen the quality of, or recover any amount of, the Exposure.

Project Management

CDG's services will be led by Jonathan Miller. In addition to Mr. Miller, CDG's performance of this Agreement will be staffed by such other personnel possessing the requisite skills and experience necessary to provide the services set forth above in an expeditious and effective manner.

Attorney Work Product/Confidentiality

CDG shall not prepare written reports, memoranda, or status summaries, except as directed by the Law Firm. All work product that CDG prepares in connection with any services performed hereunder shall be prepared at the direction of the Law Firm, shall be addressed to the Law Firm and shall be prominently labeled "PRIVILEGED AND CONFIDENTIAL - ATTORNEY WORK PRODUCT." Any reports, drafts, written evaluations, and analyses or other findings, summaries, or work papers (collectively, the "Reports") that CDG prepares or generates in connection with any services performed hereunder shall be construed as confidential attorney work product. Subject to the terms

of any confidentiality agreement entered into with Borrower, CDG (i) shall use the Reports only in connection with the services performed hereunder, (ii) except as may be required by applicable law or regulation, government authority, duly authorized subpoena or court order, shall not disclose to anyone other than the Law Firm and the Agent the content of any oral or written confidential communication received during the course of this engagement or the Reports without the permission of the Law Firm and (iii) shall not use, disclose, or disseminate the Reports for any other purpose. Any advice (written or oral) rendered by CDG pursuant to this engagement may not be disclosed publicly by CDG without the Law Firm's prior written consent; provided, that such advice may be disclosed to the extent CDG's counsel advises it that such disclosure is required by applicable law or regulation, government authority, duly authorized subpoena or court order. Without limiting the foregoing, CDG acknowledges that the provisions of Section 10.08 of the Credit Agreement shall apply to all Information provided to CDG in connection with CDG's activities hereunder as if CDG were a Lender.

The Law Firm will use the Reports in connection with providing the Lenders with legal advice. The Reports, or portions thereof, may be distributed by the Law Firm to the Agent and the Lenders, but may not be relied upon by any person or entity (other than the Agent and the Lenders) without written permission of CDG. All documents in CDG's possession received from the Law Firm, the Agent, the Borrower, or any affiliate thereof will be returned upon the Law Firm's or the Agent's request.

Terms of Engagement

For the Services to be provided pursuant to this Agreement, CDG shall be paid by Borrower by wire transfer a monthly fee of \$150,000 commencing with April 1, 2014 (the "Monthly Fee"), payable in advance on the first date of each month (or, if such day is not a Business Day, on the next day that is a Business Day) during the term of this Agreement. The Borrower agrees that the \$75,000 fee paid by Borrower to CDG for services rendered under the Original Agreement in March 2014 shall be retained by CDG. Borrower also agrees that CDG shall continue to retain the retainer paid by Borrower pursuant to the Original Agreement, and that this retainer shall be applied against our final invoice and, to the extent unused, returned to the Borrower, except that \$25,000 of said retainer shall be applied to the \$150,000 amount otherwise payable to CDG on April 1, 2014. If after the date hereof the services of CDG substantially decrease, then the parties shall negotiate in good faith to adjust the fees to an amount commensurate with such reduction in services. CDG will also be reimbursed for all of its reasonable, documented, out-of-pocket expenses (including travel, legal, telephone, courier and copy expenses) incurred in connection with CDG's engagement.

CDG acknowledges and agrees that under no circumstances will the Law Firm (or any individual member of the Law Firm) have (i) any responsibility or obligation to pay CDG's fees, expenses, or other charges in connection with the engagement or (ii) any liability or payment obligations under or in connection with this letter agreement or the engagement.

The engagement contemplated by this Agreement will commence on the date hereof and may be terminated by CDG or the Law Firm upon written notice to the other parties to this Agreement. In the event the engagement is terminated mid-month, the Monthly Fee for that period will be pro-rated. Any termination of the engagement contemplated by this Agreement shall not affect (x) the obligations set forth in the "Attorney Work Product/Confidentiality" or "Other Matters" sections of this Agreement including, for the avoidance of doubt, the indemnification provisions contained herein or (y) the rights and obligations of the parties under the Credit Agreement.

Other Matters

Borrower agrees to indemnify CDG and its affiliates and their respective members, directors, officers, employees, agents, affiliates, and controlling parties (CDG and each such person being an "Indemnified Party") from and against any and all out-of-pocket losses, claims, damages, liabilities and expenses, joint or several (collectively, "Losses"), to which such Indemnified Party may become subject under any applicable law as a result of, or otherwise related to, this letter and will reimburse each such Indemnified Party for all reasonable expenses (including reasonable legal fees and expenses of a single law firm) as they are incurred in connection with the investigation of, preparation for, or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party thereto. Borrower will not be liable under the foregoing indemnification provision to any Indemnified Party to the extent that Losses result from such Indemnified Party's bad faith, gross negligence, or willful misconduct.

