

APPAREL AND ACCESSORIES

## J. Mendel files for bankruptcy to restructure debt

June 25, 2018



*J. Mendel is being sued. Image credit: Bergdorf Goodman*

By STAFF REPORTS

Fashion label J. Mendel has filed for Chapter 11 bankruptcy protection after facing a number of court battles over unpaid bills.

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According to Women's Wear Daily, J. Mendel has been sued for nonpayment by PR firm Karla Otto, The New York Times and DNA Model Management, among other firms. J. Mendel is hopeful that this filing with a New York bankruptcy court can help it solve its debts.

"Restructuring the company's debts will allow J. Mendel to face the current challenging luxury retail environment, and I am confident that this will allow the company to move forward with renewed financial stability, allowing us to focus on crafting the best designs for our devoted clientele," said John Georgiades of Stallion Inc., J. Mendel's majority investor, in a statement to WWD.

Bills, bills, bills

J. Mendel originally opened in 1870 in Russia as a furrier. After the Russian Revolution, the brand relocated to Paris, and in 2002, the brand moved again to New York.

Creative director Gilles Mendel currently helms his family's label, which focuses on furs and eveningwear. In addition to a flagship store on Madison Avenue, the brand has shop-in-shops at both Harrods and Bergdorf Goodman.

J. Mendel sold a majority stake to Stallion in 2015 ([see story](#)).

In recent months, service providers and firms have taken J. Mendel to court over lack of payment. According to The New York Times, the brand owes the newspaper \$28,000 for advertising, while DNA Model Management says it is missing payment for \$60,000 of modeling work.

Karla Otto says it did not receive compensation for the \$260,000 in work it did for the brand's debut Paris couture show in 2016. While the parties agreed to a monthly installment payment plan, Karla Otto says the brand started but then stopped paying.



*J. Mendel's Paris couture show in 2016. Image credit: J. Mendel*

In another suit from The Arsenal Co., Mr. Georgiades admitted to owing the real estate firm more than \$1 million for a space it was renting in New York and which previously served as its headquarters. The brand signed a 10-year lease in 2013, but moved out last year.

When J. Mendel left, it entered an agreement with Arsenal to pay a lease termination fee in monthly installments, but those payments stopped after four months.

J. Mendel is also facing suits from Er Fur Trading Corp., which says it owes \$107,500 for animal skins, and ecommerce company Acadaca for \$60,000.

Bankruptcy can mean a rebirth for some brands. For instance, footwear label Tamara Mellon reappeared on the scene with a major brand relaunch to initiate its comeback following bankruptcy.

The brand came back after a brief hiatus and a file for Chapter 11 bankruptcy, after what the label's eponymous founder described as being too ahead of the times ([see story](#)).