

TRADE TALK

Newfie rower makes waves with a 'green' investment fund

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VANCOUVER SUN



RENEWING RENEWAL: Newfoundlanders can cling to their I's-the-b'y accents like a dory oar in a Grand Banks tempest. But no echo of her native St. John's sounds when Renewal2 Investment Fund vice-president **Nicole Bradbury** speaks about doubling today's assembled capital to \$40 million by 2010. Nor are there traces of Amsterdam, Geneva, London or New York, where she was a portfolio manager with Merrill Lynch and Alliance Bernstein. Not even of Vancouver, to which Nanaimo-born husband **Byron** lured her as "the San Francisco of Canada," and where she logged six years at Phillips, Hager & North.

Accent aside, Bradbury has sweated over dory oars — or rather those of the racing shells in which she won silver and bronze medals at Saskatoon's 1989 Canada Summer Games. And, Newfy accent or no, she is forthrightly clear about the ethical direction of her personal and business lives. Even more so after the 2004 birth of son **Wesley**.

"When he was put in my arms," she recalled Tuesday, "my thought wasn't on how lucky I was to have this beautiful, healthy child, but how many children are being born into a life without clean water, how many are being born HIV-positive?"

Next thought: "You can give away money to organizations like UNICEF or CARE Canada, or you can change your life to deal with visions that are important to you."

It took three years, and the birth of second son **Cyrus**, for that to happen. By then, she was spending half her time managing some \$40 million in private-client portfolios and half on other supervisory duties at 300-staff Phillips, Hager & North. The firm itself was about to undergo a \$1.3-billion takeover by the Royal Bank of Canada.

Bradbury's corporate lifestyle changed when Canadian Business for Social Responsibility president-CEO **Adine Meiss** urged her to call Vancouver-based **Joel Solomon**. He and Rubbermaid heiress **Carol Newell** had founded Renewal Partners in 1994, aiming to provide long-term investment for firms involved in organic foods, independent media, green products and suchlike. They included now-city-mayor **Gregor Robertson** and **Randal Ius**'s Happy Planet juice-and-soup firm. By early 2008, having reportedly achieved a 12.2-percent internal rate of rerun (IRR) for 14 years, Newell and Solomon launched a second fund, Renewal2. Its target for investments is a three-times-or-better rate of return over the fund's life. Bradbury came on board.

Renewal2 had assembled \$8 million by year's end and \$19 million now. "Raising the first \$20 million is challenging," Bradbury said, "because an organization's viability is based on how big your fund is going to be. Now, with almost that amount, it gives people a lot of confidence."

Confident enough for "two or three" investors in the \$2 million range to sign on "next



From Renewal2 Investment Fund's Victory Square office, vice-president Nicole Bradbury is helping raise \$40 million to put into squeaky-clean firms.

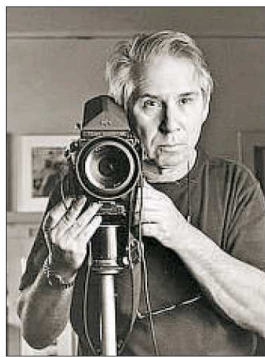


Before 900 come to see it tonight, MCL sales manager Peter Wong and the Porsche Panamera have the floor to themselves. (Below) There's stretch-out room for four but plenty of styling clues that the Panamera is still a Porsche.



fully invested within three years in sectors similar to Renewal Partners'. Unlike the broadly similar, Toronto-based investco capital corp, which also manages some \$40 million, Renewal2 will not invest in clean-energy projects. "We're seeing four or five companies a week that need capital," Bradbury said. "There are great companies doing great things. We've got to find more money for them."

WRITE YOU ARE: In the midst of today's electronic-messaging blizzard, including his own www.alexwaterhousehayward.com website, photographer **Alex Waterhouse-Hayward** has adopted a medium as old as the Pony Express. He's sending hand-written promo-



Self-portrait photograph of Alex Waterhouse-Hayward, professional photographer.

tional postcards via Canada Post to corporate, institutional, political and cultural biggies he's portrayed for a generation. Showing the photographer's work on one side, the postcards were produced by **George Kallas**'s Metropolitan Fine Printers firm, which routinely wins international awards.

Do postcards work? In his *Confessions Of An Advertising Man* memoir, **David Ogilvy** recalled being the greenhorn in a 1930s British ad agency and pestering to handle a campaign. Others scoffed when he got a hotel account worth 100 pounds. Ogilvy spent the sum — paltry even then — on stamps and postcards, which he filled out. The hotel filled every room, and Ogilvy went on to found the Ogilvy, Benson and Mather agency and become an ad-biz legend.

PANAMERA PICNIC: Some 900 folk should pack Point Grey's Brock House restaurant tonight, hoping for a taste of three new Porsche cars with 15 doors between them. They'll be two- and all-wheel-drive Panamera five-door hatchbacks, with V8 engines delivering up to 500 horsepower and speeds up to 282 km/h. Prices will run from \$115,000 to \$155,000.

Those tabs are no deterrent, said MCL Motor Cars sales manager **Peter Wong**, who had six signed deals and deposits for 20 more Panameras in his pockets before the surprisingly roomy four-seat vehicles arrived at MCL's Third-at-Pine showroom-service centre Friday.

