

THE WALL STREET JOURNAL.

MILL OWNER STOOD BY HIS WORKERS AND BECAME A HERO

Aaron Feuerstein, who has died at age 95, kept paying employees in Lawrence, Mass., after a fire destroyed most of their textile complex

By James R. Hagerty
November 11, 2021

After a fire destroyed most of the Malden Mills textile complex in Lawrence, Mass., in December 1995, the owner, Aaron Feuerstein, kept paying his 1,400 workers for another three months, extended their health benefits and set about rebuilding the business so he could call them back to work.

The decision made Mr. Feuerstein a national hero, interviewed on "60 Minutes" and "The Oprah Winfrey Show" and invited to attend President Bill Clinton's 1996 State of the Union address. In London, the Independent newspaper called him a saint.

Mr. Feuerstein, who died November 4 at the age of 95, said paying the workers was the right thing to do morally.

It also made good business sense for the maker of Polartec fabric, he said in a 1997 speech: "You can have the best engineers, the best R&D guy, the best technical expert, figure out how to get better quality. But in the last analysis, it is the man on the floor who is going to get that quality for you. If he feels he is a part of the enterprise and he feels he is treated the way he should be treated, he will go the extra mile to provide that quality."

The aftermath of Mr. Feuerstein's generosity was a mixed bag. He was surprised to receive more than 30,000 letters from admirers around the country. He was appalled when 13 of his workers alleged that the company had knowingly allowed unsafe practices that could lead to fires. Malden Mills reached a settlement with those workers in 2000 for undisclosed terms. After rebuilding the plant with the help of insurance money, Mr. Feuerstein overexpanded and eventually lost control of Malden Mills through bankruptcy proceedings.

That left more time for his scholarly pursuits. He quoted from Shakespeare, Samuel Coleridge and the Torah. Sometimes he offered advice on sermons to the rabbi at his synagogue in Brookline, Mass.

Aaron Mordechai Feuerstein was born Dec. 19, 1925, in Boston. His paternal grandfather founded Malden Mills in 1907, and his father later ran the company. After graduating from the Boston Latin School, he enrolled at Yeshiva University in New York, where he studied English and philosophy. Mr. Feuerstein thought about becoming an academic but found his family needed help running the mill.

During his career, most New England textile mills closed as the industry moved to the South and overseas in search of lower labor costs. Malden's product line over the years included sweaters, polo shirts and fake fur used to line trench coats.

When down jackets became popular in the 1970s, demand for fake fur plunged. In 1981, Mr. Feuerstein filed for bankruptcy-court protection for the firm, reached an agreement with creditors and retained ownership of Malden Mills. The company developed a synthetic fleece, branded as Polartec and embraced by apparel makers.

After the 1995 fire, Mr. Feuerstein invested heavily to rebuild the business and expand sales. Malden Mills, weighed down by as much as \$180 million of debt, was hurt by growing competition from fleece knockoffs and the loss of some major Polartec customers. The company filed for bankruptcy again in 2001. Mr. Feuerstein, who sometimes dressed in a three-piece pinstripe suit with gray New Balance running shoes, spent his days perched on an antique Stickley armchair while dickering with creditors and searching for new sources of funding.

"I've got vultures on all sides," he recalled telling a doctor who advised him to undergo hip-replacement surgery. "If I'm not minding the store every day, the store will be gone when I get back." In a 2003 interview with The Wall Street Journal, however, he said the creditors weren't to blame for the mill's problems. "My lenders, I hurt. I have to accept that in my head. I have no right to talk about the guy I owe money to in a disparaging way."

Creditors forced him to fire family members who were on the Malden Mills payroll. Mr. Feuerstein was furious. "Instead of demolishing my will to counterattack, it strengthened my will," he said. "It made me that much more belligerent."

Belligerence couldn't save the mill, however. His attempts to raise enough money to buy back control of the company fell short.

Mr. Feuerstein died of heart problems aggravated by pneumonia. His survivors include three children, a sister and six grandchildren. He outlived two wives.

In the 1997 speech, he advocated taking care of employees and the community as well as shareholders. "A lot of the publicity I'm receiving is really not deserved," he said. "It is, rather, a sad reflection and commentary on our times."

<https://www.wsj.com/articles/mill-owner-stood-by-his-workers-and-became-a-hero-11636638472>