

February 14, 2020

### A LETTER TO THE SHAREHOLDERS

"You got to get diversified," Jeremy said.

I had just given him some of the latest damning statistics about the wine business. White Claw is eating our lunch, apparently. I haven't noticed any immediate effects. We still sell our stuff OK. I figure it's just that our customers are a bunch of dislocated weirdos like me. We have no idea what's going on in the real world. We're like a parallel society, a shadow economy of burger eaters and wine drinkers and people who love the ocean. Outcasts.

"Why should people drink wine, anyway?"

"I don't know," I said. "The taste, I guess. No, it's not just the taste. It's hard to describe."

"That's what got me started on dogs," Jeremy said. "Dogs are rock solid. Fast is fast. They're like government bonds, only with more upside."

"What's the upside?" I said.

"Well," Jeremy said, "they're adorable, for one thing."

"All my money's in land," I said.

"What's that good for?" Jeremy said.

"I have no marketable skills," I said. "Play a little guitar, maybe. But you can't live on rock and roll. I can dig a ditch. At least I think I can. It's a been a while."

"Dogs are the horses of the future," Jeremy said. "Wait until you see these animals."

We were on one of those state highways east of the 99 that runs between two places you've never heard of. How to describe that landscape? Empty. Even the towns looked like accidents. There were mountains in the distance. Not gentle mountains – the kind that rise from out of the plains with the grace of a woman's neck – but sudden, violent mountains made of black stones. This is what the Earth really is – not trees and wheat fields and sleepy little kids in pajamas - coagulated magma. I've got to get my act together.

The roofs of a town appeared on the road ahead.

"You hungry?" Jeremy said.

"Not really," I said.

"You gotta try this place. They sell a thing called the Catastrophe. It's sweeping the nation. Sweeping it."

He pulled up in front of some crappy white building that said 'JR's World Famous' on the facade and we went up to the window.

"Give me two Catastrophes," Jeremy said.

"What's a Catastrophe?" I said.

"It's a sandwich," Jeremy.

The kid took Jeremy's money and a few minutes later brought back the sandwiches. We got in the car and drove on, through the town and out the other side. I unwrapped the Catastrophe and took a bite.

"What's in here?" I said.

"No idea," Jeremy said.

"I have trouble with too much hot mayonnaise," I said.



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"Not me," Jeremy said.

I folded the paper back over the sandwich and put it on the floorboard, where the smell of it continued to disturb me.

Soon, another town grew out of the plains. We got off the highway and drove out toward it, crossing a bridge over a dry river. There were still the gray remains of docks coming out of the dry weeds along the bank and a handful of boats lying on their sides next to them. People – young people, presumably – had painted things on the hulls of the boats – the usual nudes and skulls, but also oddly personal slogans like, "Hi, Dave!" and "Suck it, Robot Man!"

Jeremy was talking about Dane Martin's impressive pedigree as a dog breeder and the skyrocketing popularity of dog racing.

"It's like water polo in the Eighties," he said. "The guy is a visionary."

"What's he doing out here? This place is like a mistake that somebody realized and had the sense to leave behind."

"This is retro hip," Jeremy said. "Wake up."

We drove through the town and out to the far edge, where there was a sort of fairgrounds setup: grandstands around a racetrack, a big parking lot, a bunch of little wooden outbuildings. It seemed outsized relative to the town, the way such things always do. We parked next to the box office. When we got out of the car, we saw the dogs.

I don't want to overstate the number of dogs. Exaggeration can't do it justice, anyway. I'll say there were six hundred dogs. I think there were more than a thousand, but let's just say six hundred. The fairgrounds had a painted iron fence all the way around and the dogs came up to the fence and put their narrow heads through and looked out at us. They were racing dogs, I guess, very tall and not just skinny, but translucent and shivering with heads like splinters and protruding eyes.

"Wow," Jeremy said, looking at the same thing I was looking at, "What a gold mine."