Wong is "fighting to get more" than the two black and one silver model on display tonight with their Porsche-signature elevated fender crowns and an automatic rear spoiler that increases tire adhesion at 205 km/h. That means maybe 16 Panameras by year's end, and up to 80 in 2010, when V6 and hybrid models will join the line. As for colours, "A lot of Asians are asking for Carrara white with Luxor beige interiors," Wong said.

He's noted the same trend for five-door Cayenne SUV models, which run from \$56,700 to \$152,000. Best-seller is the Cayenne GTS at \$108,000, although the recession has seen Cayenne sales slip from 130 in best-year 2007 to "over 100 this year," Wong said. Still, the global tom-tom is beating mighty loud for the Panamera, which is even slinkier, almost as fast and some \$100,000 cheaper than the four-door Continental Flying Spur sold at MCL's block-away Bentley dealership.

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Mining company cited by B.C., Alberta regulating bodies

The Alberta Securities Commission, meanwhile, was becoming increasingly concerned about the companies' share sales and mineral disclosure.

In December 1999, it issued a seven-page notice of hearing against Stanfield and his two companies, alleging a host of securities offences.

The commission alleged the companies, by allowing investors to pay for their shares in installments, did not meet the minimum investment requirement to qualify for exemption from registration and prospectus requirements.

The commission further alleged the companies made misrepresentations in their offering memoranda, and in an accompanying exploration report prepared by de Souza.

Those misrepresentations included:

- The same reserve calculations and assay results that were later discredited by the B.C. Geological Survey Branch.
- The assertion that "Gallowai Bul River's gold assays, conducted by a world-respected team, compare very favorably with other major gold producers."
- Projection sheets valuing the shares at \$129 each. (The companies were selling shares for \$50 at the time.)

A hearing was set for February 2001, but for reasons that were not explained, ASC executive director David Linder filed a notice of discontinuance in November 2001.

Meanwhile, the B.C. Securities Commission had been probing the companies' affairs, and obtained an undertaking from the companies not to use any exemptions to sell shares in B.C. without getting registered and filing a prospectus.

A clause in the agreement permitted the companies to revoke their undertaking on two weeks' notice, which they did shortly after the ASC action was terminated. There is no evidence, however, that the company raised any more money in B.C.

De Souza, however, was not out of hot water. He had the distinction, and the liability, of being a member of the Association of

Professional Engineers and Geoscientists in both Alberta and B.C.

In 2000, the B.C. association received complaints from members who couldn't see sufficient geological justification for spending so much money at Gallowai Bul River. The association investigated but did nothing.

Geologist reprimanded

The Alberta body started an investigation, but didn't make a finding until July 2007, when it ruled that de Souza had committed numerous breaches:

- There wasn't adequate data to support the opinions and findings he expressed in his 1997 report.
- The methods he used to calculate resource estimates were not appropriate and the estimates were therefore suspect.
- The report portrayed the project as being more advanced than it actually was.
- The grades quoted in the report (and later discredited by the Geological Survey Branch) had been taken from a 1984 German report that contained insufficient data to support those grades.
- His \$129 projected share value was based on "unsubstantiated tonnage and grade information and data."

Although these disclosure breaches were contained in offering documents, and investors had sunk millions of dollars into the companies on the basis of this disclosure, the Alberta association fined him only \$5,000 plus a portion of costs, and ordered him to write a professional practice exam.

The decision was published by the Alberta association, but not by the B.C. association, where de Souza was also a member. Officials of the B.C. association say disclosure of the Alberta decision would breach his privacy rights.

On Aug. 1, 2007, just two weeks after the decision was rendered, de Souza resigned as the companies' consulting geologist.

Through all this controversy, Stanfield raised and spent millions of dollars, with no material result for investors.

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YBM MAGNEX SCANDAL

U.S. puts bounty on alleged mastermind of fraud that shook confidence in Canadian markets

BY IAN MACLEOD

The United States has placed a \$100,000 bounty on the head of suspected Russian crime boss Semion Mogilevich, the alleged mastermind of the YBM Magnex scandal that defrauded investors in the Canadian company out of an estimated \$650 million and undermined confidence in Canadian stock markets.

The U.S. Federal Bureau of Investigation Wednesday named Mogilevich, believed to be in Moscow, to its Top 10 Most Wanted List, alongside the likes of Osama bin Laden, and characterized him as one of the most powerful gangsters of all time.

"The FBI doesn't have the jurisdiction to charge him with other crimes taking place solely in other countries," said FBI Special Agent Peter Kowenhoven, "but open-source reporting shows him to be involved in weapons trafficking, contract murders, extortion, drug trafficking, and prostitution on an international scale."

Mogilevich faces more than 40

U.S. counts of racketeering, wire fraud, mail fraud, money laundering, and other alleged economic crimes carried out in dozens of countries around the world.

Kowenhoven described Mogilevich as a ruthless criminal. "Victims don't mean anything to him," he said in a prepared statement. "And what makes him so dangerous is that he operates without borders. Here's a guy who managed to defraud investors out of millions without ever stepping foot in the Philadelphia area," where the Alberta-incorporated YBM Magnex International was headquartered in the 1990s.

The Ukraine-born Mogilevich is believed to have controlled the bogus magnet manufacturer, which collapsed in late 1998 when it came under U.S. suspicion as an organized crime front. YBM traded only on Canadian stock markets and investors reportedly lost \$635 million. The FBI contends U.S. victims lost \$150 million.

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