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## **The Growing Foley Portfolio**

### **William Foley expands winery group in and beyond Santa Barbara**

by Kathy Marcks Hardesty

*Los Olivos, Calif.* -- Since the turn of the millennium, California's Central Coast blossomed as winemakers produced some of the most exciting Pinot Noirs in the state. Among its leaders is specialist Kris Curran, former winemaker for Sea Smoke in the Santa Rita Hills AVA, who consistently earned outstanding scores for her special bottlings of Pinot Noir designated Botella, Southing and Ten.

Imagine, then, the excitement for Pinot Noir connoisseur William "Bill" Foley II, who retired last year as CEO of Fidelity National Financial, Inc. (FNF), a publicly traded *Fortune 500* company, to create a multi-brand business featuring boutique wineries--when he signed Curran recently as winemaker of his flagship brand Foley Vineyard & Winery.

Signing a star winemaker like Curran is certainly a coup, but not terribly surprising, given Foley's track record in the industry, dating back to the purchase of his first winery in 1996. Stepping down as FNF chairman did not slow his pace. On the contrary, Foley immediately set off on the fasttrack to becoming a wine industry player. In short order, he acquired a vineyard once owned by Fess Parker; first part and then all of the Firestone winery holdings, and rising Napa Valley Cabernet cult brand, Merus.

Curran's Pinot Noirs at Sea Smoke are considered benchmarks for the Santa Rita Hills AVA. She also makes an excellent line of Rhône varietals under her artisanal brand, Curran Wines, which she plans to continue producing while working for Foley. Like Sea Smoke, Foley Vineyard & Winery is in the Santa Rita Hills. Foley described her qualities in a press release: "I hired Kris because she knows Pinot. She knows Santa Rita Hills. She's talented and hard working. It was a natural fit for what we're trying to accomplish at Foley Estates."

### **Foley Estate**

In a phone call from his home in Montana, the financier explained: "I'm good friends with Bruno (D'Alfonso) and Kris." Life partners for 17-years, the winemaking duo were married last December. "We get together for lunch often and have a great time together. I thought I could combine friendship with business. It's a win-win situation--we're always trying to upgrade what we're doing at Foley and Lincourt."

### **Foley's latest acquisitions**

Curran, who was unavailable for comment, is only the latest news from the Foley Wine Group (FWG), founded in 2007. Alan Phillips, winemaker at Foley and Lincourt wineries for 10 years,

just left to create his own brand and to become director of winemaking for Terravant, a new custom crush facility for artisanal winemakers, currently in construction in Buellton, at the edge of the Santa Rita Hills AVA.

During the last year, Foley made headlines with each new acquisition: in April, he purchased Ashley's Vineyard, formerly owned by retired television star Fess Parker in Santa Rita Hills; in August he acquired Firestone Vineyards & Winery in Santa Ynez Valley, and its sister winery in Paso Robles, and created FWG. This month he scored again, with the purchase of the small but highly touted Napa Cabernet producer, Merus.

The Ashley's Vineyard purchase expanded Foley's Santa Rita Hills vineyards to more than 250 acres. Several area winemakers had sourced grapes from the property; the results had impressed Foley when he tasted them. Foley renamed the 213-acre vineyard, planted to Pinot Noir and Chardonnay, Rancho Las Hermanas. Like his Lincourt brand, it's named for Foley's daughters: the Pinot Noir section will be Lindsay's Vineyard, and the Chardonnay section, Courtney's Vineyard.

### **Firestone Winery**

When Foley purchased Firestone Vineyard, a Santa Barbara County pioneer in commercial winemaking, the news took industry insiders by surprise. Firestone wasn't on the market when Foley offered to buy it, and yet the Firestone family sold him both the estate and the brand. In a last minute switch in the contract, never released to the media, Foley also acquired the new Firestone Winery in Paso Robles. The news broke locally six months later, and then only because local celebrity and winery general manager Andrew Firestone was leaving to move back to Santa Barbara.

Adam Firestone, president of his family's wineries, originally explained the sale to *Wines & Vines* as "a good combination of factors that came together." (*For more, read, "[Firestone's Perspective on the Deal](#)"*) He has never revealed the price Foley paid. The landmark Firestone Winery and Vineyard in Santa Ynez Valley includes the original winery on 480 acres with 380 acres in vines, and the Prosperity Wines brand. Initially, the Firestones planned to keep: the Paso Firestone Winery; Firestone-Walker Brewery; Curtis Winery, and a 400-acre estate with 215 acres of vines and the home of Brooks and Kate Firestone (the latter two properties adjacent to the original winery). When news of the Paso sale came out, Adam Firestone explained:

"I think the point was that the Paso winery was part and parcel of Firestone and its brand. The winery carried the same look in the roofline and building materials, the layout inside and the entire feel of the place was an extension of what we had started in Los Olivos. While we could have re-launched it as a different brand, it made more sense continuing to carry the Firestone flag. In short, separating them didn't make sense."

