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WRAPPING IT UP

The holidays are over and the shopping season turned out to be one of the busiest in recent years due to low unemployment and better wages. Next year might be a different story.

ANDREW ASCH

Traditional Wholesaler-Retailer-Manufacturer Fashion Relationships Undergo an Evolution

By Andrew Asch *Retail Editor*

It's been a time of shake-ups for the apparel business.

Retail stores are rejiggering the way they sell to customers, shrinking their stores and concentrating more on online sales. This means that manufacturers and those on the wholesale side of the apparel business are also having to reconfigure the way they do business.

There is no question that the traditional wholesale-and-retail business formula is in flux. However, there are different forecasts on which way the fashion industry is headed.

Without question, the cause for this turbulence has been the popularity of e-commerce sites and digital business, said Caroline Klatt, chief executive officer and co-founder of **Headliner Labs**. The New York-based company produces "chatbots," which deliver marketing messages and communicate with people on chat channels for social-media services such as **Facebook**.

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A Strong Holiday Shopping Season Rings In the New Year

By Andrew Asch *Retail Editor*

'Twas the season for change.

Sales for the 2018 holiday season were the strongest they have been in the past six years, rising 5.1 percent over last year's holiday sales and totaling \$850 billion, according to **Mastercard SpendingPulse**, a research division for **Mastercard**.

And it was a good season for apparel, with clothing purchases jumping 7.9 percent over last year.

But this robust shopping season also was marked by adjustments. Digital shopping skyrocketed 19.1 percent compared with last year, according to Mastercard SpendingPulse.

Retail analysts observed that the increase came at the expense of retail traffic at bricks-and-mortar shops, said Jeffrey Van Sinderen of investment-services firm **B. Riley FBR**.

"There was a deep decline in traffic," Van Sinderen said of bricks-and-mortar stores. "I felt it drove some folks to

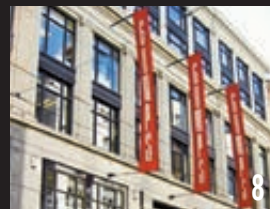
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Where fashion gets down to businessSM



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Agriculture Improvement Act Opens Door to Hemp Cultivation

Expect more hemp fabric to come from the United States.

Under the recently passed Agriculture Improvement Act of 2018, signed by the Trump administration, hemp has been removed from the Controlled Substances Act, which was signed by President Richard Nixon in 1970.

By declassifying hemp as a Schedule I narcotic, the federal government has opened the door for a potential resurgence of the United States' hemp-textiles industry.

The decision to remove hemp from the Controlled Substances Act builds on the pilot industrial-hemp research program intro-

duced when President Barack Obama signed the Agricultural Act of 2014. The bill allowed certain state-agriculture departments and academic institutions to explore hemp cultivation. Once a large industry in the United States—particularly in the country's Southeastern region—hemp was cultivated for use in textile production.

Hemp cultivation was legal until 1937 until the passage of the Marihuana Tax Act, which regulated the importation, cultivation, possession and distribution of marijuana. While importing the product into the United States was legal, growing the crop was ille-

gal due to its classification as a member of the cannabis family.

Also known as the "Farm Bill of 2018," the Agriculture Improvement Act, passed on Dec. 20, will allow farmers to cultivate the crop. Authored by Sen. Pat Roberts (R-Kan.), who is the chairman of the Senate Committee on Agriculture, Nutrition and Forestry, the bill passed the Senate on Dec. 11 with an 87–13 vote and was approved by the House with a 369–47 decision.

The hemp legalization comes at a time when the United States is reexamining its trade relationships with international part-

ners. The legislation follows the United States' decision in September to implement a 10 percent tariff on imports of \$200 billion of goods—including textiles—imported from China.

"Our first commitment was to provide farmers and ranchers with certainty and predictability, and this is what attracted broad bipartisan support," Roberts said in a statement. "I am proud of the members of my committee who have worked so hard to give rural America the tools to produce the safest and most affordable food and fiber in the world."—*Dorothy Crouch*

NEW RESOURCES

Arming Women With a Strong Sense of Style Is the Goal of Gertrud Founder

By Dorothy Crouch Associate Editor

Taking inspiration from venerable women of the Golden Era of Hollywood as well as art and music, Sarah LeRoy designed her new collection to bring wearable glamour to modern fashion. With a focus on classic tailoring, North Carolina native LeRoy looked to women such as Katharine Hepburn, Marlene Dietrich and Georgia O'Keeffe to create **Gertrud**, a new brand of womenswear that is made in Los Angeles.

