

CALIFORNIA Apparel News

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J. RYAN ULSH / W HOTELS WORLDWIDE

CFDA IN HOLLYWOOD: Designers in the Council of Fashion Designers of America's {Fashion Incubator} program recently showcased their work at the W Hotel in Hollywood. For more from the event, see page 2.

Los Angeles Denim Factories Are Struggling to Stay Alive

By Deborah Belgum *Senior Editor*

Los Angeles has always been the epicenter for manufacturing blue jeans in the United States. Major labels such as **True Religion**, **Lucky Brand**, **Hudson** and **7 For All Mankind** built their reputations on that "Made in the USA" cachet, which signaled quality and prestige in their premium-denim products.

It was a marketing tool that helped manufacturers sell their products to upscale department stores and boutiques around the world catering to a fashionable crowd that didn't mind paying \$200 to \$400 for a pair of denim dungarees.

But the rise in California and Los Angeles' minimum wage, a move by blue-jeans owners to beef up profit margins and consumers pulling back on their clothing expense accounts are crushing Los Angeles denim factories.

Earlier this month, **United Denim Inc.** informed state employment officials that it planned by the end of the year to

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Lakers Star Invests In New Brand Butter Cloth

By Andrew Asch *Retail Editor*

Former **Los Angeles Lakers** star Metta World Peace made sports headlines in October when he took a coaching job with the **South Bay Lakers**, the development team for the NBA organization.

Metta World Peace, who was born Ron Artest, recently became part of a fashion story. It was recently announced that the hoops star joined Long Beach, Calif., shirting brand **Butter Cloth** as an equity partner. His investment was not disclosed, according to a brand statement.

In a video statement, Metta World Peace said that he avoided wearing collared shirts in the past because he did not feel comfortable in them. "Butter Cloth is one of the best midday meeting shirts. It's comfortable. I don't have to worry about ripping my shirt. I can wear it with a jacket. I think it's brilliant," he said.

Danh Tran, Butter Cloth's founder, chief executive officer and creative director, said that Metta World Peace would

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Stitch Fix Initial Public Offering

By Andrew Asch *Retail Editor*

San Francisco-headquartered fashion company **Stitch Fix** filed an initial public offering on Nov. 16, releasing 8 million shares of Class A common stock at a price of \$15 per share. It started trading on the **NASDAQ Global Select Market** on Nov. 17 under the symbol SFIX, raised \$120 million and was valued around \$1.5 billion, according to media reports.

Katrina Lake, Stitch Fix's chief executive officer, started the fashion subscription service in 2011. Through computer questionnaires and the service's algorithms and consultations with human stylists, Stitch Fix assembles a profile of fashion likes and dislikes for individual members of Stitch Fix. The company later ships regular deliveries of clothes,

footwear and accessories to its members for a fee.

On Aug. 22, Stitch Fix announced that it had added more than 100 new premium brands to its merchandise mix. Women's offerings include **Alice & Olivia**, **Helmut Lang**, **Kate Spade**, **Rebecca Minkoff** and **Theory**. Men's brands include **John Varvatos**, **Steven Alan**, **Theory** and **Todd Snyder**.

Subscription services such as Stitch Fix remain a good bet for investors, said Syama Meagher, chief executive officer of **Scaling Retail**, a Los Angeles-headquartered consulting group.

"Investors will make an ROI as long as Stitch Fix can scale up the back end to adjust to the national audience," she said. "A growing market requires bigger space, distribution centers and a challenge to standardize the customer." ●

Shopify Embeds UPS Services

By Andrew Asch *Retail Editor*

Shopify recently embedded a suite of **UPS** services on its platform.

Now Shopify merchants can use Shopify's platform to manage shipping and will receive savings on UPS rates, according to a statement from the cloud-based, multichannel commerce platform.

"Working with UPS helps level the playing field for small businesses to compete against larger brands with guaranteed delivery times and competitive rates previously unavailable to many small- and medium-sized merchants," said Maia Benson, Shopify's head of global shipping and fulfillment.

The platform's shipping services include UPS 2nd-Day Air and UPS Ground. Tracking and billing are integrated into the platform. Shopify's UPS deal also will feature a dedicated hotline, (833) BFCM-WIN, where businesses can

talk to a Shopify representative about shipping.

