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May 30, 2014

BY FACSIMILE

Mr. Jeff Hopkins
Grosman, Grosman & Gale LLP
Barristers and Solicitors
390 Bay Street, Suite 1100
Toronto, ON M5H 2Y2

Mr. Greg Boland
Chief Executive Officer
West Face Capital Inc.
2 Bloor St. East, Suite 3000
Toronto, ON M4W 1A8

Dear Sirs:

Re: Brandon Moyse -- Employment by West Face Capital

We represent The Catalyst Capital Group Inc. ("CCGI"). Through discussions with our client, we understand that Mr. Hopkins represents Brandon Moyse ("Moyse") and are writing to him in that capacity.

By way of background, CCGI is a leading private equity investment firm that specializes in control and/or influence investments in distressed and undervalued Canadian situations. CCGI provides operational, turnaround, financial and strategic expertise to those companies that it chooses to invest in.

As you know, CCGI had, until recently, employed Mr. Moyse out of its Toronto office. Mr. Moyse joined CCGI effective November 1, 2012 as an Analyst. He was in the process of being promoted to an Associate position prior to the events described herein. Mr. Moyse also obtained an equity stake in CCGI as part of the consideration offered to him in exchange for agreeing to join the company on certain terms that were memorialized in an Employment Agreement executed in or around October 1, 2012 (the "Employment Agreement").

The environment at CCGI is aggressive and entrepreneurial, such that individuals such as Mr. Moyse are invested with substantial autonomy and responsibility. In his role with CCGI, Mr. Moyse was primarily responsible for analysing new investment opportunities

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of distressed and/or under-valued situations, as well as assisting in structuring and closing deals and monitoring portfolio investments. As part of his deal screening/analysis responsibilities, Mr. Moyse performed valuations of companies using proprietary valuation methodologies in order to identify new investment opportunities for CCGI, and assisted in the structuring and negotiation of terms of investments.

The information received and generated by Mr. Moyse in his capacity as an employee of CCGI was highly sensitive and confidential. This was acknowledged by Mr. Moyse in his Employment Agreement, as follows:

10. *Confidential Information*

You understand that, in your capacity as an equity holder and employee, you will acquire information about certain matters and things which are confidential to the protected entities, including, without limitation, (i) the identity of existing or prospective investments in the Fund and any such future partnership or fund, (ii) the structure of same, (iii) marketing strategies for securities or investments in the capital of or owned by the Fund or any such partnership or any such partnership or fund, (iv) investment strategies, (v) value realization strategies, (vi) negotiating positions, (vii) the portfolio of investments, (viii) prospective acquisitions to any such portfolio, (ix) prospective dispositions from any such portfolio, and (x) personal information about CCGI and employees of CCGI and the like (collectively "Confidential Information"). Further, you understand that each of the protected entities' Confidential Information has been developed over a long period of time and at great expense to each of the protected entities. You agree that all Confidential Information is the exclusive property of each of the protected entities. For greater clarity, common knowledge or information that is in the public domain does not constitute "Confidential Information".

You also agree that you shall not, at any time during the term of your employment with us or thereafter reveal, divulge or make known to any person, other than to CCGI and our duly authorized employees or representatives or use for your own or any other's benefit, any Confidential Information, which during or as a result of your employment with us, has become known to you.

After your employment has ended, and for the following one year, you will not take advantage of, derive a benefit or otherwise profit from any opportunities belonging to the Fund to invest in particular businesses, such opportunities that you become aware of by reason of your employment with CCGI.

