#### BUSINESS

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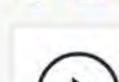
# Fortunoff brand turns 100 as founders' grandchildren carry on the legacy

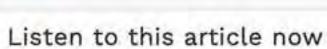


## By Tory N. Parrish

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ax and Clara Fortunoff started selling pots and pans from a pushcart on Brooklyn's Livonia Avenue under the elevated train tracks in front of their apartment in 1922.

By 2003, their grandchildren primarily were running Fortunoff, which had become a multimillion-dollar home furnishings and jewelry business that was headquartered in Westbury and had six high-end Fortunoff department stores in New York and New Jersey, including a store on Fifth Avenue in Manhattan that was the flagship of the jewelry division.

Now, 100 years after Max and Clara Fortunoff's humble retail start in the Brownsville East section of Brooklyn, their business as it existed during its heyday is gone, but the brand name lives on through smaller retail operations involving their grandchildren.



Fortunoff's under the El on Livonia Avenue. Credit: Newsday File

That is noteworthy for multiple reasons, said Esther Fortunoff, granddaughter of Fortunoff's founders and the president of Fortunoff Fine Jewelry, an online-only retailer she started in 2010.

"I'd love for people to know that you can adapt and grow and change and take something that was a dream and continue to have it be something great but in a different way. And, you know, there's adversity and then there is rising above it and finding a new way to operate," she said from her office in Garden City last week.



Esther Fortunoff, president of Fortunoff Fine Jewelry, talks about how the Fortunoff brand kept up with the "ever-changing" retail market. Credit: Newsday / Chris Ware

After the sale of Fortunoff in 2005, and bankruptcy filings in 2008 and 2009 that brought about the demise of Fortunoff as a chain of department stores, Max and Clara's eight grandchildren, under a holding company called Fortunoff Brands LLC, bought back the intellectual property of Fortunoff, including the brand and trademarks.

Esther Fortunoff, 68, whose mother, Helene, established the fine jewelry division in Fortunoff department stores in 1957, has been president of Fortunoff Fine Jewelry since launching it as an online store in 2010.

Her cousin, Isidore Mayrock, whose mother, Marjorie Fortunoff Mayrock, served as president of Fortunoff from 1957 until her death in 1983, has been the minority owner of a small chain of outdoor furniture stores, called Fortunoff Backyard Store, since 2009.

"We wouldn't be here today if it wasn't for our parents and grandparents ...which were the visionaries," said Mayrock, 66.

Clara Fortunoff died in 1986 at age 83. Max died in 1987 at 89.

## An iconic name



1978 photo of Clara and Max Fortunoff talking to students who expressed their appreciation to the family for the money to restore the mansion at Dowling College in Oakdale. Credit: Newsday File