The partnership between Shopify and UPS comes as both companies are ramping up for a busy holiday season. UPS anticipates that it will deliver more than 630 million packages between Black Friday and New Year's Eve. It is an increase of more than 10 percent over holiday deliveries last year, according to a UPS statement.

Shopify's software is used by retailers to run their Web, mobile and social-media shops as well as traditional bricks-and-mortar boutiques.

This year, Shopify unveiled the **Frenzy** mobile app in the United States. The Frenzy mobile app gives retailers a forum to produce "Drop Zones," or places where they can hold a physical market to sell goods. In June, the **Anti Social Social Club** brand produced a Drop Zone in Los Angeles' Elysian Park. The Frenzy app was used to process sales transactions in the drop-zone area. Payments were made through **Apple Pay**. ●

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Paula Schneider Takes Over as Head of Susan G. Komen

After decades of working in the apparel industry, Paula Schneider is moving her career in a different direction by taking over as president and chief executive of **Susan G. Komen**, the world's largest breast-cancer organization.



Paula Schneider

Schneider, who took over the job on Nov. 6, will be residing in Dallas, where the nonprofit is headquartered.

In her new job, she will be responsible for the strategic direction and daily operations of Komen's worldwide network, which includes more than 80 Komen affiliates serving millions of women through community health and education programs.

The former head of several Los Ange-

les apparel brands—including **Warnaco Swim Group**, **American Apparel** and **Laundry by Shelli Segal**—is a breast-cancer survivor. She was diagnosed with breast cancer in 2007 while working at Warnaco and lost her mother to metastatic breast cancer in 2010.

"I know from personal experience the devastation of breast cancer and the power and impact of the Komen mission to end it," she said in a statement. "I am determined to do all that I can to build on this iconic organization's mission to end breast cancer, for everyone and forever."

The board of directors for Susan G. Komen named Schneider to the post in late September. She replaces Dr. Judy Salerno, a

Harvard-trained physician who left as head of the nonprofit at the end of last year.

"Paula is respected as a leader who motivates teams to achieve and exceed goals, and we are delighted to welcome her to the Susan G. Komen team as we move forward to achieve our bold goal to reduce U.S. breast-cancer deaths by half by 2026," said Komen Board Chair Connie O'Neill.

Schneider's long career in the fashion industry began when she created **Take Two**, a multi-line sales firm that helped launch **BCBGMaxAzria**. Later, she became president of sales for nearly a decade at **BCBGMaxAzria** until she left to become the president of **Laundry by Shelli Segal**.

Nearly five years later, she became president of **Warnaco Swimwear Group**, whose brands included **Speedo** and **Calvin Klein**.

Later, she became the chief executive of

Big Strike, a juniorswear label in Gardena, Calif., acquired by the private-investment company **The Gores Group**, based in Beverly Hills, Calif.

Nearly two years later, she took over as chief executive of **American Apparel** after the brand's founder and previous CEO, Dov Charney, was fired by the board of directors. During Schneider's time there, the company filed for bankruptcy twice. The label was sold early this year to the Canadian company **Gildan Activewear**.

Schneider resigned last year as CEO of **American Apparel** to take charge of three Los Angeles contemporary brands acquired last year by **Delta Galil**, an Israeli clothing company. Those labels were **7 For All Mankind**, **Splendid** and **Ella Moss**. After seven months as the brands' CEO, Schneider left in May.—*Deborah Belgun*

CFDA Hosts Incubator Showcase in Hollywood

The **Council of Fashion Designers of America** returned to the **W Hotel** in Hollywood for a Nov. 16 showcase featuring designers in the **CFDA {Fashion Incubator}** program.

This year's showcase included contemporary women's label **Alix**, menswear line **Ddugoff**, handbag collection **Haerfest**, jewelry line **K/ller Collection**, and hat and handbag brand **Yestadt Millinery**.

The CFDA {Fashion Incubator} program is a 5-year-old partnership between the New York organization and **W Hotels**. Designers

in the incubator program have the opportunity to travel to key markets around the country, including Los Angeles, for the last stop on the tour.

The designers were mentored by image architect Law Roach.

