ORAL HISTORY COLLECTION, F.I.T.

THE FASHION INDUSTRY LEADERS

IRVING RUBINSTEIN, (Known as Mr. Ruby, Sr.)

AND

MR. RUBY, JR. (BROTHER)

BRAETAN AND BRAEFAYR, INC.

Dates of Interview

With Mr. Ruby, Sr. - Friday, April 23, 1982

With Mr. Ruby, Jr. - Wednesday, May 5, 1982

Interviewed by

Mildred Finger
Mr. Ruby, Sr. (Irving Rubinstein) and Mr. Ruby, Jr. of Braetan and Braefair, Inc. represent a prototypical business within the coat and suit industry.

Both men entered the business via sales and production for a firm into whose ownership they subsequently bought. The business is totally family-owned with the next generation already in place.

Keenly aware of major fashion and business trends, they add or subtract categories of apparel. They have just recently entered a licensing agreement with Adolfo.
TABLE OF CONTENTS

IRVING RUBINSTEIN

BRAETAN AND BRAEFAIR, INC.

ORAL HISTORY

1 - 3  Mr. Ruby, Sr., Education and training in banking
3 - 4  Retailing experience
5 - 10 Joins Ambassador Co., a diversified apparel company, as a salesman
10 - 12 Birth of Braetan Company in early 1940's, making suits
12 - 13 Sales partnership with brother known as Ruby, Jr.
13 - 14 How suits were designed and manufactured during 1940's
15 - 16 Mr. Ruby, Sr. and Mr. Ruby, Jr. buy out owners and become
manufacturers of Junior coats and suits.
17 - Diversify by creating Braefair to make Misses' coats, suits, raincoats
18 - 19 Entry of son and nephew into business in 1960's, handling sales and
production of Braetan
20 - 22 Interaction between Braetan and Braefair in design, production
22 - 26 Discussion of mergers, importance of independent apparel management
teams, fashion
26 - 27 Store relationships
27 - 29 Role of designers
29 - 36 Management's role in design, fabric dispersal, quality control,
shipment production, finance, advertising, sales promotion, determination
of customer's needs, reorders
36 - 39 Changing ratio of department stores' sales to specialty shops and why
39 - 44 Opportunities today in ready-to-wear manufacturing
45 - 50 Description of licensing arrangement with Adolfo
Q: Mr. Ruby, would you tell us first where you were born and how you got into this business?

A: I was born in Boston, Massachusetts, but I was only there for a very short period. We came back to New York, and I was educated in the schools of lower Manhattan and then in Brooklyn, and then I went to NYU--New York University School of Commerce. I went there for two years in the daytime, got my prerequisite for law school. At that time there was only a two year requirement. And because the Depression set in, my Dad couldn't afford to send me to day school any more. As a result, I got a job in the Bank of America. At that time the Bank of America had branches in New York City, and I entered Brooklyn Law School.

Q: Had you mentioned that your grandfather, or your father, was in the fur business?

A: My father was in the fur business, yes. He was a manufacturer of muskrat fur coats. And during the summer months, during college recess, I would take some coats over my arm and go into the market and sell the jobbers, because we were manufacturers. I'd sell a muskrat coat for $165. I think you know how much they are now.

Q: What year was this, incidentally, and how old were you?

A: Well, I was 17...18. So, what would that make it?

Q: When were you born?

A: I was born in 1908.

Q: 1908. So this is about 1925, '26...
A: Right. And...

Q: But that was just a way of earning some money and being helpful...

A: I was trying to help my Dad out...

Q: Right.

A: ...because he was troubling, and I opened up the jobbers of Cruskin & Cruskin and B. Otto & Sons, and they were the biggest furriers at that time on Seventh Avenue. But I wasn't too happy with the fur business, and my father's ambition for me was to become a lawyer. However, as I started in the bank, as a messenger boy... In the meantime I was going to college at night, Brooklyn Law School, studying law, and I got involved in the bank. I was, as I say, a messenger boy. Then I was in the bookkeeping department. Then I was a teller. Then I went in the credit department, and I was getting to like it. And I thought to myself, "Well, maybe I'll become a banker." Because at that time law students...friends of mine who graduated law school were making $5 a week as a clerk. Five dollars a week! So, I said I couldn't see an immediate future making money, so... And I was starting to keep company with my wife, so I said to myself, "Well, I think I'll quit law school." In the middle of my second year term I went to....You know, we go to January and then we start the second term...I quit law school in the middle of perpetuities, which is a good time to quit. And I decided to go back to NYU at night and major in banker finance, and get my degree there so that I had good prerequisites for Bank of America as a banker, aspiring to become a officer. So I stayed there and I enjoyed it
very much, and I enjoyed the credit work and all that sort of thing. And then the bank merged. The Bank of America had decided to leave New York area and remain only in California, which they did. They were the biggest bank in California. And the night of the merger they fired me. They fired...They fired me. So here I was....And that was the period when there was a failure of the Bank of the United States. If you remember...it was the biggest Jewish bank in New York City. And they went bankrupt. I got a tremendous, beautiful letter of recommendation from the Vice President, and three months pay in advance, and termination pay, and I went down to different banks. I went to Wall Street, I went all over...I could not get another job. They just wouldn't hire me. And here I was, in my senior term. By that time I was in my senior term at NYU, almost getting my degree. So I...used to handle the S. Klein account, on 14th Street....

Q: For the bank?

A: For the bank. So I went to Mr. Klein and he talked to me...I explained my position. I said I'd like to make a career in retailing and he said, "Well, I'll have to start you at the very bottom. If you're willing to start at the very bottom, okay." So he started me picking hangers off the floor, for $11 a week. All right. And I started there and I started to make progress there too. I started to go in the Receiving Department, and I started to be in charge of the girls, and then manager of a floor, and then I became Assistant Manager to...They opened up an Annex building... They had a main building and then they had an Annex building and I became like Assistant Manager and I worked there. Then they made me...I didn't care
to be in the Administrative Department. I wanted to be in merchandising. So they made me Assistant Buyer, and I started working with the Merchandise Manager, who was a very bright man, and we went around and we priced all the merchandise in the receiving department. We had a bill you know...the buyer who bought it, the cost of it, and we'd put the selling price on it. Dresses, coats, suits, children's...you name it. We priced it. And I really learned an awful lot from this man.

Q: Excuse me, I didn't mean to interrupt, but how.... They were already down on 14th Street....

A: Oh, sure.

Q: So that what you're saying is, really, that by the late twenties, 14th Street was already a major shopping street.

A: It was a major shopping street. Sure. It was S. Klein and Ohrbach's. And we did $30 million in one store. $30 million...At that time they were the largest discount store in the country. Because nobody was jumping on it yet. It was new, and they were just fabulous. So I.... I'm trying to think now...Then they make me boys'...I bought boys' clothing; boys' snowsuits, boys' hats, boys' jackets, things like that. We had never had that department. We opened that up. And then we did about $2 million the first year in that department. And I in turn went to Ambassador & Co. which was the forerunner of Braetan, owned by Sam Silberstein and Braefair....The forerunner...It was called the Ambassador Company, and they were selling these...

Q: How do you spell it?
A: Ambassador....

