

DIMENSIONS

Back To School In Style

REM is sending kids back to school in style with hot fashion accessories in a special Back-to-School promotion. From June 15th - September 15th 2014, receive the following consumer gift with each frame purchased when you satisfy one of our buy-in levels:

Level 1: Buy 12 Frames

Buy 6 Lucky Brand kids + 6 Converse kids frames and receive 6 Lucky Brand cinch bags and 6 Converse stickers and key chains.

Level 2: Buy 18 Frames

Buy 6 Lucky Brand kids + 6 Converse kids frames + 6 additional frames (either Lucky Brand or Converse kids or Converse All Star Adult) and receive corresponding consumer gifts.

Level 3: Buy 30 Frames

Buy 6 Converse kids + 6 Lucky Brand kids & choose from 18 more frames including Converse All Star Adult. Receive corresponding consumer gifts... and a pair of sneakers for you.

Call 800.423.3023 or ask your REM sales representative for complete details.

While supplies last. No substitutions. For U.S. independent customers only. Items may vary based on availability.



Lucky Brand Drawstring Tote



Chuck Taylor Shoe Keychain



Converse Puffy Eyewear Stickers



One Pair of Converse Low Tops
Retail value \$55.00

Notable Press...



REM Gives Back Helps a Mission Rebuild

On May 5th, a devastating fire destroyed the San Fernando Valley Rescue Mission – a prominent homeless shelter in North Hollywood, CA. Although no one was harmed, several occupants lost the few items they owned in the fire, which was declared a total loss for the shelter.

A long-time supporter of the shelter, REM Eyewear organized a fundraiser in which employees donated cash. Contributions from the fundraiser will be used by the San Fernando Valley Rescue Mission to help start a rebuilding fund.



Frame Manufacturing on The Move

A Letter From Our CEO



REM Product Team



REM Product Team

Five fabulous people from Rem's creative team recently joined me on a product development sojourn in Hong Kong. Along the way, we met with 15 eyewear manufacturers, dreamed of new designs, technology and materials, and shared thoughts with suppliers about the future of eyewear-making amidst lightning fast changes in economic and political dynamics.

Just six months after my last trip to China, Bangladesh and Vietnam, this month's Asian adventure uncovered that whispers have turned to chatter among Hong Kong-based Chinese about migrating manufacturing from Southern China, to lower cost-of-labor countries. And those owners should know. It was only a generation ago that their fathers moved their factories from then-British Hong Kong to Shenzhen, the "farming town" just across the border in Mainland China.

Continued inside...

11th Annual Stuart House Charity Event

REM Eyewear partner, John Varvatos, recently shut down Melrose Avenue in Los Angeles for his 11th annual event benefiting Stuart House, a program of the rape treatment center at Santa Monica UCLA Medical Center that focuses on helping sexually abused children. Similar to previous years, REM Eyewear served as an official sponsor of the event.

More than 1,600 people were in attendance for the family-friendly event – a charity concert held outside Varvatos' boutique. Attendees were entertained by a performance from Willie Nelson & Sons for the event which raised a record of \$1M in just five hours. As a sponsor of the event, REM had the opportunity to gift a variety of A-list celebrities, like LL Cool J, Gene Simmons, Courtney Love and more, with some of John Varvatos' best-selling eyewear.



John Varvatos



LL Cool J



Joe Manganiello & Nicolas Rosellier



Willie Nelson

Maximum Comfort With Super Lightweight TUMI Eyewear

One of this year's most popular eyewear trends is ultra-light optical frames. The lighter they are, the more comfortable they are to wear, which is a bonus for consumers who adopt the "less is more" approach. By employing technical innovation combined with unparalleled quality and design excellence, TUMI launches a lightweight optical collection that's as light as 0.4 ounces – offering eyewear that does its job without consumers even noticing them.

The lightweight TUMI collection ranges from 3-piece, rimless frames with stainless steel bridges and bold colored TR90 double injection temples (T109, T110 and T111 styles) to sleek frames with a TR90 co-injected rubber front, paired with stainless steel, such as the T313 and T314 designs. Style meets function with this cutting-edge collection.



T110



T109



T314

New Product Highlights: Lucky Brand Kids and Converse Kids



Lucky Brand Kids Wonder



Lucky Brand

Representing an elevated level of Americana, the Pretend rectangular frame is a must-have for young girls. Acetate temples feature a bold, yet playful animal print, the classic hot stamped Lucky Brand logo, and a clover logo on the temple tips – the perfect, stand-out eyewear.

Designed for the burgeoning genius, Wonder is the picture-perfect accessory. The acetate frame front features an eye-catching silver rivet detail, and the frames two-layered laminated acetate show keen detail in the craftsmanship.



