

ADVERTISING SUPPLEMENT

ASHLEIGH BARKER, ERIC PERLMUTTER-GUMBINER AND STEPHANIE SHERIDAN SHARE INSIGHTS ON THE BEAUTY, FASHION AND CONSUMER GOODS INDUSTRY

The **Beauty, Fashion & Consumer Goods** Roundtable panel is produced by LA Times Studios in conjunction with Benesch; Greenberg Glusker LLP; and Lincoln International.



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When it comes to the ever-evolving beauty, fashion and consumer goods industries, Southern California remains a prominent global leader in terms of trends, innovation, sustainability and protocols.

Many of the leading products and services behind keeping people living well while looking and feeling good are from businesses and organizations that were started and continue to thrive here in Los Angeles and the surrounding areas. In fact, successful beauty and self-care companies are catalysts for significant economic growth in the region.

As the legal and financial landscape around fashion, beauty and consumer products continues to adjust and shift, an increasing number of consumers, businesses and investors are tasked with navigating an often-complex set of rules and best practices. As with any consumer-facing industry, learning about the ins and outs of the sector can be overwhelming.

To take a closer look at the latest developments in the business of beauty, fashion and consumer goods, we have turned to three of the region’s leading authorities, who graciously weighed in for a discussion and shared insights.

Q: HOW WOULD YOU DESCRIBE THE CURRENT OUTLOOK(S) FOR THE BEAUTY, FASHION AND CONSUMER GOODS SECTORS IN 2025?

A: PERLMUTTER-GUMBINER

The market feels more selective but still full of opportunity for the right brands. The “growth at all costs” mindset is behind us. Investors and strategic buyers are looking for durability, clear ownership of IP, clean books, defensible margins. That’s where I’ve been spending time with clients: helping them build the legal and commercial infrastructure to scale responsibly and prepare for their next deal. Brands that combine vision with discipline are still getting attention and commanding strong valuations.

A: SHERIDAN

The overall business outlook for the industry is mixed, but generally good. Beauty continues to grow, with skincare and dermatologist-backed products pointing the way, while makeup recovers more slowly. Affordable brands are expanding faster than luxury labels as consumers seek value without sacrificing quality. Fashion is uneven: High-end spending has softened, but discount and resale channels are thriving. Consumer-goods companies are seeing better numbers as shipping and packaging costs ease, though retailers are pressing suppliers to share costs and adapt quickly to new rules. Legally, we see a lot of attention directed at California’s pricing, packaging, plastics and climate-disclosure laws, as well as the FDA’s new oversight of cosmetics; marketing claims about “sustainability” or “clean” beauty are and will continue to face far more scrutiny. Companies that make compliance part of their brand identity will continue to find a competitive edge.

A: BARKER

The outlook for the beauty, fashion and consumer goods sectors is cautiously optimistic. Consumers are still eager to discover new brands and trends, and, despite some macroeconomic concerns, they have shown a willingness to continue investing wallet share in these categories. However, consumers are becoming more value-conscious and expect greater transparency, efficacy, sustainability and inclusivity. Digital innovation, e-commerce and social media will continue to drive growth, while physical retail can regain ground through experiential

shopping. Similar trends are playing out in beauty M&A. While 2025 got off to a slow start, a number of beauty transactions announced in late Q2/early Q3 are a positive signal that the markets are reopening. PE and strategics are once again seeking opportunities that prioritize strong business fundamentals (e.g., sustainable growth/ history of profitability).

Q: WHAT ARE THE MOST SIGNIFICANT TRENDS SHAPING THE BEAUTY, FASHION AND CONSUMER GOODS INDUSTRIES IN SOUTHERN CALIFORNIA RIGHT NOW?

A: SHERIDAN

Los Angeles remains a hub for celebrity and influencer-driven beauty brands, but investors and regulators now expect real product testing, safety documentation and supply-chain transparency. Labels like “PFAS-free,”

Staying agile and truly listening to customers’ values let brands build long-term loyalty in this fast-changing market.”

– ASHLEIGH BARKER

“fragrance-free” or “vegan” are popular, but raise real legal risks if not backed by evidence. We see apparel brands really moving toward circular sustainable models like resale, rental and repair. Packaging is being redesigned to comply with California’s recyclability rules, while online retailers must now show the full price up front under the state’s “junk fee” law. Marketplaces are tightening oversight of third-party sellers, which has been a problem for a while, and influencer ads are increasingly required to disclose paid relationships.