The Agent and Lenders and the Law Firm agree that CDG shall not have any liability (whether direct or indirect, in contract or tort, or otherwise) in connection with this engagement, except to the extent resulting from CDG's bad faith, gross negligence, or willful misconduct.

CDG's work will be performed on behalf of the Law Firm and, except as expressly provided herein, should not be relied upon by any other party for any purpose. The Law Firm and the Agent recognize and acknowledge that by performing the services set forth in this Agreement, CDG is not acting in the capacity of the Law Firm, the Agent or the Lenders, and that neither the Law Firm nor the Agent nor the Lenders have asked CDG to make, nor has CDG agreed to make, any business decisions on behalf of the Law Firm, the Agent and/or the Lenders. This Agreement is not intended to and does not create an agency relationship between the Law Firm or the Agent and CDG, and no such party has the authority to bind the other in such regard.

This Agreement shall constitute the entire understanding among the parties hereto with respect to the subject matter hereof, and supersedes and cancels all prior agreements (including the Original Agreement), negotiations, correspondence, undertakings, and communications of the parties, oral or written, respecting such subject matter. No change

or modification under this Agreement shall be valid unless it is in writing and signed by the parties hereto.

We understand that the Law Firm may terminate our engagement at any time. If any portion of this Agreement is held to be void, invalid, or otherwise unenforceable, in whole or part, the remaining portions of this Agreement shall remain in effect.

This Agreement shall be governed by the internal substantive laws and not the choice of law rules of the State of New York.

This engagement is important to us and we appreciate the opportunity to serve you. If you are in agreement with the terms set forth herein, please indicate by signing and returning this letter. This letter may be signed in multiple counterparts each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.

Any signatures delivered by facsimile transmission shall be deemed an original signature hereto.

Very truly yours,

CDG Group, LLC

By: *Rafael A. Del Serio*

Agreed To and Accepted for purposes only of terminating the Original Agreement By:

Shearman & Sterling LLP

By: _____

Agreed To and Accepted By:

Paul Hastings LLP

By: *Andrew V. Tenzer*
Andrew V. Tenzer

Agreed To and Accepted By:

Royal Bank of Canada

By: 
Ann Hurley
Manager, Agency

Agreed To and Accepted By:

Nelson Education Ltd.

By: _____

By: _____

Agreed To and Accepted By:

Nelson Education Ltd.

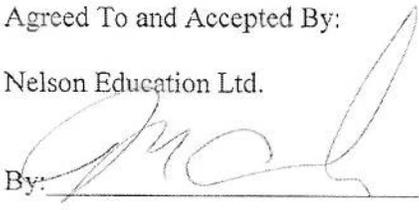
By:  _____

EXHIBIT “C”



Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Kyla E.M. Mahar
T: 416-304-0594
E: kmahar@tgf.ca
File No. 300-199

July 13, 2015

VIA EMAIL

Goodmans LLP
Bay Adelaide Centre
333 Bay St., Suite 3400
Toronto, ON M5H 2S7

Attention: Rob Chadwick

Dear Rob:

Re: Royal Bank of Canada, in its capacity as First Lien Lender, Second Lien Agent and Second Lien Lender and provider of cash management services (“RBC”) and Nelson Education Ltd. (the “Company”)

You have requested the following from RBC relating to the fees of the Second Lien Agent’s financial advisor, CDG Group, LLC (“CDG”):

- (a) Copies of the accounts provided by CDG to RBC from and after July 2014 to the present and confirmation that RBC has paid all such amounts; and
- (b) Confirmation and evidence as to whether each of the second lien lenders has paid or is responsible for its pro-rata share of the outstanding fees incurred by the Agent and the fees to be incurred by the Agent.

Enclosed at Schedule “A” please find CDG’s accounts for the period from August 1, 2014 to December 31, 2014 issued monthly to the Company that remain outstanding totalling U.S. \$751,664.04 (the “**Outstanding 2014 Fees**”).

Since Nelson is in breach of its contractual obligations to pay the Second Lien Agents’ financial advisor fees incurred on a monthly basis, in or about January 2015, RBC negotiated a verbal agreement with CDG whereby CDG agreed to invoice RBC, in its capacity as Second Lien Agent, the amount of U.S. \$450,000 in respect of the Outstanding 2014 Fees, apply the U.S. \$150,000 retainer held by CDG to further reduce the Outstanding 2014 Fees and then defer payment of the remaining Outstanding 2014 Fees owed to CDG until Nelson Education either fulfilled its contractual obligations in respect of the Outstanding 2014 Fees or the Second Lien Agent enforced the terms of the Second Lien Credit Agreement. In accordance with this agreement, CDG issued an invoice to RBC in the amount of U.S. \$450,000. To date, 98.7

percent of the Second Lien Lenders have remitted funds in the amount of approximately U.S. \$445,000 and those funds have been paid to CDG.

