

## MIRA INFORM REPORT

<b>Report No. :</b>	528521
<b>Report Date :</b>	06.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	GBG USA INC.
<b>Formerly Known As :</b>	LF USA INC
<b>Registered Office :</b>	Corporation Trust Center 1209 Orange St, Wilmington, New Castle, De, 19801
<b>Country :</b>	United States
<b>Financials (as on) :</b>	2017 [Summarized]
<b>Date of Incorporation :</b>	20.11.1986
<b>Legal Form :</b>	Corporation
<b>Line of Business :</b>	Subject manufactures garments, fashion accessories, sports goods, and promotional merchandise for women, men, kids, and home. It also provides supply chain management services
<b>No. of Employees :</b>	3,300

**RATING & COMMENTS**

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

**MIRA's Rating :**

A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<b>Litigation :</b>	Exist

**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
United States	A1	A1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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**UNITED STATES - ECONOMIC OVERVIEW**

The US has the most technologically powerful economy in the world, with a per capita GDP of \$59,500. US firms are at or near the forefront in technological advances, especially in computers, pharmaceuticals, and medical, aerospace, and military equipment; however, their advantage has narrowed since the end of World War II. Based on a comparison of GDP measured at purchasing power parity conversion rates, the US economy in 2014, having stood as the largest in the world for more than a century, slipped into second place behind China, which has more than tripled the US growth rate for each year of the past four decades.

In the US, private individuals and business firms make most of the decisions, and the federal and state governments buy needed goods and services predominantly in the private marketplace. US business firms enjoy greater flexibility than their counterparts in Western Europe and Japan in decisions to expand capital plant, to lay off surplus workers, and to develop new products. At the same time, businesses face higher barriers to enter their rivals' home markets than foreign firms face entering US markets.

Long-term problems for the US include stagnation of wages for lower-income families, inadequate investment in deteriorating infrastructure, rapidly rising medical and pension costs of an aging population, energy shortages, and sizable current account and budget deficits.

The onrush of technology has been a driving factor in the gradual development of a "two-tier" labor market in which those at the bottom lack the education and the professional/technical skills of those at the top and, more and more, fail to get comparable pay raises, health insurance coverage, and other benefits. But the globalization of trade, and especially the rise of low-wage producers such as China, has put additional downward pressure on wages and upward pressure on the return to capital. Since 1975, practically all the gains in household income have gone to the top 20% of households. Since 1996, dividends and capital gains have grown faster than wages or any other category of after-tax income.

Imported oil accounts for more than 50% of US consumption and oil has a major impact on the overall health of the economy. Crude oil prices doubled between 2001 and 2006, the year home prices peaked; higher gasoline prices ate into consumers' budgets and many individuals fell behind in their mortgage payments. Oil prices climbed another 50% between 2006 and 2008, and bank foreclosures more than doubled in the same period. Besides dampening the housing market, soaring oil prices caused a drop in the value of the dollar and a deterioration in the US merchandise trade deficit, which peaked at \$840 billion in 2008. Because the US economy is energy-intensive, falling oil prices since 2013 have alleviated many of the problems the earlier increases had created.

The sub-prime mortgage crisis, falling home prices, investment bank failures, tight credit, and the global economic downturn pushed the US into a recession by mid-2008. GDP contracted until the third quarter of 2009, the deepest and longest downturn since the Great Depression. To help stabilize financial markets, the US Congress established a \$700 billion Troubled Asset Relief Program in October 2008. The government used some of these funds to purchase equity in US banks and industrial corporations, much of which had been returned to the government by early 2011. In January 2009, Congress passed and former President Barack OBAMA signed a bill providing an additional \$787 billion fiscal stimulus to be used over 10 years - two-thirds on additional spending and one-third on tax cuts - to create jobs and to help the economy recover. In 2010 and 2011, the federal budget deficit reached nearly 9% of GDP. In 2012, the Federal Government reduced the growth of spending and the deficit shrank to 7.6% of GDP. US revenues from taxes and other sources are lower, as a percentage of GDP, than those of most other countries.

Wars in Iraq and Afghanistan required major shifts in national resources from civilian to military purposes and contributed to the growth of the budget deficit and public debt. Through FY 2018, the direct costs of the wars will have totaled more than \$1.9 trillion, according to US Government figures.

In March 2010, former President OBAMA signed into law the Patient Protection and Affordable Care Act (ACA), a health insurance reform that was designed to extend coverage to an additional 32 million Americans by 2016,

through private health insurance for the general population and Medicaid for the impoverished. Total spending on healthcare - public plus private - rose from 9.0% of GDP in 1980 to 17.9% in 2010.

