Appendix of the voice of the industry for To years





Fashion Group International–Los Angeles' Linda Arroz Otis with FBI founder Frances Harder, Executive Director Trish Concannon and board member Rob Greenspan

2015 NEWSMAKERS

The apparel industry's rocky road to economic recovery included plenty of bright spots and pitfalls in 2015.

On the bright side was robust retail development, which included a number of new mall projects that opened this year as well as several high-profile renovations. Retailers also got a little more technical this year, exploring new ways to crunch consumer data and provide better consumer experiences in-store and online. Challenges included the West Coast port slowdown as contract negotiations dragged on through the first half of the

year and the approved increase in Los Angeles' minimum wage, which is set to go into effect in stages over the next five years.

The year saw two apparel giants file for Chapter 11 bankruptcy protection and a longstanding retail chain reinvent itself as a private company. The industry watched all year as denim brands Joe's Jeans and Hudson struggled to find financial footing, and, after hushed negotiations, importers pored over the details of the newly approved

Trans-Pacific Partnership agreement. Coverage of 2015's newsmakers begins on page 8.



American Apparel Founder Dov Charney Ups Fight to Regain Company

By Deborah Belgum Senior Editor

Dov Charney was ousted as the head of **American Appar**el one year ago. Now, the founder of the company is making a concerted effort to mount a financial army that will help him acquire the company out of bankruptcy.

On Dec. 4, Charney announced he has engaged **Cardinal Advisors**, a Los Angeles–based financial adviser founded last year, to explore strategic alternatives involving American Apparel.

"I haven't given up," Charney said in a phone interview. "A lot of the workers are behind me and a lot of people in the industry."

Sources close to the plan said Charney is talking to a prominent private-equity firm as well as an individual investor who would help acquire the company. At one time, he owned 40 percent of the company's stock, but that equity was wiped out

American Apparel page 2

Retailers Fined for Bamboozling Customers by Mislabeling Rayon Products

By Deborah Belgum Senior Editor

Four large retailers have been fined \$1.3 million for mislabeling apparel and textile products as bamboo when in fact they were made from rayon.

The Federal Trade Commission said that **Nordstrom**, **JCPenney**, **Bed Bath & Beyond** and **Backcountry.com** had been warned since 2010 that any rayon products falsely mislabeled as bamboo was a violation of the FTC's textile rules. The government organization sent warning letters to 70 entities advising them to adhere to correct labeling laws or face a fine.

Following those warnings, the FTC in 2013 fined several retailers and manufacturers \$1.26 million for not changing their labeling practices. Those businesses were **Amazon.com**, **Macy's**, **Sears** and its **Kmart** and **Kmart**. **com** subsidiaries, and **Leon Max Inc.**, whose label is **Max Studio**.

➡ Bamboo page 2



Salute to Suppliers and Services Resources ... p. 13

Kitson Announces Closure of All Stores

Kitson, the boutique chain that pioneered high-end shopping on Los Angeles' Robertson Boulevard and pop-culture retailing, is going out of business, according to a statement sent by the retailer's public-relations representative.

The retailer is in the process of closing its 17 bricks-and-mortar locations as well at its e-commerce store (www.shopkitson. com).

Liquidation specialists Gordon Brothers Group and Hilco Merchant Resources have been selected to direct closing sales at all Kitson retail locations. At Kitson's ecommerce site, all items are on sale with discounts ranging from 30 percent to 50 percent off.

In a statement attributed to James Wong, Kitson's chief restructuring officer, the retailer is said to be in discussions with retailers to find a way to preserve the brand.

Requests for further comment to Kitson executives and founder Fraser Ross were unanswered by press time.

The closure of the entire chain represents an unexpected development in Kitson's story. This summer, Kitson received an investment, reportedly to avoid bankruptcy.

Making the investment was Spencer Spirit Holdings Inc., owner of a fleet of 650 novelgift mall shops Spencer Gifts and Spirit Halloween Superstores.

Spencer Spirit, through its affiliate BHK Investments LLC, agreed to participate as a lender to Kitson to provide greater liquidity for the company, according to Alecia Pulman, a public-relations representative who has worked on behalf of the company.

Debt has been a major issue at Kitson for the past few years. In 2013, Kitson received a \$15 million credit lien from Salus Capital Partners, headquartered in Boston. The financing was used to take care of debt and provide working capital for the company.

Kitson opened on Robertson Boulevard in 2000. The store made a splash as a place to purchase emerging high-end, casual brands. It also developed a reputation as a place where celebrities would get photographed by paparazzi. Brands that have been sold at Kitson include True Religion, Wildfox Couture and Brian Lichtenberg. In the past few years, the stores have increasingly focused on high-end pop-culture gifts.

—Andrew Asch

Store Inventory Levels Remain Stubbornly High

The total number of cargo containers coming into the nation's major ports will increase approximately 5.5 percent this year compared with last year, according to the National Retail Federation.

In the NRF's monthly "Global Port Tracker" report, imported cargo-container volumes dipped 0.1 percent in October compared with the previous year but were up 7.4 percent in November over last year as the push came to fill store shelves in time for Black Friday shopping.

With most merchandise already in the stores, December's cargo-container volumes arriving at the docks were expected to be almost level with last year.

The NRF said that inventory levels at stores started out strong for the season because retailers were still working off excess

inventory accumulated after port traffic returned to normal following a West Coast port-congestion problem at the end of 2014 and early this year.

But consumers are spending. The NRF predicts that holiday sales will be up 3.7 percent this year over 2014. "U.S. retail sales increased in October by the most in three months, and consumer sentiment rose as well. But the inventory-to-sales ratio remained stubbornly high at levels not seen since the Great Recession in 2009," said Ben Hackett, whose Hackett Associates prepares the monthly Global Port Tracker report for the NRF.

Because cargo-container traffic was down drastically at West Coast ports at the beginning of the year due to congestion problems, trade volumes in January and February next year are expected to be considerably higher



than in 2014.

January is forecast to see 1.46 million 20foot cargo containers come into the nation's ports, a 17.9 percent jump over the previous year. February will be equally active with 1.4

Bamboo Continued from page 1

Now, two years later, more fines have been issued after lawsuits were filed against the four retailers. According to the FTC complaint. Nordstrom sold mislabeled products online and at its stores, including a "Gypsy 05 Bamboo Racerback Hi-Lo Dress" and "Degree Six Clothing—The Bamboo Long-Sleeve Tee." Nordstrom has agreed to pay \$360,000 in civil penalties.

Bed Bath & Beyond allegedly mislabeled dozens of textiles as bamboo, including "Aden + Anais Bamboo 3-Pack Muslin Swaddles" and "Bamboo-Blend Napkins." The retailer has agreed to pay a \$500,000 fine.

JCPenney was accused of deceptively promoting products as bamboo, including 'Muk Luks 4-pack Men's Bamboo Socks, which were falsely advertised as having antimicrobial properties. JCPenney is paying a

American Apparel Continued from page 1

when the publicly traded company filed for Chapter 11 bankruptcy protection on Oct. 5. On Nov. 19, American Apparel won approval from the U.S. Bankruptcy Court to submit its reorganization plan to secured creditors for a vote. They have until June 7 to send in their ballots.

American Apparel could emerge from bankruptcy as early as Jan. 20. Under the reorganization plan, the company struck a deal with its secured lenders to reduce American Apparel's debt through a process called debt-for-equity conversion, which means the company's bondholders swap their debt for shares in the company and convert it from a publicly traded company to a private entity.

Those secured lenders will convert \$200 million in bonds into equity in the reorganized company. They will also provide \$90 million in debtor-in-possession financing as well as \$70 million in new liquidity.

American Apparel's debt will be reduced from \$300 million to no more than \$135 million, and annual interest expenses will be decreased by \$20 million. The plan has been supported by 95 percent of the secured creditors and is expected to be voted on in January.

Charney will have to submit a plan to the company soon and convince creditors that his deal is better than the one currently being offered. Charney believes the unsecured credi-



Dov Charney

million cargo containers entering the ports for a 16.9 percent rise over last year.

For 2015, imported cargo-container volumes are expected to inch up 5.5 percent over last year.-Deborah Belgum

\$290.000 fine.

Online retailer Backcountry.com marketed products as bamboo, such as the men's "Bridgedale Bamboo Crew Sock," sometimes with antimicrobial claims that were misleading. Backcountry.com is paying a \$150,000 fine.

Fines were determined by product sales and how long the violations went on.

The FTC says that the soft bamboo fabrics out there today for items such as shirts and sheets are really rayon. They are made using toxic chemicals that release pollutants into the air. Even when bamboo is the plant source used to create rayon, no traits of the original plant are left in the finished product. Textiles made from bamboo fiber don't feel smooth.

