





# You Ever Heard of Sidney Frank

He made billions off of a bitter, sticky liqueur called Jägermeister and a silky-smooth vodka called Grey Goose. But that doesn't mean he plans to just sit back and spend his windfall.

By Joseph Guinto • Photographs by Christopher Lane





**SIDNEY FRANK** has spent a lifetime around bars and booze and cigars, and he sounds it. His voice is as rough as cheap tequila. Ashes seem almost palpable when he speaks. Still, at 85, Frank hardly goes to bars anymore, and even though he keeps a Jägermeister dispenser on his kitchen counter, he rarely drinks. The cigars, though, are another story. He still smokes. A lot. And these days, Frank has his stogies custom-made. That's the kind of thing you do if you're a billionaire — and Sidney Frank, as he will happily tell you, is a billionaire.

In fact, Sidney Frank will happily tell you a lot of things. "I got a new cat," Frank says, interrupting our conversation about how he's just bought a few million euros in a hedge against a weak dollar. "It's a ragdoll cat. Name is Honey. You ever heard of a ragdoll cat?"

Frank asks a lot of these "You-ever-heard-of?" questions. "You ever heard of a Maybach?" "You ever heard of Michael Collins?" "You ever heard of a strawberry soufflé?" Stuff like that. His friends say he's brilliant — that he knows something about everything — and that he loves to talk.

You ever heard of Grey Goose vodka or Jägermeister? Those are the brands that made Frank rich. The Sidney Frank Importing Company, which he founded in 1972 with his late brother Eugene, still imports Jäger. But the company sold Grey Goose last year to Bacardi for more than \$2 billion. The sale left Frank, who controls 72 percent of his family-owned company, with a pile of cash and a propensity to spend it. These days, in addition to owning Honey the ragdoll cat, he charts a Boeing 727 jet, owns a bulletproof Maybach, and is developing a private golf course. He has given \$100 million to Brown University, which he attended for one year (in 1939), and \$12 million to the high school he attended in Connecticut. Frank owns a home in Hawaii; spends the summers at his mansion in New Rochelle, New York, just outside Manhattan; and winters in another mansion in Rancho Santa Fe, California, in the hills outside San Diego.

Today he's in Rancho Santa Fe, ensconced in a sprawling studio apartment that has been grafted onto the even more sprawling home he shares with his wife, Marian.

The apartment includes a bed where Frank spends most of his time and conducts most of his business. The apartment is also home to an expansive kitchen that's staffed by four full-time chefs. Four. They share breakfast, lunch, and dinner duties, and every night, Frank has one of them leave him some freshly roasted peppers for an evening snack. That's also the kind of thing you do when you're a billionaire.

But back to the cat. "The ragdoll is the most loving type of cat there is," Frank says, his voice rumbling. "Honey will just go to sleep on my chest. I read up on the ragdoll. The male is much more loving than the female, so we got a male. The ragdoll's so smooth that, when you pet it, you want to put your face next to it. So, anyway, we're all set on euros."

Euros? Oh, right. Euros. You know what, though? Who cares about euros? Frank should be done by now. Here's a guy who grew up so poor, his mother had to make bedsheets out of potato sacks. Here's a guy who built a fortune solely on the power of his personality. So why doesn't he just hire another set of golfers and watch two rounds



a day instead of working all afternoon on his new magazine, a new line of wines, a high-end tequila, an energy drink, and so on? Or why not just put his face next to Honey and take a nap? The reason is simple, really. As anyone who knows him will tell you, for all the jets and the homes and the golf courses and the chefs, Sidney Frank is just not the retiring type. "I've reached the apex of success," Frank says. "I've done it. But I like to keep busy. So why not keep working?"

**LIQUOR BEFORE BEER**, never fear. But what comes after a \$2 billion vodka? Tequila and wine, apparently. That's what Sidney Frank Importing is focused on, now that Grey Goose is one of Bacardi's many brands.

The surprise is that the company is focused on anything. You'd think they'd still be nursing a hangover after the sale of its second-leading product line (behind Jägermeister). But when Frank agreed to sell Grey Goose, not only did no one lose a job at his importing company, everyone got a bonus. A big bonus, in some cases. Frank's secretary — he now calls her "the richest secretary in the world" — is rumored to have gotten one percent of the Grey Goose sale price. His omnipresent personal assistant,

Donnie Duenas, who roams around Frank's apartment during our interview answering various questions that Frank yells out — "Donnie, what was the name of the basketball player who drank Jägermeister?" "Donnie, what do they call that sauce you put on asparagus?" — reportedly got \$250,000. And plenty of the company's 150 employees received two years' salary. In cash. "We gave away a total of \$22 million," Frank says. "Everyone in the company got something."

The bonus has helped keep everyone at the company going, Frank thinks, even in Grey Goose's wake. But he wants another big-brand breakout. "You ever heard of

**"Some people are afraid to put their money into something, even if it is something they believe in. But you can't be afraid in life, because fear will stop you from achieving success."**

Red Bull?" he asks, explaining that a Red Bull-esque energy drink, Frank's first foray (independent of his company) into the \$1.1 billion energy-drink market, could be that next big thing. "It's called Crunk. Tastes delicious."