Q: Oh. Ambassador....

A: Ambassador Company. Owned by the Silbersteins. A great merchandise family, who were very bright, and who knew how to merchandise diversified items, like blouses, sportswear, bathing suits, hats, boys' clothing....It's unbelievable what they would do. And I bought closeouts from them and they were sort of....By the way, there was a lot of politics in the S. Klein Store, just like in every department store. And I felt that I reached the top position and that it was a question of time that I would have to make a move. I didn't want to remain a clothing buyer, because I knew that many buyers uprooted themselves and went from one city to another city to make a living, and I didn't care for that. I wanted to...at that time, thinking of staying in New York, because I had got just married, and my family lived there, and I didn't want to move. So I said to myself, "Well, I'd like to get a job some other place," so when Mr. Silberstein approached me and said, "Anytime you want to hang your hat in my showroom, you can. I would get you a position as a salesman." Now, his salesmen at that time were making anywhere from $75 a week to $125 a week, which was much different than what I was making, $28 a week, as a buyer. So...It was the height of the Depression. So I thought it was going to be a very wise move on my part. In the meantime I graduated college and got my degree in banking finance. And took a job with them, and they were breaking me in to become a salesman. And I just didn't know whether I was going to be in the showroom or what was going to...They had 10 salesmen
traveling on the road, covering the whole United States. Now, I never left New York, and I didn't know what to think....

Q: Where was this showroom which handled....?
A: We were on 20 West 36th Street...

Q: And you handled this big diversity of....?
A: Diversity, yes. And they shipped from there. They had a big place. A tremendous place. And...big business. So we were not well known, but the salesmen were such good salesmen that they were able to open up all kinds of accounts throughout the country. Specialty stores. Mostly specialty stores, and a few department stores.

Q: Do you remember, or do you know when Ambassador Company was founded?
A: Ambassador Company was founded, I would say, in the early 1900s.

Q: And was it further downtown than when you went to work there?
A: Yes, it was on lower Broadway. It used to be on lower Broadway.

Q: Lower Broadway.
A: Lower Broadway. And then they came to uptown, which they called uptown...36th Street.

Q: Right.
A: Because that was the millinery district at that time. If you remember....And that's why they opened up there.
Because millinery was one of their... 
Millinery was one of their important... important merchandise that they were selling. And they wanted to be in the millinery district. So we started there. But I didn't start with them until... Let me get my figures straight... 1933... I think...

Just after...
After the panic. About 1933. We were still in the height of the Depression.
Yeah. Right.
When they started me a $50 a week, and broke me in, learning the type of merchandise I had, how they sell it and what they do, and they were teaching me how to drive a car. They bought me a Chevrolet, and then they decided to either send me to the South, or to New England. Now, when I heard the South, I thought I was on my way to Europe. So I said no, I'd rather go to New England, so I figured I could at least come home for weekends. I didn't want to be away from home that long. So, they gave me all the small towns in New England. Connecticut, Massachusetts, Rhode Island, Maine, New Hampshire, Vermont. And that's how I started on the road.
Pretty cold climates.
Not only pretty cold climates, but I was extremely nervous and apprehensive and I started to sell, and as soon as I hit Greenwich, I opened up the first account, which we still have in our business--Chancy D'Elia, the first account.

Would you spell that?
A: Chancy--C-h-a-n-c-y D'E-l-i-a.

Q: Thank you.

A: She's still in business. And we still sell her. And I went to Stamford and I opened up Manton Lamartin, and they're still in business. And I went so forth and so on, Norwalk...all the way up the line. But I didn't go to the big cities like...They didn't let me go to New Haven or Hartford or Springfield or Boston. They had a different salesman for that. And I just covered the small towns. Within a period of two years, I tripled my business. You know...I opened up many accounts.

Q: Were you working on commission in those days?

A: No, I was still working on salary. I was still working on salary. At this time I was making $75.

Q: Because road men do mostly work on commission...

A: Yes...Yes, but since I just started and they were breaking me in, they put me on a salary. But...And this continued. This continued for a period of years. And they started to diversify into other channels of merchandise, and then...I want to get the period straight....They decided to go into the ladies' suit business....ladies' suits...Which was just beginning to make some sort of....get some recognition from the women throughout our country. And they went into it with Ben Ginsberg, who used to be...I think it was Ben Ginsberg Company. They made better merchandise in suits and coats. And they opened up this division called Passarelli, who was in charge of the factory in Brooklyn. He opened up a tremendous plant in Brooklyn. He made man tailored suits, in worsted fabrics
and gabardines....

Q: Was he a contractor then.....owned by you?
A: Passarelli? No, no...Silberstein and Ginsberg owned
the company, and they opened up this division....

Q: Called Passarelli...
A: And they gave it to us....They gave it to the salesmen
in addition to the other lines that we had. And we started to go out on
the road to project suits. And needless to say it became...We were selling
worsted suits--, worsteds, shark skin, gabardines--for $10.75. Ten dollars
and 75 cents, less 8% discount.

Q: With anticipation.
A: And making a profit. So....And they made those suits
like a man tailored, with section work....You know...With felt in the
lapels and real....and the colors...the tailoring was impeccable. And
they just walked out, naturally. Of course, later on we had to raise
the prices, as we went along, to $14 to $19.75 to $24....Needless to say.
And....Today, I think the same suit is probably $120 wholesale. You know.
But that was the beginning of the suit history, and women maybe had eight
or ten suits in their wardrobe. It was a very big thing. Then we'd make
holiday suits--pastels, and things like that. Now for spring....The funny
thing was that the spring season was the big season for suits. Every woman
would buy a suit for spring, in those days. It isn't like today...The big
season for our industry in coats and suits is in the fall. But in those days,
in the spring, suits were tremendous. So we'd work seven months, eight
months, and then stop for four months. And do nothing. See. But that was the beginning of the suit business, which was the forerunner for us to go into the coat business. In the meantime we also developed sport jackets...We formed a company....

Q: Is it still under the Ambassador name?
A: All under Ambassador. We formed MacMurray Jackets. They were beautiful fabrics. Shamokin plaids in those days and checks and stripes--bold stripes, in beautiful coloring. Yellows and purples and camels and things like that. And we were selling those jackets for $8.75 and $10.75 a piece, thought of as extremely high priced, but which the better stores all put in, and they sold. Did very well. So that was another phase, see. And we all carried these lines. And then they decided to go into suits in a different fashion. The brothers split up, so they broke up Passarelli and they....

Q: The Silbersteins....
A: The two Silberstein brothers....There were four Silberstein brothers...who split up. Two brothers kept Ambassador, and one brother opened up Joselli, the other brother opened up...No, no, two brothers opened up Joselli and two brothers remained with Ambassador. And then the two brothers split Joselli and one opened up Braetan. And that was the beginning of Braetan.

Q: What year was that, about?
A: That had to be about 194....I would say it was in the early 1940s.

Q: Before the Second World War?
A: Yes. Before the Second World War. Yes. Yes. At the very beginning.

Q: And you went with them.

A: At that time I was already doing all the big cities. They gave me all the big cities. They gave me all of New England and New York State territory. So I made the trade shows and I was on the road at least 46 weeks a year, but I was home on weekends. I came back on Friday, and started out Monday morning. See. In the meantime... At that time, my kid brother finished high school and started college, Ruby Jr., and...

