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SECTION F

BUSINESS

SATURDAY, FEBRUARY 19, 2005

CF-18 UPGRADE - F2

Boeing scores
lucrative
contract

DOLLAR 81.20 ¢ US - 0.25	GOLD \$427.10 US - 0.20	EURO \$1.610 CDN + 0.44	TSX 9,658.75 + 39.49	TSX VE 1,941.17 + 21.68	TSX 60 532.82 + 3.00	DOW 10,785.22 + 30.96	S&P 500 1,201.59 + 0.84	NASDAQ 2,058.62 - 2.72
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Firms sue over denied blackout claims

WINDSOR

Two Windsor businesses and a Toronto eatery have launched a \$55-million class-action lawsuit against three insurance companies over denied claims arising from the 2003 power blackout, their lawyer announced yesterday.

The suit, filed on behalf of Ontario small businesses, alleges that Aviva Canada Inc., Lombard General Insurance Co. of Canada and Royal & Sun Alliance Insurance Co. "wrong-

fully denied commercial insurance claims for perished stock and business interruption losses."

The lawsuits, which have not been certified by a court, were filed by Farron's Gourmet Butcher Shops Inc. and Leo DeLuca Enterprises Inc., owner of Koolini's Italian restaurant in Windsor, and by Prego Della Piazza of Toronto, "on behalf of all persons in Ontario insured by the defendants on Aug. 14, 2003, with extended coverage for business interruption loss

and/or consequential stock loss caused by off-premises power interruption."

The plaintiffs are represented by Windsor class-action specialist Harvey Strosberg.

They allege the defendants "breached their insurance contracts by refusing to pay the blackout claims and that these decisions were made in bad faith."

The allegations have not been proved in court, and an official with Royal & Sun Alliance was quick to call the claims

baseless.

"This case is in litigation and is without merit and we will actively defend ourselves," said spokeswoman Andrea Bannister. "Unfortunately we can't comment on the specifics because it is an open legal proceeding."

Aviva Canada also said it will defend itself "on all coverage from the events of Aug. 14, 2003."

Lombard did not comment. It was not immediately known whether the three com-

panies would work together on their defence.

The blackout affected 50 million people in Ontario, parts of Quebec and the northeastern United States. Power was not restored to some areas for four days, and Ontario continued suffering blackouts for more than a week.

One Windsor plaintiff, butcher Ted Farron, said he took special pains to ensure that his Royal & Sun Alliance policy covered him for blackout losses. That's because about a year be-

fore the 2003 blackout, his shop had suffered a 36-hour outage when a vehicle hit a nearby transformer.

"I decided after that happened, we were in the dark and there was nothing that we could do, that I would get insurance to cover something like this in case it happened again," Farron said from Windsor.

"I got extra coverage for (power) breakdowns that weren't on my premises."

• Canadian Press

Oft-quoted champion of prosperity

By RON DERUYTER
RECORD STAFF

TORONTO

You expect Roger Martin to start wheezing the moment he recalls his least favourite job.

He was a kid, sorting empty feed bags in the family's feed mill in Wallenstein. It was the 1960s, and feed was delivered in bags, rather than in bulk. Farmers received credits for bags they returned, so someone had to shake them out, sort them by farmer and type of feed, and determine whether they needed to be cleaned or tossed out.

Martin, who had mild allergies, would come home covered in dust. But sure enough, the "miserable job" taught him the value of hard work.

"It also taught me, in due course, that you can only get so skilled in sorting bags. You can only do it so fast and you can only get so valued in doing it. I thought I better start doing things where I can get more skilled."

The next summer he worked for a painting contractor in Elmira. It wasn't the world's greatest job, but it was another step up a ladder that eventually took him to Harvard University, a lucrative partnership in a successful U.S. consulting firm, and finally, to the dean's office at Canada's most prestigious business school.

Sitting in a meeting room next to his corner office, wearing a crisp blue shirt and striped silk tie, Martin seems worlds away from the dusty chores of his youth. But the dean of the University of Toronto's Rotman School of Management can't say enough about growing up in the shadow of the big feed mill that dominates the small Mennonite village of Wallenstein, 15 kilometres northwest of Waterloo.

Martin, a slight but athletic

48-year-old, says his father, Lloyd, who started Wallenstein Feed & Supply in 1958, is the cleverest business person he knows, even though Lloyd didn't go to school beyond Grade 12.

"I learned more about business from him than the Harvard School of Business by a long shot."

The stories spill out.

