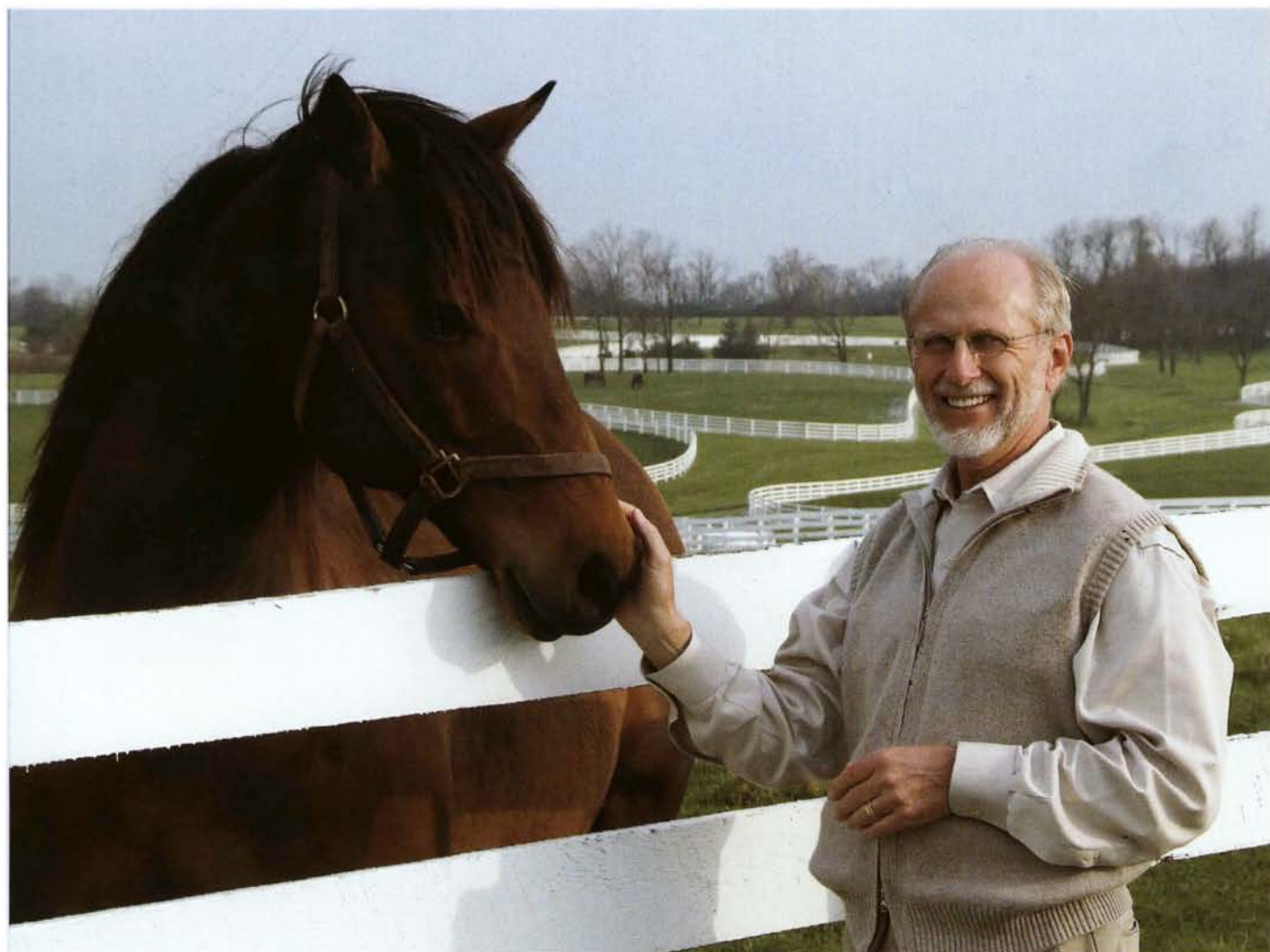


# QUIET IMPACT

*Pragmatic Approach Pays Off for Gary Knapp*



Gary Knapp with Aboriginal Apex, his first equine success





**By Michele MacDonald, Photos by Jeff Rogers**

**T**he year was 1973, and a red horse was burning up racetracks in Louisville, Baltimore, and New York. As a young man who had been smitten with horses from age three when he was hoisted aboard a Shetland pony on his family's Minnesota wheat farm, Gary Knapp couldn't help but be enchanted. He had come to Lexington to earn a doctorate in marketing and applied statistics at the University of

Kentucky but found himself drawn to a dream.

