

## COMMENT

## Ethnic TV jumps to the fore with IPO



**BARRY CRITCHLEY**  
*Off The Record*

Scott Paterson is set to return to the capital markets — but this time around he won't be managing a securities firm.

Instead, he will be running a soon-to-be-public company, **JumpTV Inc.** That firm, which describes itself as "the world's leading subscription-based broadcaster of ethnic television over the Internet as measured by the number of channels," filed a prospectus this week for an initial public offering.

The company, which has been around since May, 2000, has a straightforward business: It signs up ethnic television stations and broadcasts them over the Internet to subscribers, who typically pay on a monthly basis. The company has deals with more than 190 stations — all of which are generally on an exclusive basis — from 60 countries. It has more than 14,000 customers in 80 countries.

"It was only a matter of time before he made his mark again and I am not surprised that he has developed what seems to be a sound business situation. As before, he will be a factor," said a former colleague.

"His enthusiasm will be a big contributor to both the deal and to the company's success," added the former colleague, noting the issue "should appeal to investors looking for exciting concepts."

Plans call for the shares to be listed on both the Toronto Stock Exchange and London's Alternative Investment Market (AIM). Morgan Stanley and Canaccord Adams are handling the deal. Morgan Stanley needs no introduction while Canaccord Adams is generally regarded as the Canadian market leader in AIM listings. Stikeman Elliott, a firm that has made a specialty of listing Canadian issuers on AIM, is acting for the issuer.

JumpTV's offering is coming to market a short time after Evertz Technologies Ltd., a provider of hardware for the Internet-TV industry, raised \$67-million via an initial public offering.

Paterson, who left his slot as chief executive of Yorkton Securities in December, 2001, has been chief executive at JumpTV since May, 2005. (Before becoming CEO, he had been chairman since early 2002.) He is the issuer's largest shareholder, with a

stake of more than 20%. He could not be reached for comment yesterday.

Paterson, who along with his partners helped turn Yorkton into the market leader for the so-called knowledge-based industries, has been busy in the time he has been running the show.

Here are some highlights:

■ He has substantially boosted the number of channels in the company's stable. It has licence agreements with more than 190 channels in more than 60 countries. One year ago, on June 30, 2005, the company had 23 channels.

The channels come from all over the world: 84 are from Latin America and the Caribbean (Colombia with 15 leads the region); 44 are from Europe (Turkey is the largest with six stations); 36 are from the Middle East and North Africa (there are 13 Pan Arab stations); 24 are from Asia (Thailand has most, with six); and 10 are from Africa (Uganda, Nigeria and Kenya each have two stations).

But it is not done yet. "JumpTV's objective is to significantly grow the number of channels offered by the company in the second half of 2006 and in 2007," the prospectus said.

The number of stations under contract can be compared with numbers at some of the main cable or satellite providers. For instance, Dish Network has signed up 140 ethnic channels while Direct TV has 70. Rogers Cable has 44 such stations in Toronto.

Along with the growth in channels, there has been an increase in the company's employees. At the end of March, JumpTV was home to 104 employees or contractors, up from three one year earlier.

■ Paterson has recruited some prominent names from the world of entertainment and media to either the board (or nominees) or to the advisory board.

For instance, Mark Amin — vice-chairman of Lions Gate, former chief executive of Trimark Pictures and chairman of Sobini Films — is a director, as is Curt Mavis, the founder of CinemaNow Inc., a provider of feature films and video-on-demand through the Internet. Other notables include James McNamara, the chairman of Panamax Films and former chief executive of Telemundo Communications, the second-largest Spanish network in the United States; Moses Znaimer, a co-founder and former president at Citytv in Toronto, and Alex Blum, JumpTV's president and former executive with AOL.

Gary Slight, chief executive of Toronto-based Standard Broadcasting; John Feltheimer, chief executive of Lions Gate (where Paterson is head of the audit committee) and Seymour Stein, chairman of Sire Records and president of the Rock and Roll Hall of Fame, are on the advisory board.

"You get the impression Scott has called on all the relationships he has made in the past 20 years to get a blue-ribbon board," noted one market participant.

■ He has ensured the company is well-capitalized.

Almost \$8-million was raised in the seven months ended Dec. 31, 2005, either by private placement or the exercise of options. So far this year, more than \$8.6-million has been garnered. At March 31, the company had more than \$10-million in the bank.

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