

Business Edge

News Magazine

ONTARIO

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**Building Wealth
Through Real Estate**
REDEV Properties
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Businesses welcome gay festival opportunity

Cash registers ringing as
pride events light up TO

By David Hatton
Business Edge

People arriving in downtown Toronto for this week's gay pride festival - billed as the largest in the world - are being welcomed with a dizzying array of advertisements and product samples as companies try to target gay consumers.

Pride Toronto estimates the market for gay and lesbians as being worth more than \$75 billion across the country.

"Our sponsors have realized gay consumers generally have a lot of disposable income and they are extremely loyal to brands that support them," says Fatima Amarshi, executive director of Pride Toronto. "They can be a powerful demographic if you do your marketing properly."

A 2004 survey by Ipsos-Reid for the *Xtra* newspaper chain, which serves gay and lesbian readers across Canada, found the average household income of their readers was \$72,800, about \$25,200 more than the average Canadian household. Nearly 30 per cent of those responding to the survey had household investable assets of more than \$100,000.

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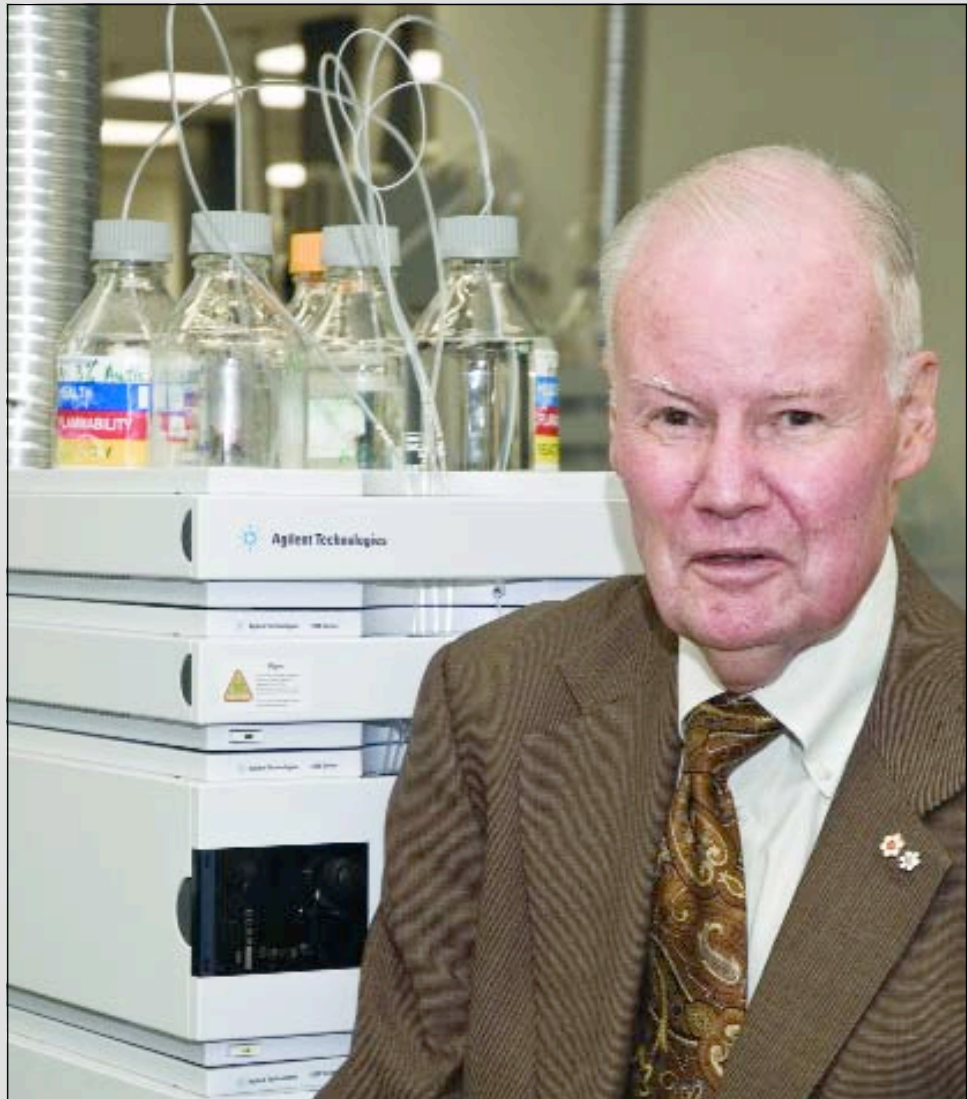
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NEWSSTAND \$2

Prescription for success



Bayne Stanley, Business Edge

Science at root of entrepreneurial spirit

Cantest Labs chairman Dr. Don Rix has made his mark in the scientific community, but the longtime businessman considers himself an entrepreneur first. The first medical doctor to be appointed chairman of the Vancouver Board of Trade, Rix knows how to incubate businesses and talks about his angel investment strategies in **20 Questions** on **Page 8**.

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Suite 500
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Calgary T2R 0C9
1.866.216.3343
Fax 403.264.4439

ADVERTISING INQUIRIES
1.866.216.3343, ext. 25
ads@businessedge.ca

PUBLISHER
Rob Driscoll

EDITOR-IN-CHIEF
Terry Inigo-Jones

HEAD OF RESEARCH
Alexis D. Smolensk

CIRCULATION MANAGER
Alexis D. Smolensk

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This year's Banff World Television Festival and nextMEDIA had gems for non-media professionals and a big one was cloud computing, says columnist Tom Keenan.

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Pearson cargo fees to drop in 2009

The Canadian Press

Cargo landing fees at Toronto's Pearson Airport will go down by 25 per cent at the start of next year, says the agency that runs the airport.

The Greater Toronto Airports Authority is cutting the fees on Jan. 1 to keep the airport competitive as a cargo-shipping hub.

Airport officials hope the move will

encourage additional cargo business and push carriers to modernize their fleets to newer, quieter and more fuel-efficient aircraft.

The GTAA says it estimates the fee reduction could remove up to 40,000 trucks per year from Ontario roads.

Pearson processes more than 45 per cent of Canada's air cargo, about \$32 billion worth of goods - more than 500,000 tonnes of cargo - every year.

100 tips

for growing your business

Wardell Professional Development

35 When hiring, promote your company's unique attributes. There are people out there in the marketplace who are a perfect fit for your organization. The problem is they don't know it yet. And a recruiting ad that only states your company name and the position you're looking to fill isn't going to change that. So get a little creative and show off your true colors. Promote the unique attributes that set your company apart from your competition. This might include things like flexible work hours, a fun-loving atmosphere, professional development opportunities, and so forth.

34 Develop leadership. No company can grow its value significantly without leaders. These are the people who are willing to take a good idea, and run with it all the way to the finish line. Unfortunately, this is often the exclusive domain of one or two people at the top of an organizational chart, severely limiting the potential of the company in question. The solution is to give your people as much responsibility as they can handle, pushing them to sharpen their leadership skills on a daily basis. You may be surprised at how well they perform, given half a chance.

33 Expand your product/service offerings. Ask yourself, what products or services do your customers already consume in relation to your existing product/service offerings? Can you add any of these to your product line? For example, a client of Wardell who manufactures kitchen cabinet doors has employed this strategy to become a wholesaler for an exclusive line of hardware. They have had excellent results.

32 Reduce your product/service offerings. Conversely, consider ways that streamlining your product/service offerings will help you become more profitable. Make sure you are aware of your margins for each of your products and consider dropping or replacing those that don't make enough profit. Too many business owners only pay attention to their income statement as a whole (if at all) and don't take the time to drill down into the details, effectively leaving money on the table that should be theirs.

31 Track and analyze your prospecting. By properly tracking both your lead generation and your conversion rates (leads that become customers) you can develop a clear picture of the pace of business coming your way. This is critical for several reasons. (1) It helps predict production rates, increasing overall efficiencies. (2) It sends up a red flag when a drop in sales is coming, giving you time to do something about it. (3) It supports the setting of sales targets, helping to drive top-line growth.

to be continued...

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BRANDS from Page 1

Toronto event attracts wide variety of business interest

According to a sponsorship package distributed by organizers earlier this year, the premier level was available for \$100,000, while the partner and contributing sponsor levels came in at \$55,000 and \$7,500, respectively.

The final list of sponsors includes a wide variety of different national brands from banks to beer companies, says Amarshi.

"We regularly attend conferences with the organizers of other events and they can't believe what we have going on in Toronto. The number of things scheduled during the week has really grown the most," she adds. "And certainly sponsorship is a big part of supporting that."

The city's hotels, bars and restaurants quickly filled up this week as tourists started arriving for Toronto's gay pride festival. Close to a million people are expected to take part in the schedule of events, including a sold-out performance by comedian Sandra Bernhard.

Toronto's gay pride festival continues this weekend with a lesbian-dyke march Saturday afternoon, and the larger gay pride parade Sunday.

Last year's parade featured 144 floats and about 5,000 marchers, with police estimating the crowd at about 800,000 people.

"Good luck getting a hotel room anywhere in the city. They'll all be booked solid," says Toronto city Coun. Kyle Rae, who chairs the city's economic development committee. "Maybe if you go out by the airport (about 50 kilometres from downtown) you might find something, but that's about it."

Rae says he has seen reports that show Toronto's annual pride celebration brings in about \$91.9 million in economic benefit to the city.

For a few days, the most valuable piece of real estate in the city won't be a luxury condo in Yorkville or mansion in Rosedale – it will be a seat on the patio at Zelda's. The popular Church Street bar, with a patio be-decked in rainbow flags, has been filled all week with flamboyant drag queens flirting with men in tight leather clothing.

Most of Church Street, running north and south along the eastern part of Toronto's downtown core, is closed to traffic this weekend. The area is formally known as the Church-Wellesley Village, which is home to a lot of the city's gay, bisexual, lesbian and transsexual community.

"The event is finally getting good now, but there were so many opportunities lost by the city in the past," says area business owner Ric Tremaine, former president of the now-defunct Gay Toronto Tourism Guild.

"After SARS in 2003 they had the budget to market to gay tourists, but totally missed the chance. Toronto refused to market to the gay commu-



Andre Fortier photo, courtesy of Pride Toronto

An estimated crowd of 800,000 lined Toronto streets to watch the 2007 gay pride parade.

nity until it had no choice."

But Tremaine quickly adds when Tourism Toronto hired David Whittaker as its president and CEO last spring, luring him away from a similar post in Miami, everything changed. Gay tourism suddenly took on a new importance in the city, he says, especially with attracting visitors to the gay pride festival.

Whittaker was travelling out of the country and was unavailable for interviews, but Tourism Toronto spokesman Andrew Weir says: "David (Whit-

taker) is absolutely committed to this. We believe marketing to the gay community is lucrative and strategically important to the city."

One of the biggest signs of an increased marketing effort was an announcement that the International Gay and Lesbian Travel Association will hold its annual convention in Toronto next year. The event will be small in terms of attendance, with only 400 delegates, but its members are influential travel planners, especially in the gay community.

"We worked very hard to get that. It was a fairly large effort with Tourism Toronto and several of our partners," Weir says. "It was going to go to another city, but we stole it right out from under their noses."

One of the biggest changes in Toronto's Church Street neighbourhood this year is the addition of a brand new \$1.1-million Bank of Montreal branch at the corner of Church and Alexander Streets.

See ENTRANCE

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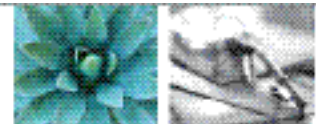
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Tourism sector hangs on in tough times

By Laura Severs
Business Edge

Despite being battered by high fuel prices, there are some bright spots for Canada's tourism sector this summer.

Major summer tourism attractions such as Toronto's Canadian National Exhibition (CNE) and the Calgary Stampede are holding the line on ticket prices and say they expect attendance numbers to be in line with past years.

But this good news is tempered by the fact that the Canadian tourism industry appears to be on the precipice of an unprecedented decline, which could impact the 1.6 million people whose jobs depend on this sector.

Canada's travel deficit ballooned to \$10.3 billion in 2007 and the latest quarterly numbers for 2008 show "a continued deterioration," says the Ottawa-based Tourism Industry Association of Canada (TIAC), founded in 1930 to encourage the development of tourism in Canada.

In 2001, the travel deficit was just \$1.3 billion.

"We think that we're in the 11th hour," says Christopher Jones, vice-president of public affairs for TIAC, noting that U.S. visits dropped from 44 million to 27 million between 2000 and 2007.

Canada no longer has the luxury of a low dollar and cheap gas prices to keep it competitive, he adds. "We're forced to compete with other destinations with these things," he says.