"You had someone coming to Central Kentucky who loves horses, and there was Secretariat on the cover of *Sports Illustrated* and running for the Triple Crown. It wasn't a hard sell," Knapp recalled recently. "I just looked around at all the fields and farms and said, 'This is marvelous.' And I thought that I'd sure like to do this someday."



# QUIET IMPACT



Anne M. Eberhardt

Monticule's Danzig colt sold for \$9.2 million in 2006.

A wiry man with keen blue eyes that reveal an inner intensity not discernible in the soft tones of his voice, Knapp, now 63, is one of those people whose lives are testaments to the notion that dreams can come true.

But although his accomplishment of breeding, raising, and selling a colt good enough to elicit \$9.2 million from Sheikh Mohammed bin Rashid al Maktoum at last year's Keeneland September yearling sale is the stuff of many horsemen's dreams, Knapp's rise in the Thoroughbred business is decidedly not some kind of fairy tale.

Relying on the disciplined approach to unraveling intricate business challenges that allowed him to become a successful consultant specializing in mortgage-backed securities, Knapp pursues the breeding business in a statistician's manner.

"There's no mystery involved. All the data is there for anyone who wants to use it," he declared while discussing his reliance on physical measurements and various indices of breeding performance to decide acquisitions and matings.

Yet he also relishes the romance that won over his heart more than three decades ago. He speaks with affection about his horses, including the six polo ponies he keeps on the farm with their companion, the now 14-year-old gelding Aboriginal Apex, an \$1,800 purchase who earned \$523,346 and won four stakes.

"I've always loved horses," Knapp explained as he walked through a field of mares and foals, stopping to scratch the back of a strapping Sky Mesa colt and allowing the youngster to nibble at his fingers. "I love the way they feel, the way they react to you. Everything about them is wonderful; it's rare that I'm ever around a horse I don't care for."

*"I've always loved horses ... I love the way they feel, the way they react to you. Everything about them is wonderful; it's rare that I'm ever around a horse I don't care for."*

— Gary Knapp

## A weak moment

From his days of sharing a Shetland pony with his two older brothers, Knapp has wanted horses to play a central role in his life.

"I rode horses from the time I started until I was in my mid-teens, when I had a short interlude with motorcycles, which are far more dangerous than most horses," he reflected, chuckling. He became a tournament polo player and can still be found listed on a national polo Web site although he hasn't played competitively in about six years.

After earning his doctorate, he taught marketing at the University of Houston and other institutions and launched Knapp Securities, which he ran from 1981 to 1995. At that time, he and South Carolina businessman Donald Tomlin acquired media giant Park Communications, a conglomerate comprising 107





Landscape architect Morgan Wheelock created sight lines that constantly yield new vistas.

newspapers, 22 radio stations, and nine television channels. Knapp steered the company as chairman for about two years until Media General bought it for a reported \$715 million.

But even amid the whirlwind of lucrative business deals, Knapp never forgot his dreams, and he returned to Lexington in 1990 to search for property on which he could raise Thoroughbreds.

In his typically methodical manner, Knapp set out criteria he intended to follow. However, at what he calls "a weak moment," he relented to real estate agent Bill Duty's "bugging" and agreed to look at more than 200 acres on Harp Innis Pike near the border of Fayette and Bourbon counties even though it was a larger tract than he wanted.

There were no roads, barns, or board fences, only wire barriers for the cattle and tobacco raised there. Regardless, Knapp bought the peaceful acreage as it met his other standards — good soil, close to Lexington, secluded, and containing a prime home site. He named the land Monticule, a French term for a small mountain, and as the farm's brochure, designed by his daughter, Jessica Knapp-Ziegler, states, "Figuratively it reflects our goal: always seeking to be the best that we can be."

