customers, ranging from national and regional chains of specialty retail and department stores; whose annual purchases from the Company exceeded $1,000,000, to small specialty stores whose annual purchases were under $1,000. The Company's customers include such retail and department store chains as Burlington Coat Factory Warehouse Corp., Sears, Roebuck & Co., Dillards Department Stores, Inc. and May Company, and such specialty store chains as the Lerner, Limited and Lane Bryant divisions of The Limited, Wilson's House of Suede, Maurices Inc., Petrie Stores Corp. and Casual Corner. Almost all of the Company's sales to date have been made in the United States. In the past year, the Company began marketing its products in Canada and expects to increase sales in Canada and certain other foreign countries over the next few years.

For the fiscal years ended July 31, 1987, 1988 and 1989, The Limited, through its Lerner, Limited and Lane Bryant divisions, accounted for approximately 2%, 20% and 20%, respectively, of net sales. A decrease in sales to these divisions of The Limited could have an adverse effect on the Company. Wilson's House of Suede (together with Bermans Specialty Stores, Inc., which was acquired by Wilson's in 1988, "Wilson's"), accounted for approximately 15%, 9% and 8%, respectively, of net sales during such three fiscal years, which percentages represented an increasing amount of net sales in each such year. Except for The Limited and Wilson's, no single customer accounted for more than 10% of net sales during such fiscal years. As sales of the Company's products have increased, the Company's dependence on its significant customers, other than The Limited, has decreased.

Retail sales of apparel, including leather, have traditionally been seasonal in nature. Although the Company sells its leather apparel throughout the year, sales in the Company's fourth and first fiscal quarters (the months of May through October) have accounted for approximately 61%, 63% and 66% of net sales during the years ended July 31, 1987, 1988 and 1989, respectively. The Company believes that its net income during the first and fourth fiscal quarters of each of its previous three fiscal years accounted for an even greater percentage of the net income during such fiscal years.

The Company's products are sold primarily through a direct employee sales force of approximately 11 employees as of July 31, 1989. The Company's principal executives are also actively involved in sales of its products, A limited amount of *Siena* products are also sold by two outside commissioned sales representatives retained by the Company, subject to the final authorization by the New York office. Final authorization of all sales of products is solely through the Company's New York showroom, enabling the Company's management to deal directly with, and be readily accessible to, major customers, as well as to control more effectively the Company's selling operations. The Company does not presently maintain any regional sales offices, although the Company contemplates opening regional sales offices in Chicago and Los Angeles within the next 12 months.

The Company primarily relies on its reputation and relationships in the industry to generate business. The Company believes it has developed a customer following and positive reputation in the industry, as a result of, among other things, standards of quality control, on-time delivery, competitive pricing, and willingness and ability to assist customers in their merchandising of the Company's products. In addition, the Company has, to a limited extent, advertised its products and engaged in cooperative ad programs with retailers. The Company believes it has developed brand awareness, despite the absence of general advertising, primarily through its reputation, consumer acceptance and the fashion press. The Company intends to increase its advertising and promotional activities, emphasizing selection, fashion, value and quality.

The Company does not sell on consignment and does not accept returns of products other than imperfect goods or goods shipped in error or past an order's completion date. Imperfect goods are repaired, to the extent practicable, and together with other returned products, resold to various customers. The Company has been able to sell substantially all its apparel cancelled for late shipment with no material adverse effect to the Company.

Raw Materials

The Company generally purchases in bulk the leather supplies necessary for its domestic manufacturing from various suppliers in the United States, South America and Europe. For the year ended July 31, 1989, approximately 40% of the leather used by the Company in its domestic

manufacturing operations was obtained from one vendor, Henry Sokol Leather Co., Inc. and its affiliates. As is customary in the industry, the Company does not have any long-term, formal arrangements with any of its leather suppliers. The Company has not had difficulty in satisfying its leather requirements, and believes there are adequate alternative sources of supply available.

The leather apparel industry also competes with manufacturers of other leather products for the supply of leather. Leather skins are a byproduct. Accordingly, raw material costs rise and fall more with changes in meat consumption worldwide than with the popularity of leather products. The average price of leather skins ("finished cow") paid by the Company has for the last five years ranged from approximately $1.00 to $1.30 per square foot.

The Company generally purchases in bulk its non-leather materials or "submaterials" used in the domestic production of its products. Non-leather materials, which include linings, zippers, buttons and trimmings, account for approximately 10% of the total cost of raw materials used in a garment. During the ten years ended July 31, 1989, virtually all linings, which accounted for the largest component of submaterials, were purchased from one supplier, M&M Textile Co. As is customary in the industry, the Company does not have any long-term, formal agreements with its suppliers of submaterials. To date, the Company has not had difficulty satisfying its requirements for such submaterials and believes there are adequate alternative sources of such raw materials available.

