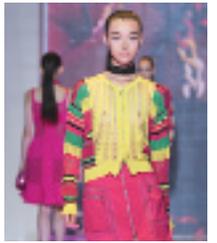




## VERSUS' STRATEGY SHIFT

DONATELLA VERSACE IS FORGING A NEW PATH FOR VERSUS — WITHOUT CHRISTOPHER KANE. PAGE 3



# WWD

TUESDAY, NOVEMBER 20, 2012 ■ WOMEN'S WEAR DAILY ■ \$3.00

## Sugar With Spice

**BOSTON** — 'Tis the season — for Sugar Plum Fairy frenzy. As countless parents of aspiring ballerinas know, “The Nutcracker” is one hot holiday ticket. At Boston Ballet, the Tchaikovsky classic has gotten a redesign after 17 years. Artistic director Mikko Nissinen tapped designer Robert Perdziola to revamp the costumes and sets, chic-ing them up without sacrificing tradition. Perdziola sprinkled the Snow Queen’s tutu, here, with Swarovski snowflakes and a dash of fashion drama. For more on the production, which opens Friday, see pages 4 and 5.



PHOTO BY MEGAN COLANGELO

## Qatar’s Italian Interest

By LUISA ZARGANI and ALESSANDRA TURRA

MILAN — Cash-rich Qatar is looking to invest in Italy and fashion companies are high on the wish list.

On Monday, Qatar Holding LLC, a global investment firm founded by the Qatar Investment Authority in 2006, signed an agreement with Italy’s Fondo Strategico Italiano, the holding controlled by Cassa Depositi e Prestiti, or CDP, a joint-stock company under public control, to create a joint venture, IQ Made in Italy, which will invest in

Italian brands.

According to the agreement signed by Qatar Prime Minister Sheikh Hamad bin Jassim al-Thani and Italian Prime Minister Mario Monti, the new company will have total capital of 2 billion euros, or \$2.5 billion at current exchange rates, provided equally by Qatar Holding LLC and the Fondo Strategico Italiano over the next four years.

IQ Made in Italy will invest in a wide range of companies in various sectors, including fashion and luxury; food; furniture and design, and tourism and leisure.

Monti kicked off his tour in the

SEE PAGE 8

### CLAMPING DOWN

## China and U.S. Team For Counterfeit Sting

By CASEY HALL and KRISTI ELLIS

SHANGHAI — The tide may be turning against forgers of fakes operating in China.

In an unprecedented collaboration, authorities from the U.S. and China together shut down a major counterfeiting operation in the southern Guangdong province.

A total of 73 people were arrested as part of the sting, code named “Blue Plan,” which resulted in the shutdown of 37 sites involved in the manufacture of low-quality copies of handbags from designer brands such as Louis Vuitton, Coach and Hermès.

According to a statement released by China’s Ministry of Public Security, 20,000 counterfeit bags were seized, along with machinery and enough raw materials to construct an additional

50,000 bags. In total, the entire counterfeiting operation was estimated to be worth \$802 million at current exchange rates.

Local authorities identified the kingpin of the operation as Jun Qian, who was arrested along with his wife, Xiao Qin, as well as his brother, brother-in-law and other relatives and friends.

Chinese media were told at a press conference on Sunday that Jun Qian admitted to the counterfeiting of 960,000 bags intended for sale in the U.S. and Middle East. Jun Qian claimed he began counterfeiting when his leather-goods business hit hard times in the wake of the global financial crisis in 2009.

“This criminal production of fake and shoddy products results in huge profits,” Guangzhou-based investigator, Chen Hongbo, told reporters.

Bob Barchiesi, president of the International Anticounterfeiting

SEE PAGE 9

# Deal Puts Fred Segal Brand in Japan

By LISA LOCKWOOD

FRED SEGAL is taking its edgy Southern California heritage to Japan.

Sandow, a New York-based firm that builds multichannel, vertically integrated brands, which purchased Fred Segal in January, has formed a long-term partnership with Mark Styler Co. Ltd. to introduce Fred Segal in Japan beginning next year.

