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Sangiovese And Other Native Grapes Of Italy's Romagna



Susan H. Gordon Contributor

Spirits

I write about wine, especially of Italy and of the eastern U.S.



Rooftops and hills in Brisighella in Romagna, Italy SUSAN H. GORDON (2020)

Think of Emilia-Romagna's hyphen as a key to its wines. As the northwest part of this northern-Italian region, Emilia prizes its lambruschi, a group of unrelated red-wine grapes with very different characteristics, wine intensity endpoints described by pale acidity-driven Lambrusco di Sorbara and dark fruity tannic Lambrusco Grasparossa, delicious and diverse bottlings about which no more need be said in this article which is about Romagna and its wines.

In the hilly vineyards along the many, many river valleys of Romagna running just below the Po's delta and east of that river's vast and waters-drenched plain, the wines made in quality and commercially meaningful quantities number half a dozen native grapes along with foreign varieties, some like Chardonnay and Pinot Bianco taken seriously, while other area locals like [Rèbola](#) are produced in quieter quantities — for example [this one naturally fermented by San Valentino](#). Most importantly by bottles, more than 12 million of them in 2019, Romagna is one of Italy's centers of territory-driven Sangiovese, a grape famously sensitive (told by the differing ways its wines will taste) to where it's planted and for how long it's been so: the many Chianti clones,

Brunello, and Morellino for example are all Sangiovese but you'd never upon tasting confuse them for any one Sangiovese. "Because of this widespread difference in phenotypes among Sangiovese grapevines," writes [Ian D'Agata](#) in *Native Wine Grapes of Italy*, some "experts postulated that Sangiovese is not a single variety but a 'variety-population,' the result of polyclonal inheritance" though today most believe that "a single-parent pair is at the origin of Sangiovese, as demonstrated for practically all other grape cultivars."

Sangiovese is also the zone's red grape with the longest and most visible history:

“[‘Romagna e sangiovese’](#) is a Romagnolo song by the group Orchestra Casadei which my father always listened to," friend and colleague [Monica Maretti](#) who is from the area wrote to me when I asked her about association between this grape and place. An AIS-certified sommelier, regional member of Italy's national [Donne del Vino](#) women in wine association, and a [wine writer](#), Maretti was born in Faenza in Romagna's Ravenna province and grew up in the close-by Appenine town of Marradi, in a corner of the Tuscan province of Firenze referred to as the Romagna-Toscana which she describes as geographically more Romagna than Tuscany. "My father is from Marradi less than 5 or 6 kilometers from where the Lamone river is born and my grandparents were from Marradi," she told me. "They were mezzadri, so they pretty much never owned the land they worked, and there was a lot of poverty, but my father remembers that there was always food in the homes of contadini." With the famines after the Second World War came steady visits from nearby cities, "perhaps they had lost a job," to ask for food from the peasants, "perhaps an egg, a hen," Maretti says, "He lived in poverty but with means." Her mother, and *her* family, are from Brisighella in Ravenna. I asked Maretti if she would help me walk through Romagna from afar.

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Official region since 1970, Emilia and Romagna come together at a place where "there are a thousand exceptions," she says. Romagna's Emilia-most Sangiovese zone Imola is one such overlap: located in Emilian province Bologna it is Romagna wine- and

