



March 16, 2016

THE SERVICE LIST

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Dear Sirs/Mesdames:

**Re: JCF Capital ULC v. Talon International, Inc., et. al (collectively, the "Respondents") Court File No.: CV-16-11573 (the "Receivership Proceedings")**

**IMPORTANT – PLEASE READ CAREFULLY YOUR RIGHTS MAY BE AFFECTED**

We are counsel to FTI Consulting Canada Inc. in its capacity as court-appointed receiver (the "**Receiver**") of certain assets of the Respondents in the above noted Receivership Proceedings pursuant to an order of the Honourable Mr. Justice Hailey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on November 1, 2016, as amended and restated on December 20, 2016 (the "**Appointment Order**").

The Receiver has been granted the power to market and sell certain of the Respondents' Property (as defined in the Appointment Order), which includes certain assets, undertakings and properties of the Respondents that were acquired for or used in relation to the condominium residence and hotel branded as the Trump International Hotel & Tower located at 311 and 325 Bay Street, Toronto, Ontario, Canada.

*You are receiving this letter because the Receiver has identified you as a party whose rights may be affected by the Receiver's motion, described below.*

Sale Procedure

On January 4, 2017 the Court granted an order (the "**Sale Procedure Order**") which approved, among other things, the Sale Procedure (as defined therein) and authorized the Receiver to enter into an asset purchase agreement (the "**Stalking Horse Agreement**") with JCF Capital ULC as purchaser (the "**Purchaser**"). No qualified bids superior to the Purchaser's offer were received and the Receiver determined that the Stalking Horse Agreement was the Successful Bid (as defined in the Sale Procedure).

In accordance with the Sale Procedure Order and the Stalking Horse Agreement, the Receiver is bringing a motion (the "**March 30 Motion**") scheduled to be heard by the Court, located at 330 University Avenue, Toronto, Ontario on **March 30, 2017 at 10:00 am** seeking, among other things, an order:

1. approving the sale transaction contemplated by the Stalking Horse Agreement and vesting in the Purchaser the rights, title and interests the Respondents may have in



respect of the Property,<sup>1</sup> free and clear of all claims, including, claims under Unit Purchase and Sale Agreements that did not close; and

2. approving, among other things, the activities, fees and disbursements of the Receiver and its counsel and discharging and releasing the Receiver from any claims upon the completion of certain remaining activities.

A copy of the Receiver's motion record for the March 30 Motion (the "**Motion Record**") can be found and downloaded at <http://cfcanada.fticonsulting.com/talon/docs/Motion%20Record%20-%20Returnable%20March%2030,%202017.pdf>, additional materials related to the Receivership Proceedings can be found at the Receiver's website at: <http://cfcanada.fticonsulting.com/talon/>

The assets to be acquired under the Stalking Horse Agreement do not include any deposits being held in trust by Harris Schaeffer LLP in respect of Unit Purchase and Sale Agreements.

*You are encouraged to consult the Motion Record for additional details. This letter is merely a summary of the relief requested. The specific relief requested is set out in the draft orders included in the Motion Record.*

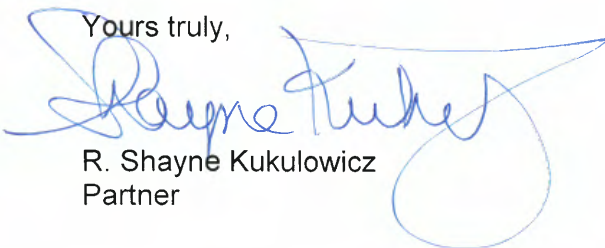
#### Service

On March 16, 2017 the Court approved an order (the "**Service Order**") permitting the service of materials in the Receivership Proceedings by letter. This letter constitutes service of the March 30 Motion on you pursuant to Paragraph 2 of the Service Order.

If you wish to receive a hardcopy of the Motion Record or wish to attend or oppose the March 30 Motion please contact the Receiver's counsel at:

**Monique Sassi**  
Email: [msassi@casselsbrock.com](mailto:msassi@casselsbrock.com)  
Tel: 1 (416).860.6886

Yours truly,



R. Shayne Kukulowicz  
Partner

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<sup>1</sup> Defined in the Stalking Horse Agreement as the Residence Purchased Assets, the Hotel Purchased Assets, the Purchased Accounts Receivable and the Purchased Closing Cash.