



SFGate.com

Tourist magnet Viansa sold for \$31 million

Cyril Penn

Thursday, June 30, 2005

Viansa Winery & Italian Marketplace in Carneros was sold this week for \$31 million to Napa-based 360 Global Wine. Jon Sebastiani, former Viansa president and son of Viansa founders Sam and Vicki Sebastiani, was named president of 360 Global Wine.

"Viansa" is short for "Vicki and Sam," but the winery was sold to their seven children last year after the couple decided to divorce. The children, all of whom were equal partners, sold the winery to 360 Global.

Located at the entrance to Wine Country, Viansa is a tourist magnet that also runs an Italian-style marketplace with more than 100 proprietary food products. Wine and food is sold through the tasting room, catalog and the Internet.

Viansa includes 175 acres, a hilltop winery and marketplace, 23 acres of producing vineyards, more than 1,000 producing olive trees and a 90-acre wetland preserve. Virtually all winemaking occurs at a separate production facility the winery leases in Sonoma. Viansa produces more than 55,000 cases of wine annually, including 12 different Italian varietals and 11 California varietals.

While Viansa has a very successful wine club through which it sells directly to consumers, 360 Global chief executive Jake Shapiro told Wine Business Insider plans call for also building the Viansa brand nationally with Pinot Grigio, Sangiovese, Merlot, Cabernet Sauvignon and a Chianti-style blend.

"We believe we can double to triple Viansa's sales," said Shapiro, 34.

360 Global makes approximately 150,000 cases of wine per year but Shapiro expects the portfolio to grow to 500,000 cases over 36 months through additional acquisitions.

360 Global Wine, founded in 2002, was previously known as Knightsbridge Fine Wine and is publicly traded. Its portfolio includes the Guy Buffet International Collection and soon-to-



be released Andy Warhol Collection wines. It also owns 50 percent of Kirkland Ranch Winery. Though 360 Global announced the purchase of the Stonegate brand last year, it never consummated the deal. Shapiro said the company is backed by a "multibillion-dollar New York investment fund" he can't identify until he discloses it to the Securities and Exchange Commission.

Shapiro called Jon Sebastiani, 34, rejoining the winery a "critical element" of the deal. Sebastiani served as president of Viansa until October 2004. He has now been given day-to-day responsibility for sales, marketing and finance. Most Viansa staff are being offered employment with the new company, according to Shapiro.

"We're really looking to import their culture into our company," Shapiro said.

Shapiro also said Cucina Viansa, the restaurant and bar previously operated on the Sonoma Plaza, will reopen. The restaurant was closed and put up for sale earlier this year but is expected to be back in business in August.

New law in New York: The New York Legislature and Gov. George Pataki reached a deal late last week, clearing the way for a bill that permits in- state and out-of-state wineries to ship up to 36 cases of wine per year to adult state residents.

"This is terrific news for the people and wineries of the third-largest wine-consuming state, and a huge victory in the 20-year battle to end discrimination against America's small family wineries," said Bobby Koch, president and CEO of the Wine Institute.

David Sloane, president of the winery advocacy group Wine America, said New York Assembly Speaker Sheldon Silver and Senate Majority Leader Joseph Bruno pushed for no limits on the amount of wine that could be shipped, leading to the 36-case compromise that Sloane called "the most generous quantity limit of any interstate shipment law in the country."

"Wineries in New York owe a tremendous debt of gratitude, not only to these outstanding political leaders but also to the New York State Farm Bureau, which led the lobbying campaign -- against fierce wholesaler opposition -- to get this landmark legislation across the finish line," Sloane said.



The legislation requires out-of-state wineries to obtain a shipper's license for \$125, submit to the jurisdiction of the state, file semi-annual sales reports, pay applicable excise and sales taxes, and ship their products in cartons clearly labeled to contain alcohol. Common carriers are required to obtain proof of age and the recipient's signature.

Limits on direct shipping: Although it is backed by wine producers, a bill in California's state Senate written in the wake of the U.S. Supreme Court's direct-shipping decision would set tighter limits on shipments.

SB 118, introduced by state Sen. Wes Chesbro, D-Arcata, calls for a 24- case-a-year restriction on direct sales by wineries -- but not retailers -- to California consumers. State law currently permits sales of up to 52 gallons (about 21 cases) in any one transaction.

Chesbro this week amended SB 118 to assuage concerns that the bill could have had the unintended consequence of criminalizing wine shipments from California retailers.

Chesbro introduced the bill to set up a system for licensing direct shipments and ensure California statutes aren't vulnerable to a court challenge in light of the May 16 Supreme Court ruling that states can't have "discriminatory" wine shipping policies.

SB 118 would eliminate California's reciprocal direct shipping policy and replace it with an open-door policy allowing any winery from any state, or any wine club in any state, to ship directly to California consumers. It is co- sponsored by Family Winemakers of California and the Wine Institute.

The role of retailers in the bill has been a matter of debate. An initial draft included retailers, but California's two largest wine wholesalers -- Southern Wine & Spirits and Young's Market -- said they wouldn't support a bill that expanded shipping privileges for out-of-state retailers. The bill was then revised to apply to wineries only, but wording in one section could have been interpreted as making retailer shipments illegal.

That loophole was fixed this week and wording that would have limited retailers to shipments of no more than two cases of wine per month was taken out as well. However, the bill as written establishes three different classes of retailers based on the state they ship



from, according to Keith Wollenberg of Redwood City-based K & L Wine Merchants, and that could leave it open to a legal challenge based on the Supreme Court's decision.

"They corrected the worst thing in the bill, the criminalization of the California retailer," said John Hinman, a San Francisco attorney specializing in beverage alcohol law. "I'm relieved, but the bill is still discriminatory against out-of-state retailers."

Wine magazine for women: Wine Adventure, the first wine magazine targeted at women, premieres in July. In an announcement made last week, Wine Adventure, which will be published bimonthly, said it will focus on the "softer" side of wine.

"Most women who drink wine don't care about rating systems or amassing their collections; they simply want to enjoy wine and its related lifestyle," said Michele Ostrove, editor in chief. "But until now, no magazine addressed that segment. Wine Adventure is about expanding your wine horizons, both around the world and at home, and having fun as you learn."

Early issues will feature California's Central Coast, Mendocino, Napa/Sonoma and Croatia/Slovenia, as well as information regarding wine storage, tasting groups, wine bars, an interview with "Sideways" author Rex Pickett, and pairings by Bay Area celebrity chef Bradley Ogden. More information is available at wamagazine.com.

Who's who and where: John Gay is retiring as chairman emeritus of Southcorp Wines, the Americas. Gay began with Rosemount Estate in 1986, selling Rosemount wines with the aid of his wife, Barbara, from their home in Marin County. He was responsible for the phenomenal growth of the Rosemount brand, which boosted the entire Shiraz category.

Wine Business Insider is produced by Wine Business Communications, Inc., which also publishes Wine Business Monthly and Wine Business Online (winebusiness.com).

E-mail Cyril Penn at wine@sfchronicle.com.

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2005/06/30/WIG82DG9KH1.DTL>

This article appeared on page F - 2 of the San Francisco Chronicle