otherwise and the Imolesi identify as Romagnolo. "The Bolognesi don't think of them as Emilian and those of Ravenna, of Rimini, so fully Romagna, say they're Emiliani." Boundaries of provinces and kingdoms often follow a river: but a quick search for Imola's Santerno shows it cuts through the area, binding instead of separating it. Sangiovese is a unifying nuanced feature, too, of the entire Romagna area. Since 2011, the DOC has acknowledged its local importance and territorio responsiveness via twelve subzone, or MGA, label mentions, which now account for 3% of Romagna Sangiovese DOC bottles. In jigsaw-puzzle fashion west to east, the twelve cover three of Romagna's five hilly macro areas which begin with Imola's thousands-years-old river-deposited clay-limestone soils on hills sloped up to 35% and run with a south slant toward the Adriatic Sea to finish in Rimini's almost as steep limestone and blue clay with sandy breaks (with an reassuringly old-school touch in technique — fermented and partially aged in concrete — and taste, [Enio Ottaviani's "Caciara" Sangiovese Superiore DOC](#) is one to try from here). In the middle, four subzones lie across the Faenza whose clay soils climb from red to limestone to arenaceous, five over spungone-veined sandstone Forlì, three for milder sea-influenced Cesena — where the San Vicinio MGA climbs the Savio valley from 160 to 400 meters above sea level, with river-carved terraces in alluvial calcareous soils. (A good example of what this tastes like is [Tenuta Casali's single-vineyard Baruccia Sangiovese Superiore](#), clay-weighted tannins and ripe fruit anchoring acidity and herbal freshness.)

Walking through the MGAs on paper, I wondered about another hyphen, of Maretti's Romagna-Toscana hometown location. It's a term that has "recently been dusted off for tourism," she says. A territory with a gastronomic presence, and long falling on the principal travel route from Florence to Faenza, Marradi — and its cooking — is both Tuscan and Romagnola. "On Sunday at my home we eat tortelli, understood as a raviolo, because Emilia-Romagna is the cradle of pasta made at home, especially fresh egg pasta, but as a second dish we have, for example, a fiorentina," that rare steak which is a Tuscan emblem. It is a margin or border identity that is also helpful for understanding the parts that are Romagna. "As Marradese, I am not recognized either as fully Romagnola or as fully Tuscan," she says. "I don't have a Romagnolo accent so in Romagna they understand that I'm not from Faenza or from Brisighella. In Marradi they speak Romagnolo, and my parents speak dialect with each other, though with me they speak Italian. I might be the first generation which was not taught dialect as spoken language, but I understand it very well and if I want I can speak it too. Once,

schools wanted to erase it, but now there's a rediscovery of contadini traditions, so that we don't forget our own history. In the sagre [the village festivals], the theatrical production use dialect and now the youngest people are taught it in schools." Marradi's dialect differs from "the one they speak in Faenza and we're only 40 km apart." They can, however, understand each other: at its base, the Romagnol dialect is a celtic-inflected latin (to Emilia's Lombard ancestry, Romagnoli are Umbrians and Etruscans conquered by Celts, forming a base in the 4th century AD, Sabellico said in February). The [UNESCO Atlas of the World's Languages in Danger](#) notes that Romagnol is spoken in Marradi Firenzuola and Palazzuolo, Ravenna, Forli-Cesena, Rimini, Pesaro-Urbino province in the region of Marche and the Republic of San Marino by, a "rough estimate based on various sources," one million people and is a "definitely endangered" language — one which too many parents have not passed down to current generations.

PROMOTED

Is there a physical separation at that hyphen? At the Passo della Colla, on the Romagna face of the Appennino where Marradi sits and also in the province of Firenze is Borgo San Lorenzo, which is the "boundary of this highest point of the appennino, called crinale, where they speak true Toscano, and that is the real boundary with the true Tuscany," explains Maretti. "But the real border between Tuscany and Romagna is simply the Lamone river," which once divided the Gran Duchy of Tuscany and the Papal State of Romagna. In Marradi, a few minutes down the road from her parent's home is the old customs house that served those passing between Duchy and the Church. And there is the piadina romagnola. This "queen of streetfood during countryside events and recognized as the typical food of romagnolo folklore," says Maretti, is a flatbread of flour, water, lard, "said to be of Etruscan origin." It is eaten irresistibly warm with the [salami typical of Romagna](#) and soft cheeses like [Squacquerone Romagna DOP](#). What's certain is that it kept the contadini romagnoli from going hungry until the 1950s brought tourists, many from Germany, to the Riviera Romagnola, "the whole strip of sea that covers Ravenna, Rimini, Riccione, down to Le Marche," Maretti shares. What also kept the people of Romagna fed: "among the poor dishes of the romagnola tradition are [passatelli in broth](#) (strictly, meat broth, but there's also a dry version) which was made on Sundays and for holidays." Noodle-y, they have three principal ingredients: breadcrumbs ("dried-out bread obviously wasn't enjoyable and since it wa