Jones also says 134 countries have approved destination status (ADS) – bilateral agreements facilitating the visits of tourists – with China. "We are amongst the few remaining countries that have yet to secure one."

TIAC says other than the airlines – Air Canada's announcement of fuel price-related layoffs has sent shudders through the aviation industry – it's still too early to judge the total impact of the escalating price of oil and gas.

"Our initial feedback is that people will still travel this summer by vehicle, but they will travel not as far as they would of," says Jones. "I would argue we have yet to hit the tipping point on the price of fuel, but we are edging up there. In places that don't have airports or aren't marine accessible and rely on road traffic, that's going to be a concern."

In Vancouver, hotels and attractions are already feeling the pinch of higher fuel costs. "Vancouver's most significant dropoff has been in the U.S. day-trip rubber tire market, meaning car day-trips from cross-border states, because they tend to be more spontaneous and more directly affected by economic factors," says Stephen

See: Niche markets offer growth opportunities, Page 6

Pearce, vice-president of leisure travel and destination management for Tourism Vancouver.

Overnight visits from the U.S. are down 5.5 per cent over last year. However, Pearce adds that more Canadians are choosing to vacation in Canada and that has meant growth through the first quarter, with overnight demand increasing by five per cent.

The rising price of fuel has also hit the CNE, the 18-day August fair that draws approximately 1.25 million visitors each year. It's Canada's biggest annual fair and the fifth largest in North America.

"From the midway to the exhibitors, their cost to get here is going up," says CNE general manager David Bednar. "It really is like the stone in the pond, the ripples just keep on going."

"Our pricing is pretty well set for this year. We just have to knuckle under and get it all figured out," adds Bednar. "There are some variable costs for us that will go up."

These include the fair's "people-mover" trains that are powered by diesel tractors. Officials have also had to adjust the per-kilometre reimbursement given to employees for their business travel. "All of this stuff starts to add up when you put it all together," he says.

One likely casualty is a modest trim to the CNE's air show. One or two acts could be cut, reducing the 3½-hour spectacular by 15 to 30 minutes.

Higher attendance levels could possibly offset those higher costs, but it remains to be seen if people in Greater Toronto cancel vacation plans that would have taken them farther away. However, the sting may be felt for the eight per cent of the CNE market who travel more than 1.5 hours to get to the fair.

At the Calgary Stampede, a 10-day midway and exhibition starting July 4, there are as of yet no visible effects of the impact of high oil prices.

Stampede officials say they are introducing new free and family-friendly areas and programs, trying to offer as much value as possible. The bulk of Stampede attendance is local, between 70-75 per cent, and local tickets sales are on par with last year.

"We do know that our American visitors will be down this year, just from packages that have been booked," says Doug Fraser, the Stampede's manager of media relations. "On the flipside, traffic from Europe, Australia and New Zealand is up because they made these plans before."

(Laura Severs can be reached at laura@businessedge.ca)



Photo courtesy of CNE

CNE general manager David Bednar says this year's fair is adjusting to the new realities of increased fuel costs.

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ENTRANCE from Page 3

Vancouver credit union early supporter of gay community

A bronze statue of Alexander Wood, one of the city's first gay merchants, stands outside the front entrance.

One of the first financial institutions to realize the power of gay consumers, however, was Vancouver-based credit union VanCity, which launched an advertising campaign in 2003 saying it was "coming out" of the closet.

"We wanted to align ourselves with the target niche market and let them know we understand what they're going through," said VanCity's manager of sponsorship development Thomas Dolan.

"It wasn't just a one-time advertising campaign. This was a commitment to partner with the community and work closely with them to understand their needs."

The credit union has been a main presenting sponsor of Vancouver's pride parade for the past three years.

VanCity also made sure it used gay people in its print advertisements rather than actors, and closely examined the language in its documents. "We made sure agreements didn't just refer to Mr. and Mrs. or heterosexual couples. They looked at other possibilities. Our employees had same-sex benefits included if they wanted. The approach had to be consistent throughout the organization," Dolan says.

But while the gay community welcomed the approach, others weren't quite as pleased. Vancouver's Catholic archbishop quietly pulled a VanCity junior credit union program out of schools. After local media learned of the decision, public reaction was immediate.

"That news opened the floodgates to letters, e-mails, phone calls and faxes, alleging everything from bigotry to fascism. The word 'Nazis' was even used. A small but angry crowd screamed obscenities and threats outside my window late at night," Archbishop Adam Exner wrote in an October 2003 letter to parishioners.

"Homosexuals have a right to respect, compassion and dignity. But Catholics have a right to their beliefs and a right to act on their beliefs. Some of the public comment seems to deny us these basic rights."

Dolan said despite the reaction, VanCity's senior executives held firm in its campaign and support for the gay community.

"Did we lose a number of members and their accounts over this? Oh, absolutely. There is no doubt of that. But we gained a lot more in terms of goodwill and support with most of our other members," he says. "We wanted to put the message out there that we were for everyone."

Several thousand people watched Calgary's pride parade earlier this month as it moved along Eighth Avenue into Stephen Avenue Walk

and finished off at Olympic Plaza, according to local media reports.

A month-long schedule of events finished with a huge dance party scheduled for last weekend.

Sponsorship manager John Skorka did not return calls, but a sponsorship package on Pride Calgary's website listed the top premier level going for

\$10,000, while the rainbow level was available for \$1,000.

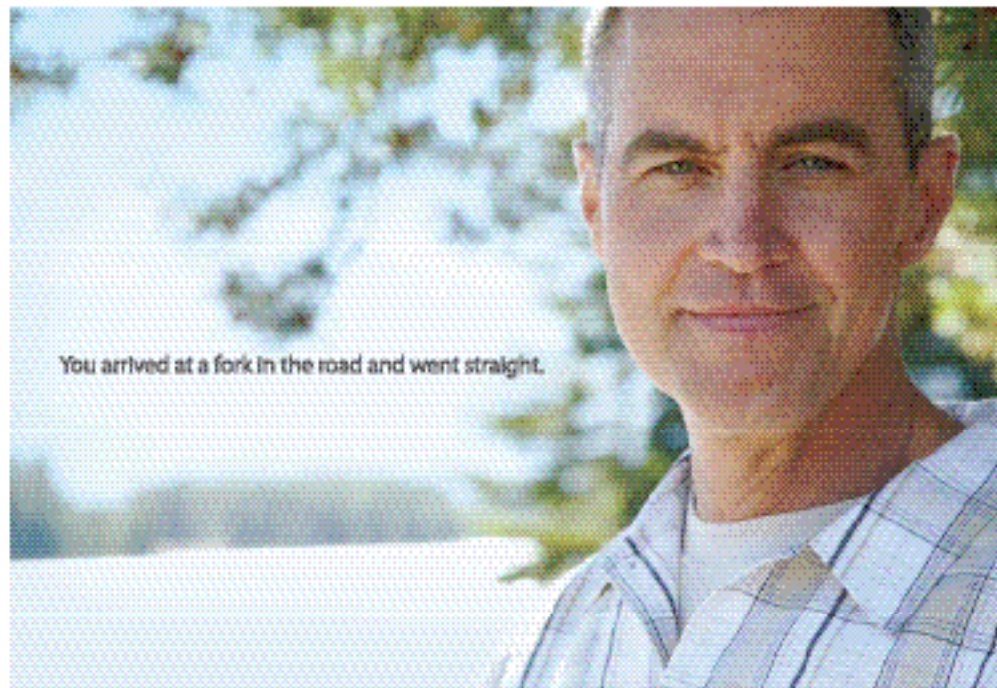
Meanwhile, sponsors at the Winnipeg Pride Festival have had a positive reaction from customers, says the event's sponsorship manager, Robert Cote.

"We haven't had a single sponsor who has pulled out because they had a

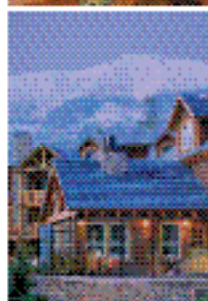
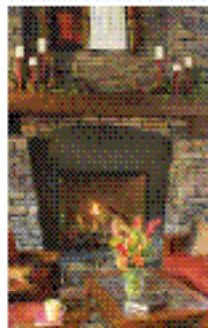
negative reaction from their customers. Not one," Cote says.

"I have two approaches: Telling them it's a good way of giving back to the community, and there is a solid business case for targeting gay consumers."

(David Hatton can be reached at hatton@businessedge.ca)



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Celebrate Rustic Elegance

Niche tourism helps to counter slow growth

By Laura Severs
Business Edge

Despite the challenges facing Canada's tourism sector, new growth opportunities are emerging.

Experts say niche tourism has the potential to bolster this country's sagging tourism industry, which is moving along at minimal growth rates.

"Canada is hobbling along with one- to two-per-cent tourism growth," says Christopher Jones, vice-president of public affairs for the Ottawa-based Tourism Industry Association of Canada (TIAC). "World tourism is growing at about 6.3 per cent annually."

A new TIAC report on Canada's tourism competitiveness says this country has become complacent about its tourism industry, assuming that visitors will always come, or when there are marked declines that they will eventually rebound.

One new strategy, though, would be to focus on cultural and heritage tourism.

According to the United Nations Educational Scientific and Cultural Organisation (UNESCO), global cultural and heritage tourism is growing by an unprecedented 15 per cent per year. This market targets a traveller interested in experiencing the authenticity of the culture and the heritage of the country visited.

"In spite of the unprecedented growth in this tourism sector, Canada has been complacent about developing our cultural and heritage assets, relying instead on our natural beauty, such as Jasper and Niagara Falls," says Shyam Ranganathan, dean of Toronto's Centennial College's school of hospitality and founding dean of the school's Culture & Heritage Institute.

"If you look at the international models and if we emulate those international models, Canada has the potential to increase its tourism."

Ranganathan says the cultural and heritage tourism market wants to see as much of a country as possible in a 10- to 12-day period, is sensitive to ecological concerns and wants to leave as small a carbon footprint as possible in their travels.

Part of Canada's problem, he adds, is that while this country is full of attractions that would interest the culture and heritage traveller, current tourism packages are largely oriented to specific destinations – as opposed to packaging attractions in a larger region that could cover a wider variety of offerings.

Expensive travel costs within Canada also hurt. "This is where we have to work on regional plans, reasonable packages that bring down costs substantially. We need to work with airlines and the rail system to put

a package together and bring the price down to reasonable levels so we can market Canada internationally," says Ranganathan. "My opinion is that we are increasingly becoming a niche market that's more on the upper level-type of travel – and that's limiting us."

But some niche markets do make sense, says TIAC's Jones.

"Cultural heritage tourism is a growing segment of the leisure travel business, we do need to put more of our eggs in those baskets," he says.

"We do need to focus more on spa and wellness tourism, culinary and wine tourism, which is growing, as well as sport and adventure tourism and eco-tourism."

Manufacturers hedging their bets

The Canadian Press

Only 24 per cent of Canadian manufacturers expect to expand production in Canada, according to a Deloitte study, as they "evolve into a new model – one which does not necessarily include actual production facilities located within our borders."

The consultancy's survey of 321 North American manufacturing executives found Canadian companies are generally positive about the North American Free Trade Agreement, "yet they struggle to remain competitive globally as the lack of competitiveness of production activity in Canada remains the industry's Achilles heel."

The majority of Canadian respondents credit NAFTA for providing access to new and larger markets and improving their overall business performance.

However, "only one-third of Canadian companies believe they are currently competitive on a global scale," Deloitte stated, adding that the factory sector "faces a clear and continuing erosion of its production activity."

Canadian executives said the biggest barriers to competitiveness are labour costs, the exchange rate, raw material prices and availability of skilled labour.

"This survey demonstrates that manufacturers in North America share common challenges as well as the urgent need for us to work together to find common solutions," said Jayson Myers, president of Canadian Manufacturers and Exporters.

"In order to be successful on the global stage and to compete and win against the rest of the world, our main priority is to strengthen the North American market even further."

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Royal Group Technologies founder facing fraud charges

The Canadian Press

A decade after the alleged wrongdoing, RCMP have laid fraud charges against Royal Group Technologies Ltd. founder Vic De Zen and other former executives of the plastic building products manufacturer.

Police said that De Zen and three other former executives defrauded the company of \$27.4 million in a deal involving property north of Toronto.

De Zen and four other men, including two named in the other charges, are also alleged to have defrauded

Royal Group of \$2 million in the sale of a subsidiary.

De Zen declared himself "completely stunned" by the charges.

"For five years my name has been dragged through the mud with unfounded, sensational allegations levelled against me," he said in a written statement last week.

The alleged offences occurred during 1997 and 1998, and the charges come almost five years after De Zen stepped aside as CEO.

