

As seen in Globe and Mail – Thursday, November 27, 2009

Why Blair Franklin is putting up tombstones

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November 27, 2009

Every investment bank likes to show off its tombstones: Lucite-coated advertisements that record successful mandates.

In recent months, boutique advisory firm Blair Franklin Capital Partners has put no less than 10 new tombstones in its trophy case, reflecting assignments for special committees of directors at blue chip corporate clients such as MDS Inc., Visa and Great Lakes Hydro Income Fund.

What's behind this impressive run at the employee-owned firm? After all, Blair Franklin is seeing a spike in activity at a time when the overall volume of mergers and acquisition is down.

Blair Franklin spelled out why the phone is ringing steadily in a quarterly report to clients.

"We have been particularly busy with financially distressed situations and with boards and special committees seeking unconflicted, independent advice," said the Toronto-based firm.

"Following the HudBay Minerals decision from the Ontario Securities Commission, we have seen a marked increase in the desire by boards to receive transactional financial advice separate from the advice provided by the company's investment banker, who stand to earn a success fee on the transaction in question," said Blair Franklin.

The OSC shot down a planned union of HudBay and Lundin Mining on governance grounds back in April, a decision that sent shocks waves through the legal community and changed the way boards looked at the role of their financial advisors.

Blair Franklin's partners are veteran financiers from Scotia Capital, BMO Nesbitt Burns, RBC Dominion and other mainstream investment banks.