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July 31, 2014

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Our Matter No. 1157982

SENT BY E-MAIL

Ontario Securities Commission
20 Queen Street West, 20th Floor
Toronto, Ontario M5H 3S8

Attention: Secretary to the Commission

Dear Sirs/Mesdames:

Re: Tuckamore Capital Management Inc. ("Tuckamore")

We represent Access Holdings Management Company LLC ("**Access**"), a shareholder of Tuckamore.

The purpose of this letter is to request, for the reasons set out below, that the Ontario Securities Commission (the "**Commission**") exercise its discretion to issue a temporary cease trade order on or before 4 pm on Friday August 1, 2014 under subsection 127(5) of the *Securities Act* (Ontario) (the "**Act**") to prevent Tuckamore from completing an abusive private placement transaction (the "**Private Placement**"), pending a review by the Commission of the Private Placement under section 127 of the Act and/or a review by the Commission of a decision of the Toronto Stock Exchange ("**TSX**") regarding the Private Placement.

The abusive Private Placement, announced by Tuckamore on July 25, 2014, will see Tuckamore sell $12.5 million worth of Tuckamore shares to Orange Capital Master I, Ltd. ("**Orange**") at a notional issue price of not less than $0.75 per share, resulting in the issuance of approximately 17% of the shares of Tuckamore following completion of the Private Placement. While ostensibly designed to reduce outstanding indebtedness, for the reasons set out below, Access believes that the Private Placement is actually an improper and purely tactical maneuver designed to further entrench the current management team of Tuckamore to the material detriment of all shareholders. The Private Placement also follows a pattern of similar behaviour by Tuckamore that is contrary to the public interest.

Access, with support of other Tuckamore shareholders, has made submissions to the TSX requesting that the TSX require prior shareholder approval of the Private Placement and to prohibit Orange from voting such shares until Tuckamore shareholders have voted on the matter. The TSX has confirmed that its Listing Committee will be considering Access's submissions on August 1, 2014 and will render a decision shortly thereafter (the "**TSX Decision**"). In the event that the TSX decides not to require shareholder approval

of the Private Placement, Access intends to immediately apply to the Commission seeking a hearing and review of the TSX Decision under section 21.7 and section 8 of the Act. The temporary cease trade order sought herein will preserve the *status quo*, and prevent Tuckamore from completing the Private Placement, pending the Commission's review.

Access believes that completion of the Private Placement prior to review by the Commission would be detrimental to investor confidence in, and the integrity of, the Canadian capital markets. A temporary cease trade order is necessary in these circumstances, since the length of time required to conclude a hearing will be prejudicial to the public interest. Access has requested that Tuckamore confirm that it will not complete the Private Placement pending any review by the Commission of the Private Placement. Tuckamore has previously agreed not to close the Private Placement prior to the review of the Private Placement by the TSX and in any event not prior to the close of business on Friday, August 1, 2014.

The Private Placement Follows a Pattern of Management Entrenchment Behaviour

The circumstances of this matter clearly demonstrate the public interest basis for the issuance of a temporary cease trade order in respect of the Private Placement.

We note at the outset that Tuckamore has gone through nine independent Board members in the last three years. The current independent Board members were appointed by the non-independent Board members and have never been subject to a shareholder election. Further, the Board had previously postponed the annual general meeting of shareholders scheduled for June 26, 2014, which in our view contravenes the OBCA and clear case law thereunder which require an annual general meeting of shareholders to be held within 6 months of year-end. Tuckamore is currently refusing to give effect to a requisition (the "**Requisition**") which Access recently caused to be delivered to Tuckamore requiring it to call a meeting of shareholders at the earliest possible date to, among other things, remove from office all of the current directors of Tuckamore and elect six new directors until the next annual general meeting. Access has recently commenced an application in the Ontario Superior Court of Justice seeking, among other things, an order that the Requisition is valid and proper.

As the Commission may be aware, Tuckamore had previously announced that it would seek approval of a proposed management buy-out of Tuckamore at a meeting in July 2014 (the "**MBO**"). The background to the MBO indicates that management embarked on the MBO in response to an overture made by Access to partner with Tuckamore. Access, together with a large majority of Tuckamore's shareholders, opposed the MBO for numerous reasons.

