



PHOTOS BY JOHN R. BOEHM

Partners Paul Hart, above, and Michael Davis at their firm's January auction at Tru.



Hart Davis' local rivals are Mr. Hart's former firm, Chicago Wine Co., which does not report its results publicly, and Lake Forest-based Edward Roberts International LLC, which holds regular sales at the Union League Club, though on a far smaller scale than Hart Davis.

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(jing representative, Hart Davis Hart)

Chicago houses are increasingly broadening their scope. "We get consignments here from New York despite all the auction competition here," Mr. Brooks says. "East Coast sellers may feel they get a better focus from us or perhaps Hart Davis Hart here in Chicago."

**NEW FRONTIERS**

Indeed, Hart Davis Hart may have to broaden its vantage point further soon. Its archrival in New York, Zachys Wine & Liquor Inc., stages regular auctions in Hone

Kong and outsells Hart Davis Hart worldwide, with \$56.5 million in sales. (Acker Merrall & Condit Co. in New York is No. 1 worldwide, with \$98.5 million.)

Edged out by Hart Davis nationally, Jeff Zacharia, president of Zachys, sniffs that "Hart Davis Hart has decided to stay local and concentrate on U.S. sales. We're a true international wine house." He notes further that Hong Kong "is where much of the biggest collecting is concentrated now."

Hart Davis admits it's not ready to start its own Asian operations. But it has hired a representative in Beijing, Gabriel Suk, to chase business. Mr. Suk, who is fluent in Mandarin, hosts wine tastings and dinners for major collectors around China on behalf of Hart Davis Hart.

"The Chinese are learning fast about wine," says Mr. Suk, 30. "And they're not afraid to travel. We've had clients fly from China to Chicago just to participate in auctions."

The Chinese also are known to mix their fine Bordeaux with Sprite. But if their palates haven't completely evolved, they seem to recognize fine wine as an investment category. Since early 2006, the S&P 500 Index of U.S. stocks

has risen a shade less than 5%, or about 1% a year. An index of the most prestigious blue chip wines sold at Hart Davis Hart auctions in the same time is up close to 130%. Wine values were up 36% in 2010 alone, a year when the S&P 500 advanced just 15%.

Leon Dreimann has collected wine since the 1980s and buys mostly from Hart Davis, stocking a cellar in his Lake Forest home with nearly 5,000 bottles. He started a wine-investment fund with three partners two years ago and has seen its assets rise to \$5 million in value from \$1 million.

Last year, Mr. Dreimann paid \$70,000 for three bottles of 2005 Domaine de la Romanée-Conti, the most sought-after of all Burgundies in France, then resold them in the midst of an overheated market to another collector three months later for \$90,000.

"It's not hard to get hooked on wine collecting," says Mr. Dreimann, 61, retired CEO of appliance maker Salton Inc. "Wine is a better investment than stocks or even gold."

Before he started his investment fund, Mr. Dreimann studied pricing surveys going back to the 1970s and found that the best wines brought annual appreciation of close to 20%.

**SMIFFING OUT FRAUD**

At Hart Davis, auctions demand a 19.5% buyer commission and negotiated sellers' commissions that range from 20% down to zero, depending on the size of the collection. Those are stiff tariffs, on the industry's higher side. But Hart Davis Hart has 35 employees and overhead costs that include a refrigerated storage facility underneath its River North headquarters, and experts who inspect every bottle arriving from consignors for authenticity. Fraud is a constant threat in the auction industry.

Indeed, Hart Davis Hart's safeguards are one draw for customers like David Belkin, owner of Northbrook-based Belkin Corp., which builds refrigerated warehouses.

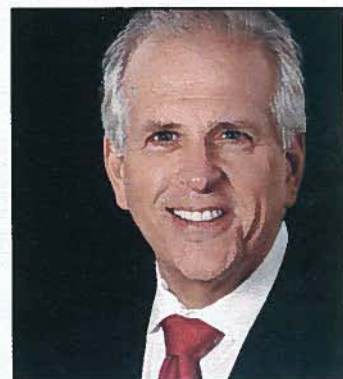
Mr. Belkin, 61, has been collecting for more than 30 years and has a cellar of more than 1,000 bottles. He admits that among all auction houses, "Hart Davis Hart is not inexpensive. But they are meticulous about their care of wine. The wines they accept for sale, you can absolutely trust, which is not something you can say about some other auction houses. That's one important reason people shop from them."

As for the windfalls enjoyed by some collectors these days, Mr. Belkin admits to some ambivalence. He remembers buying a 12-bottle case of 1982 Château Pétrus, a top-flight Bordeaux, in 1985 from a North Shore retailer for \$720. Today, it has an auction value of \$40,000.

"At these kinds of prices, wine has evolved from being a beverage to being a commodity that people trade back and forth," he says. "I still buy wine to drink. But it bothers me that many ordinary people will no longer get a chance to try some of these wines."

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**INFO JUNKIE**



**Jon Vegosen, 61, former Northwestern University tennis star, recently became president and chairman of the White Plains, N.Y.-based United States Tennis Assn. He's an attorney and founding member of Chicago's Funkhouser Vegosen Liebman & Dunn Ltd. His favorite servers:**

For news, **WMAQ-TV/Channel 5, New York Times** and **Wall**



**Street Journal; "CBS Sunday Morning"** for its "esoteric, enriching" topics, and **NBC Nightly News** and CNN's **"Anderson Cooper 360."** "He cares, and I believe him. He's persistent but not obnoxious."

Seesaws between **LexisNexis.com** and **Westlaw.com** for legal services; **Sports Business Journal** "for comparing notes on attendance and sponsorship trends with other sports."

Less seriously, **Abajournal.com/weekly.** "They report on quirky cases," like a judge accused of rushing a murder case summary so he could drink piña coladas on St. Maarten. "You can't resist these."

The **Triplt** app on his iPhone bundles his travel itineraries. "I get notified of changes, too." For East Bank Club workouts, loads iPod Touch with "upbeat music from **Madonna, Lady Gaga** and **Michael McDonald.**"

Longtime favorite: **"The Power Broker: Robert Moses and the Fall of New York,"** Robert Caro's 1974 biography of the urban planner. "It was quite eye-opening about how things really work in New York."



Documentary **"Waiting for Superman,"** about failures of American education, broke his heart. "Kids are getting shortchanged, and tenure is a big part of the problem."

With his wife, in their Gold Coast co-op, watches Fox Network's **"Glee."** It's "irreverent; the talent is fabulous, and I love the ethnic diversity."

Laura Bianchi