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ONTARIO

OCTOBER 27, 2006 – VOL. 2, NO. 22

NEWSSTAND \$2

Doctor shortage spurs private choice

By David Hatton
Business Edge

Hospitals turn to staffing agency for ER doctors

At least two dozen Ontario hospitals have turned to a privately run company for temporary physicians, as a growing shortage of doctors threatens to close small and mid-sized hospital emergency rooms across the province.

Med-Emerg International

Inc. – which operates as a temporary staffing agency for health-care professionals based in Mississauga – currently supplies doctors to 24 Ontario hospitals, says company founder Dr. Ramesh Zacharias.

“The reality is that this isn’t the worst yet,” says Zacharias. “It’s going to get worse before

it gets better. If you have a problem with your health-care system, it will show up first in the emergency department. All of these factors within the past 20 years are coming together.”

The physician shortage almost forced hospital emergency departments to close this summer in Sudbury, Kirkland

Lake, Guelph, Belleville, Collingwood and Kitchener-Waterloo, according to local newspaper reports.

Officials with the Niagara Health System (NHS) issued a press release late last month saying they were developing a contingency plan in case the continuing shortage of

physicians “forces the NHS to temporarily shut down an (emergency department), as other Ontario hospitals facing similar pressures have done over the last several months.”

The Niagara Health System is responsible for five emergency departments throughout the region and one walk-in clinic in St. Catharines.

“In the last several months, as the shortage of physicians has become more acute in emergency departments across the province, it has become increasingly difficult to secure physicians from the agency for our emergency departments in Niagara,” Tracy MacDonald, vice-president of patient services, said in the press release.

Emergency department doctors at two of the Niagara region’s hospitals – Port Colborne General and Douglas Memorial – also act as the community’s family doctors and must juggle busy family practices, the NHS press release notes.

Speaking off the record, officials at Ontario hospitals say the long hours, high stress and relatively low pay make it difficult to attract emergency-room physicians for their staff. Some larger hospitals are also believed to be “topping up” doctors’ wages in other departments, making emergency-room work even more unattractive.

See **PROBLEM** Page 3

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FRAUD ALERT



Larry MacDougal, Business Edge

Homebuyers warned about mortgage scams

Forensic accountant Jennifer Fiddian-Green faced a legal battle to clear her name when she was the victim of a double mortgage fraud. Investigators across the country are struggling to handle the growing number of cases. (See **Page 17**).

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COMING EVENTS

■ **Canadian Club of Toronto** (Oct. 30, noon) – Guest speaker: **Yuen Pau Woo**, president and co-CEO of the Asia Pacific Foundation. Location: Fairmont Royal York Hotel, 100 Front St. W. Cost: Members \$55, others \$65.

For more information or to register, go to www.canadianclub.org

■ **Canadian Club of Toronto** (Oct. 31, noon) – Guest speaker: Ontario Energy Minister **Dwight Duncan**. Location: Fairmont Royal York Hotel, 100 Front St. W. Cost: Members \$55, others \$65.

For more information or to register, go to www.canadianclub.org

■ **Technology Innovation Breakfast** (Oct. 31, 7:45 – 9 a.m.) – Guest speaker:

Patrick Sullivan, president of Workopolis. Location: Toronto Board of Trade downtown centre, 1 First Canadian Place. Cost: BOT members \$55, others \$75. For info or to register, go to www.bot.com

■ **Mining Creative Talent** (Nov. 1, 6 – 8:15 p.m.) – Thought Leaders presentation by **Irene Taylor** of Praxis Partners. Location: The Ontario Club, 5th Floor, Commerce Court South, 30 Wellington St. W., Toronto. Cost: Strategic Leadership Forum members \$45, non-members \$75. For info or to register, contact Margo Street at margo.street@slftoronto.com or go to www.slf.com

■ **Canadian Club of Toronto** (Nov. 6, noon) – **Crown Prince Philippe** of

Belgium speaks on Belgian-Canadian relations. Location: Fairmont Royal York Hotel, 100 Front St. W. Cost: Members \$55, others \$65. For info or to register, go to www.canadianclub.org

■ **Empire Club** (Nov. 8, noon) – Guest speaker: **Peter Love**, chief energy conservation officer of the

Conservation Bureau of Ontario. Location: Le Royal Meridien King Edward, 37 King St. E., Toronto. Cost: Members \$50, others \$65. For info or to register, go to www.empireclubfoundation.com

■ **The Joy of Cold-Calling** (Nov. 8, 7:30 – 9 a.m.) – Scarborough Chamber of

Commerce breakfast with guest speaker **Susan Alderidge**. Location: Centennial College Conference Centre, 940 Progress Ave. Cost: C of C members \$20, others \$30. For info or to register, go to www.bot.com

(For more Coming Events, please turn to Page 9.)

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INSIDE EDGE

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Angus Reid has been through the polling wars and now the veteran returns to the game he loves with a new venture.

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Canadians need to change the way they look at career development in a global economy.

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Jean-Francois Tardif of Sprott Asset Management likes the infrastructure theme across Canada.

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■ OPINION

The federal Conservatives have run into a regional landmine over emissions standards, says columnist D'Arcy Jenish.

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■ STREET LIFE

BCE's move to convert Bell Canada's phone business into an income trust has rattled investors.

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Departing columnist Gyle Konotopetz looks back on six years with the *Business Edge*.

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Rooflifters offers commercial property owners a new way to grow their space.

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■ TECHNOLOGY EDGE

Small business receives a boost from the computer age with a variety of overlooked tech tools.

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Top 10 signs

it's time to call

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- 10 You got home late the other night and your child called 911 to report an intruder.
- 9 No matter whom you hire, no one does the work as well as you.
- 8 You know goals are important, but you're not sure what yours are.
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- 5 You'd like to grow your company, but you don't have any more hours in the day.
- 4 You enjoy growing your business, but you'd like to avoid a stress-induced heart attack.
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PROBLEM from Page 1

Doctor shortages spreading across Canada

The Canadian Association of Emergency Physicians (CAEP) first went public about the situation in June 2005, with an awareness campaign called, "Canada's ERs: We Can't Afford to Wait Any Longer." At the time, a group spokesman said the public must understand the situation is unnecessary and solvable.

It appears as if the problem has continued. Two Alberta women suffered miscarriages this summer while in a hospital emergency waiting room with dozens of strangers watching.

In Vancouver, a study released last spring showed 15 of the region's hospital emergency departments were found to have waiting times that were higher than national standards.

A level-three triage patient requiring urgent critical care, for example, is supposed to be seen by a doctor in 30 minutes or less. But at Surrey Memorial Hospital, statistics showed a typical level-three patient has to wait 113 minutes to see a doctor.

Back in Ontario, the issue made headlines in the Kitchener-Waterloo region earlier this month when officials at the Grand River Hospital were hours away from locking their doors to emergency patients and sending away ambulances.

Hospital administrators finally went outside the region to

QUOTE . . .

“The unfortunate victim here is the truth. This is not privatization.”

— Dr. Ramesh Zacharias,
founder of Med-Emerg International Inc.

bring in other doctors who could cover the needed shifts. The hospital's roster of ER physicians was used up after working extra shifts for almost a year to keep the emergency department open, one doctor told the *Kitchener-Waterloo Record* newspaper in a story published on Oct. 14.

Closing the emergency department at Grand River Hospital would have meant ambulances and patients would have been diverted to the area's other medical facilities, including Cambridge Memorial Hospital.

But Cambridge Memorial was already struggling with staffing problems of its own.

The board of directors announced late last month it was hiring a Med-Emerg executive on a six-month contract to run its emergency department.

Med-Emerg's vice-president of medical services, Dr. James Ducharme, would be responsible for recruiting new emer-

gency physicians and his eventual replacement. His mandate would also include "developing new protocols and policies to deliver emergency medicine," according to a hospital press release.

Cambridge Memorial had been searching for someone since the departure of its chief of emergency last June. He had quit after being in the position for less than a year.

A report in the *National Review of Medicine* last January said 12 out of 14 emergency physicians and "many senior nurses" quit their jobs at Cambridge Memorial during a few months last year because of high stress and management urging them to see patients more quickly.

But the hospital also had its high-profile admirers.

Earlier this spring, the Toronto-based Registered Nurses' Association of Ontario (RNAO) recognized Cambridge Memorial Hospital as one of 12 "spotlight health-care

organizations for best practices across Canada."

"The RNAO chose spotlight organizations for their proven track record with nursing best practices and their commitment through financial and human resources to ensuring their successful implementation," a hospital press release from last March stated.

Opposition politicians at the Ontario legislature argued the province was headed down a slippery slope toward privatized health care by using Med-Emerg to essentially run the emergency department.

"You have to look beyond the politics at the real facts," Med-Emerg's Zacharias said in an interview. "Hospitals have been using a non-clinical model of outsourcing for the past 40 years, with services like

laundry and dietary. The unfortunate victim here is the truth. This is not privatization."

Other hospital departments have been using doctors who provide their services as "independent contractors" for years, he adds.

Zacharias says Med-Emerg has worked with more than 60 hospitals during the past 23 years of being in business. "Our doctors have seen more than three million patients at these hospitals in Ontario and not a single patient has ever been sent a bill," he says.

But critics point out Med-Emerg still bills the hospitals and those costs are paid by the provincial government, so it still comes out of taxpayers' pockets.

See COSTS Page 4

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COSTS from Page 3

Contract is within budget, spokesman says

"There is a cost to having us at the table, but the hospitals would have these costs anyway. They have to staff the emergency departments with doctors and set up billing and administration systems," Zacharias says.

Doctors under contract with Med-Emerg are paid the same as their emergency department colleagues under provincial guidelines, he adds.

Zacharias says as part of the contract, each hospital is charged an "administration fee," based on what services it would like Med-Emerg to provide.

He would not say how much Cambridge Memorial Hospital was paying Ducharme and Med-Emerg for its services.

Cambridge Memorial CEO Julia Dumanian declined an interview request from *Business Edge*, saying she had a full schedule of other appointments.

Hospital spokesman Chris Sellers, however, did respond to questions about the cost of hiring Med-Emerg. "As this is a private contract, it is not appropriate to identify the amount. However, we have a set and approved budget and the contract is within our budget," he wrote in an e-mail.

Zacharias says the solution is for Ontario to use more of a "collaborative team-based health-care model." For example, a cast technician could look after someone with a broken leg or a nutritionist could

counsel a patient with a dietary problem.

Zacharias adds hospitals could also use more nurse practitioners – nurses who receive extra university training to perform additional services, such as performing an annual physical or writing prescriptions.

Willi Kirenko, president of the Nurse Practitioners Association of Ontario, says her members can't replace physicians, but evidence shows they can make emergency departments run smoother.

Kirenko, who is based in Chatham, participated in a six-month experiment earlier this year where registered practical nurses and registered practical nurse assistants were used in the emergency department waiting room.

"The experiment was a resounding success," she said in an interview. "Patient-satisfaction surveys were way up. They really appreciated the extra attention while they were waiting (to see a physician)."

Kirenko said there isn't much difference in salary for nurses who decide to go for the additional nurse practitioner training. "They do it to further their own personal development and serve the local community more than anything else," she explained.

Ontario Premier Dalton McGuinty said his Liberal government would not stop Cambridge Memorial from hiring Med-Emerg to run its emergency department on a six-month basis.

"I hope it doesn't end up that way, but as an Ontarian, if I've got to choose between a privately funded doctor and no doctor, then I'd take the privately funded doctor," McGuinty told *Canadian Press*.

The provincial health minister warned other hospitals not to do the same as Cambridge Memorial.

Using any kind of temporary medical staff is not a good idea because they aren't used to working together as a team, says

Doris Grinspun, executive director of the Registered Nurses Association of Ontario.

"Nurses in the emergency department have to make split-second decisions and be able to anticipate and respond to each other. We are against any temporary people because they would not be able to work the same as a regular full-time employee," Grinspun says.

"You have to ask why the government is suddenly having this shortage of doctors all over the place when there are practical nurses right now (that) are looking for work. They want jobs."

Zacharias says hospitals in other Canadian provinces have not directly asked about hiring Med-Emerg doctors on a temporary basis, at least for the past few years.

"I would certainly be willing to talk to them if they called, though," he says. "Something needs to be done."

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

Job satisfaction key factor for employees

Survey finds generational differences

Business Edge

The mass exodus of retiring Baby Boomers may be a few years off, but the job turnover trend is building.

A new study sponsored by Randstad North America shows that one-sixth of employees are thinking of changing jobs heading into 2007.

The Randstad survey, conducted by Harris Interactive, queried nearly 2,000 employees and 1,764 employers across North America.

It found that having satisfying work was just as important as earning a competitive wage and job security, with 72 per cent of employees saying these three factors were the leading considerations that keep them on the job.

Rounding out the top five were attractive benefit packages (71 per cent) and pleasant working conditions (70 per cent).

Statistics Canada has pegged the overall Canadian unemployment rate at a relatively steady and low 6.4 per cent. The current rate in Alberta is much lower, hovering around 3.5 per cent.

With a lower unemployment rate, the pendulum of power is shifting back in favour of job-seekers and employees. Accordingly, employers need to

invest time and resources in finding out just what makes them tick – as individuals and according to their generation – and how to keep them, says Craig Brown, market manager, Alberta for Randstad.

The survey also confirmed some significant generational differences.

■ Often misunderstood, Generation Y (20-26 years old) emerges as surprisingly pragmatic and ambitious. Employee award/recognition programs rank more highly with them than with any other generation (73 per cent). As a company's youngest members, they may be seeking some tangible recognition of their value to an organization.

■ Generation X (27-41) values flexible work hours most (76 per cent), reflecting the need to juggle work and home life as they purchase new homes and build families.

■ Boomers (42-60), hitting the homestretch to retirement, rated bonuses based on company performance and stock/profit-sharing plans as most important (74 per cent).

■ Mature workers (61+) agreed with Boomers about what is most important, and were among the least interested in flexible work hours (57 per cent).

Baby Boomers and Gen Xers, the majority of most workforces, show the greatest dissatisfaction rates, in particular with such factors as workload, compensation and opportunities to learn new things, according to those surveyed.