"Sometimes designers can look at a woman as just one type of person or think about dressing her for one type of experience during one part of her life," LeRoy explained.

For her line, which launched its first col-

lection, named Gertrud Vol. I, on Dec. 13 with a party at the **Mack Sennett Studios** in Los Angeles' Silver Lake neighborhood, LeRoy wanted to use her brand to prepare women to look stylish as they navigate their daily lives.

"At Gertrud, we try to think about everything a woman may be doing—work, date night, going out with girlfriends and being a mom," she said. "We give her the tools she needs, in terms of clothing, to feel beautiful and empowered to be ready to face the challenges ahead."

As a former shareholder, senior vice president of marketing and member of the board at Winston-Salem, N.C.'s **Piedmont Distillers**, LeRoy might seem to be an unlikely designer. But it was her position as an executive deci-

sion-maker in the wine-and-spirits industry that served as valuable preparation for a venture leading a fashion line.

"While it wasn't in apparel specifically, it's amazing how similar the processes can be," LeRoy said. "When I had the idea for the line and it was a good time to step away from what I was doing, I was pleasantly surprised that a lot of my experience does apply to apparel as well."

LeRoy's product-development partner, 20-year industry veteran Heather Morton, is president of Orange, Calif.-based **Blue Salt, Inc.** and has worked with companies such as **Hudson Jeans, J Brand** and **Lucky Jeans**. She feels the Gertrud founder's fresh approach to fashion is an asset.

Through Morton's network, LeRoy discovered a group of apparel-manufacturing professionals that includes independent cutters and sewers in addition to established factories, allowing the two women to focus on a shared vision of artistry in garment production based in the traditional denim city of Los Angeles.

"Sarah was recommended to me by someone at **Cone Mills**," Morton recalled. "There was this sense of creativity that had been stagnant in the last several years. Because she wasn't from the industry, she wanted to push boundaries that most people wouldn't. It was this fresh outlook on everything."

Feeling a gap in the market, LeRoy noticed that most garments found in retail were falling into one of two categories: high-end streetwear or finely made suiting. Creating a happy medium of quality, smart dressing for women is the place where she wanted her line to fit.

"There is a market out there that is underserved," she explained. "It might not be for everyone, but I think this is where trends are going to head—creating an atmosphere of women designing for women in a way that is sophisticated and stylish but you can still live your life in it."

When naming her brand, LeRoy discovered the German meaning of Gertrud is "adored warrior," which is the type of woman she wanted to reach. Not only is the woman bold and successful but she is also compassionate. LeRoy exhibited this quality when researching her sourcing partners, committing to prioritizing partners from democratic countries such as South Korea, Italy and Japan, where the rights of workers are protected.

"She is very much a woman similar to Gertrud," Morton said of LeRoy. "She loves quality, craftsmanship, the artisanal part of creating

a garment. She respects it and doesn't want to falter on any level of quality. It's all very important for her and me. It's important to work with someone who believes in it."

Pieces in the Vol. I collection, which was created as a Spring 2019 line, include one of LeRoy's favorites—the L.P. top. The high-neck blouse, made of premium Japanese cotton, relies on box-pleat ruffles with a cap sleeve and crepe-de-chine lining, while Italian matte-gold ball buttons finish the shirt, which retails for \$1,200.

Another favorite of the designer is the E.S. pant, a black wide-leg pant in lightweight Italian wool, which retails for \$1,250. There is an element of a secret that lies within the piece as a side-box pleat features a black-and-white silk-charmeuse inset that can only be seen as the wearer moves.

As she took influence from women who carved their own paths in the arts, LeRoy also had a bit of fun while designing Gertrud. The Vol. I collection includes Supima-cotton graphic T-shirts that retail for \$150. The B.A.F.—or Bad AF—graphic T-shirt features the image of Marlene Dietrich adjusting her bow tie on the set of the 1930s film "Morocco" as a cigarette dangles from her lips. A black bar bearing the words "bad AF" typed in white covers Dietrich's eyes.

Looking to cultivate Gertrud into a brand that is competitive with **Stella McCartney** and **The Row**, LeRoy is planning to release Spring/Summer 2019 by March or April. Building upon the foundation of Gertrud Vol. I, she revealed there will be more pleating and menswear influences. By Fall 2019, which will have an August release date, the brand will include outerwear and blazers.

While Gertrud currently relies on black and white, LeRoy is carefully planning ways to introduce color into the line. As her brand evolves, LeRoy is excited about the role Los Angeles will have as Gertrud brings glamour back to daily dressing.

