



*The California Fashion Association (CFA) is focused on building a knowledge base to identify and meet the needs of the various constituents of the industry.*

April 1, 2022

**As Seen In:** **LOS ANGELES  
BUSINESS JOURNAL**

## **"Apparel Industry Rips Looming Regulation"**

*(Excerpt – March 21, 2022)*

February 16 – Los Angeles City Council ordered staff to draft a resolution in support of the L.A. Department of Sanitation's recommendations calling "for a statewide prohibition preventing textile and clothing companies from discarding scraps and 'waste product'.

The industry would be required to finance a merchandise take-back, resale or donation system to be designed and operated by government-approved organizations. The expense is unknown; likely costlier than what businesses are doing now to repurpose or recycle their scraps. The plan could be far reaching. ***Retailers, distributors, warehouses and fulfillment centers also could be banned from disposing or destroying returned apparel and shoes.***

When Shayan Zahedi took over the Lafayette Textiles Corp. – a fabric mill his father Ali founded in 1989 – he committed to kitting with organic or recycled yarns, using low impact dyes, and repurposing or recycling defective fabric instead of disposing it in trash.

***"Part of our initiative as a business is to do things in a sustainable fashion,"*** Zahedi said. But he's concerned about this recent move by the LA City Council to impose a whole new system for regulating disposal of unused textiles, left him believing that local lawmakers are "not really in touch with our industry."

***"In theory, this policy sounds OK, but I just don't think what they're supporting is something that's practical, or that they're going to be able to execute as it stands,"*** states Zahedi.

Ilse Metchek, president of **California Fashion Association**, said the city council's intentions for the environment are good, but the policy recommendations are excessive and not thought-out. ***"Most local manufacturers make use of their scraps in one way or another," she said. "Scraps of fabric are used for linings or other purposes and garments that are not used usually go to the Union Rescue Mission and other similar shelters for donations."***

Another concern was a government agency potentially having a view into manufacturers' stockpiles. ***"It's none of their business what people have as***

*inventory,” she said. “Who is going to determine what is left over or unused or for re-use...some little person from the Department of Sanitation? It is an extraordinary effort. In Los Angeles, there are over 1,000 apparel warehouses and almost 300 textile facilities. I don’t know that they even realize what they’re in for.”*

[Read Full Article Here](#)

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As Seen In: **ApparelNews**

## "CIT Announces New Organizational Structure for Factoring Business"

**CIT**, a division of First Citizens Bank, has announced a reorganization of its Commercial Services factoring business.

Under the reorganization, **Marc Heller**, currently president of CIT Commercial Services will report directly to **Peter Bristow**, president of First Citizens Bank. Mr. Bristow oversees commercial banking following the merger between First Citizens and CIT. **Michael Hudgens** will now lead Commercial Services as managing director and group head, with regional managers reporting to him.

“We are pleased to leverage the ongoing strategic direction and insight of Marc Heller, who is well-known for his expertise in this sector, while welcoming Mike Hudgens to his new leadership role. **CIT** has long been recognized industrywide as a leader in factoring finance, which is especially important and valuable in today’s fast-moving market conditions”, Bristow said.

**CIT** became a division of First Citizens Bank after the completion of a merger between the two companies in January. The merger resulted in First Citizens becoming a top-20 financial institution in the United States, with more than \$100 billion in assets. First Citizens has been recognized as a leader in small business and middle-market banking.

**CIT Commercial Services** is a provider of factoring, credit protection, accounts-receivable management and lending services to consumer-product companies, manufacturers, dealers, importers and resellers. The reorganization is expected to position **CIT** for accelerated growth by providing even better service for clients and prospective clients.

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