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## A guide for the grape

by **Chris Nolter** Posted 05:32 EST, 19, May 2005

In the White Plains, N.Y., warehouse of **Zachys Wine Auctions**, Kevin Swersey holds a flashlight underneath a 1961 Chateau Mouton Rothschild. Through the green glass, the light illuminates dark flecks suspended in the bottom of the bottle. "If there were no sediment," he says of the wine, which can fetch more than \$1,000 for a mere 750 milliliters, "you would be concerned." The deposits often occur during aging and can even indicate a superior bottle. Sediment is a reassuring sign in a 40-something Bordeaux.

A serious wine collection is more than the sum of its bottles. Consultants such as Swersey guide enophiles across a complex terroir, helping expand their knowledge, build wine cellars, find storage for those spare 10,000 bottles, advise on insurance and ensure that wines are drunk or sold before they decline. When a collector hops from New York to London, advisers carefully ship the wine. They help sell it when life or financial problems intrude.

Houses such as Zachys, **Sotheby's Inc.** and **Christie's Inc.** have professionals who catalog the condition of a label, the level of wine in the bottle and other telling details. Still, Swersey vets wines again for the high-net-worth collectors he represents and keeps libraries of corks and labels, among other gauges, to verify authenticity before an auction.

Swersey has a Manhattan partnership with art consultant Patrick Cooney, who founded **Citibank's** art adviser service and was a director at Christie's. Connoisseur's Advisory Group LLC has served clients with portfolios above \$500 million, and the job can demand logistical sense as much as connoisseurship. "If they want a delivery to their private plane at Teterboro [N.J.] at 3 a.m. on a Sunday morning, in a temperature controlled truck," he says, "it's going to happen."

Temperature and humidity control are elemental needs. "What we are trying to emulate is exactly what was established in France hundreds of years ago," says Lee Zinser of New York-based **CellarWorks Inc.** It started with digging a hole. In a cellar that extends beneath the frost line, Zinser says, the temperature stabilizes at around 58 degrees Fahrenheit. Many collectors keep wines at 55 degrees, though some store as low as 48 degrees to slow maturation of older bottles. Humidity typically runs 60% to 75%; too much can mold labels, while too little can dry corks. Replicating those subterranean conditions on the 10th floor of a Manhattan apartment presents obvious challenges. Price can vary with size, Zinser explains, as well as the collector's aspirations to create a space for entertaining. If a collection's value exceeds \$500,000 or \$1 million, \$70,000 for a cellar is not out of line. Six figures would not be extreme.

Collectors often underestimate how much space they need, and store wine outside their homes. Zachys, for instance, runs a company called New York Fine Wine Storage. **Western Carriers Inc.** of northern New Jersey is one of the larger operations, with facilities on both coasts. Western serves wineries, restaurants, importers, wholesalers and retailers in addition to private individuals. "We have customers who get deliveries once a year to replenish what they are drinking," Western's Joel Rubins says. "Other clients will ask us to pull bottles, have them packed up and shipped by air to the hotel where they are staying." The company has climate-controlled trucks to transport wines when a customer moves or when a collection is endangered. Earlier this year, wine teacher, writer and speaker Kevin Zraly retained Western when his New Paltz, N.Y., house burned down. "The flames shot from the first floor to the second floor," he says. No one was hurt. His basement cellar was spared, but the 1,500 bottles were at risk of climactic exposure. "I wanted to get the wine out of there."

A common, if less dramatic, peril is buying more wine than a collector can consume. "There is always the fun of the hunt," says prominent collector Frank Komorowski, an obstetrician and gynecologist in Bellevue, Ohio, of the collector's enthusiasm. To house his brimming collection, he purchased a former bank and installed a cellar in the basement. Recently, Komorowski sold a portion of his collection at a Zachys auction at midtown Manhattan restaurant Daniel. "I looked at it and said, 'Oh

my God, what am I going to do with all this wine?" he recalls.

Zraly says he has never sold his wine and does not plan to do so. "The best wine is always an investment," he explains. "But is it an investment for you to drink or for you to sell?" If his cellar bulges with bottles, of course, he can pour them for students in his popular Windows on the World class or at educational wine events he holds for firms such as **Goldman Sachs Group Inc.** and **Lehman Brothers Inc.**

Other collectors may not have such options, and despite the emotional attachment, they must auction prized wines when they have bought too much of a particular region or style, or too much altogether. "It's the biggest reason for selling, apart from debt, death and sometimes divorce," says Richard Brierley, who heads Christie's North American wine sales and has observed evolving palettes. "The classic American collector bought Bordeaux in the '80s," Brierley says. Exceptional California vintages in the early to mid-'90s drew attention to Napa producers such as Screaming Eagle and Bryant Family Vineyard. Later in the decade, many Americans turned to Burgundy producers such as Domaine de la Romanée-Conti and Domaine Leroy. Today some can flip '80s Bordeaux to fund their latest taste. The '82 Le Pin vintage provides a tempting case. When the wine debuted, it could be found in shops for \$200 to \$250 a case. In March, Christie's sold a case for more than \$40,000.

By acquiring, say, six bottles of a premiere vintage before its release and later selling three, a collector can essentially drink for free. Still, wine makes a complex financial investment. "The carrying costs are relatively high," says Stephen Bachmann, the founder of San Francisco-based collection management company **Vinfolio LLC**, citing storage and insurance, plus the risks of corked bottles and even fraud. "People are buying an option — an option to drink," he says. "The put they have is, they can put it back to the market and effectively get their money back." Bachmann is a collector who was a managing director at Broadview Holdings LLP, where he advised on technology deals and helped set up a private equity fund. While lugging cases of wine, he saw an opportunity and founded Vinfolio in 2003. His company helps clients buy, store and manage their collections, using online systems. Western Carriers and CellarWorks also manage collections.

Some oenophiles seek a more direct connection to the winemaking tradition. Buying an estate can cost millions and turn an avocation into an often money-losing vocation. "If you want to make a small fortune in the wine business, start with a large one," goes an old adage.

"Wineries are very dramatic from a distance," says Philip Norfleet, director of the St. Helena, Calif., Napa Valley Reserve. "But it is very hard work. It is agricultural, and there are risks involved." For a \$135,000 deposit and roughly \$50 a bottle, Napa Valley Reserve members can produce their own wines with guidance from the staff of top-shelf Napa vintner **Harlan Estate**, which has scored 100 points from wine critic Robert Parker three times. Members get a half barrel to three barrels a year (150 to 900 bottles) and work with Harlan's winemakers to blend and produce their own label. They also consort with fellow members, including the globe-trotting Bordeaux enologist and Parker favorite Michel Rolland.

As ravenous as people can be in pursuit of top vintages, many say collectors feel sharing is a higher virtue than hoarding. "They are very generous," Tom Black, a Nashville enophile with a roughly 20,000-bottle portfolio, says of his peers. "Everyone likes to say my wine went up in value," he concedes. "But the true collectors are interested in opening a bottle of wine to share with someone who will appreciate it."

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