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Former Bauer exec asks Canadian government to intervene in bankruptcy

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Graeme Rouston, David Cooper/Toronto Star/Getty Images

Former Bauer hockey chairman Graeme Rouston has asked the Canadian federal government to intervene in the insolvency of Performance Sports Group Ltd., Bauer's parent company, saying the move could lead to an increase in the cost of hockey gear.

Exeter, N.H.-based PSG filed for protection from its creditors on Monday morning, battered by ballooning debt and hurt by the bankruptcy of retail chain The Sports Authority, one of PSG's biggest customers.

PSG included in its bankruptcy filings details of a plan proposed by a private investment firm called Sagard Capital Partners to buy PSG out of debt. Sagard, which owns about \$18 million worth of PSG shares, is jointly owned by Montreal-based Power Corp. and Toronto-based Fairfax Financial Holdings Ltd., which often buys distressed companies.

Power Corp. also owns a \$3.4 billion stake in Adidas through its investment in Groupe Bruxelles Lambert (GBL), Adidas' biggest shareholder. Adidas owns CCM, Bauer's chief rival in the hockey equipment market.

"Power Corp.'s tentacles to Bauer and CCM will effectively give them at least 90 per cent control of the hockey equipment industry," Roustan told TSN. "If that's allowed to happen, the price of hockey gear is going to increase."

Roustan said his lawyers have already contacted the offices of the Competition Bureau, Prime Minister Justin Trudeau and Ontario Premier Kathleen Wynne and that letters asking them to intervene will follow later this week.

PSG spokesman Steven Jones declined to comment. A spokeswoman for Power Corp. did not return a phone message seeking comment.

Roustan led a group that bought Bauer hockey from Nike for \$200 million in 2008. He left the company in 2012 to pursue an opportunity to try to build a second NHL-calibre arena in the Toronto area.

Roustan told Reuters in August that he had hired two investment banks to help research a possible bid for PSG.