

Wine Spectator

Napa Cabernet Star Merus Sold

William Foley expands his portfolio with celebrated Napa Cab label

James Laube

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Merus, a Napa Cabernet label founded as a bonded garage in downtown Napa and which became one of Napa Valley's rising-star Cabernet producers, has been sold to vintner William Foley, who heads the Foley Wine Group. Terms of the sale were not disclosed.

Founders Erika Gottl and Mark Herold will remain with Merus and continue to oversee the winemaking, just as they have since they launched the company in 1998.

"This was something that just had to happen," said Gottl, describing the sale to Foley, who owns Foley, Firestone, Lincourt and Ashley's Vineyard in Santa Barbara.

Gottl said she and Herold had struggled to keep their company, known for its bold, opulent Cabernets, on track financially and that selling to Foley would allow them to keep their focus on quality and perhaps acquire vineyards and a winery facility. All seven Merus Cabernets have earned outstanding reviews, with the 2004 garnering 96 points on *Wine Spectator's* 100-point scale and selling for \$160.

"We think it's a really good fit," Gottl said, "and we can take it to the next level."

She said the sale came with mixed emotions since the partners had worked hard in the past decade to establish Merus, starting with little money and a small group of investors and making just a few hundred cases each vintage.

"We never expected it to go this way," Gottl said, "but we need to move forward with [the new ownership arrangement]."

Both Gottl and Foley said they intend to keep Merus' production at about 1,500 cases annually, and Gottl and Herold have been offered an opportunity to become investors in Foley Wine Group. Foley said they also hope to find vineyard land for Merus, which is made entirely from purchased grapes, and maybe even a winery, which would allow Merus to move out of Gottl's and Herold's backyard garage.

"I'm thrilled because I love those big Napa Cabs and I've been looking in Napa for the right opportunity," Foley said Monday. "I've tried to be patient and sometimes that pays off."

"We're kind of hot on the trail to find a facility that will fit Merus and make the right statement," Foley said. "We'd like to acquire some vineyards that might fit with Merus [and perhaps add] two to three labels, totaling 8,000 cases."

"I don't really want to change anything [with Merus]," which will stay at its current 1,500-case production, Foley said. Gottl and Herold "have really done all the hard work. It's really important for me to have them both carry on as we continue to acquire brands."

Foley, 61, founded his namesake winery in the Santa Rita Hills area of Santa Barbara in 1997, moving into the old J. Carey winery. The winery focuses on Chardonnay and Pinot Noir. He added Lincourt as an affiliated brand and earlier this year bought Firestone Vineyard, one of the area's oldest wine companies.

He said he is also launching Two Sisters, a brand named after his daughters, Lindsay and Courtney, from the Ashley's Vineyard property he bought earlier this year, and had been looking for a winery opportunity in Napa. He is also seeking to expand his wine interests in both Sonoma and Washington state.

Foley's heightened involvement in wine comes as he is fazing himself out of other business interests. He is still chairman of two firms, Fidelity National Information Services and Fidelity National Title, banking and home-loan deposit firms, respectively, yet he relinquished the title of CEO in the past year.

"I guess I'm shifting from those businesses to wine," he said, adding, "I'd like to kick [the wine brands] up a notch. Alan Phillips is involved with the Santa Barbara wine projects and Mark [Herold] is going to help us with our projects in Napa and Sonoma."