Backlog

A significant portion of the Company's orders are short-term purchase orders from customers who place orders on an as-needed basis. As the Company's sales have increased, the amount of unfilled orders at any time has not been indicative of future sales. Information relative to open purchase orders at any date may also be materially affected by, among other things, the timing of the initial showing of apparel to the trade, as well as by the timing of recording of orders and shipments. As a result, the Company does not believe that the amount of its unfilled customer orders at any time is meaningful.

Trademarks

An application has been filed in the U.S. Patent and Trademark Office to register ***G-III***, ***Siena*** and ***Cayenne*** as federally protected trademarks for use on women's and men's apparel. Although the Company regards its trademarks as a valuable asset and intends to vigorously defend its trademarks against infringements, the Company does not believe that the failure to obtain the trademark registrations for which it has applied, nor the infringement by another entity of its trademarks, would have a material adverse effect on the Company.

Competition

The apparel business is highly competitive. The Company has numerous competitors with respect to the sale of leather apparel, including distributors which import leather apparel from abroad and domestic retailers having established foreign manufacturing capabilities. The Company believes that its domestic production capabilities enable it to respond to changing trends in style and color more quickly than its competitors, most of whom lack substantial domestic production capability. The Company also competes for customers with the numerous manufacturers of apparel made from materials other than leather. Sales of the Company's products are affected by style, price, quality and general fashion trends.

The Company may also be deemed to compete with vertically integrated leather manufacturers that also own retail stores, such as Wilson's. The Company also competes for supplies of raw materials and foreign manufacturing and tanning capacity.

Employees

As of July 31, 1989, the Company had 235 full-time employees, of whom 26 worked in executive, administrative or clerical capacities, 134 worked in design and manufacturing, 64 worked in warehouse facilities and 11 worked in sales. The Company employs both union and non-union personnel and

believes that the Company's relations with its employees is good. The Company has never experienced any interruption of any of its operations due to a labor disagreement with its employees.

The Company is a party to an agreement with the Amalgamated Clothing and Textile Workers Union, covering approximately 157 full-time employees as of July 31, 1989. This agreement has been automatically renewed on an annual basis for the past four years and is currently in force through October 30, 1990. Either party can terminate this agreement as of any October 30 by notifying the other party prior to August 30 of such year.

Properties

The Company currently conducts its operations from two facilities. The Company's executive offices and a majority of its domestic production, office support, receiving and shipping departments are located in a five story approximately 32,000 square foot building at 345 West 37th Street in New York City. This property is leased pursuant to a sublease from a corporation owned by Morris Goldfarb and Aron Goldfarb, for which the Company pays rent monthly, plus real estate taxes and building expenses. For the fiscal year ended July 31, 1989, the total payments for the premises were $388,500. See "Certain Transactions."

The Company maintains two showrooms, as well as additional production facilities, consisting of two approximately 12,000 square foot floors of a building located at 225 West 37th Street in New York City. The property is leased, pursuant to two separate leases, from an unaffiliated entity through December 31, 1994, at a current aggregate annual rent of $215,400.

To accommodate and help effect the Company's anticipated growth, the Company intends to further expand its production capacity in New York City, establish a new distribution facility in the New York City metropolitan area and establish regional sales offices in Chicago and Los Angeles.

MANAGEMENT

Directors, Executive Officers and Significant Employees

The following table sets forth certain information with respect to the directors, executive officers and significant employees of the Company:

Name	Age	Position	Director, Executive Officer or Significant Employee Since
Morris Goldfarb	39	Director, President and Chief Executive Officer	1974
Aron Goldfarb	66	Director, Chairman of the Board	1974
Carl Katz	48	Director, Executive Vice President of Siena	1981
Thomas J. Brosig	40	Executive Vice President of Administration and Finance	1989
Christine Magnatta	45	Chief Financial Officer, Treasurer and Secretary	1988
Jeanette Nostra Katz. ...	37	Executive Vice President of Siena	1981
Deborah J. Cummings ..	35	Vice President-Imports of G-III	1989
Barry Dratel	46	Vice President-Menswear of G-III	1989
Keith Sutton Jones	41	Vice President-Foreign Manufacturing of G-III	1989
Shirley Jones Daniels ...	40	Sales Manager of G-III	1983
Lyle Berman	47	Director	1987
Sigmund Weiss.........	68	Director	1974
Willem van Bokhorst(1). .	43	Director	1989

(1) Will assume a position on the Board of Directors of the Company upon the completion of this offering.