"The heartbeat of Gertrud is in L.A.," she said. "Every resource I was trying to find ended up being L.A. based. There is so much innovation and energy; there is so much happening out in California right now, especially in L.A. It's cool for Gertrud to be a part of that."

Available online at www.Gertrud.co, the brand currently relies on an e-commerce model, but LeRoy is open to working with retail partners committed to the Gertrud mission. Sizing for the brand runs from 0–14 and XS–XL. Retail price points range from \$100 to \$1,250. ●

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New California Laws to Alter Workplace Rules

By Deborah Belgum *Executive Editor*

Ring in the new year means ringing in a whole set of new laws that are important for employers to know. Most of these laws go into effect Jan. 1, but the minimum-wage increase in Los Angeles doesn't take effect until July 1.

This year, due to the #MeTooMovement, a number of laws have been implemented to make it easier for employees to report sexual harassment and for employers to speak out about investigations into the matter.

There is also a law to prohibit secret settlements of sexual-harassment claims or gender discrimination and another regulation making it mandatory that smaller companies be required to give sexual-harassment training workshops to their supervisors and employees.

Also, expect to see more women on the boards of directors of corporations headquartered in California under a new law that must be complied with by the end of 2019.

Minimum Wage

California's minimum wage has been going up for the past several years, and this year is no different with a new increase scheduled for Jan. 1. In addition, the minimum wage in Los Angeles and the unincorporated areas of Los Angeles County will rise this July.

For smaller companies with 25 or fewer employees, the state minimum wage will go from \$10.50 an hour to \$11 an hour. For larger companies with 26 or more workers, the hourly salary will inch up from \$11 to \$12.

In Los Angeles and the unincorporated areas of Los Angeles County, the minimum wage is slightly higher than the state minimum wage and prevails over California's lower minimum wage.

On July 1, the minimum wage in Los Angeles and surrounding areas will go from \$12 an

hour for smaller companies to \$13.25 an hour. For larger companies, hourly wages will be hiked from \$13.25 an hour to \$14.25.

San Francisco is one city that is making sure its residents get paid more as housing prices and rents continue to balloon there. Last July 1, this Northern California city's minimum wage went up to \$15 an hour. The next boost will take place on July 1, when the minimum wage will be adjusted according to the rise in the consumer price index, which reflects inflation.

Payroll Records (SB 1252)

Currently, employees are allowed to inspect or copy their payroll records and should be allowed to do so within 21 days of their request. Senate Bill 1252 cleared up a few things and now requires employers to make and provide the copies of those payroll records rather than requiring that employees find a way to make the copies themselves.

Salary History (AB 2282)

Currently in California, laws ban employers from asking a job applicant's salary history, but Assembly Bill 2282 allows employers to ask about an applicant's salary expectations for the position being applied for.

Also, only external applicants (not current employees) may request a pay scale after completing an initial interview, and the pay scale provided only needs to include salary or hourly wage ranges.

Criminal Background Checks (SB 1412)

Right now, state law generally prohibits employers from considering an applicant's judicially sealed or expunged convictions. Senate Bill 1412 narrows an employer's ability to consider sealed or expunged convictions to only

those circumstances where a particular conviction would legally prohibit someone from holding that job.

Sexual Harassment Rules (SB 1300)

This omnibus bill states that employers can be held responsible for the acts of non-employees with respect to any kind of harassment due to protected status. This includes, among other things, harassment based on sex, gender, race, color, disability, national origin or sexual orientation.

It also lowers the burden of proof in harassment lawsuits, which means it will be more difficult for employers to defend against possible harassment lawsuits.

The bill also prohibits an employer from requiring an employee, in exchange for a raise or bonus or a condition of continued employment, to agree not to sue or bring a claim against the employer or to sign a non-disparagement agreement preventing the employee from disclosing information about unlawful acts in the workplace.

Sexual Harassment Defamation Claims (AB 2770)

This bill gives greater protection to alleged victims of sexual harassment by a coworker and makes it easier for them to make complaints to their employer without the fear of being found liable for defaming the alleged harasser.

It also protects employers when making statements to interested parties, such as the Department of Fair Employment and Housing or the Equal Employment Opportunity Commission, regarding the complaints of sexual harassment. However, this is only protected from liability for defamation if the claims are made without malice and based upon credible evidence.

In addition, an employer is further protected from liability for defamation when answering an inquiry from a prospective employer as to whether or not the employer would rehire the applicant. The former employer is allowed to say whether the decision was based on the applicant being engaged in sexual harassment.

The idea behind this bill was that more victims of sexual harassment might be willing to come forward and speak out about workplace sexual harassment. It also gives employers the solace that if they investigate claims of sexual harassment, participate in investigations by administrative bodies or notify prospective employers about a sexual harasser, they will not be sued or held liable for defamation.

