

Long Island  
**BusinessNEWS**

AUGUST 21-27, 2015 | VOL. 62 | NO. 34 | \$2.00 | LIBN.COM




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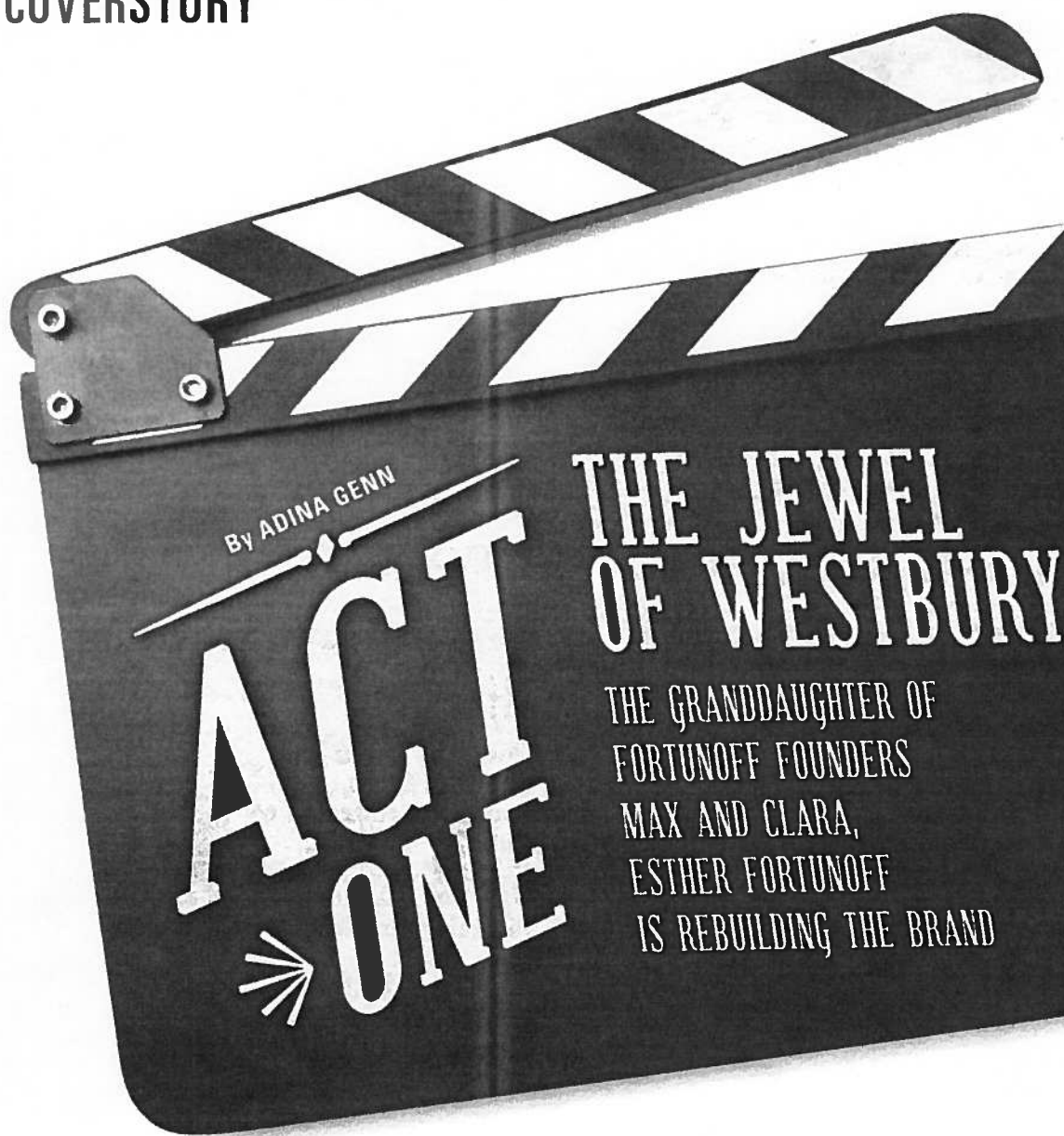
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## COVERSTORY



ESTHER FORTUNOFF: Celebrating the first anniversary of Fortunoff Fine Jewelry. Photos by Bob Gigliano

**W**alking into Westbury-based Fortunoff Fine Jewelry is a bit like embracing the past and future all at once. That vibe seems to be very much the point, considering all that owner Esther Fortunoff, 60, has experienced growing up in the family's iconic business.