Royal Group, based in Woodbridge, north of Toronto, was acquired in late

2006 for C\$1.7 billion by Georgia Gulf Corp. of Atlanta.

The long-running police investigation triggered the resignation of Greg Sorbara as Ontario finance minister in October 2005 after he was linked to the probe. He returned as finance minister in May 2006 after a judge found no reason for his name to have been included on a search warrant. Sorbara remains an MPP.

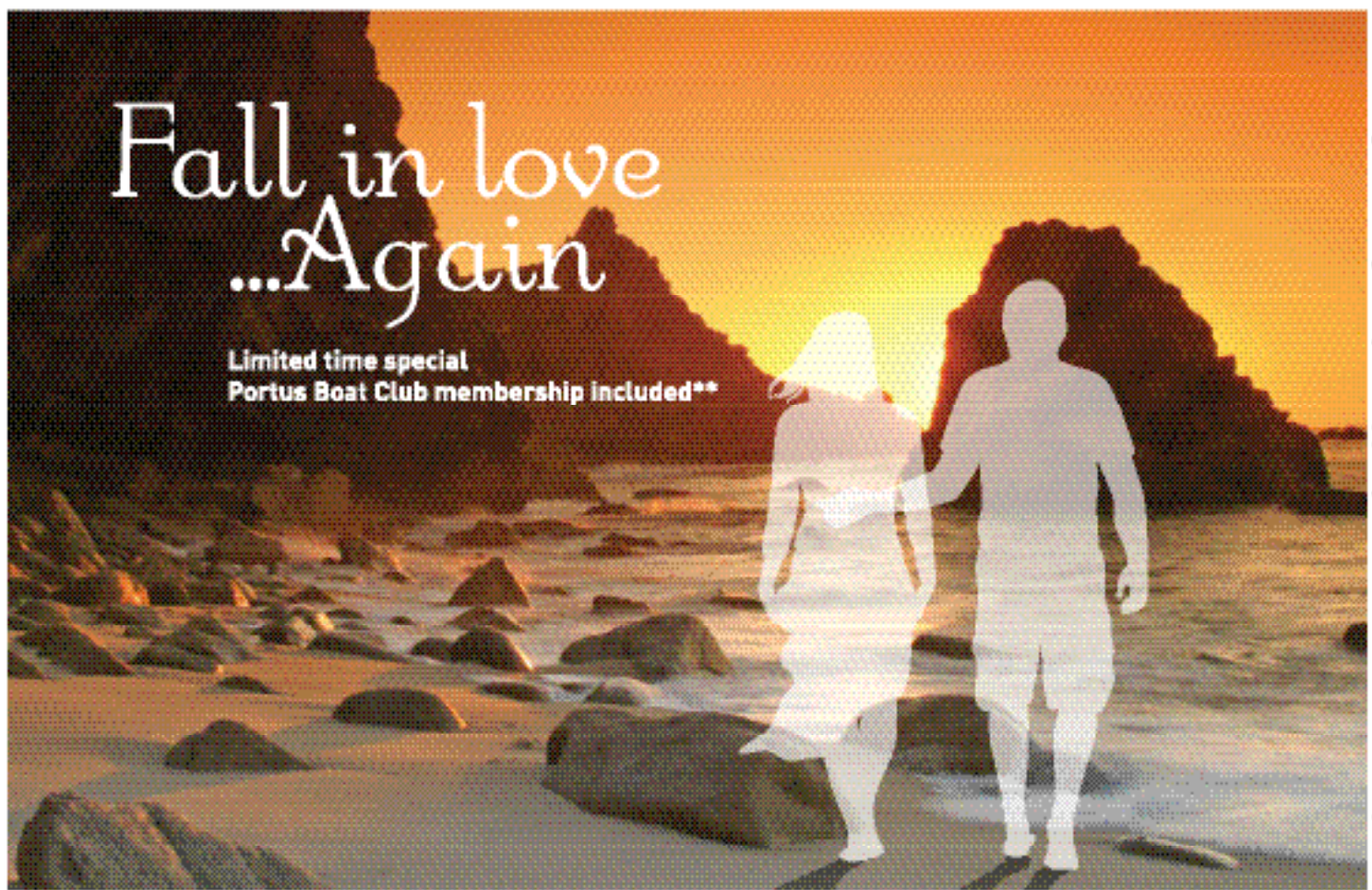
The alleged \$27.4-million fraud arises from a deal in which land in Vaughan is said to have been purchased by individuals closely associ-

ated with Royal Group and then sold to the company at an inflated price.

In addition to De Zen, those charged include Douglas Dunsmuir, who was Royal Group's general counsel and succeeded De Zen as president, along with two former chief financial officers, Gary Brown and Ron Goegan.

De Zen, who has insisted on his innocence throughout, said last week that the allegations are "without merit, and I intend to fight them vigorously in court."

A court appearance is set for Aug. 11.



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20 Questions

When retirement is not an option

Multi-faceted entrepreneur still going strong growing businesses, ideas

By Monte Stewart
Business Edge

Dr. Don Rix says he is a lab guy at heart. But Rix, chairman of Burnaby, B.C.-based Cantest Labs Ltd., considers himself an entrepreneur rather than a scientist. His other descriptions include angel investor, philanthropist, golfer and member of the Order of Canada.

Although he recently had a tumour removed from his throat, Rix will also serve as a voice for business over the next year after becoming the first medical doctor appointed as chairman of the Vancouver Board of Trade.

"I don't believe in retirement," says Rix, 77.

Whatever his title, he knows how to incubate businesses. He has converted Cantest – which conducts environmental, food, water, drug, and medical analysis for individuals, industry and government – from a small startup into a national company that generated \$40 million in sales last year. It has been ranked in the *Canada's 50 Best Managed Companies* business award program.

Rix also started a medical-testing company, Metropolitan (Metro) Labs, that was the forerunner of what's now called LifeLabs Inc. While Rix maintained financial interests, Metro, founded in 1959, eventually became part of Mississauga-based global health sciences firm MDS Inc.'s diagnostics division. In 2006, MDS sold LifeLabs to Toronto-based Borealis Infrastructure Inc. for \$1.3 billion. Rix remains chairman.

Rix, who says he now has stakes in 20 to 30 firms, also backed QLT Inc. in its early days and saw the company, which manufactures drugs designed to treat blindness in the elderly and skin disease, grow into a global firm.

His prescription for success? A large dose of corporate caregiving.

1. What did your parents do?

"My father was a druggist in London, Ont., and I worked in our drugstore. That started my interest in medicine. My mother was a homemaker."

2. What prompted you to enter medicine?

"My interest in medicine was galvanized working in the drugstore, and then my first practice was with Michael Smith, the Nobel laureate. He got me interested in going back to school (to study pathology). He got me interested in the tests in labs. I'm really a lab guy at heart."

3. You grew up in Orillia. What was memorable about your youth?

"Our lake trips. My grandfather lived there and he used to take us out



Bayne Stanley, Business Edge

Cantest Labs Ltd. chairman Dr. Don Rix hasn't let throat surgery stop his drive for corporate caregiving.

fishing. I can always remember how calm and quiet it was out there on the lake."

4. What instruments did you play?

"In pre-med, I played a tenor sax and a clarinet. I really enjoyed that. It was a lot of fun. I had to stop in second-year medicine because we were practising and playing on the weekend, and it didn't allow much time for study. But I still have my clarinet and my tenor sax. I ended up playing baritone at the end, so I have a baritone sax, too."

5. How was your experience at med school?

"I liked sports and stuff like that. We had a professor who was into rowing. I was on the first rowing team at Western. The next year, we won a few events. That was a very memorable thing. When I went through a degree in '57, it was a small class of 56 (students). Basically, we didn't have any money. We did a lot of things together. We were all the same status. It was a great time. I was back recently for my 50th reunion. I wasn't really sure I wanted to go back, because my wife died in September. Then my daughter said, 'Let's go back,' and she came with me."

6. How did you end up coming to Vancouver?

"When I was in medical school, one of my classmates, Jimmy Collyer, was a painter and wanted to come out for a summer. I got married and stayed here."

7. Where was your first practice?

"True story – when I first started out, I was going to be a surgeon. I was going to be a urologist, actually. I did two years of surgery and I ran out of money. The head of urology arranged for me to go into general practice. I liked general practice so much that I stayed for five years. Michael Smith was part of the practice. So was Julia Levy, the founder of QLT. That led me back to school and going into life sciences and biotechnology."

8. How did you wind up heading your own companies?

"(People) were testing out technologies called mammography and xerography. So three of us went down to Seattle and did some tests. We did eight or nine cases and went over to Victoria and asked (the provincial government) for \$50,000 to continue our studies. They turned us down flat. So we broke up. Basically, I wanted to make my own decisions. There was no testing for breast cancer or anything like that. I was so depressed, because I thought mammography would be the wave of the future, and here the government had turned us down. I wanted to do something where I could control my own destiny."

9. How did Metro Labs get started?

"Whereas Cantest had four or five employees when we took it over in '73, Metro started from the ground up. We had no patients, no staff or anything. We were the staff initially when we started up in 1960. We were very fortunate in our choice of wives. One had some accounting experience.

One had a little bit of lab experience, Mrs. Zvarsky (wife of Dr. Syd Zvarsky), so she did that, and my wife ended up being the housecleaner. That's a true story. The startup partners were Dr. Zvarsky, Dr. John Nixon and Dr. Al Patterson and then it was Dr. Earl Shepherd and myself. Patterson went off to a job in Alberta and Nixon went off to a job in Ontario. A couple of other doctors joined us for small amounts of equity and, in the '80s, MDS became involved as sort of a 50-50 partner. Then it became 75-25 and the other partners sold out and I bought their interests, so I was the 25. Basically, we existed like that and then there was a change in the board in MDS in Toronto and they decided to sell it. Borealis bought them out and myself out within the last two years. They bought all the labs that MDS had, so that includes us (in B.C.), Alberta, Manitoba, Toronto – they're quite large in Ontario – and Quebec. We didn't get \$1.3 billion. I just want to be clear. (I had a stake) just in B.C. I chair the (Life) Labs still. We have mainly B.C. people on the board, like Sue Paish (president and CEO of Pharmacare) and David Podmore, who is the (president and CEO) of Concert Properties (and chairman of B.C. Pavilion Corp., which oversees BC Place Stadium and the Vancouver Convention and Exhibition Centre) and we have two or three from Toronto.

See 20 QUESTIONS

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Women entrepreneurs on job-creation tear

Looking for a more balanced quality of life in the workplace: report

By Monte Stewart
Business Edge

Women entrepreneurs are winning the race to start new businesses in Canada.

Men still greatly outnumber women business owners, but women have been launching companies much more frequently than men over the past quarter-century, says a Canadian Federation of Business (CFIB) report.

"The primary reason that women are starting businesses, regardless of their age or station, is that they're looking for a different quality of life so that they can balance more," says Carissa Reiniger, incoming president of Toronto-based Women Entrepreneurs of Canada (WEC), which acts as a hub for women's business groups.

Between 1981 and 2006, the number of women who incorporated businesses jumped 243.5 per cent to 196,300 from 57,140, while male-managed incorporated operations climbed 93.9 per cent to 522,905 from 269,670.

The increase between 2001 and 2006 was much less, with the number of businesses operated by women rising 19 per cent over that period, compared to 18.4 per cent for those managed by men.

Adrienne Warren, a senior economist with Toronto-based Scotia Economics, says in most areas of the country, new female entrepreneurs are entering service-oriented areas rather than traditional businesses such as manufacturing.

She adds the growth in the number of female entrepreneurs is more rapid because they have a smaller base and much of Canada's economic growth has involved small business-to-business firms.

"I suspect it's still probably going to be the higher-growth area going forward as well," she says.

Taking unincorporated operations into account, women-operated businesses rose 234 per cent to 683,575 from 204,665 from 1981 to 2006, while male-operated ventures increased 47.2 per cent to 1.3 million.

But, in all parts of the country, the number of incorporated businesses grew faster than traditional employment or unincorporated self-employment.

"A large part of the reason for that (increase in female entrepreneurs) is that women are starting to realize that they can create their own flexible work options and work within a culture that is more friendly to their style – by creating that themselves," says Tara Cree, a Vancouver-based leadership-development consultant.

Cree says women have succeeded in creating their own flexible work environments because organizations have



Photo courtesy of The Bargains Group

Jody Steinhauer was 'very strategic' about family when she was setting up her Toronto-based clothing company, The Bargains Group Ltd.

Coming July 11: How women are faring in Canada's boardrooms

been slow to respond to female employees who want to balance work and family

"It's really hard for women, especially those with small children who are in child care, to be really effective in their role when they aren't given the tools that they need to do it. It's a constant challenge for them," says Cree.