Maybe so. But it's making me giggle. There's just something funny about an 85-

year-old, ashen-voiced guy in bed, in his pajamas, saying "crunk." Still, Frank isn't the one pitching the product to consumers. He's got hip-hop singer Lil' Jon, the self-proclaimed King of Crunk, doing that.

Frank is smart that way. His marketing innovations over the past 30 years have helped him sell booze to legions of frat boys and millions of cocktailing yuppies. Among other things, credit Frank with the idea of having attractive men and women "model" adult beverages during promotional events. His Jägerettes and Jägerdudes sparked a slew of scantily clad copycats. And Frank's Grey Goose, a brand his company built from

scratch, almost single-handedly created the superpremium category of vodka brands. But since Frank was already at retirement age when Jägermeister took off, and was old enough to be Sarah Jessica Parker's grandfather when she ordered a round of Grey Goose cosmos on *Sex and the City*, he hasn't made his brands about himself.

Except, that is, to the people who sell his brands to you and me — the liquor distributors. To those people, Frank is every bit as Crunk as Lil' Jon. To them, he's the king of booze. "Sidney is a showman," says William Wirtz, a longtime customer and friend who owns both the top liquor distributorship in Illinois and a controlling interest in the NHL's Chicago Blackhawks. "When he walks into a room, he gets your attention."

No doubt he does. When Frank is doing business, distributors say, he's usually clad in either a green or pink sport coat and a big polka-dot bow tie. His cigar is lit, his voice is whirring, and, best of all, he's prepared. "Sidney is a tireless worker," Wirtz says. "That rubs off on everyone at his company. When you meet with them, they always have everything thought out — the demographics of the product, the right point-of-purchase displays, the bar promotions ... everything it takes to sell."

Sidney Frank Importing Company — he's chairman, and his 57-year-old daughter, Cathy Halstead, is president — has to be tireless. The big conglomerates that dominate the liquor industry dwarf Frank's company. France's Pernod Ricard, which controls Wild Turkey, Seagram's, Chivas







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## A BILLIONAIRE'S STORY

Regal, Chivas, Jameson, and Jacob's Creek wines, made \$4.3 billion last year, whereas *Fortune* estimates that Frank's company, with Grey Goose, made just \$350 million in one of its best years.

Still, Frank outwitted those giants when he brought Grey Goose to market. That's why Bacardi paid such a hefty price for the brand. And before Grey Goose ever came along, Frank had done something that none of the conglomerates had managed before or since: He sold to American drinkers a product that they didn't want. He sold them Jägermeister.

WHEN FRANK FIRST began importing Jägermeister in 1974, it was selling just 600 cases and was almost exclusively consumed by German immigrants who drank it to settle their stomachs after a meal. Green and viscous, it's one of those acquired tastes — like professional ping-pong — that Europeans develop and Americans don't.

But Frank got lucky in 1985, when some college kids at Louisiana State University took to drinking Jäger for who knows what reason. They dubbed it "liquid Valium." Rumors spread: Jägermeister contained drugs — opium, perhaps. It was made with elk's blood. That kind of thing. The rumors were untrue, of course. But when a story about the tall tales appeared in the *Baton Rouge Advocate*, Frank jumped. "I didn't have money for advertising, so I made millions of copies of that article and spread it all over the country," he says. Specifically, Frank had his salespeople post the article in men's rooms at thousands of bars, taping it up at, well, prime vantage points. "A guy would go down to use the washroom and then come back to the bar and ask for a Jägermeister. I had to do guerilla marketing. I had to use my wits."

Eventually, Frank and his wits landed on a stroke of genius. He bought a company that made machines to chill liqueurs — kind of like beer taps, except with something more potent in the pull. "At room temperature, Jägermeister tastes lousy," Frank admits. "At five to eight degrees, it's marvelous." Today, Frank believes there are 30,000 Jägermeister machines in bars all over the country and the tap-machine program is the strongest it's ever been. He says the liqueur sold more than two million cases last year.

It could be argued, of course, that Jägermeister was dumb luck (and that a donation to LSU might be in order). And Frank does admit that luck played a part in both Jäger's rise and his next big success — Grey Goose. "I went into the vodka business with Grey Goose just as people were turning to cosmos and martinis," he says. "It was luck that we chose the vodka category."

Still, Frank's marketing approach wasn't just kismet. It was innovative. He hired a French distiller to make Grey Goose, giving it a *je ne sais quoi* that most big-name Eastern European and Scandinavian vodkas didn't share. He packed it in wooden crates so that it would seem fancier when it arrived at bars and liquor stores. And he gave it a fancy price — \$30 a bottle when it hit the shelves in 1997. That made Grey Goose, at the time, one of the most expensive vodkas in the world. The whole idea was to create a lasting sense of luxury around something that evaporates in an instant.