In addition to the terms of the Second Lien Credit Agreement, enclosed at Schedule "B" please find further evidence that the Second Lien Lenders are each responsible for its pro-rata share of the U.S. \$450,000, which has been redacted to remove the identity of the individual Second Lien Lenders other than RBC.

With respect to the Second Lien Agent's financial advisor fees incurred in 2015, as an accommodation to RBC as Second Lien Agent, CDG agreed that it would limit its fees for the period from January 1, 2015 to May 11, 2015 to U.S. \$150,000 and from and after the commencement of the Company's CCAA proceedings on May 12, 2015 CDG would be entitled to its contractual monthly fee. We previously provided information in respect of CDG's 2015 fees in RBC's costs submissions dated June 12, 2015 in the Chart contained at Tab 2.

Yours very truly,

Thornton Grout Finnigan LLP



Kyla E.M. Mahar
DJM/gk

cc: Les Vowell, *RBC Capital Markets*

Nigel Meakin and Toni Vanderlaan, *FTI Consulting Canada Inc.*

Schedule "A"



July 30, 2014

Nelson Education Ltd.
1120 Birchmount Road
Scarborough, ON
M1K 5G4
Canada

Attention: Mr. Greg Nordal – Chief Executive Officer of Nelson Education

Copy to: Mr. Michael Andrews – Chief Financial Officer of Nelson Education
Mr. Les Vowell of Royal Bank of Canada
Andrew Tenzer, Esq. of Paul Hastings LLP

Invoice No. 3144

EIN: 13-3994318

Fee for professional services to be rendered for the period of August 1, 2014 through August 31, 2014 in connection with Paul Hastings LLP's representation of Royal Bank of Canada, as administrative agent and collateral agent under the Second Lien Credit Agreement, dated as of July 5, 2007 with Nelson Education Ltd. in accordance with the engagement letter dated March 10, 2014 between Paul Hastings LLP and CDG Group, LLC

Fee	\$150,000.00
Conference calls	<u>67.39</u>
Total Amount Due Upon Receipt	<u>\$150,067.39</u>

Please Wire To:
Bank of America
3 South King Street
Leesburg, VA 20175-2903
ABA Routing No.: 021000322
CDG Group, LLC Account No. 483044568109



September 3, 2014

Nelson Education Ltd.
1120 Birchmount Road
Scarborough, ON
M1K 5G4
Canada

Attention: Mr. Greg Nordal – Chief Executive Officer of Nelson Education

Copy to: Mr. Michael Andrews – Chief Financial Officer of Nelson Education
Mr. Les Vowell of Royal Bank of Canada
Andrew Tenzer, Esq. of Paul Hastings LLP

Invoice No. 3160

EIN: 13-3994318

Fee for professional services to be rendered for the period of September 1, 2014 through September 30, 2014 in connection with Paul Hastings LLP's representation of Royal Bank of Canada, as administrative agent and collateral agent under the Second Lien Credit Agreement, dated as of July 5, 2007 with Nelson Education Ltd. in accordance with the engagement letter dated March 10, 2014 between Paul Hastings LLP and CDG Group, LLC

Fee	\$150,000.00
Conference calls	<u>233.14</u>
Total Amount Due	\$150,233.14
Plus: Outstanding Invoice No. 3144 Dated July 30, 2014	<u>150,067.39</u>
Total Amount Due Upon Receipt	<u>\$300,300.53</u>

Please Wire To:
Bank of America
3 South King Street
Leesburg, VA 20175-2903
ABA Routing No.: 021000322
CDG Group, LLC Account No. 483044568109



October 2, 2014

Nelson Education Ltd.
1120 Birchmount Road
Scarborough, ON
M1K 5G4
Canada

Attention: Mr. Greg Nordal – Chief Executive Officer of Nelson Education

Copy to: Mr. Michael Andrews – Chief Financial Officer of Nelson Education
Mr. Les Vowell of Royal Bank of Canada
Andrew Tenzer, Esq. of Paul Hastings LLP