The FTC is sending letters to other retailers asking them to check their inventories to ensure proper labeling and advertising of rayon textile products.—D.B.

tors would be more than willing to listen to his proposal because, under the current reorganization plan, they will be receiving only one cent on the dollar for money owed them.

Charney left American Apparel in December 2014 after a trying time. In June, the board

of directors ousted him as the chairman and suspended him as the chief executive and president, pending an investigation into alleged misconduct. He was later fired.

Taking over Charney's job early this year was Paula Schneider, an industry veteran who has helmed companies such as Speedo USA and Laundry by Shelli Segal. The troubled Los Angeles clothing company was already losing money when Segal took over, and that trend continued.

American Apparel's third-quarter sales this year plummeted 19 percent to \$126 million, compared with nearly \$156 million in the same period last year.

Sales were down because of major discounting of goods to get rid of slow-moving merchandise, store closings and foreign currency-exchange adjustments.

For the third quarter, American Apparel realized an \$18.76 million loss compared with a \$19.2 million loss the previous year.

Charney hopes to turn the company around with his proposal. "I may or may not be successful," he said, "but I will try my best." •



WWW.PROGRESSIVELABEL.COM

{323} 415.9770 2545 YATES AVE • COMMERCE, CA 90040

ECO NOTES

California Apparel News proudly announces its 70th Anniversary **Fashion Retrospective**



4 CALIFORNIA APPAREL NEWS DECEMBER 11-17, 2015 APPARELNEWS.NET

Linden: Keep It Small, Don't Waste

For the next couple weeks, until Christmas, Jennifer Lynn Krischer is working overtime at the Los Angeles Ballet's production of "The Nutcracker."

She's working as a costume assistant, fussing over the ornate styles for the holiday favorite. Then she will shift gears to her other full-time job, founder and designer for Linden, a made-in-Los Angeles line of sustainable clothing for women. The line is intended for women who think about fashion first, not if a fabric is eco or not. The designer, who goes professionally by the name Jennifer Lynn, did not want to compete against other sustainable brands. She wanted to make an alternative to them.

"I didn't want to fall into pitfalls of making what was already out there," she said of eco lines.

Lynn wanted to make a line that was affordable, contemporary and just happened to be made with materials considered to be ecologically sustainable such as recycled wools, fibers made from plastic bottles and nontraditional leather made from fish skin.

The Fall 2015 Linden collection was on

the runway at Los Angeles Fashion Week in March. Looks included a wool jersey circle skirt paired with a sheer, slouchy sweater. Other looks were moto leggings, which featured a sleek leather look. Other leggings featured sheer panels. Summer 2015 and upcoming collections will feature maxi dresses.

Retail price points for the pieces range from \$30 for a tank top to \$148 for a maxi shirt dress. Lynn said that she can afford to keep her prices low because she only sells her clothes on her website (www.lindenca.com). However, devoting her label's business solely to her own site will keep the collection small.

Keeping the line small is what got her interested in sustainable fashion and eco fabrics. When she used mainstream fabrics when she started the brand, she had to order in bulk and ended up wasting a lot of material. The eco-fabrics dealers she works with allow her to order in small portions that she considers manageable.

"I'll continue to put out small collections. They are dressed-up basics. They won't go out of style," she said.—Andrew Asch



Calendar

Dec. 12 "Line Sheets in Photoshop CS6," presented by Fashion **Business Inc** California Market Center, A792 Los Angeles

Dec. 15 Speed Consulting at Fashion Business Inc. California Market Center, A792 Los Angeles

Dec. 16 CFF's 68th Annual Christmas Party for Children Cooper Design Space Los Angeles

Jan. 5 SoCal Materials Show LAX Marriott Los Angeles Through Jan. 6

<u>Jan. 7</u> Agenda Long Beach Convention Center Long Beach, Calif.

Through Jan. 8

Jan. 8 Swim Collective Hyatt Regency Huntington Beach, Calif. Through Jan. 9 Jan. 8



For calendar details and contact information, visit ApparelNews. net/calendar

Submissions to the calendar should be faxed to the Calendar Editor at (213) 623-5707. Please include the event's name, date, time, location, admission price and contact information. The deadline for calendar submissions is the Tuesday prior to Friday publication. Inclusion in the calendar is subject to available space and the judgment of the editorial staff.

POSTMASTER: Send address changes to: CALIFORNIA APPAREL NEWS, Customer Service, PO Box 4419, Orlando, FL 32802: CALIFORNIA APPAREL NEWS[®]: (ISFORNIA APPAREL NEWS, Customer Service, PO Box 4419, Orlando, FL 32802: CALIFORNIA APPAREL NEWS[®]: (ISFORNIA APPAREL NEWS) GROUP Publishers of: California Apparel News[®], Market Week Magazine[®], New Resources[®], Waterwear[®], New York Apparel News[®], Dallas Apparel News[®], Apparel News South[®], Chicago Apparel News[®], The Apparel News (National), Bridal Apparel News[®], Southwest Images[®], Stylist[®] and MAN (Men's Apparel News[®]), Prop-erties of TLM PUBLISHING INC., California Market Center, 110 E. Ninth St., Suite A777, Los Angeles, CA 90079, (213) 627-3737. © Copyright 2015 TLM Publishing Inc. All rights reserved. Published weekly except semi-weekly first week of January, second week of July and first week of September. Periodicals Postage Paid at Los Angeles, CA, and additional entry offices. The publishers of the paper do not assume responsibility for statements made by their advertisers in business competition. Opinions expressed in signed editorial columns or articles do not necessarily reflect the opinions of the publishers. Subscription rates: U.S.: 1 year, \$89; 2 years, \$140. Foreign: \$180 U.S. funds (1-year subscription only). Single-copy price \$2.99. Send subscription requests to: California Apparel News, Customer Service, PO Box 4419, Orlando, FL 32802 or visit www.apparelnews.net. For customer service, call (866) 207-1448.



What Every Apparel Company Should Know if It Is Paying Its Employees Commissions or Piece-Rate Pay

By Ruth L. Seroussi, Esq. Contributing Writer

Apparel companies, beware, as there are a number of common errors employers make when paying employees commissions or piece rates. Unfortunately, recent decisions in California have complicated this area, and misapplication of the law can be costly. Being apprised of the common pitfalls can help minimize risk to your business.

Are You Paying Your Employee a Commission or Piece Rate?

The California Labor Code defines a commission as "compensation paid to any person for services rendered in the sale of the employer's property or services and based proportionally on the amount or value thereof." The employee must be employed principally in selling a product or service, and the commission must be "sufficiently related" to the price or the amount of items sold. This standard does not require the commission payment be a strict percentage of the employee's sales. It can be based upon net profits or some other formula that takes into account the employee's sales efforts.

The Labor Code specifically exempts from the definition of a commission temporary, variable incentive payments that increase but do not decrease payment, short-term productivity bonuses such as those paid to retail clerks, and, generally, bonus and profit-sharing plans unless the bonus is based on a fixed percentage of sales or profits.

Piece rate, or piecework, is defined as work paid for according to a set rate per unit. A piece rate must be based on an ascertainable figure paid for completing a particular task or making a particular piece of goods.

If you are paying employees a commission or piece rate, applicable law imposes certain obligations, some of which are discussed here. Employers should consult with legal counsel if they have any questions about whether or not a payment is a commission or piece rate.

The Commissioned Sales or Inside Sales Exemption

Some employers believe that if they pay their employees a

commission an employee is automatically exempt from federal and state overtime requirements. This is not the case. In fact, the inside sales exemption—or commissioned sales exemption, as it is often called—is actually a narrow exemption under both federal and state law, exempting only certain commissioned employees from overtime requirements.

To qualify for this exemption, an employer must meet the requirements for the exemption under both the federal Fair Labor Standards Act and California law. Under both laws, an employee's earnings must be more than one and a half times the minimum wage and more than half of the earnings must be in commissions. The federal and California inside sales exemptions differ substantially in their requirements from there.

Under the Fair Labor Standards Act, the inside sales exemption applies only to employees of "retail or service establishments" that sell goods or services to the general public (75 percent of whose annual dollar volume of the sale of such goods and/or services is not for resale) and that are recognized as retail sales or service establishments in that

<section-header><text>

You always win at our tables.

IFJAG[™] LAS VEGAS

- Fashion jewelry & accessories from around the world
- The finest brands & private label products
- A unique venue of private showrooms
- Wholesale & volume buyers only

INTERNATIONAL FASHION JEWELRY & ACCESSORIES GROUP © 2015, IFJAG. All rights reserved.

