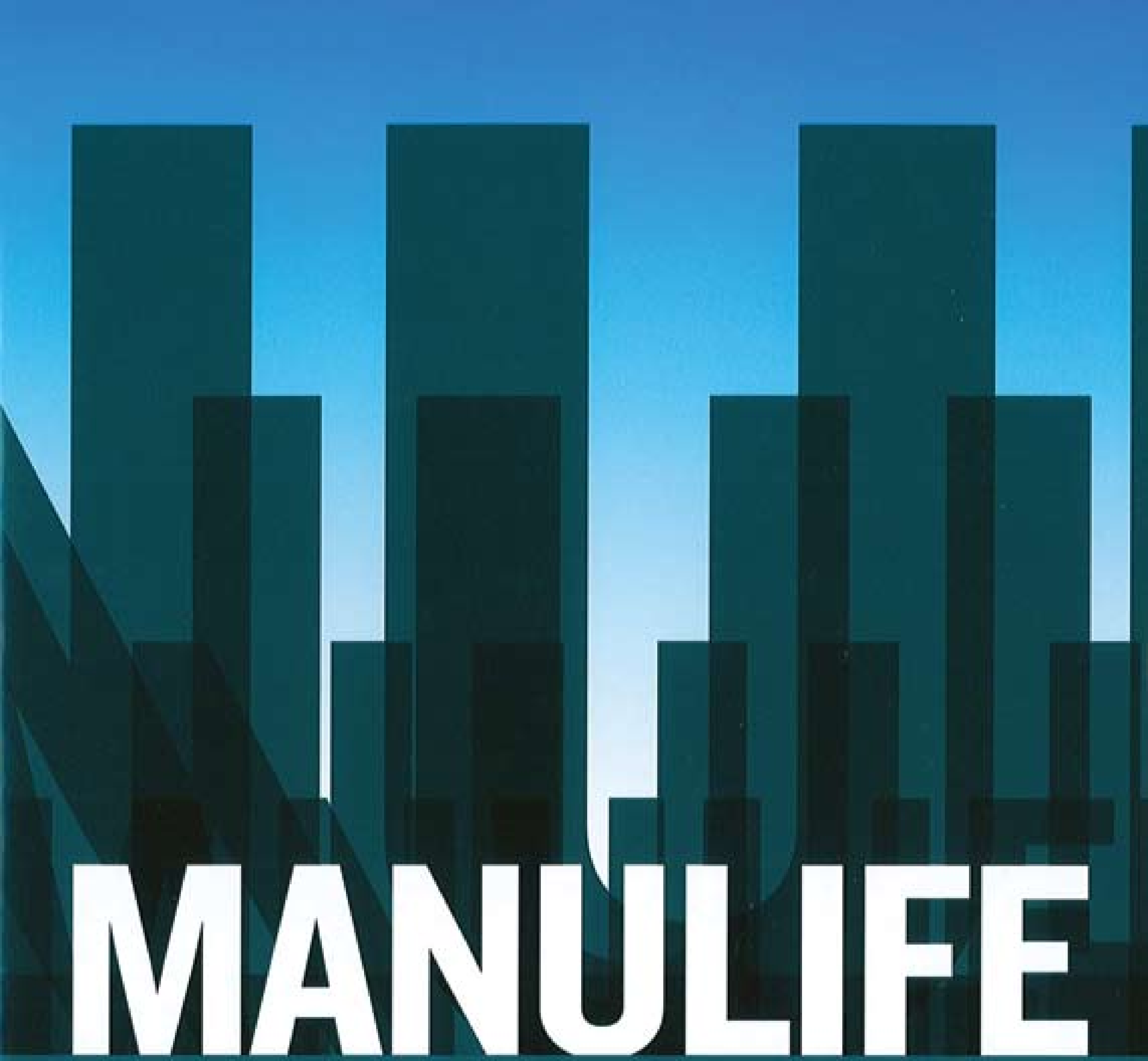

MANULIFE

How Dominic D'Alessandro Built a Global Giant and Fought to Save It

ROD McQUEEN

Author of the national bestseller *The Eatons*

ONE

Coming to Canada

IF ADVERSITY DURING CHILDHOOD can create a driven leader, Dominic D'Alessandro endured more than enough to succeed. Born January 18, 1947, in Frosolone, a village in central Italy, he was one of four children of Anthony and Angelina D'Alessandro. As was the case with many of his fellow countrymen following the Second World War, Anthony immigrated to Canada in 1949. He found work in Montreal as a labourer, saved his money, and the following year sent for his family to join him.

