



Membership in FEI is entirely voluntary. Belonging to FEI means different things to each of us. Some are attracted by the networking opportunities. Others are attracted by the National Conference. Some belong for the value in PD time that is afforded.

It should not come as a surprise to any, given the current economic climate, that FEI's membership numbers are down right across the country. Members leave FEI for a number of reasons, but lately some have reluctantly let their membership lapse due to an unwillingness or inability to pay the renewal fee. We all understand and accept that circumstances can change. However, we urge all FEI members to consider the benefits of membership – perhaps even accentuated in difficult times – and contact members of your Board here in Vancouver or Sydney Freeston in the Toronto office before making a final decision. There are likely options available to you regarding continuing membership of which you may not be aware.

For us here in Vancouver, we should all take any opportunity that affords itself to explain what FEI is to those who hold senior financial positions and are prospects for membership. Apart from the benefits outlined above, attendance fees at the National Conference are waived during the first year of membership. That is a huge inducement – in particular since next year's conference is being held in Victoria, with Vancouver as host chapter. A stable or growing membership base is the foundation for a vibrant FEI Chapter – one that can provide the value upon which we pride ourselves here.

Please take careful note of the upcoming events in the calendar. A new Chapter event has just been added to be held on April 30th. It's focused on the employment scene in the Lower Mainland at present for financial executives. We've assembled a fine panel of three – each of whom is expert in the field and each of whom brings a unique perspective to the situation. Email notices for this event are being prepared with more details. I hope to see many of you there.

Also, note that our annual golf date is just a month away. It's time to shine up your clubs and loosen up for a fine afternoon with your FEI colleagues – all in support of KidSafe once again. Consider this date an opportunity to introduce finance colleagues to FEI or use this event as quality time to spend with other business colleagues.

Peter Ballachey, CA CIA

Membership Report April 2009

One of the interesting issues with maintaining and increasing membership numbers in FEI is that the benefits of membership often are most evident in challenging economic times. Like right now.

This is a good time to take advantage of all that membership in FEI has to offer and help by introducing FEI to people in senior financial roles that you know would benefit from membership. By growing membership there can be greater strength and resources to share with all members. Bring a guest who would qualify for membership and introduce him or her to one of the board members for follow up.

Finally, at the chapter level this is a member driven organization. Board members and committee members volunteer their time to help make it all happen. On April 21st we have a National Breakfast Seminar sponsored by IBM and on May 13th the Annual Golf Tournament. The national conference is in Montreal at the end of May, and FEI conferences are very well attended, with excellent speakers, a great venue and a fantastic city.

Jeff Champion

Attention: Members in Transition

FEI Canada has recently decided on a new membership initiative aimed at those affected by the current economic crisis. Normally it costs \$1260 to join FEI Canada. This fee includes \$525 (National dues) + \$225 (Chapter dues) + \$450 (One-time Initiation Fee) + GST. However, right now FEIC is offering a promotion to qualified non-members who have recently found themselves in transition and we are waiving the \$450 Initiation Fee! Therefore, for just \$750 + GST, for a short time only, qualified individuals can become a member of FEI Canada.

Members in Transition

Are you considering a job change – either because you have to or because you want to – and would like to talk about it to people who've had experience of finding work in difficult times?

The Financial Mentors Group (FMG) – an association of (mostly) FEI Vancouver members – offers advice and support to FEI members in transition between jobs, or into semi-retirement, on a confidential, no fee basis.

For more information, check the FMG website www.financialmentorsgroup.ca. You can contact any of our members (principals) or talk to Hugh Lindsay at FEI meetings, by phone (604) 732-0366 or by e-mail to hughl@telus.net.

Hugh Lindsay



vancouver
chapter

Upcoming—Do Not Miss Events!

To FEI Members,

Our golf tournament preparations for May 13 are off to a great start, thanks in large part to our two flagship sponsors, WestJet Airlines Ltd. and Delta Hotels Limited. But we need golfers to make it a complete success, both as a Chapter event, and as a charity fundraiser for our community. The difficult economy we're in has led some organizations who had earlier committed to putting in significant numbers of golfers to withdraw those commitments. So, we are asking our fellow FEI members to step up to the plate and bring out the golfers. A soft economy is not a good time to stop networking and promoting your goods and services, nor is it a good time to be unduly harsh with deserving charities, especially when there are opportunities to combine business spirit with community spirit.