February 15-19, 2016 Bally's Las Vegas Hotel & Casino

For show details & registration, visit **ifjag.com/register**

particular industry. There are detailed federal regulations analyzing which types of establishments do and do not qualify as retail or service establishments. It is construed relatively narrowly and does not apply to every employer covered under the California inside sales exemption.

In California, the inside sales exemption only applies to workers who are employed in the mercantile industry (i.e., wholesale, retail and rental businesses) covered by Wage Order 7 or in professional, technical, clerical, mechanical and similar occupations covered by Wage Order 4 (which applies when an "industry" wage order does not cover the employer). Thus, apparel manufacturers who pay sales employees a commission likely could not avail themselves of this exemption because Wage Order 1, which governs the manufacturing industry, does not contain the inside sales exemption.

Additionally, because California's minimum wage is higher than the federal minimum wage, an employee's compensation must be higher to meet the minimum earnings requirement for California's inside sales exemption. For instance, under the Fair Labor Standards Act, the minimum wage for covered, nonexempt employees generally is \$7.25 per hour, with limited exceptions. To satisfy the minimum earnings requirement of the inside sales exemption under the Fair Labor Standards Act, employees must earn more than \$10.875 per hour. In contrast, California's minimum wage is currently \$9.00 per hour. It is set to increase to \$10.00 per hour on Jan. 1, 2016. If an employer wants to argue that its commissioned employees are exempt from overtime in California under the inside sales exemption currently, they must earn more than \$13.50 per hour. Come Jan. 1, 2016, commissioned employees must earn more than \$15.00 per hour to satisfy the minimum-earnings requirement of California's exemption. And, more than half of these earnings must be in commissions.

In further contrast to federal law, the California Supreme Court recently made clear that to satisfy the minimum earnings requirement for California's inside sales exemption, a company may not average wages paid to an employee in one period with wages paid to the employee in another pay period. Instead, the earnings must exceed one and a half times the minimum wage for each hour worked during the pay period and must be made in each pay period. In short, the minimum earnings requirement must be satisfied in each workweek, with payments paid in each pay period. Employers need to ensure also that more than half of the employees' earnings are in commissions earned in each workweek.

Employers should be aware that the inside sales exemption exempts employees from applicable overtime requirements only. It does *not* exempt them from recordkeeping requirements or from receiving meal periods and rest periods under California law or from tracking shift and meal period start and end times, for instance.

Because the inside sales exemption is complicated, because employers must meet the requirements under both federal and state law, and because federal and state law differ substantially, employers should not rely on these exemptions without first consulting with legal counsel. Many employers erroneously assume that the inside sales exemption is much broader than it is and that it is available when it is not. Commissioned employees who are not exempt inside sales employees must be paid overtime in accordance with applicable law. California employers should also be aware that the expiration date in a commission agreement is invalid under the new law, unless the agreement is immediately replaced by a new agreement or the employee is terminated. If not, then the terms of the expired agreement will remain in full force until the agreement is superseded or the employment is terminated.

• Pure Piece-Rate or Pure Commission Payment Plans Are No Longer Viable in California

Finally, recent California decisions have taken issue with compensation structures whereby employees are paid purely on a piece-rate or commission basis. These decisions clarify that employers may not average piece-rate pay or commission pay over the course of a pay period to meet minimumwage requirements. Rather, minimum-wage requirements affix for each hour worked. In other words, employers must pay employees for nonproductive time, including paid rest breaks, and for time where they are prevented from earning sales-related or production-based pay, such as in staff meetings, for instance. Otherwise, employers risk owing employees for unpaid wages and any attendant damages, penalties and interest. Apparently in agreement with the courts, the California Legislature passed Assembly Bill 1513 (AB 1513), which takes effect Jan. 1, 2016. AB 1513 creates California Labor Code section 226.2, which provides for the payment of an hourly wage for "nonproductive" time worked by piece-rate employees separate from piece-rate compensation and a separate payment for rest and recovery periods, among other things. It also requires employers to include additional items on pay statements for piece-rate employees. Employers who have employees in California paid on a piece-rate or productivity basis should carefully review AB 1513 and discuss this new law with their legal counsel to confirm that they are in compliance with its requirements prior to the year-end, and, if applicable and advisable, avail themselves of AB 1513's safe-harbor provision.

In short, employers should exercise caution when paying employees commissions and piece rates and consult legal counsel to help them navigate complex wage and hour requirements.

Ruth L. Seroussi is of counsel in Buchalter Nemer's Labor and Employment and Litigation Practice Groups in the Los Angeles office. She can be reached at (213) 891-5149 or rseroussi@buchalter.com.

• California Commission Plans Must Be in Writing

Another common mistake that many companies make is that they do not realize that commission plans in California must be in writing, stating the method by which commissions will be computed and earned in clear and unambiguous terms. Employers must provide employees with a signed copy of the commission agreement and obtain a signed receipt of the agreement from the employee acknowledging both receipt of, and agreement with, the commission program before implementing it.





💥 Wishing You Happy Holidays! 🏒

Otis Fashion Design School to Leave Downtown LA



But school administrators gave notice this year that on July 1 they will be packing up and moving out of their 38,000-square-foot space on the **California Market Center**'s second floor. The fashion design students will join the other Otis students at the college's main campus, near **Los Angeles International Airport**.

The fashion design department has been anchored at the CMC for some 20 years, a spot that enabled students to soak up the creative ambience provided by local designers and clothing companies that have their headquarters in the LA Fashion District. And there are plenty of fabric and trim suppliers in the area to provide material for student fashion projects.

Otis executives wanted to move to a smaller space within the CMC building to reduce the college's rent, but negotiations with the CMC's owner failed to come up with a solution. So the decision was made to move the fashion department to the main campus.

In its new location, the fashion department will be occupying a brand-new, four-story building being built. The building has two wings—one for a dormitory and another for classes and student services.

This will be the third location for the fashion design department. When Rosemary Brantley, a graduate of **Parsons School of Design** in New York, launched the department in 1980, Otis was located near MacArthur Park, a few miles away from downtown Los Angeles, in an older neighborhood, where the school originally was founded in 1918 by *Los Angeles Times* publisher Harrison Otis. It was called the **Otis Art Institute**.

By 1997, the growing art school moved to Westchester and into an old **IBM** research facility. However, Brantley and the fashion department's associate chair, Jack Handford, convinced the school's administrators to transfer the fashion department to the California Market Center, then called the **California Mart**.—*Deborah Belgum*

American Apparel Hits Financial Headwinds

The largest clothing factory in the United States had a mountain of debt that pushed it into bankruptcy court in October, filing for Chapter 11 protection.

With a prepackaged bankruptcy plan in place, the Los Angeles company, started by Dov Charney in 1997, is expected to emerge from bankruptcy in early 2016. The publicly traded company will no longer be traded on the New York Stock Exchange but will become a private venture.

Early this year, Paula Schneider took over as chief executive after Charney was ousted from the company in late 2014 for alleged misconduct. **American Apparel**, which has a huge clothing factory near downtown Los Angeles and more than 250 retail stores worldwide, has accumulated a mountain of debt over the past several years.

A nearly \$14 million interest payment was looming large

on Oct. 15, which is what nudged the company into bank-ruptcy court.

Under the reorganization plan, approved by the board of directors, the company struck a deal with its secured lenders to reduce American Apparel's debt through a debt-for-equity conversion, which means the company's bondholders swap their debt for shares in the company.

Those secured lenders will convert \$200 million in bonds into equity in the reorganized company. They will also provide \$90 million in debtor-in-possession financing as well as \$70 million in new liquidity.

American Apparel's debt will be reduced from \$300 million to no more than \$135 million, and annual interest expenses will be decreased by \$20 million.

The secured creditors are to vote on the plan in early January.-D.B.



American Apparel workers protesting in May

Payments Industry Fights Off Credit-Card Fraud

The era of the computer-chip card was formally started on Oct. 1. On that day, banks and credit-card companies notified retailers that they would only be responsible for fraud losses on EMV computer-chip cards, which cannot be hacked by fraudsters, according to supporters of the technology. Magnetic-stripe cards, the type of cards most in use in the U.S., are much easier to hack. Credit-card fraud was said to reach \$16.31 billion in global losses in 2015, according to The Nilson Report, a payments-industry trade newsletter.

The card change was called the EMV Migration by the payments industry. The change seems to be taking place slowly. During 2015, some credit-card holders might have received new cards equipped with chips. Cashiers at some supermarkets, department stores and shops also might have asked their customers to use chip cards at new terminals equipped to handle the chip cards.

The Payments Security Task Force, an industry group, forecast that 98 percent of credit and debit cards will contain EMV chips by the end of 2017.