D'Alessandro was three years old during that Atlantic crossing on the S.S. *Canberra*. He vividly recalls his fascination with the band on board and how he would edge closer and closer to the musicians, only to be gently shooed away by the clarinet player. At one point, a passenger picked up the little boy and carried him to the rail of the ship, saying, "I'm going to throw you overboard." The purser took the threat seriously and warned the passenger not to pull that stunt again.

D'Alessandro arrived in Halifax at Pier 21, where 1.5 million immigrants, war brides, evacuee children, and Canadian military service personnel were processed during the years 1928 to 1971. The immigration shed was part of a series of buildings connecting the dock to the railway station for trains west. As the family sat huddled together, their belongings gathered around them, D'Alessandro watched wide-eyed as a woman nearby ate slices of fresh bread. Finally, she took pity on the boy and gave him some. This was not the bread he was used to, dipped in olive oil. This came smothered in butter, a first-time taste sensation. Dominic D'Alessandro had arrived in The Promised Land where there were many new flavours to discover and a future that could be whatever he wanted.

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THE FAMILY LIVED in Little Burgundy, a working-class Montreal neighbourhood across a series of railway tracks southwest of the city's downtown core. The cold-water brick walkups stood shoulder-to-shoulder, hard against the sidewalk. It was years before D'Alessandro saw a house on a lot with a lawn. While French-Canadian families dominated, there were pockets of Anglos, Italians, Native Canadians, and blacks from the Caribbean. He spoke Italian at home and learned English at school and French in the streets.

His street, Rue des Seigneurs, ran south from St-Antoine to the Lachine Canal, where the neighbourhood children fished and swam. Each summer some lad would drown and everyone would be warned away for a while. There was a Bank of Montreal at the corner, a grocery, and a Salvation Army thrift shop. The neighbourhood also boasted a club. "We knew all the dancers. They'd come by and give us a soft drink, a chocolate bar, or a little kiss, depending on how cute you were," said D'Alessandro.

D'Alessandro was six in 1953 when he and his brother, eight-year-old Felix, were walking home from Belmont Public School. A friend hollered, "Hey, you guys better get home, your father is dead." When they entered the house, everything seemed normal. Their mother was in the hall teaching their ten-month-old sister, Elvira, how to walk.

"Mom, Mom, did you hear Dad's dead?"

"What are you saying?" she replied in disbelief.

A few minutes later, friends and relatives arrived with the news that Anthony was indeed dead. He'd been laying pipe in a deep trench of soft, wet earth that was not properly supported by timbered sides. Without warning, the soil collapsed and he was buried alive. So disfigured was he that the family was not even allowed to view the remains.

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THE HOUSE, which had always been filled with fun, friends, and neighbours, became a sad and solemn place as Angelina, widowed at thirty-six, struggled to make ends meet. She spoke neither French nor English but was determined to carry on and raise her children without help. "She was a fiercely proud woman. She never collected a nickel of welfare—that would have been unheard of. She never put a hand out to anyone, not her relatives, nobody," said D'Alessandro. At first, Angelina did piecework at home, sewing gloves. Then she rented the house next door and filled it with boarders, as many as ten at a time, mostly Italian men coming ahead on their own to Canada as had her Anthony. She not only housed them, she also did their laundry and made their meals.

Out of those tragic circumstances, none of D'Alessandro's siblings fared as well as he did. His oldest brother, Nicholas, left school and went to work at fifteen to help support the family. At first he delivered bread and then spent forty years as a taxi driver. He is now retired. Felix was a gambler who drifted in and out of relationships. At one point, he made $6 million by selling a business he'd built, but he frittered away every dollar. He is now dead. Elvira married and had a son. "We are different, very different. I think I had a mind; that was my big gift. None of my siblings are stupid, they're just average people. They weren't as clever or as curious. I've always had a facility, I loved ideas and started to read at an early age. While others were doing other things, I would go someplace and read a good book. I got encouraged by my teachers," said D'Alessandro. "It's the luck of the draw."

He also spent more time with his mother than the others did. “I was more reliable than my brother Felix. If my mother asked me to do something, it would get done. If she asked Felix, it might or might not get done. I’d accompany her to different things and we’d talk. It gave me motivation to see just how hard a life she had.”

