



LIVE

LIVIAKIS LOVES: HORSES & STOCKS

While he may lament selling the dam of this year's Hambletonian winner, John Liviakis has some consolation in owning this year's talented freshman filly Pretty Katherine.

By M. Kelly Young

What do the dot-com crash and the Hambletonian have in common? They are both part of what John Liviakis calls his biggest mistake in racing. "I will never forgive myself for what happened," he admitted.

Liviakis, 54, who has a leading investor relations firm near San Francisco, deals in the fast paced, high pressure world of the financial markets, helping publicly traded companies generate broker interest in their stock. In assisting his handful of select clients, he deals with events every day that can have ramifications of millions of dollars. But there came a day about a decade ago when his primary business and his business of horse racing intersected.

"In the stock market crash, during the so-called internet bubble, that's when I had to start selling horses. I had 122 at my peak," said Liviakis of the plunging financial markets at the end of 2000 through 2002. That's when he had a huge stake in breeding, owning approximately 40 broodmares.

As he was liquidating, Perretti Farms contacted him to purchase the by-then orphaned weanling Graceful Touch. She was the only daughter of Act Of Grace, a mare



Photo by New Image Media

Liviakis had purchased privately in 2000 with the help of Jimmy Takter and who unfortunately died later in the year from chronic colic.

"That was a tragedy for us," he said of the broodmare's death. "She was one of the greatest trotting mares in history. What people don't know is not only was she the winner of the World Trotting Derby, a world champion and a daughter of Valley Victory, but in person, she was royalty. Even when she moved in the field she had the most beautiful trot, she was so efficient.

"It was really a new breed, a totally different trotting breed than anyone had seen before, but that's because Valley Victory changed everything back then. I think I paid around \$800,000 for her and she was worth every single penny."

Liviakis said he wanted to keep Graceful Touch, "but the market kept crashing every day. It was \$173 million in stock market losses for me so I had to quickly sell my horses to cover my expenses."

She was sold to Perretti, became a stakes winner in her own right winning \$192,000, and then was retired to the farm's broodmare band. She has now produced four foals averaging \$274,000 when they sold at public auction.

"I was forced to do it, but sure enough I sell her and it turns out that this

Pretty Katherine, named for one of Liviakis' three daughters, is one of the top freshman pacing fillies in North America this year. She's provided her owner with great happiness and heartbreak this year although the latter wasn't her fault.

year she is the dam of the Hambletonian winner Muscle Massive and the Merrie Annabelle winner Thatsnotmyname, who won on the same day."

Takter trains Muscle Massive and Liviakis, heartbroken but not bitter, credits Takter and his wife, Christina, for providing him the opportunity to be connected with Act Of Grace and then being astute enough to purchase her grandson.

But Liviakis can't lament his loss for too long as he is riding high on the wave of what he calls his best performer ever. Pretty Katherine, a two-year-old daughter of Rocknroll Hanover, is headlining in her division with wins in five of six starts and she equaled the 1:50.3 world record in her elimination of the Shes A Great Lady at Mohawk in August.

The only blemish in her career on the track is a second-place finish in the \$688,000 final of that event. Liviakis, who watched the race remotely, said the strong headwinds and sloppy track brought on by the path of Hurricane Earl punished her on the front end.

Pretty Katherine was one of the favorites heading into the Breeders

Crown but a lost and out of gas truck driver forced her to be scratched before the eliminations at Pocono Downs as she missed the retention time by minutes.

"It was just hard to believe when I got the call telling me that the driver of the horse van got lost coming from Showplace Farms. Apparently, he had directions and a GPS but then ran out of gas and could not get there on time. Of course it would not happen with a \$500 horse," said Liviakis.

"Truthfully, I wanted to cry it was so emotional. But I still trust Casie (trainer Casie Coleman) completely. It was not her fault and I understand that driver has been fired. But it was a Murphy's law sort of thing. So now she has nothing until the Three Diamonds at Woodbine (eliminations October 29 and final November 6)."

Purchased for \$120,000 as a yearling, the filly has \$300,000 earned to date. Bred by Perretti Farms, she's the second foal of the top race mare Fox Valley Shaker, a winner of \$468,972 in her career. Ironically, she also finished second in the 2004 version of the Shes A Great Lady Stake (to Cabrini Hanover).

Want To Improve Your Odds?