There's Lloyd's theory on what you do when a competitor steals a customer with lowball prices (don't try to win back the customer, but figure out who the competitor's most profitable customer is and steal that one), and his obsession with delivering feed in trucks that were clean as a whistle.

The teenaged Martin thought washing the trucks after every delivery was a waste of water and time. But Lloyd, who is still active in the business at 76, explained that clean trucks tell farmers the trucks are in good shape and will always arrive on time.

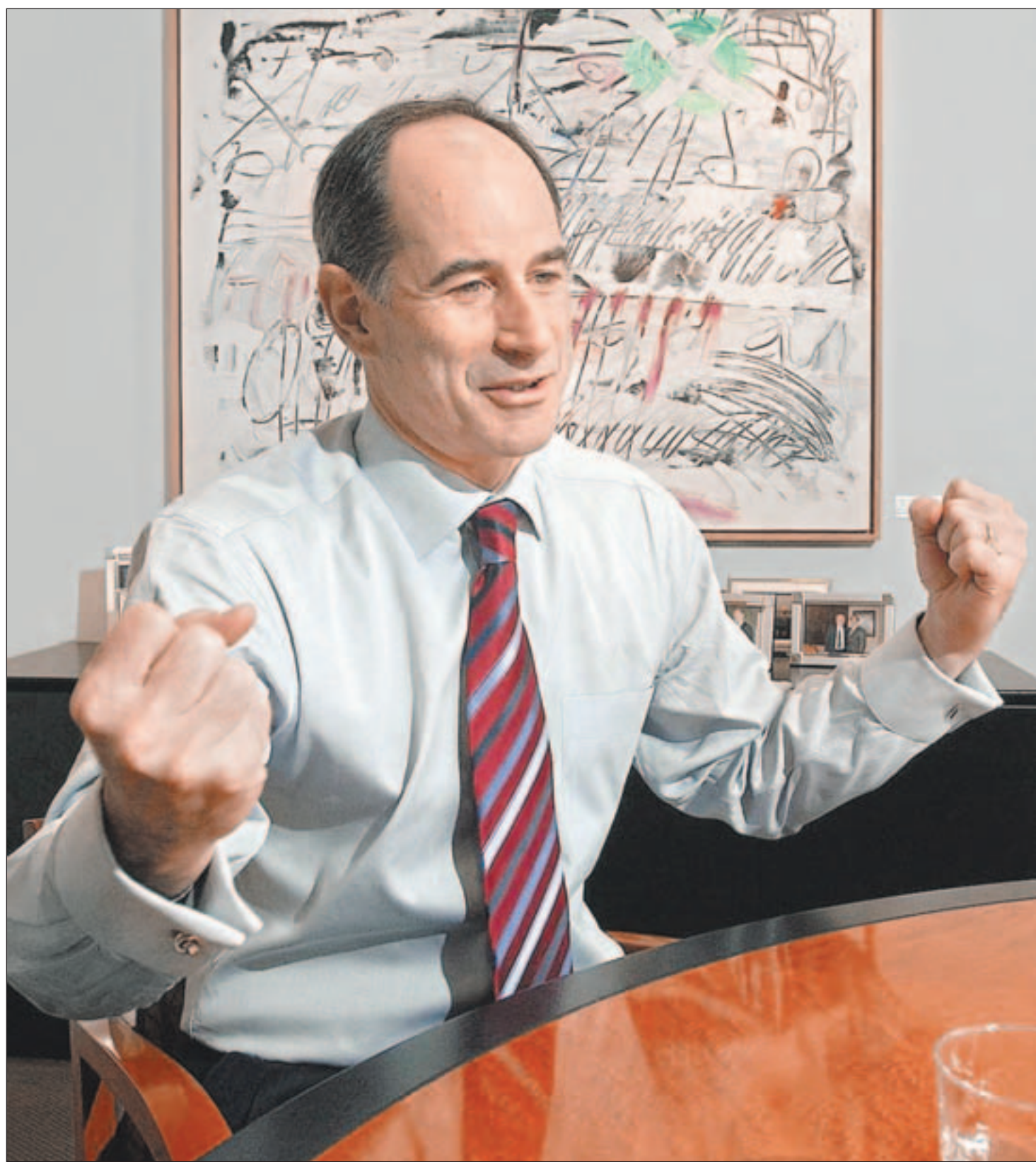
"That is a sophisticated understanding of system dynamics," Martin says. "That's a concept I was taught in second-year marketing at Harvard. It is a signal of value. It has no real utility. It signals that there is real value. I learned that from him growing up."