Q: Now why is he called Ruby Jr.? Your brother...

A: Well, when I brought him to work in my place, and his name was Irving Rubinstein, and they were calling me Irving Rubinstein...

Q: His name is really...?

A: Isadore. Mr. Silberstein said, "Look, this is ridiculous. You're senior and he's junior. So everybody called us Senior and Junior. They never even called us anything else. Even my children are calling me Senior now, instead of Dad. So, I took my brother in and we broke him into the shipping department. And then I went to Mr. Silberstein, and I said, "Look. You know what a good salesman I am. This territory is wide open in the South, Philadelphia, Baltimore, Washington. Why don't you give him a chance? Just let him try to go out there for a trip and see what happens? And they said, "Okay." I think he was about 19, or 18, something like that. And they sent him out, and he did well immediately. As soon as he went out on the road. Because I took him with me first on a trip to New England to show him what I do, and how I do it. And then he went out to
the South. Then he was drafted into the army. So he took a leave of absence from the place, and he went into the army. And when he came back, I told Mr. Silberstein to give him Philadelphia, Baltimore and Washington. And then he did real business. By the time he got started and I got started, I was shipping $1 million in New England and he was shipping $1 million in the mid-Atlantic states. I went to the boss and said, "Look. My brother and I are going to form a partnership—Rubinstein Brothers. Sales partnership. Put us on commission. We don't want any more salary. See. And I'll be in the showroom when he's on the road, and he'll be in the showroom when I'm on the road, so that our customers will always be serviced." In the meantime, I said to my brother, "Look. Whoever comes in..." Every man who has a territory would only wait on his own people, from his respective territory. But I told my brother, "You wait on every...If you're free...You wait on everybody. You'll get to learn the whole country. And I'll do the same. And who knows, sometime in the future, maybe things will happen. We may go in business." So, I had that in the back of my mind as far as aspiring to becoming a boss, and we worked it out and we did very well. And we were the most...

Q: Working as a partnership....
A: A partnership
Q: Within...
A: We combined our territories...
Q: In the Silberstein's business....
A: And we made a lot of money in those days...In the fifties...And then, lo and behold, Mr. Silberstein died...The President died, and the two sons, who were Dartmouth graduates, came in and took over the business, and
they were really inclined to be academic, and they were not inclined...

Q: This is Braetan?

A: It was Braetan and we called it Sam Silberstein Company at that time. We took his name and we formed Sam Silberstein Corporation, because Joe Silberstein, his brother, left and formed Joselli suits.

Q: Uh huh. Right.

A: So they were competition...

Q: By now you no longer had anything to do with the millinery?

A: No. No more millinery. No more sportswear. No more blouses.

Q: You were strictly in...

A: ...strictly in coats and suits.

Q: And you were at that time...

A: ...But we hadn't made any coats yet.

Q: Oh!

A: We hadn't made any coats yet. We made...Yes, we made one coat. A Chesterfield coat. When the Chesterfield coat came out, the man tailored coat, we were terrific at that. Because we were a man tailored factory. We made Chesterfield coats, and every woman had a Chesterfield coat. With a velvet collar.

Q: Now did you use a designer to make that one coat? Or how did you acquire the model?

A: What they did is, they had like a...They called him a designer, but actually he just interpreted silhouettes that he'd get from
...They'd buy silhouettes.

Q: Buy sketches?
A: Or buy sketches, or go in the stores and buy, you know, garments...And he was a copyist.

Q: Yes. Right.
A: But after all, it was all classic merchandise. The suits were all three button classic—cardigan classic or convertible classic.

Q: Who selected the fabrics?
A: The boss did. And they also had a piece goods man. And they would select colors and, you know, we used to work with American Woolen Mills, and Mr. Silver, in those days, and all the top mills.

Q: Paul Honig? Did you go to that price range?
A: No. We didn't go to that price range. We were a more popular price. Because the suits at that time, I think, were....By that time they were $19.75, $24.75....

Q: So it was Hockanum maybe, and American Mills...
A: American Woolens, Stevens, you know, people like that. Peerless...And then the fad for suits was starting to wane, and from the $10 million that we did just in suits alone, we went down to about $2 million.

Q: And what year was that? Approximately?
A: About 1953. '52....See what I mean? Because sportswear was coming in very strong. The sportswear was coming in very strong, and...
Q: And suits were going out...

A: And skirts and jackets...and sweaters...That took away from suits. So as a result, the Silberstein boys, who had plenty of money, didn't want to keep losing money. And they...In the meantime the salesmen, many of the salesmen left. Either went into business for themselves, or got different positions. But my brother and I were made Vice Presidents of the company. And we were the...We carried the bulk of the business, for that period, that was so bad. We did most of the selling. Without us they wouldn't have had any selling. They decided they were going to go out of the business into something else, and they offered the company to us. Now, it was a big company. We were on the third floor...We had a whole floor...And it was something to think about, to ponder, because we could have gotten a job, my brother and I could have gotten a job with a number of top people, selling agents, and make big money. But our accountant said, "Look. If you take a job as a salesman, you will remain a salesman, and you won't have the opportunity to become a manufacturer. It may be tough at the beginning, but the future could be very bright, and you could build up something good. But this is your opportunity to buy. And I would recommend that you buy." So, we bought the company for $110,000. We were four partners. We got a production man, another salesman, my brother and myself, and we put in $27,500 each. And that's how we started. And that was 28 years ago that we bought the business. Now, we are in the business and we know we've got to get into the coat picture. Now, the retailer doesn't need us for coats. He's got all coat resources, unless we can make a niche for ourselves. So, in those
days, Junior Petite Dresses were very big and Macy's was doing a tremendous job with them. And the buyer said to us, "Why don't you make a few Junior Petite coats?"

Q: Was that Ellie Hummer?
A: Huh?
Q: Was that Ellie Hummer?
A: No...And we thought about it. And we....One of the buyer's husband was a designer in dresses, and he wanted to do some part-time moonlighting, so we took him for two days a week, and he came in and he designed four styles in Junior Petite coats. We took the measurements from the dresses, you know, in proportion...And we got the proper proportions, and we came out with four coats. And needless to say, every buyer came in, every buying office, came in to jump on that Junior Petite coat because they didn't need any alterations. And that was the beginning of our coat business at Braetan's. And that's how we started in the coat business. We made an impact in coats. And then we still continued the suits, of course. We tried all kinds of different...Dressy suits and tailored suits, and sport suits...We tried to follow the sportswear market, you know, within reason. But, of course, we lined everything and we made them look like suits. And we made money the first year in business. We were lucky. We made money the first year in business.

Q: That's unusual.
A: Of course, the Chase Manhattan bank, who handled our account previously for the last 50-60 years, continued to extend the credit to us because they knew that we were....that we could produce. That we were
self-productive. Each department was self-productive. So that they continued to give us credit, and we continued. Of course, we were under-capitalized, but needless to say, we made it. We stayed in it and we continued and we went from items to items to items, until we built Braetan up.

