



*Thoroughbred Farms  
in California*

# Magali Farms



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by GENE WILLIAMS

Nestled serenely in the shadows of the Santa Ynez Mountains is a little bit of old Kentucky.

The lovely, manicured pastures of Magali Farms give the area that sense of the rich Bluegrass territory of which most horsemen and fans consider the center of the Thoroughbred universe.

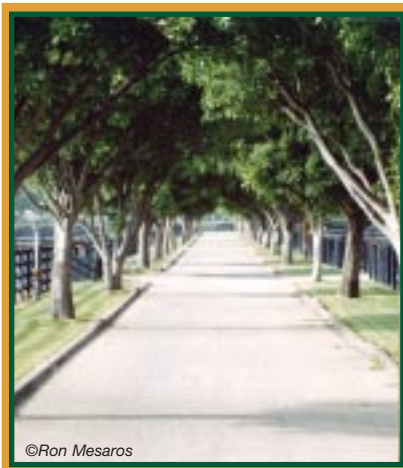
This relatively new spread is emerging as one of California's premier breeding facilities, under the guiding hands of owners Rich and Gaby Sulpizio and farm manager Tom Hudson.

Though it has the feel of Kentucky, the Sulpizios are fiercely loyal to California breeding and are intent on moving the already rising industry to another level, one that would put it on a track parallel to that of Kentucky.

Magali stretches across 238 lush, irrigated acres that once served as home to Mandysland Farm and later to Magness Racing Ventures. Tom says many visitors to Magali are struck by its beauty and layout and invariably compare it to what they've seen in Kentucky. And why not? After all, it was designed after a Mandysland farm in Kentucky, with four-rail fences and with wide paths between paddocks, where no two fences ever meet.

Magali is a full-service farm, but the

emphasis is on breeding and raising horses, with lay-ups, training and sales preparation as additional factors. This is a reflection of the direction the Sulpizios hope their Thoroughbred business venture will take them. "We're not as interested in racing horses as we are in breeding and raising great horses," says Rich, the retired



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president of Qualcomm Inc., the communications giant located in San Diego County.

"We want to stand stallions of exceptional quality and bloodlines and breed to our own mares, as well as our many clients' mares," the earnest, congenial owner says. So far that has been accomplished through the stallions Lit

de Justice and Decarchy, owned by the farm, and Fusaichi Zenon (Jpn), Mr. Broad Blade, Truckee and D's Bertrando, all owned by clients.

The Sulpizios, who have been married 32 years and have three grown daughters living in San Diego County, are at opposite ends of the spectrum in regard to their approach to horses. Gaby has always loved horses and been around them. Rich looks on it as a business proposition, which has always been his forté. According to Gaby, "When we walked around the farm and I saw the horses and experienced the sounds and smells of the barn, my heart just raced. I just love being around the horses. And I think the idea of something very new has always been challenging to Rich." She should know, because she and her husband grew up together in the Los Angeles suburb of San Gabriel, attended school together and were friends long before they were married.

So now that they have bought the farm and have already tasted success, what's next? "The reason I'm so thrilled with our business," Gaby, who was born in San Jose, Costa Rica, says, "is because we started with one aspect and as we've learned from our little mistakes and from Tom's good teachings, we've gone forward so fast that now we're at

the next step. Now we have our babies from our stallions. Now we have to decide—if they don't sell—do we take them somewhere else [to other sales] or do we raise them until they're 2-year-olds and take them to the sales again? We don't know that yet."

book written many years ago entitled, 'Thriving on Chaos.' Many people at Qualcomm think that was named for me," chuckling at the thought. "I love action. I love doing things."

Often, speedy growth can create some problems, and Rich is aware of

Poway, near San Diego, already had a "getaway" home in Santa Ynez and were interested in picking up some "raw" land on which they might develop a vineyard that would occupy some of their time following Rich's retirement from Qualcomm. They were shown a 40-acre plot owned by Magness Racing right next door to the full farm. The real estate agent brought along Tom, who managed the Magness property, to explain the irrigation system and to discuss survey and property lines. During the course of conversation, Rich said, "I made the



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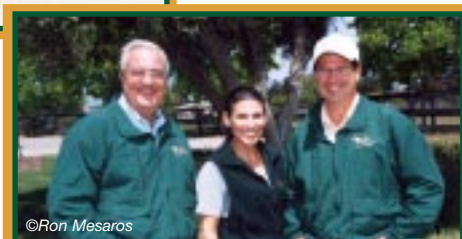
Rich, born in Kenilworth, Utah, says of his management style: "My friends at Qualcomm will tell you, I'm willing to make changes. If there's a decision to be made, I'll make it."