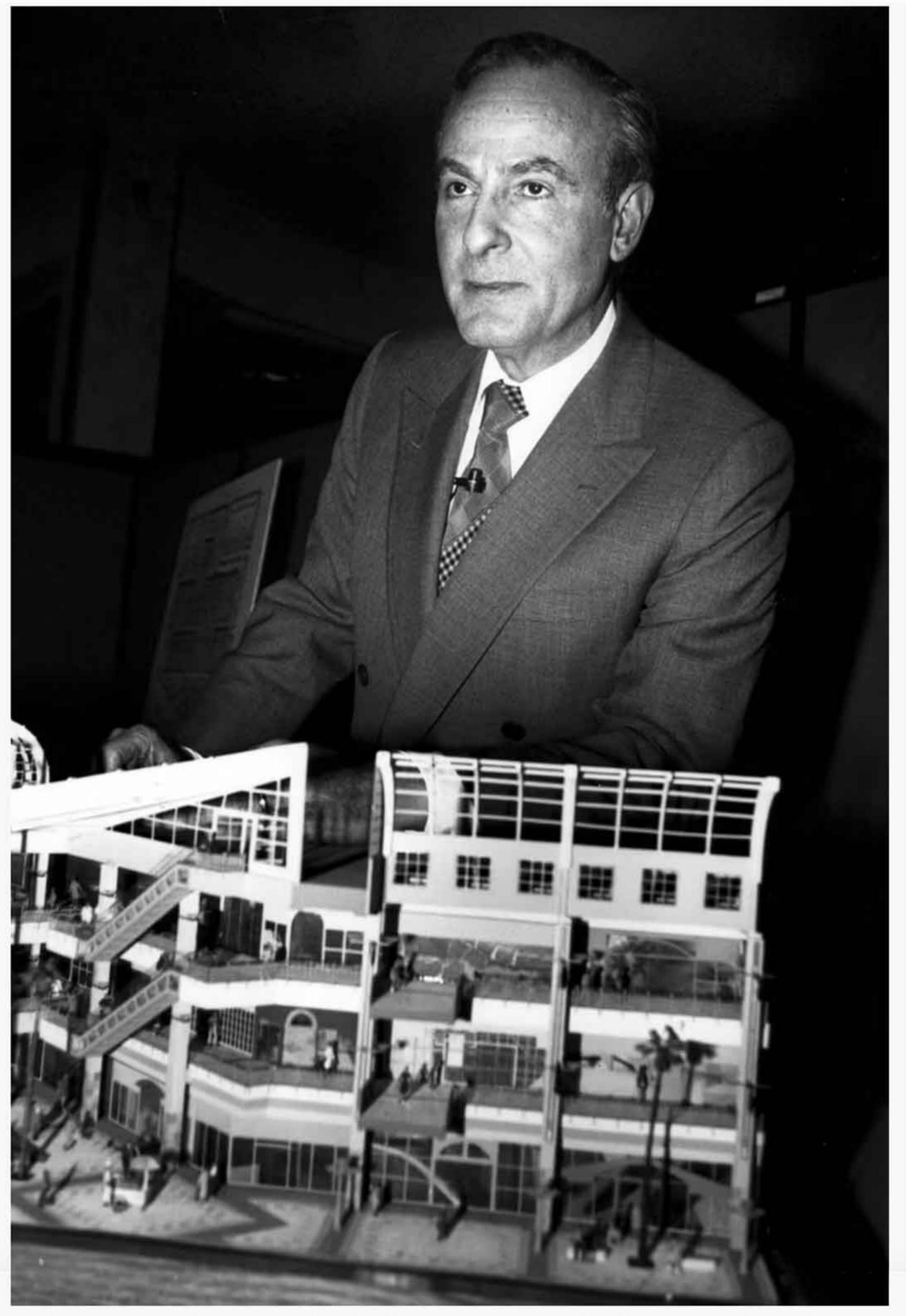
Alan Fortunoff and his daughter, Esther Fortunoff, president of Fortunoff Fine Jewelry. Newsday / Julia Gaines; Chris Ware

The Fortunoff chain of department stores grew to become iconic in the New York metro area for decades.

In 1957, Max and Clara Fortunoff turned the business over to their three children, Alan and Lester Fortunoff and Marjorie Fortunoff Mayrock, but Lester sold his share of the business to his sister in the mid-1960s.

The second-generation owners relocated the eight Fortunoff shops in Brooklyn to a single location on Long Island in 1964, building a 150,000-square-foot store with three levels in Westbury. A Manhattan store on Fifth Avenue opened in 1979.

Max and Clara's youngest child, Alan, then president and chief executive of Fortunoff stores, was a driving force behind Simon Property Group Inc.'s 1997 development in Westbury of The Mall at the Source, which was connected to the flagship Fortunoff store. The mall's name was a play on the Fortunoff slogan, "The Source." The mall was a key shopping venue for more than a decade but it struggled for years after the Fortunoff store closed in 2009, and other large tenants exited. The property was sold in 2017 and renamed Samanea New York.



1990 photo of Alan Fortunoff looking over an early model of the project that would become the Mall at the Source. Credit: Newsday / Dick Yarwood

The Fortunoff Backyard Store as a stand-alone strategy for growth was launched in 2001, starting with a store in Lake Grove, and a Fortunoff store opened in White Plains in 2003.

