

A promotional banner for Rogers' digital TV and internet bundle. On the left, it says "WELCOME TO THE FUTURE OF TV." in large white letters. In the center, there are images of a television and a laptop. On the right, a white box contains the text "THE DIGITAL TV & HI-SPEED INTERNET BUNDLE FROM ROGERS for \$85 a month for 6 months*". To the right of this box is a "SWITCH NOW >" button. The Rogers logo is in the bottom right corner. Small text at the bottom left of the banner reads "Rogers.com" and "Conditions and other charges apply". At the bottom right, it says "Ads by Google".

Rogers.com

Conditions and other charges apply

Ads by Google

THE GLOBE AND MAIL

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CIBC Mellon puts transfer business on block

By Boyd Erman
Globe and Mail Update

CIBC and partner BNY Mellon plan focus on bigger custodial work; Computershare may be leading bidder

CIBC Mellon has put its transfer agent business on the block and rival Computershare Inc. is viewed as the leading bidder.

CIBC chief executive officer Gerry McCaughey is very fond of the CIBC Mellon business, a 50-50 joint venture between Canadian Imperial Bank of Commerce and BNY Mellon, viewing it as a low risk profit generator.

However, CIBC Mellon wants to focus on its main business of custodial services, and as a result is looking for a buyer for the transfer agent side, said two people familiar with the sale process.

Computershare, the biggest company in the Canadian transfer agent business, is likely to be able to pay more than anyone else because it will have the most synergies. The flipside of that, sources said, is Computershare may have competition issues because combining the No. 1 and No. 2 players would lead to a concentration of market share.

Whatever the price for the business, which is estimated to have about \$60-million in annual revenue, it will be immaterial to CIBC, sources said.

David Bauer, a spokesman for CIBC Mellon, declined to comment on the possible sale of the transfer agent business, citing a company policy of not addressing what he called "speculation."

Transfer agents are crucial to publicly traded companies. They keep track of investors for companies and facilitate transfers of securities, they count the votes at shareholder meetings, they make sure annual reports get mailed and oversee dividend plans.

It's the furthest thing from glamorous, but it needs doing and issuers count on transfer agents to do it.

However, CIBC Mellon's view, sources said, is that the business is too small. CIBC Mellon already sold its corporate trust business, which helps debt issuers with similar tasks, as part of its narrowing of focus.

The custodial side of the business is much bigger, estimated at about \$250-million of annual revenue. Through it, CIBC helps pension funds, mutual funds, insurance companies and others on the buy-side with services such as cash management, trade settlement, record keeping and securities lending.

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