Adorning the boutique's walls is the mural by Giancarlo Impiglia that once hung in the mezzanine of Fortunoff's famed Fifth Avenue store. Below the mural are cases of jewelry, some whimsically designed, some classic. There are strings of pearls, and gold knot earrings: staples once part of Fortunoff's repertoire, yet modernized with textured finishes.

"We brought it back with a twist," Fortunoff noted.

She was speaking about earrings, but the parallel reference to the shop was hard to miss.

Fortunoff Fine Jewelry, a 2,000-square-foot boutique just steps away from the building that once housed the iconic department store on Old Country Road in Westbury, is approaching its one-year anniversary in September. And Esther Fortunoff plans to go full-steam ahead.

The granddaughter of Fortunoff founders Max and Clara Fortunoff, Esther seems at home with her comeback, a venture at least five years in the making.

Asked about her investment, she said, "It's a labor of love – a big personal investment."

"She knows the business very well," said Karnik Garipian, the owner of Monte Carlo Designs, a Manhattan-based jewelry manufacturer, who said he has worked with the family for more than 30 years.

"She knows what sells on Long Island."

Consider, for example, gold jewelry.

"I get more requests for it," she said. "In the jewelry world, it's not a big call." But customers wanted it from her. "I had to go find it," she said.

Fortunoff knows how to go with her gut, an approach embedded in her lineage – not surprising, given her family history.

Founded in 1922 as a housewares store, the original shop's jewelry and watch division was introduced in 1957 by Esther's mother, Helene. By 1979, the store opened its Fifth Avenue location, with Lauren Bacall as its spokeswoman. It gave the area hope and glamour, as Esther recalled, at a time when New York City was nearly bank-

**"MY MOTHER WOULD SAY, 'DON'T BUY FOR YOUR PERSONAL TASTE. TRY TO CATER TO DIFFERENT ETHNIC GROUPS, AGES AND INCOME LEVELS, SO EVERYONE COULD FIND SOMETHING. GOOD QUALITY DOESN'T HAVE TO BE YOUR PERSONAL TASTE.'"**

rupt. Photos of the Fortunoffs at the grand opening, and of Bacall lending her support, hang on the walls of the new shop.

"They were legends – literally legends," said Howard Davidowitz, chairman of Davidowitz & Associates, a national retail

consulting and investment banking firm

based in New York City.

In an industry "where you get ripped off," Davidowitz said, the Fortunoffs offered "great service and integrity" and "merchandise that was always fashionable."

Yet by 2005, with family members ready to retire, the store was sold to two private equity groups. During the 2008 recession, however, the new owners filed for bankruptcy and Fortunoff was liquidated, which Esther said was "really hard" to watch.

By 2009, the family had reacquired its intellectual property. And in 2010, a Fortunoff cousin, in alliance with Texas-based Chair King, reopened Fortunoff Backyard Store locations. Esther, meanwhile, launched fortunoffjewelry.com.

"E-commerce was a good, viable business," she said. But her intention was to also open a brick-and-mortar shop. "More people want to touch and feel the pieces," she noted.

Cases at the Westbury boutique are filled with fancy and everyday pieces. There are jewels made of pink sapphire, and of aquamarine stones and trendy Y-necklaces. Available too are men's items. There are watches, rings and even cufflinks equipped with a USB thumb drive.

"In retail, you do have to push the envelope, experiment a little more and be edgier and fashion-forward," Esther noted. "It makes for an interesting, well-rounded assortment."

"I like color," she added, noting that such pieces are "especially good value" that offer "a big look" that is interesting. As an example, she singles out a necklace with a blue topaz, surrounded by a tiny ring of diamonds.

Mixed with her discerning taste are the

business lessons passed down through the generations.

"My mother would say, 'Don't buy for your personal taste. Try to cater to different ethnic groups, ages and income levels, so everyone could find something. Good quality doesn't have to be your personal taste.'"

These are helpful concepts, Esther said, especially when you might gravitate toward a fabulous ruby that might not sell.

Other advice from previous generations include "You can't sell from an empty cart," meaning, in retail, you need merchandise, especially poignant for her grandparents, who began the business from a pushcart.

