

LEGAL POST



Stampede schmooze

MIDDLEMISS
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From the time you're a little boy or girl growing up in Calgary, you're acclimatized to a culture of horses, rodeos and the infamous chuckwagon races.

When you enter the business world, Stampede becomes an important calendar date for wooing clients.

Law firms and investment banks are a big part of that. In fact, over the 10 days the Stampede runs, some of the biggest tickets in town are parties thrown by law firms. Each has its own unique feel, flavour and cute name, such as Rhinestone Rodeo or Six-Shooter. They are fun events and the word fun and law firms, seldom go hand in hand. And it's purely a Calgary tradition. You won't see law firms in Toronto, Vancouver or Montreal throwing bashes like they do in Calgary.

Osler Hoskin & Harcourt, another national law firm, kicks things off with a party for 800 guests traditionally held down at the Calgary Zoo on the night before Stampede starts. That's followed by a Friday event hosted by investment banking boutique Peters & Co.

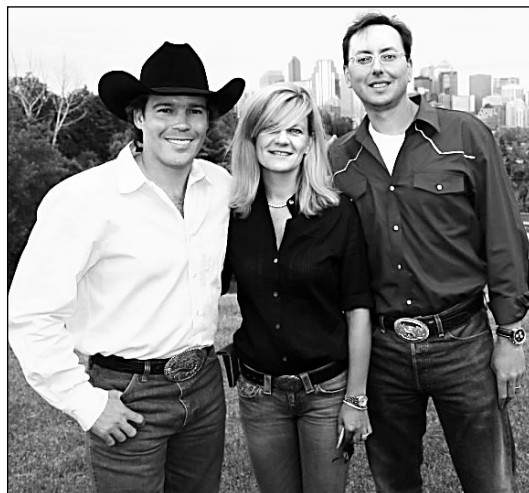
On Saturday, Stikemans throws its bash. Sunday features a number of corporate parties by local businesses, including Pengrowth and the Harry Hays breakfast. On Monday First Energy Capital Corporation, another investment bank, steps up to the plate with a party for 1,600 at the new bar Flames Central, featuring guitarist Randy Bachman as the closer.

Tuesday the local Calgary bar association joins the fray with a bender for lawyers at Whiskey Saloon. That's followed today by a mammoth concert at Fort Calgary, which is co-hosted by **Blake Cassels and Graydon**. It will feature top musical talent, including a mystery guest, and thousands of people, both general public and clients, who are hosted and catered to in private tents. The rumour is that Bon Jovi, who is playing in town, is that mystery band. Then comes the **Burnet Duckworth & Palmer** event on Thursday, a dinner for 2,300 or so at the Hyatt.

In between, are intimate lunches, Stampede breakfasts and a day at the rodeo in a private box with lawyers at **Bennett Jones**. It's how things are done during Stampede. But is throw-



STEPHANIE LEBLOND / JADE



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TODD KOROL FOR NATIONAL POST

ing big parties for hundreds of guests, which can easily cost in the low to mid-six figures, an effective marketing tool?

Lou Cusano thinks so. He's the managing partner for Stikeman's Calgary office. The firm set up shop in town 15 years ago and has grown to 50 lawyers. It entered the party fray last year with its first bash, which eats up much of the firm's Calgary marketing budget. "We thought we were absent not having a function like this. We're saying thank you to our clients for the relationship," says Mr. Cusano. This year, the firm invited 400 more people than last year and partners from Toronto, Montreal and Vancouver flew in to work the crowd.

Harry Campbell, managing partner at Burnet Duckworth & Palmer, says of his firm's party: "A lot of our clients would be disappointed if we didn't continue it. It's a thank you. We don't look at it as a way to get new business in the door."

Not everyone sees the value in hosting big-ticket parties, however. Bennett Jones used to throw a bash for clients, but "it got too big and too impersonal," says Jim Smeltzer, managing partner of the Calgary office.

Now it uses its marketing budget differently. It buys a private suite at the rodeo, directly behind the chutes where the cowboys mount their rides. You're about 10 feet from the ac-

tion and the smiles on the guests' faces, a combination of lawyers, corporate executives and their spouses, tell you they are enjoying the event.

"Of all the events we do, Stampede is the most popular," says Mr. Smeltzer. It's a good time to get to know your clients."

