

As seen in Globe and Mail - Wednesday June 30, 2010

Maybe not of the whole universe, but definitely a master on Bay Street

From McLeod Young to Blair Franklin Capital Partners, he changed the face of finance in Canada

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June 30, 2010

Gordon Cheesbrough was part of the generation that changed the face of finance in Canada, an entrepreneur who subsequently led a big bank, then went back to his roots by founding a Bay Street partnership.

The 57-year-old executive was saluted Tuesday by a Who's Who of Canadian business, as much for his community service and strong sense of family as for his impressive business achievements.

Cheesbrough was a bond trader out of central casting, a blond jock with an irrepressible smile and an endearing habit of assigning nicknames to everyone he met. He was among the youngest CEOs on Bay Street when he became head of Bank of Nova Scotia's investment dealer arm at the age of 38, and would lead two more firms before dying, precipitously, on June 23 in Toronto General Hospital.

A native of Toronto, Cheesbrough lost his father as a toddler. His mother, Marjorie, took on two jobs, in part to pay for her young son's tuition at Toronto's Upper Canada College.

That experience shaped the rest of Cheesbrough's life, as he embraced the best of the institution's values, such as community service and competitive camaraderie, but none of the elitism that can come with a private school education.

Later in life, Cheesbrough would help guide Upper Canada College through one of its most difficult periods, serving as chairman of the board when the school dealt with the fallout from a sex scandal that had taken place a generation earlier. He also served as chairman of the board of North York General Hospital.

His mother subsequently remarried, and her son built a close relationship with his stepfather, Alexander Sharpe, a former U.S. Marine who worked in engineering sales and the travel industry, and two stepbrothers. Mr. Sharpe passed away in 1998.

Cheesbrough went to the University of Toronto and studied philosophy, a training in critical thinking that he always promoted. Fresh out of school in 1974, he joined the bond desk at what was then an employee-owned investment dealer called McLeod Young Weir. Several veterans of the firm came to Tuesday's funeral wearing dark blue ties, monogrammed with the letters MYW, in tribute to their former colleague. At the brokerage house, Cheesbrough quickly attracted the attention of the firm's leaders.

Shortly after Tom Kierans became president of Scotia McLeod, he was at a tony dinner party in Toronto. He remembers being cornered by the wife of a senior master at Upper Canada College, who metaphorically poked him in the chest and said: "You have one of the greatest students we have ever graduated and I want you to keep an eye on him and see his way forward."

And "I did," Kierans said yesterday in a telephone interview.

"He was one of the very, very few people that I have ever met in my life who was imbued with leadership qualities. He didn't need to learn how to lead, it came to him naturally," said Kierans. "I have seen people with innate leadership qualities before, but I have never seen anyone at his age who clearly possessed them. He was so clearly in front of all his peers and mentors. He was absolutely awesome."

The 1970s and 80s marked the Masters-of-the-Universe era in bond markets, with massive government deficits and an unsettled economy translating into big swings in credit markets, and the opportunity for traders to make or lose a fortune. Cheesbrough proved both an adapt student of markets, and a team leader.

Kierans said, "Within a very short time, we put him in charge of the entire fixed-income operation and he moved McLeod from No. 3 to so far ahead of No. 1, that it was unbelievable."

Cheesbrough emerged as a leader in an industry transformed by deregulation. The bond trader became president of his firm in 1990, at the age of 38, after it was purchased by Bank of Nova Scotia. In 1993, he stepped into the CEO's shoes.

Across Bay Street, the marriage of free-wheeling brokerage house and buttoned-down bank was never easy, and the mix of McLeod and Scotiabank proved one of the more difficult integrations. To his credit, Cheesbrough and his colleagues preserved a fixed-income trading expertise that has proved consistently profitable when combined with the bank's balance sheet and risk management skills.

However, in 1998, Cheesbrough decided to leave what was then known as Scotia Capital for a more unstructured, and potentially more lucrative, opportunity. He led a leveraged buyout of mutual fund manager Altamira Investment Services. Over four years as CEO, Cheesbrough and the portfolio manager turned around performance, then sold the firm to National Bank.

While at Altamira, Cheesbrough ended his first marriage, remaining extremely close to his three adult children, Meghan, Gordon and Sarah. He then wed a former colleague from Scotia Capital. He has a step-daughter, Molly, with his second wife, Kim.

After Altamira, he and a handful of colleagues created Blair Franklin Capital Partners - his middle name and that of co-founder Steven Sharp - to provide unbiased advice to corporations, and run a hedge fund with a fixed-income focus. Both ventures have prospered.

In addition, he served on the board of Alterra Capital Holdings Ltd. (a Bermuda-based insurance/reinsurance company), was a director of Canadian National Stock Exchange, or CNSX, a competitor to the venerable Toronto Stock Exchange.

CNSX chief executive officer Ian Bandeen said: "Gord was truly a great leader who will be deeply missed by all who had the privilege to work with him."

Outside work, Cheesbrough was passionate about golf, tennis and squash. Long-time friend and tennis partner Tom MacMillan in his eulogy on Tuesday said Cheesbrough "was a good athlete who could have been a great athlete if he'd just stopped his constant chirping."

How impishly competitive was Cheesbrough? Whenever friends took pictures of the catches that he and Kim reeled in while sport fishing near their vacation home in Estero, Fla., he would try to hold his prize slightly closer to the camera, to make it look larger in the resulting photo.

Three weeks ago, Cheesbrough was admitted to hospital for treatment of what was thought to be a viral infection, but was in fact a rare autoimmune response to a rare and virulent form of lymphoma.