"I moved to LA four years ago," he said in a CFDA statement. "I felt that LA would soon become the next major hub for the fashion industry. Of course, New York is known as the fashion capital, but Los Angeles' fashion scene is evolving and getting stronger. The LA showcase is a great example of the future of

fashion looking to create fashion capitals outside of NYC."

The incubator designers met with media, influencers, retailers and other guests in a space in The Loft at the W Hollywood. Each collection was given a dedicated display space and each was modeled by each label's ambassador. For Ddugoff, it was Austin and Aaron Rhodes. Haerfest's ambassador was Taylr Anne, K/ller was modeled by Thania Peck, Alix by Kristen Noel Crawley and Yestadt Millinery by Marta Pozzan.

—*Alison A. Nieder*



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INCUBATOR DESIGNERS: Brothers Tim and Dan Joo of Haerfest, Katie deGuzman of K/ller, Daniel Dugoff of Ddugoff, Molly Yestadt of Yestadt Millinery, and Alexandra Alvarez of Alix

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The Alix collection on models and brand ambassador Kristen Noel (center)



Ddugoff worn by model (center) and brand ambassadors Austin and Aaron Rhodes



K/ller Collection on models and brand ambassador Thania Peck (center)



Image Architect and Designer Mentor Law Roach with Ddugoff designer Daniel Dugoff



Yestadt Millinery handbag



Haerfest

Brazilian-LA Connection at Fashion Panel

It was a call that every American red carpet-gown label in America is waiting for: a personal request from an A-list star. But in this case, Sofia Vergara was calling a Brazilian label.

The “Modern Family” star contacted Brazilian red-carpet label **Martha Medeiros** with a request to make a gown for her wedding. When the Medeiros executives got off the call, they had one question: Who’s Sofia Vergara?

After a bit of research into the American entertainment scene, the Martha Medeiros label soon started working with Vergara on a gown for her wedding, said Gabriela Waterai, the USA manager for Martha Medeiros. The label opened a shop at 8405 Melrose Place in West Hollywood, Calif., in

November 2016. Since then, Vergara has been photographed shopping at the boutique and wearing the label at premieres.

Waterai told the story at a Nov. 17 panel called “Brazilian Fashion Now.” The panel discussed Brazilian apparel labels doing business in the United States. The panel was held at the Brazilian Consulate in Los Angeles. Panelists included Ilana Kugel and Marcelo Kugel of **Koral**, the Vernon, Calif.-based activewear label with Brazilian roots. Also speaking was Giovanka Barbosa of the **Fabiana Milazzo** brand, which runs a store at 8476 Melrose Place in West Hollywood; Julia Culau of the **Kalimo** fabrics brand, which has an office in downtown Los Angeles; and Natalia C. Aranovich of **Aranovich Law Firm**. The panel was moderated by fashion consultant Kim Krempien.

ion consultant Kim Krempien.

Having a Hollywood connection is crucial for a red-carpet label, Waterai said. “Having a store here is like having a window to the rest of the world,” she said.

While Los Angeles and the Brazilian megalopolis of Rio de Janeiro both feature influential beach cultures, the panelists said there are big differences between fashion tastes and business cultures. Culau said that Brazilians favor bolder and more colorful fabrics than Americans. Waterai said Brazilians can be more formal during business discussions than Americans. Aranovich briefly discussed the legal theory of trade dress in the U.S. legal system. Marcelo Kugel also talked about Brazilian tariffs.—*Andrew Asch*



PANEL: From left, Natalia Aranovich, Julia Culau, Giovanka Barbosa, Marcelo Kugel, Ilana Kugel, Gabriela Waterai and Kim Krempien



Martha Medeiros designs



Sofia Vergara in Martha Medeiros’ design

DENIM

Denim *Continued from page 1*

lay off 164 of its approximately 200 employees, who work in its south Los Angeles factory. “We are in survival mode,” said Mateo Juarez, the owner of the factory, which has been making blue jeans since 2009. “We are letting a lot of people go. We are taking our last breath.”

Things looked a little brighter three months ago. Juarez was getting inquiries from **Gap** and **Abercrombie & Fitch** about moving some of their production from Mexico to the United States because President Trump was threatening to fine companies producing outside of the United States. But threats of a fine fizzled and blue-jeans makers are moving out of Los Angeles as the minimum wage, at \$12 an hour, is set to rise to \$13.50 an hour by next summer for larger businesses. By 2021, the minimum wage will be at \$15 an hour.