However, the change was not the smoothest transition. On Oct. 8, the Federal Bureau of Investigation released a statement that said that the EMV cards offer enhanced security but are still vulnerable to fraudsters. "No one technology eliminates fraud, and cybercriminals will continue to look for opportunities to steal payment information," read the FBI public-service announcement.

Trade groups and local governments continue to wrestle with each other over how to make cards as fraud-proof as they can be. In November, nine state attorneys general sent a letter to the chiefs of some of the largest bank and card networks in the U.S. urging them to adopt a chip and PIN technology. With this card, consumers would be required to supply a personal identification number on their EMV chip card.

Other fraud protection policies are in the works. In September, **Visa Inc.** launched a pilot program in South Africa that would use biometrics—or authentication by human characteristics, such as voice or eye—to identify a card holder's proper identity.—*Andrew Asch*

The Return of Mall Construction

Construction cranes were a common site over the Southern California landscape in 2015, and a slate of luxe malls made a debut during the year.

The **Village at Westfield Topanga** took a bow in September. The \$350 million project in Los Angeles' Canoga Park area is the address to independent boutiques such as **JET John Eshaya**. The open-air center also unveiled unique features such as a bocce ball court.

In late summer, **The Point** opened for business in Los Angeles' South Bay. Its directory includes an emporium for **Lucky Brand** as well as **Lou & Grey**, a new concept from **Ann Taylor Loft**, and Southern California fast-fashion store **No Rest for Bridget**.

In the fall, **Pacific City** made its debut. A \$135 million project across the street from the ocean in Huntington Beach, Calif., Pacific City's tenants include **H&M** and the boutique **Tankfarm & Co.**

The **Outlets at San Clemente** also opened during the fall st

in the beach city of San Clemente, Calif. The 325,000-squarefoot center is the address for outlet stores for **Calvin Klein**, **Nike**, **Puma** and **Under Armour**. The property was developed for \$100 million.

The newly redeveloped **Del Amo Fashion Center** took a bow in Torrance, Calif., during the fall. The major remodel, which reportedly cost \$200 million, renewed the center's claim as being the biggest mall on the West Coast. The 2.7 million square feet of retail and restaurants in Del Amo includes a new **Nordstrom** as well as emporiums **Uniqlo**, **Zara** and H&M.

2015 was a bumper-crop year for mall construction because of pent-up demand for new retail centers, said Vincent Spataro, director of the Southern California region for **Shawmut Design & Construction**. Shawmut projects include a renovation of the **Tiffany & Co.** store on Rodeo Drive as well as construction of the upcoming Under Armour store at the **Americana at Brand** center in Glendale, Calif. "N o thing happened between 2009 and 2012," he said of the mall-construction scene. But plans for new retail centers were made after the economy started re-



The Outlets at San Clemente

bounding after the Great Recession. Construction for these projects happened to wrap up this year.

Expect more major remodels of Southern California malls in 2016. Multimillion-dollar remodels are scheduled for **Westfield Century City** in Los Angeles' Westside and **The Bloc** in downtown Los Angeles.—*A.A.*

CFA Turns 20

The California Fashion Association celebrated its 20th anniversary this year as it continues to serve as a hub of industry information and insight.

In July, CFA Executive Director Ilse Metchek and several CFA members met with members of Los Angeles Mayor Eric Garcetti's team to discuss the impact of the minimum-wage increase on apparel businesses.

Under Metchek's leadership, the CFA kept its members abreast of the issues of the day through the organization's Protect Yourself newsletters, which covered issues such as copyright and patent infringement, brand liability on social media, labor and employment concerns, and California's "Made in USA" legislation. Members received alerts about the slowdown at the West Coast ports, changes in the state's "Made in USA" requirements and

the minimumwage increase. Throughout the year, the CFA organized a number of seminars on topics ranging from copyright

issues and import regulations to brand development and changes in the plus-size market.

Ilse Metchek

In February, Metchek discussed human-resources

issues at a meeting of Fashion Industry Human Resource Association (FIHRA), and in July she spoke at Loyola Law School's second annual Fashion Law Summer Intensive Program. Throughout the year, there were meetings with delegations and trade representatives from Hong Kong, Italy, Peru, Chile, Nepal and Belgium as well as a presentation with representatives from the online sourcing platform Alibaba.

In October, the CFA and CIT cohosted "Take Your Brand to the Next Level," a panel discussion covering brand building, licensing and investment opportunities for apparelindustry executives. In December, Metchek was invited to speak as a regional leader in the fashion industry at the 2015 Milken Institute California Summit, in which state and regional leaders discussed opportunities and infrastructure needs to bolster trade, manufacturing and innovation in the region.

Metchek was also on hand at Moombassa's Digital Concept Store Grand Opening in Shanghai and received the Legacy Award at the National Association of Women **Business Owners' Leadership & Legacy** Awards.

The CFA's purview includes the Southern California textile industry. This year, the CFA's Textile Association of Los Angeles (TALA) unit fielded textile sourcing inquires and provided more than 760 referrals to TALA members.

The CFA also has a philanthropic arm, the California Fashion Foundation, which continued its support of fashion's next generation through its annual Scholarship Awards and supported the K.I.D.S. (Kids In Distressed Situations)/Fashion Delivers 30th anniversary gala. The CFF is currently planning to host the 68h annual Christmas Event for Children on Dec. 16.—A.A.N.

New Players at LA Fashion Week

The Los Angeles Fashion Week scene is typically an ever-shifting landscape, and this year proved no different with new players, new partnerships and a few no-shows.

The newest player in the field was LA Fashion Week, which debuted in October at Union Station in downtown Los Angeles. The event's lineup included 33 designers hailing from across town and around the world, showing over the course of five days.

Another newcomer was Fashion Week Los Angeles, also held in October at Union Station. The one-day event featured panel discussions and runway shows featuring the latest collections from California and national designers.

Returning events included Style Fashion Week, which was held again at The Reef in downtown Los Angeles. But rather than set up a tented venue outside, this season's runway shows were held inside, with two runway spaces alongside the streetwear trade show Venue. Style Fashion Week featured nearly 50 runway shows as well as an art exhibition.

Also returning was Art Hearts Fashion Week, held at The Ta-



Ashton Michael at LA Fashion Week

glyan Complex in Hollywood, where organizers held more than 30 runway shows and events over four days.

Missing from October's events were two longtime organizers, LA Fashion Council and Concept Fashion Week. After seven seasons, LA Fashion Council organizer Kelsi Smith announced in July that she was bowing out of the Los Angeles Fashion Week lineup but will continue to serve emerging designers with marketing, public relations and production functions.-Alison A. Nieder

Swim Collective Launches Active Collective, **Garners Competition From Cabana**

This was a big year for Swim Collective, the 4-year-old Southern California trade show. In January, the trade show launched a companion event, Active Collective, which featured activewear and athleisure lines showing alongside Swim Collective's swimwear brands. In June, Active Collective was held as a standalone show with 140 booths showcasing fitness and athleisure brands such as Beyond Yoga, BG by Body Glove, Under Armour and Trina Turk Recreation.

There were more than 250 brands exhibiting at the August run of Swim Collective, where

Executive Show Director Shannon Leggett added a premium beachwear section called Beach Collective to the show's offerings. In 2016, Swim Collective and Active Collective will continue as



Beyond Yoga at Active Collective in June

rate Orange County beach cities. Buyers visiting both shows had a 10-mile drive to get from Swim Collective, held in Huntington Beach, Calif., to Cabana, held in Newport Beach, Calif.-A.A.N.

New Los Angeles Minimum-Wage Laws **Prove Challenging to Apparel Industry**

A patchwork of new minimum-wage laws were passed in Los Angeles this year, setting up cities to compete with each other for businesses that want to skirt paying the higher salaries.

The Los Angeles City Council started the movement in July when it passed an ordinance that would raise the minimum wage in the city to \$15 an hour by 2020.

A month later, the Los Angeles County Board of Supervisors followed the City Council's path and also passed a law that mandates that workers be paid at least \$15 an hour by 2020 in unincorporated areas of the county. The Santa Monica City Council has been considering a similar ordinance since last fall but has not reached a final vote on the issue.

Major Los Angeles-adjacent industrial cities, such as Commerce and Vernon, where many garment contractors and manufacturers are located, have not followed the same minimumwage path, leaving many to wonder

how many businesses will start moving there to evade paying higher salaries.



To avoid a hodgepodge of different wage regulations that vary from city to city, many believe the

state should pass one law that covers all cities and counties in California.

stand-alone shows, but Leggett plans

to expand all three concepts-Swim

Collective, Beach Collective and

Active Collective-into a weeklong swim and activewear event of back-

But as Leggett was building his

swim and activewear projects, along

came a new player in the Southern

California swim scene. After two

years in Miami held alongside long-

standing swim events Miami Swim-

Show and Hammock (previously

called Salon Allure), upscale swim

show Cabana expanded to include

a California show, which debuted

in August. Cabana West's dates ran

concurrently with Swim Collective,

but the two shows were held in sepa-

to-back trade shows.

