

MORE IN TOMORROW'S POST **NATIONAL POST** A BETTER READ

FP Weekend

Precious commodities: One in six couples have trouble conceiving and the cost of making babies is prohibitively expensive. Read more tomorrow.

COMMENT

A story that's not Toogood to be true



BARRY CRITCHLEY
Off The Record

in computer science at University of Toronto. He became interested in investments when he joined the investment department at Royal Insurance.

At the time, that department was run by Alan Westbrook. The department was home to a number of youngsters, many of whom have gone on to bigger careers elsewhere. For instance, Kim Shannon now runs her own operation, Sionna Investment Managers; John Smolinski is now the lead manager of TD Canadian Equity; Peter Kotsopoulos is executive vice-president and portfolio manager of fixed income at McLean Budden; and John di Tomasso runs Di Tomasso Group Inc., a registered commodity trading advisor based in Victoria.

Prior to forming that group, Di Tomasso started Burgundy Asset Management. One of his original partners was Wong, who was busy studying for his CFA. After a time, Wong moved to Foyston Gordon & Payne, a value manager, before setting up his own operation in 1997.

That venture was funded by the employees, with one outside institutional shareholder: the pension plan of the Nova Scotia Association of Health Organizations.

Noted di Tomasso: "Lee fills a huge niche. He is an innovator in the architecture of back-office management. His system allows brokers to show their clients their true performance. It frees up a lot of time for the brokers, who otherwise would have a tough time assembling all the information," he added.

Added another client: "It's quite a story since Lee started from scratch and now [in my opinion] has a superior portfolio system to those of the competition," which is mainly Financial Models (acquired by SS&A Technologies) and Star Data/CGI.

The credit division of President's Choice Bank has joined the ranks of securitizers. Eagle Credit Card Trust, a special-purpose entity, made its initial foray into the debt markets this week and scooped up \$500-million via a three-tranche offering. Investors bought five-year, fixed-rate pieces of paper. Those notes are backed by PC Master Card receivables.

The issuer will be back to the market for more: It is allowed to sell up to \$1.5-billion of credit card receivables-backed notes over the next 25 months. As of Dec. 31, 2005, PC's pool of receivables stood at \$1.26-billion.

Given the close connections between PC Financial and Canadian Imperial Bank of Commerce, there was no great surprise about the choice of lead manager.

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CHRIS MIKULA / NEWS SERVICE

Alec Saunders, left, and Howard Thaw of Iotum impressed investors at a U.S. venture capital show, even though a glitch detracted from a demonstration of their conference-calling application.

COMMENT

Dreams could be gone in 60 seconds

Iotum one of lucky ones at U.S. venture capital conference



MARK EVANS

First impressions are important, but can you imagine having to make one in 60 to 360 seconds in front of 700 people?

This is what it's like every year at the Demo conference in Phoenix, Ariz., where dozens of technology startups valiantly hope to impress venture capitalists, potential partners and the media.

This year, Ottawa-based Iotum Inc. was one of two Canadian companies selected for last month's Demo — a huge opportunity for a small company looking to attract attention for its telecom software and, more important, money to propel its development.

Getting into Demo is one thing, but preparing yourself for what could be the most important presentation of your professional career is quite another. For Iotum, the process started last November when its Demo application was accepted.

Over the next three months, the process of preparing itself for the show forced Iotum to rethink its corporate message, aggressively enhance its image and, most important and challenging, finish the development of a new conference application to give its presentation much-needed sizzle.

To put the importance of Demo in context, it is a one-of-a-kind event and a golden opportunity for startups — some of them well-known already and some with little profile — to thrust themselves into the spotlight. Not surprisingly, the conference gets hundreds of applicants but only 35 to 70 companies are chosen. Mind you, they have to pay US\$18,500 for the privilege so it can be a large investment for startups counting their pennies.

Over two days, these companies get exposure to hundreds of people who could give their businesses a major jump-start — be it financing, media coverage and/or sales and marketing partnerships. With little time — a 60-second, three-minute or six-

minute presentation — to make an impression (and a large clock with red LED letters counting down their time on stage), it is a high-pressure environment where even the most confident entrepreneurs and executives can stumble.

It is clearly a daunting exercise for any company given what's at stake. After having its application accepted in late November, Iotum immediately started its drive to Demo by planning out a series of conferences and meetings across North America to get its key executives — chief executive Alec Saunders and chief operating officer Howard Thaw — in shape for the big event.

