

Corporate Cupid: Pipeline to cash. A Boston lawyer matches Canadian companies with investors

Montreal Gazette
Friday, March 31, 2006
Page: B1 / BREAK
Section: Business
Byline: MIKE KING
Source: The Gazette
Idnumber: 200603310092
Edition: Final
Story Type: Business
Length: 537 words
Keywords: GOLD

Boston lawyer Leonard Gold is a corporate cupid who receives occasional assistance from angel investors.

Gold plays matchmaker by providing cross-border help to Canadian companies seeking to develop operations in the United States and to American firms wishing to establish a presence in Canada.

"We're seeing more and more interest from venture capitalists to invest in Canada as a new market," Gold said, speaking at his Burns & Levinson LLP law office in Boston where he is a partner.

"There is little knowledge about opportunities in Canada, so we try to educate them," he said. "You're not the 51st state, so they need advisers to help them."

Gold, who also works with trade organizations in both countries to facilitate trade missions, moderated a meeting in Boston yesterday between a delegation of seven information-technology and health-services companies from the Quebec City/Chaudiere-

Appalaches economic regions and U.S. venture capitalists.

On Wednesday, he chaired the Massachusetts Continuing Legal Education seminar *Doing Business in Canada* that featured lawyers, investors and business executives from both sides of the border.

His biggest success, however, has been the "pipeline event" he introduced in June 2002 - nine months after opening a satellite office in Montreal, Burns & Levinson Canada Co.

The pipeline is a one-on-one meeting Gold arranges between a company and potential investors. A pipeline was responsible for saving a Montreal telecommunications company from the brink and contributing to its expansion.

"Simpler Networks Inc. was close to closing when they came to Boston and I set them up with consultants," Gold recalled of his intervention that began in 2003.

"They raised \$10 million U.S. within a year."

Mike Perrault, co-founder and president of Simpler, calls his experience with the pipeline "a beautiful case of a success story that always impresses investors and partners."

In a phone interview yesterday from Paris, where Perrault had a business meeting with France Telecom, he said Gold called him to participate in a pipeline after Simpler was recommended by a local investor Perrault knows.

"I was invited to Boston and met with a couple of investors and a consulting firm that provided a lot of help, not only directing me toward the right clients, but also packaging our sales pitch and big plan," Perrault said.

"Then I met with some angel investors and they gave me enough time to find other investors."

(Angel investors are usually speculators with deep pockets and a taste for getting aboard the potential next big thing on the ground floor.)

"We were looking to raise \$10 million U.S., and in six months we got \$15 million," he added. "One year later, in April 2005, five investors (two from Boston, two from Montreal and the other from Ottawa) re-invested another \$25 million."

Perrault said Burns & Levinson has since become Simpler's legal counsel in the U.S.

"That's our compensation," Gold explained. "We want to be the U.S. legal counsel (for Canadian companies)."

The pipelines "have absolutely paid off because they are a great marketing tool," he said. Gold held three pipelines in 2005 and four are planned for this year.

The main pipeline is between Quebec and Massachusetts, but Gold noted he has also helped businesses in Nova Scotia, Toronto and British Columbia.

mking@thegazette.canwest.com