Fortunoff's enterprises always have been a family business in every sense, Esther Fortunoff said.

"We, all the kids, worked in the business from when we were like 9 or 10 years old a few hours a week, basically because our parents were there," she said.

## Climbing the ranks



Esther Fortunoff, president of Fortunoff Fine Jewelry, in Garden City on Oct. 25. Credit: Chris Ware

After graduating from college, Esther Fortunoff participated in a Fortunoff executive training program in the late 1970s, and then became a junior floor manager in the jewelry department in Fortunoff's Paramus, New Jersey, store, she said.

She worked in several other positions before holding a job as a jewelry buyer from 1985 to 2005, working under her mother, Helene, for 15 of those years.

The mother and daughter, along with a team of buyers, traveled to Italy, Thailand, India, China and other countries to source gemstones and metals for the Fortunoff jewelry division, she said.

"It was great. It was really interesting because she was sort of fearless. ... She really liked interacting with people from other cultures and other traditions," Esther Fortunoff said of her mother, who died in November 2021 at age 88.

Her mother often looked for "the source behind the source, to cut out the middleman," she said.

Isidore Mayrock remembers growing up in his family's business, from his time doing odd jobs on Sundays and holidays as a kid, to starting a music records department at the Westbury store when he was a high school student, to going on buying trips with his parents to large trade shows in Chicago, Atlantic City, Manhattan, Europe and other places, he said.

At trade shows, "you would see miles and miles of different booths and everything made in the world in there. You just kind of marveled at the assortment and variety. It was really a special experience," he said.

Mayrock started working as a Fortunoff buyer for patio furniture after graduating from Boston University in 1978 at age 21, he said.

# Staying true to the brand



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WESTBROOK STORES

BROOKLYN - WESTBURY

Fortunoff's at Roosevelt Raceway on Old Country Road in Westbury. Credit: Fortunoff Family

"We [grandchildren] all started full-time after college. I guess that was one of the golden rules – that you had to graduate college," he said.

Those childhood experiences working in his family's business provided invaluable lessons, he said.

He "learned to be close to your customer. And be consistent in delivering quality, value, customer service. And being special, offering something that's unique and special and true to the brand," he said.

The Fortunoff family was very deliberate with how they positioned the business, said New York University clinical associate professor of marketing Thomai Serdari, a strategist in luxury marketing and branding.

"And, so, the story of Fortunoff really coincides with the elevation of retail in the United States, so it was the perfect aspirational retailer for the ... middle class and upper-middle class in the tri-state region," she said.

Fortunoff's annual revenues were more than \$400 million in the early 2000s, according to a Newsday article published in June 2002.

But Fortunoff was facing growing challenges, including the increasing competition from online retailers and discount outlets, Esther Fortunoff said.

"And, so, we decided to go up, in the sense, of bigger selections, finer product, a little bit higher price points and not compete so much with the Linens 'n Things, for example. And it was the same in jewelry," she said.

But net sales still declined.

By 2005, the Fortunoff and Mayrock family decided to sell a majority stake, 75%, of the Fortunoff business to two private equity firms – Trimaran Capital Partners of Manhattan and Kier Group for about \$250 million, ending 83 years of sole family ownership.

Squeezed by competition from discounters and other national chains, Fortunoff filed for Chapter 11 bankruptcy protection in February 2008, when it employed 2,400 people, and was sold to NRDC Equity Partners, then the owner of the Lord & Taylor chain of department stores, for \$100 million.

At the time of the bankruptcy filing, Fortunoff had 23 stores in New York, New Jersey, Connecticut and Pennsylvania.

Richard Baker, then chairman of Lord & Taylor and chief executive of NRDC, said in an interview the investment firm would spend \$100 million refurbishing Fortunoff stores and was looking to open new ones, Newsday reported in February 2008. He said Fortunoff could become "a national chain," and that Fortunoff jewelry and home furnishings would one day be sold at the 47 Lord & Taylor stores, Newsday reported.

