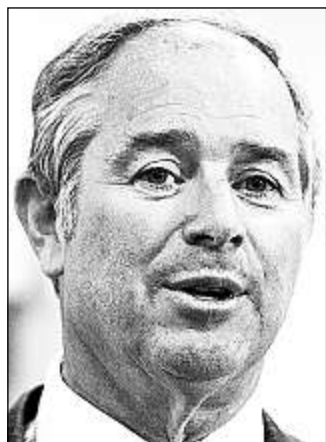


INSIDE BUSINESS

COMMENTARY • PEOPLE
BUSINESS NEWS IN BRIEF

NEWSMAKERS



Stephen Schwarzman

Blackstone chief may reap \$450M from IPO

The chief executive of the **Blackstone Group** private equity firm, **Stephen Schwarzman**, stands to receive \$450 million US to toast a stock market listing of the firm, company documents revealed Monday.

In a regulatory filing with the Securities and Exchange Commission, Blackstone — which hopes to launch its IPO within weeks — said Schwarzman will be awarded at least \$449.5 million US as part of the public offering.

Blackstone's other co-founder, **Peter Peterson**, will pocket a paper gain of \$1.88 billion US, the filing showed.

The filing marks one of the first times Blackstone has had to reveal public details over the purse being paid to its two co-founders, although both men are already immensely wealthy.

The IPO marks the initial step into the world of publicly traded and regulated stocks for a firm that has closely guarded its secrecy, yet been a prime player in a flurry of big private-equity deals.

Blackstone's foray into the stock market is unusual for private equity groups, which traditionally prefer to keep their financial and strategic information confidential.

The hundreds of millions of dollars both Schwarzman, 60, and Peterson, 80, stand to receive are not annual salaries, but reflect payments they will be awarded in return for some of their ownership stakes in the firm.

Schwarzman's annual salary following the IPO will be set at \$350,000 US, after the almost \$400 million US he received last year, the filing stated.

He will own about 23 per cent of Blackstone after its public offering. The company has a target IPO price of between \$29 and \$31 US per share, meaning Schwarzman's stake would be worth up to \$7.7 billion.

Blackstone intends to offer 133.3 million shares on the New York Stock Exchange to prospective investors in an initial public offering that could raise \$3.86 billion to \$4.13 billion US.

The shares it plans to float would represent 12.3 per cent of the firm's capital. An additional 20 million shares will be floated if demand warrants. Private equity firms typically buy troubled businesses, restructure them and sell them for a handsome profit.

AGENCE FRANCE-PRESSE



Jack Nicklaus

New York investor joins Nicklaus design firm

Golf legend **Jack Nicklaus** will sell a minority stake in his company for \$145 million US to New York investor **Howard Milstein** to bring more real estate expertise to Nicklaus's golf-course design business.

Nicklaus Cos. LLC plans to expand sales of golf-course design, golf apparel and equipment, and the licensing of Nicklaus's name, Milstein said in an interview. Nicklaus will remain chief executive and chairman and his family will keep control of the company while Milstein will become a director.

"We're like-minded family firms," said Milstein, who is investing through the closely held **New York Private Bank & Trust Corp.**, which caters to high-worth individuals. "As a family business, we don't have exit time frames. Jack wanted to plan for the future of the company. This way he can keep the business in his family. He wants the brand to outlive him."

Nicklaus Cos., based in North Palm Beach, Fla., with 140 golf courses under construction, wants to use Milstein's real estate experience to take advantage of opportunities to develop the land surrounding the golf courses it designs, especially overseas, said Milstein.

The Wall Street Journal first reported the investment in Monday's editions.

The company has designed 315 courses in 30 countries and 38 states, Nicklaus spokesman **Scott Tolley** said in an e-mail. Of those, Nicklaus has been involved in the design of 258, Tolley said.

The fee for designing a course ranges from \$2 million to \$5 million US, and Nicklaus's company designs more courses than its five biggest competitors combined, according to Milstein.