And Ken Merritt, the fellow whom we offered...Who made the Junior Petites orginally, stayed with us for 11 years, and became very....He became famous, because he was a very good coat designer. And he stayed with us, and we got bigger and bigger and bigger. Then we bought out one partner...The first...

After the first three years, we bought out the first partner.

Q: When you say "we" what do you mean? The three of you bought out the fourth?

A: Three of us bought out the fourth, yes. We paid him off. And then three years ago, we paid out the production partner, and last year they paid me out. I'm a consultant, or whatever you call it.

Q: It seems to me we haven't mentioned Braefair.

A: Well...What happened...After we were in Juniors, we felt that it would be wonderful idea to go into Missy Contemporary.

Q: Coats or suits?

A: Coats. We started with coats. And we took the derivative of "B-r-a-e"--Brae--and we added on f-a-i-r. Braefair. As Missy. And when we put in raincoats, we made it Braetogs--B-r-a-e-t-o-g-s.

Q: Does that continue today?

A: No... Today, we ship the raincoats under Braetan and Braefair. There's too many companies...

Q: Depending on whether it's Juniors or Misses.
A: Right. And...

Q: When did your son... or your nephew, come into the business?

A: Well, my son... My son came into the business after he graduated college, about... after the army.... I would say 20 years ago... would be... what?

Q: '60, '62, thereabouts.

A: Yeah. Thereabouts. Yeah. And my nephew came in about 15 years ago.

Q: About '67, then, perhaps... Are they both still in the business?

A: Oh, yes. They're partners now. And what we did for them is we opened up a Karizma line... a label... K-a-r-i-z-m-a, in popular priced coats, in Juniors. And they opened up on West 37th Street, a separate showroom and everything else, and they stayed there for seven years. And then as I realized I was getting older, and my brother was getting a little older, we just decided to bring the boys in so they could become part of the business. So we took Karizma and put it back in the Braetan showroom, and we still ran their company but they became interested in Braetan and helped us with Braetan, and gradually took over the responsibilities of Braetan. So now they handle Braetan themselves... Now, we were very fortunate that the two boys took to the business very strongly and did exceptionally well. They both were selling, and Bobby Rubinstein, who is my brother's son, became excellent in the production end of it, too.
Q: Yes, because you always needed an inside man...

A: Excellent. So he would work with our production partner, and he was learning that aspect. And my son was becoming a top, top salesman in the showroom. So it worked out just great. And now we do... Oh, I think about $18 million.

Q: It's still a privately held company.

A: It's still a privately held company. And my brother's the President now, and Arthur is the Vice President and Bobby is the Secretary-Treasurer. And they're doing very well. Now we've gone into...In the last few years we've gone into a big import program...In addition to our domestic program. See. We make all our wool coats here, in the United States, but our imports are items. Now, we jump on items. Whatever we...We feel that coats is not just coats per se. Coats is an outerwear garment. Whatever is outerwear, whether it's a sweater outerwear, with buttons like a jacket, or a poplin jacket, or a rain jacket, or any type of thing like that--a leather jacket--Anything that's outerwear, we have adopted.... And, of course, the same buyer can buy it. But it gives you a chance for more volume, and you're hitting the same buyer, and it's the same sell. So it's worked out very well. And since we've gone into this diversification program, we've increased our volume. Now, we were the first one to go into the sweater operation of outerwear sweater. We started that. And how'd we get into it? We made a sweater....Carol Cohen took over when Ken Merritt left, and she was excellent at making outerwear sweaters. And we dyed a mouton the color of the sweater--rust on rust and green on green--it was a
shawl collar, and it was just beautiful, and it walked out of all the stores. And that was the beginning of our division in the sweaters, which we ran in Braetan. And then we put them...also in Braefair, you know. Once something went over big in Braetan, or vice versa, we'd adopt it. So that...

Q: Because then you were dealing with two different....
A: Two different buyers, two different departments, and it gave us more volume. So we had the sweaters and we had the raincoats, and then we made zip out raincoats. And then we started to make quilts... We were the first...

Q: Oh, yes, tell me about that.
A: We were one of the first...When Carol Cohen made quilts, we were the first in the market to make quilts. We made it up especially for Ann Taylor because they were that kind of a store. They were clicking on a contemporary look. And it started to over very big and...

Q: Did you make them here or...?
A: We made them here. And then later on we imported them. But when we first started, we made them here. But then when the competition came in, in order to meet the competition, we had to import. We couldn't meet the prices. And...What I'm trying to stress is the fact that in order to remain in business, in the coat and suit business, you must diversify. You must make anything that a woman can wear as an outerwear garment. And that's the basis of the success of the organization. And we're very fast in jumping on new ideas. We are receptive to anything that the
buyers will tell us or whatever we see. We got to the Far East, we go to Europe, we go to... Italy, Milan, Paris, London... You know. Wherever it's possible to pick up something that would be adaptable for our business, we go there.

Q: Tell... Would you... Would you mention a little bit about the Adolfo operation?

A: Well, actually, I'm not as well acquainted with it as my brother would be because it started in 1981--last year--when I left the firm. But my brother was the one who made the contact and worked out a deal with Adolfo. And we call it Adolfo II.

Q: Uh huh. Have you started to ship any of that yet?

A: Oh, sure. We shipped last year.

Q: Oh, you did. Okay.

A: Sure. The stores did very well. We shipped last year and we're showing this year. So it's a beautiful line, too. This phase has become popular in the couture departments throughout the stores, throughout the department stores in the country....

Q: Do you know the wholesale price... price range?

A: Yes. We're at about $160 to about $285 wholesale. So that's the crux of it. And we have a special showroom for it, and a special woman... a lovely woman. I don't know if you know her... from Aquascutum... She used to run Aquascutum... She's running the show. So now we have Adolfo II. We have Braefair, Braetan and Karizma. And the boys are doing an excellent job. My brother is a very, very capable man. And the two young
fellows are holding up right with him. So I think their future looks very good to me, and I feel proud about it, because I more or less started them off and got them all into it.

Q: That leads to one of a number of interesting subjects I'd like to get your thinking about...

A: Of course, there was a lot of blood, sweat and tears in the process. Alright? I skipped over plenty of things. But, I thought I'd give you a brief outline.

Q: I would like to know...

A: By the way, we sell the best stores in the country. The best. Every city. So...we've been accepted.

Q: Yeah. Right.

A: Sp...It's a real prestige line.

Q: Since this is a history of you and of your business, I'm really interested in knowing your opinion on a number of subjects. For example, do you think that this market still has room in it for people, like yourself, who are entrepreneurs who run—even though it's an $18 million business—it's a relatively small...

A: Compared to the giants. Compared to the giants.

Q: Yeah.

A: Well, you know, we've been approached a number of times by the big giants for merger and things like that. But they're very apprehensive about merging with coat people. They'll merge with sportswear people and they'll merge with dress people. But when it comes to coat and suit
people, they're very cautious.

Q: But from your point of view, would that be of interest?

A: If you got the right proposition, why not? But... You see, coat and suit people have a sort of graph. It goes up, it goes down, it goes up, it goes down. There's never a stable period. There's never a stable period. It just has its high point and low point. And it's very difficult.

Q: Except you have learned to diversify...