“If you make blue jeans in China, including the fabric washes, it is \$6. If you do the same jeans in Mexico, you can make it for \$10, which includes dropping it off here in Los Angeles. And if you do it in the U.S.A., you are looking at \$40 to \$50. That’s a big difference,” Juarez explained.

He calculates that if you manufacture 100,000 jeans in Mexico, it will cost \$1 million. Make those jeans in Los Angeles, the price skyrockets to \$4 million. The difference is astronomical and only economically practical if blue jeans are selling for \$100 to \$200.

That simple math calculation is not lost on the big private-equity groups and multimillion-dollar companies that have bought many of the premium blue-jeans labels started by Los Angeles entrepreneurs who turned a glimmer of an idea into big brands.

Jeff Lubell cofounded True Religion in 2002 and 11 years later sold it to **TowerBrook Capital** for \$835 million. (True Religion filed for Chapter 11 bankruptcy protection earlier this year and exited bankruptcy in October.)

Peter Koral, Michael Glasser and Jerome Dahan launched 7 For All Mankind in 2000. After a split with Glasser and Dahan, Koral turned around and sold the company in 2007 to **VF Corp.** for \$775 million, which then sold the blue-jeans

lifestyle brand last year to the Israeli company **Delta Galil**.

Jeff Rudes and Susie Crippen started **J Brand** in 2004. In 2010, they sold 52 percent of the company for \$85 million to **Star Avenue Capital**, which two years later sold a majority share to the Japanese company **Fast Retailing** for about \$290 million. Fast Retailing is the parent company of retailer **Uniqlo**.

These days, new leaders in the executive offices are less concerned about that “Made in the USA” label and more concerned about return on investments. They are shaving costs by heading to Mexico, Vietnam and India, where labor costs and regulations aren’t as stiff as they are in the United States.

“Almost all denim here is going out the door,” said Ilse Metchek, president of the **California Fashion Association**, whose members are manufacturers and apparel and fashion-related companies. “It’s because of minimum wage. Denim is very labor-intensive.”

Singing the blues

Until five years ago, **Atomic Denim** had 1,000 workers in two Los Angeles factories making blue jeans for mostly True Religion. Today, there is only one factory with 70 to 100 workers who fluctuate with the season in their production for Hudson, **Tom Ford** and **Diesel**.

Last year, to meet the demand for lower prices, Atomic Denim opened a Tijuana, Mexico, factory where the salaries for the 70 workers there are about half of what they are in Los Angeles. “There is no large volume in Los Angeles like it was before. The market is different,” said Claudia Bae Kye, vice president of **E & C Fashion**, the parent company of Atomic Denim and **Pacific Concept Laundry**. “We needed to go somewhere else to match the pricing companies wanted.”

Another big blue-jeans manufacturer taking a big hit from the decline in local blue-jeans orders is **Jean Mart**. Three months ago, Steve Rhee took over the 100,000-square-foot factory with 600 sewing machines from his parents, who retired. Now called **Factory One Studio**, Rhee has only 75 workers to fill a space that used to hold hundreds of workers.

The factory’s biggest clients used to be True Religion and Lucky Brand until they went elsewhere.

One year ago, the factory was rolling out nearly 3,000 pairs of blue jeans a day. Right now, the company is making about 1,500 pairs of blue jeans for Diesel, J Brand and **Fear of God**. Many companies are only interested in making 100 to 200 units at a time. “All the big guys are in Mexico now,” he said. “It is hard to find consistent work now in Los Angeles.”

The change in the Los Angeles denim-manufacturing industry sounded a death knell last year for **American Garment Sewing** in Vernon, Calif. “We used to have a lot of customers, but then it started to shift in 2015,” said Anton Pavel, the company’s owner.

In 2015, the factory—with 200 employees—had about 80 percent of its production in blue jeans—mostly for True Religion. Other production was dedicated to army uniforms. Annual revenues totaled about \$10 million to \$12 million.

Last year, the True Religion business dried up and blue jeans made up only 20 percent of production for labels such as **Current/Elliott**, **Joie**, **Kate Spade** and **Theory**. About 80 percent of production became army uniforms and the rest was denim. The employee workforce dropped to 100. “The big customers in denim moved out, and we tried to move in more military uniforms, which was a really slow process,” Pavel said.