The need to focus on Demo was so important, Iotum hired a vice-president of development to pursue business. It also shelved its financing plans even though there seemed to be good prospects because it believed a successful Demo would give the company a higher valuation and more favourable terms with VCs.

Clearly, there was a lot at stake. Getting your executives battle-hardened is just one component of a Demo game plan. The technology has to be top-notch, which means it has to work and look good, and the public relations effort has to hum. For Iotum, this meant hiring veteran high-tech PR executive Andy Abramson to massage the corporate message and line up meetings with key bloggers, analysts and media.

It's a total team effort to hopefully produce — in Iotum's case — 360 seconds of magic.

So, what happened? In an ideal world, everything would have gone perfectly but demos never happen that way. Even Microsoft Corp.'s Bill Gates has been embarrassed by having demos at high-profile conferences go terribly awry despite an army of technicians. For Iotum, the presentation went smoothly until the time came to demonstrate its new conference-calling application. A small technical glitch that wasn't identified during several practice sessions meant that only three of 10 phones in the audience worked.

While disappointed, Iotum made enough of an impression that it was given one of 10 "Demo God" awards and its booth was swarmed with VCs and potential partners. More important, Mr. Saunders said there are easily a dozen investors who have expressed a strong interest in what Iotum is doing. "Demo is paying dividends right now, and we have another 60 days of coasting on the momentum it has created," he said.

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FP SUMMARY

CAISSE DE DÉPÔT

Canada's largest institutional investor, the Caisse de dépôt et placement du Québec, is planning to spend \$4.5-billion on office buildings in Canada, the United States and Europe over the next three years. This week, it bought buildings in Paris's financial district for \$500-million.

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BANK OF MONTREAL

Bank of Montreal chief executive Tony Comper will spend his final year at the bank trying to increase market share in the United States by bringing the total number of U.S. branches to 400 over the next five years, roughly twice as many as today. At the same time, the bank plans to cultivate growth in China and pursue mergers and acquisitions.

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CANADA'S 'SWISS SYNDROME'

Canada's economic fundamentals are catching up to Switzerland's, typically considered the gold-standard economic model, according to BMO Nesbitt Burns' deputy chief economist. Canada also has solid gross domestic product and a government budget surplus, which Switzerland does not have.

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CHEVRON CORP.

Chevron Corp. will spend billions of dollars to develop five oil-sands leases in the Athabasca basin and plans to produce more than 100,000 barrels of oil a day by 2015. Chevron is also producing 80,000 barrels of oil equivalent a day through partnerships in other oil-sands ventures and projects on the East Coast.

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CIBC

Canadian Imperial Bank of Commerce yesterday reported first-quarter net income fell 18% to \$580-million, or \$1.62 a share, from \$707-million (\$1.94) a year earlier. Excluding one-time items, profit was \$1.63 a share, beating analysts' estimates. The bank said cost-cutting measures to trim \$250-million in expenses by the end of 2006 remain on track.

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NATIONAL BANK OF CANADA

National Bank of Canada yesterday reported first-quarter profit fell 9.2% from a year earlier, when earnings were boosted by the sale of South American assets. Net income fell to \$217-million, or \$1.26 a share, from \$239-million (\$1.37). The bank benefited from rising income from asset management and investment banking.

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ENBRIDGE INC.

The completion of the Spearhead project allowed Enbridge Inc. to move Canadian oil into the deep U.S. south for the first time yesterday. This opens up new markets for Canadian crudes and pushes away competing crudes from countries like Mexico and Venezuela.

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NATURAL GAS PIPELINES

U.S. Energy Secretary Sam Bodman says a shortage of steel could cause delays for the Alaska and the Mackenzie Valley natural gas pipelines, especially if both projects go ahead at the same time. He does expect swift regulatory approvals.

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Real estate group has been active in European markets

CAISSE

Continued from Page FP1

comment on that story.

SITQ has been active in Europe for several years. It holds a 42% stake in six office buildings with a combined 1.7-million square feet of space in and around Paris, and has a 35% stake in the T1 Tower, a curved, 37-storey structure with 720,000 square feet of space, under construction in the city's La Défense district. It also owns a control stake in a group of 11 Paris hotels.

SITQ is the dominant owner of premium downtown office space in Montreal and has a handful of buildings in the Toronto area and Western Canada. It also has several properties in London and New York.

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YESTERDAY'S EARNINGS

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THIS WEEK IN THE FINANCIAL POST

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