In June, the state Senate agreed to a plan that would boost the state's minimum wage from the current \$9 an hour to \$13 an hour by 2017. It already goes up to \$10 an hour on Jan. 1. But the state Assembly won't be taking up the issue until next year. It has adjourned until Jan. 4.

Clothing factories in Los Angeles would be greatly affected by the rise in minimum wage because many of their workers have their base salary tied to that wage. Some factory owners have said they would have to raise their sewing rates or move to a new location to stay in business.

-Deborah Belgum ► Newsmakers page 10

Newsmakers Continued from page 9

Joe's Jeans Undergoes a Metamorphosis

It was a topsy-turvy year for Joe's Jeans, the Los Angeles premium-jeans maker launched in 2001 by designer Joe Dahan.

Earlier this year, one of its major creditors threatened to foreclose on the company, which was having trouble repaying some \$90 million in loans used two years ago to buy competitor Hudson Clothing, another Los Angeles premium-jeans manufacturer.

Last September, Joe's Jeans, a publicly traded company, wrapped up negotiations

with Tengram Capital Partners in a deal that needs to be approved by Joe's Jeans' shareholders at their annual meeting in January.

Under the negoti-

ated plan, the Joe's Jeans brand was sold to Sequential Brands Group and Global Brands Group Holding for \$80 million. Proceeds from the transaction were used to retire the debt built up by Joe's Jeans to buy Hudson.

Sequential Brands—whose other labels include William Rast, Ellen Tracy, Caribbean Joe and Jessica Simpson-signed a long-term licensing agreement for all the brand's core categories with Global Brands. Dahan will be the creative director for the label.

Hudson, the Los Angeles blue-jeans company currently headed by founder Peter Kim, will be merged into a new company with the **Robert Graham** brand, which also has a significant investment from Tengram Capital.

Now that the Joe's brand has been sold to Sequential, Joe's Jeans will be renamed Differential Brands Group and remain listed on the Nasdaq. Differential Brands will encompass the Hudson and Robert Graham labels

Following the merger of Hudson and Robert Graham, Robert Graham stockholders will own approximately 47.3 percent of Differential Brands Group's stock; the preferred stock owned by Tengram will be converted



into approximately 23.9 percent of the new entity's common stock; the convertible note holders, such as Peter Kim and an affiliate of Fireman Capital Partners, will own 14 percent of the stock; and the existing stockholders (including the outstanding equity awards under the company's incentive plan) will own approximately 14.2 percent of the common stock on a fully diluted basis.

In addition, an affiliate of Tengram Capital will purchase \$50 million of new series A convertible preferred stock of Differential Brands Group to facilitate acquisitions of complementary premium brands.

When the merger is complete, Michael Buckley, currently the chief executive of Robert Graham, will become the chief executive of Differential Brands Group. —Deborah Belgum

Retail Tech In-Store and Online

Omni-channel was the tech buzzword of 2012. In 2015, the retail tech world was focused on "Big Data," or through feeding extremely large sets of data into computer algorithms, then finding trends and patterns, which might forecast what kind of denim consumers will purchase.

Marshal Cohen, chief industry analyst for The NPD Group Inc., said even with massive amounts of information compiled on consumers, retailers are just beginning

to figure out how to use Big Data. "We haven't scratched the surface of it," he said." Retailers are just becoming aware of it."

Big Data has the ability to make retailers more proactive in forecasting what consumers want, when they want it and what they want to pay for it.

"Big Data allows retailers to be omnipresent," he said. "It allows them to handle interactions with consumers before, during and after transactions." By recognizing patterns in waves of information-anything from social media, credit-card history and micro weather patterns-retailers will be able to forecast what to sell and to which shopper.

Consider San Francisco's Stitch Fix, a Big Data retailer. Stitch Fix feeds customer surveys into its algorithms. Whether a customer has a preference for blue dresses or racer-back tops, her fashion choices can be found in the reams of data placed in the algorithm, according to Big Data advocates. Stitch Fix's human stylists finesse the choices that the machine stylists make.

Stitch Fix is not the only company usir this model. Men's clothing company Trunk Club has been using Big Data too. Media reports say that Nordstrom Inc. paid \$350 million to acquire Trunk Club in 2014.

Retail technology also has affected the way some physical stores are built. The Rebecca Minkoff store in Los Angeles opened in August. The store's interactive video wall greets shoppers. The video wall streams the Minkoff company's campaign



Rebecca Minkoff's smart fitting room's iPad display

video. It also takes orders for drinks and can tip off the store's stylists to prepare a fitting room.

Technology also personalizes the experience of the Minkoff store's fitting rooms. There's mood lighting that a shopper can adjust with the fitting room's computers. Interactive mirrors in the fitting rooms also can make recommendations based on a shopper's preferences.—Andrew Asch



Mammoth Free-Trade Agreement Talks Concluded

After seven years of negotiations, trade representatives from 12 countries hammered out a final agreement this year on the **Trans-Pacific Partnership**, which could change free-trade as we know it between the United States and Asia.

The Trans-Pacific Partnership—the largest trade agreement ever negotiated—could lower tariffs on more than 18,000 items ranging from clothing to cars. It would also install uniform intellectual-property stipulations and enforce uniform labor and environmental laws in the participating countries.

The countries in the trade pact are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam and the United States. It affects 40 percent of the world's economy.

For the apparel and textile industry, the free-trade accord, known as the TPP, has certain limitations, which are similar to those written in other agreements between the United States and dozens of other countries.

It has a yarn-forward provision, which means that everything from the yarn going forward must be produced in the trade-pact countries to receive duty-free status. So Chinese fabric, or fabric from outside the free-trade region, would not be allowed to be used for duty-free qualification unless it is on a shortsupply list. Already, U.S. apparel manufacturers are anticipating being able to use Vietnamesemade textiles as that country ramps up its textile production with heavy investment from Chinese and Korean businesses. And many U.S. clothing manufacturers would like to export to the growing Vietnamese and Japanese market.

TPP eliminates import taxes on every Made-in-America manufactured product that the United States exports to TPP countries. Every year, an estimated \$48 million in duties are levied on U.S. exports of apparel and textiles in TPP member countries.

The accord must be signed and approved



by President Obama and Congress. All the other 11 member countries also must get approval from their legislative bodies for the free-trade agreement to go into effect. —Deborah Belgum

0

Wet Seal Goes Private

2015 was the year of new beginnings for **Wet Seal**. After more than 20 years of acting as a public company, the Foothill Ranch, Calif.–headquartered juniors retailer went private.

The publicly traded company **The Wet Seal Inc.** suffered through a bruising proxy battle and bankruptcy before an affiliate of **Versa Capital Management LLC**, headquartered in Philadelphia, acquired the retail chain. In April, the private-equity company took the retailer private under a new name, **The Wet Seal LLC**.

The company stepped out of the public spotlight, but more changes were to come. In August, Ed Thomas, Wet Seal's chief executive officer, left the company and later landed the CEO spot at action-sports retailer **Tilly's Inc.**

It was also announced that Melanie B. Cox, a Wet Seal board member and veteran retailer, would helm the private retailer, which continues to run a fleet of 170 locations, including at high-level malls such as Southern California's **Del Amo Fashion Center** and the **Irvine Spectrum**. Cox said that shoppers would see a Wet Seal that is familiar yet new.

"Since I came in as CEO in August, we have been rapidly changing direction and returning to our roots as a Southern California apparel retailer known for casual, effortless style offerings targeting the 18 to 24 demographic," Cox said. "Our 170-store chain is changing nearly 35 percent of its SKUs this holiday season, with a store-design revamp that is enhancing the customer experience from visual presentations to music. Evidence of this new program's success is visible in Black Friday sales, which were up double digits, both online and in-store."

The market for juniors fashions remains highly competitive and has been dominated by fast-fashion emporiums such as **Forever 21** and **H&M**. The question remains—can Wet Seal mount a comeback? Retail analyst Howard Davidowitz said that it is possible.

"If something is well executed and it can capture people's imagination, there will be a niche for it," he said. Davidowitz is the founder of New York investment bank and consultancy



Davidowitz & Associates.

But comebacks are tough. "The record is that once a chain hits a certain point, it is unusual to be able to reinvent it." He said the best time to mount a comeback or reinvent a company is while it still has a customer. After a collapse of a company and a bankruptcy, a retailer's customers may have moved on.