Protection Against Secret Settlements (SB 820)

With settlement agreements, this law prohibits provisions that prevent disclosure of factual information pertaining to claims of sexual assault, sexual harassment, gender discrimination or related retaliation that have been filed in court or before an administrative agency.

This new law does not prohibit a provision that prevents the parties to the agreement from disclosing the settlement amount, but, at the claimant's request, it can limit the disclosure of the claimant's identity or of facts that would lead to the discovery of the claimant's identity.

Waiver of Rights to Testify (AB 3109)

Any provision in a contract or settlement agreement will be deemed unenforceable if it prohibits testimony about criminal conduct or sexual harassment in an administrative, legislative or judicial proceeding. This covers only testimony that is required, such as by subpoena or a court order, or in response to a written request

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Wholesale *Continued from page 1*

book **Messenger** and **Whatsapp**.

"Retail is changing," Klatt said. "E-commerce continues to grow by double digits. Direct-to-consumer opened up what is a sizable opportunity for brands to forge a relationship directly with their customers and reap the benefit in margins."

The importance of e-commerce for most major retailers continues to grow, with online sales making up between 25 percent and 40 percent of their annual revenues, and this is only expected to continue growing.

More than 10 years ago, brands had to work in the wholesale channel or open up a physical store to reach consumers, Klatt said. "But digital has created a whole different approach. Brands that sell direct to consumer are investing heavily in their brand identity and in digital traffic to their own branded websites, which means consumers are shopping for these items in isolation; they no longer have to see a bunch of different brands grouped together at a department store or large multi-brand retailer," she explained.

But the direct-to-consumer business has not proved to be easy because an e-commerce business has to be a jack-of-all-trades to succeed. Manufacturers have to learn how to be retailers and take on fulfillment duties.

Still, consumers have not completely abandoned bricks-and-mortar stores. The vanguard of online-only retailers, including **Everlane**, **Warby Parker**, **Bonobos** and **Amazon**, have been opening up physical stores in recent years.

New retail channels have changed what consumers want from stores, said Syama Meagher, the chief retail strategist for the consultancy **Scaling Retail**.

With people shopping more online, the stores have scaled back their spaces. They are expected to be more experiential and be places where people immerse themselves in a brand experience.

"The nature of a fashion company has changed too," Meagher said. "Fashion is becoming more like a media company."

But if work is harder for manufacturers, Meagher said, it's a better market for consumers because there is more diverse product to choose from.

There's a giant drive for fashion companies to "publish new content." It's the reason for the boom in collaboration lines and capsule collections, she said. "It's chaotic for brands. It's chaotic to manage open-to-buy. You must design more frequently.



Consumers can get free socks from an app-enabled vending machine at the Nike by Melrose store in West Hollywood, Calif.

There is more pressure on the supply chain," she said.

Direct-to-consumer has created more business opportunities for Los Angeles-based manufacturing consultant Daniel Antonio. He continues to design for his brand, **Dirty Milk**. But now 70 percent of his income comes from working as a production consultant for small brands and social-media influencers.

Emerging brands typically need small orders, which range from a handful of garments to 100 units.

Antonio said that, more than a decade ago, many factories were not interested in small orders. In the past few years, there's been a boom in small-order production because that is where the opportunity lies. A key part of this manufacturing scene is providing something that overseas manufacturers cannot.

"It's about how fast can you produce it," Antonio said. "We have to work faster than China."

Despite the popularity of shopping online, there's still a lot of money to be made in traditional bricks-and-mortar retail, said Ilse Metchek, president of the **California Fashion Association**, a nonprofit fashion-industry group in Los Angeles. She forecast that the majority of consumers will continue to shop at traditional retailers.

However, the traditional department-store sales floor will change. "In multi-floor department stores, there will be more leased departments. The brands will be responsible for their own inventory. It is the European model," she said.

When shoppers visit a European department store such as **Galleries Lafayette**, they see brands producing special shops-in-shops. American department stores such as **Bloomingdale's** have been ahead of the curve in the United States by having branded environments for fashion labels on their shop floors.

Like every other big shake-up in business, changes in the wholesale business are affecting workers who relied on traditional retail, such as store salespeople and wholesale-showroom employees.

However, the showroom business must change to stay alive, said Ernesto Mantilla, co-owner of the **Betty Bottom** multi-brand showroom, located in the **California Market Center** in downtown Los Angeles. "Over and over, I hear people talking about the good old days. I tell them that the good old days are now. You have to adapt."