Invoice No. 3176

EIN: 13-3994318

Fee for professional services to be rendered for the period of October 1, 2014 through October 31, 2014 in connection with Paul Hastings LLP's representation of Royal Bank of Canada, as administrative agent and collateral agent under the Second Lien Credit Agreement, dated as of July 5, 2007 with Nelson Education Ltd. in accordance with the engagement letter dated March 10, 2014 between Paul Hastings LLP and CDG Group, LLC

Fee (10/1/14 to 10/31/14)	\$150,000.00
Outstanding Invoice No. 3144 dated July 30, 2014	150,067.39
Outstanding Invoice No. 3160 dated September 3, 2014	<u>150,233.14</u>
Total Amount Due Upon Receipt	<u>\$450,300.53</u>

Please Wire To:
Bank of America
3 South King Street
Leesburg, VA 20175-2903
ABA Routing No.: 021000322
CDG Group, LLC Account No. 483044568109



November 4, 2014

Nelson Education Ltd.
1120 Birchmount Road
Scarborough, ON
M1K 5G4
Canada

Attention: Mr. Greg Nordal -- Chief Executive Officer of Nelson Education

Copy to: Mr. Michael Andrews -- Chief Financial Officer of Nelson Education
Mr. Les Vowell of Royal Bank of Canada
Andrew Tenzer, Esq. of Paul Hastings LLP

Invoice No. 3188

EIN: 13-3994318

Fee for professional services to be rendered for the period of November 1, 2014 through November 30, 2014 and out-of-pocket expenses incurred through September 30, 2014 in connection with Paul Hastings LLP's representation of Royal Bank of Canada, as administrative agent and collateral agent under the Second Lien Credit Agreement, dated as of July 5, 2007 with Nelson Education Ltd. in accordance with the engagement letter dated March 10, 2014 between Paul Hastings LLP and CDG Group, LLC

Fee (11/1/14 to 11/30/14)	\$150,000.00
Out-of-pocket expenses through 9/30/14	
Air transportation	894.57
Ground transportation	384.36
Conference calls	<u>76.59</u>
Total out-of-pocket expenses	<u>1,355.52</u>
Total Amount Due for Invoice No. 3188	\$151,355.52
Outstanding Invoice No. 3144 dated 7/30/14	150,067.39
Outstanding Invoice No. 3160 dated 9/3/14	150,233.14
Outstanding Invoice No. 3176 dated 10/3/14	<u>150,000.00</u>
Total Amount Due Upon Receipt	<u>\$601,656.05</u>

Please Wire To:
Bank of America
3 South King Street
Leesburg, VA 20175-2903
ABA Routing No.: 021000322
CDG Group, LLC Account No. 483044568109

11/5/2014

Nelson Education Ltd.
Expense Summary - CDG Group, LLC
Through September 30, 2014

<u>Name</u>	<u>Meals</u>	<u>Lodging</u>	<u>Ground Transportation</u>	<u>Airfare</u>	<u>Telephone</u>	<u>Other</u>	<u>Total</u>
J. Miller (trip to Canada)	0.00	0.00	384.36	894.57	0.00	0.00	1,278.93
Conference calls	0.00	0.00	0.00	0.00	76.59	0.00	76.59
Total	<u>0.00</u>	<u>0.00</u>	<u>384.36</u>	<u>894.57</u>	<u>76.59</u>	<u>0.00</u>	<u>1,355.52</u>



December 3, 2014

Nelson Education Ltd.
1120 Birchmount Road
Scarborough, ON
M1K 5G4
Canada

Attention: Mr. Greg Nordal – Chief Executive Officer of Nelson Education

Copy to: Mr. Michael Andrews – Chief Financial Officer of Nelson Education
Mr. Les Vowell of Royal Bank of Canada
Andrew Tenzer, Esq. of Paul Hastings LLP

Invoice No. 3205

EIN: 13-3994318

Fee for professional services to be rendered for the period of December 1, 2014 through December 31, 2014 and out-of-pocket expenses incurred through October 31, 2014 in connection with Paul Hastings LLP's representation of Royal Bank of Canada, as administrative agent and collateral agent under the Second Lien Credit Agreement, dated as of July 5, 2007 with Nelson Education Ltd. in accordance with the engagement letter dated March 10, 2014 between Paul Hastings LLP and CDG Group, LLC

Fee (12/1/14 to 12/31/14)	\$150,000.00
Out-of-pocket expenses through 10/31/14	
Conference calls	<u>7.99</u>
Total Amount Due for Invoice No. 3205	\$150,007.99
Outstanding Invoice No. 3144 dated 7/30/14	150,067.39
Outstanding Invoice No. 3160 dated 9/3/14	150,233.14
Outstanding Invoice No. 3176 dated 10/3/14	150,000.00
Outstanding Invoice No. 3188 dated 11/4/14	<u>151,355.52</u>
Total Amount Due Upon Receipt	<u>\$751,664.04</u>

