



NORTHERN FINANCIAL REPORTS ON IIROC DECISION NOT TO RE-HEAR THE ALLEGED DEFICIENCIES MATTER

TORONTO, ONTARIO, February 14, 2014 – Northern Financial Corporation (TSX-V: NFC) (“**Northern Financial**” or the “**Company**”) today announced that IIROC has decided not to pursue a re-hearing of alleged deficiencies in certain compliance reviews of Northern Securities Inc. (“NSI”).

In its decision dated December 19, 2013 (the “OSC Decision”) the Ontario Securities Commission (the “OSC”) on a hearing and review of the IIROC Panel decision (the “IIROC Decision”) set aside the IIROC Decision that NSI, Vic Alboini, Chairman and CEO and Frederick Vance, former Chief Compliance Officer repeatedly failed to correct deficiencies in certain compliance reviews. The OSC decided that the IIROC Panel made an error in law in concluding that it could overturn an IIROC Staff decision or interpretation only if the interpretation was unreasonable, arbitrary, contrary to law or beyond its jurisdiction. The OSC stated that “no deference was owed by the IIROC Panel to the decisions and interpretations of IIROC Staff.”

The OSC referred the alleged deficiencies matter back to IIROC to determine whether it wished to re-hear the matter before a new IIROC Panel. Today IIROC decided not to pursue a re-hearing of the alleged deficiencies matter. Accordingly, as provided for in the OSC Decision the alleged deficiencies matter has been dismissed.

In its OSC decision the OSC also stated that the IIROC Panel made an error in law in not providing reasons on the merits of the IIROC Decision prior to the IIROC Panel’s sanctions and costs hearing. As a result, the OSC set aside the IIROC Panel’s sanctions and costs imposed on NSI, Vic Alboini, Frederick Vance and Doug Chornoboy. The OSC will be holding a hearing *de novo* on sanctions and costs in June 2014.

About Northern Financial Corporation

Northern Financial Corporation is a financial advisory firm and merchant bank, with a specialization in mergers and acquisitions, merchant banking investments, risk arbitrage merger and acquisition investments, financial restructurings, proxy solicitation and information agent services.

FOR FURTHER INFORMATION PLEASE CONTACT:

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