In July 2010, the former president signed the DODD-FRANK Wall Street Reform and Consumer Protection Act, a law designed to promote financial stability by protecting consumers from financial abuses, ending taxpayer bailouts of financial firms, dealing with troubled banks that are "too big to fail," and improving accountability and transparency in the financial system - in particular, by requiring certain financial derivatives to be traded in markets that are subject to government regulation and oversight.

The Federal Reserve Board (Fed) announced plans in December 2012 to purchase \$85 billion per month of mortgage-backed and Treasury securities in an effort to hold down long-term interest rates, and to keep short-term rates near zero until unemployment dropped below 6.5% or inflation rose above 2.5%. The Fed ended its purchases during the summer of 2014, after the unemployment rate dropped to 6.2%, inflation stood at 1.7%, and public debt fell below 74% of GDP. In December 2015, the Fed raised its target for the benchmark federal funds rate by 0.25%, the first increase since the recession began. With continued low growth, the Fed opted to raise rates several times since then, and in December 2017, the target rate stood at 1.5%.

In December 2017, Congress passed and President Donald TRUMP signed the Tax Cuts and Jobs Act, which, among its various provisions, reduces the corporate tax rate from 35% to 21%; lowers the individual tax rate for those with the highest incomes from 39.6% to 37%, and by lesser percentages for those at lower income levels; changes many deductions and credits used to calculate taxable income; and eliminates in 2019 the penalty imposed on taxpayers who do not obtain the minimum amount of health insurance required under the ACA. The new taxes took effect on 1 January 2018; the tax cut for corporations are permanent, but those for individuals are scheduled to expire after 2025. The Joint Committee on Taxation (JCT) under the Congressional Budget Office estimates that the new law will reduce tax revenues and increase the federal deficit by about \$1.45 trillion over the 2018-2027 period. This amount would decline if economic growth were to exceed the JCT's estimate.

Source : CIA

## **STATUTORY INFORMATION**

<b>Legal Name</b>	GBG USA INC.
<b>Trade Name</b>	Global Brands Group USA
<b>ID</b>	ID
<b>ID Details</b>	2108143
<b>Creation Date</b>	1986
<b>Incorporation Date</b>	11/20/1986
<b>Legal Address</b>	CORPORATION TRUST CENTER 1209 ORANGE ST, WILMINGTON, NEW CASTLE, DE, 19801, USA
<b>Operative Address</b>	Empire State Building 350 5th Ave New York, NY 10118, USA
<b>Telephone</b>	+1 646 839 7000
<b>Fax</b>	-
<b>Legal Form</b>	CORPORATION
<b>E-Mail</b>	business@globalbrandsgroup.com
<b>Registered In</b>	DELAWARE
<b>Website</b>	www.globalbrandsgroup.com
<b>Contact</b>	Jason Rabin - President, North America
<b>Staff</b>	3,300
<b>Activity</b>	SIC Code: 5137, Women's, Children's, and Infants' Clothing and Accessories NAICS Code: 424330, Women's, Children's, and Infants' Clothing and Accessories Merchant Wholesalers

## **BANKS**

<b>Name of Bank</b>	<b>Reported Amount</b>
BANK OF AMERICA	

DE LAGE LANDEN FINANCIAL SERVICES, INC.

## **HISTORY**

<b>History</b>	The company was incorporated in 1986 and is based in New York, New York. GBG USA, Inc. was formerly known as LF USA Inc. and changed its name to GBG USA, Inc. in June 2014.
<b>Key Developments</b>	NA
<b>Parent Company</b>	GBG USA, Inc. operates as a subsidiary of: Global Brands Group Holding Limited LiFung Tower 9th Floor 888 Cheung Sha Wan Road Kowloon, Hong Kong

## **PRINCIPAL ACTIVITY**

<b>General Description</b>	GBG USA, Inc. manufactures garments, fashion accessories, sports goods, and promotional merchandise for women, men, kids, and home. It also provides supply chain management services.
<b>Service/Product Description</b>	The company offers garments, fashion accessories, sports goods, and promotional merchandise.
<b>Sales</b>	Wholesale
<b>Operations Area</b>	National and International
<b>Imports From</b>	INDIA, KOREA and SRI LANKA.
<b>Export To</b>	MEXICO
<b>Employees</b>	3,300 employees
<b>Payments with Suppliers</b>	Regular
<b>BRANDS</b>	
<b>Brand</b>	<b>Comments</b>
TOMMY HILFIGER	-