Morris Goldfarb is a director of the Company and serves as its President and Chief Executive Officer. He has served as either President or Vice President of G-III and as President of Siena since their respective formations. Mr. Goldfarb is responsible for the domestic and foreign production of Siena's line of apparel and for the foreign manufacture, marketing, merchandising and financing of the G-ZZZ line of apparel. He also has overall responsibility for developing selling programs, customer relations and administration of the Company.

Aron Goldfarb is Chairman of the Board and a director of the Company, and has served as either President or Vice President of G-III since its formation in 1974 and as a Vice President of Siena since its formation in 1981. Mr. Goldfarb is responsible for the domestic manufacture of G-III's apparel, including obtaining the raw materials necessary for production and supervising the manufacturing process and employee relations. From 1956 to 1974, Aron Goldfarb was a principal in a number of businesses which manufactured and marketed leather garments.

Carl Katz is a director of the Company and has been employed as an Executive Vice President of Siena since 1989 and, prior thereto, as a Vice President of Siena since 1981. Mr. Katz supervises the merchandising and design, as well as production and pattern and sample making, for the Siena division.

Thomas J. Brosig is the Company's Executive Vice President of Administration and Finance and has been employed by the Company in such capacity since August 1989. For the three years prior thereto, Mr. Brosig was President of TJ Associates Business Consulting Services. From 1982 through 1986, he was Controller and Director of Strategic Planning for Bermans Specialty Stores, Inc. ("Berman?).

Christine Magnatta is the Chief Financial Officer, Treasurer and Secretary of the Company and has been employed by the Company since September 1988. Prior to that time, Ms. Magnatta was Vice President, Finance and Administration of Precision Screen Machines, Inc. (a screen printing equipment manufacturer) from 1985 to 1988, and Controller of STC Systems, Inc. (a mini-computer business systems manufacturer) from 1973 to 1985.

Jeanette Nostra Katz is currently an Executive Vice President of Siena and has been employed by the Company in various capacities since 1981. Her present responsibilities include all personnel related matters, sales activities, assembling merchandise collections and allocation of finished garments for the Siena division. In addition, Ms. Katz provides domestic design input and has full responsibility for the Company's product line marketed under the ***Cayenne*** label.

Deborah Cummings is the Vice President-Imports of G-III and has been employed by the Company in such capacity since August 1989. Her present responsibilities include coordinating the production, sales and merchandising of GIII's non-domestic manufactured apparel. For the seven years prior to joining the Company, Ms. Cummings was the Vice President of Sales and Marketing of Selvy & Co.-Furrina division, a manufacturer of outerwear apparel.

Barry Dratel is currently the Vice President-Menswear of G-III and has been employed by the Company in various capacities since 1986. His present responsibilities include styling, merchandising and sales activities for the Company's men's line of products. From 1983 to 1986, Mr. Dratel was the President of Clout Menswear Inc., an importer of men's leather outerwear.

Keith Sutton Jones is currently the Vice President-Foreign Manufacturing of G-III and has been employed by the Company in such capacity since January 1989. His responsibilities include coordinating and controlling all aspects of the Company's Far Eastern sourcing and production. From June 1985 until joining the Company, Mr. Jones was the Senior Quality Production Control Manager of Pacific Buying & Marketing Services, Ltd. From 1983 to May 1985, Mr. Jones was employed by Greyhound Casual Wear Ltd. and was responsible for its imports division.

Shirley Jones Daniels is currently the Sales Manager of G-III and has been employed by the Company in such capacity since 1983. Her present responsibilities include supervision of the showroom sales staff, developing new accounts, maintaining existing accounts and providing sales training and product knowledge seminars for many customers. From 1981 to 1983, Ms. Jones was a sales manager, stylist and production manager for Comint Leather Goods.

Lyle Berman, a director of the Company, is a founder of Ante Corp. and served as its President, Treasurer and a director from July 1987 to August 1989. Mr. Berman is presently the President of Berman's Consulting Corp., and serves as a consultant to the Company. From March 1987 until its acquisition by Wilson's in November 1988, Mr. Berman was Chairman of the Board of Directors, President and Chief Executive Officer of Bermans. From 1979 until March 1987, Mr. Berman was President and Chief Executive Officer of a predecessor corporation to Bermans. Between 1964 and 1979, Mr. Berman held various positions, including vice president of store operations, with such predecessor corporation. See "Certain Transactions."

Sigmund Weiss, a director of the Company, has been a certified public accountant since 1948, and has operated a general accounting practice for the past 35 years. Mr. Weiss has served as an accountant for the Company since inception.

Willem van Bokhorst, who will become a director of the Company, has been a partner in the Netherlands Antilles law firm of Smeets, Thesseling and van Bokhorst for more than the past five years.