A door opened on one of the buildings back behind the dogs. A guy came out and walked toward us. One of the things that gets me through life is telling myself that I can kick everybody's ass I meet. I knew I couldn't kick this guy's ass. He had seen things. You could tell by the way he walked. The left side of his body was a nuisance he dragged behind him and his head hung off to one side and rested on his shoulder. Nothing had ever escaped his hands, once he got them around you— that was it.

"Hello there!" Jeremy called, waving like an idiot. "Hi there! Hi!"

The dogs parted and this guy walked through them and unlocked the gate and stood there. I expected hundreds of dogs to stream past him and run off through the town, but they didn't. They just stood there.

"You must be Mister Dane Martin," Jeremy said.

"The same," Dane said.

"Jeremy Spring," Jeremy said, offering his hand, "I'm a friend of Tito's. I'm in the market for -"

"Tito's still alive?" Dane said.



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"Yes, indeed," Jeremy said. "He's training down at Buttonwillow Raceway, California's premier dog racing and testing facility."

"He owes me forty bucks," Dane said.

Jeremy reached into his pocket and took out a roll of cash secured with a rubber band. It was the size of a can of paint. This is Jeremy: one day he's living in a cardboard box by the LA River, the next day he's buying racing dogs. He peeled off two twenties and handed them to Dane.

"We're in the market for a pooch," he said.

"What caliber of dog we talking about?" Dane said. "We talking riff raff? We talking ham and egger?"

"The best," Jeremy said. "The very best."

Dane smiled. When some people smile, you see a whole new side of them – a gentler, friendlier side. This was not the case with Dane Martin.

We followed him through the gate and back, through the sea of dogs. The dogs looked at us, but they didn't touch us or make any noise. It was disconcerting. A dog should slobber. A dog should push you with its head. I found myself wondering about their lives – not as a group, but individually. It was overwhelming. There are too many of us. How can a single life have any meaning in this world?

We stopped at a small building that had been built as a horse barn. There was a padlock on the sliding door and Dane unlocked it and slid the door aside. Inside, tethered to the wall, was the most beautiful dog I have ever seen.

"Meet Jupiter," Dane said.

"Holy craperolly," Jeremy said.

In general, I don't like Greyhounds. They remind me of models. Cut it and have something to eat, already. But Jupiter was different. He was slender, to be sure, but he had the shoulders and haunches of a Quarter Horse and his head was as broad as a man's. His back was at my waist. His coat was a shiny, pale gray with a swath of dark spots down his back like the markings on a trout.

"You're looking at the fastest dog in North America," Dane said. "Sired by the Argentine legend Pharaoh's Gold and a dame called Pike Creek that ran seven seasons in Fort Lauderdale and never lost a race in 132 starts."

"Lightning," Jeremy said.

"Why's he wearing a muzzle?" I said.

"Mean as a snake," Dane said.

I looked at Jupiter. He didn't look mean. He had big, black eyes. I would have described the look in them as patient.

"What's his time in the quarter?" Jeremy said.

"No idea," Dane said. "You can't let an asset like this out on the track."

"Smart," Jeremy said.

"So, what?" I said. "He just stays here in this little box?"



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Dane looked over at me and spat on the sawdust floor.

"Racing ain't for everybody," he said. "Takes discipline."

"Ew," I said.

"I'll take him," Jeremy said.

I had to walk outside for this part. Sometimes it's entertaining to watch your friends do moronic and self-destructive stuff, sometimes it's just painful.

Jeremy led Jupiter out through the sea of dogs. They all moved aside for him just the way they had for Dane Martin, but it was different – with Dane, they had looked away, but they gazed after Jupiter like a prophet. When we got out to the parking lot, Jupiter stopped and looked back at the dogs.

"Come on, boy," Jeremy said, giving the leash a little tug. But he could no more move that dog than he could a locomotive.

One at a time, the dogs started baying. Jupiter couldn't bay himself, on account of he was wearing a muzzle. He just stood there and looked.