Please Wire To:
Bank of America
3 South King Street
Leesburg, VA 20175-2903
ABA Routing No.: 021000322
CDG Group, LLC Account No. 483044568109



Thornton Grout Finnigan LLP

Schedule "B"

Agency General Notification



RBC Capital Markets®

ROYAL BANK OF CANADA
P.O. BOX 50
ROYAL BANK PLAZA
TORONTO, ONTARIO M5J 2W7

TEL: 416-842-2000

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CUSIP 64036EAA1

ROYAL BANK OF CANADA
20 KING STREET WEST, 4TH FLOOR
TORONTO, ON
M5H 1C4
CANADA
416-955-6678
4169556720
Attn: STEPHEN CLEMENT - A0000123

23 JAN, 2015

Facility Information:

Borrower	NELSON EDUCATION LTD.
Facility	TERM FACILITY 2ND LIEN

Transaction Information:

Effective Date	Transaction Description	Total Amount	Your Share
23JAN2015	FEE BILLED	USD 450,000.00	USD 373,638.60

Payment Instructions:

Payment remittance instructions for USD 373,638.60

JPMorgan Chase Bank, New York, NY
ABA 021-000021
ROYAL BANK OF CANADA, NEW YORK
Swift Code: ROYCUS3X
A/C 920-1033363
For further credit to A/C 293-782-9 Transit 1269
RBCCM AGENCY SERVICES, NEW YORK
THREE WORLD FINANCIAL CENTER
200 VESEY STREET,
NEW YORK, NY 10281-8098.
Ref: Nelson Education

If you have any questions please contact:
Sherry Zheng
at
Tel: (416) 842-4036
Fax:
Email: sherry.zheng@rbccm.com
Royal Bank of Canada as Administrative Agent

CDG

January 21, 2015

Royal Bank of Canada
Three World Financial Center
200 Vesey St., 12th Floor
New York, NY 10281-8098

Attention: Mr. Les Vowell

Copy to: Andrew Tenzer, Esq. of Paul Hastings LLP

Invoice No. 3205

FEIN: 13-3994318

Fee for professional services rendered in connection with Paul Hastings LLP's representation of Royal Bank of Canada, as administrative agent and collateral agent under the Second Lien Credit Agreement, dated as of July 5, 2007 with Nelson Education Ltd. in accordance with the engagement letter dated March 10, 2014 between Paul Hastings LLP and CDG Group, LLC

Total Amount Due Upon Receipt

\$450,000.00

Please Wire To:
Bank of America
3 South King Street
Leesburg, VA 20175-2903
ABA Routing No.: 021000322
CDG Group, LLC Account No. 483044568109

Agency General Notification



RBC Capital Markets®

ROYAL BANK OF CANADA
P.O. BOX 50
ROYAL BANK PLAZA
TORONTO, ONTARIO M5J 2W7

TEL: 416-842-2000

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CUSIP 64036EAA1

23 JAN, 2015

Facility Information:

Borrower NELSON EDUCATION LTD.
Facility TERM FACILITY 2ND LIEN

Transaction Information:

Effective Date	Transaction Description	Total Amount	Your Share
23JAN2015	FEE BILLED	USD 450,000.00	USD 49,928.61

Payment Instructions:

Payment remittance instructions for USD 49,928.61

JPMorgan Chase Bank, New York, NY
ABA 021-000021
ROYAL BANK OF CANADA, NEW YORK
Swift Code: ROYCUS3X
A/C 920-1033363
For further credit to A/C 293-782-9 Transit 1269
RBCCM AGENCY SERVICES, NEW YORK
THREE WORLD FINANCIAL CENTER
200 VESEY STREET,
NEW YORK, NY 10281-8098.
Ref: Nelson Education

If you have any questions please contact
Sherry Zheng
at
Tel: (416) 842-4036
Fax:
Email: sherry.zheng@rbccm.com
Royal Bank of Canada as Administrative Agent

CDG

January 21, 2015

Royal Bank of Canada
Three World Financial Center
200 Vesey St., 12th Floor
New York, NY 10281-8098

Attention: Mr. Les Vowell

Copy to: Andrew Tenzer, Esq. of Paul Hastings LLP

Invoice No. 3205

FEIN: 13-3994318

Fee for professional services rendered in connection with Paul Hastings LLP's representation of Royal Bank of Canada, as administrative agent and collateral agent under the Second Lien Credit Agreement, dated as of July 5, 2007 with Nelson Education Ltd. in accordance with the engagement letter dated March 10, 2014 between Paul Hastings LLP and CDG Group, LLC.

