

Grapes from 25 acres of vineyards north of Penticton, B.C., have helped David Enns and his wife, Cynthia, produce their Laughing Stock wines, which start shipping on Saturday.

||| VINTNERS

Wine lover decides to mix pleasure with business

Mutual fund industry veteran takes flyer with family-run winery in Okanagan

BY ANDREW WILLIS

There are plenty of wine lovers in financial circles who dream of turning their passion into business.

David Enns, 48, is one veteran of the money game who followed through — starting a family winery in British Columbia.

On Saturday, he will start shipping about 900 cases of wine from his Laughing Stock Vineyards in the Okanagan Valley. It's the second vintage of blended reds, with what one critic endorsed as "huge cherry jam with tobacco and black olive aromas," a classic lemon-and-kiwi chardonnay with subdued oak, and a first attempt at pinot gris.

Mr. Enns, a veteran of the mutual fund industry, launched Laughing Stock two years ago after his home wine-making hobby outgrew his Vancouver garage. His second career is taking off, with his wife taking an active role. High-end restaurants in Vancouver and Whistler, B.C., have started carrying Laughing Stock wines.

Mr. Enns learned the culture of wine while living in France as a

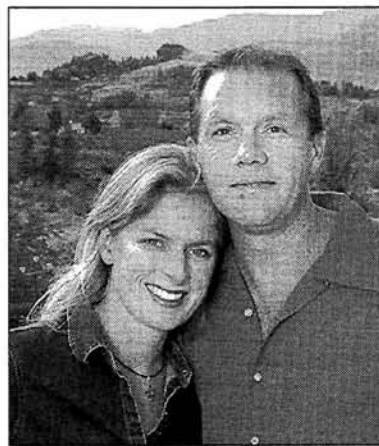
child. He then spent two decades visiting the world's great wine regions and sampling their finest while working for Bank of Nova Scotia, then running the Western Canadian mutual fund wholesaling operations of United Group of Funds.

His decision to locate in the Okanagan in 2003 came after he looked at properties for sale in New Zealand and France. British Columbia, he decided, offered great potential and generous support from neighbours for a family-owned winery run with patience.

The province is home to more than 100 wine makers. Laughing Stock is located in one of the fastest-growing regions, Naramata Bench — a 15-kilometre stretch of the Okanagan north of Penticton, where 15 other wineries are also in operation.

To date, Mr. Enns estimates that he and his 37-year-old wife, Cynthia, who earned an MBA and worked as a consultant before becoming the vineyard manager, have put about \$2-million into Laughing Stock.

"This winery is our vow of pover-



MELISSA BARNES

David Enns, and his wife, Cynthia, have invested \$2-million in Laughing Stock Vineyards, which they launched two years ago.

ty," jokes Mr. Enns, who still keeps a hand in the mutual fund business. "We anticipate that it will be five or six years before we're breaking even on the winery. This is not for the faint of heart."

When it came time to decide which grapes to plant, and which type of wine buyer to target, Mr. Enns was driven by his mutual fund marketing experience. He wanted to make a premium product, but one that the middle-class oenophiles could still afford. His logic

was driven in part by the fact that "everyone in financial services is targeting the ultrahigh-net-worth segment, but there's just not that many really wealthy customers out there."

Laughing Stock calls its red wine Portfolio — it's a blend of merlot, cabernet sauvignon and cabernet franc. A bottle of the 2003 vintage sells for \$35, while the chardonnay is \$23 a bottle. The minimum mail order from the vineyard is a case of 12 bottles.

The Portfolio name isn't the only hook for the financial crowd. Laughing Stock's label resembles a ticker tape read-out on a Bay Street screen. And the winery ran an e-mail campaign urging potential customers to buy by "private placement" a case of its "initial public offering."

"What makes this package so intriguing is that the label reveals the value of many widely held stocks as of the day the grapes were harvested to make the wine," says Jim McGovern, chief executive officer at Arrow Hedge Partners Inc., and Mr. Enns' onetime boss. An early buyer of the Laughing Stock offerings, Mr. McGovern said the bottle "makes for interesting dinner conversation among us finance industry types."

The upscale end of the market is the right place to be these days.

Over all, Canadian wine consumption is growing at a 6-per-cent annual clip.

But the country's largest wine maker, publicly traded Toronto-based **Vincor International Inc.**, is posting 12-per-cent sales growth in its high-end tipples — wine that cost more than \$10 a bottle. At these prices, Vincor's domestic brands are Jackson Triggs and Inniskillin.

Analyst David Hartley at First Associates Investments Inc. said in a recent report that domestic tastes have shifted toward "premium and superpremium wines."

While the 25 acres of vineyards that Laughing Stock controls are not churning out cash, they do have the potential to become a very big business. Established private Okanagan wineries change hands for tens of millions of dollars, and Vincor, which started with one winery, carries a \$760-million market capitalization.

The Niagara region in Ontario has also attracted boutique vintners with roots in finance. Angels Gate Winery, founded in 1995 on a property near Beamsville that once was home to a religious retreat and a mink farm, is owned by two brothers, one a former executive at TD Securities Inc. and the other a money manager at Trimark Financial Corp.