

# The chase for leftover fortunes

*Diane Francis*

Two years ago Terence Howes struck pay dirt in a warehouse and in the dusty archives of a trust company. The warehouse contained a box filled with a cool \$2 million's worth of unclaimed stock certificates in a mining company whose assets had passed over to another company. Shares worth another \$1.25 million were in a file in the trust company archives. Howes, 58, found them because he is in the business of hunting down valuable unclaimed assets and then tracking the rightful owners or their heirs. And in return for alerting the heirs to their previously unknown fortunes, he gets a contract guaranteeing him a finder's fee—ranging from 10 to 20 percent. For the two mining company finds, he eventually collected a total of more than \$700,000.

Howes's firm has the ungainly but descriptive name Locator of the Missing Heirs Inc., and is operated mostly out of his Etobicoke, Ont., home. It is run by Howes, his wife, Marion, and son Timothy. Operating like detectives, they dig leads out of dusty corporate records in archives or out of yellowed newspaper clippings. At any given time they are hunting down the location of hundreds of untold fortunes and the heirs to those assets. In such a resource-rich country as Canada, where fortunes are trapped in rocks or underground mineral veins and where good records have been kept since Confederation, "paper prospectors" such as the Howeses' sometimes outperform their counterparts in the mining industry. And the story of the Howeses' recent discovery—undoubtedly one of the biggest "paper" finds in Canada—is also interesting because it provides a fascinating glimpse into how fortunes are made—and sometimes mislaid—in Canada's mining business.

In this case, Terry Howes decided to look at the claims of the Bousquet gold mine near Val D'Or, Que., one of the richest gold mines in the province and now run by Lac Minerals Ltd., a large and successful mining company listed on the Toronto Stock Exchange. Howes will not divulge his methods, nor how he came across the whopper in 1985. But it might have begun with a routine title search prompted by Lac's announcement at the time that the successful Bousquet mine was being enlarged—as well as by Howe's own knowledge of the mine's cloudy and confusing past.

He began to piece together the mine's history. "I know prospectors are either paid by mining companies for their claims in royalties or in shares," he told *Maclean's*. "I knew about the Bousquet mine and needed to find out who the prospector was and how he was paid." He discovered that the prospector had been a reclusive Mr. Vaillancourt—first name unknown – who lived in northern Quebec. Howe's hunch proved accurate sure enough, he discovered that in 1936 Vaillancourt had sold his claims to a small Montreal mining company called Thompson Bousquet Gold Mines Ltd. for about 28,000 of its shares. "But he must have thought so little of the prospects that he never bothered to pick up these shares, and they remained in a file in the archives of a trust company [the transfer agent] until 1985," Howes said.

As recently as 1974, Thompson shares were worth almost nothing, trading for as little as five cents apiece. But the company retained the Bousquet claims by paying fees to the Crown—on whose land the claim lay. By 1974 Lac Minerals executives, thinking that the Bousquet site had potential, began buying up Thompson shares on behalf of the company. By 1977, Lac had acquired the controlling interest—about 61 percent of the stock—more than 1.4 million shares.

Unknown to anyone, Vaillancourt's shares were gathering dust in the trust company archives. And as Howes subsequently discovered, more than 30,000 other missing Thompson shares had belonged to a small mining company, now defunct, called Canabec Exploration Company. In 1938, Canabec had paid 10 cents each for the Thompson shares. Canabec was in turn controlled by a Montreal investment trust company called Canadian International Investment Trust. The company, now called CIIT Inc., is listed on the Montreal Exchange and its chairman is Jacques Courtois, a prominent Montreal lawyer. CIIT had bought its Canabec shares in 1939 as a long-term investment, but in a corporate shuffle in 1980 Canabec ceased to exist, giving up its corporate charter and transferring its assets to CIIT. These assets included the Thompson shares, which were hidden among other Canabec documents that were placed in a storage warehouse.

In that same year, Lac decided to bid for the rest of the outstanding Thompson shares with a public offer of 1.25 Lac shares for each Thompson share. That offer remained valid over the years. By 1985, Lac shares were trading for

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\$36 each making each Thompson share worth \$45—an incredible increase compared with the 1974 price of a nickel apiece. But by 1985, Howes had discovered the existence of the missing Vaillancourt and Canabec shares. He tracked down Vaillancourt’s three remaining heirs – two nieces living in Peterborough, Ont., and a nephew residing in the Brantford, Ont., area—and contacted their lawyers. The lawyers in turn contacted the trust company, where the shares were found in an archive file. Said Howes: “That is what I do. I find the finder of his heirs and tell them, ‘Here’s your money,’ because I’m a generous sort of guy.” In return for discovering the windfall, Howes collected 25 percent—more than \$300,000 of the \$1.25 million in proceeds that Vaillancourt’s heirs received.

Next, Howes met CIIT chairman Courtois in Montreal. But Howes and Courtois, a senior partner at the giant law firm Stikeman, Elliot and a director of The Canada Life Assurance Co., Norcen Energy Resources Ltd. and The

Bank of Nova Scotia, among others, disagreed over terms. As a result, Howes took the matter to court, claiming that Courtois had refused to pay him anything and suing for half of the Canabec find. For his part, Courtois said: “All along we said we’d give him something. It was a matter of the amount.” Last June—with the Thompson stocks worth about \$2 million because of increases in the Lac share price—the two sides settled out of court with Howes agreeing to accept \$400,000.

With their biggest find to date behind them, the Howeses continue to dig for their particular kind of buried treasure. Always optimistic, Terry Howes says that they are working on several potentially bigger finds. Still, the Thompson discovery remains a particular triumph. Said Howes: “That was a good one—no question about it. We did alright.”

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