Q: WHAT ARE THE PROS AND CONS OF BEING BASED IN LOS ANGELES OR SOUTHERN CALIFORNIA IN 2025?

A: BARKER

Gone are the days of Los Angeles being viewed as second-tier to New York for business. L.A. offers a vibrant ecosystem for start-up and established brands in fashion, beauty and beyond, with a tight-knit community of industry professionals willing to share their resources, advice and connections. This environment provides access to an exceptional talent pool, in addition to a large addressable market of diverse consumers viewed as trend setters at building brand awareness and market viability. Those in client-facing roles like investment banking and law also have a first-hand vantage point to connect with brands early on in a way that feels genuinely authentic, especially compared to the more transactional environment experienced in New York. Seeing palm trees and the Pacific Ocean every day isn’t so bad, either!

Q: ARE THERE ANY NEW TRENDS IN PROTECTING IP IN THE FASHION AND BEAUTY SECTORS TODAY?

A: PERLMUTTER-GUMBINER

Yes, especially around creative content and co-developed formulations. With AI tools and external collaborators now playing a bigger role in branding and product development, ownership needs to be clarified early and explicitly. I’ve seen disputes where no one can prove who owns key brand elements, and that becomes a real issue in diligence. We help clients lock this down upfront through clear agreements with freelancers, agencies, labs and partners. A beautiful brand isn’t enough if you don’t truly own it.

Q: WHAT ARE THE LATEST REGULATORY DEVELOPMENTS AFFECTING PRODUCT LABELING, INGREDIENTS, PACKAGING AND MARKETING IN THESE INDUSTRIES?

A: SHERIDAN

Cosmetics fall under the federal Modernization of Cosmetics Regulation Act (MoCRA), which requires facility registration, safety data and soon, fragrance-allergen disclosure. California’s Prop 65 enforcement remains active, with new cases involving

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bisphenol S, continued litigation over lead and cadmium in foods, and a shift in cosmetics from titanium dioxide to diethanolamine claims. Additionally, new chemical listings, like vinyl acetate and IARC’s designations of isoeugenol and talc, signal impending enforcement. Focus also continues on PFAS (so-called “forever chemicals”) and restricting labeling as “recyclable.” Pricing and advertising rules are changing too: California’s new “junk-fee” law requires businesses to display “all-in” prices, with the goal of eliminating hidden fees. Online marketplaces face federal verification and disclosure rules regarding third-party sellers under the INFORM Consumers Act. At the federal level, the FTC is preparing updates to its Green Guides, which shape how companies can advertise environmental claims.

A: PERLMUTTER-GUMBINER

There’s a lot of attention right now on marketing language, especially around sustainability, “clean” ingredients and eco-friendly packaging. California regulators are pushing for much more substantiation behind these claims, and founders can’t afford to treat this like a copywriting exercise anymore. I work closely with clients to pressure-test their messaging early, so they’re not caught off guard later. It’s also a deal issue: Acquirers don’t want to inherit regulatory risk. If your claims aren’t backed up, that’s now a liability.

Q: HOW ARE CONSUMER EXPECTATIONS EVOLVING, ESPECIALLY AMONG GEN Z AND MILLENNIALS IN SOCAL, AND HOW ARE BRANDS RESPONDING?

A: BARKER

Globally, Gen Z and millennial consumers expect authenticity, inclusivity and sustainability from brands. They look for clean ingredients (now table stakes), transparency (consistent honesty and accountability) and personalized shopping experiences, with a strong preference for eco-friendly and cruelty-free products that align with their values and individualized needs. Digital convenience is key, with

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— ERIC PERLMUTTER-GUMBINER

mobile-first browsing often presenting the first point of discovery between a consumer and a brand. To adapt, beauty brands have embraced clean and/or science-driven formulations, diverse representation, influencer marketing and direct-to-consumer channels that serve as a point of discovery and awareness, followed by ongoing engagement. Staying agile and truly listening to customers’ values let brands build long-term loyalty in this fast-changing market.

Q: HOW ARE COMPANIES ADAPTING TO CALIFORNIA’S STRICT ENVIRONMENTAL AND SUSTAINABILITY REGULATIONS, AND WHAT BEST PRACTICES HAVE EMERGED?

A: SHERIDAN

In response to active enforcement of Prop 65, companies are redesigning packaging to meet California’s 2021 strict recyclability standards enacted in SB 343 and preparing for new producer-responsibility laws that require detailed reporting on plastic use. Many are creating internal compliance files for each product, documenting recyclability and chemical content. Climate disclosure rules are pushing businesses to track and report greenhouse-gas emissions across their supply chains. On the marketing side, claims like “compostable,” “plastic-neutral” or “carbon-free” are now treated as high-risk and must be substantiated with evidence, much like health claims. Best practices include cross-functional compliance teams, plain-English training for marketers and systems that lock in approved language across packaging and online listings.