never thrown away in Romagna"), eggs, and [Parmigiano Reggiano DOP](#) and are aromatized with grated lemon peel and a dusting of nutmeg. "Passatelli's long form was made by a tool that is called *fèr per i pasatèi*, *iron for passatelli* in Romagnolo, but my mother used a simple potato masher with wide holes and cut the pasta at 4-centimeter lengths."



In the mountain town of Marradi between Tuscany and Romagna in Italy, this building once housed ... [+] SUSAN H. GORDON (2020)

To pick up Sangiovese's MGA walk from the west and closer to Marradi, the Serra MGA falls under the Faenza macro area while pushing back into Imola's eastern hills, sandstone as you climb up to 250 meters, valley of the Senio river: [Ferucci's single-site "Domus Caia" Sangiovese](#), long maceration in concrete, is solid crunchy red fruit and herbal, warmth. Then comes Brisighella known for its olive oil and where the Lamone

runs down the Appenino on its descent into the Adriatic. In the Brisighella MGA, vines grow from 100 to 400 meters above sea level, reaching the mountains where the Sintri stream gives a little help to the Lamone which narrows here into a line to carve the chalky (the vein of [Romagna's famous chalk](#) passes through here, Maretti points out) and marly-sandstone soils in from which come structured and complex Sangiovese wines: [Gallegati's "Corallo Nero" Sangiovese Riserva](#) is mineral, rhubarb and tobacco, juicy and tight. Then Marzeno, where the Marzeno stream is, the smallest and most homogeneous MGA, with older clay at the foothills; rolling and rising up to 200 meters with occasional calanchi, the erosion-caused furrows you see at distance throughout Romagna's hills: Fattoria Zerbina is queen here, their ["Pietramora" Riserva Marzeno](#) is focused tart red fruit, earthy pushing into mushroom, made from albarello vines.

"It's a bit complicated making these wines better known even just outside of Romagna, says Maretti. In the past, the wines of Romagna were considered "vini da contadino, wines that needed only to be a food, nourishment, not wines of quality." When producer [Umberto Cesari](#) imported Sangiovese di Romagna to the United States in the 1960s for the first time, she explains, he set off a commercial push to work on quality at a time when the wines were still largely made, and drunk, for calories." For Sangiovese, Tuscany still gets the most attention, while Le Marche's Conero and Piceno receive some, but Romagna's are still a secret to a lot of people, including a lot of people in Italy. "It's difficult to find a Romagna Sangiovese, say in Rome, it's easier to find a Sangiovese of Tuscany, like a Chianti, at least in my experience," she says. Romagna's white wines are even harder to find, "they're completely confined in the territory, They're widely distributed in all the restaurants, agriturismi, trattorie, osterie, but at most they make it to Emilia."

To picture Romagna, you'd make three broad defining strokes: Adriatic sea to the right mountains of the Apennine running toward that line from the left, the river Reno across the top. Throughout you'd dab ochre sandiness and same but lighter streaks for the calanchi which stripe the hills, hatch in reddened marl then drive in swatches and layers of the blue clay spungone, a calcareous-organic rock of marine origin which "is the classic structure of Romagna and gives the zone's Sangiovese color and structure," explained Marco Sabellico, editor in chief of Gambero Rosso's *Vini d'Italia* guide at a tasting of representative Emilia-Romagna wines at the [Tre Bicchieri event in Manhattan](#) on the last day of February 2020. In general, Romagna is clayey. It is more so at lower

