

## **Nova Scotia's Jodrey dynasty splits up with a smile**

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Nova Scotia's intensely private Jodrey family is basking in the kind of business triumph that would have made its late patriarch, Roy Jodrey, proud.

High Liner Foods Inc. , which the family supported through thick and thin in the Atlantic fishery wars, has clinched a deal propelling it to the top rank of seafood purveyors to the North American food-service business.

Yet Roy's 71-year-old grandson, Bruce Jodrey, watched from a distance as High Liner was negotiating the \$230.6-million (U.S.) purchase of U.S. and Asian assets from an Icelandic company.

The Jodreys' control stake in High Liner is now in the grip of a family group led by his first cousin, Halifax investment banker David Hennigar, who acquired it a year ago in one of the most complex asset breakups in recent Canadian business annals.

The family's continuing role in High Liner underlines the resilient influence of the old East Coast business families. But the power structure is shifting radically, as monolithic empires dissolve into pockets of wealth controlled by cousins with sharply divergent interests.

Thus, Bruce Jodrey has seen a wall go up on information about High Liner and other family companies that he once received as a birthright.

"I try not to be curious," he says.

And he is one of the builders of this wall, having taken a package of cash and securities as he walked away a year ago from family holding company Scotia Investments Ltd. – as part of a carve-up of Jodrey assets, whose value is estimated by outsiders at more than \$500-million.

He can now take only remote pleasure from the purchase, announced in mid-November, of processing and procurement operations that will add almost \$300-million to Lunenburg-based High Liner's annual sales, creating a \$900-million company.

Yet he agrees with his cousins that the split was all for the good, because the Jodreys have accomplished – without lawsuits or public scandal – the bloodless breakup that has eluded other dynasties, from New Brunswick's frozen food-producing McCains to India's battling industrialists, the Ambani brothers.

"Thank goodness it isn't one of those awful stories," says George Bishop, Bruce Jodrey's first cousin, and another central party in the split.

The Jodreys may no longer be a household name outside Nova Scotia, but they have done one thing very well: They have blown up the family empire, and let the pieces scatter successfully in several directions.

A number of those pieces went to the family branch led by Mr. Hennigar, still an important Nova Scotia business player in his 70s. He took over the family's 37-per-cent direct stake in High Liner, as well as interests in real estate, assisted-living retirement homes and waste-management businesses.

The family's paperboard and various manufacturing assets, anchored by Minas Basin Pulp and Power Ltd. which Roy Jodrey established in the 1920s, are now in the ownership camp of Mr. Bishop and his branch.

Mr. Bishop also ended up with CKF Inc., a pulp and foam products producer that his cousin Bruce Jodrey had run for decades. Mr. Jodrey, who was ready to retire, took his cash and securities for his part of the asset division.

Some years ago, the cousins and their children came to the realization that family members, although tied together in a holding company, had nothing much else in common. Each branch was interested in different parts of the business. Cousins would meet for funerals and other family events, but there was no reason to spend much time together.

A similar conclusion was reached by New Brunswick's Irvings, who have split ownership of their forestry and energy branches, as well as interests in media, retail, construction and shipbuilding. Their forestry side, for example, ended up with sole control of the massive \$25-billion Halifax warship contract recently awarded by Ottawa.

Another Atlantic family, the McCains, split apart after a succession dispute between brothers Harrison and Wallace McCain in the 1990s. Both brothers have since died, and various cousins control frozen-food giant McCain Foods Ltd. But Wallace's younger son, Michael, has shifted his focus to Toronto-based Maple Leaf Foods Inc. , which his father acquired after his break with Harrison.

The Jodreys profess to be amicable in their divorce, reflecting the pragmatism of Roy Jodrey, a self-taught son of an Annapolis Valley apple farmer, who built his fortune in the early decades of the 20th century, and went bankrupt after the 1929 stock market crash.

After the end of the Second World War, he had recovered a fair chunk of net worth, and could foresee the pent-up buying power of war-weary consumers. He thus made a big bet on the stock market, which turned out very well. Before he died in 1973 at age 84, Mr. Jodrey was a director of almost 60 companies, including his own investment vehicles.

On his death, the family inherited a maze of holdings under the umbrella of Scotia Investments, but there was never a single company that carried the Jodrey brand, in the way the Sobeys built a national supermarket identity and the McCains a global presence in French fries.

High Liner emerged as a medium-scale winner after a stormy passage. The family first invested in its predecessor, National Sea Products, in the 1960s. After Ottawa proposed nationalizing the company in a 1980s fishery bailout, Mr. Hennigar, a passionate free-marketer, stepped forward with a private-sector control bid on behalf of the Jodrey family, with support from the Sobeys.

Over 25 years, National Sea weathered the collapse of the cod stocks and the lurching volatility of fish markets. The company made a wrenching decision to get out of fishing, and focused on being a branded value-added processor known as High Liner, with sharply fewer plants and employees.

"Over the years, they had to make the tough choices," says Mr. Hennigar, who is High Liner chairman – and a major shareholder in Assisted Living Concepts Inc. a U.S. retirement home operator, and Dartmouth-based waste company Envirosystems Inc., which is on a national acquisition drive.

Bruce Jodrey is somewhat amused to see the family clinging to the very last rung on the Canadian Business annual list of 100 biggest fortunes. Next year, with the split more widely understood, it may drop off the list entirely. Yet there seems to be little regret among Roy Jodrey's descendants. As Mr. Hennigar says, "life goes on."

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