But retail analysts were skeptical about Fortunoff's ability to regain the prominence it held in the New York metro area before national retailers with more and cheaper products, such as Walmart and Target, began to gain more market share in the area.

The recession between 2007 and 2009 exacerbated Fortunoff's woes.

Fortunoff filed for bankruptcy again in February 2009, and, unable to find a buyer, the company shut down.

# Keeping the name alive

Max and Clara Fortunoff's eight grandchildren reacquired the Fortunoff brand name and licensing in 2009 "with the intent of restarting it with patio furniture and jewelry," Isidore Mayrock said.

The current furniture and jewelry businesses are separate, yet both are celebrating the 100th anniversary of the founding of the Fortunoff brand this year.

The Chair King Inc., a Houston-based, family-owned company doing business as Chair King Backyard Store, owns 82.5% of Furniture Concepts LLC, the company that former Fortunoff executives formed to bring back the Fortunoff Backyard Store in 2009. Furniture Concepts does business as Fortunoff Backyard Store and licenses the brand name from Fortunoff Brands LLC, for outdoor furniture and seasonal products.

Isidore Mayrock owns the remaining 17.5% of Furniture Concepts, said Curt Littlejohn, president and chief operating officer of Chair King Backyard Store and Fortunoff Backyard Store.

There are 29 Fortunoff Backyard Stores in the Northeast, including five on Long Island, and 22 Chair King Backyard Stores in Texas. The chains together employ about 300, Littlejohn said.

The Chair King is not required to use the Fortunoff brand name but it does so partly because the name has such a high value, he said.

"It's something that we absolutely chose to use and we pay a royalty to the Fortunoff family to use that name," he said.

"We're connected to that heritage. We're proud of it," he said.



Isidore Mayrock and Louis Fortunoff, then principals of Fortunoff Department Stores, at their Westbury store in the Source Mall in 2004. Credit: Joel Cairo

Tina Hines began working for the original Fortunoff company in 1982 as a warehouse employee in Wayne, New Jersey, before working her way up the ranks to director of customer service.

She has been the senior director of logistics for Furniture Concepts, over the Fortunoff Backyard Stores, for three years.