Knapp proceeded to buy a few mares and joined a friend in purchasing five weanlings for a total of \$9,000 in 1991. Their plan was to train them up to the 2-year-old sales and sell for a profit. The endeavor wilted when his friend dropped out of the arrangement. Two of the five horses were sold almost immediately after going into training, and another two turned out to be no good. Aboriginal Apex did show promise and turned into a stakes winner, making it all worthwhile.

"He's a marvelous animal and still thinks he's a hotshot," said Knapp, who has ridden the gelding occasionally since the horse's retirement from racing in 2000.

During those initial forays into the sport, Knapp began to realize that although he wanted to breed to race, creating a commercial breeding establishment could be more practical. Since then, he has followed his own strict planning guidelines in designing the farm and assembling a quality broodmare band, which had become his highest priority.

## Master plan

Sitting in his modest office in the Monticule yearling barn, Knapp pointed out a window toward the hill that inspired the farm's name and where construction that began almost three years ago is still under way on a stately home that will encompass everything, he said, that he and his wife, Emily, have ever wanted in a house. Originally conceived in Georgian style, the house has "morphed into 18th-century French" and probably is still a year away from completion. Knapp and his wife also maintain homes in Austin, Texas, and Palm Beach, Florida.

The Monticule house is part of the overall master plan for the farm, which began with the intention of landscape architect Morgan Wheelock to create sight lines that would constantly yield new vistas. Wheelock told Knapp that "I want horses and fences to appear and disappear as you move around so the farm will always be interesting to you."

At Knapp's request, Blackburn Architects of Washington, D.C., designed barns reminiscent of Calumet and Dixiana farms in the 1940s but include modern technology for horse health.



# QUIET IMPACT



Monticule is home to thousands of trees.

Trees also have become central to the evolution of Monticule, which now spans about 630 acres following the latest addition of 70 acres last fall. Knapp started a tree nursery with 9,000 evergreens soon after his initial land purchase and has transplanted home-grown spruces and pines around the farm. In 2001 the nursery was expanded to include sycamores, oaks, elms, birches, maples, dogwoods, redbuds, crab apples, and ginkgos. The farm maintenance staff now plants about 1,000 trees every fall and winter.

"One of the wonderful things that has happened is that, as we've increased the number and variety of trees, the number of bird species we have here also has greatly grown," said Knapp, who values nature and the environment.

But the broodmares are, of course, the heart of the farm and of his plans. Knapp devised a strict acquisition formula founded on young mares and a requirement that the sires be ranked on the list

The barns mix classic design and modern features.

of cumulative leading broodmare sires. While the mares' race records have not been important to him, he has relied heavily on measurements from EQUIX Biomechanics that aim to predict the mares' ability to produce consistently good foals physically.

While he initially wondered about his ability to compete with the overwhelming number of other breeders, Knapp tasted success immediately. A Mr. Prospector filly out of his \$275,000 purchase, Lady Madonna, fetched \$2.1 million from Eugene Melnyk in 2001, the year of Monticule's first Keeneland September consignment.

Sharp Minister, the dam of last year's \$9.2-million Danzig colt, was a \$220,000 purchase by Monticule at the 2000 Keeneland November sale after getting good marks from EQUIX. Ironically, the daughter of Deputy Minister, unplaced in two starts, might not have made Knapp's short list had he been working with the even tougher pedigree standards he instituted after her purchase. She is now, however, the queen of his 20-mare band after producing group III winner Dijeerr, multiple stakes winner Sharp Writer, and the Danzig colt, who stands as the third-highest-priced horse in the history of the Keeneland September sale. Sharp Minister was bred to A.P. Indy after producing an Elusive Quality filly this year.

"I frequently say, if you want to treat the breeding business like a lottery, then that's what it's going to be," Knapp said after reviewing the statistical measures he has relied upon in developing Monticule. "Whatever you're doing, you really have to be familiar with the details. If you don't know the details, you don't know what





Sharp Minister and her Elusive Quality filly

decisions you're making. So, I stay very close to the horses." And Knapp became such a believer in the EQUIX system that he purchased a majority interest in the company in 2004.

### Blueprints for the future

The market's response to the Danzig colt proved to be a landmark for Knapp and Monticule after only 10 years in commercial breeding.

## QUIET IMPACT

"As some of my friends said, 'If you had realized what he was worth, you never would have slept at night,'" Knapp said while recalling he had walked past the colt's paddock every evening for months without recognizing what he would come to mean to the farm. "It was astonishing at the auction; the numbers just kept going up. You can't predict where it's going to go. You just go, 'Wow.'"