"Quiet down, you dogs," Dane Martin shouted. "Quiet down."

But they didn't quiet down. They got louder. One at a time, the dogs put their heads back and called to the sky. Pretty soon, it was the whole sea of them, crying or singing or whatever it was they were doing. Calling. I can't tell you what the sound was like. Anyway, after a minute or two, the dogs stopped calling and the place fell silent. Jeremy opened the back door of the car and Jupiter climbed in and we rode off.

It was strange being in the car with that dog. I couldn't stop turning around to look at him. Every time I looked, there Jupiter was, looking back at me. It was like being on a road trip with God, or with your own conscience or with the ghost of your mother. We were headed west, with the sun low and golden in the sky before us, shining across the whole of California to reach us – the coast and the forest and the farmlands, the mountains and the stretch of emptiness we were racing across, the lifeless mountains behind us. I turned on the radio and a song by Neil Young came on but it made me so sad that I reached over after a few seconds and turned it off.

"I'm famished," Jeremy said. "You wanna stop for another Catastrophe?"

"No," I said.

"I'm gonna stop," Jeremy said.

"I'm glad we had this little talk," I said.

He pulled off the road and left me in the car with Jupiter. There was a line out the front of JR's. It was a bunch of guys you could tell had been working on the same crew, because they were all dressed similarly and were dirty in the same way, asbestos miners or something, people who worked all day in the dark so that they could eat a Catastrophe for dinner. Jeremy struck up a conversation with one of them and pretty soon he was waving his arms and slapping them on the back.

I looked at Jupiter. There his black eyes were. I climbed around to face the back seat.



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"Come here," I said.

Jupiter didn't move.

I reached out and undid the latches on his muzzle. It was not something I'd ever done before – take off a dog's muzzle – and it took me a long time. My hands were shaking. I didn't want to believe that Jupiter would bite me, but once I started working the muzzle I realized how big his jaws were and it was impossible for me not to imagine him snapping my hand off. He just looked at me. I threw the muzzle on the floorboard and got out of the car and went over and opened the back door. Jupiter sat there and looked at me. I took a hold of the leash and gave it a little tug and he climbed off the seat and out of the car. The hair on his jaw was white from where the muzzle had been.

I looked back at JR's. Jeremy had his wad of money out and was buying Catastrophes for everybody.

I unclipped Jupiter's leash. He looked up at me.

"Alright," I said. "Go. Go on."

For a moment – a moment that lasted a long time – I thought he wasn't going to run away. Like all lost people, I am forever in search of a sign. There is a part of me – not a small part – that is tempted to believe that the world is broken, that the giant trees have stopped growing, that the birds are too bored to fly, that people would rather drink alcoholic water than Cabernet.

But then he did run. In a few seconds, he was out of the parking lot and on to the plain. I watched him run toward the mountains. At one point, when he was perhaps a mile out, the low light caught him and he looked like a meteor entering the atmosphere. Then he was gone.

I was back in the car when Jeremy came out. He climbed in and handed me a sandwich.

"I got you a Catastrophe," he said. "I couldn't let you do that to yourself."

"Thanks," I said. "I let Jupiter go."

Jeremy looked in the back seat, then out at the mountains.

"I hope this doesn't affect our friendship," I said.

A long moment passed. Jeremy looked at the mountains and I waited.

"I know this Australian who has the world's second largest opal stored in a hair salon in Fremont," Jeremy said, pulling the car back on the road. "In five years, nobody is going to give a crap about diamonds. People are going to be recycling their wedding rings to make sawblades. Have you ever seen an opal? I mean a real opal?"

"You're a good friend," I said.

"It's spiritual," Jeremy said.

"Could we maybe stop and get a burger?" I said. "I think I'm hungry after all."

"You're a caveman," Jeremy said. "You're a lost cause."

We stopped at some place east of the bay. I can't remember what it was called. I ordered a cheeseburger. The cheese was like plasticine. The patty, the thickness of tissue paper. When I said I wanted it rare, they laughed at me.