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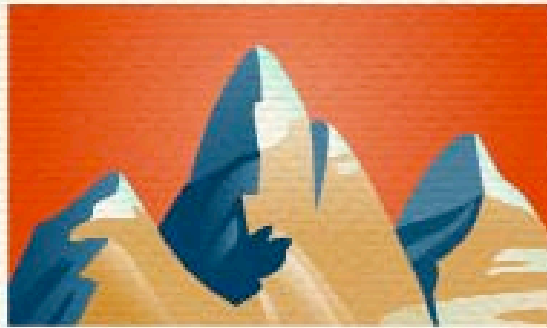
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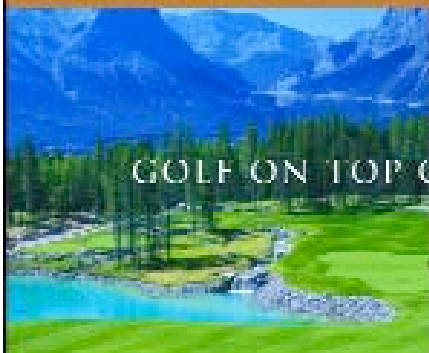


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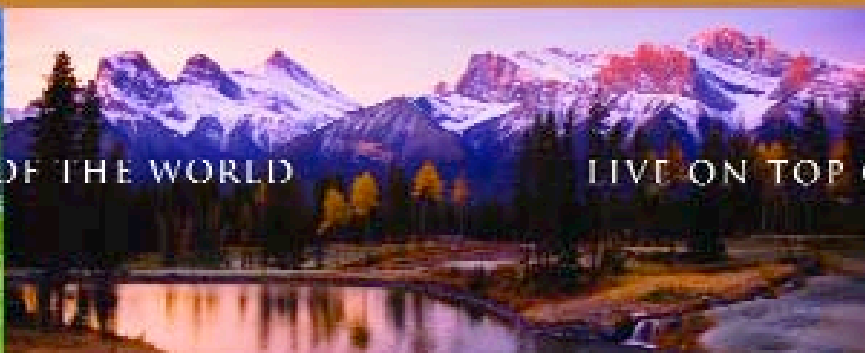
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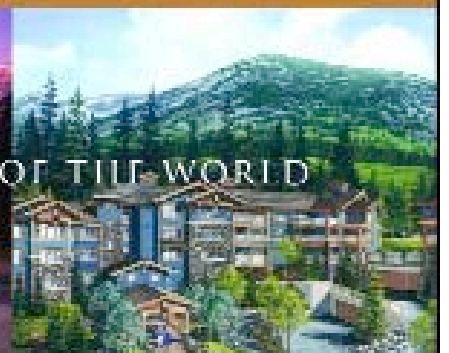
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20 QUESTIONS

Survey says? Pollster set for new challenge

By Gyle Konotopetz
Business Edge

It's not easy keeping a thoroughbred in the stable. And it's the same with the veteran campaigner Angus Reid.

Reid, whose name is synonymous with market research and polling, has been offtrack and out of the public spotlight in recent years as his activities have been restricted by a non-compete agreement from the sale of Angus Reid Group to Paris-based Ipsos SA six years ago.

However, Reid is now free to return to the game he loves and the 58-year-old is champing at the bit with his new venture, Angus Reid Strategies.

Although technology has dramatically changed the game since Reid last toiled in the market research and polling industry, the CEO of Angus Reid Strategies and its affiliate, Vision Critical, is gearing up for the new era in market research and bent on carving out his niche in web-based research.

Judging by Reid's stellar track record in the industry, it may be unwise to bet against his comeback bid to take the online market research space by storm.



Bayne Stanley, Business Edge

Angus Reid is jumping back in the market research and polling arena with the launch of Angus Reid Strategies.

1. What was your boyhood dream?

"It was to play professional baseball. I never realized that dream, unfortunately. But I was always very mathematical. I liked mathematics and the idea of doing something in mathematics was appealing to me."

2. Why did you study sociology in university?

"There was a sense back in the '60s that maybe this was a science and a discipline that was going to help you understand how to make the world a better place. There was a little bit of idealism. I don't know if it was misplaced or not. That's where I really learned the art and the science of survey research that I've ended up applying through most of my career."

3. What motivated you to get into the market-research business?

"I was in Winnipeg teaching at the University of Manitoba and I saw a lot of people servicing market research out of Toronto. There really wasn't any market research industry in Western Canada and I thought we really needed something. So I took an unpaid leave of absence from the university back in '79 and started this little company originally called CanWest Survey Research. We quickly developed operations in Winnipeg, Calgary and Vancouver, and our claim to fame was that we were going to service Western Canada with this little business. That's how the whole thing began."

4. Were the early years a struggle?

"Yeah. I didn't have any startup capital. Everyone laughed at me

because they thought that if you weren't in Toronto, you couldn't be successful in market research. The industry was heavily focused on Toronto. People actually really laughed that I was based in Winnipeg. Also, my level of business know-how at the time was somewhat limited, to say the least. So all of those factors coincided to make the first few years an interesting struggle as I learned how to run a business, do marketing and all of the other things that are core elements of a successful business."

5. One of your early clients was former prime minister John Turner when he was running for the Liberal leadership in 1984. What was he like to work with?

"I never really got to know John Turner all that well. He couldn't decide whether he wanted to have a new team around him or whether he wanted to have the old Pierre Trudeau (Liberal) team around him. So as a result, even though I was his pollster, the guy that was the previous pollster to Trudeau, a guy named Martin Goldfarb, was also around a lot. So it was very hard to get (Turner) to make a decision on anything. He was a very indecisive guy and that was a little frustrating."

6. What was the foundation of your success in building the Angus Reid brand?

"No. 1, we owned the entire research toolbox. We had our own call centres in Winnipeg and then subsequently in Edmonton. We could do our own work. We didn't have to sub-contract things out. It'd be like a

magazine owning its own printing presses. It gave us a lot of flexibility. No. 2, we had very good talent that we developed over the years. And, No. 3, we were lucky in that we were able to develop a strong brand name. It was not so much as a result of the Turner involvement, but after '84 I decided that we didn't really want to do any more political work. Instead, we decided to work with the media. We developed relationships with Southam (news service) and then later with the *Globe and Mail* and CTV. Those relationships put us in very good shape with respect to having a well-known brand in Canada."

7. Why did you sell your company (Angus Reid Group) in 2000?

"To be very crass about it, these people (Paris-based Ipsos SA) offered us an awful lot of money. I mean, they offered us almost \$100 million and it was a very good price. We had developed strong operations across North America. I was interested in globalization and developing some joint ventures or some operations in Europe, so I met these people with Ipsos. They actually didn't want to do a joint venture, they wanted to buy us. So they made us an offer we couldn't refuse and I guess the rest is history. I wasn't looking to sell the company. I'm glad I did it at the time. I ended up doing this long-term non-compete (agreement), which I didn't have to do this long. But I thought I'd end up working with these guys for a lot longer than what turned out to be the case. Anyway, the industry has shifted gears and I'm

very clearly now into the new part of the industry (online research). I would do the deal again and I think that I was ready for a bit of a break. Now, I'm ready to get back into things."

8. Can you talk about the lawsuit Ipsos-Reid brought against you?

"They took exception to a number of matters that involved my activities after I left the company. I would say their principal issue was that I became involved with Vision Critical, which is our software company and the sister company of Angus Reid Strategies, and that my involvement with Vision Critical somehow breached a restrictive covenant that I had with them. We took exactly the opposite position. We threatened to sue them, they sued us, it was all bull----. And the whole matter was settled. They attempted to win an injunction and lost. In essence, the matter was dropped after that and papers have since been filed in the B.C. courts essentially burying our differences forever."

9. What's the market like these days for telephone research?

"The golden age of telephone research has clearly passed us by. Now, about half of the research that is being conducted in Canada is being done online and that will probably grow even further. I suppose telephone research would be good if only respondents would co-operate with telephone interviewers but unfortunately that's become a bigger problem over the course of the last couple of years.

Advertising Feature

Succumb to the lure of paradise at Sooke Harbour Resort & Marina

Your recreational real estate dreams have just become affordable

For 20 years, Tim Tourond spent long days toiling in Calgary's oilpatch.

Whenever he could manage a week off, he and his pals would bolt for the deep-water sport fishing grounds off Canada's rugged northwest coast. Upon their return, Tourond generally passed his remaining leisure hours day-dreaming of achieving his personal goal: To build an all-purpose holiday and fishing resort in God's country.

Since retired from the energy business, Tourond is now president of Sooke Harbour Resort & Marina, a short drive west of beautiful Victoria, B.C. He's one of those rare and lucky guys who's living his dream. Now he wants to help you to create your own.

With quarter ownership units starting at the remarkably low price of \$134,900, Sooke Harbour Resort & Marina beckons to everyone who yearns for a whiff of refreshing salt air in their nostrils, as well as the tug of a prize-winning salmon on a stout fishing line.

As Tourond is fond of telling his eager customers: "The lure of the ocean is irresistible. But there's no need to resist any longer."

That's not all, of course. The southwest coast of Vancouver Island is a paradise for whale-watchers, shellfish enthusiasts, hikers, cyclists, sunbathers and nature lovers of every stripe. And it offers a taste of the finest urban living has to offer.

Few would dispute Victoria's status as Canada's most beautiful city – an oasis of superb dining, world-class entertainment and terrific shopping, not to mention the eye-popping Butchart Gardens.

"There's really something for everybody in Sooke," enthuses Tourond. "If dad wants to go fishing, some of the finest salmon and halibut grounds in the world are seven minutes away from the marina. But if mom and the kids want to hit the shops, Victoria's only a hop and a skip away."

Sooke's arena, pool and leisure complex, its historic museum, golf course, marinas, wonderful parks, beaches, historical sites, skateboard park and outdoor sports facilities are



Sooke Harbour Resort & Marina has something for everyone and is easily accessible.

all within five minutes by car.

World famous for its state-of-the-art hiking and biking trails, it is a few minutes drive from the Galloping Goose Trail, Whiffin Spit, the Sooke Potholes and the incredible Juan de Fuca Marine Trail – not to mention the internationally renowned Sooke Harbour House Restaurant.

Within a few minutes of your door you will find Bear Mountain Golf and Country Club, featuring a world-class Jack and Steve Nicklaus Mountain course. Olympic View Golf club is a 20-minute drive from Sooke. It offers expansive views of surrounding landscape including the Pacific Ocean and Washington State's Olympic Mountains.

Extremely popular salmon and halibut fishing charters, whale-watching excursions, guided eco-tour adventures, horseback riding, kayaking, mountain biking, crabbing, etc. and equipment rentals are all available locally, too!

Sooke offers many annual activities and events, year round – the Sooke Fine Arts Show, Art in the Park, the Bluegrass Festival, Sooke Philharmonic Orchestra's "Fling on the Flats," to name just a few.

Sooke Harbour Resort is also situated on the bus route for day trips to Victoria and all the fabulous shopping, fine dining, attractions, events and venues that the capital city has to offer.

A lifelong fisherman, Tourond spent years travelling to remote and rustic vacation spots such as the

Queen Charlotte Islands to indulge his love of angling. He generally had a great time.

However, he and his pals spent hours each day, sailing out to the prime fishing areas. They also paid out major money for the help of expert guides. And then they returned to the fishing camp and sacked out on a makeshift cot.

But you don't need a guide to fish out of Sooke Harbour Resort & Marina, although top-shelf professionals in the vicinity are happy to lend a hand as needed. And when you return home from an enjoyable open-air outing, you'll be welcomed by two- and three-bedroom luxury accommodation of the most exquisite kind. Soak in the hot tub and store your catch in the resort's large freezers, designed expressly for the purpose.

Terms of ownership are simple. You're welcome to buy one of these 34 luxury units outright. Or you're free to purchase quarter ownership, which entitles you to use the property three months a year.

And when you're back at work, you and your fellow owners are free to participate in the optional Sooke Harbour rental pool. That way your unit will make money for you while you're away.

To clarify, this is not a time-share purchase opportunity. Sooke Harbour Resort & Marina offers you full pride of ownership on a trouble-free basis. Your recreational investment property is deeded and titled

in your name. Nor is it a lease. It will never expire. "You buy the piece you're going to use and only the time that you plan to use it," explains Tourond. "You own it. It's yours and you retain the right to sell it or to pass it along to future generations."

Most of these immaculately turned out condo units come with a jaw-dropping view. Meanwhile, boaters and confirmed fishermen will love the marina component at Sooke Harbour Resort & Marina.

Purchasers step straight to the head of the queue for moorage rights at the marina, a privilege that's extremely difficult to come by in Canada's sport fishing mecca.

"Each of our owners is to be granted priority for a marina slip. That's quite a selling point," agrees Tourond.

Accessibility is another point in this development's favour. Numerous air carriers make regular flights to Victoria from most major Western Canadian cities. Then it's off to Sooke in a comfortable 45 minutes.

Then, once you're at the marina, you're less than 10 minutes by boat from the most fertile fishing waters on the West Coast – chinook, coho and winter spring salmon are plentiful in these regions. Other prime fishing locales can be reached within 15 minutes.

For information, visit the website: www.sookeharbourmarina.ca. Then send an e-mail to

20 QUESTIONS from Page 6

Researchers wise to avoid dinnertime calls

"I think people are just busier. I think the industry has lost some of its pizzazz. There's a lot of telemarketing that's going on that people now have less time for. I just think we're in a different era perhaps than we were in 20 years ago."

10. How do you enjoy it when a market researcher calls you during dinner hour?

"Well, I normally tell 'em to get lost. I did a market research interview the other day just because I hadn't done one for a while and I was wondering how it had changed. And it had all those problems of being repetitive, slow, and what was promised to be 10 minutes was, in fact, 25 minutes. And it was so poorly designed and again so absolutely repetitive that it just kind of left me shaking my head halfway through saying, 'How do I get out of this hell?' It was a company I bought this boat from. What is the brand name of my boat? Uhhh, Boston Whaler. I suppose it's one thing to call quickly and say, 'How are you going to vote in the next election?' and another thing to get involved with some of these long market research exercises."

11. What are you doing with your new market research venture, Angus Reid Strategies, and where do you plan to take it?

"In a nutshell, the new venture is a full-service market research company. We think there are a lot of companies out there that need the kind of research services and consulting services that we offer and we currently have offices in Vancouver, Calgary and Toronto. We're going to build this company out over the course of the next few months here in Canada and early in the New Year, we will put an office in New York and another office in San Francisco. So we see this as a continental market and plan to exploit the significant demand for research services in this market. It's a more competitive market than it's ever been,

ANGUS REID

- **Title:** Chairman/CEO, Angus Reid Strategies; CEO, Vision Critical.
- **Born/Raised/Age:** Regina/Regina, Vancouver/58.
- **Education:** University of Manitoba, BA, master's (sociology); Carleton University, PhD.
- **Career:** Reid was the CEO and owner of Angus Reid Group from 1979 to 2001. He was also founder of the company. He started Angus Reid Strategies in 2002 and became CEO of its affiliate, Vision Critical, in 2004.
- **Accolades:** Reid is a former recipient of the American Marketing Association's marketer of the year award and the Pacific Region entrepreneur of the year award. He has also been honoured with the distinguished career award by the Canadian Public Relations Society. He has honorary doctorates from the University of Manitoba and Simon Fraser University.
- **First job:** Professor, University of Manitoba.
- **Drives to work in:** Jaguar.
- **Time Online:** 20 hours per week.
- **Pastime:** Golf.
- **Favourite TV show:** *The Shield*.
- **Last book read:** *London Fields*, by Martin Amis.



Angus Reid calls his new venture a full-service market research company.

people want to get at how their products can best be positioned in this market, and that's where market research comes in. On the political side, we'll be doing more frequent rapid turnaround polling both in Canada and the U.S. on the usual issues that are of interest. We've got a Liberal leadership race coming down, we've got a minority government in Ottawa, we've got (political) fireworks in Alberta, so there's lots of stuff happening on the political front that will occupy our agenda."