Showrooms can help boutiques that do not have a strong Internet presence, he said. At Betty Bottom, they work with boutiques to provide speed-to-market.

If a consumer requests a specific garment a boutique doesn't carry, the boutiques can call the showroom to find that item.

If the showroom doesn't have it, an employee can call the manufacturer and special order the item, which oftentimes can be delivered in a week to satisfy the customer, Mantilla said.

For manufacturers, the changing retail business climate has put the traditionally solid bonds between manufacturers and retailers in question.

This means that manufacturers such as **Nike Inc.** have had to retool their relationships with their retailers. Nike has been working on plans to cut ties with thousands of its wholesale partners, as outlined in a plan introduced in mid-2017 called "Consumer Direct Offense." It reportedly will focus its wholesale business on its top-40 accounts, which have not been named yet, according to media reports.

Nike is also concentrating on its direct-to-consumer business, which was praised when the company's second-quarter earnings results were released on Dec. 10, which showed revenues were up 10 percent to \$9.4 billion.

This shift in the wholesale business has also affected trade shows catering to retail buyers.

After a 36-year run, trade-show producer **Emerald Exhibitions** canceled its **Interbike** trade show in Reno, Nev. And **Agenda**, one of the West Coast's prominent trade shows, cut out the business-to-business focus from its Long Beach, Calif., event to transform it into a business-to-consumer show. ●

These Boutique Classics Show Their Staying Power

Who doesn't love the island lifestyle? Loyal fans of these four brands embrace their chill approach to the relaxed lifestyle, rendered in meticulous designs, lively colors, and high-quality materials, all touched with the joyous spirit of the laid-back life.

Gretchen Scott Designs

The mantra of Gretchen Scott Designs is "laugh more, gripe less, ignore critics, say yes, order dessert, love life." To that end, this fun-loving lifestyle brand "adores change—change is fun, exciting, and what keeps us breathing, fresh, and aggressively alive." At the same time, it forgoes trends for designs with clean silhouettes and surprise elements that look current year after year, with accessorizing to switch up the look. Resort 2018 and Spring 2019 deliver "many more sheer silhouettes than we've ever done" for their feminine appeal, which translates across generations. Founder and CEO Scott travels the world for her inspiration for a collection that packs easily and seamlessly transitions from day to night. Prints are key to Gretchen Scott, and printed silhouettes in cotton, jersey, and silk are perennial bestsellers. Wholesale price points for her broad collection range from \$39 to \$109.



Spartina 449

Spartina 449 is renowned for its upscale, locally designed linen and leather handbags and accessories inspired by the colors and natural beauty of South Carolina's Daufuskie Island and lowcountry. To this laid-back luxe collection you now can add an expanded apparel line that completes the Spartina look head to toe. Spartina takes its cue from its loyal customers, who appreciate the spirit of island living "no matter where they are." She also loves quality and looks for attention to detail. The new casually elegant apparel line is made primarily from a soft, Peruvian cotton-blend fabric tailored with a flattering amount of stretch and imbued with a unique charm. Case in point: the Island Fringe Dress, a classic A-line shape with crew neck, short sleeves, and pockets and with a fringe trim that gives it a sassy touch of boho flair. Wholesale price points range from \$21 to \$86.25.



Tommy Bahama

The world of Tommy Bahama is a place "where you can breathe freely, live spontaneously, and relax in style." For 25 years, that vision has fueled this casual-apparel juggernaut, kept fresh by its ability to innovate and evolve even as its quality has remained high and its prices fair. "We continue our constant use of color and extensive attention to detail to have a 'touch of sand' in everything we do," the company says. It touts the brand's "tremendous innovation in our prints" with a deft use of color and novelty taking its traditional Hawaiian prints to a new level. Introducing tech fabrics in its knitwear and bottoms "has helped us attract a younger guest." Retail price points range from \$49.50 to \$150 for knits, \$99.50 to \$175 for woven shirts and bottoms, and \$125 to \$200 for sweaters.



The next edition of Surf Expo will take place January 10–12, 2019, at the Orange County Convention Center in Orlando, Fla.

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E X P O

Margaritaville

Credit singer Jimmy Buffett with inspiring the ultimate in island escapist fantasy, and Margaritaville builds on that 40-year legacy: "It flows into the products we design. We are always evolving our apparel and footwear collections but never going too far away from what got us here." With its two collections, called Island Reserve and State of Mind, the apparel brand reaches out to customers from the Buffett fan to "someone who just loves the island lifestyle." Island Reserve focuses on island plaids and striking floral prints, while State of Mind more directly works off the "vibrant colors and details that are inspired by the songs and stories of Jimmy Buffett." Expected bestsellers include Island Reserve's Bahia Honda Shirt, with its floral and island-inspired prints, and a long-sleeve hooded T-shirt offered in both collections. Island Reserve price points range from \$40 for tees to \$110 for long-sleeve wovens; price points for State of Mind run from \$28 to \$36.



