

Northern Financial reports on Application by IIROC staff for Expedited Hearing to require notice to clients of Northern Securities pending restrictions resulting from termination of the carrying broker agreement with Penson Financial

TORONTO, Dec. 11, 2012 /CNW/ - Northern Financial Corporation (TSX-V: NFC) ("**Northern Financial**" or the "**Company**") announced that its wholly-owned subsidiary, Northern Securities Inc. ("**NSI**") has been notified of an application ("Application") to be made by IIROC Staff to a Hearing Panel in an Expedited Hearing to be held on December 12, 2012.

Further to its press releases dated November 14 and November 26, NSI continues to seek alternative arrangements in order to replace Penson Financial Services Canada ("Penson") as NSI's carrying broker. NSI has been in active discussions with a number of other carrying brokers and self-clearing firms that could provide NSI with clearing, settlement, and custodian services. Penson has publicly stated that it proposes to terminate its main business operations as of December 31, 2012.

The Application requests that, as a condition of NSI's continued membership, NSI provide written notice to its clients by December 17 that as of December 31, 2012 (unless extended by Penson Financial) NSI's client accounts will be restricted to sales or transfer-outs, that clients have the right to transfer their accounts to another dealer-member, and that clients notify Penson of any transfer no later December 31 to avoid the application of these restrictions.

NSI confirmed to its counsel that it is in fact sending out such a letter to clients and its counsel informed IIROC of the proposed mailing. On December 10, NSI authorized the mailing of the client letter to its clients through Penson Financial, its carrying broker. In addition, although not required by IIROC, NSI has posted the letter on its website.

The Application also requests that, if NSI has not secured a new carrying broker arrangement or other proposed arrangement, NSI be suspended. NSI continues to act cooperatively with Penson to secure an alternative arrangement that is satisfactory to Penson and IIROC. If an alternative arrangement is secured, NSI will seek an extension of the December 31 termination date in order for the alternative arrangement to be implemented.

About Northern Financial Corporation

Northern Financial Corporation wholly owns Northern Securities Inc., a full service investment dealer that provides financial advisory services to retail and institutional clients and investment banking services to small capitalization companies.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release. This press release may contain forward-looking statements with respect to the Company, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of the Company discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risk Factors" in the Management's Discussion and Analysis and Filing Statement of the Company which are available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to the Company and persons acting on their behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the Company has no obligation to update such statements.

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