12. How much of your business will be online research?

"We do some telephone research where we have to. I mean, it's not that we're trying to cloak ourselves only in online. But I'd say our main emphasis is going to be, where possible, looking for online solutions. That's because they're cheaper, they're more effective, at least when you look at respondent engagement. That

survey that I did over the telephone that was 25 minutes could have been done online in about 10 minutes. We're going to service clients' needs using the best technology or the most appropriate technology but increasingly that is online."

ANGUS REID STRATEGIES

- **Brass:** Angus Reid, chairman/CEO; Ed Morawski, president/chief operating officer; Monique Morden, senior vice-president/managing director, Western Canada; Chris Ferneyhough, VP.
- **Profile:** Angus Reid Strategies is a full-service public opinion and market research company providing consulting and services to clients in North America with an emphasis on online research. The Vancouver-based company recently opened offices in Calgary and Toronto.
- **Affiliate:** Vision Critical, a company founded by Andrew Reid, Angus Reid's son, provides software and technology to Angus Reid Strategies.
- **Ownership:** Angus Reid and family members own more than 50 per cent of Angus Reid Strategies.
- **Websites:** www.angusreidstrategies.com, www.visioncritical.com
- **Head Office:** #700, 858 Beatty St., Vancouver, V6B 1C1.
- **Phone/Fax:** (604) 647-1985/647-1005.

13. Are you playing catchup a bit against your competitors in online research?

"Not really, because I've been CEO of Vision Critical for the last three years. We like to think we have the world's best software platform for online research and we've got lots of clients in Canada and the U.S. We're not starting this business with zero clients. We're starting with a \$7-\$10 million base of business and expanding it out from there. I'm frankly more comfortable with the position we're in today than, let's say, other players who've got one foot in the old world of telephone research and one foot in the new world and are kind of half

pregnant in terms of how they're moving forward. We don't have any of the legacy issues that face some of the other companies that are out there. If I wasn't confident in what we're doing, I wouldn't have put a substantial investment in this company of my own money. How much? I'm not going to tell you."

14. What's your long-term vision for Angus Reid Strategies?

"I think we can develop a \$40- to \$50-million company fairly quickly here in North America and I'd like to do some global alliances so that we can do more international work."

See ARENA Page 9

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ARENA from Page 8

Building talented team cornerstone strategy

"I kind of like the area of global public affairs and I think we'll be able to work in that arena in the next couple to three years. So it's onward and upward. My vision is to pull together a very, very talented group of research people and leaders. In Calgary, we've got Monique Morden, who's a veteran in the research industry who has joined us as senior vice-president and managing director of our Western Canada business. In Toronto, we've got a guy like Ed Morawski, whom I worked with back in the Angus Reid Group days and joined us from the New York office of Ipsos recently (as president and chief

operating officer). We've also got to put some emphasis on branding and you'll be hearing about some very innovative polling that we're doing in the next little while. And we need to continue to emphasize some of the global partnerships we're doing and the strong software support from our sister company, Vision Critical. I think if we can pull those elements together we can emerge as a market leader as I did before. I've been through this once before but this time, we're trying to look at a new dynamic. This isn't just trying to develop what we had before."

15. Are you as excited

about this venture as you were in your early years in the research business?

"In some respects, I'm more excited because in the early days I had my entire life and all of my equity tied up in a company. This time, I'm doing this because I want to do it. I can be much more focused on this as a company rather than something that is 100 per cent my life. And that balance is going to be a good thing."

16. Would you contemplate taking the company public?

"Well, sure. Nothing's off the table. Right now, we're just looking at building a great company and that's going to be the focus of my activity over the next three or four years. At that stage, we'll look at what the market looks like and, sure, a public offering is always on the table."

17. What's it like working with your two children in your business?

"Overall, it's a positive. We try to run this as a corporate company. We've got an independent board of directors. This is definitely not a family business in that sort of traditional sense of a family business. On the Vision Critical side, my son (Andrew Reid is president of Vision Critical), who started that business, continues to be there. My daughter (Jennifer Reid),

who was working with me back in the Angus Reid Group days, is an expert in online research. She has come over and joined me here and runs one of our divisions as an expert in that area. It's fun working with your kids."

18. How would you describe your management style?

"I like to think that I'm firm but inclusive and I put a lot of emphasis on participation. In any services-based company with really smart people, particularly in professional services, which is the essence of this company, you have to be able to lead cats. You've got to lead through selling it, rather than telling it. And you've got to lead by example and you've got to have a vision that people buy into. If you can get those combinations down right, I think that somehow miraculously at the end of the day people will tend to follow you."

19. After all these years in business, what drives you to continue to work and build a business?

"Well, I enjoy enterprise. During my time away (after selling Angus Reid Group), I spent six or seven months out at UBC (University of British Columbia) as a university professor again. I realized that even though I've got all of the credentials to spend as much

time there as I want, being a loaner at the university is not my idea of fun. I like to develop and work with new enterprises. When you look at this combination of Vision Critical and Angus Reid Strategies, it's a young company. The average age would probably be 30 or 31 and I'm 58. I get a lot of personal fulfilment and enjoyment out of the chance to work with colleagues and with younger people and provide a little bit of grey hair. I like to take all that energy and give it some direction. It's not about the money. It's just about enjoying my job and enjoying the opportunity to form something where before there was nothing. Some people like to garden. I like to build companies."

20. When you reflect on your life and career, of what are you proudest?

"I think what we did with Angus Reid Group was quite an accomplishment, building something that people said was impossible to do and ending up with the largest company in our industry. I'm also proud that I've been able to develop a family that is working together well and getting along together well. On work and family fronts, I think things have gone quite well."

(Gyle Konotopetz can be reached at gyle@businessedge.ca)

COMING EVENTS (CONT'D)

■ Strategic Leadership

Forum (Nov. 8, 7:30 - 9:15 a.m.) – How, Not What: Innovating for Sustainable Competitive Advantage, a research briefing. Location: The Ontario Club, 5th Floor, Commerce Court South, 30 Wellington St. W., Toronto. Cost: SLF members \$45, non-members \$75. For information or to register, contact Margo Street at margo.street@slftoronto.com or go to www.slf.com

■ **Chamber Academy** (Nov. 9, 8:30 a.m. - noon) – Hiring and Firing – Avoiding the Pitfalls of Employment Law. Location: Greater Kitchener-Waterloo Chamber of Commerce, 80 Queen St. N., Kitchener. Cost: \$50 a course or \$90 for two courses. For information or to register, contact Megan Harris at (519) 749-6045 or go to www.greaterkwchamber.com

■ **Government Programs on R&D and Employment** (Nov. 9, 8:30 - noon) – Guelph Chamber of Commerce and Ministry of Small Business & Entrepreneurship presentation. Location: Guelph Place Banquet Hall, 492 Michener Rd. Cost: \$75. For more information or to register, contact Heather Wright at (519) 822-8081 or go to www.guelphchamber.com

■ **Leadership Seminar Series** (Nov. 9, 6:30 p.m.) – Brock University lecturer **Ernest Biktimirov** on Creativity and Problem-Solving. Location: St. Catharines Chamber of Commerce, 1 St. Paul Street. Cost: \$80. For more information or to register, go to www.scchamberofcommerce.com

■ **Bridges to Better Business** (Nov. 9, 11:30 a.m. -

5 p.m.) – Keynote speaker: **Del Rollo**, director of hospitality for Jackson-Triggs Estate and Inniskillin Winery. Location: Four Points by Sheraton, 3530 Schmon Parkway, Thorold. Cost: St. Catharines and Thorold C of C members \$25, others \$35. For info or to register, call (905) 684-2361 or go to www.scchamberofcommerce.com

■ **Entrepreneurial Bootcamp** (Nov. 9, 8 a.m.) – For companies considering going public. Location: Crowne Plaza Ottawa, 101 Lyon St. Cost: \$65. For info or to register, go to www.2006pvc.com or www.tsx.com

■ **Global Energy Outlook** (Nov. 10, 7:45 - 9 a.m.) – Power breakfast with Ambassador **William Ramsey**, deputy executive director of the International Energy Agency. Location: 1 First Canadian Place. Cost: Toronto BOT members \$55, others \$75. For info or to register go to www.bot.com

■ **Investment Symposium** (Nov. 15, 10 a.m.) – Small Explorers and Producers Association of Canada. Location: Sheraton Centre Toronto Hotel, 123 Queen St. W. Free. For info or to register go to www.sepac.ca

■ **Empire Club** (Nov. 16, noon) – **Madsen Pirie**, president of the Adam Smith Institute. Location: Fairmont Royal York Hotel, 100 Front St. W., Toronto. Cost: Members \$40, others \$55. For more info, go to www.empireclubfoundation.com

(E-mail your events at least two weeks before publication date to murdoch@businessedge.ca, or fax us at 403-264-4439. For online listings of events, visit our website at www.businessedge.ca)

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BEIN06

Money laundering labelled federal blight

Canada calls for a stronger international response

By Monte Stewart
Business Edge

Canada is calling for governments around the world to share more information on company ownership as part of an international battle against money laundering and terrorist financing.

"The fight against money laundering and terrorist financing is one that we must win," federal Finance Minister Jim Flaherty told a recent Financial Action Task Force (FATF) plenary session in Vancouver. "We must stay one step ahead of criminals by continuing to develop ways to defeat them, wherever they operate."

Based at the Organization for Economic and Co-operative Development (OECD) headquarters in Paris, FATF is an international body that combats money laundering and terrorist financing. Canada is one of 33 FATF member countries.

According to a Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) report, Canadian money-laundering activity hit the \$5-billion level last year – double the 2004 total.

"That's why it's so important that we exercise diligence, not only through our legislation but also through FINTRAC through the sharing of intelligence information with all the nations that participate in the Financial Action Task Force through the work that we do in the G-7," Flaherty told reporters after his speech.

Earlier this month, the Conservatives introduced tougher money-laundering legislation, which Flaherty expects to pass through Parliament this fall. Flaherty said proposed amendments to the Proceeds of Crime and Terrorist Financing Act will significantly strengthen Canada's money-laundering and terror-financing laws.

The bill, which the minority government may have difficulty passing if the Liberals, Bloc Quebecois and NDP raise concerns about privacy, calls for an administrative monetary penalty system for individuals and businesses that do not comply.

It also brings money-service businesses that wire money or issue travellers cheques under FINTRAC's control, strengthens know-your-customer rules, requires banks, insurance com-

QUOTE . . .

"Any of these money-laundering cases that you read about in the newspaper, look for the corporate vehicle – it's there."

– Vincent Schmoll, secretariat of the Financial Action Task Force

panies, securities dealers and money-service businesses to identify and monitor the transactions of prominent foreign nationals and their families, and demands the reporting of suspicious transactions.

The Tories are also attempting to limit the amount of cash lawyers can receive from their clients. Flaherty said Ottawa will review the situation to see if legislative changes are necessary.

Most provincial law societies are restricting clients' cash transactions to their lawyers to \$7,500.

"They're prepared to voluntarily act, and we'll see how that goes," said Flaherty.

During his speech, he vowed Canada "will put these criminals out of business every chance we get."

While removing \$5 billion in laundered money would likely affect the Canadian economy, Flaherty was unapologetic.

"Illegal money is illegal money," he said. "Dirty money is dirty money."

However, little public insight was offered on money laundering in Canada – or elsewhere. The four-day session was only open to reporters during Flaherty's speech on the first day and a wrap-up news con-

ference on the final day.

On both occasions, reporters were ushered in and out of the downtown hotel's conference area by security guards.

The plenary was held as part of a tradition that calls for FATF to meet in the home country of its annual president. Frank Swedlove, a retired federal Finance Department official, holds the presidency until next spring.

Swedlove refused to take any questions on money laundering in Canada. Helen Fisher, an OECD spokeswoman, said Swedlove was speaking from his international position during the wrap-up news conference.

"He's obviously a Canadian, but he's not here to respond to any Canadian-related questions," she advised reporters.

Swedlove and other FATF officials indicated the international body will pay closer attention to "corporate vehicles" – essentially ownership structures – and transactions involving trusts.

Plenary participants received a report, to be made public in coming weeks, that found company multi-layered ownership structures were misused for money laundering and terrorist financing purposes.

The report concludes that the misuse can be reduced if governments have access to information about the "beneficial owner" of a company, its source of assets and business objectives.

Vincent Schmoll, the FATF's secretariat, said practically every money-laundering scheme involves a corporate scheme or trust. Many corporations set up in jurisdictions where authorities can't determine the owner.

Differences in the common-law model practised in Canada and the U.S. and civil-law systems practised in France and other European countries also pose difficulties.

"Any of these money-laundering cases that you read about in the newspaper, look for the corporate vehicle – it's there," said Schmoll.

Another FATF report found new payment technologies, such as prepaid cards and Internet payment systems, are becoming increasingly vulnerable to money laundering and terrorist financing. Schmoll said the FATF previously looked at them, but did not consider them a concern because there was insufficient market demand for them. "Now, we see they're coming up again," he said.

He said FATF would be concerned if general-purpose cards could be used anywhere, because money can be transferred to an "electric purse" without going through a financial institution, and cards can easily be exchanged across borders.

Schmoll declined to estimate how much money is laundered globally, adding it's difficult to say if the illegal activity is more of a problem in one country than another country.

Alain Damais, the FATF's executive secretary, said the dif-

ferent corporate vehicles make it difficult to determine how much money is laundered globally. But FATF has a good grasp of corporate vehicles, he added, and is stepping up deterrence methods.

"Clearly, it's an ongoing battle – one we'll never stamp out," said Damais.

But FATF was able to report some progress after its session. Swedlove announced that Myanmar (formerly known as Burma) has been removed from the list of countries and territories not co-operating with FATF standards. Myanmar was the last of 23 countries placed on the list in 2000 and 2001.

"It's a very extensive process to review countries that are on the list," said Swedlove.

Countries that were previously on the non-co-operative list include the Bahamas, Cayman Islands, Cook Islands, Dominica, Egypt, Nigeria, Russia and Ukraine.

FATF will monitor Myanmar throughout the year for signs of further progress, paying particular attention to its securities, diamond and precious metals industries. FATF adopted reports assessing Portugal and Iceland's anti-money laundering and anti-terrorist financing systems for compliance with global standards.

China, an official observer in Vancouver, has also moved closer to FATF membership. South Korea served as an official observer at a FATF event for the first time.

FATF is also preparing reports on money laundering and terrorist financing in real estate, value-added tax fraud and drug trafficking.

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

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Canadian spinach growers step up to plate

Local producers fill gap during border closure

By Laura Severs
Business Edge

Canadian spinach is muscling in on produce shelves across the country.

But any additional market share gains are expected to scale back once its American counterpart returns following a recent recall of tainted product from California.

Approximately 704 hectares of spinach are grown in Canada, including spinach destined for the fresh, frozen and processed markets, with Ontario and Quebec producing the majority of the leafy green.

"We were quite lucky it was our growing season in Canada," says Heather Holland, senior technical manager for food safety and government relations with the Ottawa-based Canadian Produce Marketing Association (CPMA), a not-for-profit organization representing more than 600 companies. "It wasn't as large of an impact (as it would have been) when we don't grow spinach in the winter."

Even as U.S. fresh spinach – found in bagged salads, bagged salad blends and in bulk – was removed, total spinach sales still dropped dramatically during the first week of the recall.

