

APPAREL AND ACCESSORIES

## Roberto Cavalli closes all US stores as it files for Chapter 7

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*Roberto Cavalli fall/winter 2016 campaign*

By STAFF REPORTS

Italian fashion label Roberto Cavalli has just filed for Chapter 7 in the United States, and abruptly closed all stores in the region.

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On March 29, all U.S. Roberto Cavalli stores closed, leaving 93 employees without jobs, as it seeks a new owner and works on restructuring debt with creditors. Employees were informed that day that their contracts are now terminated, and unions are planning to strike at the label's Florence headquarters April 1.

### Filing for Chapter 7

Roberto Cavalli's United States subsidiary, named ArtFashion Corp., filed for Chapter 7 last week, with its seven stores, one corner store and four outlets, closing and keys handed over to a security company to be given to trustees.

A source from ArtFashion Corp. told *Women's Wear Daily* that the Italian label cut ties with the ArtFashion Corp. after the sale for Roberto Cavalli did not go through, and executives in Italy knew for months that this outcome would be possible, but did not inform its employees.

"Roberto Cavalli has applied for a restructuring plan to seek an agreement with creditors in order to protect the company during the sale process," said a spokesperson from Roberto Cavalli in a statement to *WWD* in regards to these claims. "This led to the suspension of the cash pooling mechanism related to the restructuring plan, which granted financial support to the loss-making U.S. entity ArtFashion Corp."



*Roberto Cavalli's fall/winter 2018 ad campaign. Image credit: Roberto Cavalli*

At the end of 2018, Roberto Cavalli's debt was reported at a total of 35 million euros, or \$39 million at current exchange, with ArtFashion Company seeing a loss of 5.1 million euros, or \$5.7 million in the same year.

The label's creative director revealed via Instagram that he will be departing the brand to pursue other endeavors on March 25, four days before the U.S. stores went dark.

Through the social media post on his personal account, Paul Surrige revealed that while he will continue to see CEO Gian Giacomo Ferraris as his mentor, he is now focusing on projects that were originally put aside for the brand. After just under two years with the company, Mr. Surrige stated that the mission he had signed on to "has changed and enters a new direction" ([see story](#)).

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