NEWS

The London Textile Fair to Debut Textfusion—New York

Taking its textile show to New York for the first time, organizers of **The London Textile Fair** will introduce **Textfusion—New York** Jan. 16–17 at Manhattan's **Penn Plaza Pavilion**. With the idea of connecting more European textile resources with a North American apparel-manufacturing audience, the show will host more than 100 companies.

"We have been organizing textile trade shows since 2007, and our leading exhibition in London, The London Textile Fair, counts around 500 predominantly European exhibitors," Textfusion's New York organizer, John Kelley, said in a statement. "The London Textile Fair is the biggest industry show within the U.K. and one of the leading European exhibitions for fashion fabrics, accessories, print studios and vintage garments."

Manufacturers including Italy's premium-fabric house **Etique**; Scottish waxed-cotton and waterproof-canvas manufacturer **Halley Stevensons**; **Tekstina**, a men's shirting mill from Slovenia; French textile mill **Deveaux**, **EGR**, a woven-jacquard manufacturer from

Turkey; and France's women-and-girls' fabric house **Ercea** will be on hand to showcase fashion and technical fabrics, accessories and denim.

"Our database of European manufacturers is complete, and some of the most prestigious mills have exhibited with us since the very beginning," Kelley explained. "We have a close relationship with our exhibitors, and some of them asked us to organize a show in New York as the U.S. market is very important for them."

The initial installment of Textfusion—New York has been scheduled to take place following The London Textile Fair, which will be hosted at London's **Business Design Centre** Jan. 9–10. The United Kingdom's version of Textfusion will also take place at the Business Design Centre and is scheduled for March 26–27.

"The London Textile Fair format is very successful in London, and we are sure it will have the same reception in the U.S.," Kelley said. "We are very excited about this new project." —*Dorothy Crouch*

Cherokee Announces Deal With the Batra Group for Tony Hawk License Deal

Cherokee Global Brands, a Southern California brand-management company, announced it has signed a deal with the **Batra Group** for a licensing agreement to sell the **Tony Hawk** brand for apparel and accessories in Europe, the Middle East and Africa.

Henry Stupp, the chief executive of Cherokee Global Brands, said he was happy to grow the Tony Hawk brand with the Batra Group through this new license partnership. "The positive momentum of the skate- and streetwear segments combined with the addition of skateboarding to the **2020 Summer Olympics** will raise the profile of skateboarding globally," he said. "We are thrilled to be playing a part in driving the cultural conversation around skate."

Rajiv Batra, executive chairman of the

Batra Group, said the licensing agreement was a strategic fit to his company's portfolio with the influence of skateboarding set to increase within the lifestyle market over the next few years. "It is a great pleasure to add the iconic Tony Hawk brand license to our portfolio of globally recognized brands," he said.

The Batra Group was formed in 1947 and now has headquarters in London and Mumbai, India. It specializes in manufacturing, brand distribution and marketing.

Cherokee Global Brands manages a number of labels including **Sideout**, **Cherokee**, **Tony Hawk Signature Apparel** and **Hawk Brands**, **Liz Lange**, **Everyday California**, **Hi-Tec**, **Magnum**, and **50 Peaks**.

—*Deborah Belgum*

Calendar

Jan. 5

The Trendz Show
Palm Beach County Convention Center
Palm Beach, Fla.
Through Jan. 7

Jan. 6

AccessoriesTheShow
FAME
Moda
Project Womens
Javits Center
New York
Through Jan. 8

The Trends Show
Shriner's El-Zaribah Auditorium
Phoenix, Ariz.
Through Jan. 8

Jan. 7

Active Collective
Anaheim Convention Center
Anaheim, Calif.
Through Jan. 8
Swim Collective
Anaheim Convention Center
Anaheim, Calif.
Through Jan. 8

Jan. 9

WWSRA Southern California Preview
Orange County Fairgrounds
Costa Mesa, Calif.
Through Jan. 10

Jan. 10

Surf Expo
Orange County Convention Center
Orlando, Fla.
Through Jan. 12

Jan. 14

LA Market Week
California Market Center
The New Mart
Cooper Design Space
Gerry Building
Academy Awards Building
Lady Liberty Building
Primrose Design Building
Los Angeles
Through Jan. 16

There's more
on ApparelNews.net.

