

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)

MONDAY, THE 14th DAY

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JUSTICE HAINEY)

OF NOVEMBER, 2016

BETWEEN:

JCF CAPITAL ULC

Applicant

and

**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**

Respondents

**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**

**ORDER
(Supplementing Appointment Order)**

THIS MOTION made by JCF Capital ULC (the “Secured Creditor”) for an Order supplementing the terms of the Order of Mr. Justice Hainey, dated November 1, 2016 (the “Appointment Order”), which, *inter alia* appointed FTI Consulting Canada Inc. as receiver (in

such capacity, the “Receiver”) without security, of certain of the assets, undertakings, properties and legal and beneficial ownership interests 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, was heard this day at 330 University Avenue, Toronto, Ontario.


ON HEARING the submissions and consent of counsel for the Secured Creditor, Northbridge General Insurance Corporation (formerly Lombard General Insurance Company of Canada) (“Northbridge”), the Receiver and the counsel on the counsel slip, attached, no one else appearing,

that, for greater certainty 

SUPPLEMENTS TO APPOINTMENT ORDER

1. **THIS COURT ORDERS** the defined term Property shall exclude the deposit monies received by Harris Sheaffer LLP from time to time from purchasers of Units and accrued interest thereon.

2. **THIS COURT ORDERS** that, notwithstanding Paragraph 10 of the Appointment Order, no trust funds or other funds subject to Trust Claims (as defined in Schedule A of the Appointment Order) shall be disbursed or distributed by Harris Sheaffer LLP, or any other trustee or bailee thereof, without the written consent of the Receiver and Northbridge or further Order of the Court.

3. **THIS COURT ORDERS** that all rights and remedies against Northbridge, in respect of which Northbridge has recourse to the funds subject to the Trust Claims (the “Northbridge Claims”), are hereby stayed and suspended and cannot be continued except with the written consent of the Receiver and Northbridge, or with leave of this Court, provided however, that any Person is able to commence a proceeding in respect of a Northbridge Claim, but once commenced, all such proceedings shall  subject to the stay in this paragraph.



GENERAL

4. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Hainey J.

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APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, C. C.43, AS AMENDED, Court File No: CV-16-11573-00CL
AND SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3 AS AMENDED

JCF CAPITAL ULC and Talon International Inc. et al.
Applicant Respondents

ONTARIO

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

Proceeding Commenced at Toronto

ORDER

(Supplementing Appointment Order)

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