

Koch Clipped in Damages Suit

A federal judge this month has ruled that billionaire Bill Koch's compensation from a wine fraud suit will be less than one tenth of the original award.

In 2012, the infamous Koch brother filed suit in three states against Eric Greenberg, Silicon Valley entrepreneur and fellow collector of very rare wine. Included in the case were the Thomas Jefferson bottles that went on to become the subject of the book, *The Billionaire's Vinegar*.

The Manhattan jury issued an award last year of \$355,811 of compensatory damages and then an incredible \$12 million in punitive damages citing that Greenberg was deliberately selling "garbage" that he knew to be fake. Greenberg immediately filed to have the damages reduced.

In his recent decision, Judge Oetken chopped the damages to \$924K total stating that the jury had not taken Koch's \$250K settlement with Zachy's into account and calling the further \$12M award "excessive and cannot stand". Koch was also not awarded any return on his \$7.9M in attorney fees.



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Wine Shopping South of the Border

With the Canadian dollar dipping, what are the benefits to buying in the US?

Wine buyers are always on the hunt; whether it's to sample something new, complete a vertical or track down that coveted trophy bottle for their cellar. We asked Robin Clasper, expat Canadian and Wine Director for Georgetown Square Wines and Liquors in Williamsville, NY (close to the Buffalo airport) about the main advantages of buying in the American wine market. These were the two that rose to the top.

Value - For the most part, one can find better value for your wine buying dollar in the US than in Canada. However, with the Canadian dollar not faring as well as it used to, and Canada Customs only too eager to charge you up to forty percent duty on your return, your bargains can be whittled away quite quickly. So if you're not staying over two days or flying through Buffalo on your next trip you have some making up to do. Because wine prices vary greatly, the best thing to do is make a call and see what type of discount is available. On top of that, tell them you're an Iron Gate client and the 20% discount that usually only applies to case lot purchases will be offered regardless of quantity.

Access – We asked Robin to email a selection of wines that are available in their reserve room. He sent a list that included 2006 Penfolds

Grange, 2007 DRC Romanee St. Vivant, 2007 Shafer Hillside Select and a vertical of Joseph Phelps Insignia from 2006-2009. What struck me is how difficult, if not impossible it is to find back vintage wines in Ontario, particularly from the great producers. Clients who are starting collections complain that everything they buy in the LCBO is so young that it could take years before they have anything ready to drink. When you do find the great brands they're often only available directly from the agent and we know what that means; case lot only. So while most people only talk about the price differences in the US, we think the greatest advantage is being able to purchase less than case lots, blue chip producers & back vintages with ease.

Lastly we found that even if they don't stock a wine they'll likely be able to get it. So if you're looking for a wine for that landmark occasion, or you've been searching high and low for a specific wine, Georgetown can order pretty much anything that's available within New York State and it can be ready for you next time you are in the Buffalo region. Robin suggests joining their mailing list to stay in the loop with information on their next library release offer or other special offerings. To do this you can email him at robin@gtownwine.com or call at 716-634-9295.

Bordeaux responds to 2013 vintage with chaptalisation

In only the toughest of vintages do producers consider the possibility of chaptalising the fermenting grape must. This is a process of adding small amounts of sugar to increase the potential alcohol levels (up to a maximum increase of 1.5%) to the targeted 13% - 13.5% final alcohol.

The practice was almost banned in 2008 by the European Union but was eventually allowed with strict limits depending on the winemaking zone.

Chaptalisation is named after the father of the technique, Jean-Antoine Chaptal (1756-1832) who was a French chemist and statesman who spent much of his career attempting to apply his knowledge of chemistry to industry and agriculture. In 1801 he penned the book "The Art of Winemaking" where the chaptalisation technique was first introduced.

2013 has proven to be one of the most difficult on record for Bordeaux with poor weather bringing yields down significantly. In what is expected to be an "early drinking" vintage, producers will have a very short and calm en primeur as the demand for this vintage will not be as high as previous vintages.

Retailers will surely be looking for price reductions from the 2012 vintage - even though it was very expensive to produce 2013 due to low yields and the extra winemaking measures required to compensate for the poor weather in Bordeaux.

Burgundy in November

How a charity auction in Beaune historically set the market for the

Many have heard of the famous Hospices de Beaune Wine Auction that takes place every November in the heart of Burgundy, but unless you've been there, few understand exactly what it is today and how it is an integral part of Burgundian culture, history, and how Beaune forms the epicentre of what is arguably the most important wine region in the world.