Converse Kids K011

Converse

Created for the cool kid, the K011 acetate two-toned design offers up fun, flair and fashion for the new school year. The pair flaunt a square shape and TR90 temples with a silver hinge cutout – symbolizing the perfect hybrid of style and rebellion.



Frame Manufacturing on The Move... Continued

Shenzhen was a region of about 300,000 people when in 1979 it was named a “Special Economic Zone.” Hong Kong companies were lured to expand their factories given the huge expanses of land, and with “the promise of unlimited low cost labor.” Hong Kong eyewear manufacturers raced for the border where 25 years later they make among the world’s finest eyewear.

The promise of “unlimited low cost labor” is no longer kept...

First, with the China economy generating a middle class of consumers, jobs are diverse. Who wants to work in a factory? And what shiny new sophisticated city, complete with Louis Vuitton, et al, wants a factory in their town?

Second, the wages that were at one time pennies an hour, plus room and board, are now several dollars an hour, plus a housing allowance and social insurance benefits. When these factories opened in the 1980’s workers earned about \$38 a month, plus room and board. Today, you can’t find a worker to make eyewear for much less than \$700 a month (including overtime), an increase in labor cost of almost twenty times. Shenzhen is happening. With a population now approaching 12 million, it is one of the world’s fastest growing cities, boasting a sophisticated new metro system below its shiny new boulevards that look up at a skyscraper rivaled in height by only a few. There are brand new high rise condominium buildings in every direction, with a ribbon of concrete running between them that is the new elevated metro.

Shenzhen is a vibrant city where only 1.2 percent of the population is over 65. So, you know where this is going. Who wants to work in a factory? Eyewear is extremely labor intensive. Factories are investing heavily in automation nowadays having figured it’s cheaper and more reliable in the long run. But, skilled labor is very much still required, and keeping good workers is a challenge. With options plenty, workers are not as motivated and focused. When turnover is high it is challenging to keep employees well-trained.



Shenzhen Before



Shenzhen Today



Shenzhen Today



Optical Factory

And don't get me started on the Chinese currency that has weakened the Greenback's buying power nearly in half over the past decade.

And where is all of that going...? Out of China. Led by the next generation of eyewear factory owners, these savvy Hong Kong businessmen are on the move once more in the search for "the promise of unlimited low cost labor." But, to where?

Politics is driving a good chunk of the decision-making. Neighboring Vietnam was in play, until last month that is. Due to a Chinese oil rig plopped down in disputed waters, Vietnamese lashed out by torching factories in Vietnam that are owned by Chinese. A recent conflict between the Chinese and Philippines government blew up and has eliminated that country for consideration by Chinese investors. And the Chinese don't get along with the Indonesians. The map gets small fast when you consider where a foreign company, especially a Chinese owned one (including Chinese from Hong Kong or even Taiwan) can feel confident investing.

So, really, where is this all going? According to the chatter among these business owners, put your bets "to place" on Cambodia, Bangladesh, and Myanmar. In any of these places there will be a challenge of supply chain and logistics in the near-term. But, as we learned in Shenzhen, the opportunity will attract the services needed quickly. From this seed will grow businesses to serve the workers, and businesses to serve the businesses, and jobs to do the business, and bars to tend to the workers... And then...? There are already whispers about Africa. India is another story, but that is more likely to develop from within, from the manufacturers already there making low-quality, eyewear predominately for the domestic market.

Some of today's less bold factory owners, are staying-put in the Shenzhen and neighboring Dongguan to focus solely on the highest end products, even if that means shrinking the



Optical Factory



Optical Manufacturing in China



Optical Factory

size of their operation. Those making lower priced goods, mainly in the interior and north of the country, figure they will fill the gap as their cost of operating is lower, although rising steadily. Never has the quality in those factory cities like Wenzhou or Danyang met that of eyewear manufacturers in Shenzhen.

Expect eyewear prices to continue rising over the next couple of years since this migration, and its supporting pipeline will take some time to supplement production in Southern China. But, just as sure as typhoons will blow through Hong Kong, so will eyewear makers born there create new jobs in far-flung villages that may soon grow into the next big cities on the planet.

As we have always done, we in the REM family will continue to be explorers, peeling back the onion of understanding the dynamics and challenges of these changes that are at the heart of our business, and sharing our knowledge with you in our effort to build our industry stronger.