April Grosse and Marie Buchinski, lawyers at Bennett Jones, used the corporate suite to invite a dozen of their female clients to participate in the "Are you tough enough to wear pink event?," which kicked off the Stampede. Portions of sales from pink shirts at a local western store were donated to breast cancer.

The women sent their clients a package that included pink shirts and tickets. Ms. Buchinski says the crowd that day was a sea of pink. "It's a really good place for people to connect," she says of hosting Stampede events.

The firm will also do private entertaining at Ranahan's a dinner club that overlooks the Stampede infield and is ideal for watching the chuckwagon races. Many of the other firms, such as **McCarthy Tétrault**, use a similar strategy.

It's not all about the party, though. Stampede is as much about volunteerism and charities as it is about corporate indulgence. An event of this magnitude couldn't survive without help.

Take Will Osler, a lawyer at Bennett Jones. He shuts down his practice for a week and is mandated to give 100 hours to the Stampede ferrying people around in a special vehicle. It was the cost of being able to become a "shareholder" of the non-profit organization that puts on the show.

It involved a rigorous interview and he jokes it was easier becoming a partner than joining the volunteer board. Having a special pass that gets you into most places makes him a popular guy this time of year.

Philanthropy is also front and centre. That's because most of the events have some tie to a good cause and firms donate to a charity and encourage their clients to contribute.

Hundreds of thousands of dollars are raised each year. One of the biggest moneyraisers is First

Energy's party. Brett Wilson, chairman of the investing banking boutique makes no bones that the purpose of the event is to make money for the charities First Energy supports. He used to hire "gunslingers" to rob from clients' wallets. Now those invited are simply told to donate what you would pay for a meal and a good bottle of wine. It will raise between \$100,000 and \$150,000 for three charities this year: a private school for kids with disabilities, a sexual assault centre and a parks foundation. "Clients appreciate the social commitment" and he has to limit the guest list, he explains.

"There's a philanthropic aspect (to Stampede)," adds Mr. Campbell of Burnet Duckworth, whose firm helps build houses for a local charity.

So while much of the focus during Stampede is on the party, it's the charities that benefit most from the hangovers.

ALL THAT GLITTERS ...

Meanwhile, back at the ranch Judy G. Goldring, general counsel to AGF Management Limited, is taking on new responsibilities at the mutual-fund firm.

AGF, which is celebrating its 50th year of business, has rewarded Ms. Goldring by appointing her to the boards of AGF Management Limited and its subsidiary AGF Trust. (Hmm, in an age of Enron overkill, reward might be too generous of a word; some might argue such an appointment is more like penance. Nonetheless, it's an appointment to which most general counsel aspire, but few achieve.)

As head of law and corporate affairs, she is responsible for dicey things like corporate governance, compliance, regulator affairs and that nasty four-letter word — risk. Her appointment will no doubt come as a relief to fellow board members, who must avoid the regulatory minefield when making important decisions.

Ms. Goldring has been with AGF since 2001, leaving a job in private practice on Bay Street to join the investment management firm that her father started.

Financial Post
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Unsung heroes get Bell deal done

More than 100 lawyers worked on giant M&A

By JIM MIDDLEMISS

When Bell Canada Inc. announced on June 30 that Teachers Private Capital had won the bidding war to take the telecommunications giant private for \$51.7-billion, it brought to an end three months hard slogging for more than 100 lawyers who played a role in the largest privatization deal in the country.

A transaction of this magnitude doesn't come together easily. It requires dozens of lawyers working on large teams to pull it off.

In this case, the key Canadian law firms involved were **Stikeman & Elliott LLP**, which acted for the special committee struck by Bell Canada's board of directors, **Davies Ward Phillips & Vineberg**, which was Bell's corporate law firm, **Goodmans LLP**, which advised the winning bid team and, of course, the dozens of lawyers at Bell Canada who operate in-house.

Each team had five-star merger and acquisition generals leading the way: people like Ed Waitzer of Stikemans, John Lampe of Goodmans, William Ainley of Davies and, of course, Martine Turcotte, chief legal officer of Bell.

The private law firms each had 25 or more lawyers working on the file, spending thousands of hours, along with U.S. law firms, such as Sullivan & Cromwell, White and Case and Weil Gotshal, who had their own M&A rock stars actively working on the file looking at U.S. issues. (Two of the private-equity partners, Madison Dearborn Partners LLC and Providence Equity Partners Inc, were from the United States and Bell shares trade on U.S. markets.)

