



Bobby G

Climbing his way to the TOP

The Ontario countryside is buried beneath a thick blanket of snow on a frigid, mid-week afternoon in late January and Bobby Genovese has set up shop temporarily at a farmhouse in King City, about 40 kilometres north of Toronto and just a few kilometres east of the 100-acre farm where he grew up and, as he puts it: “Baled more hay and shovelled more stalls than any man ever should.” There are places he’d rather be—like the oceanfront home in the Bahamas which he shares with wife Karen and their two children, Bobby Jr., six, and daughter Gigi, four, who ride to school every day in a golf cart and take swim lessons on Monday, soccer on Tuesday, sailing on Wednesday, tennis on Thursday and golf on Fridays. But the chance to buy a bigger chunk of the Toronto Polo Club has brought him north and there’s nothing he’d rather be doing than wheeling and dealing. “I love what I do,” says the handsome, self-made, multi-millionaire. “There are always opportunities rolling in the door. I go with my gut. It tells me in the first two or three minutes whether something is a good idea or will never fly.”

In this winter of discontent, with unemployment on the rise, the economy in recession and anxiety rampant, Genovese remains as exuberant, as optimistic and as busy as ever. “When there is a crisis, there is opportunity,” says Genovese, who is in his mid-forties and said by friends to bear a strong resemblance to Brad Pitt. “Never again in our lifetimes will you have interest rates this low and real

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estate so cheap. Fortunes are going to be made over the next two or three years. We have bought over \$40 million worth of real estate in the past seven or eight months.”

Genovese may be the quintessential entrepreneur, but he does have a team behind him, a small group of six very bright individuals who form the brain trust of BG Capital Group Management, which is based in Boca Raton, Fla. They manage a portfolio of a dozen or more companies with assets well over \$200 million and, according to Genovese, annual revenues “well north of \$200 million.” Anyone surveying BG Capital’s diverse interests might conclude that the man behind this empire suffers from attention deficit disorder.

The company owns or controls Clearly Canadian, a Vancouver-based manufacturer of sparkling flavored water and organic foods, the Florida-based Neptune Society, a fast-growing cremation services firm, M&M Engineering, a mechanical contracting outfit in St. John’s Nfld. that provides maintenance and manufacturing services to oil refineries, pulp and paper plants and offshore oil platforms among others, Tamarack North Ltd, a Muskoka-based builder of high-end, lakefront estates, The Little Schoolhouse, an early learning centre in



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Nassau, The Bahamas, and the Vancouver International Polo Team, a professional polo squad.

Genovese buys a controlling interest but rarely acquires a company outright because he’s not really interested in being an operator. He prefers to leave the existing management in place and allow his executives to provide oversight and marketing expertise. There are exceptions, though. BG Capital owns 100 per cent of the Neptune Society, an acquisition that may stand as his smartest move. “It’s like Starbucks,” he says. “We can’t grow any faster than we’re growing. It is probably a legacy that will be left for several generations.”

In other words, Neptune could spin off enough cash for enough years to ensure that his children and their children never have to work. The company had operations in New York and California when he acquired it. Since then, Neptune has expanded to 15 states and is opening marketing offices in two to three states per year. The growth has been driven by three things: the ageing of the population, the high-cost of conventional burials and the disappearance of the family plot in a highly mobile society. “It’s an amazing business,” says Genovese. “We’ve gone from opening an office every eight weeks, to six weeks to four and now we’re attempting to get it down to two.”

No one can pick a winner every time and Genovese admits that Clearly Canadian is the only dark spot in this otherwise sunny picture. Launched

in the late 1980s, the company introduced sparkling flavored waters to the bottled beverage market. Sales skyrocketed to \$200 million by 1992 and share prices hit a lofty \$20. But Coca-Cola and Pepsi quickly put out copycat versions, supermarket chains began selling their own discounted house brand and the fizzle went out of Clearly Canadian. Sales slumped to just \$20 million per year, debts piled up and the stock sagged to less than \$2 per share.

Genovese picked up a 60 per cent interest in 2005 for just \$3 million and immediately began a resuscitation effort. He has installed new management and bought two manufacturers of organic snack foods, but concedes that Clearly Canadian is not out of the woods yet. “It’s the only real dog in our portfolio,” he says. “They’re in a tough, tough, tough business.”

But Genovese’s efforts with Clearly Canadian yielded an unexpected dividend—a reality TV show called Bobby G: Adventure Capitalist. New York producer Nick Davis spent several weeks filming the entrepreneur in action as he and his team tried to reverse the company’s sinking fortunes. Davis turned the raw footage of business meetings and number crunching into eight, half-hour episodes that aired on the Mojo TV network, a division of Philadelphia-based Comcast Corp., one of the largest providers of cable television and high-speed internet services in the U.S. The show died with the network itself, which Comcast has shut down, but Genovese was negotiating earlier this year with another reality TV producer.

Bobby G: Adventure Capitalist paid plenty of attention to Genovese’s opulent lifestyle and lavish recreational pursuits—and the man loves to play almost as much as he loves making deals. He owns as many homes as Sena-



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tor John McCain and wife Cindy, but unlike the former U.S. presidential candidate he can rhyme off the locations in a heartbeat--two in Canada, two in the U.S. and one each in London, England, Argentina and The Bahamas.

A lifelong lover of horses, Genovese took a polo lesson in 1995. A year later, he teamed up with Argentinian Marcos Bignoli, one of the world's top pros, to form the Vancouver International Polo Team, which has since won several major tournaments in Canada and the U.S. The pair are now developing the South America Polo Club in Pilar, Argentina.

His other great off-hours passion is skiing and he owns a chalet in Whistler, B.C. Genovese and family spent 44 days on the slopes last winter and by late January this year had skied for 18 days at Whistler. He planned to devote last two weeks of February to a ski holiday in Aspen, Col., where he rents a place for two months annually. "Every time the kids have a school break we're on the plane and gone," he says. "I'm proud to say that both kids can ski from the top of Blackcomb to the bottom by themselves. Bobby Jr. is skiing with 10- and 12-year-olds."

Summer vacations are spent at the family's palatial, \$7.5-million lakefront property at Lake Rosseau in the Muskokas, where he employs five live-in staff and enjoys a collection of pleasure craft, a custom-made rock climbing wall and an enormous waterslide. Not bad for a guy who started out on a farm about an hour's drive to the south and never got past grade nine. "Grade nine is tough," he roars during an interview. "If you can get through it you can go all the way."

And that's just what he's done. He took four runs at it, at four different high schools, then quit at age 16 and went to work as a barn manager at the Eglinton Equestrian Club in Toronto. From there, he moved to Vancouver and quickly formed his own company, Investor Relations Group, to hawk junior mining companies to analysts and anyone else willing to take a chance on their penny stocks. That



proved a hazardous occupation since indignant investors often wanted to skewer him when the stock failed to perform as promised.

"I decided I needed to change my business model," Genovese recalls. "I said I need to buy enough of a company to know what the

numbers are and if there's a problem I can go in and fix it."

So far, it's been a winning approach. For this adventure capitalist, making millions has been easier than mastering reading, writing and arithmetic. ☹

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