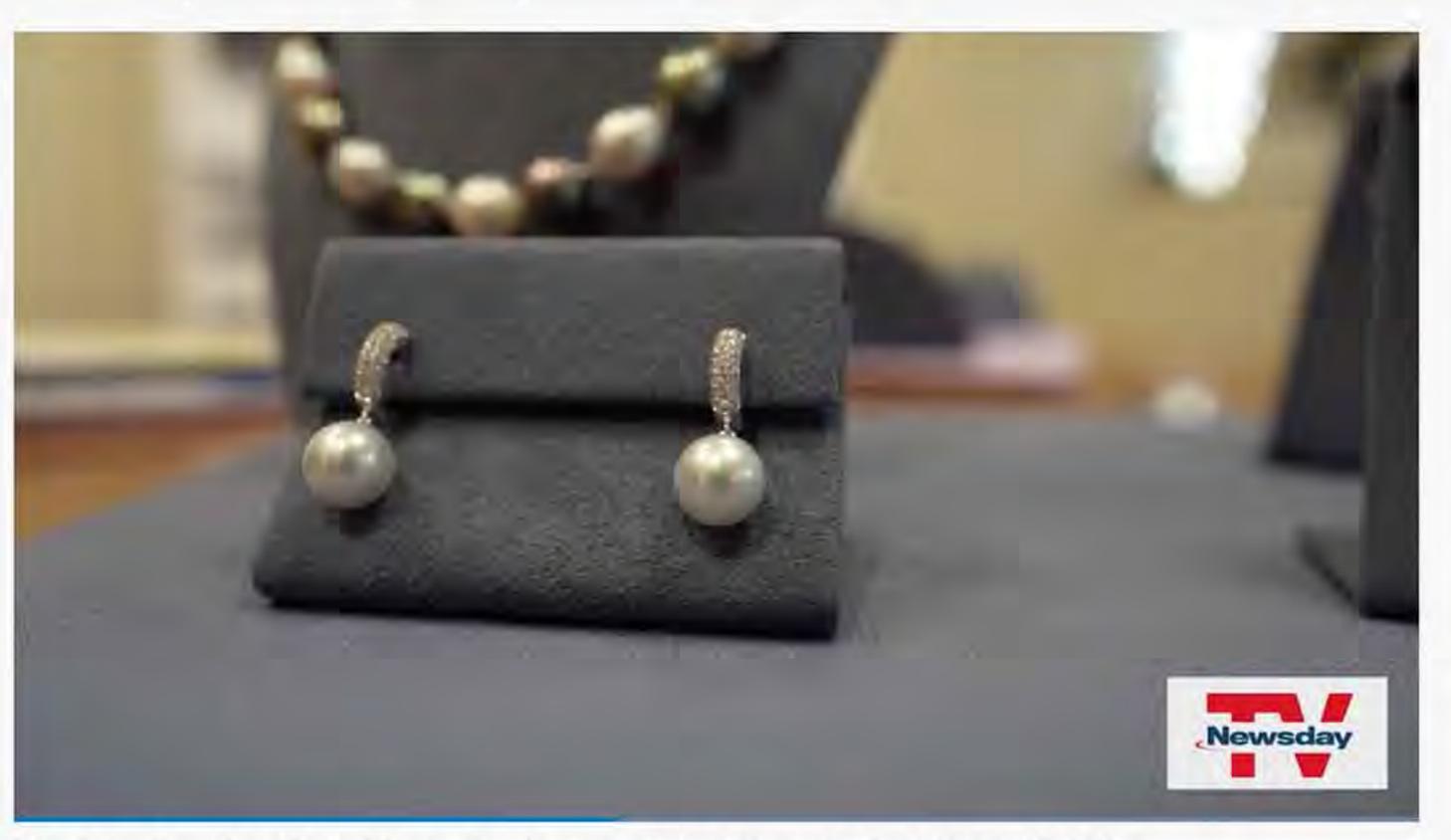
"I'd say 80% of the company, when we opened ... were [former] Fortunoff employees ... that came to this company because of what [it] had to offer," said Hines, 59, of Ringwood, New Jersey.

There are similarities between the old and the new, she said.

"They understand the importance of keeping the customer happy and making sure we do right by them ... They've made it their job to have people want to work here," she said.

Esther Fortunoff heads Four Leaf Designs LLC, which licenses the Fortunoff Fine Jewelry name from Fortunoff Brands LLC.

Her online jewelry business employs four workers – two at her small Garden City office and two who fulfill online orders three days a week in a 500-square-foot Westbury warehouse. She will occasionally take appointments to meet with longtime clients who prefer in-person customer service, she said.



Esther Fortunoff, president of Fortunoff Fine Jewelry, talks about moving her business online. Credit: Newsday / Chris Ware

One recent in-person sale was to Manhattan resident Jacques Lane, 28, who chose to buy an engagement ring from Esther Fortunoff, who helped him design the piece, because his grandparents and mother, all on Long Island, had been buying Fortunoff jewelry for decades, he said.

"It was a place that my mom had purchased jewelry in the past. It was an opportunity to buy from someone that she trusted and that she had made a lot of transactions with in the past," he said.

"It's a very traditional-looking ring. It's very classic. It's a timeless piece," Lane said of the diamond round-cut ring he bought in August.

In addition to having the online business, Esther Fortunoff owned a small jewelry boutique in Westbury from 2014 to 2021.

Her jewelry business is strong but not as opulent or as large as Fortunoff department stores' jewelry division was, she said.

"I think that the jewelry business is a healthy one and yet, because of COVID, and because people do work so much out of their homes, there is certainly less reason to get dressed up and less reason to buy new jewelry.

"The world also has become more casual," she said, adding that more customers are looking for everyday-wear jewelry as opposed to elaborate pieces for special events.