Alberta (27.2 per cent) and Manitoba (23.6 per cent) recorded the largest increases in new incorporated businesses between 2001 and 2006. Tom Mallett, the CFIB report's author, attributes the increases to the maturing of previously informal businesses, tax and regulatory policies that encouraged business formation, more mature technologies and continued movement of Baby Boomers toward retirement.

Reluctance to deal with gender-based barriers in the corporate world

could be another reason why women start their own businesses, says Cree. But the flexible schedules and non-traditional methods do not deter profitability.

"Don't get me wrong," says Cree. "Women work very hard and put in a lot of hours, I would say, no less than men. But they might get up early and (work) before the kids get up and then spend some time with the kids and then go into the office. It all comes out in the wash. It may not be your typical nine-to-five day."

Most new entrepreneurs of either sex are in the 45-64 age range, partly because more Baby Boomers are approaching retirement and looking for new ventures, and rookie business owners require significant technical and management skills.

WEC president Reiniger, also president and founder of Toronto-based business development company Silver Lining Ltd., says many young women entrepreneurs face major challenges on the job and at home.

"My age and my gender have been challenging – for sure – in that it's harder to gain respect," says Reiniger, 26. "Typically, (a) client will talk to my male employee over me, thinking that they're the dominant."

Sherri Olsen, a Calgary-based business coach, says many young women who try to start a business after college or university face more difficulties than those who leave other jobs. But she doesn't believe that any one sector is more suitable than another.

"Women in business can be women in business with anything," says Olsen. "I've met with women who are in typical male-dominated industries, like car sales, heading up search firms, and theatre producers."

But she says there is a growing trend of stronger, independent women who want to be in charge of their own careers.

"They are breaking free of the notion that they have to work for somebody else, put up with the glass ceiling and stay at home and raise babies," says Olsen. "We've had a culture shift, so that women can grab onto a career and home life, whereas before I think they felt they had to decide one or the other."

She says many female executives that she coaches are able to succeed because they have nannies or someone else who takes care of their home life so that they can concentrate on the business. But Olsen recalls a meeting where one woman executive said she was sick and tired of hearing about the work-home balance.

"What's a nanny to someone is somebody else learning to say 'no' or somebody else that has a husband that stays at home" says Olsen. "Each one figures out their own solution."

Jody Steinhauer, 41, whose Toronto-based clothing company The Bargains Group Ltd. (TBG), is celebrating its 20th anniversary, says a supportive household is a big factor.

After starting her firm with \$1,000, she has grown it into a multimillion-dollar national operation.

"Having a family (when you're) younger, I think it is easier in some cases," says Steinhauer, a mother of two children, aged nine and four. "But it's that whole dynamic of: If you're going to start your business, how do you do it and what part do you want to play in your life? Do you want to have a family or don't you?"

Steinhauer says she was "very strategic" about when to have children. She waited until she could afford a full-time nanny and a certain lifestyle.

After giving birth for the first time, Steinhauer brought her child and nanny to work – earlier than expected, because an employee had unexpectedly quit.

See LUNCH

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20 QUESTIONS from Page 8

Entrepreneur found calling as angel investor

"I chair some other companies too, but (Cantest and Metro) are the two main ones."

10. How did you become an angel investor?

"It sort of developed. People would call me and say, 'You've got to see these two people. They've got a great idea.' I had some spending capital and gave them \$50,000 and wrote a business plan. They'd get started with that."

11. What's your approach to angel investing?

"My approach is to see the people and get an idea of what they like to do. Nothing succeeds now unless it's world-class. It's got to be people who have a passion about what they do."

12. How would you define your role as an angel investor?

"Basically, I was interested in life

sciences and biotechnology. When people came around and were looking for some seed capital to start up, I was the person that gave them \$25,000-\$50,000. Lately, my role has become more defined. I guess I zero in on some areas that I'm interested in. I'm well aware now that there are other people like myself that have supported startup companies in life sciences and stuff like that. When I started, there weren't many other people around. There was no niche or anything like that. Now, there is a small group of people that provide funds for life sciences like I do. (Angel investing) has become more defined and more organized."

13. What have you focused on?

"I try and zero in on things like genetics, because I think that's going to be a big future, and certain com-

panies that are doing things in antibiotics, because we're running out of antibiotics. We're getting hospital-resistant bugs now, and the people who come along with new antibiotics are developing (antibiotics that conquer those bugs). Probably the last thing would be (cancer-treatment drugs). I guess Protox (Therapeutics Inc.) would be an example of that. It's a spinoff of the University of Victoria. Basically, it has developed an enzyme that kills the capsule around the cancer cells in prostatic cancer and stuff like that."

14. What was your best investment?

"In all fairness, you can say it was the first one. I think QLT, in its hey-days, was probably one of the best (companies developing treatments

for macular degeneration). My first investment was \$25,000. I came home and told my wife about it. She turned and looked at me and said, 'We haven't even paid off the mortgage on this house and here you are spending our money.' Luckily, I did well. Julie (Dr. Julia Levy, the founder of QLT) was one of my patients when I was in general practice. That's how I found out about QLT. When they did their first financing, they talked to me about investing, so that was my first investment - of \$25,000. I paid \$1 a share. It went to over \$100 a share. I sold out on the way up. I don't know what the multiple was. All I know is that it did very well."

See FAIRNESS

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Dr. Don Rix

- **Title:** Chairman, Cantest Labs Ltd.
- **Born/raised/age:** Orillia/77.
- **Education:** Rix obtained BA (1953) and medical degrees from the University of Western Ontario. He also earned a California State Board General Practice Certificate (1962) and a certificate in general pathology from the Royal College of Physicians and Surgeons of Canada (1968).
- **Family:** Widower, one daughter, Laurie Rix, who sits on the Cantest board of directors.
- **Career:** After graduating from medical school, Rix completed two years of surgical training and went into general private practice in Vancouver. He later completed training in pathology, first worked in hospitals as a pathologist and then began private pathology practice, which he still operates. In 1959, while continuing his pathology practice, he and a group of other doctors launched Metropolitan (Metro) Labs, which is now part of LifeLabs. In the 1970s, Rix and his partners acquired Cantest, then a small startup firm, and expanded it nationally. While leading Metro and Cantest, Rix became an angel investor and helped start several other companies, including QLT Inc. He continues to serve as chairman of both Cantest and LifeLabs.
- **Moonlighting:** Rix is chairman of the University of Northern British Columbia. He recently began a one-year tenure as chairman of the Vancouver Board of Trade. He serves as chairman of the Canadian Medical Association's Parliament communications committee, chairman of the B.C. Medical Association's finance committee and member of the BCMA's staffing and pension committees. He is a member of various medical associations and has served numerous business, science, technology and educational organizations.
- **Awards:** Rix was named to the Order of Canada in 2007 and made an honorary UBC Sauder School of Business fellow. His other honours include the Queen's Golden Jubilee Award (2002) and Biotechnology Alliance Lifetime Achievement Award (2001).
- **Passions:** Labs, Winston Churchill books and paintings, music.



Dr. Don Rix

Cantest Labs Ltd.

- **Brass:** Don Rix, chairman; Don Enns, president and CEO.
- **Profile:** Founded in 1969, Cantest conducts environmental, food, water, drug and medical testing for individuals, industry and government.
- **Stats:** Cantest generated approximately \$40 million in sales revenue last year and employs about 450 people.
- **Structure:** Cantest is a private company that is owned by its employees.
- **Website:** www.cantest.com
- **HQ:** 4606 Canada Way, Burnaby, B.C., V5G 1K5
- **Phone:** (604) 734-7276

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FAIRNESS from Page 10

Business 'has an obligation to the community'

15. What is your advice to people who want to start up a technology company today?

"The science has to be good. If it's not world-class, it won't win and it won't get a patent. They've got to have a reasonable business plan and, probably most important, they've got to be very passionate about what they're doing, because it's a hard road. If they're not willing to see it through the thick and the thin, they won't make it."

16. What do you view as your major accomplishments?

"In both cases (of Cantest and Metro), we computerized our labs. I think we were at the forefront of that. Now, (computerization) doesn't mean that much. As a small company (computerizing) was a big piece of capital. In Metro, that was an expenditure of \$1.2 million. But we paid it off. We did the same thing with Cantest. I knew that was the way things were going to go."

17. What motivates you?

"As I mentioned, I was a lab guy. I'm interested in analysing things and predicting things. Anybody in this field likes to think some good will come out of their efforts. We have done that."

18. What will be your mission as chairman of the Vancouver Board of Trade?

"My mission is to talk about science and technology and corporate philanthropy. I got an honorary degree from the University of Victoria (recently). My message to the students and the people that were there was about being a volunteer and being involved in your community. Business has a lot of skills and talents. If they put them all together, with a little bit of money, they can accomplish quite a bit. I think business has an obligation to the community. I hear about all the obligations to the shareholders to make a return, but I think they also have an obligation to the community – to get involved where they have their plant and stuff, and do things. My companies, generally, are all involved in the community one way or the other. Cantest has always participated with the United Way. We have a drive once a year for them. Half goes to the United Way and half goes to one or two charities that the staff pick themselves. Metro took on palliative care before people knew exactly what palliative care was and has really donated to palliative care around the province – and still does."

19. Do you shoot below your age in golf?

"Thank you! No! Actually, I used to play a lot of golf. I don't play so much now. I was off having some throat

surgery, so I haven't played much for the last six or eight months."

20. If you weren't the chairman of Cantest anymore, what would you do?

"Before I got sick, I would end up doing something. After I got sick, probably, I wouldn't be as quick to

take on some of the things I'm going to. Probably, the honest answer is, if I wasn't chairman of LifeLabs or Cantest, I would be doing more in life sciences or something in music. I would balance it out. I would be doing something more in venture capital and in

biotechnology. I'm quite interested in music. I've chaired a music festival – the Vancouver Summer Music Festival. I've been on the board for eight years. It's been quite successful."

(Monte Stewart can be reached at monte@businessedge.ca)

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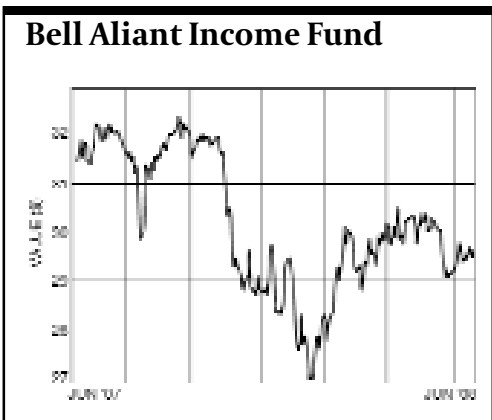
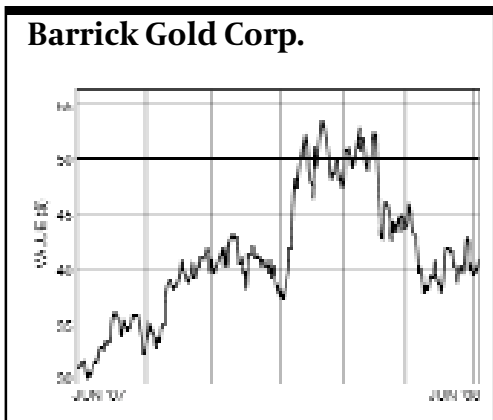
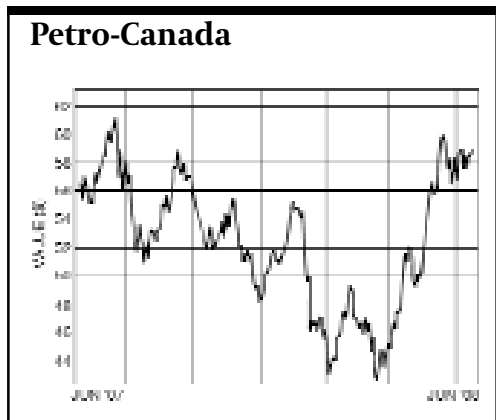
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CHIEF EXECUTIVES WORKING TOGETHER

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Market's actions disconcerting to Healy

(Business Edge writer Fern Brooks regularly profiles the top stock picks of Canada's most accomplished investment pros.)

By Fern Brooks
Business Edge

FEATURED PRO: Ross Healy is CEO of Toronto-based Strategic Analysis Corp. (www.strategicanalysis.ca).