We have added a foursome registration prize; FEI Members registering foursomes by April 17 will be eligible for a prize draw of a one night stay at The Fairmont Waterfront Hotel.

It goes without saying that the more golfers we register and the sooner they sign on, the more attractive this event will be for the gold, silver and bronze level sponsors that have been the stalwarts of our tournament for the past several years. Please round up a foursome as soon as you can, register them, and give yourself a chance to win some great prizes for a worthy professional and charitable cause.”

Neil Hummel, CA

National Conference



March Meeting Report—Private Equity Symposium

On March 3, 2009 approximately a dozen of our local members came together in the boardroom at McCarthy Tetrault's Vancouver office to join members from across Canada in the 2009 Private Equity Symposium. A collaborative event between FEI Canada, the Canadian Institute of Chartered Business Valuators, the Toronto CFA Society and Canada's Venture Capital & Private Equity Association, the half-day symposium looked at the changing landscape of private equity investing under the current global economic difficulties. Speakers included senior members from a number of private equity firms, both venture capital investors and leveraged buy-out firms.

As we all know, the easy credit of the past few years fuelled an unprecedented number of private equity buyouts and pushed valuations to astronomical levels. Those days are obviously over, but the industry is not dead. Like all industries, private equity is cyclical. According to Brooks Zug of HarbourVest Partners LLC, who provided a history of private equity cycles since 1967, while the leveraged buyout market is in freefall from its peak in 2007, venture capital is now at the bottom of its cycle. Private equity activity will start again. It's just a question of when.

The main points presented by the various speakers and panels were:

- Private equity firms are likely to continue to invest in the strongest investee companies in their portfolios, while looking to divest non-performing assets.
- Investee companies are today looking to venture capital firms for follow-on rounds, rather than looking to other traditional financing options such as debt or IPOs.
- Some deals are still taking place in both the venture capital and the leveraged buyout spaces.
 - Companies in a number 1 or 2 market position and generating positive cash flow are key targets.
 - Companies in strong industries where the management is mediocre also provide opportunities.
 - Private equity firms can afford to wait for weak competitors to fall out in industries and to invest in the strongest companies left standing.
- Valuations have fallen significantly, although sellers expectations have not yet adjusted to the new expectations of venture firms.
- Leverage terms have changed significantly from the peak:
 - Leverage levels have fallen an average of 5 times EBITDA to approximately 2.5 times today.
 - Pricing spreads for senior debt has increased (450bps over Bas / 650bps over LIBOR)
 - Terms have fallen from 60 months to 36 months, on average.
 - Covenants have become much more restrictive.



March Meeting Report— Winning with Private Equity

The Vancouver Chapter breakfast on March 24th sponsored by PwC was a big success. Ms. **Heide Pozzo** of Longview Fibre Paper and Packaging Inc. visited us from Washington. She described the transformation of Longview undertaken by the new management team there since the company was purchased from the founding family some two years ago. The transformation has been driven by crucial changes made to:

- The Basics: Safety and the Physical Environment
- The Tools: Restructuring Finance, IT and Compensation and Benefits
- The Team: Changing the Mindset – Driving Accountability and Results

Ms. Pozzo gave several enlightening examples to illustrate changes made and the impact to this company. The changes are significant – the company has moved from a cash loss position to a positive EBITDA position, despite the worsening market conditions.

Of note is the Vancouver involvement in this transformation. A significant member of the new ownership team is Brookfield Asset Management located here in Vancouver, who has involved the Vancouver office of PwC extensively in these transformational efforts.

Peter Ballachey

On the lighter side

A survey by British recruitment specialist Hammond found that accountants give each other a wide berth in the workplace and only 18% met their current partner in the office. The report goes on: “Typically ruled by the left side of their brains, accountants tend to be practical and precise and perhaps this prevents them from girding their loins and chatting each other up at the water cooler.”

From Accountancy Magazine, March 2009.