Nicklaus and Milstein said they hope to more than double the company's revenue, which is now in the hundreds of millions of dollars, Milstein said.

Nicklaus, 67, won a record 18 major golf championships in his 25-year professional career, before retiring in 1986.

Milstein, a former co-owner of the National Hockey League's New York Islanders, is the 56-year-old scion of a family of New York City real estate investors. He is chief executive of the closely held **Emigrant Bank**, based in New York.

Nicklaus and Milstein golfed together with their sons in February at Nicklaus's Bear's Club in Jupiter, Fla.

BLOOMBERG

AROUND TOWN

Stylish condo to grace Beltline



DAVID PARKER

The numbers of cranes south of the railway tracks say there's lots of construction underway in the Beltline, but not all of the development is in the Victoria Park area as Connaught is also gearing up for a number of condominium towers to be built in the west end of the city.

Latest to be announced is **Astoria on 10th** on a prime piece of land just a short block walk under the CPR tracks on 8th Street S.W. to the downtown core.

It is one of four projects expected to break ground this year for Arcus Developments. It is developing a prestigious residential community called **Jumping Pound Ridge** in Cochrane; **Copperview**, a condo high-rise adjacent to Grant MacEwan College in Edmonton; and 400 villas on the island of Ambergris Caye in Belize that was featured in last Saturday's **Recreation & Investment Properties** section.

Gerry Mendyk and **Johannes van Leenen**, directors of Arcus, purchased the 36,000 square feet of land between the West Canadian building and 9th Street along 82.5 metres of frontage on the south side of 10th Avenue S.W. two years ago. On June 28, they will launch the marketing of a 34-storey tower with main floor retail, two levels of office space and 31 storeys of residential units.

Designed by **Kirkor Architects & Planners** of Toronto along with Calgary's **Tarjan Group**, **Astoria on 10th** will provide 229 suites from 600 to 1,100 square feet. **Jerilyn Wright & Associates** provided the interior design — her work is on display in the show suites at 999 8th St. S.W. — and construc-



Courtesy, Kirkor Architects

Astoria on 10th, a new condo tower slated for Connaught, is expected to break ground this year for Arcus Developments.

tion has been awarded to Ledcor.

It is located between **Safe-way** and **Co-op** grocery stores but, with the amount of new condos planned for the area, I would think another food store of some kind would be a welcome retailer, and a fine-dining restaurant would also be a good tenant on the ground floor. On the east end of the tower above the office levels, the design shows a 2,000-square-foot resident's fitness centre and a large amenity centre that open out onto a huge outdoor terrace area facing into the downtown skyline.

The first level of the five levels of underground parking will be restricted to retail/commercial tenants and visitors; residents will enter through a separate gate access system.

A stylish condominium tower of this size will do much to enhance the Connaught community, helping the area to become a thriving, pedestrian-friendly district complementing the planned Calgary Board of Education development of the former Dr. Carl Safran school site on 8th Street and 12th Avenue and other proposed residences to be built along 10th and 11th Avenues.

Many of us who have lived in this city for a while have very fond memories of the late **Leo Sheftel**. Affectionately known

as Mr. Hospitality by those who knew him, he was owner of a number of hotels including the former **Highlander Hotel** across from North Hill Shopping Centre on 16th Avenue N.W. and continued to visit with customers in the restaurant of his **Carriage House Inn** on Macleod Trail until shortly before he passed away two years ago.

His strong leadership in the Calgary hotel industry has been recognized by the Tourism Industry Association of Canada that has inducted him into the Canadian Tourism Hall of Fame. It cited him as achieving a strong and enviable reputation among his colleagues earned through hard work, honesty and service to customers, the industry and the community at large.