Tom says "amen" to that, but is quick to indicate the style is not without its open-mindedness. "He's an incredible listener," the farm manager says. "He listens to everything, and never makes a decision without telling us why. Ninety-nine percent of the time he's right."

Rich kids himself a bit on that score, saying, "You know there was a

that. "The question we have in our minds today, is how big do we want to be? Because we have been successful, do we want to grow more? Or do we just take our customer base and just try to grow with that? Those are some of the decisions we're wrestling with."

The birth of Magali Farms began innocently enough, almost by accident. The Sulpizios, who live in



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Rich and Gaby Sulpizio (left) and Tom Hudson (right)

mistake of asking Tom what was next door and he replied that it was the farm [194 acres] he and his wife, Gayle, ran and it was for sale, too.

"Tom was prepared," the enthusiastic Rich said. "He had a hand-written

**Continued on next page**



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## Thoroughbred Farms in California Contd.

business plan for a potential new owner and he and Gayle wanted to stay, so he showed that to me and Gaby, and I looked at it and talked about it and made the offer." If that seems pre-ordained, Rich would agree. "We think it's destiny," he says, "from the point that they needed something to do, we wanted something to do, and the four of us are really proud of what we've developed."

They bought the farm in December 2001, with the intent of enjoying the horse racing industry and getting to know it. "Gaby had always loved horses," Rich says. "I'm not necessarily a horse person, although in the past couple of years I've learned to respect them a lot more. We considered two things when buying the farm: To have some fun and to make a goal of trying to do well in the business."

At the time of the sale, the Hudsons weren't exactly sure what they would do. Tom Hudson was really not interested in returning to Colorado "or anywhere else cold," so the Sulpizios sat down with the pair and discussed their goals and aspirations. "They really meshed with Gaby and mine," Rich said. "Tom and Gayle [she's the office manager] handle things on the day-to-day basis and Gaby and I get to enjoy things from a business and strategy point of view. Gaby and I both love what we're doing. We try to spend 50 percent of the time at the farm. We're very active owners with Tom and his staff [of 35 who live in the farm's eight homes], and we see that continuing."

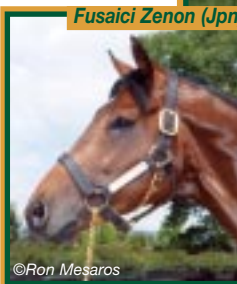
Oh, yes, the idea of the vine-

yard finished a distant second to the breeding business.

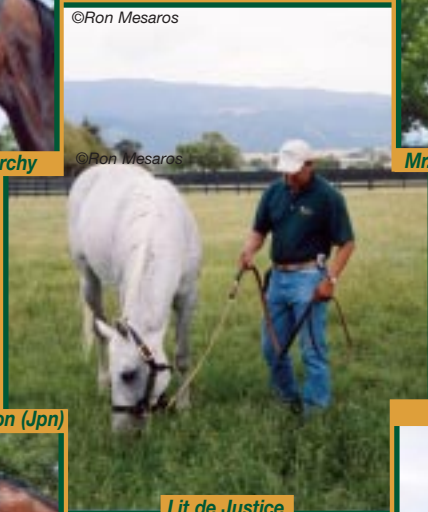
"We're really happy to be in what we call the 'horse farming' business as opposed to the racing part of the business," Rich says. "Our goal is not to race horses. Our goal is to stand stallions, have a lot of people breed to them, and have some broodmares of our own that we can breed to our own stallions and sell as yearlings or 2-year-olds based upon what makes sense. In my opinion, our farm is



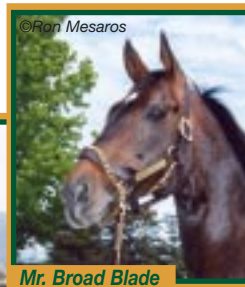
Decarchy



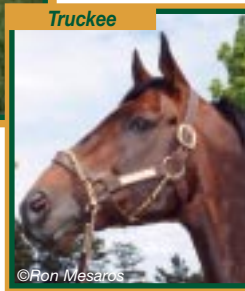
Fusaici Zenon (Jpn)



Lit de Justice



Mr. Broad Blade



Truckee

probably one of the few commercial farms where the owner is not into racing. Our farm is mostly for our customers to bring their horses in—for layup, boarding, sales prep and all the aspects of the business.

"Our focus is on the customer's horses, not on Gaby and my horses. They know that their horses come first to us. Tom and his staff just do a wonderful



job. We've had many trainers tell us that they have never seen a horse look as good as they do when they come back from Magali Farms."

Another focus, says Rich, is to stay ahead of growth problems. "We've taken great pride," he says, "in hiring staff before we've needed them, and getting them educated so we have the people on the farm [already] to take care of the horses. We're trying to look ahead to see what's coming in the next six months or year, so that we can be prepared to grow and, at the same time, continue the quality care that I think Magali Farms has become known for."