Tuckamore had originally scheduled a special meeting of shareholders (the "**Special Meeting**") to vote on the MBO to be held on July 15, 2015. Tuckamore chose not to put the election of directors to the shareholders as part of that meeting. Tuckamore adjourned the Special Meeting at the last minute after it became apparent that the MBO would be soundly rejected by Tuckamore shareholders. In connection with the announcement of the Private Placement, Tuckamore also announced the termination of the MBO and the cancellation of the Special Meeting.

As more fully set out in our letter to Staff of the Commission dated June 24, 2014, a copy of which is enclosed, the structure of the MBO transaction (among many other unusual features) included an egregious 10% break fee (egregious regardless of whether or not it was an MBO, but particularly egregious in an unshopped MBO) which effectively precluded any other offers. The directors had precluded themselves from considering any solutions that did not fall within a very narrowly defined band of proposals designed to prevent creative solutions that provided shareholders with different objectives the option of staying in to realize value in the longer term or realizing liquidity in the short term. Access believes that the MBO with its preclusive break fee was kept in place after Tuckamore postponed the MBO shareholder meeting among other things to prevent alternative transactions while management sought other means to further entrench themselves. In fact, in order for Tuckamore management to even consider the share issuance and "arrangement" fee payments to Orange (described below), it had to have received the consent of the MBO vehicle it controlled. The failure by Tuckamore to announce that it had received such consent to negotiate with Orange, while sheltering under the restrictions and preclusive break fees contained in the MBO agreement, indicates that the singular objective of Tuckamore's management, with the acquiescence of the Board, is entrenchment, using the MBO agreement as a shield.

Moreover, as further evidence of this purpose, a placement of $12.5 million in shares, net of the placement fee, does not address the capital structure issues of Tuckamore in any meaningful manner. Rather, it serves primarily to provide additional control to the MBO management team who already have options to buy 10,500,000 Tuckamore shares, or approximately 11% of Tuckamore, at strike prices set at near the all-time low trading price, and thereby cause additional dilution to the rest of Tuckamore's shareholders.

We enclose copies of our submissions to the TSX setting out the reasons why, in accordance with the provisions of the TSX Company Manual, shareholder approval of the Private Placement should be required. As set out in our letters to the TSX the Private Placement to one party materially affects control of Tuckamore giving management, Newport Wealth Management and the proposed placee 51% of the shares of Tuckamore. The submissions further identify the other grounds on which the TSX sought exercise its discretion to require shareholder approval in accordance with section 6.03 of the TSX Listed Company Manual.

We understand that at the same time as it agreed to issue $12.5 million worth of Tuckamore shares to Orange, the Board agreed that Orange may earn up to a 3% "arrangement" fee for assistance in respect to a potential debt restructuring or approximately up to $5.3 million based on the current outstanding debt of Tuckamore . This represents an approximately 42% effective discount to the $12.5 million Private Placement and similarly, an approximately 42% discount to the $0.75 share price as part of an overall refinancing effort. The structure of the Private Placement is such that we believe that the real issue price, after accounting for the out-of-market and entirely unnecessary restructuring fees (which will be in addition to any bond or debt placement fees) is materially less than $0.75.

The fees already paid and the promise of future fees effectively reduces the Private Placement issue price and make the discount to the market price greater than 20%. As set out in Access's submissions to the TSX, Access believes that a shareholder vote is required under the TSX Rules on the basis that the "arrangement" fee represents an effective discount to market on the Private Placement in excess of 20%, not to mention the preceding pattern of behaviour of consistent disregard for shareholder interests and entrenchment of management.

In the event that the TSX decides not to require shareholder approval of the Private Placement, and Tuckamore completes the transaction immediately thereafter, there will be no opportunity for the Commission to review the Private Placement or the TSX Decision. Accordingly, we request that the Commission exercise its discretion to issue a temporary cease trade order under section 127(5) of the Act on or before 4 pm on Friday August 1, 2014 . Failure to do so will cause irreparable harm to Access and to other Tuckamore share holders.

Yours very truly,

Christopher Murray
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Enclosures

c. Walied Soliman, *Norton Rose*, as legal counsel for Tuckamore
Mark Gelowitz, *Osler*