

9:30 A.M
COUNSEL SLIP

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COURT FILE NO CV-16-11573-00CL

DATE Nov. 14, 2016

NO ON LIST 3A

TITLE OF
PROCEEDING

JCF CAPITAL LLC

COUNSEL FOR:

PLAINTIFF(S)

APPLICANT(S)

PETITIONER(S)

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November 14/16.

My Endorsement is
attached.

Heinley J.

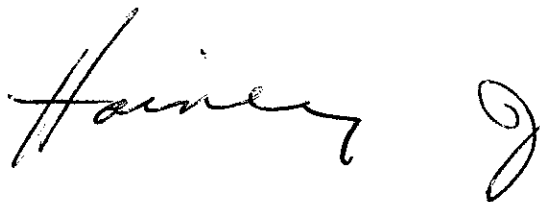
Terms of Endorsement – November 14, 2016

Pursuant to my endorsements of November 1 and 9, 2016, the order appointing FTI Consulting Canada Inc. as receiver over certain assets of the Respondents (the “**Appointment Order**”) was made without prejudice to Northbridge General Insurance Company (“**Northbridge**”) seeking an amendment to **THE** Appointment Order, which was to be either dealt with on the consent of Northbridge, the Receiver and the Applicant at today’s 9:30 hearing or at a contested motion to be heard by November 23, 2016.

Northbridge, the Receiver and the Applicant have consented to terms supplementing the Appointment Order, which are set out in the Order Supplementing Appointment Order that I have signed today.

Part of the terms in the Order Supplementing Appointment Order include a continued preservation order over the funds held by Harris Sheaffer LLP as set out in paragraph 10 of the Appointment Order. Northbridge is concerned that this represents an interference with its rights to look to those funds as collateral for the obligations that Northbridge entered into for various stakeholders of Talon International Inc. (“Talon”), and as a result Northbridge’s consent to the Order Supplementing Appointment Order is predicated on the position taken by the Applicant and the Receiver that this receivership proceeding will be for a limited period of time during which administration of the proceedings involving Talon, some of which involve obligations of Northbridge, will be suspended until a sales process for Talon’s assets is complete.

As a result, Northbridge has asked for an endorsement that the terms of paragraph 10 of the Appointment Order, as amended, shall be subject to Northbridge’s right to have that issue come back before this Court on March 9, 2017 or thereafter, which comeback hearing shall be a determination of that issue *de novo* without any reliance whatsoever to be placed on the fact that such terms will have been in place until that time. That request by Northbridge is granted on consent of the applicant and the Receiver.



November 14, 2016