altitudes, with sand and sandstone mixed in as altitudes rise, so that rich and clayey ferrous turns to less fertile clayey calcareous. The clays differ in age, from the Pliocene period 23 to 2.5 million years ago in the Predappio MGA to younger Pleistocene in the Oriolo MGA. With 180,000 bottles, more than three times as many as the zone with the next highest production, the Predappio MGA, in the Forlì macrozone, can also be said to be the capital of Romagna Sangiovese. From these hills of the Rabbi and Bidente river valleys, 120 to 400 meters and calcareous clays with sandstone in the highest parts, come long-lived and mineral Sangiovese wines: [Noelia Ricci "Godenza" 2018](#) is perfumed, fresh red berries and loud tobacco, pine and leather, acidity in perfect balance; [Chiara Condello's "Le Lucciole" 2016](#) is a riserva that gives weight to this subzone's sour fruit, fresh tobacco, complexity as a full understanding of austerity.

Spungone sometimes appears as outcrops, which are a defining feature of the small Castrocaro MGA also in Forlì, 100 to 350 meters, calcareous quantities climbing with altitude, where fertility decreases as per slope mechanics everywhere and whose Sangiovese wines run from intense fruit to herbaceous earthy fiercer tannins. Still in Forlì, Modigliana from 180 to 570 meters on the Appennino is all hilly viticulture with three streams and valleys: Acerreta, Tramasso and Ibola, tannins are said to vary in intensity by which valley. Seventy percent of it is forest; soils sedimentary, marly-sandstone, much more sandstone, some limestone for salinity. [Villa Papiano's "I Probi di Papiano"](#) is rich red fruit, pine, tobacco in contrast with fresh acidity. Forlì's eastern end is hilly Bertinoro, up to 350 meters with medium texture, active limestone, spungone, and a good place to grow Albana, Romagna's star white-wine grape whose wines are [Italy's first white-wine DOCG](#) after becoming a DOC in 1967. [Galassi Maria's NatoRe Vigne Vecchie 2016](#) was red fruit compote, spicy Sangiovese Riserva Bertinoro and "La Signo'ra" a pretty and petal-y Albana secco (many of her wines are fermented spontaneously). [Tenuta La Viola](#) is here too, making single-site "Il Colombarone" to represent Bertinoro Romagna Sangiovese with cherry, power struck through with acidity; while fruit-pushed herbal, coiled, tobacco "InTerra Rosso" is made in Georgian clay and long maceration and "Interra Bianco" is Albana). A 2014 Bertinoro Riserva by [Fattoria Paradiso](#) with a pretty VA touch to play with its red raspberry and sour cherry had everything resolved, lightened tannins raising heads, floral.

"There were many climatic variations in recent years [so that] each year has to be interpreted anew," said [consorzio](#) president Giordano Zinzani at a preview tasting of

more than 100 Romagna Sangioveses earlier this year. [Update: as [announced by Federvini on 28 May 2020](#), the consorzio's new president is [Ruenza Santandrea](#).] As a look at what Romagna's Sangiovese is, not every one of those wines measured up. A few were faulty, a few others had deep purple-tinged hues and peppery notes of Cabernet, and whatever the makers' intentions those are not traits that you should expect to find in a list of Romagna Sangiovese. What you can and should look for is a continuum of warmth and lift, the heft of clay and warm Adriatic air and the line-driven complexity of Romagna's spungone, currents carried by its rivers and winds from the appennine. A majority of the wines I tasted did the job well, and at the top there were more than enough great bottles to show off this fascinating area, plenty to fill up a list on their own and which belong there deeply, nuanced and enlightening. It is an exciting time in Romagna, with many producers still finding their way and all generous enough to share their own time of discoveries triumphs with us as they go.