Then you should know that half of all the foals born and raised at Vieux Carre Farms that are now 2-year-olds have already taken records in 2010, over 40 including these freshman standouts:



Fred Brown Photo

Multiple stakes winner & 2nd in the Metro
FEEL LIKE A FOOL p,2,1:53.1f-'10 (\$298,193)
Selling his The Panderosa half-sister Hip 568



Chris Gooden Photo

Multiple stakes winner & PASS Champion
WINKN ATCHA p,2,1:51.4f-'10 (\$220,438)
Selling his Dragon Again full brother Hip 33



New Image Media Photo

Multiple stakes winning 2 & 3YO **MALICIOUS**
p,2,1:51.3f (\$439,708) Selling his Bettor's Delight
full sister Hip 113, also a half-sister to
MS MALICIOUS p,2,1:53.2-'10 (\$165,553)



Racehorse Photo

PA Stallion Series Final winner
DRACONIAN
p,2,1:53.3f-'10 (\$50,875)
Selling his Allamerican Native
half-sister Hip 828



World Wide Racing Photo

Multiple stakes winner
DRAGON DANCE
p,2,1:54.3f-'10 (\$42,740)
Selling her Dragon Again full
brother Hip 651

Selling at Harrisburg November 8 – 11

By ALLAMERICAN NATIVE

776 REFLEX AFFECT, bc . . . Penny For Nickel-Artsplace
828 AMERICAN GRAFITTI, bf . . . Rewound-No Nukes
881 FLY AWAY, bc . . . Some Kinda Dream-Forrest Skipper
962 PEACE MARCH, bc . . . Western Dove-Western Hanover

By ANDOVER HALL

475 GO TAPAIGH, bc . . . Armbró Gaelic-Dream Of Glory
1143 MIKESBROTHERFRANK, brc . . . Elena Victory-Valley Victory
685 MCATTEE, bc . . . Madame Volo-Yankee Glide

By ART MAJOR

930 MAJOR MARCUS, bc . . . This Fool Rocks-Life Sign

By BETTOR'S DELIGHT

113 SILK PURSE, blkf . . . Silky-Western Hanover

By BROADWAY HALL

591 VOLUPTUOUS GIRL, bf . . . Hawaiian Delight-Muscles Yankee

By CAM'S CARD SHARK

1080 TRUMP PLAY, bc . . . Charlie Says-Albatross

By CANTAB HALL

787 GREEN PEACE, bc . . . Pinestruction-Pine Chip

By CLASSIC PHOTO

1016 VASADU, bc . . . Armbró Norway-Speedy Crown
680 VELOCIRAPTOR, brc . . . Lookin At You Babe-Malabar Man

By CONWAY HALL

534 GENOISE, bf . . . Cream Pie-Malabar Man

By CREDIT WINNER

349 SAVEMYMONEY, brf . . . New Day-Conway Hall

By DONATO HANOVER

36 FAVORITE PANTS, bf . . . Kosmo Girl-Sierra Kosmos
331 DON'T SAY DON'T, bf . . . Missy Lavec-Mr Lavec
120 VIVACIOUS LADY, bf . . . Southwind Wake-Muscles Yankee

By DRAGON AGAIN

1018 SHOOTOUTTHELIGHTS, bf . . . Armbró Pomme-Dexter Nukes
201 TELL THE TRUTH, bf . . . Babe Ruthless-Walton Hanover
516 COUNT FLASH, brc . . . Cambloid-Cambest
1074 DRAGON OR ANGEL, bf . . . Catch An Angel-Western Ideal
33 RUBY RED, bc . . . Kiss My Lips-Artsplace
651 EASY AGAIN, brc . . . Kuklapanandollie-Artsplace
824 FRANKIE AND DANA, bc . . . Real Fool-Real Artist
830 RING AGAIN, blkf . . . Ring Pop-The Panderosa
402 TOGETHER AGAIN, brc . . . She's The One-Matt's Scooter
132 DRAGON MOON, bf . . . Sunone-Western Hanover

By FOUR STARZZZ SHARK

667 ALLSTAR LIFE, bf . . . Lifeandtimes-Life Sign
671 ALLSTAR LEGEND, bc . . . Lifetime Gal-Artscapce
714 ALLSTAR BLUES, bc . . . Miss Lady Blues-Artsplace

By GLIDEMASTER

315 WHITE RUSSIAN, bc . . . Malabar Memories-Malabar Man

By I AM A FOOL

593 MOTLEY FOOL, bc . . . Hawaiian Pamper-The Panderosa

By MCARDLE

769 MOUNT JOY, bf . . . Panevolence-Artsplace

By MUSCLES YANKEE

552 HELIOS, bc . . . Enjoy The Sun-Enjoy Lavec

By REAL DESIRE

608 STATE TREASURER, brc . . . Ideal Treasure-Western Ideal
611 DIESAL FITTER, bc . . . Imattculatate-Matt's Scooter
638 REAL GAME, bf . . . Just A Game-Western Hanover