Beyond the exhilaration and immediate financial return, there were other benefits. "It gave us publicity that money couldn't buy," he said. "I'm pretty confident that later in the sale

people were coming to look at our horses because they saw we were the farm that produced that colt."

Knapp hopes that kind of respect will carry over to 2007, when Monticule plans to offer 11 yearlings for sale, including a striking Fusaichi Pegasus-Sharp Minister colt with a blaze and four white socks.

But Knapp has even bigger plans for the future, including creating a

# QUIET IMPACT

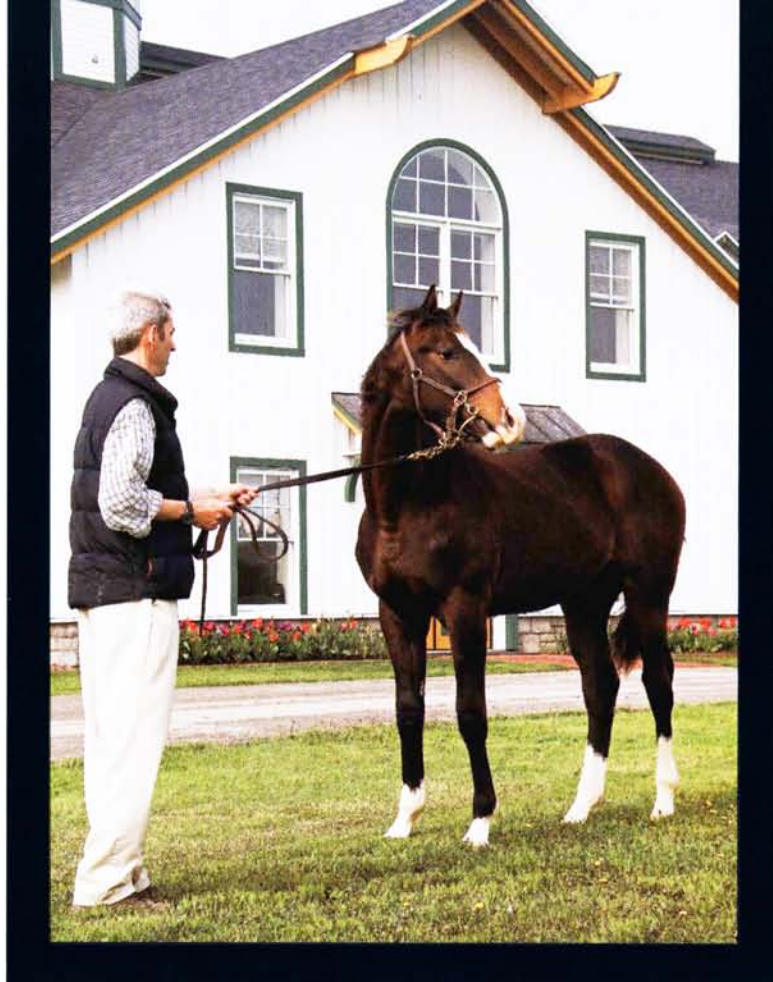
stallion facility on part of the about 400 acres of Monticule still waiting for development.

He also has designed three blueprints for partnership ventures to be marketed by EQUIX to potential investors and based on the company's technologies; all are advertised under the name Goose Creek Thoroughbreds, coined after a stream that flows through Monticule. The first plan is a \$6-million pinhooking program that would acquire from 20 to 30 yearlings for resale as 2-year-olds; another plan would involve investing up to \$7 million in juveniles that would be raced and then sold for breeding; and the third plan would involve \$8 million to \$10 million for buying a stallion prospect and mares to breed to the horse before reselling him once he has proved his value.

Knapp also will take clients at his farm, but only those who want to pursue the same statistically driven approach to breeding and sales that he has developed.

"We have the experience, and we're highly confident of success," he said.

But even Knapp knows that some of the rewards from Monticule can't be measured by data. "This is just such a wonderful life," he exclaimed as he walked through his barns and fields, awash in the promise of this year's newborn foals. 🐾



A Fusaichi Pegasus yearling out of Sharp Minister