Back in 1452, Nicholas Rollin, the Chancellor of Burgundy and Minister of Finance, founded a hospital for the poor. This was brought on by the end of the Hundred Years War with marauding bands still roaming the countryside pillaging and destroying communities. The citizens of Beaune were poor, destitute and starving so the Chancellor responded by creating this refuge and hospital. From the middle ages until today, the Hotel Dieu - as it is known - has sheltered the sick, dying, and orphaned children. Branches of the hospital grew outward into the nearby villages of Pommard, Meursault and Nolay. The main structure still stands as an amazing museum and example of fifteenth century architecture, but patient services now take place in more modern buildings close by.

Vineyards in the middle ages were owned by the wealthy, nobility and the church. Over many years the local community and surrounding villages supported the hospital through donations of vineyards - among other things. It was said that donations of land, homes and vineyards could secure one's place in heaven and make up for past deeds during life that could send them to hell. As time passed, the Hospices became quite wealthy and one of the largest holders of land under vine in all of Burgundy with around



150 acres, 85% of which is classified Premier Cru and Grand Cru. This includes such famed vineyards as Batard-Montrachet, Corton, Mazis-Chambertin and Meursault Charmes.

In 1851 it was decided that all of the wine produced from the Hospices vineyards would be placed up for auction to raise funds. The first auction took place on the third Sunday in November following a three day festival dedicated to the food and wines of Burgundy and this has been the tradition ever since. The auction is preceded by a black tie dinner at the Clos de Vougeot on day one and followed by the lunch at La Paulee de Meursault on day three. Historically this auction has set the price mark for the vintage - though that is less so today, as a component of the bids include the desire to assist the charity and the prestige of owning a piece of history.

Each wine is sold in barrel, holding 288 litres (around 300 standard bottles or just over 25 cases) and includes the name of the wine (i.e. Mazis-Chambertin GC) and the name of the original donor or benefactor (i.e. Cuvee Madeleine Collignon). All barrels are sold in parcels (identical size and description) which allows the initial single buyer the right to purchase some or all of the remaining parcelled barrels at the same time, for the same cost. Christies has conducted the auction since 2005 raising £6.3M in 2013 for the charity with about 800 barrels sold to over 500 buyers which

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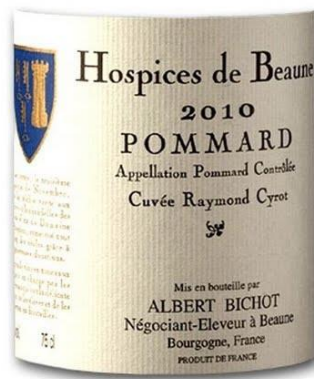
Hospices de Beaune cont.

participate by phone. Prior to the auction, Christies conducts tastings around the world for prospective buyers in major cities including Hong Kong, London and New York.

Once a barrel is bought it will require tending to by a local negociant for between 12 and 24 months until the eventual bottling. The negotiant will use their expertise to choose the perfect time to bottle the wine and the buyer will choose the sizes of the bottles they would like used. A buyer may choose to personalize the Hospices labels to include their name, club name or companies name alongside the Hospices de Beaune crest.

Having a ticket to the table at the auction is the equivalent of being at the Superbowl or Masters of the wine world so we have sought out a tour operator based in Vancouver that can make this experience a reality. Twelve guests will have the ability to attend and bid (hopefully successfully) for the right to have some of the world's greatest wine emblazoned with their name on the label.

There is certainly much more to this trip than the auction; too much to describe here. This is all about access to the best domains, restaurants and hotels Burgundy has to offer culminating with



the auction experience of a lifetime. You will have five days exploring the Cote Du Nuits, Cote Du Beaune, with tastings in Aloxe-Corton, Meursault and Gevrey-Chambertin., with each wine paired with the corresponding Grand Cru vintner such as the young Burgundian prodigy Benjamin Leroux, Oliver Leflaive's mastery of biodynamics, and the Count himself, Philippe Senard. These masters of the craft will be available to give their first hand opinions in discussions about viticulture, vinification and the opportunity to share the culture of the lives they lead in the heart of Burgundy.

If you can make November 15-21st available for you a few of your wine drinking friends call Warren directly at 416-234-9500 and he'll put you in touch with the organizer before it's too late.



