



TAMPA BAY BANKRUPTCY CENTER, P.A.

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## American Apparel Bankruptcy Likely

American Apparel, the trendy clothing company, has announced that it may be soon filing for bankruptcy after massive losses amounting to \$86 million last year. In addition, its CEO Dov Charney, who has allegedly called women ‘sluts’ and the ‘c’ word, is facing sexual abuse charges by several store employees.

The clothing company has been unpopular of late especially with women’s groups not only because of Charney’s sexual abuse charges but also of using scantily-clad women in their marketing campaigns. Most people believe that American Apparel’s advertisements of practically nude women and Charney’s sexual assault charges have played a major role in the company’s poor business performance and potential bankruptcy. Bad publicity spread by word of mouth and coupled with the reports of Charney’s bad behavior have significantly contributed to the company’s downfall.

The company has a tainted history of questionable and sexist marketing strategies like their Best Butt contest last year.

Allegations of sexual harassment by female store workers have also hurt the company’s reputation. Former American Apparel employee Kimbra Lo filed a lawsuit against Charney alleging he he told her to visit his home and then “violently kissed

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her” once she arrived. She also alleges that Charney started sending her “sexual text messages” in July 2010.

Earlier this year, Irene Morales, a former American Apparel sales clerk accused Charney of keeping her as his sexual prisoner. She also alleged that Charney told her he couldn’t wait for her to reach the age of consent so they could have intercourse. But Charney’s lawyer Stuart Slotnick dismissed Morales’ claims and pointed to a series of naked photos of her and e-mails that “show she was stalking Mr. Charney and acted inappropriately by offering him sex acts in exchange for material possessions and money.” However, whether or not Morales is to be believed, Charney has years of sexual harassment and abuse charges to face.

If you would like to find a way out of your financial difficulties, consider filing for bankruptcy protection. This is your right under the law. Call us at (813) 200 4133 for a free consultation.