Furthermore, in recognition of the nature of his responsibilities at CCGI and the commercial sensitivity of the Confidential Information imparted to him during the course of his employment, Mr. Moyse agreed to the following non-competition and non-solicitation covenants in his Employment Agreement:

8. *Non-competition*

You agree that while you are employed by the Employer and for a period of six months thereafter, if you leave of your own volition or are dismissed for cause

and three months under any other circumstances, you shall not, directly or indirectly within Ontario:

- (i) engage in or become a party with an economic interest in any business or undertaking of the type conducted by CCGI or the Fund or any direct Associate of CCGI within Canada, as the term Associate is defined in the Ontario Business Corporations Act (collectively the "protected entities"), or attempt to solicit any opportunities of the type for which the protected entities or any of them had a reasonable likelihood of completing an offering while you were under CCGI's employ; and
- (ii) render any services of the type outlined in subparagraph (i) above, unless such services are rendered as an employee of or consultant to CCGI;

9. Non-Solicitation

You agree that while you are employed by the Employer and for a period of one year after your employment ends, regardless of the reason, you shall not, directly or indirectly:

- (i) hire or attempt to hire or assist anyone else to hire employees of any of the protected entities who were so employed as at the date you cease to be an employee of CCGI or persons who were so employed during the 12 months prior to your ceasing to be an employee of CCGI or induce or attempt to induce any such employees of any of the protected entities to leave their employment; or
- (ii) solicit equity or other forms of capital for any partnership, investment fund, pooled fund or other form of investment vehicle managed, advised and/or sponsored by any of the protected entities as at the date you ceased to be an employee of CCGI or during the 12 months prior to your ceasing to be an employee of CCGI.

Mr. Moyses first notified representatives of CCGI that he had decided to leave the company's employ on May 26, 2014. It has recently come to our client's attention that, in fact, Mr. Moyses was offered and has accepted an employment position with West Face Capital Inc. in its Toronto office ("West Face"). We understand that West Face is a direct competitor to CCGI in Ontario, and its business model similarly involves identifying investment opportunities in distressed and/or under-valued companies.

West Face was or ought to have been well-aware of the above-mentioned provisions of Mr. Moyses's Employment Agreement and nonetheless proceeded with its decision to extend an offer of employment to Mr. Moyses. In our view, Mr. Moyses's acceptance of a position at West Face constitutes a clear and deliberate breach of the non-competition provision contained in paragraph 8 of his Employment Agreement with CCGI. Moreover, our client is concerned, reasonably in our view, that Mr. Moyses has imparted

or will be imparting Confidential Information to West Face that he acquired in the course of his employment with CCGI, thereby causing irreparable harm to CCGI. This Confidential Information includes, but is not limited to, current investment strategies of CCGI, proprietary valuation methodologies, and a listing of prospective acquisitions for the CCGI portfolio.

At all material times, West Face and Mr. Moyses were aware that Mr. Moyses would be breaching these obligations under his Employment Agreement with CCGI by accepting an offer of employment with West Face, yet Westface induced Mr. Moyses to breach those obligations.

Our client takes this breach of Mr. Moyses's Employment Agreement, and West Face's role in relation thereto, very seriously. CCGI's business interests have been and will continue to be irreparably harmed by what has occurred. In this regard, we note that paragraph 11 of Mr. Moyses's Employment Agreement provides as follows:

11. Remedies

You acknowledge that you have reviewed the provisions of Articles 8, 9 and 10 above and that you have addressed your mind to the reasonableness of the scope of these articles, and that you are satisfied that the provisions of those articles are necessary and reasonable and that they reflect the mutual desire and intent of yourself and CCGI that such provisions be upheld in their entirety and be given full force and effect.

You also acknowledge that if you violate the terms of Articles 8, 9 or 10 it will cause the protected entities to suffer irreparable harm for which damages will not be an adequate remedy and for which the protected entities shall be entitled to injunctive relief to prevent you from continuing which such violation or violations, in addition to any other available remedies and you hereby consent to the granting of an injunction to enforce the provisions of this Agreement.

CCGI hereby states that it reserves all of its legal remedies in respect of the damage to its business interests that have been occasioned by Mr. Moyses's and West Face's actions, including its right to obtain injunctive relief. Having said this, our client is prepared for a brief window of time to consider any proposal which Mr. Moyses and West Face wish to make as to how the current situation may be remedied to our client's satisfaction. If, however, we do not hear from you immediately with respect to any such proposal, our client will be left with no alternative but to avail itself of all of its legal remedies against Mr. Moyses and West Face.

Yours truly,



Rocco Di Pucchio

RDP:rp