Since she'd been there from the beginning, I wondered how Maretti had come to know her region's wines. "When we had our family lunches, parties, there was always table wine, but I don't know what it was, I never asked. I was very young and these kinds of parties were still of contadino nature, because my grandparents were contadini, they worked the land which meant that it was the house wine, wine that they made, with no enological criteria: whatever came out that's what you drank. There wasn't an enologist. It was really wine to drink immediately. They weren't viticulturalists, they above all cultivated fields for grain, they had farm animals, cows, sheep especially. And so I learned about it like this, in the sense that I didn't have any idea what it was, I was too little to drink but I remember it was always drunk in around enormous tables that couldn't fit inside so that we had to eat and drink in the courtyard, under the sun. When I was a child there was an empty tino there; I used to climb inside it." Like the vines, that cask came with the house her grandparents lived in. "Since they were mezzadri it wasn't their property, and the vines in that parcel of land were the vines used for the family that lived in the house, They never had just a vineyard, the vineyard was simply some rows of what was presumably Sangiovese. The white was certainly some Trebbiano [Romagnolo]. What was there they harvested and made their wine."

Sangiovese is the largest part of Romagna's production by far. Second place by volume Trebbiano Romagnolo is about one-seventh the size of Sangiovese's production, and *its* wines taste of a rich yellow-fruit compote with a taut fresh streak. It is a winegrape

variety distinct from other Trebbiani, including the everywhere Trebbiano Toscano with which it is sometimes confusedly replaced even here, writes D'Agata. His writings describe Trebbiano Romagnolo with five-point leaves, grape bunches with two wings, and especially found in the provinces of Forlì and Ravenna. Its better biotypes, he cautions, give wines with "the acidity, the flesh, and the ability to age and improve." The next-most-present winegrape by volume is Albana: 872,000 bottles in 2019 about half that of Trebbiano. There is Albana both secco (still, dry) and passito — thick-skinned under the right climatic conditions, the grape can be affected by noble rot, explained Sabellico in New York of these ingratiatingly sweet and historical wines: [Tre Monti's "Vigna Rocca"](#) secco 2018 was the gold of 15 days' maceration, ripe peach and pineapple, distinct acidity balanced by a soft drying texture; look for [Tenuta il Plino's "Mufato del Plino"](#) to Sabellico's point. And to Fattoria Zerbina's brilliant line for [more examples](#).

In Brisighella, Paolo Babino of [Vigna dei Boschi](#), biodynamic and experimental, in an [interview by Intravino's Lisa Foletti](#), says: "Other than the romagnoli classics Albana and Sangiovese, we have Malbo, found in an old vineyard of Sangiovese (probably in times past it was used above all in higher zones, to "strengthen: Sangiovese in cold rain years, like Colorino in Tuscany) and we have since propagated and planted it into its own vineyard." In the article, his curiosity in Malbo Gentile, [98% of which plantings are in this region](#), is matched by his belief in Pagadebit (more on this name below), another grape once used as backup, filling in for Albana which can be finicky when planted in the wrong places. There are a little more than 235,000 bottles of Pagadebit made here each year, and while the wine's name has the feel of opulence and abundance, it's not entirely clear what grape it's made from. Consorzio materials call for a minimum 85% Bombino Bianco, a white grape that is of Puglia fame and which also signals [Lazio](#) and Romagna's great hand at whites, but Mostosa — which "lives in what is perhaps Italy's single most confusing grape variety situation," writes D'Agata in *Native Wine Grapes of Italy*, where the grape is listed as in Emilia-Romagna only — has often been confused with Bombino Bianco (Babino is likely referring to the Bombino Bianco grape, Foletti points out), including by nurseries supplying Romagnolo growers. Pagadebit the wine is probably at least sometimes made of both grapes and the former is, D'Agata points out either a half-sibling or a grandparent to Albana, so it's been here for a while. So has the red grape Centesimino. Robust and aromatic, rich red fruit rich, there are 25 hectares of it as of 2010, up from practically none in 2000. The marzena yellow sandy soils, with

