

Fireman Closes Hudson Jeans Deal, Bullish On The Consumer

By Beina Xu

Personal & Household Goods

8/3/2009 – Partner Dan Fireman has no qualms about delving into badly bruised sectors.

His firm, Fireman Capital Partners, has closed its \$33 million investment in high-end jeans maker Hudson Jeans, its first deal, and is eagerly scouting the consumer sector despite the ongoing spending slump.

The confidence comes mostly from the firm's background in the industry. Paul Fireman, the firm's chairman, was the founder of athletic shoe maker Reebok, which was sold to Adidas AG four years ago. Operating Partners Lisa Ellis and David Lipman have worked with brands like David Yurman, Burberry and BCBG, as well as entertainment industry giants like Sony.

"When we get involved to make an investment, we put together a team - I call them assassins - to go in and improve the impact of the business," Fireman said. "It takes a bold kind of initiative. I know people say that jargon, but we live and breathe it."

For Hudson, the firm allocated the majority of its resources to launching a new ad campaign with Georgia May Jagger, the daughter of Mick Jagger. The firm's marketing efforts for Hudson have involved actress Jennifer Aniston, Patriots quarterback Tom Brady and supermodel Gisele Bundchen, who in a Vogue piece revealed that she had 10 pairs of Hudson jeans in her closet, according to Fireman.

But the firm is also paying close attention to another industry that has suffered greatly from the downturn: advertising. Fireman has signed a letter of intent for a deal with an advertising agency, and that that the firm is ready to roll up its sleeves in transforming businesses in the sector.

"We're bullish on agencies," he said. "The way they're driven is that most are either small or major global ones; we have a new model in which you can manage clients by not having to be in 80 countries, but a strategic dozen."

The firm, which was founded early last year, is operating with a \$300 million pool of capital from family and high net-worth investors. Fireman had always managed his family's private wealth, but wanted to go larger.

"After [Paul Fireman] sold Reebok, we were ponderous for quite some time about how to leverage these relationships in consumer space," he said. "It was a better way of doing business for ourselves. We had all the ingredients, it was just pulling them together and making the right meal."

Family capital represents around 20% to 30% of each deal. For now, the fund is focused on getting three or four deals under its belt, but Fireman plans on including institutional investors eventually. Fund-raising is a concern, but Fireman believes the firm's niche focus is what limited partners are looking for in this environment.

"I don't think about how I'm going to pitch to LPs everyday," he said. "Right now the concern is getting some quality deals done."

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