Healy's View: "We try to hold on to our stomachs to prevent air sickness. And I think really we try to sort out which is likely to prove to be more correct: Those who are calling not only for a recession but probably for a nasty one, and those cheerleaders led by the Fed (U.S. Federal Reserve) who are attempting to convince everybody that the recession is all over except for the shouting, and we should start seeing a turn perhaps as early as the third quarter. "The reality is that things are



Ross Healy

Pro's 3 Stars

getting tougher and tougher. Not only is there persistent weakness, but also evidence we are seeing lately that stocks are making technical breakdown after technical breakdown – one on top of the other. It is disquieting in light of the rally that the stock market has put on. The way the evidence is coming at us is worrisome and disconcerting."

FIRST STAR

- **Petro-Canada** (TSX:PCA, NYSE:PCZ)
- **Recent Price:** \$58.63
- **52-Week High/Low:** \$61.85/\$41.50 (05-22/03-20)
- **Snapshot:** Petro-Canada is an integrated oil and gas company, operating in both

the upstream and the downstream sectors of the industry in Canada and internationally.

- **President and CEO:** Ron Brenneman
- **Head Office:** Calgary
- **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 9.0; Revenue (last fiscal year), \$21.5 billion; Earnings Per Share (ttm), \$6.60; Market Cap, \$28.4 billion.
- **Healy's View:** "I chose PetroCan because it's the cheapest of the integrated oils. PetroCan is trading at just a little over two times book. It's cheaper than the energy index as well, and the last quarter was a dandy. We're hoping that the value will come out relative to other oil stocks. This is kind of a hedge pick. We're trying to get something that's relatively good value, but cheap. For a long time it used to have federal ownership hanging over it, but that doesn't hold

water anymore. We're not sure why investors aren't embracing the company the way they ought to."

- **Risk Rating:** Medium
- **Web Watch:** www.petro-canada.ca

SECOND STAR

- **Barrick Gold Corp.** (TSX, NYSE:ABX)
- **Recent Price:** \$39.64
- **52-Week High/Low:** \$54.11/\$29.80 (01-28/06-27)
- **Snapshot:** Barrick is an international gold-mining company with a portfolio of operating mines and projects located in the United States, Canada, Dominican Republic, Peru, Chile, Argentina, Tanzania, South Africa, Russia, Australia and Papua New Guinea.

See 3 STARS

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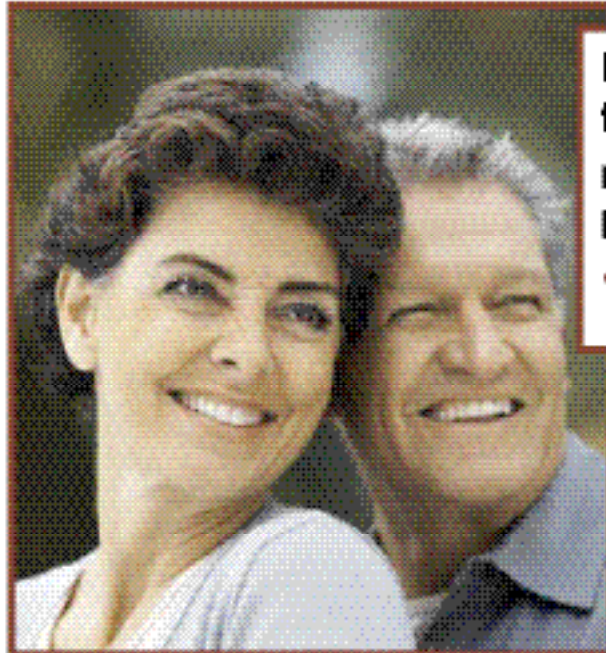
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Cameco gets boost from nuclear producer

(Street Life is a regular feature that profiles what's playing in the stock market.)

By Nicole Strandlund
Business Edge

Act I: Uranium? My-ranium.

- **The Player:** Cameco Corp. (TSX:CCO)
- **Action:** Down nine per cent in a month (from \$41.59 May 16)
- **Recent Price:** \$37.95
- **52-Week High/Low:** \$59.90/\$31.39

Saskatchewan ships out a third of the world's uranium, but so far, the province has done nothing with it on its own. That may be about to change.

Bruce Power, a private nuclear generation company that operates the Bruce Nuclear Station on Lake Huron, is proposing to build two 1,000-megawatt nuclear reactors in the province. The company plans to work with SaskPower to evaluate Saskatchewan's power demand, and expects to complete its study by the end of the year.

Shares of the world's largest uranium producer, Saskatoon-based Cameco Corp., have recently been hit by falling spot uranium prices and trouble with a subsidiary's gold-mining licence in Kyrgyzstan. But news of a possible local nuclear facility may help boost Cameco's stock, as it not only mines for the controversial mineral, but also converts uranium from dismantled Russian nuclear weapons into fuel for nuclear power plants.

Act II: Line in the sand

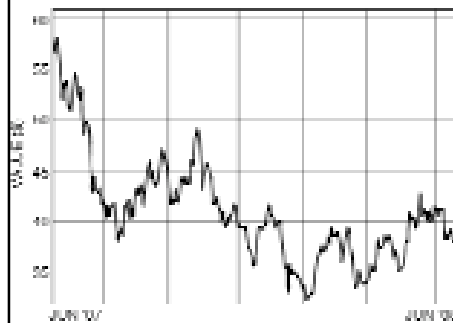
- **The Player:** Biovail Corp. (TSX:BVF)
- **Action:** Down 15 per cent in a month (from \$12.79 May 16)
- **Recent Price:** \$10.90
- **52-Week High/Low:** \$27.80/\$10.30

There's a mutiny brewing in an Ontario pharmaceutical company, but the captain isn't volunteering to walk the proverbial plank.

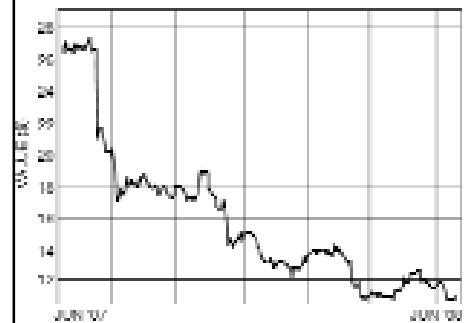
Bruce Brydon, spokesman for The Concerned Shareholders of Biovail Corporation, has criticized the inexperience of Biovail's CEO William Wells and has challenged Wells to a debate. When Wells declined to participate, Brydon accused him of being "afraid to show – one-on-one – his lack of knowledge."

Recent analysis by independent company Glass Lewis & Co. calls Wells' appointment to CEO "inappropriate" and suggests a conflict of interest in "lavish" compensation packages to Wells and his predecessor when Biovail itself is financially struggling.

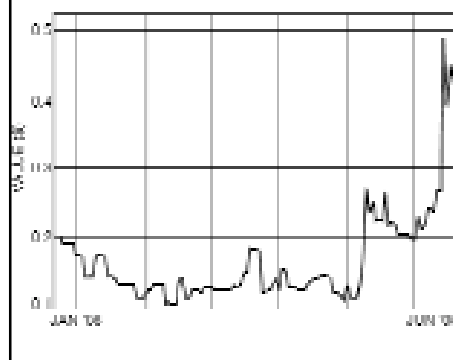
Cameco Corp.



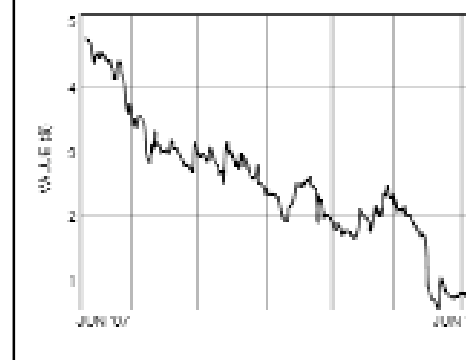
Biovail Corp.



Geo Minerals



Crystallex International



Street Life: Analysis

The conflict has only exacerbated Biovail shares' woes. The stock, which has dropped 61 per cent from highs near \$28 a year ago, has fallen another 15 per cent in the last month, and is posting new 52-week lows.

Act III: Diggin' in the desert

- **The Player:** Geo Minerals (TSXV:GM)
- **Action:** Up 105 per cent in a month (from \$0.22 May 16)
- **Recent Price:** \$0.45
- **52-Week High/Low:** \$0.88/\$0.10

The next time you vacation in Arizona, take a shovel with you – you may find your snowbird

property has more value than you thought.

Geo Minerals, a Vancouver-based junior minerals exploration company, has commenced drilling on the Middle Mountain property near Florence, Ariz.

The target is a porphyry copper system buried beneath shallow gravel cover, and the first hole drilled will provide geologic data to help guide further drilling.

The company only has one property to date: The Scotia Property, a zinc/lead/silver prospect approximately 42 km south of Prince Rupert, B.C., but has applied for coal permits in east-central Saskatchewan and acquired potash rights in Saskatchewan and Manitoba with partner Alix Resources.

See STREET LIFE

Page 16

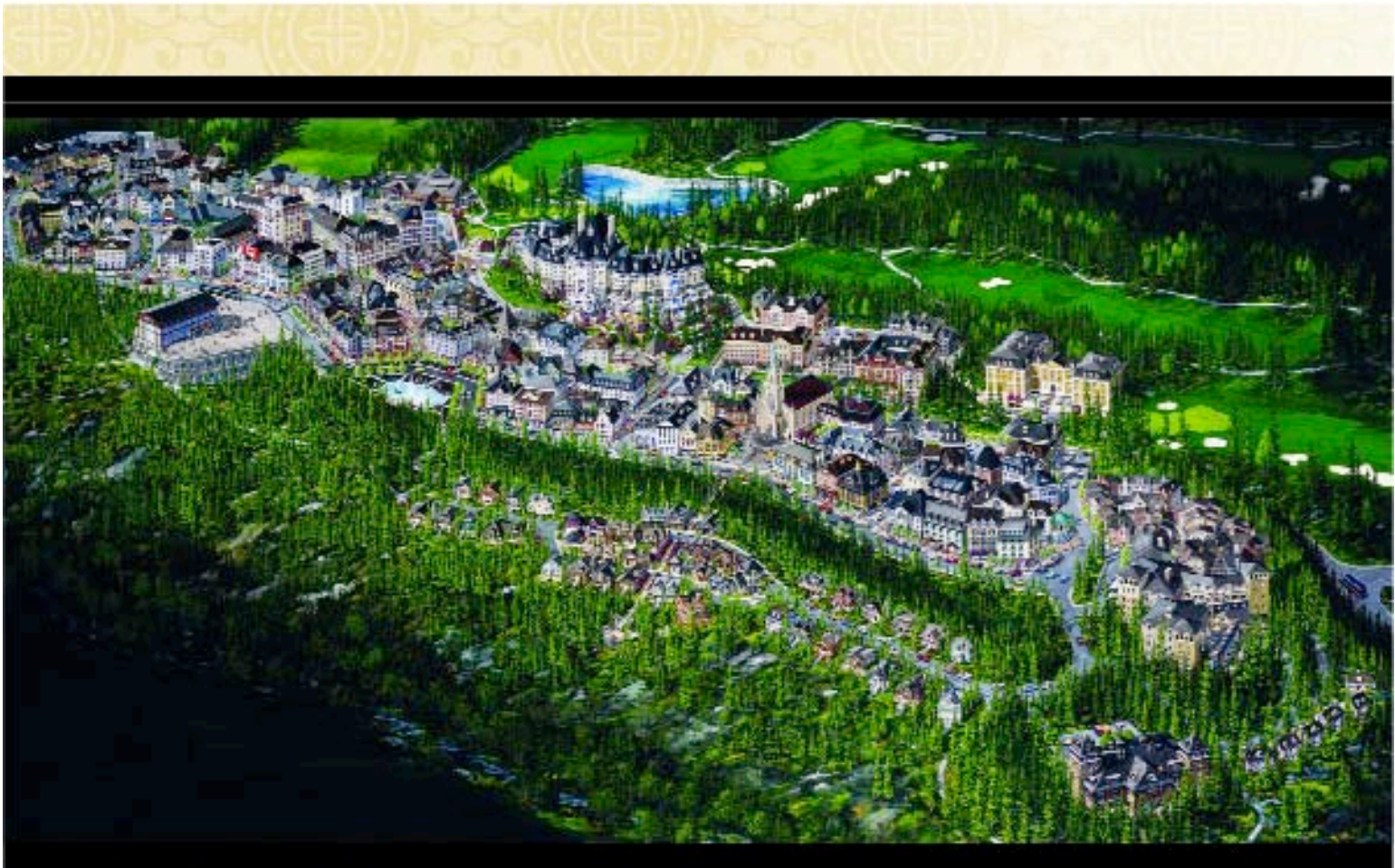


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3 STARS from Page 12 Gold remains safe bet for analyst

- **President and CEO:** Greg Wilkins
- **Head Office:** Toronto
- **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 19.30; Revenue (last fiscal year) US\$6.5 billion; Earnings Per Share (ttm), US\$2.12; Market Cap, \$34.6 billion.
- **Healy's View:** "I have continued to stick with a gold stock (Barrick was one of Healy's previous *3 Stars* picks). I look at what the Americans are doing with their national balance sheet and it's still a mess. The Fed is doing all the wrong things. It's desperately trying to coax people to spend and to lever themselves against the reality that they can't. It continues to push out credit. The balance-sheet pressures on the U.S. dollar are downward and under those circumstances, I like to have gold. I look for a cheap gold with a high-quality company, and that's Barrick."
- **Risk Rating:** Medium
- **Web Watch:** www.barrick.com

THIRD STAR

- **Bell Aliant Income Fund** (TSX:BA.UN)
- **Recent Price:** \$29.66
- **52-Week High/Low:** \$32.42/\$26 (09-20/01-21)
- **Snapshot:** Through its operating entities, Bell Aliant serves customers in six Canadian provinces with information, communication and technology services. Through its xwave division, Bell Aliant also provides IT professional services in Canada and the U.S.
- **President and CEO:** Stephen Wetmore
- **Head Office:** Halifax
- **Vital Stats:** Price/Earnings Ratio (trailing 12 months), 8.1; Revenue (last fiscal year), \$3 billion; Earnings Per Share (ttm), \$3.64; Market Cap, \$3.8 billion.
- **Healy's View:** "I am coming down the middle and picking an income trust for its defensive qualities and good yield. Bell Aliant has been a company with a very stable balance sheet over the last few years. I'm obviously not looking for big gains here. (It's a) place to put some cash so that it will have hopefully cash-like tendencies, but with a better yield."
- **Risk Rating:** Low
- **Web Watch:** www.bell.aliant.ca

Disclaimer: Healy holds positions in all three companies.