Romagna's signature clayey component, of Oriolo in the Faenza macrozone make up the center for this grape, named after rediscoverer Pietro Pianori (Maretti tells me and D'Agata writes) vignaiolo who first found the rows of some strange grape left growing in an old vineyard in the city of Faenza (known also for [its ceramics](#)) and went on to propagate it in the area's hills — he too, or rather first, was called centesimino, *little cent*, for his deep dislike of spending money and the name passed to his vines in friendly deference. While Oriolo rises only to 200 meters, its soils offer the kind of differences diverse agriculture likes: red, fertile, calcareous clay at lower altitudes; higher up, Pleistocene-period yellow sands with a clay component that together is locally called *marzana*. "I love the Centesimino passito made by my friend Mauro Altir of [La Sabbiona](#)," says Maretti, explaining that the grape dries well in the vineyard making it as fitting for muscular dry wines as it is for sinewy sweet ones. For voluminous rosemary, violets, and dark earthy fruit, there is also [Ancarani's dry Centesimino](#). And finally, there is the off-dry red wine that tells of ripe red berries, fresh sour cherries: Cagnina (local name of the Friuli-originated Terrano grape) di Romagna is Romagna's third-most bottled: 785,000 in 2019. It's for drinking soon after harvest, says Maretti, and "it's perfect with roasted Marron buono di Marradi [the local chestnut variety] and chestnut-based sweets. In Marradi during the [chestnut festival in October](#) my favorite thing to do is to eat marroni and drink Cagnina."

As more and more producers here learn to make quality wines, there are also more and more "niche aziende that work well," she says. "They're still, in my opinion, to be discovered." And the Romagnoli themselves are helping in another way: "Romagna is maybe the most hospital land I have ever known," says Maretti. "The Italians recognize the Romagnolo as a cheerful and gracious person, who solves everything with simplicity, who is always busy with something, and above all is welcoming and hospitable." In that spirit, a Romagna passito, either deep red made with Centesimino or thickly golden with Albana, and a piece of torta di Marroni — Maretti's mother Francesca makes this local sweet with Marradi chestnuts, Tuscan pastry-shop staple liqueur [Alchermes](#), and other, secret, ingredients — is the right way to end this article about Romagna and its wines.

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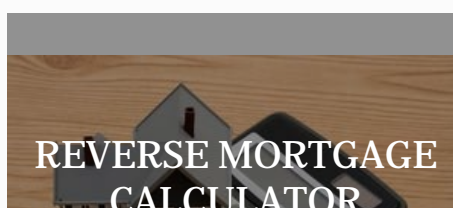
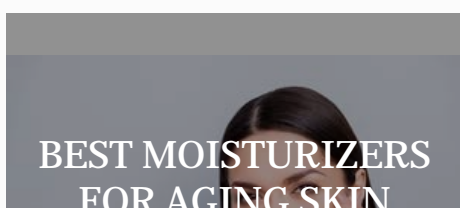
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The note found on his computer by his parents on June 12th asked a simple question. “How was a 20 year old with no income able to get assigned almost a million dollars worth of leverage?” The tragic message was written by Alexander E. Kearns, a 20-year-old student at University of Nebraska, home from college and living with his parents in Naperville, Illinois. Earlier that day, Kearns was **struck** by an oncoming train.

Like so many others, Kearns took up stock investing during the pandemic, signing up with Millennial-focused brokerage firm Robinhood, which offers commission free trading, a fun and easy-to-use mobile app and even awards new customers free shares of stock. During the first quarter of 2020, Robinhood added a record three million new account to its platform. As the Covid-19 stock market swung wildly, Kearns had begun experimenting trading options. His final note, filled with anger toward Robinhood, say that he had “no clue” what he was doing.



Alexander E. Kearns. KEARNS FAMILY

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In fact a [screenshot](#) from Kearns' mobile phone reveals that while his account had a negative \$730,165 cash balance displayed in red, it may not have represented uncollateralized indebtedness at all, but rather his temporary balance until the stocks underlying his assigned options actually settled to his account.

Silicon Valley-based Robinhood is not sharing details of Kearns' account, citing privacy concerns: "All of us at Robinhood are deeply saddened to hear this terrible news and we reached out to share our condolences with the family over the weekend."