Total Amount Due Upon Receipt

\$450,000.00

Please Wire To:
Bank of America
3 South King Street
Leesburg, VA 20175-2903
ABA Routing No.: 021000322
CDG Group, LLC Account No. 483044568109

Agency General Notification



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TORONTO, ONTARIO M5J 2W7

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CUSIP 64036EAA1

23 JAN, 2015

Facility Information:

Borrower	NELSON EDUCATION LTD.
Facility	TERM FACILITY 2ND LIEN

Transaction Information:

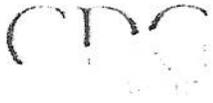
Effective Date	Transaction Description	Total Amount	Your Share
23JAN2015	FEE BILLED	USD 450,000.00	USD 2,936.98

Payment Instructions:

Payment remittance instructions for USD 2,936.98

JPMorgan Chase Bank, New York, NY
ABA 021-000021
ROYAL BANK OF CANADA, NEW YORK
Swift Code: ROYCUS3X
A/C 920-1033363
For further credit to A/C 293-782-9 Transit 1269
RBCCM AGENCY SERVICES, NEW YORK
THREE WORLD FINANCIAL CENTER
200 VESEY STREET,
NEW YORK, NY 10281-8098.
Ref: Nelson Education

If you have any questions please contact:
Sherry Zheng
at
Tel: (416) 842-4036
Fax:
Email: sherry.zheng@rbccm.com
Royal Bank of Canada as Administrative Agent



January 21, 2015

Royal Bank of Canada
Three World Financial Center
200 Vesey St., 12th Floor
New York, NY 10281-8098

Attention: Mr. Les Vowell

Copy to: Andrew Tenzer, Esq. of Paul Hastings LLP

Invoice No. 3205

FEIN: 13-3994318

Fee for professional services rendered in connection with Paul Hastings LLP's representation of Royal Bank of Canada, as administrative agent and collateral agent under the Second Lien Credit Agreement, dated as of July 5, 2007 with Nelson Education Ltd. in accordance with the engagement letter dated March 10, 2014 between Paul Hastings LLP and CDG Group, LLC

Total Amount Due Upon Receipt

\$450,000.00

Please Wire To:
Bank of America
3 South King Street
Leesburg, VA 20175-2903
ABA Routing No.: 021000322
CDG Group, LLC Account No. 483044568109

Agency General Notification



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TORONTO, ONTARIO M5J 2W7

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CUSIP 64036EAA1

23 JAN, 2015

Facility Information:

Borrower NELSON EDUCATION LTD.
Facility TERM FACILITY 2ND LIEN

Transaction Information:

Effective Date	Transaction Description	Total Amount	Your Share
23JAN2015	FEE BILLED	USD 450,000.00	USD 2,936.98

Payment Instructions:

Payment remittance instructions for USD 2,936.98

JPMorgan Chase Bank, New York, NY
ABA 021-000021
ROYAL BANK OF CANADA, NEW YORK
Swift Code: ROYCUS3X
A/C 920-1033363
For further credit to A/C 293-782-9 Transit 1269
RBCCM AGENCY SERVICES, NEW YORK
THREE WORLD FINANCIAL CENTER
200 VESEY STREET,
NEW YORK, NY 10281-8098.
Ref: Nelson Education

If you have any questions please contact:
Sherry Zheng
at
Tel: (416) 842-4036
Fax
Email: sherry.zheng@rbccm.com
Royal Bank of Canada as Administrative Agent



January 21, 2015

Royal Bank of Canada
Three World Financial Center
200 Vesey St., 12th Floor
New York, NY 10281-8098

Attention: Mr. Les Vowell

Copy to: Andrew Tenzer, Esq. of Paul Hastings LLP

Invoice No. 3205

FEIN: 13-3994318

Fee for professional services rendered in connection with Paul Hastings LLP's representation of Royal Bank of Canada, as administrative agent and collateral agent under the Second Lien Credit Agreement, dated as of July 5, 2007 with Nelson Education Ltd. in accordance with the engagement letter dated March 10, 2014 between Paul Hastings LLP and CDG Group, LLC

Total Amount Due Upon Receipt

\$150,000.00

Please Wire To:
Bank of America
3 South King Street
Leesburg, VA 20175-2903
ABA Routing No.: 021000322
CDG Group, LLC Account No. 483041568109

Agency General Notification



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P.O. BOX 50
ROYAL BANK PLAZA
TORONTO, ONTARIO M5J 2W7

TEL: 416-842-2000

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CUSIP 64036EAA1

23 JAN, 2015

Facility Information:

Borrower

NELSON EDUCATION LTD.