"Just because of the shock to the consumers, the first week when the story broke there was a decrease of 70 per cent in the

QUOTE . . .

"Just because of the shock to the consumers, the first week when the story broke there was a decrease of 70 per cent in the sales of spinach. Over the next couple of weeks, it got back up to a nearly normal level."

– Heather Holland, of the
Canadian Produce Marketing Association

sales of spinach. Over the next couple of weeks it got back up to a nearly normal level," says Holland.

Following an outbreak of E. coli in multiple U.S. states that was linked to the consumption of California-grown spinach, consumers in the U.S. and Canada were warned not to eat the greens. The U.S. Food and Drug Administration (USFDA) says most healthy adults can recover completely within a week from this strain of E. coli, but others, particularly young children and the elderly, can develop a form of kidney failure called hemolytic uremic syndrome, a condition that can lead to serious kidney damage and even death.

Samples of cattle feces near one of the growing areas in California have tested positive for the bacteria, and investigators have narrowed the contamination area to fields on four nearby ranches. Those fields are not currently being used to grow any fresh produce.

So far, 199 cases of illness due to the E. coli infection have been reported to the U.S. Centers for Disease Control, and three Americans have died. One case has been reported on this side of the border.

Even though Canada produces a healthy crop of its own, it imported about \$27 million worth of fresh, frozen and processed spinach between January and July of this year, or about 12 million kilograms.

"We have a limited growing season so by necessity, and to really ensure that there is a diversity of product and the quantity consumers need for a healthy diet, we have to import," says Holland.

In St. Albert, Alta., organic farmer Eric Chen grows spinach for about six to seven months of the year and as late as Christmas. Chen says what happened in California is likely due to flooding, which washes the E. coli downstream and swamps crops.

"E. coli stays in the soil and

grows up in the roots of a plant. Crops like spinach, lettuce and all the other leafy plants are susceptible to this type of infestation," says Chen, owner and operator of Peas on Earth Organic Garden, a certified organic operation he runs just outside Edmonton's northern boundary.

Even though Chen's farm is next to a neighbour who has cattle, he is careful not to let the cattle onto his field, nor is there any runoff.

"We generally like to irrigate with city water, it's clean and even though the chlorine in water is not the best, it's better than taking a chance on dugout water," says Chen, referring to water drained from his own field and held in a catch basin. "We don't use it on our produce. It's used as a pond for esthetic purposes. We wouldn't use it for a sensitive crop like spinach."

While Chen tries to increase production marginally every year as part of a growing business, he doesn't expect to alter his plans much as far as growing additional spinach is concerned.

"We're seeing new customers (because of the spinach recall from the States) and that's giving local producers more of a chance," he says.

"There's definitely a little more demand. We see some people switching over to local producers. Some will question us on how we grow it. Some are concerned enough that they won't use spinach at all. In general, over the last few weeks, we find we have more of a demand for our spinach – as high as 20 per cent more demand."

But while he expects those numbers to stay that way for awhile, he believes sales will return to normal levels once the situation across the border returns to normal.

In B.C., Tom Demma, general manager of the B.C. Vegetable Marketing Commission, says that it's too soon to tell if the recall will affect buying patterns in the longer term and mean more business for local growers.

"There's always the opportunity for import substitution. We encourage that to the fullest extent, it's good for our sector here," says Demma.

"With the lack of spinach here over the last little while, people had to find another substitute, but they make those decisions on an individual basis – hopefully that would be to buy other B.C. products," he says.

Meanwhile, the CPMA is concerned that there may soon be a spinach shortage on this side of the border as the Canadian growing season winds down. The border remains closed to fresh U.S. spinach.

The association notes the USFDA says the public can be confident that spinach grown in non-implicated areas can be consumed.

Holland says the association works hard to implement food safety programs.

"We're never complacent about food safety. We're always implementing new protocols, learning from new science. It's not something that is ever static."

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

Small-business owners seeking better work/home life balance

Business Edge

Most Ontario small-business owners feel their work/home life balance could improve, according to an RBC survey.

The poll showed 41 per cent of small-business owners feel they are able to balance their time between work and home very well. But 59 per cent feel that there is room for improvement, according to the RBC Royal Bank Small Business survey.

The survey, conducted by Ipsos Reid, also revealed that if given an extra hour each day, 59 per cent of owners would spend it with their spouse or family, take time to relax, or get caught up on personal matters.

Only 31 per cent say they would use it for business-related tasks, including prospecting new customers and developing business skills.

"Given the time and commitment

involved in running a business, it's easy to see why so many entrepreneurs find it challenging to achieve their ideal balance between their personal and work life," said Kris Depencier, national manager of small business for RBC.

The top five pieces of advice small-business owners have for other business people seeking a better work/home life balance:

1. Take time for yourself and your family.
2. Set clear boundaries between work and home.
3. Put your family and home life first.
4. Set realistic business goals and benchmarks.
5. Efficiently manage your time at work.

"There are many financial tools and services available that can help entrepreneurs more efficiently manage their time at work, no matter what the size, stage and complexity of the business," added Depencier.

Ontario signs contracts with seven co-generation projects

Business Edge

The Ontario Power Authority has signed contracts with seven co-generation (combined thermal and electricity) projects across the province, for a total capacity of 414 megawatts.

The contracts represent the first phase of a 1,000-MW procurement process for power from alternative fuel sources.

The seven projects represent a total investment of \$800 million. Commercial operation dates range from February 2008 to May 2010.

"Developing more distributed energy such as these cogeneration projects is key to having a balanced, reliable and secure electricity system for Ontario," Energy Minister Dwight Duncan said in a statement.

The successful projects are:

■ The 11.5 MW Great Northern Tri-Gen facility in Kingsville, by Soave Hydroponics Co. and Great

Northern Hydroponics.

■ The 12 MW Countryside London Cogeneration project in London by Countryside London Cogeneration Corp. and Countryside District Energy.

■ The 5 MW Warden Energy Centre CHP in Markham by Markham District Energy.

■ The 2.3 MW Durham College CHO District energy project in Oshawa by Oshawa PUC Energy Services Inc. and Durham College.

■ The 63 MW Algoma Energy By-Product Cogeneration project in Sault Ste. Marie by Algoma Energy L.P. and Algoma Steel Inc.

■ The 236.4 MW Thorold Cogeneration project in Thorold by Thorold CoGen L.P. and Abitibi Consolidated.

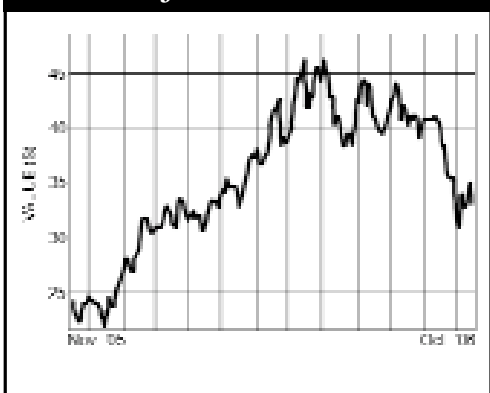
■ The 84 MW East Windsor Cogeneration Centre in Windsor by East Windsor Cogeneration L.P. and Ford Motor Co.



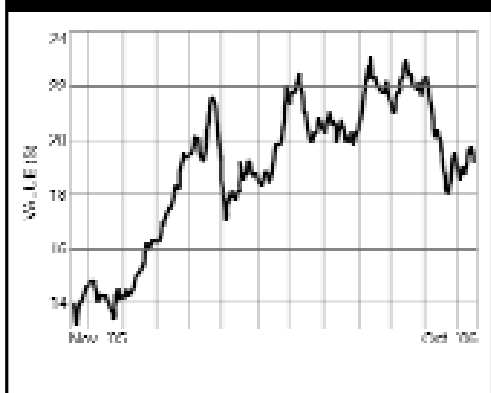
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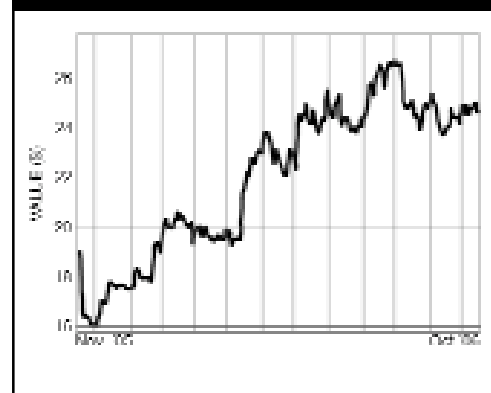
★ 1: WAJAX INCOME FUND



★ 2: STRONGCO FUND



★ 3: TRANSAT AT



Infrastructure sector catches Tardif's eye

(Business Edge columnist Gyle Konotopetz regularly profiles the top stock picks of some of Canada's most accomplished investment pros.)

FEATURED PRO: **Jean-Francois Tardif** is a portfolio manager with **Sprott Asset Management** (www.sprott.ca). He is the lead manager for the **Sprott Opportunities Hedge Fund**.

Fund Form: The Sprott Opportunities Hedge Fund had a one-year return of 16.5 per cent compared to the group average of 4.8 per cent (through Sept. 30). The fund has an annualized return of 35.2 per cent since its inception in April of 2004.

Management Expense Ratio: Two per cent (plus performance fees).

Tardif's Strategy: "Long term, I'm bullish on oil stocks and I'm not very worried about the oil price. I'm more worried about the natural gas price. How those (natural-gas weighted) stocks do depends on whether gas companies review their production and their spending and/or whether we have a warm or cold winter. If we have another warm winter, we may have this problem with (natural) gas for another year. If we have a normal or cold winter, things will come back into place very quickly. I'm hoping to be able to invest a lot of money at the bottom (in the oil and gas sector).

"In the meantime, we're investing in other things. We're looking at stocks that have corrected because there's maybe a perception that they're commodities and

PRO'S 3 STARS

(natural) gas-related investments, but they are not. I particularly like the infrastructure theme, companies that provide equipment to different aspects of the Canadian economy such as construction and the oilsands."



Jean-Francois Tardif

FIRST STAR

■ **Wajax Income Fund** (TSX:WJX.UN)
 ■ **Recent Price:** \$34.64.
 ■ **52-Week Range:** \$21.53-\$47.

■ **Snapshot:** Wajax is a distributor and provider of support service for mobile equipment,

industrial components and power systems. It operates through a network of 104 branches across Canada.

■ **CEO:** Neil Manning.
 ■ **Head Office:** Mississauga.

■ **Vital Stats:** Current Price/Earnings Ratio, 9.2; Revenue (last 12 mos), \$1.2 billion; 5-Yr Revenue Growth, -1.8 per cent; Earnings (last 12 mos.), \$63.8 million; Market Cap, \$574.5 million; Shares Outstanding, 16.6 million; Monthly Cash Distribution, 30 cents per unit.

■ **Tardif's View:** "This company will benefit from infrastructure spending and the booming economy in Western Canada. They sell heavy equipment across Canada. As a dealer, they don't make much money selling heavy equipment but they do make a lot of money servicing that equipment fleet. I think this stock will go back north of the last high of \$46 before the end of 2007. Why? Because the earnings keep growing. This year, they're

going to make somewhere around \$4.50 in earnings per share and next year they're going to make \$5-plus earnings per share. Being a trust, they don't pay taxes so my forecast for this stock is that it will make about \$5.25 per share next year. Plus, they're also paying a 30-cent monthly distribution, which is about 11 per cent."

■ **Tardif's Risk Rating:** Medium.

■ **Web Watch:** www.wajax.com

SECOND STAR

■ **Strongco Income Fund** (TSX:SQP.UN)
 ■ **Recent Price:** \$19.50.
 ■ **52-Week Range:** \$13-\$23.25.

■ **Snapshot:** Strongco sells, rents and services mobile industrial equipment throughout Canada, primarily serving the mining, energy, forestry, utilities, construction and road-building sectors.

■ **CEO:** Robin MacLean.
 ■ **Head Office:** Mississauga.

■ **Vital Stats:** Current Price/Earnings Ratio, 9.1; Revenue (last 12 mos.), \$445.1 million; 5-Yr Revenue Growth, -1.3 per cent; Earnings (last 12 mos), \$21.6 million; 5-Yr Earnings Growth, 78.7 per cent; Market Cap, \$195.84 million; Shares Outstanding, 10 million; Monthly Cash Distribution, 18 cents per unit.

■ **Tardif's View:** "This stock, like Wajax, has had a very important correction and I think it will come back to a new high. I don't think these companies (Wajax and Strongco) deserved to correct. They've corrected as much as the drilling companies, which is ridiculous in my mind. I think Strongco could trade as high as \$25 or \$26 next year. I expect this company to make \$2.75 (in earnings per share)

and it also pays a \$2.18 distribution per year."

■ **Tardif's Risk Rating:** Medium.

■ **Web Watch:** www.strongco.com

THIRD STAR

■ **Transat AT** (TSX:TRZ.B)
 ■ **Recent Price:** \$24.95.
 ■ **52-Week Range:** \$15.90-\$27.01.

■ **Snapshot:** Transat is a holiday travel company with tour operators in Canada, France and the U.K. and also provides airline and travel agent services.

■ **CEO:** Jean-Marc Eustache.
 ■ **Head Office:** Montreal.
 ■ **Vital Stats:** Current

Price/Earnings Ratio, 13.1; Revenue (last 12 mos), \$2.5 billion; 5-Yr Revenue Growth, 4.2 per cent; Earnings (last 12 mos.), \$70.4 million; 5-Yr Earnings Growth, 8.7 per cent; Market Cap, \$844.11 million; Shares Outstanding, 33.8 million.

■ **Tardif's View:** "This is a company that has a very strong market share in Eastern Canada, particularly in Quebec, for packaged holidays. The oil price has come down, which is a positive for the company, but they did very well even when oil prices were higher.

See 3 STARS Page 15

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Bell's income trust move sparks jitters

Trend could set off alarms in government

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

By Gyle Konotopetz
Business Edge

■ **ACT I: The Wakeup Call BCE Inc.**
(TSX:BCE) \$32.75
Up 25.9 per cent
(since Aug. 1).

BCE's move to convert its Bell Canada phone business into an income trust was an unwelcome wakeup call to jittery trust investors. The move by Canada's largest telephone company came exactly one month after Telus (TSX:T) announced plans to convert to a trust and may set off an alarm in the government over conversions by some of the country's largest companies. Although the government has been tight-lipped over the issue, trust investors are concerned about a selloff similar to what occurred two years ago when the Liberal government scrutinized the trust structure. Said UBC Securities Canada analyst Jeffrey Fan: "Investors are beginning to worry about the implication of BCE's trust announcement on both BCE's and Telus's ability to successfully complete their conversions without government scrutiny." BCE would become the 250th income trust.

■ **ACT II: The Bomb Bennett Environmental**
(TSX:BEV) \$0.64
Down 33.3 per cent
(one-day swoon on news).

The market doesn't take kindly to being left in the dark. If you don't believe it, consider the brisk one-day selloff when Bennett warned investors not to rely on previously announced guidance, including a forecast issued in



STREET LIFE: ANALYSIS

early August that the soil contamination processing company expected to process 28,000 to 33,000 tonnes of soil this year. The Oakville-based company also told investors that, effectively immediately, it would no longer provide guidance in advance of reporting periods due to the unpredictability of the market. Shares in Bennett have cratered by almost 90 per cent since the stock peaked at \$6 in March.