(This feature is provided for informational purposes. Investors are advised to do their own research or consult a qualified investment professional before making investment decisions.)

Former Nortel CEO, other execs charged

The Canadian Press

Five years after an accounting scandal battered former Canadian telecom equipment giant Nortel Networks Corp. (TSX:NT) wiping out tens of billions of dollars of stock market value, police have laid fraud charges against the company's former CEO Frank Dunn and other senior officers.

The Royal Canadian Mounted Police said they have laid fraud charges against Dunn and two other former top finance executives of the telecommunications equipment maker. Nortel was not charged itself.

Dunn, 54, is charged with fraud affecting the public securities market, as well as with falsification of accounts and documents and involvement in issuing a false prospectus.

A lawyer for Dunn expressed confidence in a statement, saying "the evidence will demonstrate that Mr. Dunn acted honestly and diligently in the interests of Nortel's shareholders and employees at all times, and that he will be acquitted of these charges."

Facing similar counts are former Nortel chief financial officer Douglas Beatty, 53, and former corporate controller Michael Gollogly, 49.

The Nortel accounting scandal of 2002-2003 produced one of the most spectacular stock market flameouts of a Canadian company, dragging down the stock price of the former market darling to penny status.

Eventually, Nortel was forced to sell off assets, change its executive leadership and cut more than 60,000 jobs as it pared down to its core businesses.

After firing Dunn for what Nortel said was just cause, the company brought in a new CEO to restructure operations and focus on broadband technology, where it hopes to grow its business and boost profits.

The Nortel scandal reflected a wave of accounting frauds in North America that led to the collapse of high-profile companies such as energy trader Enron Corp.

RCMP allege criminal activity between the beginning of 2002 and mid-2003, when Dunn, Beatty and Gollogly are accused of fraudulently misstating financial results.

They are scheduled to appear in a Newmarket court.

Nortel issued a statement stressing that it has not been charged and was not the target of the investigation.

STREET LIFE from Page 14

Venezuelan decision has gold producer scrambling

Act IV: Pretty please?

- **The Player:** Crystallex International (TSX:KRY)
- **Action:** Down eight per cent in a month (from \$0.84 May 16)
- **Recent Price:** \$0.77
- **52-Week High/Low:** \$4.81/\$0.56

A Toronto-based gold producer is filing a second appeal to the Venezuelan government, hoping this time a mining rights denial will be reversed.

Crystallex International received permits and approvals from 2004 to

2007 for all steps leading up to development of the Las Cristinas gold mine in Venezuela's Imataca forest. But in April of this year, the Venezuelan government quashed the company's plans when it announced all mining activities in the region are illegal.

Crystallex's appeal to the environment ministry's director general of permitting was denied, but the company is filing a second appeal.

Crystallex shares have lost half their value since April, and the company's

president and CEO has resigned. Venezuela's environment minister has 90 days to make a decision on the appeal.

NOTE: The above is not intended as investment advice to buy or sell any mentioned securities. Investors should do due diligence before investing. Quotes are based on results through June 17, 2008.

(Nicole Strandlund can be reached at nicole@businessedge.ca)

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Construction activity spurs demand for workers

By Laura Severs
Business Edge

Canada's construction industry is being pushed to its limits, a new report says.

And the pressure is only going to get worse before it gets better, with 162,000 workers needed to replace retiring Baby Boomers, according to an assessment of Canada's construction labour markets from 2008 to 2016 by the Ottawa-based Construction Sector Council (CSC).

Another 94,000 construction workers will be needed over the next eight years just to keep pace with new projects. These numbers are above and beyond the 42,000 workers hired last year, a figure the CSC calls unprecedented.

"From 2007 to 2016, that's close to 300,000 construction workers. The magnitude of that should be a call to action," says CSC executive director George Gritziotis.

Despite economic uncertainty in the U.S., construction has been a leading industry in terms of growth and employment in Canada over the past decade.

CSC figures show that national employment across the entire construction industry has risen by a record 39 per cent over the past five years.

Ontario Outlook

- Moderate annual growth (less than five per cent) in the workforce for the industrial and engineering trades from 2006 to 2009 is manageable, given the current training system and overall population growth.

- Competing demands in other provinces may disrupt the balance in Ontario and draw workers to tighter labour markets. This seems especially likely in 2008 and 2009.

- There are a number of large infrastructure projects in Ontario's future and these will create recruiting challenges, particularly if they attract large numbers of skilled trades to work outside the Greater Toronto Area and Central Ontario.

Source: Construction Sector Council

The years 1995 to 2006 also saw a significant jump in construction investment in Canada. "Adjusted for inflation, it's close to a 45- to 50-per cent increase in construction investment," says Gritziotis. "That's put a tremendous amount of pressure on workforce needs at all levels.

"What we're experiencing right now is a prolonged peak; it's flatten-

ing out but not dropping. We're increasing at a decreasing rate – construction is still increasing, but at a slower pace."

While the national forecast shows Alberta and British Columbia are the pacesetters – with oilsands projects spurring growth across the Wild Rose Province and infrastructure around the Asia Pacific gateway and the Vancouver 2010 Olympics in B.C. – they won't be alone at the front of the pack for much longer.

The CSC says "dramatic increases in employment" will soon follow in Saskatchewan, Manitoba, Newfoundland and Labrador, and New Brunswick. Even the laggards – Ontario and Quebec – are still moving forward, with growth expected in the industrial and engineering trades.

"We have a growing economy, record new projects and record employment," says Michael Fougere, president of the Saskatchewan Construction Association. "Saskatchewan is now a major draw in the fierce Canadawide competition for skilled labour."

Manufacturing investment in Saskatchewan is at an all-time high. Several projects are underway or scheduled, including ethanol and food-processing plants, potash and uranium mine expansions. Other

work is tied to oil and gas.

A \$4-billion polygeneration plant near Belle Plaine, Sask., is also on the drawing board. The facility, which would be owned and operated by TransCanada Corp., would use petroleum coke as feedstock to produce hydrogen, nitrogen, steam and carbon dioxide for fertilizer production and enhanced oil recovery.

But it's not just industrial or commercial development that's pushing the industry in Saskatchewan or the rest of the country. Last year, residential projects accounted for 40 per cent of all Canadian construction.

"In many ways, we're competing with and surpassing Alberta in the pace of growth. We're certainly rivaling Alberta, if not passing it," says Fougere. "But if we don't have more workers, we will begin to see trouble. We are working flat-out right now, but if we don't address this in a comprehensive way (in Saskatchewan) it will stifle growth and no one wants that."

As with the other provinces, Saskatchewan does not have the luxury of importing workers from other parts of Canada – even though some Saskatchewan workers have returned home because of its rebounding economy.

See SOLUTION

Page 21

Advertising Feature

Pet Planet franchises tap into big market

As an impassioned animal lover, Laura Leah English spent much of the early 1990s scouring Western Canadian retail stores in search of the kind of quality pet health foods, products and information she wanted to help her family dog get the most out of life.

More often than not, the search ended in frustration.

Then a light dawned. Spotting a large gap in the retail marketplace, English joined forces with her mother and opened the first Pet Planet store in Calgary.

Within a few months, pet lovers were pouring through the doors in increasing numbers. Before long, English realized she had a retail tiger by the tail.

Today, 18 Pet Planet stores are flourishing throughout the West, with five more due to come on stream by year's end.

As it happens, Laura Leah wasn't the only one who was seeking a community-based retail store that stocks high-end, specialty products developed solely to enhance the health and well-being of beloved pets everywhere.

She's been the beneficiary of an enormous wave of interest in the pet food and health industry across North America.

"We could never have imagined how much



Pet Planet has access to a quality line of products unsurpassed in North America.

this sector would take off since the day we first opened our doors in 1996," says English. "Recent industry projections indicate that Canadians will spend more than \$4 billion on their pets during the current year."

In response to such encouraging trends, the operators of Pet Planet have been fielding dozens of requests to begin franchising these wonderful specialty stores. At the moment, 10 of the company's 18 stores are operated by franchisees and fresh inquiries are always welcome.

"Our franchisees really have a passion for pets. They go to work each morning knowing they're going to make a real difference in the

lives of their customers and communities," says English. "It's not work, it's fun."

Better still, it pays.

"The performance of all our franchisees has exceeded our expectations," confirms English.

For the price of a \$30,000 franchise fee, operators of these high-volume retail outlets gain access to a quality line of pet-supply products that is unsurpassed in the North American market.

Apart from the right to apply the Pet Planet trademark, franchisees are welcome to take advantage of one of the most extensive and effective operating systems in Canadian retail.

"We thoroughly train each of our franchisees and lend support wherever and whenever we can," English adds. "We only make money if each of our franchisees is doing well."

Pet Planet is proud of the stringent qualification standards it applies to potential franchisees. So, if you love pets and aren't afraid to work hard to realize a healthy return as well as the utmost in job satisfaction, please take the time to access the Pet Planet website (www.petplanet.ca) and fill out the contact form you'll find under Franchise Information.

Edge@Work



Emergency planning a business necessity

When I attended my son's kindergarten orientation earlier this month, I was surprised to find a disaster kit – instead of pencils and paper – topping the list of school supplies needed for September.

"We ask parents to send a care kit at the beginning of the school year so children will have some comforts from home if they need to stay at the school for 72 hours," says École Margaret Jenkins School principal Rob Parker.

The comfort kits are part of the Victoria school's extensive emergency-preparedness plan, which covers everything from earthquakes to lockdowns. Well-equipped with backup generators, first-aid supplies, large tent shelters, hard helmets and safety goggles, Margaret Jenkins isn't leaving anything to chance.

"We have a written (emergency response) booklet that's updated every year and six designated co-ordinators in the areas of first aid, triage, shelter, search and rescue, student release to parents, and gas and electricity," Parker explains.

"It's all very well laid-out and structured and there are forms and documentation that go along with it that teachers are trained in. It's also something we practise a lot so we're ready and in the event of an emergency, we know exactly what to do."

Being prepared for an emergency is increasingly important as wild weather, power failures, computer viruses and aging infrastructure put not just communities – but Canadian businesses – to the test.

"I think anyone who reads a newspaper or watches TV is increasingly aware that things are happening in the world that can interrupt our daily activities," says Adrian Gordon, president and CEO of the Canadian Centre for Emergency Preparedness.

"When you combine the severe weather we're seeing with an aging infrastructure that's not being replaced or maintained at a necessary pace, the chance of a failure is even greater and that's why organizations need to be prepared."

Yet, many organizations aren't prepared. A new survey by Office Depot found that 40 per cent of small businesses in the U.S. have no disaster-preparedness plan. Gordon believes the numbers are probably actually higher – and says many medium-sized and larger businesses are also at risk.

"The majority of small and medium-sized businesses are not prepared," Gordon claims. "And while I would like to say that, in this day and age, most larger organizations are committed to this, it would really depend on the industry."

