

January 2014

Happy New Year!



Welcome to 2014! I hope that our members, sponsors and friends had a restful holiday with ample time for visiting with friends and family! With so many demands on our time, carving out time for those most important to us can sometimes be a challenge.

2014 is shaping up to be an exciting year for the Southern Golden Horseshoe Chapter! We continue to be one of the fastest growing chapters across the country. As you may have heard at our last dinner event, our goal is to reach 100 active members by June. As I write this, we are 96 members strong. With the deeper relationships we continue to foster and the increased level of engagement we're seeing with everyone, I'm confident we can meet and exceed this goal – but we need your help to make it happen! Please feel free to invite potential members – be they a colleague, friend or neighbour to join us at one of our dinners and be sure to seek me and any of the other board members out so we get a chance to meet with them personally.

As the Host Chapter for the **National Conference** in the spring (**June 4- 6th in Niagara Falls**), we will have ample time to show our colleagues from across the country what a dynamic, energetic group we have! There is a full legion of volunteers working on the conference under the leadership of our very own Bob Rollwagen, National Conference Chair.

The annual Golf Tournament that kicks off the conference is always a tremendous success and this year will be no different. We will be teeing it up on the beautiful and challenging Legends on the Niagara Golf Course. The tournament is sure to sell out so please get your registration in early!

I'd like to take this opportunity to remind our Chapter Sponsors that the National Conference provides a superb, cost effective way to establish relationships with our members

from across the country. We have multiple ways for you to get involved with everything from a booth at our well-attended trade show to named sponsor for a variety of events throughout the conference. We will be providing you with sponsorship details shortly. As always, feel free to contact any of us on the board with any questions you may have.

On to more local activity, I must extend a heartfelt thank-you to Kriss Bush and Norm Col. In addition to volunteering their time on the Chapter Board, they are running the Planning Committee for our upcoming **SME Day**. Please mark your calendars now and plan on joining us for an informative, action packed day at the DeGroot School of Business, McMaster University in Burlington on **Monday, March 3rd**. There will be many more details provided in the next few weeks. We will also be continuing with FE Eye Openers with our next ones scheduled for January 23 and January 28. These events provide you an excellent opportunity to network with fellow members over breakfast while taking in very topical, timely information provided by our sponsors on a myriad of topics.

So, as you can see we have a lot going on and are excited about the line-up for the next number of months. None of this would be possible without our Chapter Administrator, Rosemary Petrossi and the tremendous contributions from our Chapter Board. I am so fortunate to work with such a professional, down to earth and talented group of people. I am learning so much from each of you and am truly grateful for your support!

Our next dinner meeting is **January 16th** at the Harbour Conference Center. I hope to see you all there!

Best wishes for a healthy and prosperous 2014!

Effective people are not problem-minded; they're opportunity minded. They feed opportunities and starve problems.

~ Stephen R. Covey

~ Chapter President, Elysia Estee

SME Day 2014 - Innovation Beyond Finance

**March 3,
2014
Mark Your
Calendar!**

Building on the success of this program over the previous five years, Financial Executives Canada is proud to announce the sixth annual SME Conference to be held at McMaster University's DeGroote School of Business, Ron Joyce Centre on March 3 2014. Mark your calendars!

The conference program will include cutting-edge presentations, breakfast and luncheon keynote addresses by well-known

Canadian innovation executives, a panel of experts on various innovation and financing topics as well as MBA lead breakout sessions to discuss key issues impacting motivation, innovation, finance and productivity.

More information will be available on the website shortly. We hope to see you there.

*Kriss Bush and Norm Col
Conference Co-Chairs*

2014 Annual Conference - Leadership Beyond Finance

June 4-6, 2014

Registration opening soon!

Save
the
Date  **fe.i**
canada
June 4-6, 2014
Leadership Beyond Finance



Financial Executives International
Canada 2014 Annual Conference
Niagara Falls, ON June 4-6, 2014

Please save the date! The 2014 FEI Canada Conference will be held June 4th - 6th, 2014 at the Marriott Gateway on the Falls, located in Niagara Falls, Ontario.

Scan the code for more information!



