



# Sharing his wealth

Though born to one of Nova Scotia's richest and most powerful families, Fred Fountain has dedicated his life to the greater good. Halifax's premiere investor-philanthropist shares his perspective on life, learning, wealth and charity.

Story by Stephen Kimber • Photo by Mike Tompkins

**I**t was Saturday, August 22, 2009. For Frederick Sheldon Fountain, it should have been the best of days.

Ten days earlier, on August 12, he had officially announced plans to take Great Eastern Corporation — the family-controlled but publicly-traded investment company founded in 1941 by his legendary grandfather, Nova Scotia businessman Frederick C. Manning — private. Over the years, Great Eastern had become an under-the-radar success, thanks in no small measure to the stewardship of Fountain himself and of his late father, Sheldon, who'd taken Manning's "still substantial but diminished" investment asset when he died in 1959 and "made it grow phenomenally." The soon-to-become-family-only private company's most recent annual report boasted profits of \$17.7 million on total assets of \$582 million.

But Fred Fountain hadn't just done well for himself. He'd done much good for others too.

The day before, on August 21, the Canadian Red Cross Nova Scotia division had formally named him its 2009 Humanitarian of the Year. Over the years, Fountain's philanthropy had helped cultural organizations as disparate as the IWK Health Care Centre, the National Gallery of Canada and the Scotia Festival of Music. But Fountain did more than just sign the cheques. From the day in his late twenties when the Canadian Cancer Society first approached him to head up its annual fundraising campaign — "we raised a record amount for that time," he recalls proudly — Fountain has been one of the key go-to guys that universities, hospitals and cultural groups all go to in order to convince other wealthy Atlantic Canadians to give more generously than they had perhaps intended. His most recent fundraising triumph had come two years before as chair of Working Miracles, a capital campaign to support Halifax's QEII Health Sciences Centre. Its ambitious initial goal had been \$42.5 million. By the time the last pennies were counted, the campaign raised over \$44 million.

"Just about every day of the week," explained Red Cross regional director general John Byrne in a statement accompanying the announcement of Fountain's latest award (he'd also been named Philanthropist of the Year

in 1999), "you will find Fred Fountain either directly supporting a charitable cause, or speaking to others and inspiring them with his expertise on ways to better raise awareness and the funds they need to carry out their good work."

Fountain's family life seemed equally blessed. "We'd always been a very close family," he says today. He and his wife Elizabeth had two children, Alex and Katharine, who were both blossoming into fine young adults. In fact, Fred and Elizabeth had just driven from their home in Halifax to Montreal to help Katharine, who was about to begin her university studies at McGill University, settle in. Alex, a popular student with good marks, was home in Halifax where he was gearing up for his fourth year at the University of King's College.

Nothing is ever quite as it seems, of course. The year before, Alex had begun to suffer from depression. No one quite knew why. But he'd come to his parents with his troubles, and they'd done their parental best to find him help. These days, Alex seemed to be coping much better. He'd just returned from a summer backpacking trip to Europe with friends, and had a part-time position as Talent Assistant with the Halifax Pop Explosion, an annual music festival. Music — hard-core, the more hard-core the better — was one of Alex's passions. He played in several bands. He'd talked about the possibility of becoming a teacher

someday.

Fred and Elizabeth Fountain had no reason to suspect — and no way of knowing — that their son was already slipping into an abyss from which he could not escape. On the evening of August 20, 2009, the day before the announcement of Fred Fountain's humanitarian award, Alex had showed up at the emergency department of the QEII Health Sciences Centre. He was feeling suicidal, he said. Doctors there checked him out, determined he was not an immediate risk to himself or others, and sent him on his way. No one at the hospital notified his parents. Because Alex was 20 years old and technically an adult, privacy concerns trumped family connections. "If only they'd contacted us then..." Fred Fountain's voice trails off.

Two nights later, Fred, Elizabeth and Katharine were in a hotel room in Montreal celebrating her future at McGill when the first call reached them. It was from Alex's grandmother. He'd been supposed to have dinner with her that night. He hadn't showed up. Soon after, the worst news: Alex was dead. A suicide. He'd jumped off the Angus L. MacDonald Bridge into Halifax Harbour.

"Within an hour," Fred Fountain says today, his voice choking slightly even five years later, "we were on our way home."

It was a tragic ending for the Fountain family. But it marked an



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# “I naively believed that business came naturally, that you didn’t need an MBA.”

important beginning too. For other families trying to cope with mental illness in a young adult child. It was a beginning Fred Fountain had spent a lifetime preparing for.