Facility

TERM FACILITY 2ND LIEN

Transaction Information:

Effective Date	Transaction Description	Total Amount	Your Share
23JAN2015	FEE BILLED	USD 450,000.00	USD 20,558.84

Payment Instructions:

Payment remittance instructions for USD 20,558.84

JPMorgan Chase Bank, New York, NY
ABA 021-000021
ROYAL BANK OF CANADA, NEW YORK
Swift Code: ROYCUS3X
A/C 920-1033363
For further credit to A/C 293-782-9 Transit 1269
RBCCM AGENCY SERVICES, NEW YORK
THREE WORLD FINANCIAL CENTER
200 VESEY STREET,
NEW YORK, NY 10281-8098.
Ref: Nelson Education

If you have any questions please contact:

Sherry Zheng

at

Tel: (416) 842-4036

Fax:

Email: sherry.zheng@rbccm.com

Royal Bank of Canada as Administrative Agent



January 21, 2015

Royal Bank of Canada
Three World Financial Center
200 Vesey St., 12th Floor
New York, NY 10281-8098

Attention: Mr. Les Vowell

Copy to: Andrew Tenzer, Esq. of Paul Hastings LLP

Invoice No. 3205

FEIN: 13-3994318

Fee for professional services rendered in connection with Paul Hastings LLP's representation of Royal Bank of Canada, as administrative agent and collateral agent under the Second Lien Credit Agreement, dated as of July 5, 2007 with Nelson Education Ltd. in accordance with the engagement letter dated March 10, 2014 between Paul Hastings LLP and CDG Group, LLC

Total Amount Due Upon Receipt

\$450,000.00

Please Wire To:
Bank of America
3 South King Street
Leesburg, VA 20175-2903
ABA Routing No.: 021000322
CDG Group, LLC Account No. 483044568109

EXHIBIT “D”

-----Original Message-----

From: Nordal, Greg (Nelson CAN) [<mailto:greg.nordal@nelson.com>]
Sent: 2014, November, 07 2:40 PM
To: Vowell, Les
Subject: RE: 2nd lien agent fees

Hi Les. Sorry for the delay in getting back to you, but I wanted to check in with our counsel, given my understanding is they are also responding to your legal representatives on the same query.

The answer to your question is we are restricted on the matter you raise due to the terms of our support agreement with the Lien 1 group. I am not in a position to give you an affirmative response. Our legal counsel will elaborate in their reply to your representatives.

Obviously these are interesting time for Nelson and I look forward to the day when our current challenges are behind us.

Greg Nordal
President & CEO

Nelson Education Ltd.
1120 Birchmount Rd
Toronto, ON M1K 5G4
Ph: 416-750-6650
Email: greg.nordal@nelson.com

Canada's Learning Advantage

-----Original Message-----

From: Vowell, Les [<mailto:Les.Vowell@rbccm.com>]
Sent: Tuesday, November 04, 2014 2:09 PM
To: Nordal, Greg (Nelson CAN)
Subject: 2nd lien agent fees

Greg,

I need to know if Nelson Education will be paying its agency fees and 2nd lien advisory fees.

Les

Leslie P. Vowell

Royal Bank of Canada
3 World Financial Center
200 Vesey Street
New York, NY
10281

212-428-6607
les.vowell@rbccm.com

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EXHIBIT “E”

PAUL
HASTINGS

1(212) 318-6099
andrewtenzer@paulhastings.com

October 31, 2014

Mr. Robert Chadwick
Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, OH M5H 2S7

Re: Nelson Education Ltd.

Dear Rob:

Two weeks ago (and not for the first time) we expressed our skepticism about Nelson's willingness to negotiate in good faith with the Second Lien Lenders given that Nelson would not pay their advisors, even though Nelson is staying current with all of its other payables. We provided you with the amount of outstanding fees and received no response. This is distressing given that Nelson is both selectively prejudicing the Second Lien Lenders and incurring obligations to other creditors (including the First Lien Lenders) while apparently insolvent. Accordingly, we will consider the Confidentiality Agreement and engage in negotiations towards finalizing a Second Lien Lender recovery once the payment of fees has been resolved.

Sincerely,



Andrew V. Tenzer
U.S. Counsel to the Second Lien Agent

cc: - Les Vowell, RBC
D.J. Miller, Thornton Grout Finnigan LLP
Jonathan Miller, CDG Group

November 17, 2014

Via Email

Andrew V. Tenzer
Paul Hastings LLP
75 East 55th Street
New York, NY 10022

Re: Nelson Education Ltd. (“Nelson” or the “Company”)

Dear Sirs,

In response to your letter dated October 31, 2014, pursuant to the Support Agreement dated as of September 10, 2014 among Nelson, Nelson Education Holdings Ltd., the First Lien Agent, and the First Lien Lenders party thereto, Nelson is restricted from making any payments in connection with the Second Lien Credit Agreement, including any payment for fees, costs or expenses to any legal, financial or other advisor to the Second Lien Agent without the consent of the Majority Initial Consenting First Lien Lenders. We have to date not received such consent. We expect that matters relating to your client’s outstanding advisor fees would be addressed as part of an overall solution.