A: Well... We have learned to diversify, and we've learned to survive. And we've made money. So that's the crux of it. That's the important part of it. And many of the coat people have gone out of the business. Many good people have gone out of business. Many of the raincoat people have gone out of business. But I think the basis for our success is the fact that we're receptive to new ideas. We're not afraid to do it.

Q: Yeah. Well, one of the things that I have heard about over and over again is that the firms which are entrepreneurial can jump onto new ideas and new thoughts and new trends quickly, which is something that the big conglomerates can't always do.

A: Well, I don't know how they really operate the conglomerates. I don't know. I know the problem has been with big conglomerates... is that they pick the wrong management. You see, when you take over a firm of our type, and you try to manage us without letting us manage us, they're going to lose. Because they can't cope with it.
Q: Why do you think that is?
A: Well, a good example is Genesco with Susan Thomas...
Q: Well, I can give you lots of examples...
A: ...with Majestic...I can go on and on with all those companies that were very successful, but as soon as they came in and gave their own management, and knocked out their management team, they're out of business. So I say, that if they were going to do that to us, they would not survive. We know our business.

Q: I guess I'm asking you a tough question...Why do you think that is?
A: I don't think they understand the trials and tribulations of a business such as ours. They're used to big business. The giants are used to big business. Now, some of them are smart. If they take over a company, and they've got good management, they leave them alone. They don't even bother them.
A: ... and the result was that they did nothing but make money for them. Now, wherever they try to direct, give direction to...For some reason or other...I don't know why...They just didn't make it.

Q: What sort of reasons would you think...?

A: In the whole retail operation...They failed in the whole retail operation. Failed in their whole manufacturing operation...

Q: Okay. Let's talk about manufacturing for a minute. Do you think that perhaps...Well, let's talk about planning. Giant conglomerates are apparently enormously interested in planning quite far in advance. Five year plans. How far in advance do you think you can work in the ready-to-wear business?

A: I don't think...There are many factors that deter you from being able to make plans five years in advance in the coat and suit industry. That's for sure. Because fashion trends...If you're making a line of new fashion...of the batwing sleeve, and if it doesn't go over, you'll kill yourself for the season. Because you've put your efforts in that main theme, of putting...projecting a batwing sleeve; or a 34" length jacket; or, a 25" jacket; or a long coat. Or whatever. Whatever fashion prevails. So how can you project what is going to be three years from now. Four years from now? If you were doing staples, yes. I can understand. You're doing a pullover sweater, you know, and it's a classic. That's another matter. Or a plain tailored blouse. Or something. A tailored coat....or...When we used to make Chesterfield coats. And if the same fas-
hion were to prevail for five years straight, you could project. But you can't project this way, with the fashion industry. It's the most dangerous thing in the world, I think. We'll make up a line...If the buyers come in...They look...You know. They tell you soon enough how successful you are. You'd be surprised. One buyer tells the other, in the market. There's no secrets in our market. They'll tell you, "Go up to Braetan. They're hot this year. Go up to Braetan. They're hot." Or when you're not, they'll tell each other.

Q: That brings us to a very interesting subject, which is your relationship with retailers over the years. Do you think...How do you feel about managements of stores today...? Are you as close to buyers and merchandisers today? What general relationships...

A: The problem with stores today is they don't let their buyers stay that long. There's such a turnover. In the Junior market today there is such a tremendous turnover of buyers. If you last two seasons it's a lot. I don't know why.

Q: Is that different from the Misses market?

A: In the olden days, a buyer was a buyer for 10 to 15 years or whatever. But today, they change so fast. There's a quick turnover. In the Missy market, it hasn't been that prevalent, but in the Junior market it is. But they change their buyers...I guess if they don't make the figures, they change the buyers. I don't know...You know...The pressure from the Controller to the merchandise man to the buyer is such strong pressure today. You know. They don't let them...They cut their
budget in half. They don't let them buy. They don't let them reorder. Not many people can stand that pressure. And how can they make their figures if they can't operate more freely?

Q: Did you used to get a lot of input from buyers into your own business? Were they able to tell you ahead of time...?

A: There are certain buyers that...you know...Can tell you or have the ability to help you, they can. They have a beautiful fashion concept. And you speak with them, or have lunch, and you talk and discuss it, or whatever. Or they come back from Europe, from the prêt-à-porter shows, ... and you get some input. And sometimes it's just a shoulder treatment, or some kind of small treatment that can change the whole effect of a garment, that can make it successful. And the buyer can give you the tip. You know. They shop all the couture lines too, so it's very helpful.

Q: And you find that that still exists...?

A: Well, we try to...It does exist, but we try to do it ourselves. Our designers, I say, go to Europe...

Q: How many designers have you got?

A: We have two designers. They go three, four times a year to Europe. They go to the Far East, as I said, and they cover shows in New York, when they come to New York. And they cover fabric shows and things like that, and they go to the stores, and...we're constantly shopping and looking and trying to learn, for us to be on the ball. You know.

Q: That's an interesting point. How many years has it
been, do you think,...That you've had designers who have indeed become that involved in seeing what the rest of the world is doing? Because it wasn't always that way.

A: Well, we did it as far back as....Oh, at least 15 years ago. We sent them to the pret-a-porter...We sent them all over. Because we knew...And of course there are...What do they call them. Those....

Q: Fashion services?

A: Fashion services. That send their brochures. You buy the brochures, and you get French magazines and you get Italian magazines. And they're constantly looking at fashion. You have to be steeped into it to really be able to recognize something that you want to take and put on your own garment. And you'd be surprised how they can do it. And it's very helpful.

Q: Let's talk a little bit about the structure of....

A: And we shop mills. We shop mills. From the very inception, we shopped all the mills, you know.

Q: For fabric I gather...

A: Oh sure. For fabric. The designer goes and shops all the mills at the beginning of the season. Way, way...Six months prior...When they're out with the lines. And she puts down what she likes. And then....We would all go...My brother, myself and my son...We would all go to the mills and see what she liked. And then we'd go to the other mills. And then we'd compare notes with the designers. And we'd decide to buy what
what the majority liked...

Q: So actually...
A: Then we'd take a cut...We'd try it out on the garment to see if it's workable. And how it looks.

Q: But management is very participatory in your company.
A: Absolutely. Absolutely. Decisions are made...Decisions are made by a majority of the partners, so that we think alike.

Q: That's one big difference between your kind of entrepreneurial business and a business which is, you know, huge, multi....
A: Well, they have to leave it to the management.

Q: Right.
A: We treat it like our child.

Q: Yeah. You are much more closely and personally involved in nurturing....
A: From the inception to the finished product to the shipping.

Q: Right.
A: We go to the warehouse in New Jersey at least twice a week to see what...How they're carrying on and how they're doing. To see that everything's in order.

Q: I wanted to ask you about that. Your setup at the present time is that you have your design room....
A: The design rooms are in the showroom.