**It would be simple** – but simplistic – to pigeonhole Fred Fountain as just another grown-up child of wealth and privilege. At one level, of course, he is. By the time he was born in 1948, his grandfather, Frederick C. Manning, was one of Nova Scotia’s richest and most powerful businessmen. Manning owned a string of “service stations, automobile agencies, bus lines, trucking companies, along with wholesale automotive supplies, gasoline, oil, radio, and electrical components,” was vice president and director of the Bank of Nova Scotia and director of a half dozen other major corporations.

Manning’s son-in-law, Sheldon – Fred’s father – could not only claim to have been one of the first people to earn a then relatively-unheard-of MBA degree and land a job as head of the fledgling business faculty at Acadia University (later to become the Fred C. Manning School of Business Administration) but he also served as a director of his father-in-law’s key umbrella company, United Services Corporation.

And yet... Peel back the layers and you begin to see how recent – and hard won – the Manning-Fountain wealth actually is. Manning, the son of a humble Annapolis Valley shopkeeper, had employed guile and street smarts to launch his entrepreneurial career, opening one of Nova Scotia’s first service stations in Windsor in 1917. Fred’s father, Sheldon, had gotten his start as a 17 year old teaching grades primary to 12 at the one-room school on Deer Island, New Brunswick, where he was born. He underwrote his first university degree (a B.A. from Acadia in 1939) with savings from

his teaching job and by working his way through school shovelling coal and serving meals in the university residence.

“I come from a line of independent, self-reliant types. There was an ethos of hard work, but also an ethos where education was very important,” Fountain says today. We are sitting in his understated, mostly vacant – just Fountain and a secretary – office suite on the 21<sup>st</sup> floor of the Purdy’s Wharf office tower with its spectacular views of Halifax Harbour. Fountain, a trim, athletic-looking man with a receding, combed back shock of grey hair, is dressed business-casually this morning in a sports jacket and open-necked dress shirt. He comes across as shy and self-effacing. “Am I talking too much?” he asks at one point. “Just tell me if I am.” The view, and the valuable art on the walls, are the only clues to Fountain’s rarified place in Nova Scotia’s business firmament.

## “(The stock market) involves risk, but it’s not gambling, not if you learn to do it properly.”

“My family... well, I, particularly my mother, prefer to be understated, keep a low profile,” Fountain tells me, then laughs. “These days, you might say our name is perhaps on too many things.” The latest: Dalhousie’s planned Fountain School of Performing Arts, which is being underwritten with a \$10-million donation Fountain and his wife made in 2013. “After we agreed to make the donation,” Fountain offers sheepishly, “we were asked to let them use our name. And we agreed.”

Fred is not the family’s only investor-philanthropist, nor the only one to have his name attached to various good works. David, Fred’s younger brother, however, is far less understated.

When David and his wife Margaret returned to Halifax from seven years in Toronto in the early 1990s, they created a stir in local social circles by buying and then razing the iconic Oland “pink mansion” on Young Avenue to build what was then described as the largest house in Halifax, a 13,000-square foot mansion, complete with marble floors and staircases, an elevator, a home theatre, an art gallery, an exercise room “to die for,” and a kitchen so large and with so many islands it’s “almost an archipelago,” David joked with a journalist at the time. The rain gutters alone cost \$15,000.

They’re still turning heads in Halifax society. In 2011, David and Margaret hired legendary crooner Tony Bennett to perform an hour-long set for guests at their annual Christmas party.

When David first returned to Halifax, he and Fred worked together at Great Eastern. But in 1996, the two brothers segregated their assets “solely for personal planning reasons,” Fred says today. “He and I had then, and continue to have a very congenial and open relationship, both business and personal.” David’s bio now simply describes him as a “private investor.”

Their differences in personal style notwithstanding, the public sometimes confuses the two men, largely because both Fountains have become such significant Canadian cultural philanthropists. In the past 18 months alone, Fred and Elizabeth donated that \$10 million to Dalhousie (The Fountain School of Performing Arts), while David and Margaret – who’d already given \$1 million to Neptune Theatre (Fountain Hall) – ponied up another \$3 million in July for the Nova Scotia College of Art and Design (The Fountain Campus). Both men often donate to charities the other is known for, and both serve as key players on the boards of various health, educational and cultural organizations.



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# “Compound interest is the eighth wonder of the world.”

“It was always accepted in the family,” Fred explains, “that we should do... other stuff.” Meaning good works. One-third of their grandfather’s estate, in fact, was designated to create a charitable foundation that has since disbursed “tens of millions of dollars,” much of it to Nova Scotia universities.