THE ACCIDENTAL LEARNER



Ever notice how we're interacting with more and more technology in our business and personal daily activity? In fact we touch about 10 tech tools in a typical workday. Some examples would include our smartphone, PC, Outlook, Video Conferencing, Excel, Google, Photocopier, and even our desktop phone.

We are creatures of habit when adopting new tools, software or feature upgrades. We receive a new tool - a Blackberry, for instance - and spend time mastering previous features (phone contact list, outlook integration, internet access) just like on the old device. Being pressed for time we defer learning newer, useful features until "later." See yourself in this picture yet?

Employee training falls short for us:

Overwhelmed by new features, we don't retain what is taught. Training is inconvenient, too long, or cuts into our work schedule. Pressing tasks distract us before we commit the new features to memory. Subsequently, our retention is low and we delay - until "obligated" - to use the newer, more convenient features.

This is when accidental learning begins. We have all experienced it: You're working with

a colleague whose split screen view of Outlook you have never seen before and appreciate. "How convenient!" you think.

It is at this moment that you realize you have been needlessly frustrated for seven months. Your colleague offers a short lesson on how you can set up your own system and now becomes your new best friend!

Failed technology adoption is a major factor in why technologies don't live up to expectations. It is the adoption of technology that produces productivity, not the technology itself.

Fivel Systems Corporation's mission is to solve this problem by empowering employees to easily discover and master the productive features found in the technology tools they use on a daily basis. Fivel ensures a company's major investment in technologies achieves the expected ROI by overcoming the single most important barrier to value - user adoption.

For more information on this topic or to sign up for our white papers from Fivel Systems Corporation regarding "The Power of 5 - Minute Learning" please email info@fivel.ca.

Failed technology adoption is a major factor in why technologies don't live up to expectations.

Vacation Home Planning



**RBC Wealth Management
Dominion Securities**

Whether you already own a vacation home - or you're just thinking about it - there are some key issues and planning ideas you need to consider.

Vacation home purchase strategies

Before committing a large amount of money to purchasing a second property, consider renting in a few desirable areas for a period of time to test the location and neighbourhood. Once you are comfortable with the location and have selected an appropriate property to purchase or build on, the next major decision is how the property should be financed.

If you require a mortgage, the mortgage

interest will not be deductible if the property is used strictly for personal purposes. In order to make the loan interest deductible, consider the following two-step strategy:

1. Use existing cash or investable assets to purchase the property
2. Take out a line of credit to purchase income-producing investments

The Dool Team of RBC Dominion Securities
www.doolteam.ca

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Vacation Home Planning



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In this case, since the loan was used directly to purchase income-producing investments and not the personal property, the interest on the loan is potentially deductible.

Succession planning

In straightforward situations, a person often acquires ownership in a vacation property either solely or jointly with their spouse for control and simplicity reasons. As people get older and no longer actively use the vacation home, people sometimes decide to transfer the property to their children. However, if the transfer of the property is not structured correctly, disharmony amongst family members can occur.

Here are some succession planning strategies to consider related to a family vacation home:

- If your children will inherit the property and you expect it to significantly appreciate in value, consider gifting the property to the children today either directly or through an inter-vivos family trust if you wish to maintain control. Although this results in a disposition at market value, triggering accrued and unrealized capital gains to you today, it may be advantageous as future gains may be taxed in your children's hands and probate taxes may be avoided. If the property is sold to the children, your capital gain can be spread over five years in some cases.
- If the property value is high and you are over age 65, consider the cost/benefit of rolling it into an alter-ego or joint partner trust today in order to avoid probate taxes related to the property at death (particularly in provinces with high probate taxes).
- You may leave the vacation home to one or more family members under the terms of your Will. Some of your options include granting one or more children the option to purchase the property, allowing a child to take the property as part of their share in the estate or creating a testamentary trust to hold the vacation home under the terms of your Will. If the vacation home is transferred to a testa-

mentary spousal trust, the capital gains taxes can be payable upon the death of the last spouse.

- Life insurance can be used to pay any capital gains taxes realized as a result of the deemed disposition of the property on your death. It also creates a pool of funds to pay children who are not interested in inheriting the property. In addition, life insurance can be used to provide the children with the money necessary to pay for the maintenance and expenses related to the property.
- If more than one child will own the property, they can enter into a co-ownership agreement to determine when and how they can use it, as well as how expenses will be paid.

