

Wine Talk

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TWO weeks ago, virtually unnoticed, an event took place in Manhattan that could change the way wine is sold in New York: A collection of some 150 bottles of wine went on the block at a public auction.

Wine auctions are nothing new. They take place regularly in London and Paris, less frequently in Chicago and San Francisco. Auctions offer the opportunity to buy and sell wines that might not be found through regular retail channels. But they have long been banned by law in New York and most other states because of the opposition of wine and spirit retailers, who contend auctions will harm their business.

Charity auctions don't count: the wine is donated and the returns go, presumably, to a worthy cause. Other requests for permission to auction wines, including requests from Christie's, the London auction house, have routinely been denied by the New York State Liquor Authority. Christie's, which has been seeking to hold wine auctions in New York for more than a decade, regularly holds them in Chicago, where they are legal.

Last fall, Janet Henley, a Brooklyn resident, asked the State Liquor Authority for permission to auction 164 bottles of wine that were part of the estate of her late uncle, Alexandre H. S. deHond, an antiques collector and interior decorator who died last August at the age of 94.

Originally, Mrs. Henley, acting as her uncle's executor and unaware of restrictions on auctioning wine, had hoped to auction the collection along with his other possessions. Mr. deHond's estate consisted mainly of a 250-year-old house in Bellport, L.I., which he had restored in the 1940's, and its valuable contents.

When she discovered that she needed a state permit to auction the wine, she applied to the State Liquor Authority, assuming it would be issued routinely. "It took her three visits to the S.L.A. offices," her husband, Arthur Henley, said, "but eventually, last Dec. 5, the permit was issued." The authority gave no reason for its ruling.

The liquor authority's ruling, which prohibited dealers from bidding for the wines, was challenged immediately in State Supreme Court by a group of Metropolitan area wine merchants, including Sherry-Lehmann & Company, Morrell & Company, Cork & Bottle and the Wine Emporium, all in Manhattan, and Zachy's in Scarsdale, N.Y. In March, State Supreme Court Judge William Davis found for Mrs. Henley, calling the opponents' petition "without merit." The Appellate Division declined to hear an appeal of the lower court decision.

So, on April 13, the Manhattan Galleries, at 1415 Third Avenue at 80th Street, put the wine from the deHond estate up for auction. The wine sale had been mentioned twice in the Manhattan Galleries' regular newspaper advertisements.

Included in the sale were 14 bottles of Chateau Lafite-Rothschild 1949, 6 bottles of Chateau Haut-Brion 1955 and an assortment of odds and ends that included three bottles of Chateau Beychevelle 1958 and four of Beychevelle 1967, one bottle of Richebourg 1934, two bottles of Chateau Lafite's second wine, Carruades de Lafite, one from 1954 and one from 1956; 28 bottles of a 1967 Pommard and a variety of older white Burgundies. About 50 bottles were not sold and were returned to the Henleys.

The 1949 Lafite brought \$800, the 1955 Haut-Brion \$225 and the assorted other wines "about \$1,000," Mr. Henley said. Mrs. Henley paid the Manhattan Galleries a 15 percent commission on the sale as well as \$525 for advertising. Had retailers not been banned from the auction in the S.L.A. ruling, Mr. Henley said, prices would have been higher and all or most of the wine would have been sold.

Does the liquor authority ruling in the Henley case constitute a breakthrough for advocates of wine auctions? The authority declines to comment on its decisions, noting only that it will continue to consider auction applications on a case-by-case basis. And even an eventual ruling permitting estate sales would be a long way from open auctions at which anyone could put wine up for bid.

Strictly speaking, no wine may be sold in New York State except by a licensed retail merchant; not at an auction, not even in a person-to-person deal. For one collector to sell his three bottles of 1982 Chateau Petrus to another is illegal. Even a swap for, say, some rare California cabernets would also be outside the law, although most wine collectors acknowledge that there is a lively under-the-table market in what one specialist calls "investor-grade" wines. Wines from estates are occasionally purchased "informally" by the very dealers who oppose legal sales through auction houses.

In fact, the very success of the wine trade in recent years may be responsible for mounting pressure on government liquor control agencies to permit more wine auctions. Unprecedented amounts of high-quality wine have been sold in recent years, much of it to investors who are looking for a return on their money and have no intention of drinking the wine. Wine valued at millions of dollars that is currently sitting in private cellars and commercial warehouses will eventually turn up in estates. There is no legal way now to dispose of this wine other than selling it in Chicago or San Francisco or London.

For years, under California's more liberal regulations, wine could be sold by the estate or auctioned by a dealer. In other words the law benefited collectors, but they had to be dead to take advantage of it. In 1986 the rules were eased even further, permitting private collectors to sell from their own cellars, so long as the white and sparkling wines were at least 5 years old and the red wines at least 10.

California retailers say the option of buying from collectors legally more than makes up for any business they might lose through auctions. Some, in fact, contend that the secondary market created by the auctions actually creates interest in the wine trade and brings more customers into their shops. But in New York opponents of wine auctions point to the high-end retail carpet trade, which they contend has been decimated by rug and carpet auctions. They warn that the same thing could happen to the wine business.