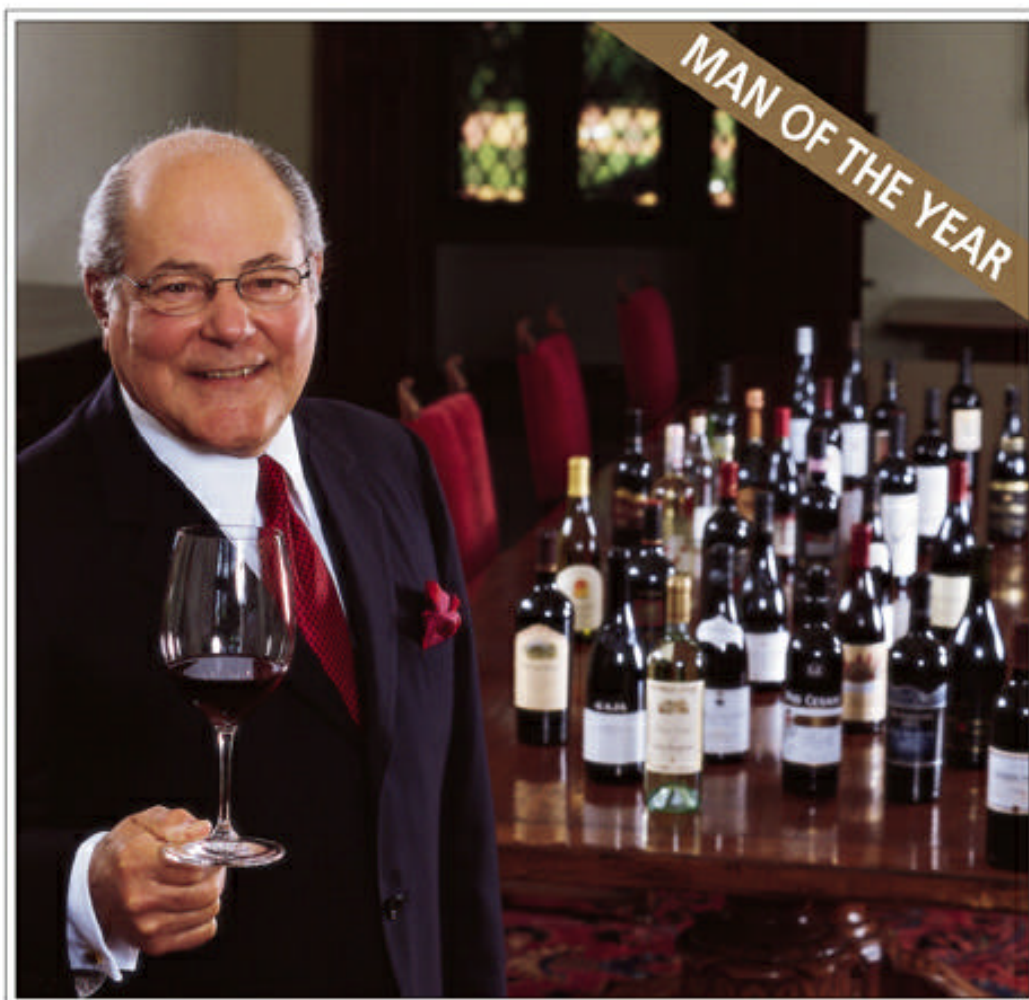


SPECIAL ANNUAL AWARDS ISSUE

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WINE ENTHUSIAST

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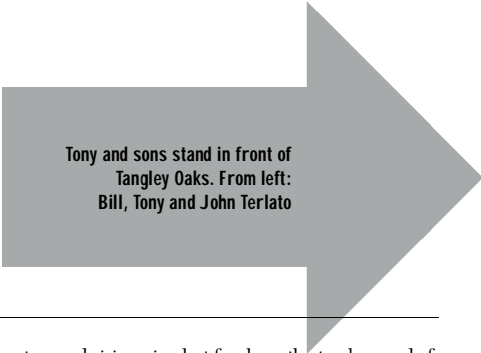
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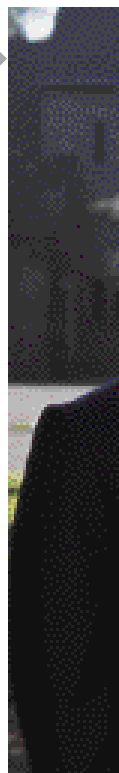
MAN OF THE YEAR