But under those generals are the foot soldiers, often senior associates, younger partners or corporate counsel who shoulder the workload and are responsible for much of the heavy lifting.

They drive the deal forward, drafting first cuts of various legal contracts for their superiors to vet, putting together the data room for the due diligence and managing and overseeing the bid process.

They're the ones who often pull the all-nighters to get the deal done. Consider them the unsung heroes.

Among those unsung heroes, a few sergeants are given the responsibility of making a lot of it happen.

Someone has to carry the bucket from point A to B. In this case, a foursome in their 30s was cited by lawyers in the deal as some of the key behind-the-scenes players who helped bring the deal to fruition.

They include, Paul Beauregard, vice-president of mergers and acquisitions, with Bell, Sean Vanderpol of Stikemans, Alex Moore of Davies, and Jon Feldman of Goodmans.

"I had an incredibly lucky role here," says Mr. Beauregard, 36. "I was able to have a lot of responsibility, a lot of exposure and get to go through a great learning curve ... and work with some of the top talent in North America."

He has had exposure to big deals before, and ran the Bell sale of Telesat, a \$3.5-billion deal that was "much less complex."

"When this deal started, obviously the stakes were much higher, the pressure was higher and the media scrutiny was largely unprecedented," says Mr. Beauregard, a former partner at a Toronto M&A firm.

"So many logistical operations had to come together in a really, really short time frame."

See BELL on Page FP7



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POST-TRAUMATIC STRESS

Paddington crash survivor who stabbed man entitled to compensation

A survivor of a London rail crash who stabbed a man to death while suffering from post-traumatic stress disorder is entitled to limited compensation. Kerrie Gray, 47, was a passenger on a train that collided with another train near Paddington Station in London in October, 1999. Thirty-one people died and more than 400 others were injured in the crash.

Two years later a drunk smashed the windows of a car Gray was driving, triggering memories of the crash. Gray stabbed him to death and was convicted of manslaughter and has been in a mental hospital ever since. Mr. Justice Julian Flaux ruled that Gray was entitled to compensation for losses suffered until the day of the stabbing. *Bloomberg News*



'Going home just isn't an option'

BELL

Continued from Page FP6

Bell Canada was put into play back in April, when the Ontario Teachers' Pension Plan Board, Bell's largest shareholder, advised in a regulatory filing with the U.S. Securities and Exchange Commission, that it would no longer remain a passive investor in the telecommunications company, but would encourage its sale or privatization. After that these lawyers were working around the clock.

"It's been busy, 14- to 16-hour days on average," Mr. Vanderpol notes nonchalantly from Vancouver, where he was taking a well-deserved rest. "There was not a lot of let-down."

The lawyers involved in the transaction say that what struck them most about this deal was its complexity and the speed with which things came together, a span of three months. "The pace was quite something," says Mr. Moore, 36. "It was such a short period of time to get such a big, complicated and highly regulated deal done."

Then there was the size of the deal. Bell's "capital structure was bigger and more complicated," says Mr. Vanderpol, 33. It had a lot of common shares, a lot of preferred equity outstanding and a lot of debt.

Then there was the whole issue of foreign ownership, which reduced the number of potential bidders and required creative financing solutions to find the billions of dollars needed to make the deal happen. "It



TYLER ANDERSON / NATIONAL POST

Dealmakers: Lawyers Alex Moore of Davies, left, Paul Beaugard of Bell, centre, and Jon Feldman of Goodmans were key players behind the scenes of the largest privatization deal in Canada's history.

made the auction and consortium process that much more complicated."

Of course, the deal had its legal twist and turns. After Teachers lobbed its hand grenade, the Canada Pension Plan Investment board emerged as a front runner with the Caisse de dépôt et placement du Québec, Kohlberg Kravis Roberts & Co., a large U.S. buyout firm, and Onex Corp. as partners. Caisse and

Onex would drop out a few days before the bid was due.

Telus, Canada's second-largest telecommunications company, came to the table and abruptly left, complaining about inadequacies in the bid process and tight timelines, though this deal is far from done and despite the \$800-million breakup fee, Telus could still take a run at Bell before the deal closes sometime in 2008.

Private-equity firm Cere-

bus Capital Management also showed up at the end, with an offer, but it was Teachers' bid that prevailed.