Eye On It

Multi-Agent Portfolio Tastings now Available

Beginning April 16th, Iron Gate will be hosting an ongoing series of multi-agent portfolio tastings at their event space at 51 Laird Drive in Leaside. These events will occur every few weeks and are available on an invitation only basis to groups of 85-100 attendees.

The concept of a multi-agent portfolio tasting came about when Iron Gate opened the event space in February this year. With a large base of collectors it was thought that they could bring together the clients and wine merchants that they have worked with over the years. By hosting more than one agent at a time, prospective buyers could sample from close to 100 different wines per event.

The April 16th tasting quickly reached capacity and April 29th is now booking for the 6pm – 9pm time slot, featuring the following agents showcasing their products:

- Airen Imports
- Azureau Agency
- Diamond Estates
- Hobbs Agency
- Tre Amini
- TWC Imports
- Woodman Wines

Future event will be themed for particular regions, grape varietals and styles. Those wishing to be on an invite list can go to irongatewine.com/tastings to subscribe. All tastings are complimentary to invited guests.

Worldwide Collector Briefs

CRA Charity Auction Case Postponed

Originally scheduled to begin mid-March, this case is now postponed until September in tax court in Ottawa. As a reminder, CRA issued a reassessment notice on a number of donors in Ottawa following a multi-year investigation which showed that wines were being receipted for up to 5x their final sale price. The group of donors chose to fight and a local settlement was not achieved. CRA is seeking to have the value of the wines be determined only by the final sale price regardless of the appraisal value which it claims has no merit for this purpose. Because this will be settled by tax court, any decision will be nationwide and could have a serious adverse effect on charity wine auctions.

Upcoming GTA Wine Events

Iron Gate's Multi Agent Portfolio Tasting

On April 16th from 6-9pm Iron Gate will be hosting 8 private order agents for the first in a series of multi-agent portfolio tastings at our new event space. The event allows consumers the ability to taste consignment and private order wines from a number of agents in the same venue and place orders on the spot. RSVP's can be made at www.irongatewine.rsvpify.com. Although this inaugural event is fully booked out, another is scheduled for April 29th with 8-10 different agents.

Chateau Margaux Dinner

The LCBO has put together a dinner at Scaramouche with Paul Pontallier, Managing Director of Chateau Margaux on Wed April 30th beginning at 6:30pm. Multiple vintages of Margaux will be available for tasting as well as the second wine, Pavillon. Tickets are \$645 per person and can be found through the Vintages website.

Lifford Grand Tasting

Always regarded as one of the best tastings of the year, Lifford will hold its annual event on May 6th at Roy Thompson Hall. Lifford will feature over 300 wines, spirits and liqueurs from 65 producers around the world. Tickets are \$107 each and can be purchased through their site at www.lifford.com

Covenant House-GMP Capital Wine and Dine

Covenant House will be raising funds for homeless youth with a dinner and fine wine auction on June 7th at Arcadian Court. Tickets for dinner are \$500pp or \$75 for the auction only and can be obtained by calling Tiffany MacDonald at 416-204-7088

Featured Wine Quarterly Pick



Redstone 2010 Syrah

You're Morey Tawse, you have successful winery ventures in both Ontario (1) and Burgundy (2), so what do you do for an encore? Start another. With the purchase of the Thomas and Vaughan property in 2009 Morey went looking for new adventures in terroir in this own backyard.

This is one of the inaugural reds from that venture. To say this Syrah is a beauty is a real understatement. Made with vines planted between 1998 - 2000 on the Redstone property, then aged 18 months in 50% new French oak; considering the robust year that was 2010 these grapes suck in all that oak and barely shows it on the palate or the nose; instead there's a real peppermill-like nose complementing the smoky and meaty aromas while adding cassis and a touch of violet.

Palate comes off as youthful with lots of blackberry, black cherry fruit all mixed in with those smoked meat and peppermill notes; chalky mineral-tannins kick in on the finish. There's a real silkiness on the palate but the wine still has that purity of Syrah, not just in name.

Price: \$39.95

Rating: ****½

www.redstonewines.ca

Available online or winery

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Iron Gate - Private Wine Management

Warren Porter is President of Iron Gate – Private Wine Management, a storage and wine services provider based in Toronto, Canada. Iron Gate is the largest private provider of storage services in Canada. In addition, Iron Gate – Private Wine Management provides home cellar management and monitoring systems, professional buying and US and international selling services for collectors in Canada.

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