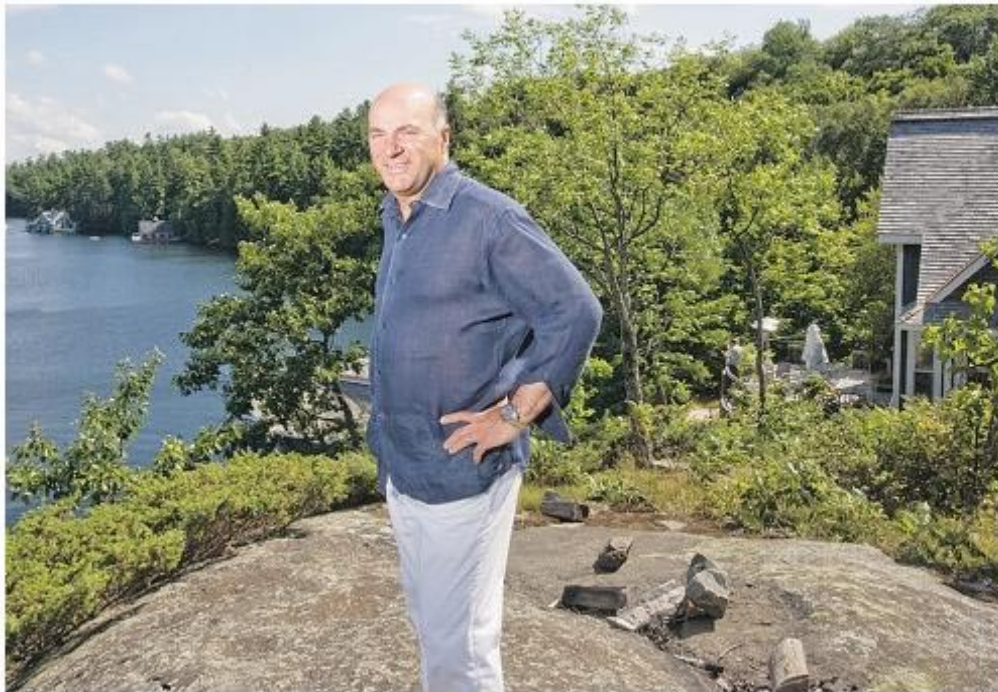


## Edmonton Journal

# **This Dragon makes his home in Muskoka**

## **O'Leary can golf, relax -- and still makes pots of money**

By Cody Winchester, National Post; Postmedia News September 25, 2010



## Fund manager Kevin O'Leary says the land his cottage is on is one of his best-performing assets.

He insists it's not a persona. The ruthlessly curt Kevin O'Leary, who skewers hopeful entrepreneurs on Dragons' Den -- and on its "darker" American cousin, Shark Tank -- is the same Kevin O'Leary who, every day, slips on his size 9 1/2 Pradas and presides over O'Leary Funds, the Toronto mutual fund company that pitches investors on the promise of getting "paid while you wait."

If Dragons' Den is "the American Idol of venture capital," then O'Leary is less Simon Cowell than Mr. Wonderful, he says. He's the realist of the bunch, the rapacious capitalist who merely calls deals as he sees 'em.

The new season of CBC's Dragons' Den began Wednesday.

"If I have to deliver the truth, and that's hard, I don't care," he says. "Because, in the end, it's all about the money. That's what matters."

It's fitting, then, that O'Leary understands his 14-hectare waterfront property on Lake Joseph north of Toronto primarily in terms of its investment value. He sees more and more people selling homes in Toronto and moving on to the lake, and the fund manager in him can't help parsing the logic behind the market cycles.

"Lakefront's very hard to buy now. And so, when I think about it in terms of asset appreciation in our own portfolio of things, this is probably one of the best performing we have," he says.

"Not the cottage -- the land," which they bought in 1994. The three-storey, 9,000-square-foot family cottage, one of O'Leary's four homes, was built into the rocky hillside a decade ago.

Architect David Gillett designed the cottage in traditional Muskokan style, with delicately curved entrance-ways, white muntin (glazing) bars in the windows and cedar shingling. Most of the interior is done in select pine, with darker-stained accents to evoke an old mahogany boat. It has 10 bedrooms, 11 bathrooms and a great room with a 32-foot cathedral ceiling; the main fireplace, built from locally hewn pink granite, goes all the way to the top.

Outside, creeping thyme roams across the hand-hewn granite flagstones that pave the property's landscaped terraces, in which hydrangeas, rosehips and other perennials figure prominently.