Fred says he grew up in an environment steeped in both philanthropy and business. He remembers spending hours in his father’s attic home-office in Wolfville, which was filled with business books from the university and, later, files relating to Great Eastern’s investment business. Still, he admits, “I naively believed that business came naturally, that you didn’t need an MBA.” He smiles. “Over the years, I’ve discovered there is a lot to learn.”

As an undergrad at ivy league Dartmouth College in New Hampshire, Fountain majored in French rather than commerce, then dabbled in architecture before finally settling on law — albeit business law. He articulated at Stewart, MacKeen and Covert (now Stewart McKelvey) where he worked under Frank Covert, one of Canada’s leading corporate lawyers, and not coincidentally, Fred Manning’s lawyer, business advisor and fellow director at Great Eastern.

Covert, who spent his summers at his cottage in Hunt’s Point near Liverpool, instructed young Fountain to “sit in my chair” (which turned out to be the chair once used by the firm’s iconic founder, J. McGregor Stewart), read all his mail and help decide — with Bill Mingo, Covert’s understudy and another powerful corporate lawyer in his own right, and Marnie, Covert’s secretary — which of the piles of mail was important enough to be included in the two envelopes dispatched daily to Hunt’s Point for Covert’s personal attention. The experience was its own advanced business degree.

Although Fountain was offered a permanent position at the firm after he graduated, “I knew I wanted to go out on my own.” With some

fellow Dal law grads, he launched the Halifax law firm of Franklin, Mitton, Fountain and Thompson. He practised commercial and corporate law there but was increasingly drawn back to the business of Great Eastern, the family firm his father then ran. Fred had been one of its directors since 1972. In 1985, he took over as its full-time president and CEO.

“Our main focus is the stock market,” Fountain explains today. “It involves risk, but it’s not gambling, not if you learn to do it properly.” Thanks to the practical advice he absorbed at the feet of his father, grandfather and advisors like Frank Covert and Bill Mingo — “Pay attention to debt, which businesses you invest in, their long-term potential, when you buy and sell...” — Fred Fountain has clearly learned to invest wisely and well.

The key to long-term growth, he says, is to reinvest.

## “As a philanthropist, you can’t give to everything, you can’t do everything.”

“You should invest in the stock market,” he told a surprised group of eager, fresh-faced Acadia University science graduates this spring at a ceremony during which Fountain received an honorary degree. He immediately recognized their shock. “You say, ‘What? I don’t have any monies to invest, and I don’t want to take the risk, and I don’t know anything about it. I just want a job.’ I hear you,” Fountain told them. “But bear with me.” And he proceeded to lay it out for them.

“Even if a person can only scrape up \$500 a year, they should invest it,” he tells me today. “After 20 years they’ll have a nest egg. After 40 years... As Albert Einstein said” — Fountain is fond of quoting famous speakers ranging from Francis

Bacon to William Blake, “one of my favourite poets,” to Einstein himself — “compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn’t ... pays it.”

But, no matter how successful a person may become, he adds, “you shouldn’t spend it all on yourself. If I’d spent a lot on myself in my twenties, I’m sure we wouldn’t be having this conversation today.”

Learn, invest, give. That’s his mantra.

Once you’ve taken care of your own needs — learn, invest — he told the Acadia graduates, you “give. Give back. Give more than you get, give more than you take.” Giving, he explains, is a “creative act that takes time, thought, energy, empathy.”

Although Fountain gives “a large amount of money to a large number of organizations,” he says his more significant gift is often time. Running his own business means he can make time to volunteer. He takes the time to learn about an organization, its aspirations and its needs. That allows him not only to focus his giving where he thinks it will do the most good, he says, but also to

leverage his financial contributions so they are ultimately worth more than the sum of the actual dollars donated.

Take Dalhousie’s new School of Performing Arts, for example. At Dalhousie, there’s been no shortage of bricks-and-mortar benefactors for schools of management (Rowe), law (Schulich), ocean sciences (Steele) and computer science (Goldberg), but little corporate or outside support for the arts.

“Universities shouldn’t simply be job shops,” argues Fountain, who serves as the university’s chancellor and has helped raise funds for some of those other projects. “Everyone listens to music, everyone has visual experiences... Without those, life would be pretty dull.”

Dalhousie's Faculty of Arts and Social Sciences already had the idea to bring together the university's under-funded music, theatre and costume studies departments into an ambitious new school of performing arts. But how to pay for such a signature program? And, of course, for the necessary repairs and upgrades to the university's deteriorating, nearly 45-year-old performance space, the Dalhousie Arts Centre, to give the program a permanent home.