Every Saturday morning Angelina would take Dominic to the Salvation Army shop to buy second-hand clothing. The only new outfits Dominic wore while growing up were purchased once a year when Nick took him shopping. The family was so poor that his first Christmas gift came from the Santa at a community centre after D’Alessandro watched a seasonal variety program. Still, he was better off than most in the neighbourhood. “I had friends that we used to play with and they became murderers. I can remember going to their homes, there was nobody in the house and the place was stark, cold, and full of garbage. I remember one kid, a nice boy, he couldn’t have been more than nine, going into his house. His sister was all made up, she was twelve or thirteen and he asked, ‘Where did you get the makeup?’ She told him she’d stolen it at the five-and-dime. He said, ‘Where’s Mom?’ She said, ‘She’s out with her boyfriend.’ Contrast that to my house where my mother always had a meal for us. These were very poor people who only ate well when they got their welfare cheque or the baby bonus. They used to wait for the postman.”

D’Alessandro riles easily when he thinks about those lucky stiffs who were born with a silver spoon in their mouth or got ahead by lolling along at half-speed. “There are a lot of comfortable middle-class people who don’t have any appreciation for poor people. They say, ‘Why don’t you just get a job?’ Well, if you don’t have the exposure and it’s not part of your environment and everybody around you is behaving badly, it’s difficult to break that cycle.”

Having fought his way out of such a background, he has not forgotten the experience. “I’ve always been sympathetic to the underdog. If I categorize myself, I’d certainly be left of centre. I find it very facile for people to prescribe for others. A lot of very successful people, because the system has worked well for them, are remarkably unsympathetic. They don't make allowances that maybe they were successful because they had some gifts, they had drive or IQ points or some skill. If they'd just been average, they'd still be there, shining hubcaps. Poverty is not a good thing." He worked every summer, starting at age twelve, doing delivery or factory jobs.

Religion was not part of his upbringing. Sundays were chaotic as Angelina tried to get herself ready for church and organize all four children. She would take Elvira to mass and tell Dominic and Felix to attend an earlier service. The boys usually went elsewhere. "I'm not religious. It never made sense to me even as a child; it sounded improbable. I didn't like the incense; I didn't like the smell." A life-size statue of Christ on the Cross frightened him as a six year old. "I remember looking up at it and seeing the blood. It scared me half to death."

Saturdays, however, were different. While his mother sought bargains among the clothing bins at the Salvation Army, D'Alessandro scoured the used book tables. The clerks soon got to know him and charged him twenty-five cents for as many volumes as he could carry. At home, he'd spread out his treasures on the kitchen floor, up to twenty books per trip, while his mother made hot chocolate as a treat.

Those books became a haven from his surroundings. "I was drawn to stories about heroic types who had strength of character. I think it was a form of escape." He read all the G.A. Henty novels of derring-do, as well as other classics, such as Mark Twain's *Tom Sawyer* and *Huckleberry Finn*. At twelve he was devouring Dickens and Dostoyevsky. D'Alessandro skipped grades four and six and finished high school at fourteen. On graduation day, he won most of the academic awards.

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D'ALESSANDRO ENROLLED at Loyola, a Jesuit college in Montreal that has since merged with Sir George Williams University to become Concordia. After his mother remarried when he was sixteen, he left home to live with his brother Nick. It wasn't that he disliked his new stepfather, David Benyani, he just wasn't happy to have a man around the house, even though his mother's lot had improved. "She was more comfortable. He wasn't a wealthy man but she didn't need to struggle quite as hard." (Angelina died in 2004 at eighty-seven with a photo of the S.S. *Canberra*, the boat that brought her to Canada, on her night table. Benyani, who is in his nineties, is still alive.)

In those days, Loyola was small and had recently become co-ed. The five hundred students included about fifty women. He did well during his first two years, but as he began third year, the seventeen-year-old D'Alessandro attended the first football game of the season. After, he went with friends to a bar and met a divorced mother of two children who was six years older than he was. He moved in with her and enjoyed his first real sexual relationship so much that he lost all interest in his studies, dropped out of school, and smoked pot. "Everybody did it. Now I drink a little bit of Scotch, but back then I didn't like alcohol so you'd have a joint and you'd feel like everybody else did who drank twenty beers."

Looking back, D'Alessandro blames his actions on his immaturity. Because he advanced through public and high school so quickly, his classmates and friends were always older, so he wasn't as emotionally developed. By Christmas the relationship was over, but by then he'd missed so much of his maths and physics program with its thirty hours of labs and classes every week that he did not write the exams.

Loyola was small enough that faculty members knew all the students. In the new year, one of D'Alessandro's professors, Father Aloysius McPhee, sent a message that he wanted to see D'Alessandro. During their subsequent meeting, the priest said, "You should finish what you start. You won't have much of a future if you don't get a degree." D'Alessandro complained that he didn't like science. "Just because you're studying science now doesn't mean you have to do it for the rest of your life. It'll stand you in good stead," said the priest.