By ROCKNROLL HANOVER

519 MANCHURIAN, bc . . . Camus-Artsplace
249 ROCKNDREAM, bc . . . Dreamscape-Artscapce
290 ROCKING JEN, bf . . . Jate Mate-Jate Lobell
42 SUMMER SUNLIGHT, bf . . . Light Up-Artsplace
434 TWO BEERS AWAY, bc . . . Up Front Dragon-Dragon's Lair

By SJ'S CAVIAR

1041 GOOD GOLLY, bf . . . Bearakas-Prakas
1113 WINE MY DEAR, bf . . . Dalwhinnie-Super Bowl
757 CASPIAN BOKO, bc . . . Odessa Drummond-Jobie Tempest
976 CHIPS N CAVIAR, bf . . . Winky's Chip-Pine Chip

By TELL ALL

1096 COMPOSER, bc . . . Classical Lady-Western Hanover

By THE PANDEROSA

1030 P GIRL, bf . . . Artstopper-Artsplace
568 HEATHERS DELIGHT, bf . . . Fool That I Am-Jenna's Beach Boy

By WESTERN IDEAL

69 SKYS IDEAL, bc . . . Neverhaventwill-Big Towner
363 COOPERS BEACH, bc . . . Orchid Beach-Jenna's Beach Boy

By WESTERN TERROR

623 BACK TO THE WEST, bc . . . Its A Cam Lie-Camluck

By YANKEE CRUISER

634 CHROME OVER, bf . . . Jewel Princess-Precious Bunny
312 CHROME CRUISER, bc . . . MA Foi-The Panderosa
720 TREATY CREEK, bc . . . Modern Medicine-Jenna's Beach Boy
882 SWEETHEART DANCE, brf . . . Somkindasweetypie-Life Sign
448 WILD CRUISE, bc . . . Wild Helen-Beach Towel



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Photo by Lisa Photo

Pretty Katherine, is named after one of Liviakis' three daughters. He names most of his horses after his wife, Renee, son Thomas, or daughters, which also include Caroline and Audrey. But the namesake of his daughter Katherine was his top pick in the sales last fall. Because he is so committed to his career, getting to the office at 5:15 a.m. and hardly ever leaving his desk while the markets are in session lest he miss a critical client need, he can't get to the yearling sales (and incidentally, has never seen Pretty Katherine in person).

"In a sense, it's a mistake that I'm not at the sales in person, but on the other hand, I've got such a critical business here," he explained. "I've been a stickler about not taking a vacation, about not leaving for lunch about not going to watch my beautiful horse live if it's going to interfere with handling important business here and regretting that."

Instead, Liviakis and his agent and friend, Charlie Karp, worked together to narrow down about 2,000 yearlings last year to a list of just six that they were willing to bid on. Liviakis is a student of pedigree and conformation and uses yearling

It was with mixed emotions that Liviakis watched Muscle Massive's Hambletonian victory earlier this year knowing that he had sold the colt's dam, Graceful Touch, a few years before to Perretti Farms.

videos extensively.

"Those are profoundly important to me. If it wasn't for the videos, I wouldn't be active in the yearling sales," he said.

While he says the videos tell much of the story of conformation, character and ease of movement, Karp views the individuals they agree on in person, slimming the list down even further.

"The vast majority of horses are flawed. They're not flawed in God's eyes; just because they're not good athletes doesn't mean they don't have worth," explained Liviakis. "But there are only so many elite athletes in the world for their species and when it comes to the cold task of sorting out the athletes you have to be able to evaluate them.

"The biggest mistake is being sloppy and thinking a horse is going to be good, because the majority are flawed from an investment standpoint. There aren't 55 or 80 or 1,000 champions, there are only one

or two a year. If you are liking too many horses it means you aren't being discriminating enough."

Liviakis' experience in selecting horses comes from being an early student of racing. When he was 17 his father took he and his sisters to their first race at Cal-Expo and Liviakis fell in love with racing immediately. Granted, it was a Thoroughbred race, but that didn't matter. Standardbreds were much more prevalent at Cal-Expo and young Liviakis began attending nightly and studying the racing program while making deliveries for his father's business during the day.

As a 10 year-old, Liviakis became engrossed in the financial markets, investing the money he earned working for his father into stocks, harassing his broker for answers, and daydreaming in class about reports from public companies.

Seven years later he threw himself into harness racing just as completely,

getting his trainer's license and having his own stable by age 20.