A series of workers’ compensation claims saw the company’s insurance costs skyrocket from \$10,000 a month to \$50,000 a month and annual revenues plummeted to \$6 million. “The [workers’ compensation] complaints were so high, we couldn’t cover our expenses,” Pavel said.

Also, military-uniform makers only wanted to pay the federal minimum wage of \$7.25 an hour rather than the higher Los Angeles minimum wage. “So we were stuck between a rock and a hard place,” the blue-jeans-factory owner said. “Basically the expenses became huge, and we ran out of money.”

At the end of last year, Pavel paid his remaining employees and shut down his company. ●



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MADE IN AMERICA

Indie Source Founders Named to Forbes' '30 Under 30'

Indie Source founders Zack Hurley and Jesse Dombrowiak were recently named to Forbes' "30 Under 30," the publication's annual list of rising stars under 30 years old in a host of industries. Hurley and Dombrowiak were named to the list's Manufacturing & Industry category.

Founded in 2012, Indie Source had revenue of \$2.3 million last year, according to Forbes.

Indie Source offers full-service apparel development and full-package production in Los Angeles as well as marketing services such as website development, look book/catalog creation and influencer marketing.

Hurley, Indie Source's chief executive officer, and Dombrowiak, the chief operating officer, saw a demand for domestic manufacturing with lower minimums to allow independent designers and growing brands to enter the market.

"It's a complex supply chain," Hurley said. "Designers have no way to navigate it. We want to be the single place for fashion brands looking to get out to market and build a successful business."

Indie Source's customers include labels selling wholesale as well as brands building a direct-to-consumer business. And while some come to Indie Source looking for small minimums and sample development, the company is positioned to help growing companies pro-

duce larger orders as well.

"Some emerging designers are killing it. They're doing hundreds of thousands of units," Hurley said. "We are designed and built to help them scale."

The company can do everything from T-shirts to leggings to a complicated jacket. Pricing is customized based on the complexity of the garment.

"We know how long it takes for patternmaking and sewing and all the components involved," Hurley said.

The fashion industry in Los Angeles is fragmented, Hurley said, with designers "bouncing from this sewer to that marking and grading guy and not knowing how it all comes together."

"We are pulling these fragmented components together," he said.

To be successful, Hurley said, the local industry needs to understand how to work with a broad base of companies.

"We are only as strong as our supply chain. We all need to evolve together," he said. "We're looking for partners that understand that at every level of the supply chain."

To help connect with designers and emerging brands, Indie Source recently started a Facebook group for independent designer and entrepreneurs at www.facebook.com/groups/indiedesigners.

For more information about Indie Source, visit indiesource.com.—Alison A. Nieder



Zack Hurley and Jesse Dombrowiak

Calendar

Nov. 28

Guest lecture with Dame Zandra Rhodes, presented by the Chimaera Project
Huntington Beach Academy of Performing Arts
Huntington Beach, Calif.

Nov. 29

Kingpins
Basketball City
New York
Through Nov. 30

Nov. 30

Shop for Success, VIP Night
1101 Westwood Blvd.
Los Angeles
(Open to the public Dec. 1-4)

Dec. 1

Holiday Sample Sales
California Market Center
Los Angeles

Dec. 2

Unique LA
California Market Center
Los Angeles
Through Dec. 3

Dec. 6

CFF and TALA Annual Christmas Party for Children
Cooper Design Space, penthouse
Los Angeles

TPC Holiday Party

The Palm
Los Angeles

DG Expo Fabric and Trim Show

Palmer House Hilton
Chicago
Through Dec. 7

Dec. 7

Showroom grand opening presented by LYCRA, Tavex and Artisan Cloth
1308 Factory Place, Suite 105
Los Angeles

Dec. 8

Fashion With a Cause
California Market Center
Los Angeles

Holiday Sample Sales

California Market Center
Los Angeles

Dec. 15

Holiday Sample Sales
California Market Center
Los Angeles

Dec. 22

Holiday Sample Sales
California Market Center
Los Angeles

There's more on ApparelNews.net.

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.

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Butter Cloth

Continued from page 1

serve as an ambassador to the sports and celebrity world.

