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## SVN Editorial

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### General News

# GTA firms finding big bucks on Canada's junior exchange

The few Toronto technology companies that trade on the Canadian Venture Exchange (CDNX) are reaping great financial rewards while at the same time warming up before they compete with the major contenders on the Toronto Stock Exchange and the NASDAQ.

Don Gordon, director of business development for the CDNX, in Vancouver, estimates that more than 2,400 companies overall are trading on the exchange since it first opened for business on Nov. 29, 1999. From this total figure, about 280 or 15% of the companies are technology-based, ranging from high tech to biotech. And from this sub index, less than 25 tech companies are from Toronto.

William Hess, president and CEO of CDNX, believes that the number of Toronto tech companies joining the exchange will increase because it is "a place to make venture capital happen." Hess says the amount of capital in the exchange gives Toronto tech companies the opportunity to grow and graduate to the senior North American exchanges.

The CDNX currently has two regional offices, operating out of Vancouver and Calgary. Plans are underway, however, to establish two more offices, one in Toronto and another in Winnipeg, and once approved by the Canadian Securities Commission, Hess expects hundreds of tech companies based in Toronto and area will list.

While Hess forecasts that the CDNX will be the stomping grounds for many Toronto technology companies, Scott Paterson, chair and CEO of Yorkton Securities, believes "Ontario is very under represented on the CDNX" because it is still very much a "Western exchange."

Hess and Paterson both agree that what Toronto high tech companies have to look forward to, when they join the CDNX, is the eventual venture capital benefits that kick in from interested companies looking to invest in new up-and-comers.

One of Paterson's personal favourite tech stock picks is the Yorkton-backed EcomPark Inc. In January 1999, the Internet merchant bank was worth a million dollars. With its increased exposure on the CDNX, where it is one of the biggest volume traders, EcomPark has now reached a market cap of \$600 million.

Another Toronto high tech company benefiting from the CDNX is EZENET Corp. Kasra Meshkin, co-founder and president, says that since the software firm joined the CDNX the experience has been unbelievable. EZENET joined the Alberta Stock Exchange (ASE) on May 7, 1998, but since that time, the ASE merged with the Vancouver Stock Exchange to form the CDNX. Since joining the CDNX, "volume has gone up and more companies noticed us," says Meshkin. With increased exposure and money in the bank from its CDNX exposure, EZENET plans to apply to the TSE for permission to list.

Ideally, Meshkin would like to list on both the TSE and the CDNX. "While we know the attractiveness on the CDNX is much higher, institutional investors may see it otherwise."

**HELEN SIANOS**

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