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NEWSFRONT

## Simmons Teams With Li & Fung

Under licensing deal, LF USA will expand Argyle Culture collection of sportswear for the "urban graduate"

BY JEAN E. PALMIERI

**NEW YORK** — Russell Simmons is poised to take his Argyle Culture label to a larger stage.

The hip-hop pioneer has signed a licensing agreement with LF USA, a subsidiary of Li & Fung Limited, to manufacture and distribute the Russell Simmons Argyle Culture brand.

For the past two years, Simmons has been producing the men's wear line on his own. Last August, Simmons severed his association with Kellwood Co., which owns Phat Farm, the hip-hop brand he founded, leaving that label with Kellwood and taking Argyle Culture and a second brand, Atman, with him. Kellwood bought Phat Farm for \$140 million in January 2004.

Under the auspices of Li & Fung, a Hong Kong-based apparel sourcing powerhouse, Argyle Culture will expand its distribution and product categories. The label is exploring adding women's wear and home categories

down the road.

"I worked on Phat Farm for 17 years," said Simmons in an exclusive interview with DNR last week. "But, if you walked into Macy's, the line was bundled together with Enyce, LRG, Rocawear and others. It was impossible to grow up the company."

As a result, he launched Argyle Culture, a sportswear collection targeted to "the urban graduate"—someone who has achieved professional standing, but still wants to remain a part of the urban lifestyle. The line hit retail for holiday 2007.

"This is an expression that I just had to get out," he said. "And it was impossible to do with the old label, which is a young men's brand. This is a new chapter."

Argyle Culture fills a void in the market, he believes, for customers such as Will Smith or Adam Sandler, who "grew up with Phat Farm" and turned to ubiquitous department store brands, such as Polo, Nautica and Tommy Hilfiger, "by default."

"We feel there's an opportunity, especially in these tough economic times," said Haim Dabah, chairman and CEO of Li & Fung's Regatta division, which manages the company's proprietary brands and is overseeing Argyle Culture. "When retail is difficult, it's a good time to create product that fills a void."

Simmons added: "There are no free passes. It's very ballsy of Li & Fung to go into a new business when people are struggling. But this line has a per-

sonality that has not been addressed by the market."

Right now, the line is carried in select Macy's doors and a small number of specialty retailers. There are 16 soft shops in Macy's, according to Glen Farraye, president of Argyle Culture. "We brought in a consulting company and they found that the urban graduate is a department store shopper," he noted.

Simmons and Li & Fung executives, saying the companies were private, declined to provide details on the current sales volume of the line, its projected growth or its distribution strategy.

According to Rick Darling, president of LF USA, "While we do not break out sales numbers on any of our brands, Argyle Culture has been initially positioned in the right locations at Macy's and with specialty retailers, and we believe the brand can be a significant contributor to our portfolio."

He said LF USA is "really focused on being in the right doors for the brand." The association with Macy's is not exclusive, he said, and "specialty stores are critical to properly position and support the brand. We intend to be selective as we add retail partners."

Simmons and his design team have joined Regatta to work on the brand. "They understand the DNA of this customer and this brand," said Dabah. "Being ahead of this customer is the core of what I do," Simmons added.

Simmons will also remain the face of the brand. Marketing and advertis-



Russell Simmons and Li & Fung's Haim Dabah

ing materials already in place show the entrepreneur wearing the sweaters, shorts, blazers and jeans in various aspirational locations, such as emerging from a private jet or sailing the ocean blue.

Retail prices for the line include woven shirts for \$88, sweater vests for \$88, basic jeans for \$78, fashion jeans for \$88, a seersucker jacket for \$198 and cut-and-sewn knits for \$68. The line sports a three diamond argyle as its logo, and the argyle, which was also a staple of the Phat Farm brand, is subtly present throughout the line. For example, it is hidden within the fabric of the shirts and on the jeans. "The argyle is used as a connecting [strain] in the line," Farraye said.

"The fashions are not outlandish," Simmons added, noting that he expects the "core" of the business to be in basic goods.

"It's very rare to find a brand and a product that fills the white space in the marketplace," Dabah said. "These opportunities come once every several years."



From the Argyle collection

PHOTOS BY GEORGE CHINSEE