CALVIN KLEIN	-
NAUTICA	-
KENNETH COLE	-
BUFFALO DAVID BITTTON	-
LEGO	-
MARVEL	-
UNIVERSAL	-
DISNEY	-
HASBRO	-

**CLIENTS**

Name of Client	Country	Comments
Baseco SA De Cv	MEXICO	-
<b>Comments</b>	-	-

**SUPPLIERS**

Supplier Name	Country	Comments
Arvind Limited	INDIA	-
Texshann Exp.	INDIA	-
S.G.Garments	INDIA	-
Sakthi Infra Tex Private Ltd.	INDIA	-
Chungwoo Corporation	KOREA	-
Timex Garments (Pvt) Ltd.	SRI LANKA	-
<b>Comments</b>	-	-

## **LOCATION**

**Headquarters**

Empire State Building 350 5th Ave New York, NY  
10118, USA

**Branches**

Gbg USA Inc.  
4620 GRANDOVER PKWY GREENSBORO, NC,  
27407-2944 United States

Gbg USA Inc.  
8 SANTA FE WAY CRANBURY, NJ, 08512-3260  
United States

Gbg USA Inc.  
366 5TH AVE RM 1008 NEW YORK, NY, 10001-2211  
United States

Gbg USA Inc.  
261 W 35TH ST FL 15 NEW YORK, NY, 10001-1902  
United States

## **GROUP STRUCTURE AND SUBSIDIARY COMPANIES**

**Listed at the stock exchange**

NO

**Capital**

NA

**Shareholders (%)**

The company does not disclose information on  
shareholders. The following information has been  
provided by private sources:

GBG USA, Inc. operates as a subsidiary of:  
Global Brands Group Holding Limited  
LiFung Tower  
9th Floor  
888 Cheung Sha Wan Road  
Kowloon,  
Hong Kong

The company's ultimate parent is:  
Li & Fung Limited.  
LiFung Tower  
11th Floor  
888 Cheung Sha Wan Road  
Kowloon,  
Hong Kong

<b>Management</b>	Jason Rabin - President, North America Dow Famulak - Brand Management David Lewis - Vice President of Human Resources Alan Chartash - Chief Strategy Officer Jimmy Gabriel - President and Footwear Division Robert Smits - Executive Vice President, Secretary and General Counsel
<b>Subsidiary Companies</b>	No subsidiary companies were found.
<b>Related Companies</b>	London 242-246 Marylebone Road London NW1 6JQ  Shanghai 5th Floor, Tower One, No. 2000 Yishan Road, Minhang District, Shanghai

## ***FINANCIAL INFORMATION***

<b>General Description</b>	The company does not make its financial statements public. The following information has been provided by private sources:
<b>Year/Currency</b>	USD 2017
<b>Sales</b>	1,100.000.000
<b>Money Flow</b>	Normal
<b>IMPORT FOB DOLLAR</b>	
<b>Year</b>	<b>Amount</b>
There are not Import Fob Dollar informed	
<b>EXPORT FOB DOLLAR</b>	
<b>Year</b>	<b>Amount</b>
There are not Export Fob Dollar informed	

## ***LEGAL FILINGS***

<b>Lawsuits</b>	HOWARD v. GBG USA INC. Plaintiff: TODD HOWARD
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Defendant: GBG USA INC.  
Case Number: 2:2018cv04783  
Filed: March 29, 2018  
Court: New Jersey District Court  
Office: Newark Office  
County: Bergen  
Referring Judge: Joseph A. Dickson  
Presiding Judge: Jose L. Linares  
Nature of Suit: Other Contract  
Cause of Action: 28:1332  
Jury Demanded By: None

Jorge v. GBG USA, Inc. et al  
Plaintiff: Carlos Jorge  
Defendant: GBG USA, Inc. and Frye Retail LLC  
Case Number: 1:2017cv09266  
Filed: November 27, 2017  
Court: New York Southern District Court  
Office: Foley Square Office  
Presiding Judge: John G. Koeltl  
Nature of Suit: Americans with Disabilities - Other  
Cause of Action: 42:12188  
Jury Demanded By: Plaintiff

Giroto v. GBG USA Inc. et al  
Plaintiff: Luigi Giroto  
Defendant: GBG USA Inc. and PPF RTL 113 Spring  
Street, LLC  
Case Number: 1:2017cv04765  
Filed: June 22, 2017  
Court: New York Southern District Court  
Office: Foley Square Office  
Presiding Judge: Jesse M. Furman  
Nature of Suit: Americans with Disabilities - Other  
Cause of Action: 42:12188  
Jury Demanded By: None