"When you still have a customer base, that is when you have your best shot," he said.—*Andrew Asch*

Newsmakers page 12



S & J USA, Inc.



The First Name In Zipper



S& JUSA, INC.

ALL TYPES ZIPPERS JEAN RIVETS TACK BUTTONS SNAP BUTTONS PLUS MORE TRIMS AVAILABLE NAILHEADS ALL TYPES ZIPPERS



Authorized Distributor

Authorized Distributor

843 E. 31st St. Los Angeles, CA 90011

Tel: (323) 231-0811 Fax: (323) 231-3820 Email: snjusa@snjusa.com

Operating Hours 8:00 am – 5:00 pm (PST) Monday – Friday

2015 NEWSMAKERS

Newsmakers Continued from page 11

Fashion Business Inc.

Now in its 16th year, **Fashion Business Inc.** continued its mission to provide fashion-industry education and professional insight to startup and growing apparel companies.

This year, the nonprofit organization expanded its reach when it hosted a pair of B2B seminars in Chicago during the **Chicago Textile Expo**. In addition to Chicago, FBI presented seminars in Los Angeles, San Francisco, Las Vegas and Miami, where it hosted a "Launch Your Apparel Business" bootcamp in September.

FBI received some financial assistance for its efforts retraining displaced apparel workers when **Fashion Group Interna**-



tional–Los Angeles presented FBI with a check for \$19,000 from the Fashion Group Foundation to help fund its retraining and fashion education efforts.

Fashion Group International–Los Angeles' Linda Arroz with FBI founder Frances Harder, Executive Director Trish Concannon and board member Rob Greenspan FGI made the presentation at FBI's fifth annual **All Aboard Runway Show** at **Union Station** in downtown Los Angeles in October. Co-hosted

by ABC7 Eyewitness News Anchor David Ono and reality-show actress Erica Ash, the event included a runway show highlighting the work of eight designers and brands, including Diane Focil, designer of AS by DF and ASTARS, who received the Moss Adams Fashion Innovator Award (MAFI) and presented looks from the Spring '16 collection for AS by DF. FBI founder Frances Harder and Executive Director Trish Concannon presented Ayumi Shibata, designer of / éis /, with the "Emerging Designer of the Year" award and presented looks from her collection.

This year, FBI teamed up with **CIT** to host "Pitch to Launch," an event that gives apparel companies an opportunity to pitch their businesses to potential investors. FBI members also had a chance to meet with industry experts at one of FBI's "Speed Consulting" workshops, where they had a chance to seek advice about specific business and legal issues.—*Alison A. Nieder*



12 CALIFORNIA APPAREL NEWS DECEMBER 11-17, 2015 APPARELNEWS.NET

Quiksilver Reorganizes

One of the innovators and major companies of the surf business, **Quiksilver Inc.**, wiped out this year.

In September, the Huntington Beach, Calif.–headquartered company filed for Chapter 11 bankruptcy protection to deal with more than \$800 million in debt. As 2016 approaches, many are trying to forecast what the surf company will do next.

When Quiksilver filed for bankruptcy, private-equity firm **Oaktree Capital Management** threw the surf giant a lifeline. Oaktree provided \$175 million in debtor-in-possession financing. (Oaktree paddled to the top of surf news in 2013, when Oaktree came to the rescue of **Billabong International Ltd.**, another dominant surf company. It threw a lifeline to the company and now owns 37.4 percent of Billabong's stock, along with **Centerbridge Partners**, another private investment firm.)

There has been talk about whether the surf competitors would merge operations, according to media reports. As Quiksilver cuts staff and stores, analysts and Quiksilver watchers will discuss what it can do next and how it got in its current position. The big problems started more than a decade ago, when Quiksilver acquired French ski company **Rossignol**. Originally, the deal was considered a coup because Quiksilver would own properties for surfing as well as skiing. But the winter-sports deal never took off. Quiksilver had to sell the ski brand for \$50 million in 2008 after buying it for \$325 million in 2005.

During a turbulent two years, Quiksilver has been helmed by three chief executive officers, Bob McKnight, Andy Mooney and Pierre Agnes. Agnes was named as chief executive officer in March.

But the company continues to produce what it is best known for, performance boardshorts, and its core divisions—Quiksilver, **Roxy** and **DC**—continue to have a presence in the market and at core board shops. The bankruptcy is not a topic among consumers shopping at **ZJ Boarding House**, said Todd Roberts, a cofounder of the Santa Monica, Calif.–based core surf shop. "I see a ton of kids wearing Quiksilver wet suits and clothing. I'm not worried about their survival," he said of the pioneering surf company.—*Andrew Asch*

Lengthy Negotiations End in New Longshore Workers Contract

The beginning of the year was a challenging time for shippers, who found their merchandise delayed for weeks at the **Port of Los Angeles** and the **Port of Long Beach**.

Longshore workers, shipping lines and port-terminal operators were hunkered down for months trying to hammer out a new five-year labor contract between the **International Longshore & Warehouse Union** and the **Pacific Maritime Association**. The previous contract expired on July 1, 2014. Work slowdowns toward the end of the 10-month-long negotiations resulted in cargo containers sitting on ships for as many as two months as vessels were stacked up beyond the ports' breakwater waiting for a berth to open up. At one point, there were as many as 27 cargo-container ships anchored and waiting for a docking space.

To make matters worse, a chassis shortage had truckers waiting in line for hours to pick up just one cargo container, which was often buried under several other cargo containers piled up on the docks.

Many apparel importers lost millions of dollars in holiday sales when promotional merchandise arrived too late or retailers canceled orders.

Negotiations started months before the contract ended but progressed slowly. Talks didn't wrap up until last February after a federal mediator and U.S. Labor Secretary Tom Perez were dispatched to hammer out a deal.

The new contract, which covers 20,000 workers at 29 West Coast ports, continues to pay union workers for all their health benefits. Workers received a \$1-an-hour pay hike that was retroactive to June 28, 2014. The base wage increased \$1.50 in 2015 and will go up \$1.25 in 2016, \$1.50 in 2017 and \$1.25 in 2018, when the straight-time wage will become \$42.18 an hour. The contract runs through June 29, 2019.—*Deborah Belgum*



6942 N.W. 50th St. Miami FL 33166, USA.

T. 305.470.2400 | Fax. 305.594.5883

finotex **f P V in** finotexcorp **V i**

Salute to Suppliers and Services Resources

Agenda

www.agendashow.com

Products and Services: The Agenda trade show is a forum for the most inspired in the streetwear and actionsports industries to unite. Lines speak for themselves, and buyers are not intimidated by the usual overwhelming trade show experience. From the garage-run lines on the verge of explosion to the well-established elite, Agenda caters to the needs of buyers and brands that exist on a higher level of design and aesthetic. With a strong emphasis in style, art, music, and culture, the Agenda experience is as much a lesson as it is a tool. Make sure to come to Agenda's Long Beach show Jan. 7–8, or for more info go to our website.

Asher Fabric Concepts

2301 E. Seventh St., #F107 Los Angeles, CA 90023 (323) 268-1218 Fax: (323) 268-2737 www.asherconcepts.com sales@asherconcepts.com

Products and Services: In 1991. Asher Fabric Concepts, based in Los Angeles, transformed the apparel industry by offering cutting-edge, high quality, "Made in U.S.A" knits for the contemporary fashion, athletic, and yoga markets. Since then, the company has become internationally known for its premium quality, knitted constructions with and without spandex, along with its creative print design and application. Asher Fabric Concepts provides fabric development, knitting, dyeing, and finishing in addition to fabric print design and printing capabilities based on each customer's needs. The company differentiates itself from the competition by offering proprietary textiles and by continually updating and innovating every aspect of textile design and production. With an in-house design team, new prints are constantly added to its collection, and color stories are updated seasonally. Asher Fabric Concepts' customers are leaders with strong brand recognition in the high-end, fashion-forward contemporary markets. Whether it is dress wear-knits, swimwear, active wear, sportswear, body wear, or intimate apparel, Asher Fabric Concepts always delivers.

·Pallet racking and shelving

California Label Products

13255 S. Broadway Los Angeles, CA 90061 (310) 523-5800 Fax: (310) 523-5858 Contact: Tasha www.californialabel.com info@californialabel.com

Products and Services: California Label Products wishes you Happy Holidays! In today's market it's all about branding. And our In-House Art Department can help develop your brand identity with an updated look or provide you with a new source for your existing labels. Our product list consists of woven labels, printed labels, custom hangtags, and heat transfers. We also have a service bureau for your price tickets and care labels needs, with quick turn time and great pricing. We are dedicated to setting the highest standard of excellence in our industry. Above all, we value quality, consistency and creating solutions that work for you. Check our website for a full product list or call or email us.

