



Phone
SELL
Broker opened investment lines, breathed new life into WSE as major player in MTS offering

THERE ARE two large blue MTS signs on the building right outside Tom Waitt's 13th storey Portage and Main office window.

That ever-present visual symbol probably didn't influence the intensity with which the Nesbitt Burns' chief marketed and sold the MTS issue.

But it is a constant reminder for Waitt of what was unquestionably the most exciting event in the brokerage industry in Manitoba in recent decades.

As a director, senior vice-president and regional manager of Nesbitt Burns, the firm that sold the largest volume — more than 20 per cent of the 50.8 million installment — Waitt basked in the action.

He grinded out the late nights that lasted three weeks and, on the first day of trading in the shares, his firm was responsible for such huge volumes it probably grossed about \$1 million in commissions.

As the newly appointed chairman of the Winnipeg Stock Exchange (and the Manitoba chapter of the Investment Dealers Association), Waitt has also become the primary advocate for the revitalization project taking place at the tiny WSE.

He was almost single-handedly responsible for the 20 minutes of record-breaking trading on the WSE when shares of the newly issued Manitoba Telecom Services hit the market on Jan. 7. Nesbitt Burns was involved in every trade but one, many of them cross trades with Nesbitt covering both the buy and sell sides.

Enthusiasm

The fact that Nesbitt Burns played such a large role in the historic day at the WSE, says as much about Waitt's enthusiasm for the development of the WSE as it does about his influence and power within Nesbitt to convince its trading desk in Toronto to trade MBTel (MTS) the WSE.

"This was a good issue in that we turned about 12 per cent of Manitobans, many who were virgins, into people who are active in the stock market," Waitt said.

He scoffs at the suggestion that he did anything unusual. But the fact is, after close to 20 years in the business, Waitt has such a cache of credibility and a track record of uncommon success and profits — not to mention several ruffled feathers — that the powers-that-be at

Nesbitt Burns, and its predecessor Burns Fry, in Toronto can't help but listen when Waitt talks.

An associate and former boss of Waitt's at Nesbitt Burns in Toronto, Pauline Cronin, insists she is not overstating the case when she said matter-of-factly, "Tom is a one-of-a-kind in this business. I can't think of anyone else who has carved out a niche like Tom has. It is not easy and not recommended and a truly difficult thing that he has accomplished. From essentially a private client niche, he has attracted a significant following from institutional bond portfolio managers. Therein lies his unique status."

Normal routine

One week after MTS shares started trading, Waitt was back to his normal routine of 12-hour days that start at 5:30 a.m. By 8:30 one recent Friday morning, he had already traded \$60 million in bonds.

With the help of his sales assistant/sister-in-law Cindy Rybczuk — who is like Radar O'Reilly to Waitt's Col. Potter, procuring information and finishing sentences for Waitt, sometimes even before he has asked for the information or started the sentence — Waitt trades about \$18 billion worth of bonds every year.

Not million. Billion.

Since the Winnipeg Jets left town, Waitt is probably one of very few Winnipeggers who earns more than \$1 million per year.

But in many respects, Waitt, 41, is an enigma. He's among Nesbitt Burns' busiest bond traders in the country and he does it based in Winnipeg, not in Toronto or New York or Tokyo. He touts a machiavellian management style, yet comes across as every bit a nice guy.

He trades \$1.5 billion worth of bonds per month, but manages to keep the same composure throughout the day.

"It's mind over matter," Waitt said. If he told you he meditated daily or was a yoga buff, you might think that was a good explanation for his ability to stay cool while trading securities worth millions of dollars, making money for his clients and firm and managing an office in Winnipeg with 126 employees.

But other than a slight paunch and a cup of coffee that goes untouched for at least an hour one recent morning, there is no sign of stress-related afflictions or stimulants.

A small scar on the bridge of his nose is a result of a swimming mishap, but he'll tell you he does not exercise.



Continued from B1

Waitt rated abrasive but fair

THE QUESTION is, how does a bond trader/stock broker working within the context of a private client or retail environment, as Waitt does, develop a very large institutional business out of Winnipeg?



He says it's because Bay Street in the '80s was taking two-hour lunches and he was a reliable alternative for institutions which needed trades executed during lunch. But Cronin points out that Waitt was producing a one-page bond-market-at-a-glance, with unprecedented technical analysis and distributing it unsolicited to heavyweights in the business like money manager Stephen Jarislowky. He has become a market technician whose expertise can mean millions to his clients.

Waitt's following includes managers of bond portfolios whose job it is to trade the bonds to make a profit on the volatility of the market, not on the coupon flow. To be successful, it requires a high degree of sophistication and timely information.

He has a direct line to the author of a New York bond-market publication with whom he talks every day.

Customers for life

Grant McIntosh, a long-time associate of Waitt's, is now in charge of trading London Life's bond portfolio. He has been a client of Waitt's representing three different institutions for close to 20 years. He said, "At London Life, we talk about having customers for life. Tom shares that view. He stays with his customers. He also definitely contributes to my value-added."

In McIntosh's case, that can mean millions of dollars in a matter of hours. He manages the total income bond portfolio for London Life, trading between \$7 billion and \$8 billion worth of bonds per year. Waitt handles anywhere from half to three-quarters of that work.

Some people use words like "domineering," "abrasive," and "firm but fair" to describe his personality. He believes he's able to continue the work pace he maintains because of his ability to control his environment.

"It's almost machiavellian, but I try to get people to do what I want them to do, without them feeling like they're being manipulated," he said.

George Shchudlo, a long-time University of Winnipeg friend of Waitt's and an associate in the securities business, now works for the Toronto brokerage firm Moss & Lawson Co. Ltd. "He's a very driven, very focused, very ambitious guy," he says of Waitt.

Waitt does not disagree. He expects some of that may have been engendered after a year and a half as a student at St. John's Cathedral Boy's School, the notorious Selkirk school that closed in 1990.

BORN IN Winnipeg, Waitt's family, including three siblings, moved to Ottawa when his father, who was an Air Force wing commander, was transferred there. They moved back to Winnipeg and, when he was 11, Tom stole a car.

As a means to get the kid "under control," he was sent to St. John's. Since shut down because of controversy surrounding the grueling physical endurance students were forced to undergo, Waitt admits it may have something to do with his well-developed self discipline.

"They took away my childhood," he said. "You'd go on 500-mile canoe trips and be exhausted after two days and have three more weeks left."

Turning point

But he learned a lot, like how to influence people. "I volunteered to work at the canteen, because the biggest, dumbest guys could be influenced by food."

After he left, he got straight 'A's at Gordon Bell. "Looking back, I guess St. John's was a turning point for me. But I sure wouldn't put my kids through that kind of hell."

The father of four children, the oldest 13, he declares, without apology, that there is a lot of self-interest in his volunteer efforts to apply life-support to the Winnipeg Stock Exchange, the smallest exchange in North America, if not the world.

"I want to retire by the time I'm 52, invest in some small, profitable companies and I want there to be a facility like the Winnipeg Stock Exchange so that companies can be packaged up, listed and traded and have people recognize that a company is good and has value," he said.

Those who have known him, say this is like Tom Waitt. To have a specific goal and by sheer force of will go out and accomplish it.