This article is an excerpt from the RBC Dominion Securities guidebook, *Family Wealth Management - Ten Strategies to Build and Protect Your Family's Wealth*. Please contact us at (905) 332-2582 or email: doolteam@rbc.com for a complimentary copy.

Issues related to owning U.S. properties will be covered in a future article.

This article is supplied by Paul Speziali, CFP, CIM, FCSI, Financial Planner and Associate Advisor with RBC Dominion Securities Inc. Member CIPF. This article is for information purposes only. Please consult with a professional advisor before taking any action based on information in this article .



...if the transfer of the property is not structured correctly, disharmony amongst family members can occur.

Are you prepared for severe weather?

Have you checked the weather lately? It's impossible not to have noticed that the weather has been throwing some pretty major punches lately.

Last July, I was preparing to go canoeing with my son on Otter Lake near Parry Sound. It was an amazing evening. The water was calm -- perfect for being out on the lake and catching large-mouth bass at our favourite fishing spot.

Suddenly, the red light on my Blackberry started flashing. Emails from the office were flooding in. I could not believe what I was reading and seeing -- GO Trains and other vehicles stopped dead in the water delivered by a mega storm that had hit Toronto. I was quickly thrown out of vacation mode and into work mode. Our clients were suffering losses and needed us now.

As insurance brokers, we spend considerable time on the transactional side of the business. Each year, we help our clients to prepare underwriting information and we use that to make submissions to various insurance companies to obtain the most favourable terms for our clients. Most insurance brokers can execute this transactional exercise as well as any other. But individuals and businesses concerned about the impact of a major weather event on their property, need additional services and resources to help them put disaster recovery and business continuity plans in place.

That takes us back to our original question. Are you prepared for the next extreme weather event? Do you have a plan in place? Who will you call? Do you have a connection with a disaster recovery company approved by your insurer?

Here's why it's important to take action before disaster strikes:

- The Insurance Bureau of Canada reports that insurance claims resulting from water and wind damage caused by severe weather now make up more than half of property insurance claims and more than claims for fire damage. Extreme weather events that

used to occur every 40 years can now happen every six years.

- The July 8, 2013 rainstorm and flash flood in the GTA caused more than \$850 million in insured property damage -- a new record in Ontario. Total economic losses are estimated at \$1.5 billion.
- Other major storms in Ontario include high winds on August 19, 2005, a tornado in southern Ontario resulting in \$671 million in claims, a July 24, 2009 rainstorm in Durham and Vaughan resulting in \$228 million insured losses.

One of my clients -- and the reason for the flashing red Blackberry light that July night -- incurred a \$9 million loss from the July 2014 mega storm. By the time I got the call, the emergency and restoration company we had connected them with previously had their team on site. Damage was mitigated and stock was being moved out of harm's way. Our client was prepared so their losses were much less than they might have been. I could have gone fishing after all.

Have you checked the weather lately?

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HUB International Limited provides a broad array of property and casualty, life and health, employee benefits, reinsurance, investment and risk management products and services.



*The July 8,
 2013
 rainstorm and
 flash flood in
 the GTA
 caused more
 than \$850
 million in
 insured
 property
 damage.*

The Oppression Remedy

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The oppression remedy is widely acknowledged as being one of the most powerful weapons in the arsenal of shareholders and other corporate stakeholders.

Where a proper complainant proves that the affairs of a corporation are or have been carried out in a manner that is "oppressive" or "unfairly prejudicial" to or in "unfair disregard" of its interests, that complainant can ask for an order to remedy the effects of that conduct. The oppression remedy is set out in broad terms in most of the provincial Business Corporations Acts, as well as the *Canada Business Corporations Act*; that broad remedy really gives the court the ability to apply equity-like powers, including to regularize corporate affairs, set aside or amend contracts, compel directors to act, and even to order that the securities of a shareholder to be purchased at fair value by the corporation or another shareholder.