California Market Center

110 E. Ninth St Los Angeles, CA 90079 (213) 630-3600 www.californiai rketcenter.com

Products and Services: Five seasons a year, buyers from around the globe flock to the California Market Center (CMC) for Los Angeles Fashion Market, the West Coast's premier destination for thousands of apparel, gift, home, and lifestyle collections displayed in hundreds of the CMC's showrooms and temporary exhibitor showcases. Featured tradeshows include SHAPE Active & Lifestyle Tradeshow, SELECT Contemporary Tradeshow, TRANSIT LA Shoe Show, and the LA Kids' Market. LA Fashion Market at the CMC now offers visiting retailers and brands more opportunities and resources than ever to exhibit in and shop from.

Dara Inc.

3216 S Broadway Los Angeles, CA 90007 www.daraincusa.com

·Conveyors live and gravity roller

J.C. Rack Systems

1-323-588-0137 fax 1-323-588-5067 www.jcracksystems.com

Products and Services: Established in August of 1984, Dara Inc. is a credible distributor of the highest-quality trims, threads, notions, beauty and nail art materials, as well as arts and crafts products: it is known to the apparel, arts and crafts, and beauty Industries. With over 30 years of the highest quality of service, Dara Inc. has positioned itself as one of the industry's top leaders throughout Southern California and has received significant national and international recognition for its excellence. Our most valuable asset is the ease of doing business due to our huge array of products, making it a "one-stop-shop" for all of our clientele's needs.

Finotex

6942 NW 50th Street Miami, FL 33166 Tel. 305.470.2400 / 1.800.786.0007 www.finotex.com marketing@finotex.com

Products and Services: Finotex has been in business for 30 years. We have diversified into an all-in-one supplier of brand identification solutions manufacturer for the apparel and related industries. We service all major apparel manufacturing locations in the Americas, Asia and worldwide, with in-country production facilities in Mexico, Dominican Republic, El Salvador, Honduras, Colombia, Hong Kong, and China. Our product line includes woven and printed labels, heat transfers on rolls and single pieces, hangtags and paper products, laser cut labels, embroidered patches, rubber labels, ribbons and tapes, promotional items, and our ecofriendly line GREEN WORLD. Most importantly, we are part of the chain of companies that share a goal: the goal of delivering great products and services at the time the market requires it. We share this goal with our customers and serve as a liaison; a link who acts toward this shared goal.

IFJAG–International Fashion Jewelry & Accessories Group

www.ifjag.com Products and Services: IFJAG shows feature fashion jewelry and accessories from around the world. Our exhibitors bring the finest brands and private label products, and our unique venue of private showrooms offers buyers a private, professional environment. The Las Vegas show runs Monday to Friday, February 15–19, 2016, so you'll have plenty of time to stop by while you're in the area. Come visit us at Bally's Las Vegas. Bally's monorail station is only 3 stops away from The Convention Center. You can pre-register at our website.

Pax Tag & Label 9528 E. Rush St.

South El Monte, CA 91733 info@paxtag.com www.paxtag.com

(800) PAX-TAGS Products and Services: Located in the heart of the Los Angeles apparel industry, PAX Tag & Label, Inc. provides barcode price tags and labels, RFID tags and labels, custom hang tags, custom stickers, care labels, shipping labels, size strips, and more. Manufacturers and retailers of apparel, footwear, and other goods rely on the prompt, professional, and personalized service that has made PAX an industry leader for over 25 years. Manufacturers and retailers considering an in-house printing system, or with one currently in place, or simply in need of a reliable barcode ticket service bureau should evaluate the benefits of partnering with PAX Tag & Label. Customized to your specific needs, PAX will provide you with accurate and compliant quality tags and labels, quickly and consistently. Reduce overhead and decrease the risk of costly chargebacks. Put the focus on your core business. PAX Tag & Label proudly provides service for many retailers.

Progressive Label

2545 Yates Ave.

merce, CA 90040 (323) 415-9770 Fax: (323) 415-9771 Info@progressivelabel.com www.progressivelabel.com

Products and Services: Progressive Label is dedicated to helping companies develop and showcase their brand ntity. From logo labels and hangtags to care/content labels and price tickets, we will develop, produce, and

distribute your trim items worldwide. We specialize in producing custom products that will meet your design and merchandising needs. Our mission is to deliver high-quality products at competitive prices, wherever they are needed for production. We understand the rush nature of this industry and strive to meet the tight deadlines facing our customers. Another important part of our business is FLASHTRAK, our online ordering system for price tickets. It 's a great tool for placing and tracking price ticket orders and will soon be expanded to include custom products and care labels.

S & J USA, Inc.

843 E. 31st St Los Angeles, CA 90011 (323) 231-0811 Fax: (323) 231-3820 snjusa@snjusa.com

Products and Services: S & J USA. Inc. has been a major, authorized distributor of YKK zippers for over 25 years. We carry a vast array of zippers, and we have an in-house factory that allows us to complete orders quicker than our competitors. S & J USA, Inc. also specializes in snaps, tack buttons, evelets, and elastics, among other trims. Our customers range from the U.S. to Asia, and we hope to expand even further in the future. We are known for great customer service and quality materials.

This listing is provided as a free service to our advertisers. We regret that we cannot be responsible for any errors or omissions within Salute to Suppliers and Services Resources.

Directory of Professional Services & Business Resources FIT MODELS



call June Espino 213-627-3737 x250

or E-mail: june@apparelnews.net

CLASSIFIEDS

Visit www.apparelnews.net/classifieds to place your ad in our self-serve system

Jobs Available

ASSISTANT DESIGNER/CAD ARTIST Los Angeles Apparel Manufacturer is actively seeking a talented CAD Artist to join their team. The ideal candidate for this position will have a strong working knowledge of CADS, collaborating with designers on print board presentations. Qualifications: • Proficient in Adobe Photoshop and Illustrator, Create & maintain line sheets & tech packs in a timely and accurate manner. General assistant to design team: organizing, photo-copying, assembling mood boards, thread cards, updating sketches. This position is looking to hire immediately. Please submit resume for consideration to Jackieb@fortuneswimwear.com

TECHNICAL SWEATER DESIGNER

LA Area Women's Apparel Mfr--Juniors, Plus-Size & Missy. Fashion and Cut-n-Sew sweaters. Liaison between Design & Production. Tech Pack development & import sample spec verification. Possess leadership qualities to independently analyze & problem-solve. Seasonal stories for Line offerings. Clearly communicate & coordinate needs. Must have established Sweater factory relationships. Send resume: sweaterdesigner@gmail.com

SALES ADMIN ASSISTANT

High-energy, passionate work ethic for fastpaced environment. Strong written/verbal communication, consistent follow-up, detailed, multi-task and organizational skills. Ability to coordinate needs from multiple areas to meet deadlines. Write/Revise Orders, Sample Requests. Microsoft Office and AS400. Apparel Industry experience critical. Send resumes to: tlamantain@selfesteemclothing.com

STYLIST

4-5 yrs exp. respectfully in young contemporary Casual Fashion collection base from denim, knits, faux fur. Denim bottoms, fashion denim dresses, skirts, shorts, jumpers, tops, knits, embroidery, embellishment & faux fur. Need to put looks together with special knowledge of European styling from London, Paris & Milan. Contact: steph@apparelcreationsinc. com, henry@apparelcreationsinc.com

SALES ASSISTANT TO CEO/PRESIDENT 4-5 yrs exp. in communicating with major department store buyers. Specialty in denim fashion, knits and faux furs for the young contemporary market in USA and Europe. The candidate must be a Good communicator. Pre-

sentable with knowledge of fashion in this area. Contact: steph@apparelcreationsinc. com, henry@apparelcreationsinc.com

TEXTILE ACTIVE WEAR SALES REP

If you are selling to this market, If you have a good customer base. If you want to sell a unique Domestic Line High End, novelty, Vertical Knit. If you want to make real money..... Email your Resume to: bioactivefabrics@ gmail.com..Fully Confidential.