Perusing the merchandise with Esther, visitors get the sense that each piece is meaningful. The designs by Nina Nguyen, for instance, are handcrafted in a women's cooperative in Vietnam that offers health benefits, and where the children are educated. Portions of a purchase of Cynthia Gale designs often go to a foundation or museum.

Proceeds of some of the items, including those designed by Esther, are given to Bethpage-based The Safe Center LI, which seeks to assist victims of violence and abuse. Esther, who is vice president of its board of directors, also created a jewelry contest for young artists, with the winning pieces donated to the organization's gala as a fundraiser.

"Esther is a talented and successful businesswoman whose success is made even greater because she uses her knowledge and skill on behalf of many of Long Island's most vulnerable," noted Sandy Olivia, The Safe

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# Fortunoff name FROMLIBN.COM resonates on Long Island

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Center LI's executive director.

And there are collections from Israel and Italy – the latter of which knighted Helene Fortunoff for the high volume of business the company did within the country – and beyond.

Prior to opening in Westbury, Esther spoke with the MBA students of Anoop Rai, a professor of finance at Hofstra University. Many of the students and their families had fond memories of Fortunoff, Rai said.

"To us, that brand would be wasted if someone didn't do something with it," he said. And because jewelry is an "emotional product," where trust is a big factor, a physical store would give clients the chance to see the items up close.

Still, the class cautioned, there would be a generational gap from younger buyers. In part, that's why Esther experiments with the right mix of product, from trendy to classic.

When scoping out retail space, Esther said she looked elsewhere on Long Island. Ultimately, she wound up in Westbury.

"It makes sense to be here," she said, adding that she'd like to draw extra traffic to nearby shops, including the Fortunoff Backyard Store. "It's a no-brainer," she said.

Although her family didn't join her in this current venture, a brother helped her with the website. And while her father died in 2000, she does bounce ideas off her siblings and her mother, who splits her time between Florida and New York.

And she doesn't have to look far for support: Employees include the original store's jewelry repairman (who also does redesigns and refreshes customers' pieces), diamond buyer, pearl buyer, customer service expert, store manager, bracelet buyer and gold merchandiser. Many had been with the original company 25 years or more.

"These are people I really trust," she said.

There is talk of opening in Northern New Jersey, and even in New York City. One nephew already works at the store part-time. Maybe others in the next generation would take an interest too. But it's understandable if they don't.

"Retail is seven days a week," she said.

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## Melville office loan tak loss, lender takes title

A portfolio of three Melville properties is being transferred to it. a loan for the properties was an \$18.7 million loss.

The mostly vacant properties in the Reckson Portfolio II, were made by a fund controlled by private investment firm Blackstone Group managed by Uniondale-based. The portfolio consists of a commercial vacant 163,763-square-foot building at 50 Marcus Drive last occupied by Arrow Electronics, an 85,835-square-foot building at 520 Broadhollow Road, and a 77,151-square-foot building at 1660 Walt Whitman Road.

Commercial real estate brokers there was plenty of interest from private buyers for the two buildings on Broadhollow Road and 1660 Walt Whitman Road, but given the loan by all three buildings, a partial sale have been difficult.

"Both 520 Broadhollow and 1660 Walt Whitman are excellent locations and very desirable for users or investors or value-add operators," said broker Lee of Newmark Grubb Knight Frank. "Someone is going to get a good deal."

Two commercial mortgage-backed securities loans that totaled \$51.5 million taken on the properties in 2004. The portfolio was appraised at \$74.5 million, according to Trepp, a Manhattan-based CMBS loan analyst. But the most recent appraisal, dated September 20, valued the three buildings at \$31 million. The larger of the two buildings on the portfolio taken in 2005, valued at \$31 million, had a balance of \$18.7 million and was just closed out of 68 percent, Trepp reports.

Space in all three buildings is available to be offered on RXR's website. The company lists 71,885 square feet of space on Broadhollow Road and 65,587 square feet at 1660 Walt Whitman Road as well as 10,000 square feet of space in the Arrow Electronics building at 50 Marcus Drive. RXR lists the Arrow Electronics building at \$22.50 a square foot. Arrow Electronics had been the building's sole tenant until its lease expired at the end of 2008. The company left Long Island for Connecticut.

The portfolio loan's special servicer, C-III Asset Management, didn't respond to a request for comment. But a