Q: WHAT DO INVESTORS LOOK FOR IN A HEALTH, BEAUTY OR CONSUMER GOODS COMPANY THESE DAYS?

A: BARKER

When it comes to health and beauty, investors are drawn to companies with strong brand identity, proven product-market fit, sustainable scalability and a path for growth, as well as a strong and capable management team. These qualities help businesses stand out and are consistently identified as M&A value drivers. Beyond the aforementioned qualifiers, however, product efficacy reigns supreme. Products that deliver on promises foster customer trust and loyalty, drive word-of-mouth buzz to generate greater brand awareness and ultimately yield consistent repeat revenue. In addition, brands that have mastered online sales channels stand out. As these businesses mature, demonstrating success in brick-and-mortar retail environments becomes just as important of a milestone. Any mid- to later-stage consumer brand (especially in health and beauty) should aim to demonstrate its staying power and market appeal.

A: PERLMUTTER-GUMBINER

They want to see that a brand is ready – not just for scale, but for scrutiny. That means clear IP ownership, properly documented equity, clean contracts with co-mans and vendors, and financials that tell a coherent story. Great products and a loyal following matter, but the brands that get funded or acquired are the ones that don’t trigger red flags in diligence. I help founders focus on that long before a term sheet is on the table.

Q: DO YOU THINK BEAUTY AND FASHION SHOPPERS ARE WILLING TO ABSORB PRICE INCREASES?

A: BARKER

Consumers who are especially loyal to brands (often more luxurious or prestigious in their positioning, catering to a customer less impacted by price fluctuations) will be willing to pay higher prices. However, as consumer sentiment continues to fluctuate with more consumers becoming cautious and intentional with discretionary purchases, cost sensitivity may pose a challenge. Brands that differentiate their products, keep things fresh with new offerings, and are transparent about the drivers of price increases are more likely to keep customers as their prices go up compared to brands who try to hide price inflation.

Q: HOW ARE COMPANIES SHAPING THE WEBSITE TERMS AND CONDITIONS IMPOSED ON CONSUMERS AND VISITORS, AND WHAT BEST PRACTICES HAVE COME INTO FOCUS?

A: SHERIDAN

Companies are simplifying website terms with layered designs: a short, plain-language summary supported by detailed legal text. To hold up in court, they increasingly use clear “click-to-accept” checkboxes instead of links deposited at the bottom of a page. These terms now highlight dispute-resolution rules, renewal policies and total pricing to comply with California’s new “all-in” pricing law. Privacy notices must cover not only California’s data law but also Europe’s GDPR for companies that sell internationally. Best practices include making terms mobile-friendly, accessible to screen readers and easy to find near checkout buttons. Many brands also keep version histories to show exactly what users agreed to and when they agreed to it, as a safeguard against future disputes.

Q: WHAT ADVICE WOULD YOU GIVE TO EARLY-STAGE BRANDS IN NAVIGATING SCALE, ESPECIALLY WHILE BASED IN A COMPETITIVE MARKET LIKE SOUTHERN CALIFORNIA?

A: PERLMUTTER-GUMBINER

Professionalize early. The SoCal brand ecosystem is incredibly creative, but creativity alone isn’t enough to scale. I tell founders: Treat your IP like it matters, paper

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— STEPHANIE SHERIDAN

your equity properly, and negotiate contracts that reflect where you’re going– not just where you are now. The strongest brands I work with build legal infrastructure as a way to stay agile and deal-ready. That doesn’t mean over-lawyering – it means being intentional so that growth doesn’t create risk.

A: BARKER

When a capital-constrained brand is in “build-mode,” it’s easy to get caught up in inbound interest from retailers, manufacturing partners and investors who promise capital access. My advice to early-stage brands: Be intentional with your growth strategy and don’t accept every opportunity. Retail expansion is often emphasized for investor interest, but many founders underestimate costs: investing in brand awareness, product displays and packaging; supporting retail sales teams; and accepting retailer margins. Many brands with early retail debuts have been pulled after a year when they can’t meet tough sell-through targets, which can be detrimental in the long term and difficult to bounce back from. I advise brands to first prove market viability with online channels. Only expand when you have the capital and awareness to support retail and focus on winning in a single retailer rather than spreading too thin.