Q: In 512 Seventh Avenue?
A: In 512 - 7th Avenue.
Q: And you ship from... where?
A: From New Jersey. Our warehouse... We moved there last year.
Q: And your fabrics... Oh, did you move? In other words...
A: We were on 37th Street. But we had so many robberies that we thought it was about time we got out of New York. It was just unbearable. So we moved to New Jersey. And we're all on one floor. We used to be on three floors. To ship. We didn't have enough room. Now we have about 40,000 feet.
Q: When your fabrics come in on the clothes that you make in America... Where do they go?
A: Oh, the fabrics go to the shrinkage house first, to shrink, you know. And then they're called in by the production man to be sent to the factories to be produced. We have them in New Jersey, we have them in Brooklyn, we have them in New York. Different factories.
Q: You don't own them, you contract.
A: We contract. And then they send the finished garment to New Jersey. And then we ship them.
Q: So the quality control is checked out in New Jersey when the merchandise arrives there.
A: When every lot comes in, we take a garment, and one garment is picked at random in a sample size, and sent to the showroom, and our model tries it on and we look at it to see if there are any flaws. To
see if it fits. Things like that. Also, another reason for our basic success in the fit is that we have a grading department that grades every single pattern from Size 5 to 13. And also from Size 4 to 16. Every pattern is graded. Six different sizes.

Q: But now, that's not different from the practice of the rest of the industry is it? That's typical.

A: No...But we're very particular about that. We have a very good grading department, and that helps the fit of the garment.

Q: Sure.

A: It's important.

Q: How much of your production is being done off shore?

A: Ah....

Q: Approximately.

A: I would say....I'm trying to think. About 40%...I would say 60% domestic and 40%...import.

Q: And that's Hong Kong and Taiwan...

A: Hong Kong, Taiwan, Korea....

Q: And I think you started to say something before about all your wools are made here...

A: All our wools are made here. Domestic. Yes.

Q: And raincoats I suppose are...

A: Raincoats are imports...Jackets, imports. I mean, rugged outerwear...You know--corduroy, leather, all the "gimmick" sweaters. You can't beat those prices. You know that.
Q: Yes. I do....Let's talk about financing a little bit. You had mentioned earlier that when you and your three partners drew up the business....bought Braetan...

A: Oh, Chase Manhattan has been very good to us. I'll put it that way. They have backed us...As we grew...With more and more credit.

Q: Excuse me. I just wanted to make...You said it cost each of you $27,500. For a total capitalization of $110,000.

A: $110,000. Yeah.

Q: Okay. And since then you've worked with Chase Manhattan...

A: We've always worked with Chase Manhattan. We never had anybody else. From the very inception...

Q: So you don't work with factors.

A: We have no factors. There are no factors.

Q: You work directly with Chase, which gives you a line of credit...

A: A line of credit, and we pay them off after the season, and for three months we don't owe them a cent until we start producing again....

Q: Because cash flow has to be very difficult in this kind of business...

A: Yes. Cash flow...You ship a lot of goods, the following month you get the money in. And they work with us. They've been very
good to us. Oh, they follow up. They come up and look at the lines, the bankers. The bankers in the old days never did that. The new young, the young bankers now, the young girls; officers of banks, Vice Presidents, unbelievable. Young girls and young fellows, in their thirties, will come up and look at the lines when we have showings, to see if we're really making the money. And they're smart too.

Q: And they understand. They know.

A: Yeah. And I guess they can tell whether you're going to have a good season or not. I don't know. But they're very... bright.

Q: Well, it is interesting... Banking has certainly changed.

A: It's changed. You used to have the old time banker. In the days where I worked in the bank, where character, the personal relationship that I had, that was the important thing. But today it's not done that way. Today it's figures, more basically. Figures. And the kind of business you have and how prompt you pay and the trade, and the kind of reputation you have. They really look at every aspect. They're very bright.

Q: What about your advertising and sales promotion? Have you a policy...?

A: Well, actually, the policy is we don't do institutional advertising. We find that the best is direct geographical area, is the best for advertising. For instance, if you're going to go to San Francisco, and you advertise with I. Magnin or Joseph Magnin or Macy's, you
do it directly with them, and you get better results in that particular area. If you put it in a national magazine, it's... We're not a dress... We're not a couture line. If you're a couture line, and you do institutional advertising, and you repeat the name--Calvin Klein--fifty million times, or Halston, it's different. But in our particular instance, we're far better off doing direct mailing. Of course, every department store now has catalogues. The catalogue business is one of the biggest. I've never seen it like that in my life.

Q: You are in a lot of those.
A: We're in plenty of them. Sure.
Q: And that gets results.
A: That gets results. Catalogues get results. Geographic advertising gets results. Well... We run an ad in Women's Wear if we're opening up a line, or something like that. But to do institutional advertising, like we used to do years ago, in Seventeen Magazine and Mademoiselle—that was the big thing. That was the big thing... back to school, when back to school was the big thing. But there is no such thing as back to school. It's the career woman that's the big thing. The big volume.

Q: But the message I get all through this is that you really have to be on top of the trends and know what's happening in terms of customers...
A: You have to be on top of the trends. We have a close relationship with the entire country. We're always on the telephone. We believe in the telephone. We're always talking to the buyers. Always
finding out what's good and what isn't good. Not everything is good, you know. And we really try to learn what's being sold, whether it's in sportswear, whether it's in dresses, whether it's in any trend at all, we like to know what sells. That's the important thing. What sells. And why it's selling.

Q: The one thing I haven't asked you about is reorders. I ask the question about reorders all the time, and I've gotten interesting answers. I'd be curious to know how you feel about reorders....

A: Well, when you have a domestic program, it's easy to get reorders. If you can get the piece goods from the mills, and if they're reordering turquoise or purple or something like that, if you can get the colors from the mills, then you cut it. It's just a question of the delivery date. We have to make it up for them.

Q: I think my question is more, are you still...

A: But it's hard. On imports it's hard...

Q: Do stores reorder...?

A: Stores reorder. Yes, they do.

Q: They do.

A: Yes. If they can get the money from the Controller, they do.

Q: Because many stores...Many firms have told me that the pattern has changed.

A: The pattern has changed in this regard. The way I see it is they used to reorder in much greater depth, but they're reorder-
ing more cautiously. And the reason is because your last reorder can sometimes be your worst markdown. Because it's too late or whatever it is. So that's why they are very cautious. But you see, what's important about reorder is, when in the old days I traveled and the department store like Filene's had six stores, today they have 23 stores. There's a difference.

So your volume increases just like overnight. Every department store, every department store has so many more departments...so many stores, so many branches, that it's.... When they give you one reorder it's equivalent to three reorders that you used to have in the old days. Because if they're going to cover their stores, if they're going to run an ad, and they're going to be in all the stores, it's got to be a big reorder. So you see, multiple stores have increased your volume, more business. And they become giants.

Q: That would increase your initial order...

A: Yes. And they become giants. They have to write orders for the key ten stores out of 20 let's say...Let's say they want to cut down, so they buy for 10 instead of 20. But as soon as they get one or two numbers at reorder, they buy for the 20. They reorder for the whole 20.

Q: If you were being approached...

A: That's why...Let me just make this statement...All the new branches of the department stores that have opened up...have hurt the specialty stores.

Q: Oh?

A: I think so. Sure. Because they've gone into areas in
plazas where only the specialty stores used to be. Now you have....You take a city like Stamford, Connecticut. We have Lord & Taylor's, Bloomingdale's, Macy's just opened up. We have Saks Fifth Avenue coming. Do you realize? Four giants. In a little city like Stamford. With 100,000 population...