D'Alessandro took his advice, went back to Loyola, and excelled. During fourth year he also taught physics part-time at Lower Canada College to grade twelve students who were the same age as he was. He earned $2500, half the pay of a full-time teacher, for covering such topics as mechanics, specific gravity, and magnetism. That experience brought him into contact for the first time with old Montreal money. The students, including members of the Molson brewing family, lived in baronial homes and represented a world that seemed forever beyond his reach.

That same year he met his future wife, Pearl Fiore, through mutual friends. Pearl, who was born in Canada, was seventeen and a student at Marianopolis College, an all-girls school. Her father was of Italian origin, and her mother was French-Canadian and German, thus her blonde hair. The two were in love, but D'Alessandro was not ready for marriage.

After graduation from Loyola in 1967 with his Bachelor of Science, he worked briefly at Northern Electric as an inventory control management trainee, a job he quickly grew to detest. He rode a bus back and forth to work. One day it poured rain; he got drenched and asked himself, "What am I doing here?" Said Paul Nantel, a friend, "Why don't we go to Europe?" D'Alessandro had saved some money from his teaching job, so the two took off for London and then Paris. They paid $180 for a plumber's used yellow truck, tossed a mattress in the back, and spent a year touring France, Spain, Portugal, Italy, Greece, and Turkey.

Word eventually reached D'Alessandro that Pearl was upset. Was he serious about her or not? If he didn't come home soon, she would start dating others. Realizing he didn't want to lose her, D'Alessandro headed for Montreal, ready to get on with his personal and professional life. They were wed in 1968. Said D'Alessandro, "It took only twenty years or so for me to convince my mother-in-law that her daughter had not married beneath herself."

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IN ORDER to decide what he would do professionally, D'Alessandro underwent career counselling at the Loyola placement office. Included in the process was a test that found him suited to law, writing, and accounting, in that order. “I came up through a classical education system. People who studied accounting were dummies. If you were smart you went into the sciences or the arts. If you weren’t, you went into commerce. I didn’t have any idea whatsoever what accounting was. All I knew was that it had a stigma about it,” he said. “I’d never thought of a career in business. I thought I’d do something entrepreneurial. The aspirations weren’t very high. The hero in our neighbourhood was the guy who had a steady job as an electrician.”

The top two options, law or writing, offered him no chance to earn immediate money. As a prospective accountant, he could work full-time during the day while studying at night for his CA designation. His interest piqued, D’Alessandro asked for the names of accounting firms and was told Clarkson, Gordon and McDonald, Currie. He applied to both, and both offered him a job. “What their recruiting people saw in me I’ll never know. I had never held a job before, my hair was down to my shoulders, my attitudes were decidedly anti-business, and I had none of the requisite background education,” he said. “I think he’s exaggerating,” said Warren Chippindale, personnel partner at McDonald, Currie, who offered him $525 a month, $25 more than Clarkson, Gordon. “He looked like a typical young Italian boy. We’d gotten away from the WASP syndrome sometime before that. We were hiring the people we thought were best.”

In 1968 D’Alessandro joined McDonald, Currie. (Founded in Montreal in 1910, the firm became part of Coopers & Lybrand in 1973 and merged with Price Waterhouse in 1998 to become PricewaterhouseCoopers.) “We liked to hire people who were not necessarily accounting graduates because we found, particularly the arts students, they’d learned how to think a little bit. One could tell right away that he had a good head on his shoulders,” said Chippindale. “He was a star from day one. He became an audit manager quicker than almost anybody.”

D’Alessandro had found his métier. The workplace was intense, collegial, and professional. “I worked with people my own age and they had a whole vocabulary that I’d never heard. These people talked about the stock market, shares, and bonds, language I wasn't familiar with, but I learned fast," he said. "I never felt inferior to anybody, anybody, even though I should have because I didn't dress as well, I wasn't polished. I felt the opposite. I felt, I can *think* better than these people, despite their privileges."

D'Alessandro started working with smaller clients, then moved up to larger firms, such as Quebec Hydro, Sorel Steel, and Genstar. As an outsider working with clients, he was able to see clearly a firm's strengths and weaknesses while learning analytical skills that would be useful later in life. At the same time, he attended night classes in accounting. "I was never really what you'd call a terribly diligent student. I was best known for being an eager card player and passing exams in courses for which I hadn't attended a single lecture." Spurred on by Pearl, he changed his ways and attended all his classes in the CA program. After taking twenty credits in three years at McGill University, he wrote the Uniform Final Exam for his Chartered Accountant designation in 1971. He won the bronze medal for Quebec and finished in the top twenty among the several thousand across Canada who wrote the exam.