As part of the agreement, Mitsubishi Corporation Fashion Co. Ltd., a subsidiary of Mitsubishi Corp., will manufacture Fred Segal-branded product for distribution in the Japanese market. This marks the first time in more than 50 years that the Fred Segal name has been used outside its original Los Angeles locations.

"It will be highly designed and highly curated. Here in the U.S., we'll be approving everything and will be very careful and very selective on what is produced and brought out in the Japanese market under the Fred Segal brand," said Adam I. Sandow, chairman and chief executive officer of Sandow. The Fred Segal-branded product will be fashion forward for the Japanese market.

With locations in Santa Monica and West Hollywood, Fred Segal has become synonymous with Los Angeles style and casual chic. The retailer operates an array of shop-in-shop boutiques that offer highly curated merchandise ranging from jeans and T-shirts to designer shoes and handbags, as well as a salon, yoga studio and restaurants under its recognizable red, white and blue stripes and ivy-covered walls.

The Tokyo flagship, which will span 10,000 square feet, will open in September. It will be designed very much like Fred Segal in Los Angeles, with numerous shops-in-shop. "It will be even more eclectic than what you're seeing in Melrose," said Sandow. Merchandise will be 20 percent Fred Segal-branded product and 80 percent of brands found globally, he said. The flagship, which will feature a salon and a spa, will also serve as a platform for up-and-coming designers, both locally and internationally.

The Japanese flagship will be followed by several additional locations in other key Japanese cities, including both flagships and branded boutiques within major, high-end department stores. "Our whole strategy with this is we're in no major rush," said Sandow. "We're very proud we've had four major deals done in six months. We don't want to over-expand. We love that our partners in Japan are being as careful as they're being," said Sandow.

"We're pleased to be working with Sandow to introduce Fred Segal in Japan," said Kenji Etou, ceo of Mark Styler. "With its Hollywood history and focus on the latest fashion trends, we are confident that the brand will resonate well in this market and look forward to opening the first location in Tokyo next fall."

When Sandow acquired Fred Segal last January, it bought the rights to Fred Segal's intellectual property, new stores worldwide, the development of e-commerce and the creation of Fred Segal-branded apparel and products. Sandow subsidiary Culture + Commerce, a global design consultancy that develops opportunities between brands and designers,

manages all licensing deals for Fred Segal globally. The company is also looking to open stores in unusual locations such as hotels and airports.

One deal has been forged with SBE, which owns and operates luxury hotels and restaurants worldwide. SBE is headed by Sam Nazarian, founder, chairman and ceo. Sandow will develop seven exclusive Fred Segal stores within the new SLS Las Vegas that opens in 2014. The hotel is being designed by Philippe Starck. These Fred Segal boutiques — the only stores to be located in the resort — will cover 10,000 square feet of retail space and will feature merchandise such as women's and men's apparel, swimwear, jewelry, beauty, books, art, accessories and Fred Segal-branded items.

"It's not just a store coming to Las Vegas. This is a Fred Segal experience that will be in every store in his hotel. When you walk through the front door into the casino, there will be two Fred Segal stores flanking the entrance. When you walk through the lobby, it will be all Fred Segal," said Sandow. "Vegas was always a place we wanted to be. Obviously, there's so much retail there, but it had to be unique," said Sandow. The shops will open in 2014.

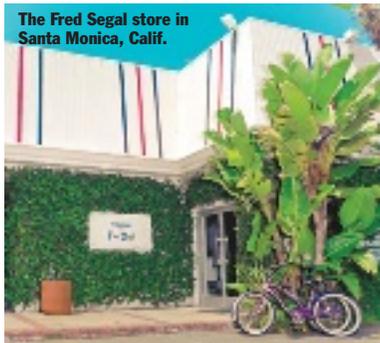
Sandow said they plan to build a denim bar, which will be installed in all Fred Segal stores, in Japan and Las Vegas. "It will carry the most interesting brands of denim, and eventually a Fred-Segal brand of denim.

Gensler, an architecture, design and planning firm, which has done projects such as the London Apple flagship, Neiman Marcus Beverly Hills and various Armani Exchange locations around the world, will be the architect-design partner for the SLS Las Vegas project.