To assert a claim for oppression, a stakeholder must first show that it has a "reasonable expectation" with respect to the behaviour of the corporation, its officers or directors. Whether the stakeholder indeed had a "reasonable expectation" is a fact-specific inquiry, with consideration of general commercial practice, the nature of the corporation, the relationship between the parties, past practices and other factors.

Once the claimant has established its reasonable expectation, it must demonstrate that the corporation's failure to meet this expectation caused detrimental consequences that amount to "oppression," "unfair prejudice," or

"unfair disregard" of its interest.

There are no clear definitions of these terms. Generally, "oppression" involves conduct that is coercive, abusive, burdensome, harsh, in bad faith, an abuse of power, or some other kind of serious wrong. "Unfair prejudice" and "unfair disregard" involve a less culpable state of mind and include conduct such as providing certain shareholders with a disproportionate economic benefit or simply ignoring the claimant's interest in a manner that is contrary to its reasonable expectations.

Intriguingly, although the oppression remedy is still most often used by minority shareholders, the remedy is available to a range of other corporate stakeholders, including directors and officers, and even secured and unsecured creditors.

Perhaps classically, the oppression remedy is most frequently resorted to in the context of closely-held corporations, where the "compact of stakeholders" resembles a "partnership". However, shareholders in publicly-traded corporations can also resort to oppression remedy claims, often taking the form of shareholder misrepresentation claims. The reasonable expectations of shareholders in public markets are often informed by the public pronouncements of corporations and their officers.

*[Jason Squire](#), Partner in Lerner's
Commercial Litigation Practice Group in
Toronto*

*...one of the
most powerful
weapons in the
arsenal of
shareholders
and other
corporate
stakeholders.*

Upcoming Chapter Events

SGH Chapter Dinner - January 16, 2014

Advantages of Restructuring Legislation - How can it help a company get back on its feet?

Speaker: Dom Magisano, Lerner's Harbour Conference Centre

FE Eye Opener - January 23, 2014

Improve your company's Health, Rethinking Benefits and Retirement Plans

**Speaker: Brian Brophy, Navigo Financial Solutions
Holiday Inn Oakville @ Bronte**

FE Eye Opener - January 28, 2014

Pitfalls of Investing - and how to avoid them

**Speaker: Paul Speziali, RBC Dominion Securities
Ron Joyce Centre, DeGroot School of Business**

SGH Chapter Dinner - February 13, 2014

Cyber Security Threats and Industry Response

**Speaker: Mark Lippman, Protiviti
Harbour Conference Centre**

FE Eye Opener - February 19, 2014

M&A Update

**Speaker: Howard Johnson, Veracap M&A International
Holiday Inn Oakville @ Bronte**

SME Event - March 3, 2014

Innovation Beyond Finance

Ron Joyce Centre, DeGroot School of Business

And stay tuned for more information on these events:

SGH Chapter Dinner - March 20, 2014

50 Best Program

SGH Chapter WFEN Event - April 17, 2014

Women on Boards

SGH Chapter Dinner - April 17, 2014

Managing the Risk of Corporate Acquisitions

Speaker: Howard Johnson, Veracap M&A International

SGH Chapter Dinner - May 15, 2014

FEI Canada National Conference - June 5, 2014

Niagara

**To receive notification of these events via email, contact
Rosemary Petrossi at
sgh.chapter@financialexecutives.ca*

Our Valued Sponsors

The SGH Chapter appreciates the support of a variety of sponsors. All members benefit from the contributions of our sponsors, awareness of their products, services, and subject matter expertise, and additional networking opportunities. We encourage our members to take advantage of our relationship with these great companies. Please visit the [Member Resource](#) section of our website for sponsor-driven articles and videos there for your learning and benefit.

About our Organization

Welcome to the Southern Golden Horseshoe Chapter of Financial Executives International Canada.

Our chapter provides a great forum for peer networking by CFOs and other senior financial executives who want to meet quality people and share with others solutions to the crucial issues that confront them daily. Our FEI dinner meetings, professional development seminars and informal outings focus on the highest quality speakers and entertainment to facilitate the flow of new ideas, perspectives as well as sound career and business decisions.



southern golden
horseshoe chapter

Financial Executives International—Canada's pre-eminent association connecting financial executives through networking, knowledge exchange, advocacy and ethical leadership.

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