The announcement comes shortly after the emerging brand took a bow as a direct-to-sales company. Tran started Butter Cloth in January as a new angle on the men's dress shirt. Butter Cloth shirts have the look of the men's dress collared shirt but have the soft feel of a high-end T-shirt, Tran said.

The label's shirting is made out of a proprietary fabric, which Tran said he developed with a Chinese fabric mill. It is 100 percent cotton but constructed as a double knit, which gives it stretch. Butter Cloth fabrics are finished on the outside and the inside of the shirt, which creates the T-shirt feel, Tran said.

Tran also designed the shirting label's patterns, which run in solids, plaids and geometric shapes. All of the patterns feature unique shapes and colors to give the shirt an added point of difference.

Butter Cloth is Tran's first independent venture after working in a variety of design jobs in Southern California's apparel industry. He designed clothes for **Barbie** dolls. He also designed T-shirts, fleece and jackets for the mixed-martial-arts lifestyle brand **Affliction**, headquartered in Seal Beach, Calif. Tran said that the wide range of gigs made him a better designer. "If you are talented, you can design anything," said Tran, who graduated from **Otis College of Art and Design** and immigrated from his native Vietnam as a teenager.

Retail price points range from \$88 for a short-sleeve shirt to \$98 for a long-sleeve shirt. For more information, email info@buttercloth.com or call (800) 203-2650. ●



COURTESY OF BUTTER CLOTH



VIA METTA WORLD PEACE'S INSTAGRAM

Danh Tran with Metta World Peace



REINVENT FASHION



Model Wears Asher Fabric CC32- Supima Cotton and Poly Heavy Stripe Jersey

Made In The
USA

Junk Food and Levi's Team Up for Tees + Jeans

After a four-year run, **Junk Food Clothing** has revamped its flagship store in Los Angeles' Venice district and relaunched as a collaboration with **Levi Strauss & Co.** called **Tees + Jeans**, a boutique devoted to Junk Food's blank T-shirts and Levi's jeans.

Tees + Jeans took an official bow on Nov. 17 at 1103 Abbot Kinney Blvd. The 2,700-square-foot space carries a mix of 40 percent Junk Food tees and 60 percent Levi's denim. The store will offer Junk Food blanks and new and vintage Levi's jeans and jackets. The back of the space houses a **Levi's Tailor Shop**, where T-shirts and jeans can be customized and denim can be repaired. The shop will feature a rotating gallery section devoted to the work of different artisans, artists and brands. For the debut, the gallery section was given to artist and documentarian Craig Steyck. At the debut party, Steyck's graphics were screen-printed onto T-shirts and jeans.

Blair Digiacombo, Junk Food's direct-to-consumer concept general manager, said that Junk Food was looking for a new concept to drive its storefront at Abbot Kinney, one of the most popular walking streets in the Los Angeles area. The world might see more Tees + Jeans stores in the future. "Tees + Jeans is a scalable model, and there are plans to open others like it, depending on the space and/or partner," she said in an email.

—Andrew Asch



T-shirts with Craig Steyck graphics



Opening night at Tees + Jeans



Silkscreening tees at the opening party



Tees + Jeans carries a mix of Junk Food T-shirts and new and vintage Levi's.

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'Project Runway' Winner is LA-Based Fashion Instructor at FCI

By Alison A. Nieder *Executive Editor*

The 16th season of the fashion reality show "Project Runway" concluded with the top prize going to Kentaro Kameyama, the first Japanese winner of the long-running **Lifetime** television show.

"I believe there was one other Japanese contestant in 'Project Runway' history, but I believe I am the first Japanese designer in history to win. It's a big deal for me," Kameyama said.

Kameyama's win is also a big deal for his fashion alma mater and current employer, **FCI Fashion School**, the fast-track fashion school in downtown Los Angeles that offers a three-month, intensive fashion design program.

"We right away saw his immense talent," said Joe Farrell, FCI's fashion merchandising chair.

Trained as a classical pianist, Kameyama said his musical training influences his fashion designs.

"Through my classical training, I am able to analyze what's going on. That's how I make patterns," he said.

Before turning to fashion design, Kameyama studied piano performance at the **University of South Carolina**, the **University of Redlands** and the **University of Southern California**. His musical performance experience kept him cool under the pressure of competition on "Project Runway."