His mother, Delphine, also was a role model. She went back to school when she was 50, after raising five kids, got a master's degree in psychology and became executive director of Shalom Counselling Services.

The conversation turns to Martin's grandfather, Eli Martin, who was an entrepreneur — he owned Wallenstein General Store and drove the local school bus — with a rebellious streak.

Eli, who celebrates his 100th birthday in April, bucked his Old Order Mennonite upbringing by buying a car.

The legacy of entrepreneur-



PHILIP WALKER, RECORD STAFF

Roger Martin, whose roots are in Wallenstein, near Elmira, is dean of the Joseph L. Rotman School of Management, University of Toronto.

ship and independent thinking had a profound effect on the entire family. All of Lloyd and Delphine's children excelled in academics and athletics. They were involved in everything, and often found themselves in leadership positions.

Martin's younger brothers, Brad and Terry, also went to

Harvard. Brad, a lawyer, is vice-president of Fairfax Financial Holdings in Toronto; Terry teaches Russian history at Harvard.

Martin's younger sister, Jackie Martin, is a child psychologist who teaches at the Harvard Medical School.

Older brother, Rick, has a

math degree from the University of Waterloo and MBA from York University. After working in finance at General Motors for a few years, he rejoined the family business and turned Wallenstein Feed & Supply into the largest single-location feed mill in Canada.

Rick says he and his siblings

did well because of the quiet, steady influence of their parents.

"It was all modelled. They didn't talk about it much. But we could see they were having fun with life. They were doing lots of things. We figured we should do the same thing."

SEE MARTIN: PAGE F3

Entrepreneur dares to 'Re-think, Rise up and Resist'

When I dropped in at Loop Clothing this week, I could hear owner Alnoor Keshvani talking to someone, but I couldn't see him.

I descended the steps to his urban-hip store on the lower level of the new Princess Twin Cinemas complex in downtown Waterloo.

I could hear Keshvani, but I still couldn't see him amid the racks of clothing and funky art installations.

Then I spotted him, flopped on a couch in front of a retro-looking TV set and talking with a woman.

"Hey man, good to see ya," he said to me. "This is my mom, Alnash. We're just watching Dr. Phil."

Alnash Keshvani nodded hello and said she was just on her way out.

Her son gave her an affectionate pat on the shoulder. "Hey mom, it was really nice to spend some time together," he said.



KEVIN CROWLEY

It was a telling moment.

Relationships are a big deal for Alnoor Keshvani, who, at 26, is trying to build a unique business based on the philosophy that what goes around, comes around. Hence the "loop" in Loop Clothing.

"I like to bring people together," he says. "I want this place to be the hub for culture, the place where someone can come and find out what's going on in town."

That might sound strange for a clothing store. But Loop is more than clothes. Keshvani describes it as a "retail design

lounge" — a clothing store that's part art gallery, part meeting place and part performance venue.

The walls of the store display the work of local artists, such as James Nye. Local DJs perform Thursday through Saturday. And if you're lucky enough to snag an invite to one of the art openings, you might even hear a spoken-word performance by a poet such as Jenn Pidgeon.

As for the clothes, Keshvani describes them as "streetwear couture." He only stocks independent labels. Many of them are Canadian, like Scribe, and some are local, such as Unlearn of Kitchener.

Come March, he'll also be offering customers the chance to make their own designs by taking used clothing and re-working it into something new with the help of an in-house designer.

All in all, there's a subversive, grassroots attitude that



PETER LEE, RECORD STAFF

Alnoor Keshvani owns Loop Clothing, at 46 King St. N., Waterloo.

pervades Loop. In some ways it's subtle, like the brushed-steel and concrete materials in the store's decor ("I wanted to incorporate elements that you'd find on the street, because we're all about the street," says Keshvani).

In other ways, the attitude is

blunt, like the image projected on one wall that says: "Re-think, Rise Up and Resist."

"My customers are people who want to look different, who are sick and tired of the mall," he says.

Keshvani located his store in downtown Waterloo to take

advantage of the thousands of students at the two nearby universities. But he also chose the location out of a sense of community, he says.

"I'm trying to bring it back to the days of coming downtown and dealing directly with store owners. I want to help create a sense of community."

Keshvani opened Loop on Dec. 1, but his eclectic business concept has been brewing for several years.

He studied communications and marketing at Wilfrid Laurier University before travelling around Canada and the U.S. Along the way, he made connections in the clothing business and visited lots of independent clothing stores, like Supreme in New York City.

Getting his business off the ground has been hard work, he says, adding that he could never have done it without the help of his mother, father and brother.

SEE LOOP: PAGE F3