Perhaps because he didn't have a family tradition in racing he broke some rules of the day.

"Trainers back then, and still today, readily put a lot of boots on the horses, even if they don't need it, just to protect them," said Liviakis, who stripped down the weight on his horses and also used lighter weight aluminum shoes instead of steel before many of his contemporaries. "I also didn't warm horses up traditional trips. I thought that was illogical and simply used the post parade to warm them up."

He also was ahead of his time employing therapeutic regimes and using nutritional supplements.

Racing at Cal-Expo and Hollywood Park, Liviakis came to know Joe Anderson, who later convinced him to invest in broodmares in Illinois when Anderson moved his base to Chicago. At one time he had 40 mares and was on the leading breeders list in the U.S. He sold those during the stock market crash, but even today still receives the occasional breeders award.

Anderson and another young horseman at the time were frequent drivers for Liviakis' stable.

"The best driver there at the time was someone who I encouraged to go East and drive on the Grand Circuit because I thought he was the most talented young driver I had ever seen," reminisced the former trainer. "He listened to me and ended up making quite a name for himself: Ron Pierce."

After a learning curve, everything came together for Liviakis and he had a successful stable until he was offered positions in finance he couldn't pass up.

He went to work for the stock brokerage firm E.F. Hutton at age 23 and started climbing the industry ladder. He became a star broker, setting an all-time company record in first month production and was the number one broker with less than two years of experience. After several other positions, he opened his firm, Liviakis Financial Communications in 1986.

Just like his yearlings, Liviakis is very discriminating in the clients he takes on. Like a good handicapper, he is looking for that little something no one else sees. He hand selects companies with undervalued

stock and helps tell their story to brokers to raise their visibility.

"There really isn't another firm quite like ours. Now I know that is hard to believe and that sounds boastful, but that is the general consensus out there," he explained.

"The rewards can be really wonderful because we're paid in restricted stock, so as years go by and the company really hits big we make enormous amounts of money occasionally, not often, but occasionally," he explained.

"In between you end up doing a lot of blocking and tackling. You try to do whatever you can to make sure that company is successful because ultimately you have to answer to the financial markets and their shareholders."

When he's not working, Liviakis spends time with his family, is a student of nutrition and working out, and even sings in his church choir. He manages his four Standardbreds and also owns Thoroughbreds, which he can see race live on occasion at Delmar or Hollywood Park.

He now has 42 Thoroughbred racehorses, all under the care of trainer

Melody Conlon, and 17 broodmares in Kentucky. He began purchasing runners a dozen years ago, but jumped in full scale four years ago when he found Conlon, who shares his philosophy of feed and supplement programs.

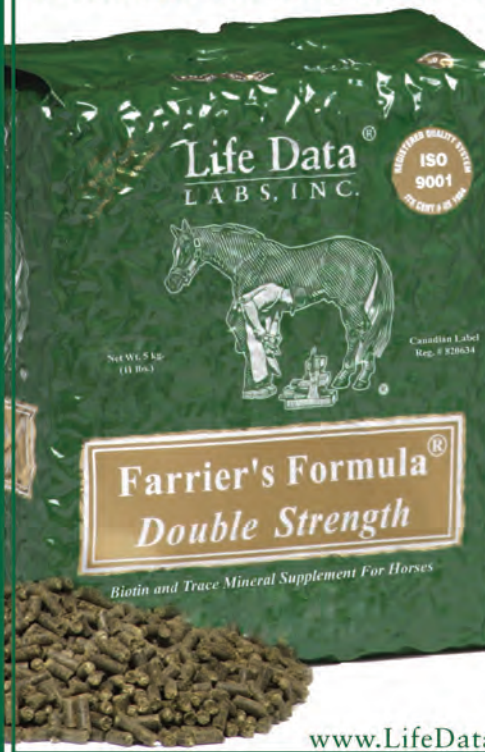
Though he is more heavily invested in the Thoroughbreds now, Liviakis still believes Standardbred racing makes more sense.

"The Standardbreds, economically, are a better model, based on the high purses, weekly racing versus monthly racing, and the Standardbred breed is a more sturdy breed," he said. "The costs are also lower all the way around, from farm bills, vet bills, to the yearling sales. The risks are lower and yet the purse earnings are higher."

While Liviakis doesn't see himself working in his same high stress financial business when he's 60, he is finding it hard to imagine retirement. When that time does come, he plans for it to be marked by more racing, more horse breeding and more time with his family. For now he is happy keeping his clients happy and watching his horses from afar. 🐾

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