

# IPO sets Sterling Shoes on new corporate path

Going public a costly but worthwhile experience, says company CEO

BY ANDREW PETROZZI

Going public is expensive, but it's a corporate step that **Sterling Shoes Income Fund** (TSX: SSI.UN) CEO **Jeremy Horwitz** would repeat without a second thought.

"I'm really very excited about the opportunities now that we're public company," said Horwitz in an interview. "It's like a different environment for myself personally."

Sterling Shoes emerged as a public entity last July when it completed its initial public offering of 5,313,488 \$10 income trust units for gross proceeds of \$53.1 million. The fund also granted underwriters an over-allotment option to buy an additional 332,093 units at \$10 per unit for up to 30 days after closing.

The underwriting syndicate was led by TD Securities Inc. and included BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., Canaccord Capital Corp. and HSBC Securities (Canada) Inc.

Net proceeds of the offering were used to acquire an indirect 80 per cent interest in the business operated by the privately held Sterling

Shoes Inc.

Despite the company's shift from private to public, Horwitz says it has been business as usual.

"It hasn't played any role in the overall strategy of the company, other than our information is public," he said. "I'm focused on running a shoe company, not running a company that is going to [move with] every whim that is happening in the public market. My feeling is that we run a shoe company. We run it successfully; the unit price will look after itself."

Taking Sterling public was an education for Horwitz.

"I left the initial drafts of the prospectus to the professionals involved without them really understanding the business," he said. "Professionally, I realized that one has to really be able to translate and deal with the professionals who are involved,... but it took me time to realize that before you start writing, you first have to understand what you're writing about."

While bringing the deal together, he enjoyed talking up the company publicly and speaking with people who had done their homework on

how Sterling actually worked.

"I had questions being asked by those looking at [the business] through different eyes," said Horwitz. "That was very interesting to me."

But there was also a lot of uncertainty, he said.

"You start the process and you never know if you're going to be successful until right towards the end. And a fair amount of dollars are spent prior to knowing whether you're successful."

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