Sounding the alarm at the 18th World Conference on Disaster Management in Toronto this month, top

@Work



Tess van Straaten
Business Edge

Canadian and international experts agree that not being prepared can have a huge impact on a business's bottom line.

"Businesses need to understand that, if they're not prepared, they will lose out competitively," Gordon says. "Clients increasingly want to know whether organizations have plans in place to minimize (business disruption) and businesses that don't have plans could find themselves out of business

because without a plan, your chance of being resilient to something that interrupts your business is low."

To help businesses survive emergencies big and small, there's no shortage of products on the market. The latest and greatest innovations showcased at the World Conference on Disaster Management included a full-size truck that converts into a self-contained mobile hospital operating room for communities, and antiviral drug kits for the office.

"Our goal is to operationalize pandemic preparedness," explains Scott Ashley of Pandemic 101, based in Guelph. "Keep businesses running; keep people working so everything doesn't have to shut down like during SARS."

With the economic hit from SARS estimated in the billions of dollars – a report from the TD Bank Financial Group pegged the cost to the economy at \$2.1 billion in 2003 – Pandemic 101 is targeting both large and small businesses for its kits, which include training software and business continuity planning in addition to anti-viral drugs.

"At the end of the day most companies think, 'I don't have time for this, I just want to run my business,'" Ashley says. "But will you still be able to deliver if something goes wrong?"

Many companies like Pandemic 101 are now offering online toolkits for organizations to develop and test emergency plans. They're also providing certification for businesses

to prove to clients that they're "pandemic-ready."

"Most people believe a pandemic will have major consequences, but the reality is that it will not be as bad if people are prepared," says Ashley, a former flight paramedic. "If we learned anything from SARS, it's that we need to be prepared."

Five years after SARS crippled Toronto, Ashley fears the lesson may have been lost on many businesses.

"The shame of SARS was that when SARS was out there, all these companies had gloves and masks and hand sanitizers at reception desks and as soon as it was over, all the handwash went away," Ashley says.

"All that notion of proper hygiene and handwashing suddenly vanished and yet a proper handwashing program will reduce employee absenteeism by 10 per cent and that will more than pay for the cost of a program like this."

Indeed, some of the most inexpensive steps may do the most to safeguard a business.

"Something as simple as doing a daily backup of your data and making sure it's stored offsite can keep you in business," Gordon advises. "If there's a fire or flood or you're locked out of your building for some reason and suddenly have no access to your data, how are you going to do business?"

Maintaining duplicate copies of vital records and keeping an up-to-date contact list of all customers, staff and stakeholders is also crucial.

"If you don't know how to get a hold of people in an emergency, things start to get very difficult very quickly," cautions Gordon.

By far the most important thing any organization can do is have an emer-

gency plan – whether your risk is high, low or somewhere in between. To develop a plan, experts advise doing a threat analysis to determine your business's most likely emergency scenarios.

"Geographically, if you're on the west coast, earthquakes are a bigger issue than in Ontario," explains Gordon. "Maybe flooding is an issue or power failures or summer storms or perhaps you're located near a business that's high risk – these are all things you need to take into consideration."

Once you've determined the main threats to your business, you can develop a plan to prepare for them – and in some cases, mitigate them. For example, if you're in an old building where the wiring may be suspect, you could replace it to significantly reduce your fire risk.

It's also important to determine the key functions of your business so that if you are shut down, you know what you can defer and what has to be brought back as soon as possible. A good plan should also spell out who's in charge of what so that in an emergency, everyone knows what to do.

"Managing a crisis is a very different business than managing an organization on a day-to-day basis," Gordon says. "If you're prepared, it means a whole structure is in place so if a disaster happens, the plan kicks in."

With hundreds of children and their parents depending on him, principal Parker couldn't agree more.

"I wouldn't want to imagine what it would be like (without a plan)," he says. "It would just be irresponsible."

(Tess van Straaten can be reached at tess@businessedge.ca)



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TSX Group names American as new CEO

Business Edge

TSX Group Inc. (TSX:X) has named **Thomas Kloet** as its new CEO, moving an American into the head role at Canada's biggest stock and derivatives exchange. He starts on July 14 pending approval from Immigration Canada. Kloet has been chief operating officer of international brokerage Newedge USA, previously Fimat USA. The TSX is in the midst of integrating with the **Montreal Exchange**, which it took over recently in a \$1.3-billion transaction. Earlier this year, **Richard Nesbitt** left his CEO role at the TSX Group to head the investment banking division of Canadian Imperial Bank of Commerce.

Maurice Forget is the new executive VP of mortgage products and services at **AGF Trust** and **Tom Hickey** is VP of mortgage lending. Before joining AGF, Forget was president and CEO of MoneyConnect Home Lending. Hickey has held the position of VP of operations at MoneyConnect Inc. for the past two years. AGF Trust is a subsidiary of **AGF Management Ltd.**, an investment management company. The trust trades on the TSX as AGFB and has its head office in Toronto.

Samir Zabaneh is **Moneris Solutions'** new chief financial officer. Zabaneh has been a CFO in the private and public sectors. Moneris provides payment processing through credit, debit, wireless and online payment services for merchants in virtually every industry segment. It was created as a joint investment between RBC Financial Group and BMO Financial Group in December 2000.

Noront Resources Ltd. (TSXV:NOT) has made a number of changes in its executive suite. **John Harvey**, formerly executive VP, has been promoted to COO. **Neil Novak**, formerly VP of exploration, has been appointed VP of corporate and Aboriginal affairs. **David Graham** has been appointed VP of special projects. He comes with more than 25 years of experience in the resources industry. **Kevin Feeney** has been named CFO. He was most recently VP of North American investments, finance and operations for Sun Life Financial Corp. **Carmen Diges** has been named VP of legal and business affairs. She had been corporate secretary of Noront since 2003. Noront is focused on two mining projects in Ontario and Quebec. Its head office is in Toronto.

Export Development Canada has announced new assignments for some of its executives. **Kevin O'Brien** has become senior VP for finance and CFO. He has been with EDC 22

Moving On

years, most recently as senior VP of the financing products group. **Stephen Poloz** replaces O'Brien. Poloz joined EDC in 1999 as chief economist and has served as senior VP of corporate affairs. **Peter Hall** is now VP and chief economist. He had been deputy chief economist for four years. **Jim McArdle** continues as senior VP of legal services and secretary with added responsibility for corporate social responsibility. EDC is Canada's export credit agency. Its head office is in Ottawa.

Gabriel Resources Ltd. (TSX:GBU) has named **Jonathan Weisstub** as VP of corporate affairs. Before joining Gabriel, Weisstub practised in the area of securities and corporate law. Gabriel is engaged in the exploration and development of mineral properties in Romania. Its head office is in Toronto.

Independent Nickel Corp. (TSX:INI) says **Daniel Oosterman** has been promoted to VP of exploration. He joined INI in 2005. Independent Nickel owns the Lynn Lake nickel mine in Manitoba. Its head office is in Sudbury.

Crystallex International Corp. (TSX:KRY) president and CEO **Gordon Thompson** has resigned "to pursue personal interests." The Toronto miner announced that Thompson would be replaced on an interim basis by **Robert Fung** as executive chairman and CEO, and **Robert Crombie** as president. The resignation comes after clashes between the company and Venezuelan authorities over the development of its Las Cristinas mine

in the South American country. Fung has served on KRY's board since 1996 and has been chairman since 1998. Crombie has been senior VP of corporate development since April 2007.

Intrepid Mines Ltd. (TSX:IAU) has named **Stephen Smith** as its new CFO. Smith was most recently CFO of Peabody Pacific. Intrepid is an international gold and silver company. Its exploration properties are in Argentina, Australia, Canada, El Salvador, Indonesia and Mexico. Intrepid has offices in Toronto and Spring Hill, Queensland.

Com Dev International Ltd. (TSX:CDV), a manufacturer of space hardware subsystems, has appointed

George Cwynar as president of **Com Dev Canada** and **Michael Williams** as president of **Com Dev International Products**. CDV recently reorganized into four operating divisions. Based in Ottawa, Com Dev Canada provides microwave and optical technologies. Com Dev International Products is based in Cambridge and is the hub of the company's global commercial space operations. **Michael Pley** has been named COO with oversight of all four divisions.

— with files from
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Opinions

Great plastic bag debate is heating up

Consumers starting to examine hefty environmental price tag

On June 1, according to news reports, the Sointula Co-operative Store became the first retailer in British Columbia to eliminate plastic bags.

The co-op, which serves a village of the same name on Malcolm Island, between the northern tip of Vancouver Island and the B.C. mainland, now sells paper bags at 10 cents apiece, or reusable cloth ones for \$1.50 each.

What happened in tiny Sointula is happening in a lot of other places. In late May, the mighty Liquor Control Board of Ontario, which once handed out about 80 million plastic bags a year, announced that its stores will stop using them when the current supply runs out – likely by the end of the summer.

Ontario took its cue from the Nova Scotia Liquor Commission, which has announced it is getting out of plastic bags by the fall. Government-owned liquor stores in Quebec and Manitoba are reportedly doing the same.

The Canadian Plastics Industry Association is in a mighty huff over all this and understandably so. Its member companies employ 11,000 people directly and 30,000 indirectly in the province of Ontario alone. The switch from plastic to paper containers threatens jobs and investment.

The CPIA has responded, its website says, by setting up a bag task group and hiring a public relations firm – PR Post – to develop “key messaging around plastic bags” and “to help you (the members) set the record straight when dealing with the subject of plastic bags.”

The messaging – spin, the skeptics call it – is all environmental. The association says that producing a paper bag consumes 2.2 times more non-renewable energy, 4.7 times more water and emits 3.1 times as much greenhouse gases.

Paper bags are also bulkier and heavier which means more trucks on the road. CPIA says it takes seven of them to haul two million paper bags versus one to move the same number of plastic bags – not good for our congested highways and smog-filled skies.

The plastics association could also

point out that switching to paper bags won't be good for Canada's forests either.

But all this probably wouldn't make a difference. These days, CPIA is

whistling against a very strong wind on this issue. Public opinion appears to be shifting and the single-use plastic bag is in danger of being swept away by a whirlwind of environmental righteousness.

Currently, there is a digital slideshow circulating on the internet – The Dangers of Plastic Bags!! – which arrives as an e-mail attachment.

These slides are attributed to reputable sources – the Environmental Protection Agency, the World Wildlife Fund and the *Christian Science Monitor*, to name a few – and they make the case against throwaway

plastic bags succinctly and forcefully.

They contend that: 500 billion to one trillion are consumed each year and that less than one per cent are recycled; that it costs \$4,000 to recycle a ton of plastic bags, but they will only fetch \$32 per ton; that they account for more than 10 per cent of the debris that washes up on U.S. coastlines; and that 200 different species of sea life, including whales, dolphins, seals and turtles, die by inadvertently eating plastic bags or being ensnared in them.

The slides also assert that Bangladesh and Rwanda have banned them; that China prohibits distribution of free plastic bags; that Ireland has reduced consumption by 90 per cent through imposing a tax; and that San Francisco in 2007 became the first U.S. city to ban them.

Plastic bags are ubiquitous. They are accepted and used worldwide because they are strong, versatile and

resilient – enormously so – and come to us, like most other forms of plastic packaging, at no apparent cost.

Retailers don't charge us directly, therefore we place no value on them. We use them for a few minutes or less and throw them away. We have been careless, cavalier and unconscionably wasteful until now.

The question for the industry is whether consumers begin to think about the environmental price-tag associated with dozens of other single-use plastic products such as milk bags, bottled water containers, egg crates and meat trays, to name a few.

That could well happen since the price of the raw materials, namely oil and natural gas, is exploding.

If it does, the grocery industry will be forced to rethink its entire approach to packaging and marketing.

(D'Arcy Jenish can be reached at jenish@businessedge.ca)

Opinion



D'Arcy Jenish
Business Edge

World Wildlife Fund and the *Christian Science Monitor*, to name a few – and they make the case against throwaway

Cartoon Corner



CURATOLO Illustrations
ETUDE

SOLUTION from Page 17

No 'silver bullet' to filling construction jobs: CSC

"Mobility has been a big part of addressing workforce needs in construction, but it's going to be harder and harder because of retirements and work everywhere," says Gritziotis. "There's a lot of work taking off in the Atlantic provinces in the next little while, they're going to be trying to lure their workers back. So mobility, which was a part of responding to our workforce needs, may not be part of the solution."

According to the CSC, there is no sil-

ver bullet when it comes to filling construction jobs anywhere in Canada.

"There is no one single solution for construction," says Gritziotis. "It's a number of different solutions: Better utilizing our current workforce, bringing women into the industry and retaining older workers by re-designing jobs so we can hold onto them even longer."