"Because I did so many piano competitions, I know what competition is like since I was 10," he said.

The designer stayed above the fray that often marks a contentious reality show. When asked who he viewed as his biggest competitor on the show, Kameyama would answer "myself."

"I didn't want to say anything bad about other people," he said. "I have to say, different people, different personalities, but I love being with those people who have that same dream that I have. It's a competition, but it's a beautiful situation."

Still, there was plenty of drama going into the show's finale. Kameyama was up against San Francisco-based Brandon Kee, Salt Lake City-based Ayana Ife and San Juan, Puerto Rico-based Margarita Alvarez.

Ife was the reality show's first Muslim designer. Her finale collection was both fashionable and modest. Alvarez presented her final collection as Hurricane Maria was on track to hit the island. (Mentor Tim Gunn assured her on air that her family was safe.)

Kameyama's win was a surprise to many, including the Japanese-born designer. But within 24 hours, the designer's **Instagram** following doubled to more than 20,000.

The morning after his win was announced, Kameyama was fielding interviews from several news outlets.

"Everyone said, 'So what's next?' That's

what I have to think about. I feel like I just came from Japan. I don't speak English well, and I don't have my family here. But I am excited about what's going to happen. I have to be smart about it," Kameyama said.

He also had his first brush with the fame that comes from winning a reality-show competition.

"I was at the airport in New York and many people asked for my autograph and pictures. They were saying, 'Hey, Kentaro.' It's kind of a weird feeling," he said.

For now, Kameyama will continue to teach at FCI, where he was recently promoted to fashion design chair.

In October, Kameyama helped organize FCI's runway show, which featured Kameyama—along

with fellow "Project Runway" designers Alvarez, Batani-Khalfani and ChaCha—on the runway alongside FCI students.

Kameyama and Farrell plan to continue to host fashion shows that feature the work of students alongside guest designers.

"I appreciate that I've got this opportunity. I'm working here and I get to do my fashion show, which was a huge deal for me



Kentaro Kameyama



Looks from Kameyama's finale show on "Project Runway"

when I started in fashion. It's a huge opportunity for a new designer," Kameyama said. "I want to share what I have."

Kameyama and Farrell would like to add their runway show to the **Los Angeles Fashion Week** lineup.

"I want to make this into a very interesting Los Angeles Fashion Week platform," Kameyama said. "There's no doubt that everybody loves California fashion. I am proud to be considered a California designer. This is a good chance for California to do something big and beautiful. To do that, we need to help each other." ●

Guess?, Inc. Faces Challenges in U.S. Market With Europe and Asia Taking the Lead

Guess?, Inc. was founded in Los Angeles nearly 40 years ago with its eye on the U.S. consumer, but its weakest market now is the United States and the Americas region.

In the past two years, since Victor Herrero was named the company's chief executive officer, business has been improving at a strong pace in Europe and Asia. But the Americas remains a challenge.

During a conference call on Nov. 21 highlighting the venture's third-quarter results for fiscal 2018, Herrero noted that the 60 store closures announced earlier this year will now turn into 70 outposts—with most of those doors in the United States.

The company already made a \$22 million up-front payment to a common landlord—with \$12 million recognized as net losses on lease terminations and \$10 million in advance rent payments.

"Also, as more than half our leases will expire in the next three years, we have a lot of flexibility to close stores and further improve our profitability," the CEO said.

For the third quarter that ended Oct. 28, Guess had 315 directly operated stores in the United States, down 26 stores from one year ago. Canada had 96 directly operated stores, 15 fewer than last year, and Central and South America saw an increase of six stores to 56 outposts.

The Americas market—which covers the United States, Canada, Mexico and Brazil—has seen a continuing slide in same-store sales. Overall for the third quarter, retail revenues in the Americas sank 13.4 percent and comparative sales, including e-commerce, declined

10 percent.

Europe and Asia were a different story. European revenues jumped 18.8 percent with retail comp sales moving up 10 percent, and Asia revenues saw a healthy 16.8 percent spike with retail comp sales seeing a more moderate 3 percent increase. "I believe Europe and Asia still offer a lot of opportunity and should continue to grow double digits next year," Herrero said.

