

# Opportunistic Investors

An Interview with Steven Fisher, Founder and President,  
and Anthony V. Carbonetti, Chief Executive Officer, Fisher Capital Investments

**EDITORS' NOTE** As a fourth generation member of the Fisher family – one of New York's legendary owner/builders – Steven Fisher has devoted his 37 years as a partner at Fisher Brothers to construction and development. He served as Chairman and CEO of Fisher Brothers subsidiary Plaza Construction Corporation until its April 2014 sale. Under his decades-long leadership, Fisher transformed Plaza Construction into one of the city's largest and most respected construction firms, growing it from an in-house division with revenues of \$40 million to a company boasting annual revenues of approximately \$1 billion. Among his other pursuits, he is a member of SAG-AFTRA and an active investor in AQUAhydrate.

Anthony Carbonetti was formerly a senior adviser at Perella Weinberg Partners from 2009 through 2014. Prior to this, Carbonetti was a founding partner and managing director of Giuliani Partners LLC. He served as Chief of Staff to Mayor Giuliani from 1999 through 2001. He also served as an adviser to the Mayor on personnel and policy issues. Carbonetti was serving as Chief of Staff on September 11, 2001, and was an integral part of the Giuliani team that helped guide New York City through the worst terrorist attacks in U.S. history.

**COMPANY BRIEF** Fisher Capital Investments ([fishercapitalinvestments.com](http://fishercapitalinvestments.com); FCI) is a private investment firm based in New York City and founded in 2014 by Steven and Kyle Fisher. FCI invests in and advises companies across a range of industry sectors with a focus on high-growth companies. Sectors in which the firm has invested and has expertise include media and entertainment, food and beverage, health and wellness, and technology. Investments are typically made in early stage and mid-market companies that can demonstrate the potential to deliver superior returns to shareholders. Since its recent inception, FCI has invested in, strategically repositioned, and provided operational support to a number of companies and brands that are now well-placed to become industry leaders.

**Fisher Brothers leads in a number of areas. Will you talk about your area of focus within the family and your level of expertise?**

*Fisher:* I was very fortunate to have worked with my grandfather very closely, as well as my father, my great uncle Zac, and my



Steven Fisher



Anthony V. Carbonetti

second cousins Tony and Richard. I came into the firm at a very young age; in fact, other than my father, I think I have been around longer than anyone, almost 38 years.

I got to see how the family worked when it was the original brothers and the next generation. I am proud to now work with my brother Kenny and my cousin Winston to continue that tradition. After 101 years of being in business we still respect each other enough that we know what our roles are. For instance, I run the family office and investments, Kenny runs leasing and management, and Winston runs development. When a project comes up, we sit down together as partners and decide whether it is a project worth doing and it is a joint effort.

I got a chance to see the different dynamics of the company and how it has changed over the past 30 years from a construction real-estate company to a very diversified financial powerhouse. We once owned more hotel and motel keys than anyone else in the U.S. and now we are building two new buildings and giving mezzanine loans.

Thankfully, we have seven million square feet of Class A office buildings that have always been the anchor of the family business.

I never forgot the roots of the company: development and construction.

In 1979, I built Park Avenue Plaza when interest rates were at 18 percent, so getting that building done on time and within budget was crucial. Every day and every delay costs money. We finished it two months ahead of schedule and around 2 percent under budget.

After that, in 1985, we found a piece of property that was a school on 55th between Sixth and Seventh. We built them a state-of-the-art school and relocated them. We were adjacent to the historic Osborne, one of the oldest residential buildings in the city. It was a tough site to put together

and build on, but we got it done again on time and under budget.

From there, I decided to start a construction company called Plaza. The first year I did \$25 million, then \$80 million, and after the fifth or sixth year, I was up to \$700 million. At the height, I was at \$1.8 billion.

I became the fifth largest contractor in the Tri-State area. Then I branched out to Miami and became the number-one contractor in Southern Florida.

**With many construction companies that have been around for a long time, how did you go about differentiating yourself in the space?**

*Fisher:* I gave my clients full disclosure. Clients could come in and look at my books at any time, and they appreciated that because corruption in the industry runs rampant.

It was about the integrity factor and getting over the hump that I wasn't a competitor; they owned the property and if they needed somebody to build on it, I was the right guy to do it. I have probably built around 40 high-rises, over 250 million square feet during my career.

It was like I had one big erector set in front of me. Because of my dyslexia, it was easy for me to work with my hands and understand what was happening right in front of me rather than picking up a book and trying to go to college and learn about architecture, design, and engineering. On-the-job experience was the way to go for me.

I used to go with my father to construction sites when I was a child and marvel at the magnitude of what construction entailed. I take a great deal of pride in the buildings the family owns and the others we have built. I can stand on a corner and look up at a 50-story high-rise and say "I built that." It's a great feeling.

**What made you feel the timing was right to sell Plaza?**

*Fisher:* Twenty-seven years of building gets tiring, and the highs and lows are rough, with 3 percent fees going to 1.75 percent – it's very competitive. We have to make it up on volume, and the companies that are doing \$10 billion in the city can afford to take a job at 1 percent because they can make it up in volume. I'm not doing that type of volume so I can't make it up. Therefore, it wasn't worth it to keep the company.

