

Daily News Links - August 2006

Bonny Doon sells Big House and Cardinal Zin brands to The Wine Group

Randall Grahm, the owner of Bonny Doon Vineyard, announced yesterday that he has sold two of his leading wine brands to The Wine Group LLC, a management-owned wine company based in San Francisco. The Big House and Cardinal Zin brands will be under the stewardship of The Wine Group's newly formed Underdog Wine Merchants division.

The sale of Big House and Cardinal Zin to The Wine Group includes the brand names, inventories, grape supply contracts and key brand icons. The purchase price was not disclosed.

"I had envisioned a catchy headline like, 'Big House brand escapes the shackles of the tyranny of terroirism,' but thought better of it," commented Grahm in making the announcement. "We have been joking around for so long, it is hard for people to know when we are in fact serious. I feel like the Boy Who Cried (Your Cri de Coeur here)," he added enigmatically.

Randall Grahm's iconic Le Cigare Volant, his homage to Châteauneuf-du-Pape, along with other well-known wines he has created over the years will continue to be wholly owned, produced and sold by Bonny Doon. It is planned that the fast-growing Pacific Rim brand will relocate its production to the state of Washington and will within a year's time, function as an autonomous entity with a sales and management organization distinct from that of Bonny Doon Vineyard and based in Portland, Oregon.



Bonny Doon President and Owner, Randall Grahm

"Underdog Wine Merchants is an excellent fit for both the Big House and Cardinal Zin brands, the rapid growth of which in the last several years has stressed our own resources and infrastructure to the max," stated Grahm. "This sale allows us to return to our roots, as it were, and re-focus on the production of unique and distinctive, biodynamically produced wines, ones that will truly express a sense of place. I have been raving on long enough about the transcendental value of terroir; it is now time to translate mere words into deeds.

(We are not so much down-sizing, as doon-sizing, creating a company that is more congruent with our deepest values.) That being said, it has been an exhilarating and heady ride to grow the brands as we have done. I greatly appreciate the contributions and efforts of those dedicated souls who have helped build these brands with us."

Fritz Lance, President of Underdog Wine Merchants, commented, "This is a tremendous opportunity to add two truly iconic brands to our international portfolio of fun and distinctive wines. Big House and Cardinal Zin will be right at home with our emerging brands such as Pinot Evil, Tempra Tantrum, Killer Juice and Herding Cats. We don't envision making any changes to Mr. Grahm's inspired blends and we hope to build upon his tradition of dynamic and innovative packaging."

The Wine Group LLC is a privately-held company that produces such well known brands as Franzia, Concannon, Glen Ellen, Corbett Canyon, Foxhorn, Fish Eye, Mogen David, Casarsa, and Tribuno. Founded in 1981 by a management buy-out of the wine assets of The Coca-Cola Bottling Company of New York, The Wine Group is currently the world's third largest wine producer by volume.

Robert Nicholson of International Wine Associates, Healdsburg, California initiated the transaction and served as exclusive strategic and financial advisor to Bonny Doon Vineyard.

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