For the third quarter, Guess saw a net loss of \$2.9 million compared to a net profit of \$9.1 million for the same time period last year. Net revenues were up 3.3 percent to \$554.1 million.

For the first nine months of fiscal 2018, Guess had a net loss of \$7 million compared to a \$16 million net profit in 2017. Revenues for the nine-month period were up 3.7 percent to \$1.6 billion compared to last year's \$1.53 billion.

Herrero said the company is improving its product offerings all the time and trying to be on trend while maintaining a sexy and edgy look. Guess has also employed several celebrities, including Camila Cabello and Joe Jonas, to enhance the label's attractiveness. Jennifer Lopez will be the model for the Spring 2018 campaign.

Herrero was named the company's new chief executive in July 2015 to replace Paul Marciano, one of the four Marciano brothers who founded the company in 1981. Herrero had been the head of Asia Pacific for **Inditex Group**, whose nameplates include **Zara**, **Massimo Dutti** and **Pull & Bear**.—*Deborah Belgium*

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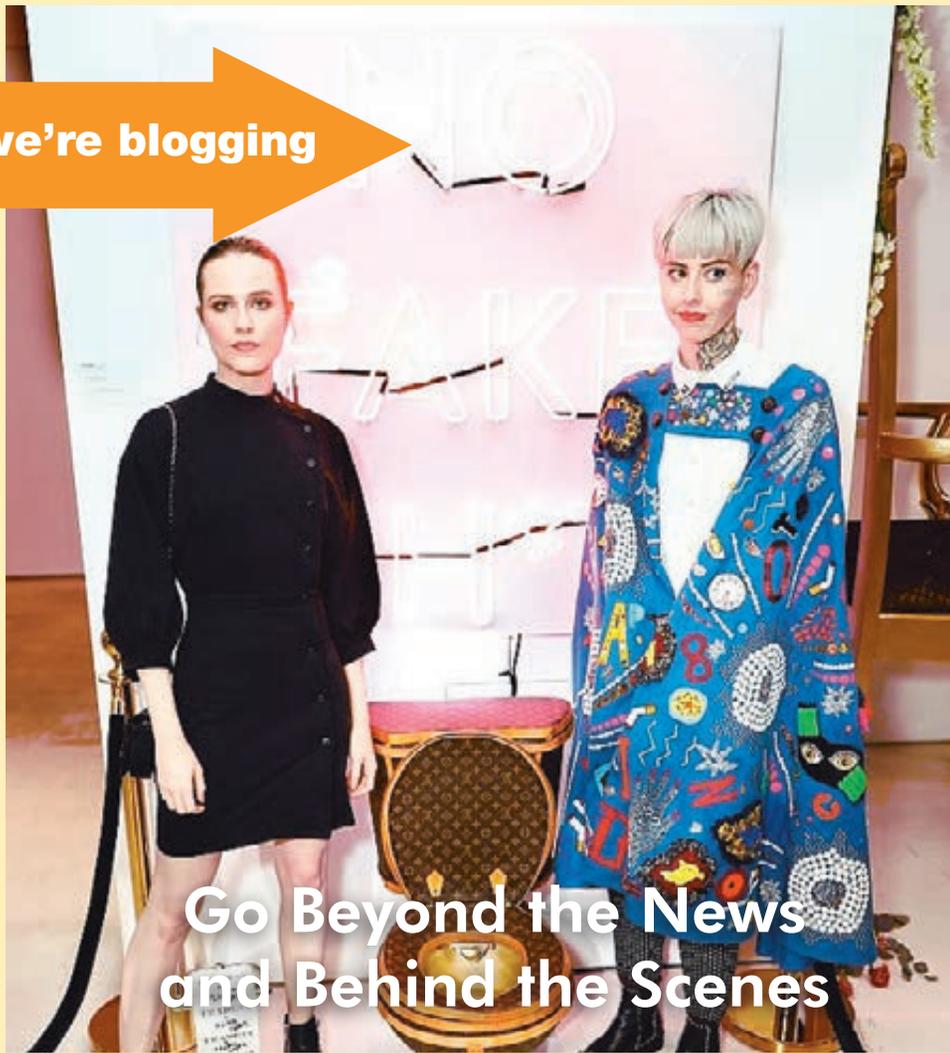
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