Q: Now, in a business like yours, what would you say in recent years has been the breakdown between specialty stores, business and department stores.

A: Department stores are way ahead.

Q: Way ahead?

A: Yeah. First of all...Let me explain to you why. We do not have a sales force, that goes out on the road, traveling. A traveling salesman goes to specialty stores because they're very loyal and they'll buy from him every time he's on the road.

Q: So that's a big change in your operation from Ambassador, isn't it?

A: All our...Yes...All our accounts come into our showroom. We have no traveling salesman. Because we can't make the sample lines. It is impossible to keep up with sample lines. We'd go crazy. When the buying offices want a duplicate to run an ad or something, we have to break our neck to make a duplicate to send to them. Now, if we had 10 salesmen on the road, I could double my business overnight. We could double our business overnight if we put on ten men in the United States. I would have to make ten lines. Do you know what that would cost? What traveling ex-
penses cost? And we would have to pay a minimum of 8% commission.

Q: Do you belong to any of the marts, or participate in any of the marts?

A: I used to be, I used to be President of the New England Mart. Of the trade show.

Q: I mean the firm itself.

A: The firm itself.

Q: Are you involved in Dallas and Atlanta....

A: We're not in Dallas, we're not in Atlanta, we're not in Chicago, we're not in California.

Q: And you're not in New England.

A: And we're not in New England.

Q: Now, were you before or at some time...?

A: At some time, we used to be, yes.

Q: And why did you stop?

A: We don't have any salesmen. We can't make samples.

Q: I see.

A: Not only that, the Dallas show is up so early. We're not ready. The California show... Now, if we only have one line, are we going to send our line to Dallas when the buyers come in on Monday and Tuesday, in the showroom, we don't have a line like some manufacturers do. They don't have the line there. For the Dallas show...

Q: Well now, are you typical of other coat manufacturers, or is this special?
A: Well, most coat people do not have road salesmen, because it is difficult for coat salesmen to really make it alone just on coats, on the road. It's very difficult.

Q: What about sharing a road force?...

A: We thought about it, and then when it comes to making a duplicate line, we're licked. So if we can't service the man, what good is it? What good is it? And every account comes into our showroom. Just think of it. Every account. Every major account, comes into our showroom.

Q: Have you had any people in the last several years who decided they will not come to the New York market? It has not happened?

A: New York is still the focal point. I don't care what the marts say, what Dallas says, or California or Chicago. New York is the focal point. And I don't think it will ever be replaced.

Q: I have just...There is one more thing I'd like to talk about, at least one more thing, and that is what would you say to...If a student came to you who was getting out of school...What would you say to such a young person, who wants to go into this business? Where do you think the opportunities are? Think about that for a minute, because it's important...You know, the young people today are coming out of school in great numbers.

A: Are you talking in what sphere? Selling?

Q: I'm talking about...Are their opportunities in selling? I'm talking about the garment industry. Okay?

A: There's opportunities in selling. Of course. Selling is important. When you bring in orders to manufacturers, you're the king.
When you're doing well, and you're the top man, you're looked upon as a star. Because you're bringing in the business.

Q: What other areas in manufacturing...For instance, what about fabrics? It seems to me I know an awful lot of young people who are interested in fabrics, and certainly the fabric companies are not hiring in the same way.

A: No...Are you talking about mills?

Q: Ah..I'm saying are there opportunities...I'm talking about your areas...

A: Well, in order to buy...I mean, you'd have to be broken in, where you really...See, you'd have to serve an apprenticeship, with the production department. That's a special thing. You must be knowledgeable...Although my nephew, Bobby, took to it so fast that it's unbelievable. He's absolutely fabulous. In colors, he's great. He's great in the production end of it. He's great in figuring the cost of a garment. He's good in every aspect of the production end of it. He's great in figuring the cost of a garment. He's good in every aspect of the production end of it...

Q: Did he have any training, did he go to school for technique...

A: No. And it's funny, I never took to that. My brother took to that and I didn't. He just picked it up, just like my brother did, and I never cared for it. I was only interested in selling and public relations. That's all...the only thing I liked.
Q: You made a good combination, the two of you.

A: Yeah. And he worked with the designer; my brother worked with the designer, in the production end of it, and he worked with the factories, and he also did selling. He was good at all those things. But I have...I liked it, and I had to make decisions, so I would concentrate on it and work with him. But the actual work was done by him. Or Bobby. And my son Arthur is the same way as I am, although he's getting more into production too.

Q: Did either of the boys go to a technical school.

A: No, they didn't. They just picked it up from being with us.

Q: That's because they....

A: Practical experience.

Q: Yeah..And they were part of management's family any-way. But young people who are not born into the family, so to speak....

A: Yeah. Well, you can start as a salesman. We have some young people as salesmen, and they're learning, and they're selling and everything else. We watched them, and if they become very strong, we give them more responsibilities, and we value their opinion, and one thing leads to another.

Q: If a young person comes out of school and wants to go into business, what would your advice be?

A: Wants to go into business? My advice would be to learn the business first.
Q: Which means to go to work for somebody else first, right?

A: Absolutely. It's a very treacherous business.

Q: How much money do you think it takes today to open up a business, however small?

A: I don't know what field... But sportswear... But sometimes sportswear takes less...

Q: Give me a range.

A: I really don't know. I would say... My God, it takes... The overhead is so tremendous now, in our business. It's huge overhead. I will say this. You couldn't do what I did 28 years ago. To start with a small amount of dollars, $100,000, meant something.

Q: Right. Right.

A: Today, it doesn't mean anything. And in those days you paid for a yard of goods, $2.75 or whatever. $3.25. And now you're paying $12.75, $16 a yard. There's a big difference. See. So... It's... You know, everything is relative.

Q: Sure.

A: Listen, we used to hire people for $50 a week, and now you have to hire them for $400-500 a week. Same people. So... How long does $100,000 last?

Q: Well, at this point...