■ **ACT III: The Reality Check Falcon Oil & Gas**
(TSXV:FO) \$2.66
Down 62 per cent
(five-month plunge).

Falcon was the junior oilpatch's high flier early in the year when it gushed to a 10-fold increase based on its prospects in Hungary, but the stock has given speculators a rude reality check in recent months. In a note to investors, Canaccord Capital questioned Falcon's \$1.1-billion market cap. The firm wrote in a note: "As much potential as the Hungarian property may have, it's a preposterous market cap for a company without production, don't you think?" Falcon also has a whopping 450 million shares outstanding.

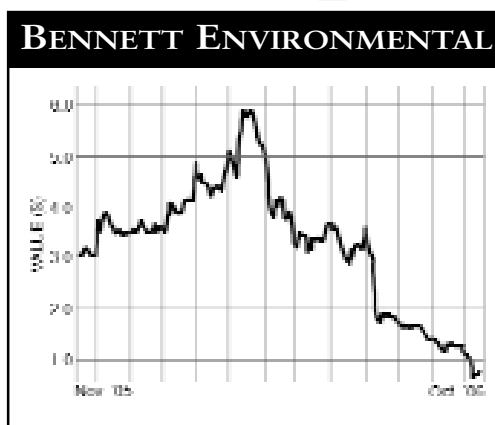
■ **ACT IV: The Trust Convert Dundee Wealth**

Management
(TSX:DW) \$13.89
Up 38.9 per cent
(year to date).

Dundee stock continued to flourish with a one-day spike of 13 per cent when the company said it plans to convert its investment management division, Goodman & Co., Investment Counsel Ltd., into an income trust. Dundee intends to offer approximately 15 per cent of Goodman & Co. in an initial public offering in the income trust structure. Goodman & Co., which included Dynamic Funds, manages more than \$20 billion in retail and institutional assets. In September, Dundee Wealth Management launched Dundee Bank of Canada, a revamped Schedule I chartered bank.

■ **ACT V: The Takeover Jacuzzi Brands**
(NYSE:JJZ) \$12.35 US
Up 19.3 per cent
(one-day spike on Oct. 11 takeover news).

Jacuzzi, the name synonymous with whirlpool baths, may have finally hit its pinnacle as a public company after a phenomenal multi-year rally. The West Palm Beach maker of hot tubs appears headed for a new life as a private company after New York-based private equity firm Apollo



Management made an acquisition pitch of \$12.50 US in a deal valued at \$1.25 billion US, including the assumption of debt. Long-time holders of Jacuzzi stock have been rewarded with a five-year return of more than 500 per cent.

■ **ACT VI: The Exclamation Point Yum! Brands**
(NYSE:YUM) \$58.03 US
Up 28.9 per cent
(since Aug. 1).

Yum! is known for its exclamatory name and now it's becoming known for its exclamatory growth. A growing appetite in China for Yum!'s KFC, Pizza Hut and Taco Bell brands spurred growth at the Louisville, Ky.-based company. Yum! beat analyst expectations for its third quarter with earnings of 83 cents US per share, beating the street by eight cents, and also raised its full-year profit guidance to \$2.89 US earnings per share from \$2.83, largely on its Chinese growth prospects. The company boasts a worldwide chain of 32,274 restaurants.

■ **ACT VII: The Gaming Nightmare ESI Entertainment Systems**
(TSX:ESY) \$0.96
Down 63.1 per cent
(two-week crash).

Internet gaming stocks have

been having a nightmare at the craps table since the U.S. government began to crack down on the online gaming industry. Few companies have been hit as hard as ESI, the Burnaby, B.C.-based outfit that provides products and services to the gaming industry. Ironically, the company's shares haven't even been able to get to first base despite its association with baseball's all-time hits king Pete Rose. ESI's subsidiary, Citadel Commerce Corp., recently purchased Rose's 30 autographed, limited-edition baseballs with the message, "I'm sorry I bet on baseball." The company also announced the resignation of its chief financial officer, Dan Parmar, who will be replaced on an interim basis by CEO Anthony Greening.

■ **ACT VIII: The Penny Jackpot WebTech Wireless Inc.**
(TSXV:WEW) \$1.95
Up 78.9 per cent
(since Sept. 1).

No, your eyes aren't deceiving you. It truly is a wireless company with a spike reminiscent of the good ol' days of the dot-com boom. WebTech Wireless has been getting some serious attention from investors as it rolls out its Quadrant wireless solutions that focus on the mobile telematics space. The Burnaby-based company announced a distribution agreement in the freight transportation business with Trailcom Leasing. WebTech's technology will allow Trailcom customers to track the location of parked trailers as well as goods in transit.

(Quotes based on prices through Oct. 13 unless otherwise specified.)

(Gyle Konotopetz can be reached at gyle@businessedge.ca)

Ontario economy troubled: report

Business Edge

Ontario's economy is in danger of stalling despite the drop in natural gas and oil prices, says an RBC report.

The province's economic outlook has stumbled, with expected growth of 1.5 per cent in 2006 and two per cent in 2007, according to the RBC provincial forecast.

"Ontario's economic growth forecast has weakened and is facing further downside risks,"

says Craig Wright, RBC vice-president and chief economist.

"The economy isn't far from being at a standstill."

Nationwide, RBC has revised its 2006 growth forecasts, with Ontario being sharply downgraded to last place.

Alberta and British Columbia are now in first and second place, respectively, bumping Newfoundland and Labrador to third place for growth in 2006.

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Canadian Tire names subsidiary's president

Business Edge

Canadian Tire Corp. Ltd. (TSX:CTC.A, CTC) has appointed **Paul Wilson** as the president of its subsidiary **Mark's Work Wearhouse**.

Mike Lambert, who has shared the co-presidency of Mark's Work Wearhouse with Wilson since 2003, is departing to advance his career with a non-retail organization in Alberta, the company said in a release.

Wilson joined Mark's in 1992.

Mark's Work Wearhouse is a clothing retailer operating 330 stores in Canada.

Magna Entertainment Corp. (TSX:MEC.A, Nasdaq:MECA) says its COO, **Don Amos**, has retired and **Jim Bromby** and **Brant Latta** have been appointed senior vice-presidents of operations.

MEC is one of North America's largest owners and operators of horse racetracks. Its head office is in Aurora.

The **Ontario Northland Transportation Commission** has named **Paul Goulet** as its new VP and general manager of **Ontera**, its telecommunications division.

Goulet joined Ontario Northland in 2004 as chief information officer of Ontera.

Ontera is a wholly owned subsidiary of the ONTC, an operational enterprise of the Province of Ontario established in 1902.

Torstar Corp. (TSX:TS.B) has named **Jagoda Pike** as publisher of the *Toronto Star*, succeeding **Michael Goldbloom**.

Pike has worked with Torstar Corp. for 20 years, most recently as executive VP of newspapers for Torstar.

Fred Kuntz has been named editor-in-chief of the *Toronto Star*, succeeding **Giles**

MOVING ON

Gherson. Kuntz started his career at *The Star* and was most recently group publisher of Grand River Valley Newspapers.

Torstar Corp. is a broadly based media company.

Glenn Garnett has been named to the new position of executive editor-in-chief for **Sun Media's** English urban newspapers.

Garnett has 28 years in the news business. In 1998, he became corporate liaison of Sun Media Corp., adding responsibilities as the chain's political editor in 2001.

Sun Media Corp., a division of Quebecor Media Inc., is Canada's second-largest newspaper publishing company.

MagIndustries Corp. (TSXV:MAA) says the position of vice-president of **MagForestry** was recently filled with the appointment of **Daniel Orlando**, who now works from Pointe-Noire, Republic of Congo.

Orlando will be responsible for the management of Eucalyptus Fibre Congo, a wholly owned subsidiary of MagForestry.

Mike Edwards was recently appointed VP of projects for MagIndustries. Edwards works in the company's Johannesburg office and has extensive experience in resource and industrial project development in Africa.

MagIndustries' resource subsidiaries are developing industrial projects in Africa. The company's head office is in Toronto.

Jim Houston has been appointed senior VP of **Davis-Rea Ltd.**

He brings 28 years of experience in the investment industry, most recently as

director of equity sales in Canada for an international financial services firm.

Davis-Rea is a private investment counselling firm with head office in Toronto.

Patricia Mining Corp. (TSXV:PAT) has promoted **Christopher Chadder** to president. Chadder has been the CFO for the past two years.

Patricia Mining's head office is in Toronto.

Carlos Mirabal has been appointed president and CEO of **Orvana Minerals Corp.** (TSX:ORV).

Mirabal has more than 35 years' experience in the mining industry, most recently as VP of operations of Sinchi Wayra S.A.

Orvana is a Canadian gold mining and exploration company based in Toronto.

Orezone Resources Inc. (TSX:OZN) has named **Niel Marotta** as VP of corporate development and **Bryan Tokarsky** as manager of corporate finance.

Marotta previously spent five years at Fidelity Investments in Boston. Tokarsky, a CA, comes from Corel Corp.

Orezone is an explorer and emerging gold producer focused on Burkina Faso. Its head office is in Ottawa.

Entertainment One Income Fund (TSX: EOFUN), a distributor of home entertainment products, has appointed **Pete Pigott** as CFO of the fund and its affiliates.

Pigott, a chartered accountant, was more recently COO and corporate secretary of West 49 Inc.

Entertainment One is a wholesale distributor of DVDs, CDs, video games and accessories to Canadian retailers. Its head office is in Brampton.

GlobeStar Mining Corp. (TSXV:GMI) has hired **David Massola** as its new VP of finance and CFO.

The company says Massola brings extensive experience in mine development and corporate responsibility.

GlobeStar also recently named **Jean Pierre Chauvin** as COO and president, and **Eric Olsen** as VP of projects.

GlobeStar is a minerals exploration company. Its head office is in Toronto.

Castillian Resources Corp. (TSXV:CT) has appointed **Gordon Siddeley** to the post of VP of exploration.

Siddeley has more than 30 years' experience with the Geological Survey of Canada and multinational mining companies.

Castillian is a Canadian mineral exploration company with projects in Tanzania and Bolivia. Its head office is in Toronto.

Med-Eng Systems Inc. has appointed **Danny Osadca** as its new president and chief executive. Med-Eng, a privately held company, produces protective equipment for explosive ordnance disposal, among other areas. Its head office is in Ottawa.

Pacific Stratus Energy Ltd. (TSXV:PSE) says that executive VP **Robert Doyle** will act as CFO, replacing **Mario Miranda** who has left the company to pursue other opportunities.

Pacific Stratus is an oil and gas company with interests in Colombia. Its head office is in Toronto.

3 STARS from Page 12

Travel company riding hot market

"I think they're going to do really well in the next six months with more Canadians travelling. In my view, they should convert to an income trust because they generate so much cashflow, but I don't think they plan to convert to a trust. They want to retain their cash to do acquisitions. They have more than \$10 per share in cash on the balance sheet and they generate a lot of free cashflow every year. It's an extremely profitable business. Because the Canadian economy is doing so well, I expect this company to grow their sales, earnings and cashflow. On top of that, they're probably going to make some accretive acquisitions."

■ **Tardif's Risk Rating:** Medium.

■ **Web Watch:** www.transat.com


Tardif's Edge Record (last 12 mos): +10.4 per cent. **Best Pick:** Tournigan Gold (TSXV:TVC) +125.6 per cent. **Worst Pick:** Total Energy Services Trust (TSX:TOT.UN) -22.5 per cent.

Disclosure: Tardif owns shares in the Sprott Opportunities Hedge Fund in which the featured stocks are held.

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


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Real Estate Edge

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Photos courtesy of Rooflifters

Rooflifters goes to work raising the roof on a commercial building, above, as co-partners Daniel Siegel, left, and Marty Shiff swing into action.

Construction company raising the roofs

Rooflifters finds new way to increase space

By Saul Chernos
Business Edge

A Toronto-based construction company is looking to grow its business – and increase warehousing and other commercial space for customers – by raising roofs.

Rooflifters got its start a year ago when business partners Daniel Siegel and Marty Shiff, general contractors and co-owners of Planit Construction, bought Liftplate, a Miami firm that developed and patented a system for raising roofs off large-size but low-rise buildings in order to add vertical headroom.

First, crib posts are placed underneath the main structural beams of a building. The posts are then welded into place and the supporting columns severed so the crib posts can hydraulically lift the entire roof.

Once the roof reaches the desired height, the columns, services and other infrastructures are reattached and the newly added space is enclosed with metal, brick, stucco or block cladding.

By taking single-storey buildings as large as several hundred thousand square feet and literally raising the roof, Liftplate developed a modest niche.

Siegel says vertical space is needed in a modern distribu-

tion and logistics environment.

“There has been a fundamental shift of manufacturing from North America to overseas locations,” he notes. “Companies need warehousing and logistics space to distribute products, but the low ceiling heights of many existing industrial buildings can’t accommodate such an operation.”

Planit Construction, a general contractor, specialized in commercial projects.

Siegel says he saw a Liftplate sticker pasted on a column outside a jobsite in Ajax where the roof had been raised earlier. He investigated after a real estate agent suggested that some buildings might sell more quickly if they were slightly taller.

Siegel discovered that Liftplate had raised roofs on more than 30 buildings across North America over 15 years, working as a subcontractor.

Typical jobs included a five-foot lift for a 50,000-sq.-ft. Home Depot in Des Moines, Iowa, and a 15-foot lift for a 307,000-sq.-ft. General Motors plant in Detroit.

Liftplate’s Canadian credentials included 7½ feet added to a building for Simcoe Leaf, a tobacco company in southern Ontario, four feet to a Zellers store in nearby London, and the Ajax site, which eventually allowed a mezzanine to be added to a fitness club.

“I called Liftplate, but they weren’t terribly interested in coming back to Canada,” Siegel says. “But we called again and proposed a licensing arrangement, and discussions just

evolved from there.”

Liftplate soon ended up in Planit Construction’s hands. Siegel says Liftplate founder and owner Peter Vanderklaauw died in 2004 and the company’s successors wanted to grow the company, but needed extra muscle. Liftplate management maintains the Miami office, while Siegel and Shiff run the Toronto operation.

With 20 employees, the new entity – Rooflifters – scored its first contract earlier this year, refashioning a new Canadian distribution centre for Johnvince Foods, which owns the Planters brand in Canada and also handles private-label and bulk foods.

At 18 feet in height, the 70,000-sq.-ft. building, at 4420 Chesswood Dr. in north-end

Toronto was too low to accommodate the food company’s distribution needs.

Rooflifters raised the height to 32 feet, providing Johnvince with an additional 1.12 million cu. ft. of warehouse space, and installed new columns and increased the number of shipping and receiving doors. The building had been vacant for 10 years, so Rooflifters replaced aging mechanical and electrical systems as well as a weak roof membrane.

“It came in around \$34 or \$35 a square foot for the entire project,” Siegel says. “This is an extreme because it included revamping everything. If you were to tear down that building and build a 70,000-sq.-ft. building, it would probably cost in the \$70 range.”