WOVEN'S DESIGNER

Wovens Designer: AA degree in Fashion Design, Illustration, or related. + 2 years experience; fax resume to 323-234-4034 attn: Anne; JNK Apparel; Los Angeles www.apparelnews.net

Jobs Available

danielrainn

KNIT SALESPERSON

L.A. based contemporary line seeking an enthusiastic strong in-house knit salesperson with a proven track record & sales exp. Candidate must have knowledge of cut & sew knits with current major store contacts. Computer skills & travel are a must. Send res. & sal. hist. to: JOBSHR000@GMAIL.COM

swatfame

truth in fashion"

SPEC WRITER

•Must be able to write specification sheets. •Must have exp. creating line sheets. •Must be detail-oriented, and possess the ability to work well under pressure. •Must be proficient in PC applications. •Candidates must have min. 1 yr exp. •Garment construction knowledge a must. Swat-Fame offers a great working atmosphere, competitive benefit package. Qualified exp. candidates fax resumes to 626-934-5201 or email to: HR@swatfame.com

WAL-MART..... PRODUCTION COORDINATOR

Retail Link, CTL and Wal-Mart Testing requirements. Fabric knowledge for knits/wovens. Submits tracking and approvals. Liaison btwn Prod and Tech Design. Factory communication. Exceptional follow-up skills. Critical sense of urgency for high-volume production. Send res.: tlamantain@selfesteemclothing.com

•CUSTOMER SERVICE...3+ yrs. exp. edi, order processing, alocation, invoicing, credit memos. Must be organized with strong communication, follow up skills. E Mail: hr@belladahl.com

.....BELLA DAHL..... HERE WE GROW AGAIN..... •FIRST PATTERNMAKER 5+ years exp. Woven & knit garment dye, shrinkage. Flat patterns & Gerber System exp a must. Must be detailed & organized. E Mail: hr@belladahl.com

BELLA DAHL...... HERE WE GROW AGAIN..... SALES ASSISTANT 3 years. experience in apparel sales, strong communication skills. Must be detailed, organized, & motivated. E Mail: hr@belladahl.com

FIELD QUALITY CONTROL PERSON Busy Junior dress company seeking field quality control person to check cutting, sewing, inline inspections and audits. 5 years exp, own car. Email Richard@baileyblueclothing.com

Position Wanted

35 YRS EXP'D

1st/Prod. Patterns/Grading/Marking and Specs. 12 yrs on Pad System. In house/pt/freelance/temporary in-house as well. Fast/Reliable. ALL AREAS Ph (626-792-4022) P 213-627-3737 Ext. 278, 280 F 213-623-1515

Jobs Available

PRE-PRODUCTION ASSISTANT -FASHION

We are currently seeking a full-time Pre-Production Assistant to join our team. This individual must be highly self-motivated, with a sense of urgency and a team player. Responsibilities: •Assist the pre-production manager with ALL day to day operations. •Follow up with all daily emails. •Track & follow up assistance on all current orders and revisions. •Set up of all sample cutting & sewing. • Work with design and product development teams in gathering necessary information for pre-production/tech teams. •Work directly with our sample room on all work flow. •Work with print houses, giving them color print instructions. •Assist with taking pictures, tagging and packaging samples to send buyers for approval. • Email buyer with Marketing, PP and E-comm samples status. •Work closely with pre-production manager on sample print and stone placements. •Willing to wear multiple hats as needed from time to time. Requirements: •MUST have minimum of 1 year relevant experience. • MUST have a sense of urgency. • MUST be extremely organized & HIGH attention to detail. • MUST work well under pressure. •MUST be able to multitask. •MUST have great follow-up skills. •MUST have a positive attitude. *ONLY Serious applicants may apply ••••••Reply with your resume to jessica.r@bluprintcorp.com

ASSISTANT FIT TECHNICIAN

Prepare & issue FIT comments from PROTO-Shipment. Must be able to communicate with factories on FIT, construction, materials, changes etc. Recognize solving balance & FIT issues. Must have knowledge of specs, points of measurements garment construction & patterns. Computer skills: Illustrator (a must), Photoshop. Must be detail oriented, have strong written & verbal communications skills. Must be organized, flexible, work well under pressure & be a team player. Must have 3-5 yrs' exp. in fitting and fit comments...... TO APPLY: Submit your online profile & salary history to EMAIL: hrmanagerhiring@gmail.com

DESIGN DIRECTOR - WOMENS CASUAL, CONTEMPORARY - ATHLETIC APPAREL Design Director with 10 years successful experience designing from mood board to new line execution, Design Time and Action Calendar, & managing the Design Department. Our company is successful, growing, well established and offers a great environment & package. TO APPLY: Please email your resume, salary history, current salary requirements and online portfolio link or attach samples to:......EMAIL: designjobs2014@yahoo.com. Please reference Job Title in the subject line of your message.

Lines Wanted

JUNIOR, MISSY OR PLUS SIZE LINES WANTED

Sales rep in business for 35 years looking for manufacturer hungry for more volume store business. Mark warman Dressme2@aol.com 818-970-3327

apparelnews.net/classifieds

Real Estate

.....SHOWROOM AVAILABLE...... FOR SUB-LEASE

Accessories floor of the California Mart. Perfect location directly off the elevators! Great monthly rent! Call or email Anthony 626.864.6567 wiracorp@yahoo.com

SPACE FOR LEASE

•In newly renovated Anjac Fashion Buildings in the heart of Downtown Fashion District •Industrial, retail and office space also available throughout the San Fernando Valley •Retail and office space also available just south of Downtown 213-626-5321 or email info@anjac. net

Real Estate

GARMENT BUILDINGS

Mercantile Center 500 sq. ft. - 16,500 sq. ft. Priced Right. Full Floors 4500 sq ft., Lights-Racks-New Paint Power Parking Available-Good Freight. Call 213-627-3754 Design Patternmaker Garment Lofts 300 sq ft-1,000 sq ft. Call 213-627-3755

Buy, Sell and Trade

WE BUY FABRIC!

Excess rolls, lots, sample yardage, small to large qty's. ALL FABRICS! fabricmerchants.com Steve 818-219-3002 or Fabric Merchants 323-267-0010

Buy, Sell and Trade

•WE BUY ALL FABRIC!

WE BUY FABRIC! No lot too small or large. Including sample room inventories Silks, Woolens, Denim, Knits, Prints, Solids Apparel and home furnishings fabrics Contact Marvin or Michael STONE HARBOR (323) 277-2777

FOR SALE PREMIUM JAPANESE AND

ITALIAN DENIMS WE CARRY 28"-33" SELVEDGE DENIMS ALL WEIGHTS. RIGID AND STRETCH DENIMS 52"-62" ALL WEIGHTS. ALSO PFD TWILL AND PFD KNITS IN BOTH SOLIDS AND FANCIES...... LOCAL STOCK AND LOW MINIMUMS ASK FOR GINA 323 277 2777, grios@dfwla.com



ApparelNews

COMING SOON IN CALIFORNIA APPAREL NEWS



December 18 *Cover:* Fashion 2015 Retrospective and Financial Industry Review Retail Report

Fashion Faces Activewear Special Section December 25 *Cover:* Year in Review 70th Anniversary Fashion Retrospective Surf Report Technology

Technology Advertorial





January 1, 2016 *Cover:* Retail Surf Report

Fashion Advertorial Waterwear

Bonus Distribution SoCal Materials Show 1/5–6 Agenda Long Beach 1/7–8 Swim Collective 1/8–9 AccessoriesTheShow/FAME/ ModaManhattan 1/10–12 Surf Expo 1/14–16



January 8 *Cover:* Trade Show Coverage Retail Report

Made in America Fashion Advertorial Finance Advertorial NY Textile Preview and Resource Guide*

Bonus Distribution Designers & Agents LA 1/18–20 LA Fashion Market 1/18–21 Shape 1/18–20 Agenda Miami 1/18–19 Premiere Vision NY 1/19–20 DG Expo NY 1/20–21 Imprinted Sportswear Long Beach 1/22–24 Texworld USA 1/24–26 Project NY 1/24–26 Liberty Fairs NY 1/26–28

CALL NOW FOR SPECIAL RATES, TERRY MARTINEZ (213) 627-3737 x213

CMC

Tradeshow Calendar 2016

LA FASHION MARKET

Featuring Hundreds of Showrooms & Tradeshows at the CMC

January 18-21 / March 14-17 June 06-09 / August 1-4 October 17-20

S H Δ P E

Showcasing Athleisure & Lifestyle Brands at LA Fashion Market

January 18-20 / March 14-16 June 06-08 / August 1-3 October 17-19

LA MAJORS MARKET

Connecting Major Brands to Major Retailers

Apr 4-6 / Sep 27-29

*All show info & dates subject to change

SELECT

Curated Apparel, Accessories & Footwear Brands for LA Fashion Market

January 18-20 / March 14-16 June 06-08 / August 1-3 October 17-19

TRANSIT

The Shoe Show at LA Fashion Market

January 18-20 / March 14-16 June 06-08 / August 1-3 October 17-19

I.a.textile

The West Coast Trade Event presenting Global Textile, Design & Production Resources

Feb 29-Mar 02 / Sep 21-23

cmcdtla.com/tradeshows

CMC (CALIFORNIA MARKET CENTER) | SHOWROOMS + EVENTS + CREATIVE SPACE // 9TH & MAIN. DTLA. 213.630.3600