Stan Cowley, owner of **Rafter Six Ranch** at Exshaw and longtime leader and innovator in Alberta's tourism industry who was the first to bring white water rafting on the Kananaskis and arranged the first Cattle Penning program in Canada, will also be inducted into the Canadian Tourism Hall of Fame at a ceremony to be held in Ottawa on Sept. 7.

DAVID PARKER APPEARS TUESDAY, THURSDAY AND FRIDAY. HE CAN BE REACHED AT 830-4622 OR E-MAIL INFO@DAVIDPARKER.CA.

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Sir Winston Churchill

APPLE OPENS WINDOWS TO WEB

Apple CEO Steve Jobs talks about the Apple Safari for Windows, right logo, and Safari for Mac, left logo, Monday at the Apple World Wide Developers Conference in San Francisco. Jobs said his company had created a version of Safari, its No. 3-ranked web browser, for Windows users, aiming to gain share in the market for browsers.



Paul Sakuma, Associated Press



THE CALGARY 55

Calgary-based companies trading on the TSX

Oil and Gas

Company	Close	Net Chg
Cdn Nat Res	69.88	-0.37
Compton Pete	12.45	+0.16
EnCana	66.78	+0.12
Fst Calgary	5.20	+0.12
Husky Energy	89.91	+0.41
Imperial Oil	49.56	+0.13
Nexen	32.15	+0.15
Niko Res	94.00	+1.08
OPTI Cda	22.70	+0.28
Paramount Res	23.60	+0.27
Petro-Canada	53.84	-0.21
Suncor Energy	93.29	+0.59
Talisman Eng	21.28	+0.11
Wstn Oil Sands	36.81	-0.19

Industrials

Company	Close	Net Chg
ATCO 11	53.56	-0.16
Agrium	40.17	+0.40
Cdn Pac Rail	75.25	+0.25
Enbridge	36.15	-0.19
Ensign Energy	21.20	+0.39
Forzani Grp A	23.50	+0.06
Pason Systems	16.65	-0.03
ShawCommB NV	45.42	+0.28
TransAlta	26.99	-0.15
TransCanada	36.92	-0.25
Trican Well	23.31	-0.54
WestJet Air	15.85	-0.07

Trusts

Company	Close	Net Chg
ARC Eng Tr un	21.99	+0.01
AltaGasIncm	26.20	+0.28
Baytex Eng un	21.06	+0.23
Big Rock un	18.40	+0.05
Boardwalk REIT	45.95	+0.96
Bonavista Enrg	30.62	-0.48
CCS Incm Tr un	37.23	+0.23
Cdn Oil Sands	30.11	-0.44
Canetic Res un	17.07	+0.25
Enerplus Res un	51.49	+0.79
Fording Cdn un	30.77	+0.49
Ft Chicago LP	10.36	-0.23
Inter Pplns	9.37	+0.06
Mullen Grp Incm	21.90	+0.18
Newalta Incm un	24.24	-0.16
Pembina Ppln	15.76	-0.13
PengrowthEnun	20.05	+0.14
Penn West un	37.09	+0.05
Peyto Enrg un	20.01	+0.07
Precision Dring	27.29	+0.24
PrimeWest En	22.72	+0.06
Provident un	12.68	+0.08
SuperiorPlus un	14.95	-0.15
Vermilion un	35.00	-0.30

POSITIONS IN THE CALGARY 55 ARE DETERMINED PRIMARILY BY MARKET CAPITALIZATION. THE LISTINGS ARE REVIEWED ANNUALLY AND CATEGORIES ARE SUBJECT TO CHANGE.

Critical Numbers

Markets

▲ TSX Composite	34.32	13832.82
▲ Dow Jones	0.57	13424.96
▼ Nasdaq	1.39	2572.15
▲ TSX Venture	3.14	3193.69

Currency

▼ Cdn dollar	0.03	94.29 US
▲ New York Gold	8.80	654.30 US

Energy

▲ West Texas	1.21	65.97 US
▼ NYMEX gas	0.055	7608 US