Siegel says retaining an existing structure minimizes red tape. “Once you tear down a building, everything changes. You need a site-plan approval, which can take six months to a year and you might not even get what you want. With our process everything is effectively grandfathered and involves just a straight renovation permit, which usually takes just a couple weeks.”

John Logarakis, vice-president of special projects with Johnvince Foods, says the extra height will let his company use the tall, state-of-the-art pick towers, conveyor belts and racking systems needed in a modern-day distribution environment.

See PROJECT Page 17

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Mortgage fraud battle grows as values rise

Victim advises due diligence in transactions

By Monte Stewart
Business Edge

Jennifer Fiddian-Green has cleared her name with lenders.

She is not legally liable anymore for two mortgages that were taken out – without her knowledge or consent – on two condos in her home town of Brantford in 2003.

But the battle against mortgage fraudsters for most Canadians who have fallen victim to such scams is far from over.

As property values rise, reported cases of mortgage fraud are also increasing across Canada. But in many cases, police are handcuffed in their attempts to bring the culprits to justice.

“There was a charge laid against one of the individuals involved in my case, but the details of my case were not what led to the charge,” says Fiddian-Green. “My case details got dropped (from the charge). It wasn’t the best evidence, but there was a conviction . . . but it’s kind of like a slap on the wrist.”

The experience was particularly irksome because Fiddian-Green, a forensic accountant and partner with Toronto-based Grant Thornton LLP, investi-



Larry MacDougal, Business Edge
Fiddian-Green fell prey to a double mortgage-fraud scheme in Ontario.

gates fraud for a living. She can quickly check out someone who might be trying to pull a fast one with financial institutions.

“We know how to prevent this crime, and these groups need to be motivated to do the due diligence so that they know their client and who they’re dealing with.”

Fiddian-Green has filed a complaint with the Law Society of Upper Canada, which governs lawyers in Ontario, against the lawyer involved in both deals in her name. But with more than 75 mortgage-fraud cases to investigate, she says, the law society has indicated it can’t review her situation anytime soon.

She has also filed a complaint against credit-reporting agency

Equifax Canada because, she contends, people were able to access her personal financial data and get financial institutions involved without her consent.

“I didn’t give permission to them, somebody else did,” says Fiddian-Green. “So I want to know what work they are doing to protect my personal information.”

When it comes to being victimized, she is probably one of the lucky ones because she knows who to call and how to get answers. Many other mortgage-fraud victims have faced years of hassles in dealing with banks, courts, professional organizations and other groups.

Typically, unscrupulous mortgage brokers, bankers, real estate agents, lawyers or appraisers may use false appraisals to increase the value of a property. They then sell it a few times through fake documents and other means to get a mortgage for a far higher amount than the real value of the property – and then disappear, leaving the unsuspecting purchaser to pay the bills based on what appear to be legally binding contracts.

And the stories of what unwitting victims go through are getting uglier.

A North York couple who lost their condo to identity thieves recently waged a legal battle in an Ontario courtroom with the Toronto Dominion Bank over who should pay a \$247,860 mortgage. Claiming it was also a victim, the bank has

refused to erase the debt and appears to be seeking compensation through a provincial assurance fund.

In one B.C. case involving disbarred former lawyer Martin Wirick, the provincial law society is on the hook for \$50 million in clients-claim coverage. Wirick was granted a conditional discharge from bankruptcy in return for what’s considered a \$500,000 token judgment for the Law Society of British Columbia.

“Perhaps the only way that Mr. Wirick will ever pay anything to the Law Society is if he wins the lottery,” B.C. Supreme Court Justice Jon Sigurdson said in his June 27 decision.

Wirick, who specialized in property transfers, received money in trust to discharge mortgages and later admitted to the society that he breached undertakings in several of the transactions. Those breaches had resulted in money remaining unpaid to various parties and financial institutions.

Dozens of lawsuits allege that Vancouver developer Tarsem Singh Gill, a long-time client of Wirick’s, bilked tens of millions out of homeowners through bogus mortgages. Clients later learned they did not own their own properties.

A law society audit determined that \$52 million passed through Wirick’s trust account between 1998-2002. Police are still investigating, and no charges have been laid.

Later this month, a case against six men will go to court

in Edmonton on what is believed to be the largest mortgage-fraud case in Alberta history, which includes 142 charges involving 118 properties and involves just under \$30 million. But Gohar Pervez, the group’s alleged leader, has claimed the accused – who include Edmonton defence attorney Scott Park – weren’t doing anything illegal as they flipped properties.

In another Alberta case, an 85-year-old couple who had enjoyed clear title on their property for 25 years faced the loss of their home, says Edmonton police Det. Mike Shorter, who investigates mortgage fraud full-time.

These are just a few of the cases now going before the courts or being investigated. First Canadian Title, a Toronto-based property title insurance company, estimates the average mortgage fraud to be \$300,000. In 2005, mortgage-fraud claims accounted for 33 per cent of First Canadian’s total dollars paid, compared to only six per cent in 2000.

“The lenders are basically falling over themselves to finance these things, and I think there’s been a lack of due diligence on all avenues of it,” says Shorter.

In the Pervez case, which Shorter has been investigating for three years, somebody always thought someone else – be it the bank or mortgage broker – was doing the background checks.

“When you look at these red flags jumping up, it’s just someone passing the buck,” says Shorter. “The economy is overheated and people are just doing everything to finance these things – and they’re just taking advantage of it.”

Although it’s difficult to get an accurate read on the extent of mortgage fraud, various reports suggest Alberta has the most cases because of its booming economy and strong real estate market.

Last year, the Real Estate Council of Alberta estimated the value of mortgage fraud at approximately \$275 million a year.

On mortgage assumptions, says Shorter, there is no legal requirement to get the consent of the lender. A fraudster can get a “straw buyer” to assume a mortgage, collect the cash from the bank and then get off the hook.

“It’s hard to tell which values are good and which aren’t, because what people are paying for houses now is nuts compared to what they were paying 10-15 years ago,” says Shorter.

PROJECT from Page 16

Procedure still unfamiliar to industry

“The old building could not accommodate these,” Logarakis says. “If we used the building as it was, the pick-towers would be too small for all our products.”

Logarakis says Johnvince found the procedure cost-effective and environmentally friendly. “If we were to turn that whole building into rubble and start fresh, it would cost a whole lot more money than it’s costing to just raise the roof and fix it up. We’re just lifting the roof and adding steel.”

With the Johnvince project under its belt, Rooflifters has close to a dozen potential projects under discussion, Siegel says.

“The evolution of the sale is quite long. Lifting roofs is completely unfamiliar to the industry, even to structural engineers with lots of experience.

“Clients tend to want to explore all their options, and this includes tear-downs, moving, leasing and acquiring a building. We knew that our first year was going to be a developmental year.”

James Kirby, senior technical director with the National Roofing Contractors Association in Rosemont, Ill., says he was unaware of any construction companies

lifting roofs in order to add vertical space, but considers the idea viable.

“It’s just a different type of construction methodology. There are companies that move buildings and houses, or raise them up if there’s a flood issue or to redo the foundation. But I don’t know of anybody who’s actually lifting a roof or the upper structure of a building to put in additional space. So, this is a little bit new to me.”

Kirby does recommend that building owners considering a roof lift ensure that contracts spell out responsibility for any damage that might occur.

“From a very conservative standpoint, I would think you’d want to make an assessment of the roof system prior to the work being done and then do a damage assessment afterwards.”

As part of its efforts to build the business, Rooflifters is taking its message to government.

“Municipalities across North America are losing millions of tax dollars and revenues to newer and higher buildings in the suburbs,” Siegel says. “It’s cost-effective to re-adapt existing commercial structures and it keeps business within their borders.”

Siegel says the company made a presentation to the City of Toronto’s economic development office in September, and also met in July with Ontario MPP (York West) Mario Sergio.

“We’re promoting the revitalization of older areas where these buildings are,” Siegel says. “The city could be collecting business revenues from buildings that are now vacant. So why not come up with some sort of a program or tax abatement to encourage businesses to buy and lease these older buildings?”

Ronald Rea, a manager with the Toronto economic development office, says he only knew of one roof raised in the city during the 20 years he has been with the organization.

“One of the reasons companies are moving is they’re looking for modern buildings elsewhere, with greater heights underneath the joists,” Rea says. “If we can persuade a company to raise the roof to allow for more warehousing space, so they don’t need to relocate outside Toronto, then we’ve saved jobs and taxes.”

(Saul Chernos can be reached at chernos@businessedge.ca)

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See Page.....3

'Career stutters' causing economic ripples

Education system must adapt to changing global conditions

The university graduate living at home and working at a low-paying job is threatening to move from a funny-sad stereotype to a crippling national trait – unless Canadians at all levels begin to change the way we think about career development.

For more than a generation, parents and teachers have focused on getting kids into the post-secondary system because research showed us that higher education was the key to higher wages and “better” jobs.

That template suited an economy built on long-term jobs, on careers built over decades with one employer.

But we're discovering – to our cost – that this strategy doesn't work in an atmosphere of global competition, worldwide skilled worker shortages, new jobs, specialties and companies flashing into existence seemingly overnight, to be replaced by the next new industry before we can blink.

Our national failure to react to the changing times has resulted in a generation with the “career stutters” – a large number of well-educated youngsters who can't seem to settle on what it is they want to do in life, who flit from job to job, or take jobs as barristas or sales clerks while they sort out what they really want to do.

“We need a national re-think,” says Donnalee Bell, a consultant with the Canadian Career Development Foundation (CCDF) and co-author of a report released this summer on career development services for Canadian youth.

“We know 60 to 70 per cent of youth don't access career development services. We know 60 per cent of kids shift their major or drop out of university.”

Add to that the fact young people can expect to change jobs seven to 10 times in their worklife and change careers two or three times.

Such career stuttering not only affects the economic fortunes of individuals, but is a drag on our productivity as a nation. As a nation, can we continue to enjoy the good life – improve our standard of living and compete globally – if we waste time and energy in this way?

Canada isn't alone in this challenge.

Around the world, nations seeking to compete globally face severe shortages of technicians, coupled with high rates of underemployment of college and university graduates, says Kenneth Gray, a professor of workforce education and development at Penn State

University in his report, *Skills Shortages, Underemployment and Youth: The Quiet International Dilemma*.

“Few involved want to talk about the worldwide growing numbers of underemployed four-year college graduates,” he writes. “It is somewhat of an embarrassment to public policymakers, government officials, universities and university graduates. It hints of educational and economic development policy gone wrong, of public investment wasted and unkept promises made to youth.”

Education was once seen as a personal and national economic salvation. Consequently, post-secondary enrolment dramatically increased in developed nations.

In 2003, 44 per cent of Canadians in their early 20s graduated from post-secondary programs, up from seven per cent in 1999, according to Statistics Canada.

Other countries have similar records. Gray points out that between 1950 and 1993, the percentage of youth enrolled in colleges and universities increased in Sweden from four per cent to 35 per cent, in France from four per cent to 50 per cent, and in the U.S. from six per cent to 81 per cent.

But he also notes a discon-

and guidance teachers don't know the variety of career options, and teens are steered into educational institutions that continue to churn out grads without the needed skills.

Meanwhile, employers are reluctant to invest in employee training because better-trained workers are more apt to be poached by competitors.

“It's scary,” he says, looking at the labour market 10 years down the road.

As it stands now, many teens – and their parents – don't know the variety of jobs available or the skills needed to succeed in them, and don't have access to career development counsellors who can advise them, Bell points out.

Canadian policymakers are beginning to address the situation (the first summit involving politicians, educators and labour market organizations was held in 2003), but changing Canadian policy is like steering the Queen Mary – it takes a lot of time and distance during which time the world sails on by.

“Our challenge is education is a right of provinces, and what really needs to happen is a pan-Canadian approach,” says the CCDF's Bell. It means a change at every level – students, parents, primary, secondary and post-secondary educators, politicians and organizations representing labour and business.

Career development should be on the agenda for both the Council of Ministers of Education, Canada (CMEC) and Forum of Labour Market Ministers, Bell adds.

She also advocates national standards for career development practitioners and that they be employed in school systems to help students think about lifelong career management.

“There are a lot of stellar programs and tons of gifted career-development practitioners,” she says, but while some youth are getting exemplary service, the majority of youth are not using these services at all.

Bell also advocates a coherent national career-development strategy that would feature, among other things, laws guaranteeing students career-development services, requiring one course on career development in

education degrees and that career development be introduced as early as Grade 6.

“A critical point is Grade 6,” she says, but “in elementary school and junior high, career guidance is virtually non-existent.”

In junior high, options begin to narrow as students choose courses. It's not unusual for high-school graduates to discover they've made a mistake in choosing courses that means they have to backtrack to make up credits to meet requirements for post-secondary programs.

It's also not unusual that students are steered into post-secondary studies based on subjects in which they achieved good marks, rather than choosing a field that suits their personality and talents as well as future employability.

Although many students are floundering, Bell and Lynne Bezanson, co-author of *Career Development Services for Canadian Youth: Access, Adequacy and Accountability*, found “pockets of innovation” across the country.

Bell lauds Ontario for developing a guide on apprenticeships and skilled trades.

“Always before, the attitude was: ‘You go find the employer, then we'll help.’ But we're talking about 17-, 18-, 19-year-olds without many of the life skills that would allow them to approach and negotiate with employers,” she says. And with no master list of apprenticeships and employers, students were stymied. Now apprenticeships are multiplying.

She also gives kudos to the B.C. chamber for its research projects on career development and employer partnership roundtables.

“We're trying to find community-based solutions,” agrees the chamber's Winter.

So is the B.C. government, which is asking stakeholders how best to design a new \$90-million tax employer credit program, part of a \$400-million investment in training, education and skills development. The chamber advocates that money be spent on increasing skills of the existing employee base.

And certainly, parents and students must be part of the solution.



Photo illustration

College graduates often pay the price for education decisions by being stuck in low-paying jobs.

In the U.S. at the same time, 57 per cent of the workforce were in blue-collar trades, 25 per cent were technicians and only 18 per cent were professionals.

This has created a surplus of people with degrees, but a shortage of university graduates with the skills needed by employers – and hence, underemployment.

Estimates are that 30 per cent of college graduates in the U.S. in the late '90s were in jobs requiring high school-level skills. And that has sparked a trend for these grads to return to school to upgrade their skills to meet real-world requirements.

There's plenty of blame to spread around. Gray cites “poor decisions by both those charged with economic/workforce development, as well as students and their parents.”

“The business community has been guilty of not being good communicators in terms of their needs,” says John Winter, CEO of the B.C. Chamber of Commerce. Consequently, students, parents

Trademark common sense rules the day

There was once a day in Canada when, if you were starting a business, you had to be careful about what business name you chose lest some bigfoot with a famous trademark set its lawyers loose on you.

Dare to call your lovingly crafted leather wallets "McWallet" and you'd risk having the mighty McDonald's fast food empire threatening legal consequences.

Be so bold as to use the name Barbie for your restaurant and you'd have multibillion-dollar dollmaker Mattel, Inc. moving mountains to try to put you and your descendents into servitude paying the lawyers' bills.

Mattel's imprecations didn't faze one Montreal restaurateur, however.