To keep the train going and employees working is one thing, but if I'm not going to

make money, why do it with the liability and the bonds that have to be posted, etc.? It was too much. The family was getting back into development at the same time so it made sense to us to make this move.

Around that time, I got involved with running AQUAhydrate. Mark Wahlberg and I are dear friends and he asked me to get involved in it and help him out. AQUAhydrate is water that is 9.2 alkaline and contains 72 trace minerals. When Mark was filming *The Fighter*, he was drinking six gallons of water per day and he would still cramp up. His body was not recuperating like it should. When he started drinking AQUAhydrate, he felt great. For a year, I went back and forth between New York and Los Angeles, and became Chairman and CEO of AQUAhydrate. I made a deal with Ron Burkle from Yucaipa and they put a lot of money into the company. I'm not a beverage guy, but I know how to build companies.

Ron was a real gentleman, and honored everything he said he would do. Sean Combs also came into the business five years ago. We were doing \$12 million in revenue but we were still in the red, so I knew something had to change. We brought in a professional beverage guy to run the company and I returned to New York.

#### **What is the main focus for Fisher Capital?**



*Kyle Fisher*

*Fisher:* After Plaza was sold, I didn't know what to do. All I know how to do is build and develop. It turns out my son, Kyle, wanted to join me in starting a family office. He wanted to look at companies, which I thought was a good idea.

Kyle is a fifth generation Fisher with an entrepreneurial spirit and keen eye for good deals. He was the lead on our cashmere investment which has received significant praise in *Forbes*.

That's when I immediately reached out to Tony and he was ready to get involved with us. I asked Tony to run the place with Kyle and me.

Tony and I go back 20 years. The friendship and respect we have for each other is important.

*Carbonetti:* When Steven contacted me about joining up, I was working as a senior adviser for Perella Weinberg. They were shutting down one of their funds so the timing was perfect. Steve told me he was starting a family office, and asked me to

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join him in looking at opportunities. We're 16 months in now and we have invested in technology companies, retail companies, and a fashion company. We're very opportunistic and we look at investing in things where we feel we can alter the outcome through our relationships.

What products can we enhance? We have to start with a good idea but then we look at our network and between the two of us, we know most of not only New York but many players globally. There is pretty much no one we can't call upon for expertise.

As an example, Organic Avenue, which is a well-known iconic brand, was something we bought out of bankruptcy. It was a unique situation where the original founder had started the company and built a few stores, and then the private equity guys showed up and started pumping money into it. They then opened a dozen stores and a giant commissary. Eventually, the private equity guys forced the founder out and hired the CEO of Pret a Manger to come in and build 200 stores. Two years later, they were bankrupt. They blew through \$50 million.

Through a friend of mine, I found out the original owner was interested in coming back. Steve and I met with Denise Mari and were intrigued by her concept. She wanted to go back to the old way of doing things, when it was a family store. We went into bankruptcy court and paid \$1.8 million. She has a great following. People see the orange bag and they are so excited we're back. It has been an interesting experience and we're excited about it because we want to take it national.

We don't want to just be a juice store; any idiot can start a juice store. What we have here is a woman who's an advocate for a lifestyle so we're building a lifestyle brand, which will include fragrances, clothing, and more. That is the direction we're heading in.

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#### **What is most important thing for you when it comes to getting involved with an opportunity? Do you look mostly at product or innovation or is it about management?**

*Carbonetti:* Sometimes you see a great product but management is poor. I left government after working for Rudy Giuliani in 2002, and I didn't have a financial background. However, when I went to work at an investment bank, I became familiar with the trend where inventors don't want to let go of their companies, but they can't manage them either.

I learned how to recognize that quickly. It's always about convincing the inventor they have a great product but we need to bring a professional in to manage it for them. I'm pretty good at convincing that person that they're not losing their position. They're still the inventor but they need the support around them or they will never get to where they want to be.

There are a handful of situations I have come across where it has been very tough. The good news is that I have met enough people and can always go back to the old-school guys like Ken Langone or Hank Greenberg to ask them to talk to this person and explain what they see. It is better coming from those guys than coming from me.

#### **How engaged do you get with the companies you are interested in working with?**

*Carbonetti:* It depends on the situation. There were some where we thought we would be passive investors but because the management team wasn't right, we had to step in and take over for a bit to change it.

We do talk to a number of the other family offices. Everyone has their niche so we know who to call if or when we need help. Each has their area of expertise.

We try to remain passive but in the case of Organic Avenue, we're all in. Our goal is to draw from the talent that we know and at some point build a team that we can hand it off to. At some point, we will hand it off to the right team but we're currently in the process of building that team.

I watched what happened before when they took Organic Avenue and tried to Pret-ify it. Instead of hiring someone who has their own game plan, we want to come up with a game plan and bring someone in that fits it. This is what we are focused on now. ●