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

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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NEWS

Shopping *Continued from page 1*

push promotions more forcefully.”

Promotions were so generous they looked like post-holiday clearance sales with many mall retailers offering discounts as high as 50 percent to 60 percent off everything in the store, Van Sinderen said.

Those retailers offering omni-channel services, such as buy online and pick up at a store, enjoyed a robust season, Van Sinderen said. Retailers who didn't bring full omni-channel offerings to the market stumbled.

This season, the “it” item seemed to have been time, said Britt Beemer, founder of **America's Research Group**. He has been investigating American consumers' shopping habits since the Reagan administration.

“Who saves me the most time gets the most spending,” Beemer said. He projected that consumers spent 12 percent to 14 percent more at digital and omni-channel retailers than those retailers who were not as efficient.

There also were no items that specifically drove spending during the holiday. The category of winter gloves enjoyed an uptick during the holiday season, Beemer estimated. Spending on luxury fashion and gifts also increased.

The 2018 season started with strong forecasts built on a bullish economy. The **National Retail Federation** predicted sales for the 2018 holiday season would rise by 4.3 percent to 4.8 percent over last year. The NRF will release its final holiday sales numbers on Jan. 16.

As the holiday season started, consumer confidence was high, according to **The Conference Board**, a nonprofit research group studying consumer moods. The national unemployment rate, at a very low 3.7 percent throughout the holiday season, meant shoppers were ready to spend.

The calendar also helped ensure the sea-

son's success. This year, there were five weekends before Christmas instead of the usual four weekends, providing ample opportunity to find that special gift.

And this holiday's shopping pace was similar to past years. It started off with a bang on the Black Friday weekend after Thanksgiving, the traditional start of the shopping season, with more than 165 million Americans shopping online or in stores.

Retail traffic decreased until 10 days before Christmas. The **International Council of Shopping Centers** found that 44 percent of Americans, or 111 million people, intended to shop on Super Saturday, the Saturday before Christmas. The ICSC's survey found that Super Saturday shoppers intended to spend an average of \$173.10 on gifts that day.

However, political and macroeconomic concerns cast some clouds over the otherwise sunny holiday outlook and the future, said Ron Friedman, the partner in charge of retail and consumer products for **Marcum LLP**, an accounting firm with offices in Los Angeles. “I forecasted that this year was going to be a great year for retail,” Friedman said. “Unfortunately, I'm not as optimistic about next year. We have



The Grove shopping center

major concerns and hurdles to get over. There is uncertainty about tariffs with China. There is volatility with the stock market. The Federal Reserve's potential increase in [interest] rates could slow down growth.”

While the stock market seemed to be manic during the entire holiday season, retail stocks led a market rally on Dec. 26, said Paul Zaffaroni, a managing director for **Roth Capital Partners**. “There seemed to be a disconnect between the stock market and consumer spending,” Zaffaroni said. “The consumer felt good and was spending a lot of money. But stocks were all over the place. With the bounce back today, the market may be starting to realize that consumers will still be driving the market.” ●

New Laws *Continued from page 3*

in an administrative or legislative hearing.

Sexual Assault Statute of Limitations (AB 1619)

The amount of time individuals may file a civil action for damages for sexual assault has been extended from three years to 10 years after the alleged assault or three years after the plaintiff discovered or reasonably discovered injury as a result of the assault, whichever is later.

More Women on Boards of Directors (SB 826)

Any publicly held corporation with its main executive offices in California shall be required to have at least one female director on its board by Dec. 31, 2019. Depending on the board's size, as many as three female members may be required by the end of 2021.

The fine for violating this law is \$100,000 for the first violation and \$300,000 for a second violation and any subsequent violations.

Sexual Harassment Training (SB 1343)

Currently, the state law stipulates that employers with 50 or more workers must provide supervisors with two hours of sexual-harassment training. By Jan. 1, 2020, Senate

Bill 1343 requires that employers with five or more employees be required to provide two hours of sexual-harassment training to supervisors and one hour to non-supervisors within six months of hire or promotion and every two years after that.

Lactation Accommodation (AB 1976)

As of now, employers in California must provide a private location in close proximity to where female employees work, other than a toilet stall, for them to express breast milk. Assembly Bill 1976 brings California more in line with federal law, which requires employers to provide a lactation location other than a bathroom. The new law will provide undue hardship exemptions under limited circumstances.

