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June 3, 2014

SENT VIA E-MAIL (rdipucchio@counsel-toronto.com)

Rocco Di Pucchio
Lax O'Sullivan Scott Lisus LLP
Suite 1920, 145 King Street West
Toronto ON M5H 1J8

Dear Mr. Di Pucchio:

RE: Brandon Moyse

We are the lawyers for West Face Capital Inc. ("**West Face**"). Your letter of May 30, 2014 to West Face regarding Brandon Moyse has been referred to us for reply.

It is our confident opinion that the non-competition and non-solicitation clauses contained in Mr. Moyse's employment contract with The Catalyst Capital Group Inc. ("**CCGI**") (the "**Employment Agreement**") are unreasonable and therefore unenforceable.

To our knowledge there are no Ontario cases in the recent past in which a non-competition covenant has been upheld for a mere employee. To the contrary, the courts have repeatedly ruled that non-competition covenants are *prima facie* unenforceable as an unreasonable restraint of trade and therefore against the public interest.

Further, and in any event, in Mr. Moyse's case, the non-competition covenant is too broad as it purports to prohibit Mr. Moyse from engaging in any business or undertaking of the type conducted by CCGI or the "Fund" (which term is not defined anywhere in the Employment Agreement) or "any direct Associate" of CCGI. Given the nature of CCGI's investments, such a restriction would effectively prohibit Mr. Moyse from participating in a wide variety of industries and sectors that are completely unrelated to Mr. Moyse's duties with CCGI. The non-solicitation clause in the Employment Agreement is similarly unenforceable as it purports to prohibit Mr. Moyse from soliciting equity or other forms of capital for any entity "... managed, advised and/or sponsored by any of the protected entities" regardless of whether Mr. Moyse actually had any contact or relationship with the particular entity during the course of his employment. Such clauses have repeatedly been struck down by the courts (see for example, *Mason v. Chem-Trend Limited Partnership*, 2011 ONCA 344; *Phoenix Restorations Ltd. v. Brownlee*, 2010 BCSC 1749; *Brown v. First Contact Software Consultants Incorporated*, 2009 CarswellOnt 5482 (Sup.Ct.J.)).

It appears to us that CCGI simply used its standard form non-competition and non-solicitation covenants without considering whether they were appropriate for Mr. Moyse's role and without attempting to tailor them to his role.

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Notwithstanding the above, you have provided no evidence to support your allegation that your client has suffered irreparable harm. Your assertion that West Face induced Mr. Moyse to breach his contractual obligations to CCGI is similarly baseless.

In any event, West Face has impressed upon Mr. Moyse that he is not to share or divulge any confidential information that he obtained during his employment with CCGI.

Should you wish to discuss the above, kindly contact the writer.

Yours truly,
Dentons Canada LLP

Adrian Miedema

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