Spiro Christopoulos, owner of three Barbie's bar-and-grill restaurants, stood his ground when Mattel told him 12 years ago to stop using this name. He continued to hold his ground as he successfully navigated the federal Trademarks Opposition Board, the Federal Court and the Federal Court of Appeal.

Mattel took its case to the Supreme Court of Canada. And it was the justices of that high court who handed down a judgment this past June that

Supreme Court evens playing field for small business

brings greater certainty to the somewhat ambiguous federal Trademarks Act – and joy in many cases to long-suffering small businesses whose names have a similarity to famous trademarks.

The Supreme Court allowed the Barbie's restaurant chain to keep its name. The justices based their decision on the eminently reasonable assumption that most ordinary people can discern the difference between medium-priced pubs and plastic dolls for three- to 11-year-olds.

"One doesn't own the word 'Barbie,'" explains University of Toronto law professor Abraham Drassinower, an expert on trademark and intellectual property law. "An owner owns the mark for the purpose of distinguishing his or her products in the marketplace, but not for any other purpose."

The Supreme Court decision goes further than the issue of product confusion in clarifying Canada's trademark law.

For example, the judgment notes that a trademark's fame is capable of carrying the mark across product lines where lesser marks would be limited to their traditional wares and services.

The Supreme Court also notes that the name Barbie is a contraction of a common name (Barbara) so is not even an invented word such as "Kodak" or Kleenex."

"A difference in wares or services does not 'trump' all other factors, nor does the fame of a trademark," the judgment says.

The Supreme Court also released a decision the same day in a second case – *Veuve Clicquot Ponsardin vs. Boutiques Cliquot* – that addresses similar trademark issues and comes to the same conclusions.

In that case, high-quality champagne-maker Veuve Clicquot objected to the use of the word Cliquot by the owner of six women's clothing stores in Ontario and Quebec. The International Trademark Association intervened on Veuve Clicquot's behalf despite the retailer having previously registered the name Cliquot.

"There is a trend internationally to increase the scope of trademark protection," says Drassinower.

Drassinower notes that product confusion is not the only factor in determining the right to a name. For example, the law protects the holders of famous trademarks from other businesses that use the name in a manner that depreciates the goodwill of the mark.

For example, a manufacturer might find itself in hot water if it were to use the trademark

Walt Disney for a new line of sex toys. (For that matter, it would have a great deal of difficulty explaining how it legitimately came up with such a choice in name).

Also, Mattel Inc. may have solid grounds for legal action if a peepshow operator were to use the name Barbie for his string of businesses.

Drassinower says the Trademark Act protects famous-trademark owners from businesses that use their mark "in a manner that, while not confusing, nonetheless devalues the mark."

In its judgment, the Supreme Court quoted, with approval, the comments of a Federal Court of Appeal justice who wrote the following about trademark litigation: "The totality of the circumstances will dictate how each consideration should be treated."

This clarifies previous Federal Court of Appeal judgments.

In one such case – *United Artists Pictures vs. Pink Panther Beauty* – the appellate court ruled that owners of famous trademarks only very rarely should be excused from having to establish a connection between its goods and services and those of the other party.

The Supreme Court's *Barbie* judgment noted that the *Pink Panther* decision placed undue weight on the similarity or dissimilarity of goods and

services.

In the wake of the Supreme Court's trademark ruling, businesses that are less omnipresent than famous trademark holders will have a clearer picture of where they stand when confronted with the chest-beating antics of a multinational's lawyers.

"The questions are, 'Did you use the mark in a manner that represented you as if it were me in the marketplace?'" Drassinower says. "Did you try to appropriate my goodwill?"

To illustrate his point, Drassinower said anyone trying to use the Michelin Man logo for a new line of motor oil likely would lose any legal action by Michelin because the tire maker could argue that the public would assume that it is diversifying.

"But if I were to make another product under the Michelin name – like chewing gum – there's likely no confusion."

Drassinower pointed out that Olympic trademarks are different from regular commercial trademarks, so are not affected by the Supreme Court judgments.

Trademarks owned by such organizations as the Olympics are known as "official" trademarks because they are created by public authorities.

(Brock Ketcham is an Edmonton-based writer who specializes in consumer and public policy issues. He can be reached at brock@businessedge.ca)

BROCK WATCH



Brock Ketcham
For Business Edge

Job interviewers also face pressure

Candidates' first impression key to decision

Business Edge

There's a reversal of power roles in the job market, according to a new survey.

The survey shows 20-something jobseekers change their opinion of a prospective employer based on how good an impression the job interviewer makes.

Ninety per cent of poll respondents said their overall image of the organization changed as a result of the interview experience. Of those who had a good interview experience, 54 per cent said their impression of the company, its products or services improved. Of those rating the interview as

less than good, 22 per cent said it worsened.

"If you want to attract and retain good employees, the people interviewing your candidates have to be prepared and engaged in job interviews," says Bill Beirsto, CEO of myjobtips.com, which sponsored the poll.

"Bad interviewers can turn off not just the person they interview, but everyone they know. Our survey shows that more than 70 per cent of jobseekers would recommend a company to their friends as a result of their interview experience."

Jobseekers were asked about their interview experiences in the past two years. Among the responses:

■ One in five said the interviewer hadn't read their resume before the meeting.

■ Twelve per cent said the interviewer was distracted

(answering the phone, leaving the room, etc.)

■ Nearly one in 10 reported being asked inappropriate questions or hearing inappropriate comments (about ethnicity, marital status, looks, etc.)

■ Four of five jobseekers said interviewers were professional and appropriate in questions and behaviour.

■ Sixty-seven per cent said interviewers asked excellent questions and probed to learn more about the applicant's skills

Companies also need to be wary of loyalty among their younger employees. Fifty-nine per cent of respondents said they weren't currently looking for a job, but were keeping their eyes open and would apply if the right job came along.

The online survey of 305 young adults in Canada and the U.S. ages 20-30 was conducted Sept. 21-23 by Sixth-Line Solutions.

Publication advises on climate-change impact

Details how small business can prosper

Business Edge

A new publication for small businesses aims to help them navigate through the reefs of climate change.

The *Guide to Climate Change for Small- to Medium-sized Enterprises* lays out the potential impacts of climate change.

The document outlines how dealing with climate change can result in economic benefits through cost savings and enhanced markets, while protecting against damages to businesses that may result from climate instability.

The 56-page guide is a joint project of the Canadian Chamber of Commerce and Pollution Probe. It is being made available to SMEs across Canada through local chambers of commerce.

"This guide will enable businesses across the country to have a positive impact on the environment and truly make a contribution to cleaner air," said Nancy Hughes Anthony, president and CEO of the Canadian chamber.

"Knowing that climate change is a problem is one thing," said Ken Ogilvie, Pollution Probe's executive director. "What to do about it is equally important."

Web Watch:

www.chamber.ca
www.pollutionprobe.org/Publications/Air.htm

Opinions

Sage words: A pinch of salt is a good thing

Departing columnist dispenses advice on stock-market predictions

It seems like yesterday that we were pounding out the first column. Actually, it was six years ago.

How can we ever forget the unforgettable year 2000? Life was all roses and champagne and hot tips from shoeshine boys.

The bubble-headed stock

market resembled a stumbling drunk precariously leaning on a lamp post – but few investors had the foresight to administer a sobriety test. Hey, it's not easy to bolt the premises during Happy Hour, is it?

In October of 2000, when *Business Edge* launched its inaugural issue, **Nortel Networks** was flirting with its all-time high of

\$110 per share and a tipsy rookie financial columnist led off with a light-hearted piece about the perils of talking to strangers. Strangers with stock tips.

In retrospect, with Nortel, the one-time 800-lb. gorilla on the Toronto Stock Exchange, down a tad these days (OK, 98

per cent!), perhaps we should have been somewhat more assertive and somewhat less tongue-in-cheek. Which is to say we should have been chucking the old Remington typewriter off a rooftop and screaming, red-faced, at the top of our lungs, **SELL NORTEL!!!!!! THIS**

\$%##%&@# COMPANY CAN'T COUNT SHEEP!!!!!!!!!!!!

Undoubtedly, if we had done so, the editor would have promptly instituted drug testing for *Edge* scribes and a lynch mob of Nortel stockholders and cheerleaders (ie. analysts) would have sent **Tie Domi** to my house to abruptly terminate this scribe's career at

one column.

Instead, I could have spent the past six years hiding out in the bushes at Rabbit Lake, Sask., scaling slimy jackfish and missing all the fun. You know, the juicy scandals, starring **Nortel, Enron, WorldCom, VisuaLabs, Amaranth, Bernie Ebbers,**

a square. The age-old stock market mantra of buy low, sell high was out of fashion.

Warren Buffett, the world's most famous investor, was a dinosaur, resisting everything tech. You bought high, bought higher and bought highest. And boasted about it.

You didn't sell. Nope, you didn't even THINK about selling.

Then, as the market started to sober up and Nortel stock swooned from over \$100 to \$50 in about three months, many shell-shocked investors went into the denial phase, desperately averaging down, certain that they'd make a killing when the stock made its next charge to \$200.

Mind you, not everyone on the street was pounding the table on tech. There was the odd party pooper raining on the dot-com parade. **Ross Healy** was one of those scorned as an oddball money manager, taking on Bay Street almost single-handedly and courageously ranting about what he saw as a preposterous valuation for Nortel, this at a time when stratospheric price/earnings ratios over 100 were considered not nuts but sexy. Initially, Healy's Nortel call was generally dismissed by the masses as a crank call.

See **KONOTOPETZ** Page 21

FINANCIAL OPINION



Gyle Konotopetz
Business Edge



File photo by Shannon Oatway, *Business Edge*
Business Edge columnist Gyle Konotopetz didn't enjoy eating his words, with sour cream and perogies, after losing a bet.

Jeff Skilling, Conrad Black, Martha Stewart, Henry Blodgett et al.
During the go-go days of

Dot-Con and World-Con, if you didn't own **Nortel** or **Wi-Lan** or **Enron** or **Book4golf.com** – you were

Tories struggle with greenhouse gas fallout

Vehicle emission standards talk causes uproar

Canada's Conservative government burst out of the starting blocks last spring like a sprinter on steroids, dazzling its supporters and confounding its opponents with a display of political decisiveness rarely witnessed in this country.

Among other things, Stephen Harper and his Tories cut the GST as they said they would. They introduced parental allowances for child-care expenses, as promised during the election. They threw the opposition for a loop by pushing for and winning a

quick vote on extending the military mission to Afghanistan by two years.

Our youthful and assertive prime minister and his cabinet made governing look easy. This fall, though, they are discovering that running Canada is a complex job that requires tough choices and astute juggling of regional interests. This has become evident from their attempts to introduce environmental measures aimed at reducing greenhouse gases and other harmful emissions.

In October, Environment Minister Rona Ambrose and four cabinet colleagues met with the heads of five automakers based in Canada, as well as Canadian Auto Workers president Buzz Hargrove, and outlined the government's plans to impose tough emissions standards on new

vehicles sold in this country.

The government was merely starting a process of consultation. It has not drafted a firm set of proposals and any new measures would not take effect until 2010. But mere talk of such an approach caused an uproar in Ontario. Business, labour and government all spoke with one voice and they were adamantly opposed.

Premier Dalton McGuinty, who pledged during the 2003 election campaign to close Ontario's coal-fired generating plants in order to cut greenhouse gases, stated: "The one thing we will not abide is any effort on the part of the national government to unduly impose greenhouse gas emission reductions on the province of Ontario at the expense of the auto sector."

Hargrove charged in a

Toronto Star op-ed piece that the government had "dropped a bombshell," and asked: "What kind of mischief is the Harper government up to here anyway?"

McGuinty and Hargrove both accused the government of ignoring the real culprits: Coal-fired power plants and the west's petroleum producers. "I certainly hope," said McGuinty, "that Ambrose will also call upon those who are responsible for the oil and gas sector in Western Canada and bring those folks into her office so that they may better understand how they're going to play a role in helping

OPINION



D'Arcy Jenish
Business Edge

the country address our emission challenges."

On this one, the premier and the labour leader have a point. A government with a western base, and a prime minister from Calgary, is not going to read the riot act to the titans of the oilpatch or do anything that's likely to offend them. That's why

the Tories are talking about a soft cap or intensity-based approach to emissions controls for petroleum companies, coal-burning utilities and others who are heavy producers of greenhouse gases.

See **JENISH** Page 21

KONOTOPETZ from Page 20

Woeful track records prove no deterrent

When Healy, CEO of **Strategic Analysis Corp.**, pronounced in this column that Nortel was headed to \$18 in short order when it was trading in the \$50 range in early 2001, we also challenged him, vowing to literally eat our words if Nortel did hit his \$18 target.

About four months later when Nortel hit \$18, my alert editor **Terry Inigo-Jones** kindly reminded this rookie columnist of this significant milestone – and promptly booked a table at a Calgary eatery for the ceremonial column-eating debacle. Healy's office would request photos of the event.

That was the first great lesson learned from the great bull market: One must never eat newsprint with perogies and sour cream.

The words stick in the teeth, not just the craw, adding insult to humiliation. Better to wash it all down with a bottle of Smirnoff.

Admittedly, there was one other lesson. Never, never make stock market predictions, particularly those that concern a razor-sharp falling knife (i.e. Nortel).

Silly stock market predictions that rarely pan out have become the

favourite pastime of the financial game.

The investment landscape is littered with shattered crystal balls and crushed egos but the soothsayers, nevertheless, persist in continuing to mislead the public.

Of course, the poor research analysts have no choice in the matter.

Despite a woeful track record and the fact that forecasting stock prices is a mug's game, analysts continue to issue recommendations and 12-month price targets for stocks because that's what they are paid to do.

Worse, many retail investors actually still give credence to those recommendations and numbers.

The growing obsession over making bold stock market predictions is not restricted to the sell-side analysts. Fuelled by the pressure of stock market television and ratings-hungry commentators who exhort experts to "cut to the chase," prognostication is all the rage.

Even the buy-side analysts (i.e. fund managers) have gotten into the act, presumably because they don't want



Ross Healy

analysts to get all the credit for making asses of themselves.

If you're wise, you make your calls on the market without providing a timeline – or at least a timeline in the current millennium.

It's highly likely that you won't be around to eat your words if you predict the price of gold will hit

\$5,000 US per ounce or the price of oil will hit \$500 US per barrel some time before the year 2100.

Then there are those who seem to relish in shooting themselves in the feet with outrageous calls.

Brian Acker, the cocky CEO of **Acker Finley Asset Management**, told **Report On Business TV** last year that his grandchildren would never see \$500 US gold.

Within a few months, gold hit \$725 US per ounce and Acker's grandchildren were famous.

Back in the sunny dot-com days, Acker probably would have been let off the hook for making a goofy call.

But times have changed and Acker,

a regular guest on **ROB-TV's Market Call** program, is constantly needed about that busted golden crystal ball.

It's heartening to see a new breed of stock market player emerging in the game.

This one sports less swagger and bravado, and more modesty and cynicism.

And, most importantly, he or she comes armed with a measure of hard-earned savvy to shrug off some of the hype and nonsense that emanates from the street.

So, while riding off into the sunset, we take some solace in the fact that today's investor has some street smarts to weather the storm – and wash it down with Smirnoff.