Converse Temples



REM Product Team

Top Ten by Collection:

Converse All Star: Q004, Newsprint, Q007, Q014, Q006, Dj, Q001, Stencil Kit, Q009, Q005

All Star Sun: B006, Master Track, B004, Lead Guitar, Reel, B005, B007, Pedal, Line Up, All Access

Jack Purcell: P003, P006, P005, P001, P008, P002, P007, P004

Jack Purcell Sun: Y003, Y002, Y006, Y001, Y005, Y004

Converse Kids: Why, K007, Yikes, I Don't Know, K004, Zing, K003, Bold, Wait For Me, K002

Converse Cons: R001, R005, R004, Shot Clock, On Deck, On Your Mark, R002, R003, Buzzer Beater, In The Mix

Jones New York: J473, J732, J748, J460, J746, J730, J747, J457, J474, J459

Jones New York Petite: J211, J128, J214, J134, J127, J136, J219, J223, J221, J131

Jones New York Men's: J334, J320, J519, J343, J517, J344, J516, J512, J326, J341

John Varvatos: V361, V348, V145, V336, V149, V150, V132, V147, V349, V111

John Varvatos Sun: V774, V788, V792, V791, V784, V786, V781, V756, V787, V779

Tumi Optical: T105, T100, T311, T108, T300, T106, T101, T110, T109, T304

Tumi Sun: Thatcher, Talmadge, Kawazu, Tacoma, Tataru, Bolte, Brooklyn, Barrow, Bassano, Coronado

Lucky Brand Spectacles: Emery, Porter, Kona, Seascape, Zuma, Vista, Tropic, Michelle, Pipeline, Coasta

Top Ten Continued:

Lucky Brand Kids: Smarty, Busy Bee, Zak, Jade, Favorite, Double Stitch, Stephen, Peppy, Dynamo, Spark Plug

Lipstick: Go Green, Jealous, Spot Light, Piouette, Dress Up, Oh So Pretty, Sprinkles, Naughty, So Haute, Instincts

Surface: S101, S307, S300, S103, S107, S302, S108, S109, S110, S308

Indie: Moscow, Theresa, William, Judith, George, Shanghai, Catherine, Eveanna, Jeffrey, Mary

Visualites: Vis1, Vis5, Vis7

Discontinued Frames:

Converse: Ballroom, Bounce Pass, Black Top AF purple, Chaos black, Chart Topper, Corus, Composition, Converseations, Crowd Surf, Court Feel AF, Defiance, Digital AF, Drop In brown, Endorser silver, The Entertainer, Experiment, Final Stretch black and tortoise, Free To Go purple, From There black, Free Spirit, Freestyle red, Full Color AF, Garage burgundy, Guitar Pick, Half Stack, Hustle, Independence, In Focus crystal, In Studio, Initiate, Merge burgundy, Mojave black, New Crayons, Newsprint AF, Nitro red, Offense, Onto Something black, Onward AF, Opening Band blue, Overtime, Pick Up brown, Popsicle Stick, Pretty Please, Passing Through, Q002 brown, Rail, Rangefinder, Roadie, Record Deal, Retro-focus, Rim Light, Ripper blue, Scenic Lookout AF, Seek burgundy, Set List, Sketch Book, Spare Change AF, Stitch charcoal, The Sure Thing, Ticket Holder, To Where, Turnover, The Traveler, Wavelength tortoise, Way Out, Wet Paint, Who Knows, Whoosh, Widget, Will Call, World Champion

John Varvatos: V129 brown, V130 brown, V136, V137 black, V142 gun, V332, V336, V337 AF, V341 all AF and brown and olive, V342 all AF and brown, V343 AF, V344 AF, V345 AF, V346 AF, V745, V779 black

Jones New York: J212 burgundy and tortoise, J329 brown, J467, J509, black and tobacco honey

Lucky Brand: Balboa, Beach Bum, Breakwater, Carmel orange tortoise, Del Mar, Fortune, Interlude brown and purple, Indigo gold, Jacob carmel, Jefferson, La Jolla, Local blue, Midnight crystal, Moonbeam gold, Recruiter, Resort, Refrain black, Sand, Summer black and red, Sun Kiss black and purple, Sync smoke, Weekender, Willow purple

Lipstick: Admirer brown and purple, Book Smart purple

Indie: Benjamin black and tortoise 51, Bruce, Burt gold/tortoise, Janice pewter, Stephanie purple tortoise, Timothy

Surface: S104, S105 gun, S301, S305 black

Tumi: Bixby AF, Capilano, Compatto black, Coronado, Fremont UF, Newport, Stari, Tobin, T103, T104, 300 AF, T301 AF, T302, T304 AF tortoise, T307, T310 Fremont black Only, Malone, Vasco

Readers: Visualites 51 black matrix, Visualites 61



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