### **The Foley Wine Group**

Founder of Florida-based FNS, and CEO for nearly three decades, last year Foley was ranked the No. 4 CEO in compensation by Forbes. But this consummate businessman isn't just about acquiring new brands. Foley is rebuilding what he began in 1996. When he relinquished his corporate position, he slipped immediately into a new career, with the creation of the FWG.

Founded in the summer of 2007, after the Firestone purchase, FWG has been acquiring a series of brands to create what Foley describes as a "multi-brand sales strategy." Foley said he's patiently searching for the right brands in Napa and Sonoma counties, Oregon and Washington state.

"We want to have a book of brands," said Foley, admitting that his goal is to establish a multi-brand group similar to Jess Jackson's Artisan Estates Group. "The multi-brand strategy is to offer eight or nine brands that will sell at different prices. Then we can use our distribution network to leverage those brands in the market."

Foley explained that Firestone, with a production capacity of 180,000-cases, has the infrastructure to grow its brands. With a 10,000-case brand, he said, there's not enough leverage with wine distributors. He immediately began restructuring Firestone to produce three different price levels of wines: the Firestone label for the flagship wines; another brand of vineyard-select wines that he called the "VS series;" and a new label named Goodnight, with a production of 100,000-cases to offer what Foley describes as "affordable" wines.

Foley added: "We'll keep acquiring upscale brands for our portfolio, really high-end fine wines like Merus." The purchase of this Napa Valley Cabernet rising star, which has already earned a cult reputation, made headlines for FWG again mid-January.

Another acquisition in the works is a 17,000-case Cabernet producer in Walla Walla, Wash. "We're close to a transaction in Washington. After four or five months of negotiations, we've come to terms," said Foley, who didn't disclose the brand. "Now, we have to draw up the contracts."

### **Outgrowing Santa Barbara roots**

Before Foley moved to Santa Barbara, he was befriended by Santa Barbara County supervisor Brooks Firestone, who had founded the winery with his father and Brooks' wife, Kate. Foley gained a foothold in the wine industry with the purchase in 1996 of Santa Ynez Winery, producing 30,000-cases annually, which he renamed Lincourt. A year later, he acquired J. Carey Cellars in Santa Ynez Valley from Firestone, and sold the original Lincourt facility to former Buttonwood winemaker Mike Brown, retaining the brand name.

Founded in 1978 by a trio of physicians, J. Carey was originally sold to the Firestone family in 1987. Foley's 1997 purchase marked his first business transaction with the Firestones, who hosted a reception to introduce him to his peers and local media. Foley said then: "This is the first step toward realizing my dream of developing a world-class wine estate. With the acquisition of this estate, I have taken a quantum leap forward."

Foley moved Lincourt there, and established his namesake brand by hiring Philips as winemaker. In 1998, he purchased Rancho Santa Rosa, the perfect location for his Foley Estates in the blossoming Santa Rita Hills, before the area was approved as an AVA. The estate had been a thoroughbred horse ranch on a historic 460-acre property. Foley converted the stables for his winery, and planted a 230-acre vineyard. In 2005 Foley opened a contemporary tasting room for Foley Estates.

Firestone is FWG's largest winery to date. The Paso Robles Firestone is strictly a tasting room

with barrel storage that could be restructured for production, with a 1,000-case annual capacity. Both Foley and Lincourt wineries produce less than 12,000-cases each. Merus is the smallest brand at 1,500-cases, originally made in former owners Erika Gottl and Mark Herold's home garage in downtown Napa. Gottl and Herold have been making their wines at Caldwell Cellars in Napa, but Foley is searching for a winery to buy that would make an appropriate home for Merus.

Foley said Herold will be involved in future projects in Napa and Sonoma, while incoming Foley/Lincourt winemaker Kris Curran will help him oversee the Central Coast and Northwest wineries. Foley has another new brand in the works, Two Sisters, also named for his daughters. Dedicated to Pinot Noir and Chardonnay from Rancho Las Hermanas, it will be launched next fall. "We're keeping it really low key, the ultimate quality brand," Foley said. "I'm really having a great time acquiring these really high-end, fine wines for our portfolio."