"Elizabeth and I looked at Dal and thought, how can we help?" Fountain explains. "Elizabeth and I are like this," he adds, raising a hand and squeezing his index and middle fingers together. "We work together. Everything I want to do, I run by her. I say, I think we should give to such and such, and I'll suggest an amount." He laughs. "Many times, she'll say, why not a higher amount?"

By the end of the family discussions, they'd agreed to give the university a whopping \$10 million, the largest donation ever to Dalhousie's arts and social science faculty. But the Fountain tap came with an important spigot. The Fountain donation had to be used for programming, meaning the university would have to match it by fundraising another \$10 million to fix up and expand the Arts Centre to accommodate the new school.

It isn't just about having the money to give, Fountain says; it's about being able to know what's needed and then to use your philanthropy to help influence outcomes.

It was a lesson he knew how to apply when it came time to making sure his son's suicide led to positive change.

**Alex's death**, Fountain admits, was "a huge shock... devastating." But from the beginning, the family resolved — without ever discussing the issue — to be open about Alex's mental health issues as well as the manner of his dying. Fred, his wife and daughter Katharine all spoke at his funeral, which was attended by more than 600 people, including many of Alex's friends. "We didn't discuss in advance what we should say, we

## "Give more than you get, give more than you take."

didn't collaborate," Fountain tells me. "But, independently, we had each instinctively decided to talk about his depression, his suicide."

After the funeral, Katharine encouraged her father to join Facebook where many of Alex's friends were already paying tribute and sharing stories of his son's life.

Perhaps surprisingly — perhaps not — the family's openness about Alex triggered an outpouring of emotion and sharing from Alex's friends, family friends, friends of friends, even strangers who all wanted to talk about their own mental health struggles and concerns. "There were so many cards and letters and Facebook messages," Fountain says quietly today.

The Fountains have since funded a number of initiatives to memorialize Alex, including a public lecture series at his alma mater featuring speakers chosen by students, and Stay Connected, a \$1-million, five-year "culture-shifting" program aimed at preventing young people from falling through the system's cracks as they transition from children's mental health services to the adult system. But the family's most important contribution may have been in leveraging the considerable power of their purse to promote "a change in how the families of young people are treated in the system," Fountain explains. When they spoke with officials at the QEII Health Sciences Centre about their desire to make a meaningful gift, Fred and Elizabeth inevitably also talked about their own experiences with the hospital and the privacy protocols that kept its staff from communicating with them about Alex. "The more it came up the more we made it clear we thought there needed to be changes," Fountain says today. Eventually, those changes were enshrined in policy "and we were told our representations had made the difference... I know there are particular cases where the family are the last ones who should be contacted," he adds, "but, in most cases, family should be the first people contacted." He stops, repeats

what he said earlier: "If only they'd contacted us then..."

"... As a philanthropist, you can't give to everything, you can't do everything. You have to pick where you think you can be helpful and do your best."

Nothing will bring Alex back, of course, but his death, and his family's response to it, may help another family down the road.

**Perhaps not surprisingly**, talking about Alex's suicide leads us in a roundabout way into a conversation about death — and succession.

Fred Fountain is now 66 years old. When he turned 50, he remembers, he staged a "grand party" to mark the occasion. "But when I turned 60, there was no big event. And 65... just passed. I guess I'm still trying to come to terms with what 65 means. I don't feel that old."

He isn't. His father was 92 when he died in 2006. His mother is 93 and still doing well. "She tells me 100 is the new 90."

That said, he knows there will come a time when there will have to be yet another transition if the now third-generation family investment company and charitable giving machine is to continue, and if it is to continue as a family enterprise. "My daughter graduated this spring with her Bachelor of Commerce," he tells me proudly. "She could carry on. But for now she's very interested in music in a serious way, and she wants to pursue that. And we support her in that."

For the moment, Fred Fountain is quick to note he has no plans to step away — from the business, or the business of giving. "I enjoy what I do, so I have no plans to stop." He pauses, thinks perhaps of other deaths. "None of us is ever prepared really. We aren't." •

Feedback: [dchafe@atlanticbusinessmagazine.com](mailto:dchafe@atlanticbusinessmagazine.com); [Stephen.kimber@ukings.ca](mailto:Stephen.kimber@ukings.ca); [@skimber](https://twitter.com/skimber); [@AtlanticBus](https://twitter.com/AtlanticBus); [@ABM\\_Editor](https://twitter.com/ABM_Editor); #Sharing