"What can you buy that's the best in the world for \$30?" Frank asks, in full salesman mode. "You can't buy a car. You can't buy a diamond ring. You can buy Grey Goose, and it's the best in the world."

Or at least that's what the people at the Beverage Tasting Institute said. In 1998, the independent group rated Grey Goose as the best among the world's top vodkas. These people are alcohol professionals. So, sure, they know what they're talking about. But, let's be honest. Few people can really taste — as in *really* taste — the difference between one vodka and another, especially if they're both well made. So most of us amateurs who think Grey Goose tastes better than another brand can probably just thank Sidney Frank for convincing us.

"We put \$3 million that we didn't have into the marketing of Grey Goose because we believed in it," Frank says, when I ask him about the secret to building a successful brand. "Some people are afraid to put their money into something, even if it is something they believe in. But you can't be afraid in life, because fear will stop you from achieving success."

TO ACHIEVE HIS SUCCESS, Sidney Frank didn't need an Ivy League degree. He just needed a whiff of one. He dropped out of Brown after a year because he couldn't afford the tuition, but one year there on his



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résumé was enough to catch the attention of a hiring manager at Pratt & Whitney, where he landed his first full-time job. On his first day, the foreman asked if he knew how to use a slide rule. "I said, 'Sure,'" Frank recalls, chuckling. "But I didn't know how to use a slide rule. So I went out and I bought one and read the instructions. You always have to be positive."

Frank left Pratt & Whitney after World War II to join the biggest distillery in the country at the time — Schenley Distillers Corporation. In a shrewd self-marketing move, he married the owner's daughter. By 1972, Frank was ready to go out on his own and founded Sidney Frank Importing Company. (His wife passed away shortly after.) The first product his company represented was Gekkeikan Sake, which is still today a sushi house mainstay.

It wasn't all alcohol-fueled good times back in the early days, though. "I went belly-up a couple of times," Frank says. "But you learn from that. It took me 60 years to have enough knowledge to bring out a Grey Goose and in seven years sell it for over \$2 billion."

Most of that \$2 billion went straight to Frank. Thanks to the sale, he made the Forbes 400 list of the world's richest people in 2004. The magazine estimated his net worth last year at \$1.6 billion. "One of the things I've found is that it takes a lot of time to invest a billion dollars," Frank says. He's bought a lot of things — hog bellies, oil futures, euros, *Travel Savvy* magazine, and a golf course in the Bahamas.

That last one isn't so much an investment, per se, although the course will be open to the public. It's more of an obsession for Frank. Golf is his game. But because he has bum feet and balance issues that keep him from playing his favorite sport, he now ponies up a reported \$500,000 to \$1 million a year for a staff of full-time golfers — a group of about eight professionals and amateurs who take turns playing in foursomes. They play for his amusement, and at his direction, nearly every day, no matter where he is in the world. Actually, the way Frank puts it, "We play 18 holes."

Indeed, Frank is no passive observer on the course. "It's like he's playing when he watches them," says Gene Borek, who coaches all of Frank's players. "He's giving them tips, telling them what clubs to hit and what shots to play. He always says, 'We

don't pay off on effort.'"

But he does pay off. In addition to their salaries, Frank pays cash bonuses to his professional players during games. They'll get, say, \$100 for a birdie, or \$500 to win a round.

His personal chefs get no such bonuses. But they do get to order \$2,000 worth of truffles on a whim. "I do my grocery shopping by Federal Express," Frank says. "We get the best from all over the world. I get asparagus from Germany, Austria, Holland, and when the season is over there, we get it from Peru. You ever heard of a strawberry soufflé?"

Um, no.

"It's very difficult to find," he says. "But I remembered that, in Monte Carlo, I used to have wonderful strawberry soufflés. So, I have this one chef who is from France, and I had him call up the place in Monte Carlo and get the recipe."

At least Frank didn't go over and buy the restaurant. He tends to be prone to such whims. "I stayed in a beautiful house last year [in Kona, Hawaii]," he recalls. "I liked it so much, I bought it." It cost \$13.5 million.

"You ever heard of a Glock?" Turns out that Frank has hired a bodyguard avec Glock because, you see, "When you're a billionaire, you've got to think about those kinds of things." Then again, Frank doesn't sound too worried. Then again, why should he worry? Here's a guy who made a billion in business by doing it his way. A focus group didn't name Grey Goose, he did. A consultant didn't tell him that someone besides Germans with bellyaches would drink Jägermeister; he just knew it. And now, even as he spends every day working and making more money than he ever imagined possible, Frank is also doing something rare and enviable: He's reveling in his fortune.

"Not in my wildest dreams did I ever think I'd be a billionaire," says Frank, now relaxing in his apartment while Donnie scurries around somewhere and the chefs start slicing and dicing for another meal. "I always thought it would be nice to be a millionaire, but I never expected more. Now I'm a billionaire, which I enjoy very much. I'm living the American dream, and I think it's wonderful." **AW**

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