"You know," Jeremy said, "this is delicious."



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- "You should try it with Cabernet," I said.
- "You think Jupiter really is the fastest dog in North America?" Jeremy said.
- "I don't know," I said. "Seeing him run I couldn't describe it."
- "Yeah," Jeremy said. "All the best stuff is like that."

This shipment marks our first release of Cabernet Sauvignon from the 2016 vintage. It comes in the form of our single vineyard from Red Winery. My mom and dad bought this ranch in 1973 as a prune farm and planted it to Cabernet and Merlot. Thirty years later, it served as the source for our first single vineyard Cabernet. There's a lot of water under the bridge between then and now, but there are a few common threads that run through every vintage from Red Winery over the last sixteen years: brightness, balance, spice, and an undeniable aroma and flavor of cherry.

Red Winery is never the darkest and most intense Cabernet we produce – its virtues are rooted in elegance and balance – but the **2016 Red Winery Vineyard Cabernet** tends toward the darker end of the spectrum. That same cherry character I referenced earlier is here in spades, but it's a darker, sweeter, cherry than in most vintages. I guess that's called black cherry. I love the texture of this wine – it's not silky and easygoing right now, in fact, it's pretty lean and sleek. But all the different components are very well-balanced: the aromatics are a bit candied, a bit floral, a bit spicy. A touch of sweet fruit is balanced by bright acidity and the tannins are firm but even across the palate from beginning to end. All this balance makes the wine a pleasure to drink right now, but perhaps more significantly, it bodes very well for aging. Drink now through 2035.

It's interesting and informative to taste the **2015 Alexander Valley Estate Cabernet** on the heels of the 2016 Red Winery. There is no direct comparison to be made; although both of these wines are 100 percent Cabernet, one is a single vineyard (from Red Winery) and the other is a blend of fruit from all three of our estate vineyards (Red Winery, Stone, and Pyramid). Nonetheless, tasting them back to back is a lesson in what a little time can do for Cabernet. It seems like only yesterday that we released the 2015. At that time (about a year ago) it was an exciting, vivacious wine that needed time to find its footing. What a difference a year makes. The 2015 still shows ample bright, high-tone fruit and acidity but it is dramatically softer and rounder than it was a year ago. There's also a salty, savory character emerging in the 2015 that I can't recall from the last time I tasted it. What beautiful balance, if I do say so, myself. Drink now through 2030.

Our **2017 Alexander Valley Merlot** is one of those wines that I start to miss before it's even gone. I seldom talk about color in wine – I think winemakers tend to be too preoccupied with achieving the right color, often at the expense of other, more important factors like flavor and aroma. But it must be said, I love the color in this Merlot. It's not incredibly dark, but it is such a brilliant, gem-like shade of purple. There seems to be a correlation between that purple color and the way it smells and tastes, too. At release, the aroma was pure violet. Since then, it has



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evolved to show a touch of cassis and black coffee. Yum. This wine is a pleasure right now but it will be even more exciting with age. Do yourself a favor and lay a few bottles down. Drink now through 2030.

It's hard to miss when you're making Chardonnay for Hawkes - you pretty much just show up and take credit for the vineyard producing great fruit. The vineyard is on Chalk Hill Road on the ranch I grew up on, at the very southern edge of Alexander Valley. The soil is sand and river stones and volcanic ash and the climate is cold and foggy. Together, these two things produce a very bright, fresh expression of the varietal. The **2018 Home Chardonnay** is full of citrus, green apple, and honeydew. In winemaking, we did everything we could to preserve the vital, fresh character of the fruit: we aged only in neutral barrels and bottled without allowing the wine to go through secondary fermentation. It's a racy, bright version of a varietal that is often obscured by butter and oak.

That's all I've got, folks. It's a beautiful day in Alexander Valley. Why don't you come out and see for yourself?

Until then, happy drinking and thank you for your support.

Jake