GBG USA Inc. et al v. MOL Logistics (USA) Inc. et al  
Plaintiff: GBG USA Inc., Jimlar Corporation, AXA  
Corporate Solutions Assurance SA, Allianz Global  
Corporate & Specialty AG and Ace Insurance Ltd.  
Defendant: MOL Logistics (USA) Inc. and GAT  
Express, LLC  
Case Number: 1:2016cv05821  
Filed: July 21, 2016  
Court: New York Southern District Court  
Office: Foley Square Office  
County: New York  
Presiding Judge: Victor Marrero

**Trademarks**

Nature of Suit: Other Contract  
Cause of Action: 49:14706  
Jury Demanded By: None  
Image Trademark  
COMPUTER BAGS FOR COMPUTER TRANSPORT  
AND [CELLULAR PHONE ] CARRYING CASES [ AND  
HOLSTERS ]  
Owned by: GBG USA INC.  
Serial Number: 76061114

LILY BLOOM  
luggage; duffle bags; wheeled duffle bags; diaper bags,  
lunch totes  
Owned by: GBG USA INC.  
Serial Number: 87036084

GLOBAL BRANDS GROUP  
Branding services, namely, consulting, design,  
development, management and marketing of brands for  
businesses and/or individuals...  
Owned by: GBG USA Inc.  
Serial Number: 86449519  
No records found.

**Patents Registered**

No records found.

**Renewals**

**UCC (Uniform Commercial Code)**

Debtor Names: GBG USA INC.  
1359 BROADWAY, NEW YORK, NY 100187102, USA  
Secured Party Names: DE LAGE LANDEN FINANCIAL  
SERVICES, INC.  
1111 OLD EAGLE SCHOOL ROAD, WAYNE, PA  
19087, USA  
File no. File Date Lapse Date Filing Type  
201410106076818 10/10/2014 10/10/2019 Financing  
Statement

Debtor Names: GBG USA INC.  
1359 BROADWAY, NEW YORK, NY 100187102, USA  
Secured Party Names: DE LAGE LANDEN FINANCIAL  
SERVICES, INC.  
1111 OLD EAGLE SCHOOL ROAD, WAYNE, PA  
19087, USA  
File no. File Date Lapse Date Filing Type  
201410106076820 10/10/2014 10/10/2019 Financing  
Statement

Debtor Names: GBG USA INC.  
1359 BROADWAY ROOM 2004, NEW YORK, NY  
100187102, USA

Secured Party Names: DE LAGE LANDEN FINANCIAL SERVICES, INC.

1111 OLD EAGLE SCHOOL ROAD, WAYNE, PA  
19087, USA

File no. File Date Lapse Date Filing Type  
201506055621222 06/05/2015 06/05/2020 Financing  
Statement

Debtor Names: GBG USA INC.

350 FIFTH AVE FL 9, NEW YORK, NY 10118, USA

Secured Party Names: DE LAGE LANDEN FINANCIAL SERVICES, INC.

1111 OLD EAGLE SCHOOL ROAD, WAYNE, PA  
19087, USA

File no. File Date Lapse Date Filing Type  
201511176295137 11/17/2015 11/17/2020 Financing  
Statement

Debtor Names: GBG USA INC.

1359 BROADWAY, NEW YORK, NY 100187102, USA

Secured Party Names: DE LAGE LANDEN FINANCIAL SERVICES, INC.

1111 OLD EAGLE SCHOOL ROAD, WAYNE, PA  
19087, USA

File no. File Date Lapse Date Filing Type  
201511176295149 11/17/2015 11/17/2020  
Financing Statement

**OFAC Sanctions List Search**

The company is not listed in the OFAC Sanctions List.

## **SUMMARY**

### **Summary**

Founded in 1986, GBG USA INC. is an organization in the Women's, Children's, and Infants' Clothing and Accessories Merchant Wholesalers Industry headquartered in New York, NY. The company has 3,300 regular employees and generates an estimated \$1,1 billion USD in annual revenue. It operates nationally and internationally, mainly exporting to Mexico. It is ACTIVE in business with no negative records.

## **RISK INFORMATION**

Debts	Controlled
Payments	Regular
Cash Flow	Normal
State	Active

## **INTERVIEW**

First Name	John
Position	-
Comments	He confirmed the name of the company, the address of the headquarters and location, the date of creation of the company, the company's website and email, the approximate number of employees and the name of the President.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.75
UK Pound	1	INR 92.23
Euro	1	INR 83.13
USD	1	INR 71.93

**Note** : Above are approximate rates obtained from sources believed to be correct

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	SYL

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**RATING EXPLANATIONS**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)

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