Fred Segal stores will have their own buyers and merchandising staff who will work closely with Fred Segal's merchandising manager, whom the company plans to hire in the next few months. The team will need to get approval from Sandow on merchandise and brands coming into the stores in an effort to maintain the quality level, said a spokeswoman.

Finally, the company is working on fredsegal.com, which will launch sometime next year. "We're taking our time to carefully choose our partners. Our goal is not to slap a name on an e-commerce site," said Sandow. They are considering a "trunk model," where it will work with affluent shoppers and have private stylists in centers, where they'll fill the trunks with all kinds of clothing and they will be sent to customers' homes. They can try things on, and keep what they want and send back what they don't want. "It's designed to help the Fred Segal tenants. It gives them the power of the Internet and bring their very unique product mix to a larger audience outside of L.A.," said Sandow.

Sandow said the company is looking to open a large Fred Segal in Miami, and would also like to open stores in New York and other U.S. cities, as well as Korea and China. "Our goal next is to build something outside of New York mostly likely in Miami, which will allow us to bring Fred Segal to the next level as an experience. I'm a big believer that retail has to be experiential. It has to be a place where people want to go to repeatedly and interact and stay, more of a lifestyle center."



The Fred Segal store in Santa Monica, Calif.

## THE BRIEFING BOX

IN TODAY'S WWD

Joni Mitchell, Mama Cass and David Geffen.



PHOTO BY HENRY OLIZ

**Authorities from the U.S. and China have come together to shut down a major counterfeiting operation in the southern Guangdong province. PAGE 1**

**Cash-rich Qatar is looking to invest in Italy and fashion companies are high on the wish list. PAGE 1**

**Versace is forging a new path for Versus without Scottish designer Christopher Kane. PAGE 3**

**Hudson's Bay Co. is trimming back expectations for its initial public offering in Toronto. PAGE 3**

**Fiber companies are responding to consumer needs with fresh products created from technologies that take into account state-of-the-art sustainability techniques. PAGE 6**

**Scarlett Johansson and Helen Mirren were among the cast members of the forthcoming Alfred Hitchcock biopic at the film's premiere in New York. PAGE 10**

**Hearst Corp. chief executive officer Frank Bannack Jr. was at the Paley Center Friday in the latest in a series of interviews with media moguls. PAGE 11**

ON WWD.COM

**EYE:** In the new documentary, "American Masters Inventing David Geffen," director Susan Lacy exposes a new side to the tough, billionaire mogul that may surprise viewers. **For more photos, see WWD.com/eye.**

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# Jordi Constans Takes Helm of Louis Vuitton

By MILES SOCHA

PARIS — The hand over is official — and slightly earlier than anticipated.

On Monday, Jordi Constans officially became chief executive officer of Louis Vuitton, taking the reins of the leather goods powerhouse from Yves Carcelle, one of the most widely admired executives in the luxury industry.

Vuitton had announced the arrival of Constans in September 2011 and said he would succeed Carcelle at the end of 2012 after spending a year familiarizing himself with LVMH Moët Hennessy Louis Vuitton and its star, cash-cow brand. In an internal announcement

obtained by WWD, the change-over was described as coming after a year of his "increasing involvement in the management" of the company.

A Spanish national who joined Vuitton from French food giant Danone SA, Constans, 49, is also to become a member of LVMH's executive committee.

Carcelle, who joined Vuitton from bedding firm Descamps in 1989, was named ceo of the heritage brand in 1990, piloting its global retail and product expansion.

"Over the 22 years of his tenure, Louis Vuitton has enjoyed spectacular and widely acclaimed growth to achieve its position today as the world's leading luxury brand," the announcement trumpeted.

Carcelle is to become vice chairman of the forthcoming Fondation Louis Vuitton, a Frank Gehry-designed art museum slated to open next year. He is also to remain on the executive committee of the luxury giant and undertake "strategic missions" alongside Bernard Arnault, its chairman and ceo.

A driven and indefatigable executive, Carcelle traveled the world to scout and realize Vuitton boutiques in such far-flung locations as Mongolia, and he took the brand into new categories of business such as ready-to-wear, eyewear, watches and fine jewelry.

Constans was executive vice president of Danone's fresh dairy products division and a member of its executive committee.

NEW DATE

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