"I'm sure we went 2,000 per cent over budget, I know that," O'Leary says. "I know that! Because, once you get into it, you don't stop. The thing ended up just becoming a monster. ... But today, I look at it and say, 'Absolutely worth it.' "

Huge and plentiful windows admit stunning lake views and acres of sunlight. Up a turreted staircase, a set of French doors open on to the master bedroom, where you'll find an antique dresser.

"If you look around the house, there's an antique in just about every room," says O'Leary's wife, Linda. The bedroom also features a private deck, and an ensuite bathroom with a steam shower and a pedestal soaker tub.

O'Leary and their two children stay at the cottage full-time in the summer while he shuttles back and forth to Toronto. There was a time, he says, when investment work dropped off in the summer, but no more.

"There will never be another off-season," O'Leary says. "I'd prefer to work up here if I could, and I think technology is making it easier and easier and easier to do it."

O'Leary does, in fact, spend a good chunk of his time up here working, aided by a high-speed wireless network, an 800-channel cable feed and a four-terabyte personal server.

"My business is all about data, so I have a massive amount of data coming at me all the time," he says. "You know, I don't pick stocks at O'Leary Funds, but what I try and identify, as an investor, is what trends are rolling through the market. And you need information to do that."

The next step is to convert his office into a television studio where he can shoot *The Lang & O'Leary Exchange*, the CBC business news program with Amanda Lang, during the summer.

His Internet connection doesn't currently support high-definition video streaming, but that will soon change. Cisco and its video conferencing subsidiary, Tandberg, were at the cottage this summer testing some new high-definition streaming technology that could be operational within weeks.

"Many people would argue, 'That's not the vision of the Muskoka cottage, where you sit on the docks, look at the water and talk to the loons,' " O'Leary says.

"We do that, too. But technology; I think it's enhanced why many people come up here. I see a lot of this kind of system work in other cottages."

If technology is corroding the distinction between places of work and play, O'Leary certainly isn't alone. He relates the story of visiting a colleague on the lake:

"We went up into his Muskoka room, and he was on the phone with Turkey, negotiating an oil deal in Africa, with two computers running simultaneously. That's the new Muskoka."

The off-hours, though, are idyllic.

O'Leary describes a life of impromptu deck parties, newspapers and wine delivered by boat, coffee and early-morning lake views taken on the sunrise side of the dock, golfing at the exclusive Oviinbyrd club.

The family's two boats are kept in a 640-square-foot boathouse, in the quiet cove formed by a neighbour's island.

The family spends a lot of time in the boathouse, Linda O'Leary says, exercising, barbecuing, enjoying the views afforded by 1,100 feet of waterfront.

Late dinners are often taken in the cedar Muskoka room, which has a Weber grill in lieu of a fireplace and a rough, weather-stained table to complement the forest views.

The O'Learys like to entertain -- they throw a summer bash every year -- and a custom 13-foot dining room table is perfect for large groups of guests. Linda chose stainless-steel appliances for the kitchen, with milky-white marble counters to offset a kitchen island of treated fir.

The cedar bar off the great room was designed around a Cypriot mosaic that depicts a hunting scene. Besides working while on holiday, O'Leary's other vice is wine, which he keeps in a cellar built into a ledge of granite boulders (allowing moisture to leach into the room).

He's also a practised blues guitarist, and his guitar collection includes a Fender Stratocaster, a graphite Steinberger jazz guitar and two autographed Les Pauls ( "To Kevin, from Les Paul. Keep pickin").

"Sometimes I just take the amp out on the dock -- which you don't get to do in the city -- and turn it up to 11 and just let it wail," O'Leary says. "At two in the morning, I bet you a neighbour 12 miles down can hear it."

The home's top-shelf sound system is linked to the wireless network, meaning O'Leary, if he wants, can change the music in the cottage from his iPad as he works in the boathouse. The home server has 100,000 songs -- "all paid for, of course," he's quick to add -- from Gershwin to David Bowie.

Because of his profile in the business community, and because something like two-thirds of O'Leary Funds' business is international, O'Leary doesn't find himself at home very often.

A few years ago, the Discovery Channel hired him as a consultant on Project Earth, a two-year, \$60-million trip around the world to invest in ideas to combat global warming.

"Where's home when you're in 38 countries in 11 months, I don't know. It's sort of the George Plimpton existence."

His next project is a book of travel photography captioned with life lessons.

From his mother: "Never spend the principal."

From the "merchant of truth" himself: "You've got to be brutal. You can't get emotionally involved in these things."

The working title? Sharks Never Sleep.