It's impossible to know all of the factors contributing to suicide, especially in young people. Still, the tragic demise of Alexander Kearns is a cautionary tale of the serious risks associated with the race to the bottom in the brokerage business. Robinhood, E-Trade, TD Ameritrade, Charles Schwab, Interactive Brokers, Fidelity and even Merrill Lynch have all embraced commission-free trading and zero minimum balances in an effort to attract younger customers, many of whom have little understanding of the securities and markets they are dabbling in.

"I thought everything was going fine," says Bill Brewster, Kearns' cousin-in-law and a research analyst at Chicago-based Sullimar Capital Group. His father said he was loving the markets and really enjoying investing, Brewster told *Forbes*, "and then on Friday night, we got this call from his mom and he had died."

Kearns apparently fell into despair late Thursday night after looking at his Robinhood account, which appeared to have \$16,000 in it but also showed a cash balance of negative \$730,165. In his final note, seen by *Forbes*, Kearns insisted that he never authorized margin trading and was shocked to find his small account could rack up such an apparent loss.

"When he saw that \$730,000 number as a negative, he thought that he had blown up his entire future," says Brewster. "I mean this is a kid that when he was younger was sc

conscious about savings.”

Although Robinhood won't release the details of his account, it's possible that Kearns was trading what's known as a “bull put spread.” Put options give buyers the right to sell the stock at the strike price anytime until expiration, while put-sellers are on the hook to buy the underlying stock at the strike price, if assigned. This happens automatically at expiration if the price of the underlying stock closes that day at a price one penny or more below the strike price.

In Kearns' note, he says that the puts he bought and sold “should have cancelled out,” because normally a bull put spread involves selling put options at a higher strike price, and buying puts at a lower strike price, both with the same expiration. The trade generates a net credit, which the options trader keeps if the stock price stays above the higher strike price through expiration. It's generally considered a limited risk strategy because the simultaneous purchase and sale of put options means the maximum loss on a per-share basis is the difference between the strike prices, less the amount earned when the puts are sold initiating the trade.

There can be wrinkles, however, when the price of the underlying stock at expiration is between the two strike prices, or in the case of early assignment, which may have occurred in Kearns' account.

Here's an example of how a bull put spread could produce an unexpectedly large stock position in your portfolio. On June 16, Amazon (AMZN) trades at \$2,615 per share. If you're neutral to bullish on Amazon, you could sell put options that expire on July 17 with a \$2,615 strike price for \$28 per option. To limit your risk, the other leg of the trade is to purchase puts at a lower strike price, \$2,610, for a cost of \$26. That two-dollar differential (multiplied by 100) generates \$200 for every contract you sell. Do three contracts and you generate \$600. If Amazon closes on July 17 above \$2615, you're in the clear and keep all of the proceeds, as both puts expire worthless. If the stock closes below \$2610, you will encounter your maximum loss of \$900: \$5.00 (difference between strike prices) minus \$2.00 (proceeds earned up front) times three contracts.

When the stock closes between the two strike prices, the put you bought at the lower strike price expires worthless, but the one you sold is in the money and legally binds you to buy the stock at the strike price. In the case of three contracts of \$2,615 Amazon put

that would be \$784,500 to purchase 300 shares. Over a weekend say, you may see a - \$784,500 debit to buy the stock, but you would not see the stock among your holdings until Monday.

Kearns may not have realized that his negative cash balance displaying on his Robinhood homescreen was only temporary and would be corrected once the underlying stock was credited to his account. Indeed it's not uncommon for cash and buying power to display negative after the first half of options are processed but before the second options are exercised—even if the portfolio remains positive.

“Tragically, I don't even think he made that big of a mistake. This is an interface issue, they have slick interfaces. Confetti popping everywhere,” says Brewster referring to the shower of colorful confetti Robinhood routinely deploys after customers make trades. “They try to gamify trading and couch it as investment.”

Says Robinhood: “We are committed to continuously improving our platform and are reviewing our options offering to determine if any changes may be appropriate.”



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