ANTHONY TERLATO

The importer, marketer and vintner was largely responsible for bringing quality Italian wines to the States. Now, via joint ventures with top international winemakers and vigorous expansions of his wineries and vineyards, he's bringing the States to the world.



Tony and sons stand in front of Tangley Oaks. From left: Bill, Tony and John Terlato



The wine industry has its innovators and visionaries, but few have the track record of Anthony Terlato, the Chicago-based wine importer, marketer and California vintner. From his modest professional debut in a small, Midwestern retail wine shop, the dynamic Terlato has significantly expanded his early horizons to now include Paterno Wines International, one of America's most visible wine marketing and sales companies for high-end wineries. In doing so, he has been instrumental in changing the way Americans drink.

It can be argued that Terlato brought Italy to America—particularly with Santa Margherita Pinot Grigio, which he discovered in 1979, when he was looking for an alternative to then-popular but less-interesting dry whites such as Soave, Orvieto and Frascati. That prescient move led to what is now a craze for the up-and-coming varietal. It also made Terlato a key player in the renaissance of Italian wine in America and helped him expand Paterno Wines International to incorporate a national sales force of 120 individuals. Today, Paterno sells more than a third of all the imported wines priced above \$14 in the United States.

That's Terlato's style. He keeps trading up. In doing so, he shares his vision and enthusiasm with wine lovers everywhere.

Lately he has added the title of vintner to his list of accomplishments. Since 1996, Anthony and his sons, Bill and John, have established ownership in four California wineries—Rutherford Hill (which the Terlato family owns entirely), Chimney Rock, Alderbrook and a small percentage of the pioneer Central Coast Pinot Noir producer, Sanford.

The family continues to raise the bar for quality throughout its winery operations. At Rutherford Hill alone, Terlato has invested more than \$5 million in renovations that have turned the formerly flagging label into a formidable producer of fine Merlot, Cabernet Sauvignon and Chardonnay, among other varietals.

As if this wasn't enough to keep him busy, the vintner has embarked on joint ventures with internationally renowned winemakers Michel Chapoutier and Michel Laroche of France, and Australia's Trevor Mast. A fourth joint venture is with Mercian, the owners of Markham winery in Napa Valley, and involves their shared Glass Mountain label.

Indeed, no one seems more surprised than Terlato himself about the scope and direction of his professional endeavors. More than 40 years ago, he worked in his father, Salvatore's self-service Chicago wine and spirits store and sold the best wines he could find. "We worked to sell classified Bordeaux at \$4.98 a bottle while other retailers were featuring 99-cent gallons of Sherry, Port and Muscatel," he recalls. He remembers the time when Robert Mondavi encouraged him with the words: "Someday, people will drink wine with their meals."

As a young wine merchant, Terlato learned the fundamentals from his father. Later, in 1955, he joined his father-in-law, Anthony Paterno, and began to sell wines wholesale to restaurants and wine shops. By the mid-1960s, Terlato was a leading importer of such renowned French wines as those of Alexis Lichine and Frank Schoonmaker, as well as Roederer Champagne. At the same time, he began to market premium California wines to a public that was only beginning to notice the vast differences between jug wines and premium varietals.