Other avenues being explored include getting more young people interested in construction, turning

to immigration and tapping into Aboriginal communities.

Kelly Lendsay, president and CEO of the Saskatoon-based Aboriginal Human Resource Council (AHRC), says it is working with the private sector and Aboriginal employment groups to create more career opportunities for Aboriginals, which she describes as "an upwardly mobile" workforce.

"They need and want work, and like every Canadian, they need opportuni-

ties," says Lendsay, noting that 50 per cent of the Aboriginal workforce is under 25 years of age. "There is close to half a million Aboriginal people coming into the workforce."

"We need to awaken employers to show them the business case and then design and execute an Aboriginal inclusion strategy," he adds.

Construction-related challenges were a topic at the recent National Aboriginal Trades Symposium hosted by the AHRC in Victoria in mid-June. At the event, contractor Mike Holmes of HGTV's *Holmes on Homes* delivered a message of support for recruiting, retaining and advancing Aboriginal trades and apprenticeship workers. The symposium also allowed attending employers to connect directly with the Aboriginal community to discuss opportunities for collaboration.

However, no one group can address all the issues, notes Gritziotis.

"All our stakeholders have to work on this. Our job is to identify where the best practices are and be able to adapt and modify – to move these to other parts of the country to address workforce issues when they arise," he says.

"We're not in a position to reinvent the wheel," he adds. "This is moving too fast to work in isolation."

(Laura Severs can be reached at laura@businessedge.ca)

LUNCH from Page 9

Business partners can play critical role in workplace

"I was tired – and sore – but, I have to tell you, I was also extremely happy because, for me, I love what I do and I'm passionate about what I do," she says. "I couldn't sit home and play goo-goo-gah-gah and go for lunch with the girls. That's not me."

Steinhauer then waited five years before having another child because she wanted her company to expand before her belly did.

Lindsay Smith, president of Wired Woman, a national group that links women involved in technology through mentorship, education and networking, says business partners can also play a critical role for women

entrepreneurs. She merged her former Vancouver-based company, Massive Events, into Blink Media Works, partnering with Mike Agerbo and A.J. Vickery, producers of the national *Get Connected* radio and TV shows.

"On a personal level, there's a lot to be said for having partners in crime when you're entrepreneuring," says Smith. "It's nice to be able to bounce ideas off people and share that journey, because you devote your life to the business and it can be lonely if you're out there on your own."

Her biggest challenge is to maintain enough energy to do everything in a company's early years, because

"you're a slave to your business."

"(The key) is being able to have that endurance to just keep on going and keep on pushing through the hard times," she says.

Even with support, suggests TBG's Steinhauer, women entrepreneurs never stop the business-home juggling act. "When the kids are sick, they all run to be with Mommy. We really do have to be octopuses."

In her view, the best energy source is organization.

"As long as you're a very organized woman, you can have it all," she says.

(Monte Stewart can be reached at monte@businessedge.ca)

Advertising Feature

Where is the bottom for the Arizona real estate market?

By Randall White
President
Mind's Eye Marketing

According to various experts in the U.S., prices may continue to drop for an indeterminate time to come.

"...Market watchers don't think the market has hit bottom ..."
– *AZcentral.com*

"Migration to Arizona from other states declined 34% last year."
– *Phoenix Business Journal*

"...Foreclosures are going to keep climbing ..."
– *Arizona Dream Realty*

"...They owe more than it's worth and can't sell."

"...The future is likely to be more of the same ..."
– *Jay Butler, Morrison*

School of Management

"...analysis estimated the Phoenix region to be (still) 35% overvalued..."

"...Markets determined to be overvalued by 30% or more are considered 'at risk'."

– *Global Insight and National City Corp*

As of April of this year, there were 52,870 listings in Arizona versus only 9,000 in April, 2005 – a stunning increase of almost 600% combined with the current decrease in demand.

You don't have to be Adam Smith to know that the current supply/demand ratio does not bode well for equity maintenance or growth in the foreseeable future.

Clearly the Arizona market has not reached the bottom of its current value spiral. Where is

the bottom? No one knows, but it is obvious that the superficial analysis of value that holds that "if it is cheaper than before, it's a good deal" does not hold true.

Sophisticated investors know that value is based on market demand balanced with restricted supply. With the massive oversupply in Arizona combined with dramatically decreased demand, where will the equity rebound come from? The foundation of both equity growth and rental income are driven by user demand, not speculation.

What drives demand?
Lifestyle ... Weather ...
Activities ... The Beach ...
Great food ... Great fishing ...
Great Diving, Snorkelling,
Swimming ... Ocean breezes ...
Sunset cruises ... World-class
spas ... Dancing at the beach ...
Quality of Life!

When you evaluate resort/recreational real estate opportunities, consider the fun-

damentals: Who is the end user? Why will they drive demand (whether rental or equity growth)? What are the income projections based on?

If I don't actually get the returns promised by the promoters, is this a place where I will want to spend time with my family and friends?

After all, the reason you feel safe with your home investment is that it is fundamental to the quality of your life.

Consider stability ... Consider weather ... Consider lifestyle ... Consider supply/demand ratios ... Consider travel time ... If you don't want to spend your time there, why will the marketplace? Invest in a solid marketplace.

Invest in the quality of your life. Consider Cabo San Lucas, "The Monaco of Mexico."

For more information or to discuss the above questions and opinions, email

Technology Edge



Cloud computing a down-to-earth solution

The venerable Banff World Television Festival, and its upstart little sister, nextMEDIA, are hotbeds of ideas and deal-making for people in the media industry.

Where else can you rub shoulders with writers from *House* and *Desperate Housewives*, then catch an hour with Kim Cattrall telling all about *Sex in the City*?

But as it turns out, there were some gems this year for non-media professionals too.

One is the idea of "cloud computing" – which sounds academic, but is really pretty straightforward. Remember the old days when people had to share a computer? Then computers got small and cheap, and we all had one. Or several.

But what if you wanted to control, say, 400 computers? You could try to steal their power online, but there are legal ramifications there. You could buy them, but that would be foolish if you only needed them for a short period of time.

Enter Seattle-based Amazon, which has gone from selling books and DVDs to, you guessed it, "clouds" of computers. According to Jeff Barr, who carries the lofty title Senior Web Services Evangelist at that company, since Amazon "eats its own dog food" by using variable amounts of computing, it figured there was an opportunity there to sell information-processing capacity online.

Barr says there are plenty of reasons a business might want direct access, on a pay-as-you-go basis, to metered access for storage, computing and messaging. You might be creating a marketing video, hosting a podcast, or, as is the case for New York-based Animoto, you might just suddenly get really, really, really popular.

Animoto is a website that takes your photos and music and produces what they call a fully customized, professionally produced widescreen video, complete with special effects. They claim the result has "the visual energy of a music video and the emotional impact of a movie trailer." And, get this, your video is free, at least for the 30-second version. That sounds a lot more bottom-line friendly than hiring a production company or even a film student.

The pulsating heart of Animoto is Cinematic Artificial Intelligence, a patented program that analyses your

music and images "with the same sophisticated post-production skills and techniques that are used in television and film." Yes, you need an account, but it's free to sign up and the results are not half bad. Smart businesses are already using it to

Future/ Present



Tom Keenan
Business Edge

create freebie MTV-style promotional videos, then e-mailing them or sharing them on social and business networking sites.

According to their website, the founders of Animoto include veterans of the entertainment industry and have produced shows for MTV, Comedy Central, and ABC, studied music in London and played in indie rock bands in Seattle. And, indicative of their quirky sense of humor, they say they "plan to acquire Google next year."

Animoto was almost the victim of its own success, when it integrated itself into Facebook. This made it easy to share videos of the cat brushing its teeth with the world. Suddenly, Animoto became the darling of the Facebook crowd. According to one report, nearly 750,000 people signed up in three days, and at one point it was reportedly attracting 25,000 new users per hour.

Having neither the time nor the money to multiply its server capacity a hundredfold, Animoto rented cloud

time on Amazon Web Services (AWS) computers, which Barr says typically cost 10 to 80 cents per computer per hour. Storage is typically priced at around 10 cents per gigabyte per month. There's no monthly minimum, and Barr claims Amazon bills AWS customers "from two cents to hundreds of thousands of dollars per month."

Another company availing itself of cloud computing is Toronto-based Idée Inc. Its goal is simple, but surprisingly difficult – to build a visual search engine for the internet. Sure, you can go into Google Images and ask for a picture of a treehouse or a giant rabbit. But what if you want to track a particular image across the internet to see where it's turned up? That's a gnarly problem because the image may have been cropped, Photoshopped, or just plain defaced.

Idée's TinEye program will find images that match, even if somebody has painted a moustache on the Mona Lisa or a punk hairdo on the classic American Gothic farmer and wife. Idée's co-founder and CEO Leila Boujnane comes from a technology background and has an advisory board loaded with tech and business heavy-hitters.

The company's core business is actually an image monitoring service called PixID, which helps image owners get their money, or at least credit, when their material is used online. It works for both still and video images. Clients range from stock photo

giant Getty Images to news service Agence France-Presse (AFP). In a testimonial on Idée's website, Michel Scotto, AFP's director of photo business development, says "we expect Idée's service will enable us to keep track of all our images, since their technology scales to deal with many millions of images." That scalability comes from making astute use of cloud computing.

They're giving out some free beta testing accounts on TinEye and the results are surprisingly good, given that they've only indexed a fraction of the images that are out there. Idée's Boujnane pegged that number at 487 million when she spoke at nextMEDIA in Banff, but it's expected to reach a billion soon.

For comparison, Google claims "billions," and offers the ability to label images to help in retrieving them. And of course, they're working on visual search in Google Labs, as are other companies such as MountainView, Calif.-based Searchme, Inc.

But, at least for now, Idée is definitely in the visual search-engine lead, and it owes much of that to cloud computing.

As Amazon's evangelical Jeff Barr puts it, "the cloud is not happening in the future, it's already here."

(Tom Keenan is a professor at the University of Calgary and an expert on technology and its social implications. He can be reached at keenan@businessedge.ca)

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Departing columnist's archives reflect volatile times

It's been 7½ years since I began writing these weekly commentaries. That's a lot of articles.

A perusal of the archives serves as a nice reminder of the wide range of

Export Analysis



Stephen Poloz
Export Development Canada

issues that have preoccupied us in these volatile times.

There have been articles on various countries such as China, India, Russia, Brazil, Mexico, Saudi Arabia, Poland, Chile and many others.

Articles on monetary policy issues and corporate malfeasance.

The benefits of free trade. Globalization and the new trade paradigm – integrative trade – and what it means for companies and policymakers. Trade triangles. The growing importance of outbound foreign investment to Canada's international competitiveness.

There have been many articles on the global economic and financial outlook, and its implications for Canadian exporters. The "new age of uncertainty" that emerged after the events of 9/11. Political risk assessments.

The Asian tsunami of December 2004. SARS and BSE. Articles on productivity, profitability and commodity markets. Global deflation and the \$39 DVD player, later to become \$28, and still there. The Victorian Depression. The two-track economy, with its head in the oven, its feet in the freezer – reasonable on average, but uncomfortable for all concerned.

And then there's the Canadian dollar, a frequent preoccupation. Like a recalcitrant teen, our beloved loonie has generally refused to do what we expected of it and has done the right thing only after we had pretty well given up on ever seeing it happen.

For example, when the dollar first slipped below 70 cents US, we argued that it would recover into the 80s if only the rest of the world would return to normal. Instead, the dollar continued its slide, leading many to forecast a 50-cent dollar. The eventual recovery in the dollar was welcome to a beleaguered forecaster, but not when it overshot and became a 90-cent dollar, then 100 cents and, briefly, 110. And we still think it will return to the 80s – if the world returns to normal.

This work has been fun and fulfilling. Through the various ups and downs of the economy, financial markets and the dollar, my greatest

pleasure has been interacting with real people who are building real companies for the benefit of their employees and shareholders. If this work has brought them a measure of value, if it has mattered to them, then that is enough.

All that being said, there comes a time when maintaining personal and professional growth demands that one take a new direction, and that is

what is happening here.

Peter Hall, whom I have had the pleasure to mentor for nearly four years, has taken on the mantle of chief economist, and will become your regular columnist.

As senior vice-president, financing, I will gladly retain overall responsibility for EDC Economics and our international trade intelligence group, and Peter has promised to let me

contribute a weekly commentary from time to time.

The bottom line? I want to thank you for your interest, constructive feedback, encouragement and support these past seven years. It's been a pleasure.

(Stephen Poloz is a senior vice-president, financing for Export Development Canada. He can be reached at spoloz@edc.ca)

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