Paid Family Leave (SB 1123)

Currently, California has a paid family-leave program that provides partial wage replacement to employees who take a leave of absence for specific purposes. This new law is a little more ample than the previous law and allows employees to take time off for being called to active duty or when a spouse, domestic partner, parent or child is called to active duty. This law goes into effect January 2021. ●



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The Most-Popular California Apparel News Stories of 2018

By Deborah Belgum *Executive Editor*

This year was filled with a raft of news about how U.S. tariffs on Chinese goods were affecting the U.S. apparel and textile industry, and that news occupied a lot of our readers' attention.

Other popular topics included anything about fashion trends, denim trends or the must-have color of the season.

And a flurry of news about retail bankruptcy filings kept readers clicking to see who was in and who was out.

Here is a list of our top-20 news stories of the year:

- Pantone Releases Color Trends for Spring/Summer 2019

- Large Japanese Second-hand Store Opens on Melrose

- Top-10 Denim Trends for Fall/Winter 2019

- Jonathan Skow, Designer Behind Mr. Turk and Husband of Trina Turk, Dies Following Accident



2nd Street USA



Gump's



Shida, Shirin and Shideh Kaviani of Naked Wardrobe

- Chinese Tariffs Could Broadly Affect Clothing and Footwear Imports
- National Stores Closing Remaining Locations

- Trump Administration to Impose \$200 Billion in New Chinese Tariffs

- Gump's San Francisco Sells Off Merchandise Following Bankruptcy Filing

- Parent Company of Fallas Paredes and Factory 2-U Files for Bankruptcy Protection

- How Three Sisters Launched a Multimillion-Dollar Business

- Nordstrom Rack Expanding in El Segundo

- Two L.A. Textile Importers Plead Guilty to Laundering Money for Drug Cartels

- Los Angeles Retail District to Be Unveiled Near the Ocean

- New Owners of American Apparel Set Goal to Double Sales

- AST Sportswear Takes Over Where American Apparel Left Off

- New Proposed Tariffs on Chinese Imports Hit Textiles

- The Tariff Scare Keeps Apparel and Textile Companies Hopping

- The 'Godfather of Denim' Builds a House of Gold to Make Premium Denim Sustainable and Affordable

- L.A. Textile Executives Sentenced to Prison for Laundering Mexican-Cartel Drug Money

- New Tariffs on Chinese Goods Have Apparel Manufacturers Worried

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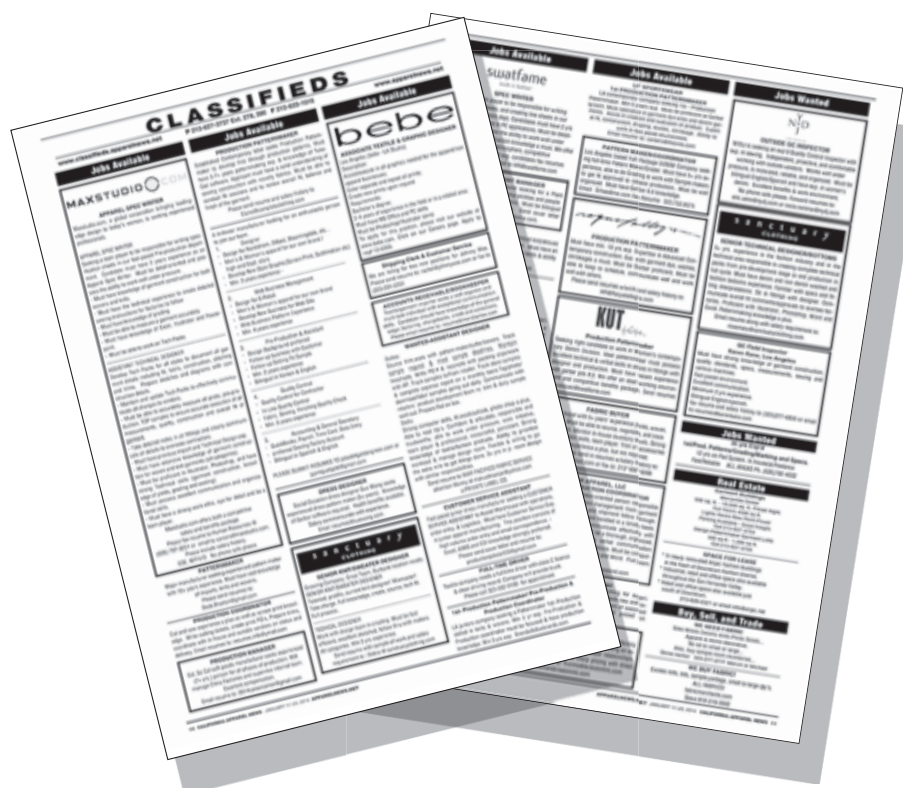
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