Before we go, one last prediction for old time's sake. The sun will rise in the east. Some time before the next millennium.

■ **SAGE WORDS:** "Always drink upstream from the herd."

– **Will Rogers.**

(*Gyle Konotopetz can only be reached for a short time at gyle@businessedge.ca; but anybody with a hot stock tip is welcome to drop by Rabbit Lake, Sask.*)

@WORK from Page 18

Students with specialized skills in high demand

"Generally, graduates that have particular specialized skills (technical, linguistic) are in high demand," says Marc-David Seidel, an assistant professor of management at the Sauder School of Business at the University of British Columbia. "But the average student doesn't have those skills."

Seidel and Bell both suggest students taste a variety of options on the career menu.

At an early age, parents can get their friends and colleagues

to talk to their kids about the good and bad aspects of their chosen field of work, by arranging job-shadowing and internships. Teens can build on that knowledge by volunteering and seeking out a variety of after-school jobs.

Seidel doesn't see changing majors in university as a bad thing. "University is the place for experimentation" with various career options, he says.

He advises university students to devote one day a month to exploring those

options through shadowing experiences, internships, interviewing people about their jobs, volunteering and using their campus career services centre databases.

And when choosing a summer job, he advises: "Don't concentrate on getting cash, but on increasing exposure to potential employers or building technical or linguistic skills."

"Getting out there and getting experience is more helpful in understanding what you want to do, as opposed to the

results of an aptitude test" that purports to identify careers for which you are suited.

Young people are often naive in making career choices, he says. "They have glorified images of certain careers. For instance, they're often surprised when I tell them that if they want a career as an investment banker, it's going to mean they'll have to work 80 to 100 hours a week."

A realistic preview can steer students away from choices that aren't fits with their values

or lifestyle, preventing some of the early-career stuttering.

Business can address the challenge on a policy level through their associations and professional organizations, which have the wherewithal to research conditions and solutions, the connections to influence education courses and the clout to change policy.

And on an individual level, business owners can address training and career management in their own organizations, creating opportunities for students to job-shadow, intern and volunteer, and talking to young people about the rewards and rigours of the field.

And they can invest in their young employees. If no one will invest in training for fear their employees will be poached by a competitor, soon everyone will be drawing from the same impoverished pool of talent.

Politicians, educators, business and labour organizations can work together to establish standards and practices to address the situation.

And in 10 years, when today's junior high-school students start entering the job market, they'll get the chance to sing instead of stutter.

(*Sharon Adams can be reached at sharon@businessedge.ca*)

JENISH from Page 20

Regionalism's demons loom on horizon

Under this model, companies would be allowed increases in emissions as their output rises, provided they could demonstrate that their operations were at the same time becoming more energy efficient.

To average voters, and I'm one of them, intensity-based regulations are difficult to understand, they'll be difficult to sell and they raise suspicions that nothing meaningful is being achieved.

Prime Minister Harper and his cabinet have steered their government into perilous waters. They have made the environment one of three top priorities for the fall session – crime and government

accountability being the other two.

They are learning that Canadians may be telling pollsters that they want something done about the environment. We may shudder at the thought of leaving behind a polluted and depleted planet for our children and grandchildren.

But who's willing to turn down the heat in the winter, turn off the air conditioning in the summer, drive a smaller car, take public transit or otherwise do what it takes to make a difference?

If they are not cautious, the prime minister and his colleagues may unleash the demons of regionalism, which arguably destroyed Brian Mulroney's

government and the old Progressive Conservative party. And then there was Pierre Trudeau, who thought he could ignore the inherent regionalism of this country. He handled the West as badly as any prime minister since Sir John A. Macdonald, and his party has paid the price for 25 years.

If they hope to avoid the fate of their predecessors, the Tories will have to come up with an environmental package that demands some sacrifice from everyone and balances regional interests rather than antagonizing them.

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

Technology Edge

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"On the road of life there are passengers and there are drivers. Drivers wanted."

That ad slogan produced great results for Volkswagen of America, and could be a motto for small businesses looking to improve their operations with technology.

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Got a bunch of business cards from customers and suppliers just lying around, or maybe taped to a Rolodex file? Get them into a contact manager. In fact, Microsoft Windows (and Apple Macintosh OS X) provide a tool to do this at zero cost.

Just open Windows Address Book from the Start Menu by selecting All Programs, then Accessories, then Address Book. Adding a contact is easy as pie, you just type in the relevant fields such as name, address, e-mail address and phone numbers. You may want to organize your contacts into folders for business, family, personal, etc.

Macs also have their own address books sitting right

there in the dock – just click and go.

Then – back it up. There's nothing worse than entering all your business cards, discarding them and losing the file to a disk crash or human stupidity. My suggestion is to regularly export your ".wab file" (easy to do) and e-mail it to yourself. You can also access

your address book from within Microsoft Outlook to send e-mails directly to your contacts. There's even a way to share an address book company-wide, but that gets a little technical. A website called Inside Outlook Express can help you accomplish that.

Accelerating into second gear, you may find that you

need to capture more elaborate information about your contacts, like sales call follow-up dates, children's names and birthdays, whatever.

You can just plunk this data in the comment field of your address book, or move to one of the more sophisticated contact manager programs such as Act! or Maximizer. Online contact manager services like Plaxo and Salesforce.com are also an option.

Got lots of business cards stacked up?

A little scanner can help save your fingers, and there are even some specifically made for business cards. These come with their own software applications to decode a business card and plunk the

information into the correct fields.

I'm particularly fond of the aptly named NeatReceipts scanner. It not only reads business cards, it does a pretty good job of turning those crumpled gasoline and restaurant slips into decent-looking expense reports that can even satisfy the taxman. The portable scanner and software retails for about \$230 US, and you can get it online or at major U.S. airports while killing time waiting for a plane.

Moving into third gear, you might consider connecting your computer to a digital label printer such as the Brother QL500.

It allows you to cut and paste directly from any document (including your address book) and make professional-looking labels in a flash. You need to buy the special thermal labels for the \$100-ish machine, but they cost just a few pennies each.

While you're busy mailing things, you might also want to investigate Canada Post's free Electronic Shipping Tools, described on its website as "an application designed to eliminate the need for manual paperwork, save valuable time for customers who are using our shipping and/or our mailing services."

It sure beats standing in line at the postal outlet, and you'll have your shipping records right on your computer. This service requires a Canada Post customer number, but that's a good thing because it makes you eligible for their Venture One discount program. Yes, the post office does give

discounts to small businesses!

At the recent Manning Awards for Innovation celebration, Newfoundland guitar-maker Craig Griffiths, who won the \$25,000 Manning prize in 2003, told a charming story about going to a tradeshow in Los Angeles.

"We wanted to maximize the traffic to our booth," he said, "so we contacted the organizers of the event and got the names of all the companies that were pre-registered to attend." Griffiths and his buddies then spent a full week faxing them, one company at a time.

"It was before the days of broadcast faxing from a computer," he laughs.

Today, of course, there are simple programs as well as service bureaus that will handle such chores. But you should make sure the recipients of your faxes really want to hear from you. Nothing gets thrown in the wastebasket faster than spam faxes like those annoying "hot vacation deals."

In Griffiths' case, he had specific names of people who would be at the show and might want to meet with him.

His strategy worked. He came back with tentative orders for tens of thousands of guitars and raised \$2.5 million based on that business.

Heading for fourth and even fifth gear, what does the future hold for small-businesses tech? Quite possibly a lot more use of location-based data.

As GPS and RFID chips become cheap and ubiquitous, everything from company vehicles to pieces of paper will become "location-enabled."

They'll be able to tell you exactly where they are, how they're doing and if they're stuck in traffic.

We'll probably also see more text-based business communication.

Countries such as Australia, the Philippines and much of Europe have embraced text messaging, and not just for lovesick teens. It's quicker, more precise and you don't have to write while you're driving.

While Blackberries and their pricey "data plans" may be a little rich for Canadian small businesses, the humble cell-phone does a fine job of sending and receiving SMS text messages.

It's cheap, too. For example, Rogers Communications Inc. allows its customers to receive up to 2,500 texts per month for free, and you can send a free text to a Rogers customer from its webpage.

All of these techno-tools are SMART – specific, measurable, attainable, realistic and timely – for a small business. They don't require IT professionals or a significant capital outlay and they should start paying for themselves right away.

They can give small businesses a real headstart on the race to success.

And, hey, small business always has the advantage of agility. After all, would you rather try to park a lumbering semi-trailer or a little Smart Car?

(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)

FUTURE/PRESENT



Tom Keenan
Business Edge

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Indie bookstores cater to dedicated reader

Big-box rivals can't match personalized service

By Liz Clayton
Business Edge

Though big-box bookstores have made it easier than ever for Canadians to buy books – be it in their pajamas online, or alongside a pack of upscale mints at the cash register – independent booksellers continue to line the libraries of the passionate reader nationwide.

National chain Indigo Books & Music Inc. – which includes the Chapters, Indigo and Coles brands – has the advantage of quantity on its side, operating approximately 250 stores in both suburbs and city centres with a buying power that allows it to discount – but the independents believe they maintain a foothold through a level of selection and service the chains can't provide.

"I don't think they can do what we can do," said Cathy Legate, whose father opened Duthie's in Vancouver 49 years ago. Though the retailer downsized from eight stores to one six years ago, Legate believes that independent bookstore patrons are faithful and dedicated – and as in love with books as those who choose to sell them.

"I think an independent store, we can sift through the books and serve," said Legate. "We're the only ones that will search out the little obscure books for you. We're doing it because we like selling books. Selling books is really one of the nicest jobs around."

According to the Canadian Booksellers Association (CBA), independent bookstores make up approximately 15 per cent



Liz Clayton, Business Edge

Type co-owner Samara Walbohm, right, with employee Becky Toyne, sees the boutique Toronto bookshop as a way to deliver a curated collection of books to its readers.

of the book retail market – with big-box stores comprising 60-70 per cent and other retailers that don't specialize in books, such as Wal-Mart or Costco, making up the rest.

While it may seem that books have become more mainstream, the fact that you can buy the latest Harry Potter everywhere short of McDonald's doesn't mean that readers aren't still drawn to the personal touch.

Independents, say storeowners, are able to curate their selection and hand-sell in ways that the larger stores never could.

"We have to be discriminating in what we stock. First of all we have to promote local authors, which in our case we do that a lot and we do it quite well," said Greg Gerrard, owner of Calgary's 12-year-old Pages

Books on Kensington.

"When we do our buying to stock the store, we're really looking for what we think appeals to our customers, which is nonfiction and fiction that won't get as high a profile in the big-box stores or online. We're competing with stores that are 30,000 sq. ft. and we're 2,000, so you really can't bring in everything. We really stick with what we're good at – fiction, art, photography, history, travel writing and travel guides."

According to CBA executive director Susan Dayus, being able to provide specialized selection and service isn't just part of the independent's advantage – it's the key to their success.

"These booksellers know their customers," said Dayus. "Whether it's local or world-

wide, they buy based on what their customers are looking for. That is one of the main things (independent) booksellers do and they do that very well.

"They know their books and they can service their customers by suggesting, oh, if you like this you'd like that, and for the most part they don't need to go to a computer and see that a person who bought book A also bought book B."

Independent bookstores are also an important part of making up the fabric of a city's literary community.

By not simply selling books, but selecting and suggesting particular titles, a good independent store can serve as an arbiter of taste and supporter of local culture. In fact, many storeowners see those roles as part of their responsibility.

Samara Walbohm, who opened the boutique Toronto bookshop Type in May 2006 with business partner Joanne Saul, sees her store's selection as intended to steer her customers toward the kinds of books and authors Type wants to support.

"We've been calling it a curated collection. We're very sensitive to the fact that we can't have everything, so we stand behind everything that we have in the store, and our customers love that."

Like many of the indies, Type's owners understand that being part of a literary community means hosting events and book signings – something that not only supports an artistic scene, but gets customers in the door.

"It's in our best interest to have as many events as possible, because it brings more people into the store and they may not buy something that night, but they see Type and they know where we are and they remember us," said Walbohm, whose store has a dedicated room for special events that doubles as an art gallery.

Dayus says that by placing particular books in prominent

places in their stores and hosting book launches, independent booksellers can be influential in a long-term sense.

"They put on festivals, they have events where they celebrate local and regional authors . . . They are often the ones who recognize the emerging authors, give them the support that they need to get going, and (those authors) go on to become the Margaret Atwoods and Alice Munros," said Dayus.

But like most noble pursuits of intellect – promoting emerging artists, or even selling books at all, can be economically challenging. Profit margins for booksellers aren't terrific – they start at about 40 per cent but can plummet to as little as two per cent after shipping and other costs.

The changing value of the U.S. dollar – which is not usually reflected in a timely manner on the printed back of books – can also add strain to the mix.

"You look at a book and it's \$14.95 US and \$22 in Canada . . . you pay coming and going," said Legate, pausing. "But it is starting to look a little better. We do understand it's more expensive to be Canadian."

Although ChaptersIndigo has supplemented book revenue with higher-margin units such as gifts and paper products, many independents steer clear of selling too many non-book items, preferring not to dilute their selection – and credibility. ("I'm sorry," said Legate, "I would not buy a diamond ring from Indigo online. Even if I were really homebound.")

And despite what may look on the surface like stacked odds, neither the sellers themselves nor industry experts see the indie bookstore as a dying breed. Indeed, the opening of Type in Toronto's trendy West Queen West can only be interpreted as a good sign.

"I think they've probably gone through the worst they're going to go through over the last 10 years," said Gerrard of Canada's independents. "I think the stores left are quite strong, I think the only thing that worries them is probably succession, which is why seeing stores purchased by younger people who can put some energy into it is really encouraging."

"I think we've sort of bottomed out, but we've found our niche. As long as we can pay our bills and pay ourselves, there's a future for it. As long as there are people that've got a little bit of money and a dedication to doing it, there'll always be independent bookstores."

(Liz Clayton can be reached at clayton@businessedge.ca)

REGISTRY from Page 17

Fraudulent titles used to obtain mortgages

Part of the problem, he contends, is the province's land titles system and private registry setup.

"I've had (two) cases where someone has gone into land titles with forged documents and pushed them through to change title," says Shorter.

After obtaining the title fraudulently through forged signatures, the fraudster took the title document to a lender to obtain mortgages. The victim wouldn't know of the ownership switch unless he happened to check the title.

"The problem here is, with the system

they have in place, you pay a fee for them to process it," says Shorter.

"If you find out after the fact that someone's fraudulently taken the title out of your name, you have to go to court. You have to initiate civil action to reverse it. You have to incur the court costs and you have to get a civil restraining order or place your own caveat onto title to try and tie it up.

"The system is almost geared to being customer-driven. There are no checks and balances."

Shorter says police, who face long investigations because of the many different

parties they have to interview, are limited by a lack of resources and lenient fraud laws.

As a result, Edmonton police made "a management decision" not to investigate mortgage fraud for about five years.

But given the sheer size of some of the frauds – and large volumes of money involved – investigators realized mortgage fraud could no longer be ignored.

Now, says Shorter "something's got to be done" to deter mortgage fraudsters.

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

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