



Sagard Should Scrap Performance Sports Bid, Former Chairman Says

By Scott Deveau | 2016-11-14

(Bloomberg) -- The former chairman of Performance Sports Group Ltd. says Sagard Capital Partners should end its bid for the bankrupt hockey equipment maker, alleging it had unfair access to the company's information while it had a seat on its board.

"Sagard Capital should withdraw their bid to ensure that a fair and neutral process takes place to allow the court to select the best solution for stakeholders including consumers," Graeme Roustan said in a statement Monday. Exeter, New Hampshire-based Performance Sports filed for creditor protection in the U.S. and Canada last month. The maker of Bauer and Easton sports equipment went into Chapter 11 with a deal to have Sagard, its largest shareholder, and Toronto-based insurer Fairfax Financial Holdings Ltd. make a binding opening offer of \$575 million for the company at a court-supervised auction.

Roustan said a representative of Sagard had a seat on Performance Sports' board in 2016 because it was its largest shareholder with a 17 percent stake. "With their seat on the board, they had access to non-public information and had the ability to cast votes on the future direction of the company which may have included actions contributing to the filing of their bankruptcy," he said. He also said he was concerned that Sagard is a unit of Montreal-based Power Corp. of Canada, which, through another joint venture, Groupe Bruxelles Lambert SA, is the largest holder in Adidas AG, the owner of Bauer's main competitor CCM, and has a seat on its board.

"CCM and Bauer combined have approximately 99 percent of the hockey skate business in Canada and the U.S. Consumers, retailers, players, leagues and the future of the game of hockey are not served well when any one group has tentacles into both Bauer and CCM," he said.

Roustan, chairman and chief executive officer of Roustan Capital, is evaluating a bid of his own for the company, people familiar with the matter said in October.

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