Hugh Lindsay



2009 Events Listing

<i>Date</i>	<i>Event Type</i>	<i>Detail</i>	<i>Location</i>
April 21st, 2009	National Breakfast Event Registration @ 7:30	Sponsored by IBM Turning Crisis into Competitive Advantage - Immediate Cost Management Techniques and Strategic Innovation Featuring: Todd Genton , Practice Leader in Financial Management, IBM Canada Ltd Mark Mullins , Executive Director, Fraser Institute	Pan Pacific Hotel
April 30th, 2009	Luncheon Event Registration @ 11:30	Recruiting and Employment Prospects for Senior Finance Positions in these Challenging Times This is a panel presentation, moderated by Danley Yip , Division Director of Robert Half Management Resources	Pan Pacific Hotel
May 13th, 2009	Golf Tournament & Dinner	Annual FEI Vancouver Chapter Golf Tournament	UBC Golf Club
May 21st, 2009	Breakfast Event Registration @ 7:30	KPMG Presents	Metropolitan Hotel
May 27th—29th, 2009	Annual FEIC Conference	Join us for our National Conference	Montreal, QC
June 11th, 2009	Save the Date!	Harbour Cruise Annual General Meeting	Vancouver Harbour
October 22nd, 2009	Save the Date!	SME Seminar	TBA





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Should you be interested in sponsorship or have a recommendation for us to follow up on, please contact Alan Wong by e-mail at: alanlwong@telus.net
or by telephone: (778) 772-6511

2008/2009 Chapter Board

Peter Ballachey	Consultant 1254 Bracknell Place, N. Vancouver, BC V7P 3S2	T: (604) 240-7928 F: E: ballachey@shaw.ca	President
Danley Yip	Division Director Robert Half Management Resources #724 – 1055 Dunsmuir Street, Vancouver, BC V7X 1L4	T: (604) 688-6393 F: (604) 687-7533 E: danley.yip@rhm.com	Past President Membership
Brad Cruickshank	Chief Financial Officer, Dueck GM 400 SE Marine Drive, Vancouver, BC V5C4X2	T: (604) 324-7222 E: brad.cruickshank@dueckgm.com	Vice President
Doug Cucheron	CFO SL Feldman & Associates 200 - 1505 West 2nd Avenue, Vancouver, BC, V6H 3Y4	T: (604) 734 - 5945 ext 352 F: (604) 732 - 0922 E: cucheron@slfa.com	Treasurer
Issa Nakhleh	3205 West 35th Avenue, Vancouver, V6N 2M9	C: (604) 657-2431 E: issa.nakhleh@shaw.ca	Secretary
Alan Wong	CFO Tides Canada Foundation 400-163 Hastings Street W. Vancouver, BC V6B 1H5	T: (604) 647-6611 Ext. 235 F: (866) 780-6611 E: alanlwong@telus.net	Chair Sponsorship
Jeff Champion	Consultant 4951 Pendlebury Road, Richmond, BC V7E 1E9	T: (604) 649-2735 F: (604) 241-8946 E: jeff.champion@telus.net	Chair Membership
Lynne Fraser	2043 Latimer Road, Nanaimo, BC V9S 2W6	T: (250) 758-0375 E: lynne.fraser@shaw.ca	Chair Newsletter
Doug Morison	2958 Mahon Avenue North Vancouver, BC, V7N 3T1	T: (604) 986-8634 E: cdmorison@shaw.ca	Chair Events
Hugh Lindsay	2831 W. 19 th Avenue, Vancouver, BC V6L 1E4	T: (604) 732-0366 E: hughl@telus.net	FEIsters
Sarah Mackinnon	Director, Finance Xantrex Technology Inc. 8999 Nelson Way, Burnaby, BC V5A 3B5	T: (604) 422-2584 F: (604) 415-4666 E: sarah.mackinnon@xantrex.com	Director - Events
Wendy Hurlburt	Chief Financial Officer & Director of Compliance & Operations. LifeScan Canada Ltd. 300-4170 Still Creek Drive, Burnaby, BC, V5C 6C6	T: (604) 320 - 2927 F: (604) 293 - 1619 E: whurlbur@lfscainj.com	Director Events
Neil Hummel	Chief Financial Officer LMI Technologies Inc. 1673 Cliveden Avenue, Delta. BC, V3M 6V5	T: (604) 636 - 1011 F: (604) 516 - 8368 E: nhummel@lmitechnologies.com	Director
Brad Bardua	1176 Ronayne Road, North Vancouver, V7K1H3	T: (604) 551-7785 E: bbardua@shaw.ca	Director Events
Angela Yap	Director, Corporate Accounting, Anthem Properties Suite 300 – 550 Burrard, Bentall 5 Vancouver, BC, V6C 2B5	T: (604) 488-3604 E: angelayap88@hotmail.com	Director – Events
Donna Denham	Support Services Unlimited #102 – 211 Columbia Street Vancouver, BC V6A 2R5	T: (604) 681-0295 F: (604) 681-4545 E: ssu@telus.net	Administration