A: You've really got to have a financial man to back you. Yes. To have the confidence in you, and back you. What Calvin Klein did was the most phenomenal success in the world. It's unbelievable.
Q: Yes. He started in 1968.
A: Alright. So he started...He borrowed $10,000 from Barry Schwartz, or whatever he did. I don't know how much he started with.
Q: Not much more than that.
A: And look what they did. Look what that firm did. Do you realize what they made last year? It's a public figure. It's unbelievable.
Q: Well, look at Liz Claiborne, too.
A: And look at Liz Claiborne. And it's classic merchandise, or was.
Q: It sure is.
A: So...there is...You know, it's catch as catch can. You could hit the jackpot and be a millionaire overnight. Or you could go broke overnight. Shoot the craps...
Q: Well, that's one of the interesting things about this business, that it is a high risk business in which there are still entrepreneurs..
A: I'll tell you, I'm personally very fortunate. I was always organization minded, and when I became a salesman, I wanted to do a job for salesmen. And I became very active. Eventually I became the national President of NAWCAS—the national association of women's and children's apparel salesmen. I was President...And I was able to do all that because I had a brother who pitched in for me and took over my work. And when we went in business, I became active in ADL and B'Nai B'Rith and in my industry, I
was always the Chairman or Co-Chairman of UJA or Bonds for Israel or whatever. And I was able to leave and go to meetings and go to conventions and seminars, and did all that and stayed away from my business and had my brother pitch in. And then the boys pitched in and covered for me. And then when I'd come back, I'd do my share of whatever I had to do, and that was it. I would take a trip with sweaters and book $2 million in 1/2 weeks, and I'd work the ten key cities in the United States. I would work morning, noon and night. I'd never stop. I'd come back, so they would order more sweaters, you know. Be able to tell which sweaters were good. I did that for three consecutive years. So...I love to sell. I love to meet people and I love to talk to people. And that's my forte. So I was very fortunate that I was able to combine my work with my organizational work, because I had a brother who was willing to share...He didn't care about organizational work. He was just interested in business. He'd work...In other words, there was nothing lost in the business if I stepped out to do something extra. But what I did extra was for the industry. If I'm on the Board of F.I.T. for the last 20 years, and I worked educating F.I.T. to the coat and suit industry, I felt it was important for the future of our industry. The same thing goes for the drives that we have, or whatever. So I really enjoyed it. I thoroughly enjoyed my work, and I enjoyed doing these things. I'm a lucky man.

Q: Thank you....
Brief interview with Mr. Junior on May 5, 1982.

Q: Tell me, if you will, how you decided you wanted to take on the license of a designer whose name is as well known as that of Adolfo.

A: Well, we did it for a number of reasons. I think it's an ego kick for us to get into the better market. It's a market that we always wanted to get into, and the easiest way to get into it would be, of course, with a designer such as Adolfo, whose name is, right now, as strong as any designer in the business. It just opened up our business right away.

Q: Does that mean that you're selling to departments that are different from those that you had been selling?

A: Yes, of course. We're selling designer departments and better departments. It's not a huge volume business... But it is a very good... for our image. It's taking us out of the rat race. It's put us into a plus business, and it's given us additional business, plus additional volume. Which we hope will become profitable.

Q: When you said it was an ego trip. How do you mean it was an ego trip?

A: Well, we have a very good reputation in the updated, contemporary market with our Braefair division. And to be quoted with all the designers of the world right now, Adolfo was a natural. And by having him, and having his label, we are now a very important resource, with every top store in the country, with all the better stores in the country.

Q: How many collections of Adlofo have you shipped.

A: Well, we've done two. Last year, unfortunately, we didn't
get the franchise, the licensing, until March 25th, and we opened the line up in three to four weeks...

Q: Is this the line he did for you?
A: Well, in conjunction with us, yes. Unfortunately, we couldn't shop the world for different piece goods, which we are able to do now, and I think our line this fall will be...will show great newness and great salability. It will be a very important designer label.

Q: So that you really thought of this as an interesting and important way in which to expand your business. What kind of growth are you targeting for? What kind of volume are you targeting for?
A: We just want to do about $2 million this year. We don't need more. We will be very happy and comfortable with a $2 million business. It's the type of line where you don't go after big volume because you can't sell everybody.

Q: What's your price range?
A: In our fall line and our wools we are $150 to $275.
Q: Is that for two piece or three piece?
A: No, that's for a coat.
Q: Oh, that's for a coat. You're not doing suits.
A: No, we don't have suits. We just have coats. We are just the licensee for coats. Our rainwear last spring was basically about $100. At cost. And it sold very well.

Q: Where there are stores like Saks that have separate Adolfo shops, are you in them?
A: No. Adolfo, the couturier, has his own shop in Saks. We are on the same floor, but not in the Adolfo Couturier line. We are Adolfo II. And we are in the better area, but not in the designer--couturier. We are in designer, but not couturier.

Q: Have you any thoughts in your head about doing anybody else in addition to Adolfo?

A: No. I don't think so. As a matter of fact, we've turned down a number of other licenses.

Q: And what is your...Is your relationship with him in your licensing agreement that he will give you a certain amount of input?

A: Absolutely.

Q: Which includes what?

A: Fabrics. Design, ... Some merchandising theories that they have. But the responsibility is all ours. We make the patterns.

Q: Does he have a right to look at the...

A: Absolutely.

Q: So he will check a duplicate.

A: Absolutely.

Q: And how many coats were in the collection last year? And how many this year?

A: Oh, the line is twice as big this year.

Q: Would you give me an idea...Twelve coats...

A: No, last year we had about 18 coats, and we'll have well over 30 this year.
Q: And the season of course, has opened, so that you now...
A: Well, we're busy showing and we have started hooking the merchandise.

Q: Uh huh. Right. But it is interesting...All of these years you really did not need to or think of promoting the names of a designer...
A: Well we used to promote our own name.
Q: Yeah. But you see, that's what's interesting. It's a whole new approach in the market.
A: Well, you see, what's happening is an explosion on the designer label. And everything has a label of the designer. And in order to do the better, higher priced goods, you need a couturier. You need a very well known name. A designer.
Q: And you felt that you really wanted to get into this price range.
A: Well, it was a challenge. And we took it. We accepted the challenge. And that's where it's at right now.
Q: Is it your feeling that this upgrading of price range will continue?
A: It's not an upgrading of price range. It's selling a Mercedes or a Cadillac vs. a Ford or a Buick, you know. This is the top line of the designer labels. And as long as women are interested in the designer labels--which I'm sure they are right now; you know what's going on in the world of design and retail--it will be important. And certainly Reagan hasn't
hurt this man at all.

Q: Right. And what about your sales promotion tie ins. Are you involved with advertising or publicity or...

A: Yes, we have to do X amount of advertising. And when a store comes in here and buys a line expensively, we work with them. We are happy to advertise an Adolfo line, with a Woodward and Lothrop or a Garfinkel or Marshall Fields or Saks or I. Magnin, or Neiman Marcus. These are the kind of people we work with.

Q: Has there been any talk about doing trunk shows for example, together with other licensees of Adolfo?

A: No.

Q: That's not been....
A: No.

Q: One of the plans....Are you going to do any trunk shows just for Adolfo?

A: We have never been asked to do that. That's his bag. On his line he does that, and most successfully. The women line up, you can't get a seat. It's unbelievable what he does. I would love to have it happen to us. I would love to have him do us along with his line. I don't think he really wants to do that because his merchandise is three times higher than ours, and he doesn't want to...His customers are different than ours. What we've done is bring his label and his look into many, many more homes and many, many more closets. Because women...You know, there is a $500, $400 customer, and his clothes sell for $800 to $1,200. So there's a big difference.
Q: Was there any thought at all, or does he have a suit license?
A: Yes, he does.
Q: Oh, he does. Right. And the price range, is it compatible?
A: I have no idea.
Q: You don't know.
A: We're just concerned with our licenses. We have rainwear and jackets...Because anything in outerwear we can make. Not furs.
Q: And at the moment, as far as you're concerned, this is where you started and you have no plans for any expansion of it.
A: No.
Q: So that the basic business of being in the coat business, for Juniors and Misses, is still your basic business.
A: Oh, absolutely. That's 9/10 of our volume.
Q: Okay. Thank you very much.
A: Thank you.