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FOR D'ALESSANDRO, his time at Coopers included a year in the firm's Paris office, from 1970 to 1971. This time, there was no plumber's truck. The couple and their first-born son, Anthony, lived in a small apartment in the sixteenth arrondissement, a residential and commercial area near the Bois de Boulogne, a fashionable park that attracts walkers, cyclists, and horseback riders.

At the time, the more aggressive French companies were beginning to look beyond the nation's borders. They were eager to be listed on the London Stock Exchange in order to gain the kind of exposure that would give them access to more sources for capital. Because the Paris office was the accounting firm's only location in France, D'Alessandro travelled the country conducting audits and offering financial advice to a wide range of firms.

Clients included individuals who have since become world-renowned. D'Alessandro worked with a wood and lumber company in Brittany run by François Pinault, now the billionaire head of Artemis (Converse sneakers, Samsonite luggage, and Christie's auction house) who recently restored the Palazzo Grassi in Venice for his collection of contemporary art.

D'Alessandro was hired to check the books prior to Pinault's selling the firm and didn't like what he saw. "His margins had leapt up at the end of the accounting period. We were convinced he had miscounted his inventory, but we couldn't prove it." An angry Pinault summoned D'Alessandro, demanding to know what he thought he was doing. Pinault listened to D'Alessandro's allegation and then told him that the numbers had indeed changed during the year. "The previous numbers are wrong. The right ones are the ones at the end of the year when everything is actually physically counted," said Pinault. D'Alessandro had no choice but to go along. The buyer on that occasion was none other than Tiny Rowland, chairman of Lonrho, a British conglomerate with interests in mining, newspapers, and hotels.

Then twenty-four, D'Alessandro was still learning social skills as well as business savvy. While working with another client, Rhône-Poulenc, the French pharmaceutical firm, he stayed at the corporate guesthouse and dined with senior executives. One particular evening started badly when he decided that the foie gras on the filet mignon looked too rich for his taste. Using his knife, he scraped the offending delicacy to the side of his plate. Everyone was aghast.

His uncouth behaviour continued. "I had just read that California wines on a blind taste were found to be just as good as French wines, so I brought up that subject. This scandalized them. On another occasion, someone in the group was going on about X [pronounced 'eeks']. I said, *'Excusez-moi, qu'est-ce que X?'* It was like the air went out of a balloon. He explained to me X was Polytechnique, the top engineering school in France. Everybody who went there was proud of it and he was laying it on for our benefit. I was just such a goddamn boor."

D’Alessandro later learned that he’d won admiration from others at the dinner who’d studied at Hautes Études Commerciales, another of the “four aces” where the French elite are trained. (The other two are L’École Nationale d’Administration and l’École Normale Supérieure.) “There was enormous rivalry. They all thought I had done it on purpose, saying, ‘You put him in his place.’ I told them I had no idea, but I have used that technique since. If I sense people are boasting, I’ll say, ‘What is that, exactly?’”

Before taking on the Paris assignment, he’d agreed to remain with the accounting firm for a year after his posting. He returned to Montreal as planned and then as soon as the promised year was up, he left the firm and the profession. That decision was precipitated by a conversation he had with a senior partner while the two men worked together at a client’s office. Herb Spindler was a dapper man, the dean of the tax practice, but on that particular day he was a nervous wreck. When D’Alessandro asked why, Spindler explained he was screwing up his courage to inform the chairman of the client firm about a problem with his personal tax return. “A light bulb went off in my head. I said if I stay at this firm and I’m really successful, one day I could be worrying about somebody’s else’s tax return. Wouldn’t I rather be the guy whose tax return they worry about? I liked the relationships. I liked the intellectual challenge, but I thought that I would enjoy more being the fellow who makes the decisions as opposed to the one who reviews them and the rewards that flow with it.”

In 1975 he was offered a job by one of his clients, Genstar, a real estate and construction conglomerate. Warren Chippindale, who’d hired D’Alessandro and was by then chairman of Coopers & Lybrand, tried to talk him out of leaving. “I said, ‘Look, Dominic, you’re surefire partner potential, and you’ve got a few more years to go, but that’s in the future for you.’ But he left. He decided he didn’t want to spend his life as a public accountant. Luckily for him, he didn’t take my advice.”