His now-famous 1979 encounter with Santa Margherita has often been recounted around the family dinner table. Terlato found himself eating alone at a small restaurant in Italy's Alto Adige region, where he was looking for something new and exciting to bring back to the U.S. The restaurant owner didn't believe Terlato was serious when he ordered every



bottle of Pinot Grigio on the wine list—18 in all. But when the uncorked bottles littered the table and left little room for a plate of pasta, it was clear that Terlato was indeed serious and Santa Margherita had captured his attention. The brand would become America's favorite Pinot Grigio as well.

Terlato has a habit of basing his decisions on quality. "That's how I've always done business," he says. "Quality is not just something you put into a bottle. It's a way of life and the driving line for both the wines I sell and the wines I make. Quality endures. We never forget that."

It's a philosophy that becomes apparent when visiting Paterno International headquarters, known as Tangley Oaks, just outside Chicago. Most companies have offices. Terlato houses his staff in a museum. Tangley Oaks is a 26,000-square-foot Tudor Gothic mansion built in 1916 by the Armour Meats family. It required 16 years to build and was completed in 1932. The Terlato family acquired it in 1995, and, after a two-year renovation, the house was placed on the National Register of Historic

PHOTO: RICHARD SHAY

Places. Visitors require a tour guide to fully appreciate the detail and nuance reflected from every wall through its art and architecture. As such, Tangley Oaks is a window to Old World history while also serving as a portal to the golden age of Chicago's aristocracy.

Given his impressive midwestern surroundings, it's hard to believe Terlato would want to leave his hometown very often. But the stately appearance of Tangley Oaks is rivaled by California wine country's natural beauty. With fast-growing roots in California, Terlato the winemaker spends nearly four months each year on the West Coast.

Terlato's efforts with Rutherford Hill Winery have been particularly satisfying. "Initially, it was never our intention to become winery owners," he asserts. Paterno had been marketing Rutherford Hill wines for three years when the previous owners decided to sell. "Here was a winery with a glorious reputation in one of the most beautiful wine regions in the world. It was the chance of a lifetime," he recalls.

Since the initial purchase of Rutherford Hill, Terlato and his family have acquired

some additional 60 acres in the Rutherford district of Napa Valley. They also own or manage approximately 300 more acres of vineyards throughout Napa and Sonoma, as well as an additional 500 acres in South Australia. The new properties are cultivated with a classic blend of high-tech and Old World techniques. These include vertical trellising and meticulous clonal selection as well as organic and biodynamic farming methods.

As 50 percent owners of Chimney Rock, in the Stag's Leap district of Napa Valley, their goal is to refine and maintain the quality already found in the wines. Chimney Rock was in good hands under the direction of winemaker Doug Fletcher when Terlato became a partner two years ago. Terlato has now given Fletcher the responsibility of overseeing winemaking at all three of his northern California concerns, which include Alderbrook as well.

After more than four decades in the wine business, wine importer, marketer and vintner Anthony Terlato is at his peak. He recently sold his separate Illinois-based wine distributorships to national distributor Southern Wine and Spirits. The move will allow him and his family to focus more closely on Paterno Wines International's marketing endeavors.

However, at 68, *Wine Enthusiast's* Man of the Year shows no sign of slowing down. "Our challenges are ongoing," he explains. "Only 3 percent of the wine-drinking public buys premium wines over \$14. I believe that fine wine is only now on the verge of discovery."

He predicts a continuing rise in the quality of wines enjoyed by consumers and quotes the late U.S. Supreme Court Justice and philosopher Oliver Wendell Holmes Jr., who said: "One's mind, once stretched by a new idea, never regains its original dimensions." It's a concept that extends to our palates as well.

"Consumers are learning," Terlato says. "As the 3 percent group grows, we will all benefit. Looking back, I realize that as wine distributors, we were able to influence wine drinking in our state. As marketers, we have influenced the United States. Now, as wine producers, we can influence drinking patterns throughout the world.

"I love what I do," adds the vintner and wine impresario. "In fact, I'd love to keep doing it for another 40 years. My sons will."