We would request that you reconsider executing the form of a confidentiality agreement we previously provided to you.

We continue to remain available to discuss and address outstanding matters with you and your client to achieve a resolution to protect the interests of the Company and its stakeholders.

Yours very truly,

Goodmans LLP



Robert J. Chadwick

cc: D.J. Miller, Thornton Grout Finnigan LLP
Jonathan Miller, CDG Group
Les Vowell, RBC
Dean Mullet, Alvarez & Marsal
Caroline Descours, Goodmans I.L.P

6389407

PAUL HASTINGS

1(212) 318-6099
andrewtenzer@paulhastings.com

November 18, 2014

VIA EMAIL

Mr. Robert J. Chadwick
Goodman's LLP
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Re: Nelson Education Ltd.

Dear Rob:

I am writing in response to your letter of November 17, 2014.

It is unfortunate that we continue to exchange letters arising from the coordinated efforts of Nelson and the First Lien Lenders to deprive the Second Lien Lenders of any meaningful role in Nelson's restructuring. The Company's request for a confidentiality agreement is a prime example. Section 10.08 of the Second Lien Credit Agreement requires the Second Lien Agent and Second Lien Lenders to maintain the confidentiality of all "Information" provided by the Company, subject to customary carve outs. If the Company genuinely wanted to include the Second Lien Lenders in its purported sale and restructuring efforts, the Company would simply need to designate any information it seeks to provide as "confidential." Asking the Second Lien Agent to enter an unnecessary confidentiality agreement is not a step that the Company would take were it genuinely interested in negotiating with its second largest creditor.

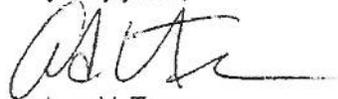
Your reference to the Support Agreement also rings hollow. The Company, when it was likely insolvent, willingly entered into that coercive document to pay exorbitant and unnecessary fees to the First Lien Lenders while excluding the Second Lien Lenders and their advisors from any negotiations. The Company holds substantial cash and is attempting to remain current with all of its creditors except for the Second Lien Lenders. The Second Lien Agent remains willing to engage, but from an informational and financial standpoint, the Company has inexplicably elected to shut the Second Lien Lenders out of its sales and restructuring process.

PAUL
HASTINGS

Robert J. Chadwick
November 18, 2014
Page 2

All of the rights and remedies of the Second Lien Agent and Second Lien Lenders are reserved.

Very truly yours,



Andrew V. Tenzer
of PAUL HASTINGS LLP

AVT:pmc

cc: Les Vowell, RBC
D.J. Miller, Thornton Grout Finnigan LLP
Jonathan Miller, CDG Group

EXHIBIT “F”

EXHIBIT "F"

Nelson Education - 2nd Lien Outstanding Interest						
LIBOR Interest						
Accrue From	Accrue To	Period Days	Accruing Balance	Accruing Rate	Daily Accrual Amount	Period Accrued
31-Dec-13	02-Jan-14	2	153,218,764.07	6.2466	26,586.01	53,172.01
02-Jan-14	31-Mar-14	88	153,218,764.07	6.2466	26,586.01	2,339,568.82
31-Mar-14	10-Apr-14	10	153,218,764.07	6.2336	26,530.68	265,306.80
10-Apr-14	30-Jun-14	81	153,218,764.07	6.2336	26,530.68	2,148,985.09
						4,807,032.72
					<i>Less partial interest payment from April 10, 2014:</i>	<i>350,000.00</i>
						4,457,032.72
USD Prime Interest¹						
Accrue From	Accrue To	Period Days	Accruing Balance	Accruing Rate	Daily Accrual Amount	Period Accrued
30-Jun-14	11-May-15	315	153,218,764.07	8.25	34,631.64	10,908,966.11
						10,908,966.11
Total outstanding Interest as at the Filing Date						U.S.\$15,365,998.83

1. The interest rate being used is based upon the non-default rate of interest under the Second Lien Credit Agreement.

EXHIBIT “G”

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 EDUCATION LTD.
AND NELSON EDUCATION HOLDINGS LTD. (collectively, the "APPLICANTS")

Court File No.: CV15-10961-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

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(SWORN ON JULY 13, 2015)

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

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MOTION RECORD
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