There's a fast learning curve to the breeding-farm business, and Rich, who took Qualcomm to the heights during his 1991—2001 tenure as the chief executive, grasped that quickly, realizing early that to be successful one has to take certain steps to insure profitability. "When we bought the farm," he said, "we learned that if we provided quality care for our lay-ups, they in turn, would bring customers who own broodmares. For broodmares to stay year round, we would have to stand stallions.

"We went looking for a stallion the first year and we found Lit de Justice, a Breeders' Cup Sprint winner who had earned a lot of money and was well-known in California [because he raced almost exclusively in the state]. So we went to Kentucky [to Frank Stronach's Adena Springs] and convinced them to sell him to us. We brought him to California with the expectation that Californians would jump on the opportunity to breed to him and I'm happy to say that after two

years I'm very proud of what he's accomplished. He's not only brought us breedings, but he's brought us broodmares for the pastures. For this year's breeding season, we bought our first horse off the track—Decarchy [multiple graded-stakes winner and son of Kentucky Broodmare of the Year Toussaud]. We think the two stallions we own have helped make us a name in the industry."

Both stallions have racked up impressive numbers during the newly-completed breeding season. Lit de Justice, who already has numerous stakes winners in his resume, covered 55 mares, according to Tom, who added that nearly 50 of them were mares not owned by Magali. Decarchy, whom Tom has strived to mate with 80 mares, had covered 70 mares by the magazine's press time. Tom said Rich had told him he'd be happy if 50 mares came to the first-year stallion.

Magali's client base has grown to more than 100 and continues to expand. Rich expressed gratitude to owner-breeder Madeleine Paulson for her support in the farm's early days. "She introduced us to [trainer] Simon Bray, and he was our first client," Rich said. "Simon has referred many clients to us, as have other top California trainers. We have also been very fortunate to have developed a great working relationship with trainer Doug O'Neill. Doug has been very instrumental in our growth and graciously continues to refer clients to us."

"I can honestly say that nearly everyone who has come to our farm in the past two years, has sent us horses."

At peak population, the farm is home to approximately 425 horses. That covers broodmares, foals, yearlings, stallions, lay-ups and those in training. Tom sees no reason there can't be more on the property. "We have another 40 acres that isn't in use," he says. "We're hoping to add quite a few more mares, maybe another 20 resident broodmares."

Eighty acres adjacent to the farm's central focus on breeding are devoted to the training side of the operation. A spacious, well-ventilated 46-stall barn



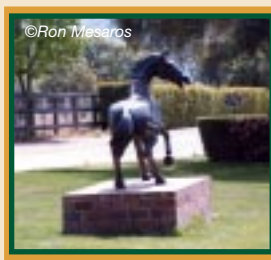
is the centerpiece of the center, which also includes a five-furlong training track that is resurfaced twice a year. Also, there are 36 outside covered stalls, irrigated paddocks, a 60-foot round pen, a 250-foot by 150-foot outdoor arena and an easy walker.

All told, the farm has four barns and 147 stalls.

Since signing back on with Qualcomm as something of a troubleshooter for projects in Europe, Rich's time is at a premium. But that doesn't keep him from mulling over possible ways



to improve the breed in California. "One of the things I've come to find out is that pedigree is very important, and many people want to go to Kentucky just to get the pedigree," he says. "So I think breeders in California have got to make sure that we keep only quality stallions and quality mares in the state. You have to make it a focus. You have to say we're in this for the long term, we're going to put some money into it, because we think it's going to pay off over time."



## MAGALI FARMS FACT-FILE

### Owners:

Rich & Gaby Sulpizio

### Farm Manager:

Tom Hudson

### Address:

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Santa Ynez, Calif. 93460

### Telephone:

(805) 693-1777

### Fax:

(805) 693-1644

### E-Mail:

info@magalifarms.com

### Web Site:

www.magalifarms.com

### Services:

Breeding, Boarding,  
Training, Lay-Ups  
& Sales Preparation

### Stallions:

Decarchy ( <i>Distant View</i> )	.....\$5,000 LF
D's Bertrando ( <i>Bertrando</i> )	....Complimentary
Fusaichi Zenon (Jpn) ( <i>Sunday Silence</i> )	..Private Treaty
Lit de Justice ( <i>El Gran Senor</i> )	.....\$5,000 LF
Mr. Broad Blade ( <i>Broad Brush</i> )	.....\$2,500 LF
Truckee ( <i>Danzig</i> )	.....\$3,500 LF

### Approximate Thoroughbred Population (June 2004):

Stallions	.....6
Broodmares, Foals & Yearlings	.....300
Horses in Training	.....50
Lay-Ups	.....50
<b>Total</b>	<b>.....406</b>