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November 10, 2016

**To: All Known Creditors of Talon International Inc. and TFB Inc. (together the “Nominees”)**

Pursuant to the Order of the Honourable Mr. Justice Hainey (the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted November 1, 2016, (the “**Date of Receivership**”), FTI Consulting Canada Inc. was appointed as receiver (the “**Receiver**”) without security, of certain assets, undertakings, and properties of Talon International Inc., TFB Inc., Midland Development Inc., 1456253 Ontario Inc., 2025401 Ontario Limited, Barrel Tower Holdings Inc., Harvester Developments Inc., Talon International Development Inc., 2263847 Ontario Limited, and 2270039 Ontario Limited (collectively, the “**Respondents**”) acquired for, or used in relation to the condominium residence and hotel branded as the Trump International Hotel & Tower (the “**Property**”) located at 311 and 325 Bay Street, Toronto, Ontario, Canada (the “**Trump Tower Toronto**”). The proceedings were commenced by way of application under section 101 of the *Courts of Justice Act, R.S.O. 1990, c. C.43*, as amended, and section 243 of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, as amended, and shall be referred to herein as the “**Receivership**”).

A copy of the Receivership Order and other materials filed in respect of the Receivership are available at the Receiver’s website <http://cfcanada.fticonsulting.com/talon>

The Receiver’s role in this case is limited to the marketing and sale of the Property and, in accordance with the provisions of the Receivership Order, the Receiver has not taken possession or control of the Property. Furthermore, the Receiver has no responsibility for the operations of the Property. Business operations of the Property are unaffected by the Receivership Order and will continue in the normal course, including payment for goods and services provided in respect of the business.

The Receiver will shortly be seeking Court approval of a process for the marketing and sale of the Property (the “**Sale Process**”). The secured lender has informed the Receiver that it is prepared to own the Property if no other bidder is prepared to offer an amount in excess of the senior indebtedness and intends to submit an offer in the Sale Process.

Periodic updates on the progress of the receivership will be posted on the Receiver’s website. The Receiver may be contacted by email at [talon@fticonsulting.com](mailto:talon@fticonsulting.com) or by phone at either 1-(855)-398-7390 or 1-(416)-649-8043.

Enclosed is a copy of the Receiver’s Notice and Statement provided in accordance with Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*.

A handwritten signature in blue ink, appearing to read "N. Blue".

FTI Consulting Canada Inc.  
In its capacity as Receiver of certain assets of  
Talon International Inc., Midland Development Inc.,  
1456253 Ontario Inc., 2025401 Ontario Limited,  
Barrel Tower Holdings Inc., Harvester Developments Inc.,  
Talon International Development Inc., TFB Inc., 2263847  
Ontario Limited and 2270039 Ontario Limited  
and not in its personal or corporate capacity



## FORM 87

### NOTICE AND STATEMENT OF THE RECEIVER

(Subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)

#### IN THE MATTER OF THE RECEIVERSHIP OF

**Certain assets, undertakings, and properties of Talon International Inc. ("Talon"), Midland Development Inc., 1456253 Ontario Inc., 2025401 Ontario Limited, Barrel Tower Holdings Inc., Harvester Development Inc., Talon International Development Inc., TFB Inc. ("TFB" and together with Talon, the "Nominees"), 2263847 Ontario Limited and 2270039 Ontario Limited (collectively, the "Debtors") acquired for or used in relation to the condominium residence and hotel branded as the Trump International Hotel & Tower and Trump Residences (together the "Property") located at 311 and 325 Bay Street, Toronto, Ontario, Canada.**

The Receiver gives notice and declares that:

1. On the 1<sup>st</sup> day of November, 2016 (the "**Receivership Date**"), the undersigned, FTI Consulting Canada Inc. became the Receiver without security in respect of the Property. The book value of the Property as shown on the books and records of the Nominees is as follows:

Fixed Assets	\$350,659,378
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**Note:** The foregoing are the assets and book value as stated in the unaudited financial statements of Talon International Inc., as at September 30, 2016. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy of the foregoing. The Receiver provides no comment on the realizable value of the assets.

2. The undersigned was appointed Receiver pursuant to the Order of the Honourable Mr. Justice Hainey (the "**Receivership Order**") of the Ontario Superior Court of Justice Commercial List (the "**Court**") granted November 1, 2016, pursuant to section 101 of the *Courts of Justice Act, R.S.O. 1990, c. C.43*, as amended, and section 243 of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, as amended. A copy of the Receivership Order can be found on the Receiver's website at <http://cfcanada.fticonsulting.com/talon>.

3. Pursuant to the provisions of the Receivership Order, the undersigned did not take control or possession of the Property.

