

IIROC and Northern Securities Obtain Consent Order from Hearing Panel on Expedited Hearing on Application Brought by IIROC Staff

TORONTO, Dec. 14, 2012 /CNW/ - Northern Financial Corporation (TSX-V: NFC) ("**Northern Financial**" or the "**Company**") announced that IIROC and its wholly-owned subsidiary, Northern Securities Inc. ("**NSI**") obtained an order today, as agreed upon by IIROC and NSI, from a Hearing Panel ("Order") on the application brought by IIROC staff.

NSI has not been able to obtain an alternative carrying broker or other alternative arrangement to replace Penson Financial Services Canada ("Penson") which has announced its decision to terminate its carrying broker business as of December 31, 2012.

The Order provides that NSI must have a fully signed agreement by December 31, 2012 with one or more Dealer Members to assign its client accounts, by bulk transfer, that would result in the transfer of all of NSI's client accounts from Penson by January 15, 2013. If NSI does not have a fully signed agreement by December 31, 2012, NSI agrees to immediately assign all of its client accounts to Penson.

As of the close of business on December 31, 2012, as a condition of its continuing approval and membership in IIROC, NSI must limit its activities to mergers and acquisitions, corporate finance and research, and cease any sales and advisory activity for retail or institutional accounts. However, NSI may seek approval from IIROC for any other registrable activities and is required to seek approval for any change in business.

The Order also provides that NSI must provide notice, in a manner and form satisfactory to IIROC Staff, of the foregoing matters to its clients by December 17 and in particular to notify clients that: (1) as of December 31, 2012 all client accounts will be restricted to liquidating trades and transfer-outs as a result of the termination of the Introducing Broker/Carrying Broker Agreement between NSI and Penson; (2) clients have the right to transfer their accounts to another Dealer-Member immediately to avoid the application of the restrictions to their accounts; and (3) clients must instruct their new Dealer Member to notify Penson of any transfer as soon as possible and by no later December 31 to avoid the application of the restrictions to their accounts.

About Northern Financial Corporation

Northern Financial Corporation wholly owns Northern Securities Inc., a dealer member of IIROC that provides 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.

SOURCE: Northern Financial Corporation

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