For Mr. Feldman, 36, whose firm represented Teachers, it meant a lot of ups and downs for his firm's bidding team. There was a call for the initial bid and then a round of discussions and a call for the final bid. In both cases it involves more than just a contract. It involves legal analysis from a



COURTESY OF STIKEMAN & ELLIOTT

Stikeman's Sean Vanderpol.

regulatory and tax perspective. He says "often there is a bit more time to do due diligence."

When Telus dropped out and the Canada Pension Plan bid "appeared to be in jeopardy, we had no idea what it meant; we had no idea what was going on," says Mr. Feldman. However, it provided a ray of sunshine and gave the Goodmans legal team "a bit of a second wind. You get increasingly optimistic that there was a good chance."

Mr. Beaugard says that in a deal of this size there is going to be a lot of noise. "The key was learning to keep your head down and work as hard as you can." And drink a lot of coffee. "Sean and I spent many, many late nights and a lot of early mornings working together."

That's the nature of an M&A practice for lawyers, he says. "Going home just isn't an option. Deals get a life of their own. As you add more and more parties

to the process, everyone has high expectations. Deal rooms need to be up and running. You can't ask bidders who have lined up their teams you can't ask them to wait.

Mr. Moore says Mr. Beaugard had "a Herculean task to manage negotiations with the three bidding groups."

Once a process like this is underway, Mr. Feldman adds, it gets quite intensive. "The paper process required to be produced was quite significant."

Mr. Beaugard notes that "the final stacked paper (which made up the agreement) probably came in at an inch and a half, but it's the small forest that you kill producing that inch and a half that is significant and all the drafts you go through."

That's why deals like this are a team affair; you need input from so many legal experts on everything from competition to tax and regulatory law. Stikeman estimates it had 40 lawyers working on the deal while Davies and Goodmans had up to 25 to 30 each. Then much of Bell's in-house team would be involved, not to mention the U.S. and various counsel for the different players that made up the bidding teams. Overall, Mr. Beaugard says, from Bell's perspective alone there were "close to 100 lawyers in total whose fingers touched things."

"When you are doing things that haven't been done before, you have to have the full confidence of your team around you. I had such tremendous support from so many people," he says.

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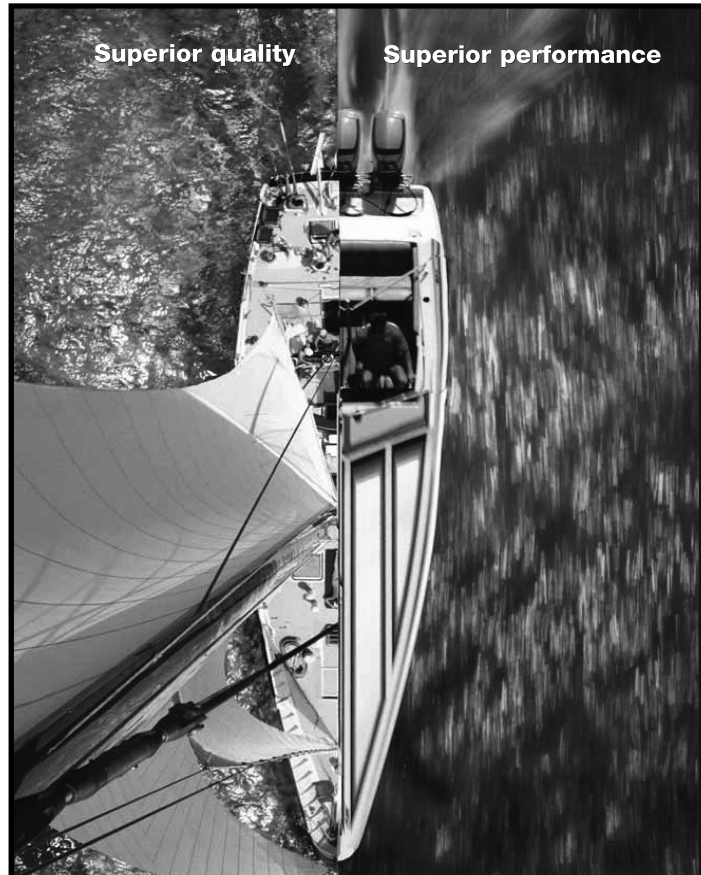
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