4. The following information relates to the receivership.

- a. Address of the Nominees: 325 Bay Street  
Toronto, Ontario  
M5H 4G3
- b. Principal line of business: Hotel and Residential Property Development
- c. Location (s) of business: 325 Bay Street  
Toronto, Ontario  
M5H 4G3  
  
311 Bay Street  
Toronto, Ontario  
M5H 4G3

d. Amount owed to each creditor who holds a security on the Property:

JCF Capital ULC	Approx. \$301,021,425 <sup>[1]</sup>
Midland Resources Holding Limited	Approx. \$24,259,764
D.E. Multi-Finance Limited	Unknown
MMI Investments Inc.	Unknown
JE Fininvest Ltd.	Unknown
1898191 Ontario Limited	Unknown
Royal Bank of Canada	Approx. \$2,896
National Leasing Group	Unknown

**Notes:**

[1] As at September 29, 2016

e. The list of other creditors of the Nominees and the amount owed to each creditor and the total amount owed by the Nominees is attached hereto as Schedule "A".

- f. The intended plan of action of the Receiver during the Receivership is to seek court approval of and implement a process for the marketing and sale of the Property.
- g. Contact person for the Receiver:

FTI Consulting Canada Inc., Receiver re: Talon et al  
TD South Tower  
79 Wellington Street West  
Suite 2010, P.O. Box 104  
Toronto, ON  
M5K 1G8

Telephone: 1- (416) 649-8043 or 1-(855)-398-7390  
Email: [talon@fticonsulting.com](mailto:talon@fticonsulting.com)

Dated at the city of Toronto in the province of Ontario this 10<sup>th</sup> day of November, 2016.

FTI Consulting Canada Inc.  
In its capacity as Receiver of certain assets of  
Talon International Inc., Midland Development Inc.,  
1456253 Ontario Inc., 2025401 Ontario Limited,  
Barrel Tower Holdings Inc., Harvester Developments Inc.,  
Talon International Development Inc., TFB Inc., 2263847  
Ontario Limited and 2270039 Ontario Limited  
And not in its personal or corporate capacity



Nigel Meakin, CIRP LIT  
Senior Managing Director

**Talon International Inc. et al**  
**Unsecured Creditors Listing as at November 8, 2016**  
**CAD**

Schedule A

<b>Name of Creditor</b>	<b>Amount</b>
ABACO GLASS INC.	\$ 310.75
AWC Marketing	\$ 4,597.42
B&S Delivery LTD	\$ 272.20
BCB Canada	\$ 52.42
BCB Canada	\$ 51.42
BDO Canada LLP	\$ 17,695.96
Bell Canada	\$ 98.61
Bennett Jones LLP	\$ 4,281.91
Canada Revenue Agency	\$ 7,314.82
Canada Revenue Agency	\$ 2,230.36
CH2M HILL	\$ 23,870.04
City of Toronto	\$ 7,704.27
Condo Corp - TSCC# 2267	\$ 8,905,554.54
Condo Corp - TSCC# 2267	\$ 689,866.35
Condo Corp-Residence-TSCC#2279	\$ 1,347,820.08
Darwin Barney	\$ 27,539.11
DLK CONSTRUCTION LTD	\$ 565.00
Firmex Canada Inc.	\$ 5,413.27
FLOORTEX COATINGS INC.	\$ 4,746.00
Goodmans LLP	\$ 33,036.69
Great West Life	\$ 1,322.18
Great West Life-RSP	\$ 253.84
Guest-Tek Interactive Entertainment Ltd.	\$ 7,068.89
Hagit Genossar Professional Corporation	\$ 14,167.38
Harris Sheaffer LLP	\$ 15.70
Hotel Hospitality Management Ltd.	\$ 60,870.90
Hotel Hospitatlity Management Ltd.	\$ 21,683.40
Inflight Direct	\$ 131.52
Intech Risk Management Inc.	\$ 508.50
Jason Tao	\$ 3,330.68
Jasper Construc. - 688210 Ontario Limited	\$ 4,574.24
Jose Bautista	\$ 15,000.00
Klaus Multiparking Inc.	\$ 7,119.00
MC Janitorial Systems	\$ 7,070.98
Melvin Upton	\$ 20,000.00
Ministry of Finance	\$ 517.18
MNP LLP	\$ 2,260.00
MNP LLP	\$ 41,810.00
Nimbus Water Systems Inc.	\$ 497.16
Northbridge General Insurance Company	\$ 101,599.00
Northern Valet	\$ 29,488.23
Raiffeisen Bank International AG	\$ 120.00
Raouf Riad	\$ 3,025.00
REILLY LOCK & SECURITY SYSTEMS LTD.	\$ 433.36
ROANDRUNNER	\$ 84.14
Rogers	\$ 27,732.20
Royal Bank Visa	\$ 2,895.43
Sage Real Estate Ltd	\$ 500.00
Scott Feldman	\$ 15,000.00
Staples	\$ 650.54
Superior Pool, Spa, & Leisure LTD.	\$ 1,577.03
Symon Zucker Professional Corp	\$ 116,011.02
Sysco	\$ 214.80
Thomas Gold Pettingill LLP	\$ 13,725.56
Torkin Manes LLP	\$ 15,084.34
Toronto Hydro	\$ 5,987.72
Tourbillon Management Inc	\$ 3,955.00
Trump Toronto Hotel Management Corp. ( New York )	\$ 116,165.72
Unisource Canada Inc.	\$ 150.88
Unisource Canada Inc.	\$ 188.02
VP Protection Inc.	\$ 4,582.15
Xerox Canada	\$ 353.76
Zeidler Partnership	\$ 10,596.59