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Rich Cartiere's

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WINE MARKET REPORT

Know today what's coming tomorrow!

Geyser Peak Buys Central Coast's Wild Horse Winery

Sonoma County-based **Peak Wines International**, the wine operations of **Fortune Brands**, is purchasing **Wild Horse Winery and Vineyards** on California's Central Coast.

Parties involved in the deal declined to disclose terms, but sources estimated the transaction at about \$35 million.

The purchase of the wine-production facility, inventory and 140,000-case annually brand includes 48 acres of vineyards. Annual sales of the brand are \$14 million.

"It's pretty competitive out there and this was a great opportunity to get involved in a company that is completely vertically integrated, which is a real advantage in this kind of marketplace," said Ken Volk, founder of Wild Horse.

Effective immediately, Peak Wines will oversee all operations of Wild Horse including marketing and distribution. Volk will remain president and director of winemaking at Wild Horse. Wild Horse's sales and marketing contract with **Wilson Daniels** of Napa expired this week.

Stephen Brauer, president and CEO of Peak Wines, said Wild Horse "fit perfectly" with his company's strategic plans on expanding offerings in the super-premium category with complimentary brands that

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don't compete directly because of different price points and different varietal offerings. Peak Wines owns Geyser Peak and Canyon Road, both California brands.

Fortune Brands is a leading US producer of distilled

spirits (Jim Beam, DeKuyper, Knob Creek) and golf equipment (Titleist, Cobra, FootJoy, Pinnacle).

Fortune also makes a number of top home products (Moen faucets, Aristokraft and Schrock cabinets, and Master Lock padlocks) as well as office products (ACCO, Day-Timers, Swingline).

Fortune Brands also distributes Absolut vodka in the U.S. through its joint venture (Future Brands) with Sweden-based Vin & Sprit. Future Brands says is the No. 2 spirits vendor in the U.S., behind the UK's Diageo. Fortune Brands holds 51 percent of the company; V&S 49 percent.

Founded in 1982, Wild Horse is located in northern San Luis Obispo County, near the town of Templeton and is recognized as a leading producer of quality wines from Paso Robles and the Central Coast. Eighty-five percent of its production is from contracted fruit.

Robert Nicholson of International Wine Associates represented Wild Horse in the deal. **WMR**

Whitehall's Leonardini Sells Calistoga's Bennett Lane Winery

Bennett Lane Winery, the former **Vigil Winery** facility in northern Napa near Calistoga, is being sold on Monday to a local grower and entrepreneur.

Randy Lynch, owner of San Francisco-based **RW Lynch Co.**, is buying the facility and "small amounts of bulk and cased wine inventory" for \$5.25 million from Tom Leonardini, the owner of **Whitehall Lane**. Leonardini bought the 10-acre facility in June of 2002, refurbished the run-down operation and replanted the seven-acre vineyard with new Cabernet Sauvignon.

Lynch's company says on its Web site that it "pioneered group television advertising for attorneys and is now the leading provider of marketing services for the legal profession in the United States."

Leonardini paid \$3.5 million for the facility and brand rights last year. Napa county last week approved an expansion of the permit from 20,000 gallons annually to 50,000. *WMR*

Napa's Kirkland Faces Foreclosure Notices

A 90-day grace period expired this week on loan default notices filed by **Prudential Insurance** against Napa's **Kirkland Ranch** winery, but company founder Larry Kirkland said a restructuring will avoid further foreclosure proceedings.

"It was related to the drop off in wine sales; we need to achieve a broader market for distribution of our wines," said Kirkland, adding that the winery is currently at 15,000-20,000 case sales annually but "needs to be" at the 50,000-case level.

Prudential's agricultural investments division filed the notices of default on four loans totaling \$12 million on April 28. A spokesman for Chicago Title Co.'s foreclosure department in San Francisco said discussions between Prudential and Kirkland are underway but a 30-day foreclosure sale notice legally could be posted as early as next week.

But Kirkland said a restructuring to take out Prudential as the key lender was already underway, should be completed within three weeks and said "no further" foreclosure proceedings should be expected."

A portion of the 3,500-acre Kirkland Cattle Ranch was turned into vineyards beginning in 1985 and since then the family from nearby Vallejo has expanded. The lodge-style facility was built in 1999 overlooking the eastern Napa Valley, set amidst 150 acres of vineyards. *WMR*

Who's Who in the WineBiz...

- » **Jim Clerkin** named president of Allied Domecq's North American spirits operation effective 1st August 2003. Clerkin joins the company from Diageo, where he was President of Diageo North America West, with responsibility for 11 western states.
- » **Becky Jenkins**, of Madrone Vineyard Management, has been named president of the Sonoma County Grape Growers Association's board of directors. *WMR*

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