Aron Goldfarb is the father of Morris Goldfarb. Carl Katz and Jeanette Nostra Katz are married to each other.

Each director holds office until the next annual meeting of stockholders or until his successor shall have been elected and qualified. Subject to the terms of applicable employment agreements, officers serve at the pleasure of the Board of Directors.

The Board of Directors has an Executive Committee, Audit Committee and Option Committee. The Executive Committee, composed of Morris Goldfarb, Aron Goldfarb and Carl Katz, is vested with the powers of the Board of Directors between meetings of the Board. The Audit Committee, composed of Lyle Berman, Sigmund Weiss and, upon his becoming a director, Willem van Bokhorst, is charged with reviewing the Company's annual audit and meeting with the Company's independent accountants to review the Company's internal controls and financial management practices. The Option Committee, composed of Morris Goldfarb and Aron Goldfarb, will function as the Committee under the 1989 Stock Option Plan. See "Stock Option Plan."

Directors who are not employees of the Company will receive $5,000 per year, in addition to $500 for each meeting of the Board attended and $500 for each meeting of each Committee of the Board attended, plus reimbursement of reasonable out-of-pocket expenses. Directors who are employees of the Company do not receive compensation for such services.

Executive Compensation

The following table sets forth all cash compensation paid by the Company for services rendered in all capacities to the Company during the fiscal year ended July 31, 1989 to (i) each of the five most highly compensated executive officers and key employees of the Company whose cash compensation exceeded $60,000 and (ii) all executive officers of the Company as a group:

Name of Individual or Number in Group	Capacities in which Served during the Year Ended July 31, 1989	Cash Compensation(l)
Morris Goldfarb	President and Chief Executive Officer;	$ 442,900(2)
Aron Goldfarb	Chairman of the Board	$ 380,300(2)
Jeanette Nostra Katz	Executive Vice President of Siena	$ 158,269
Barry Dratel	Vice President-Menswear of G-III	$ 125,793
Carl Katz	Executive Vice President of Siena	$ 105,600
All executive officers as a group (eight persons)(l)		$1,366,044(2)

(1) Includes salary and bonus. Other non-cash compensation paid to executive officers and key employees during the fiscal year ended July 31, 1989 was less than the lesser of $25,000 or 10% of the cash compensation reported for each individual named.

(2) Excludes Subchapter S distributions. See "Certain Transactions-The Reorganization."

Employment and Consulting Agreements

Effective upon the consummation of this offering, the Company will enter into amended employment agreements with Morris Goldfarb and Aron Goldfarb. The amended agreement with Morris Goldfarb, which will be effective until July 31, 1992, will provide for a base annual salary of $500,000, with increases at the discretion of the Board of Directors, and for a $2,000,000 life insurance policy which names his wife as beneficiary. The amended agreement will also provide for an annual bonus to him equal to varying percentages of pre-tax income (as defined in the amended employment agreement) if pre-tax income exceeds $5,000,000. The percentages vary from 4% of all pre-tax income up to $8500,000 to 6% of all pre-tax income if pre-tax income exceeds $14,300,000. The amended agreement with Aron Goldfarb, which will be effective until July 31, 1991, will provide for a base annual salary of $475,000, with increases at the discretion of the Board of Directors, and for a $500,000 life insurance policy which names his wife as beneficiary.

The Company currently has one-year employment agreements with each of Morris Goldfarb and Aron Goldfarb through July 31, 1990, providing for base salaries of $650,000 and $550,000, respectively. The agreement with Morris Goldfarb further provides for an annual bonus to him in an amount equal to 5% of the Company's pre-tax profit (as defined in the employment agreement) in excess of $1,000,000. Pursuant to the agreements, the Company is also required to pay for the cost of a $1,000,000 and $500,000 life insurance policy on the life of Morris Goldfarb and Aron Goldfarb, respectively, naming their respective wives as the beneficiary of such policy.

For the fiscal year ending July 31, 1990, the Company has a bonus arrangement with each of Carl Katz and Jeanette Nostra Katz'providing for each of them to receive a bonus equal to 2% of the Siena division's net sales up to $4 million, and 1% of all such net sales in excess of $4 million.

For the fiscal year ending July 31, 1990, the Company has a bonus arrangement with Barry Dratel providing for Mr. Dratel to receive a bonus equal to 1% of the net sales of the G-III division's men's line of apparel.

Since September 1, 1989, Lyle Berman has served as a consultant to the Company for which a corporation owned by him receives a fee of $15,000 per month.

For the fiscal year ended July 31, 1989, an accounting firm of which Sigmund Weiss is a principal received an aggregate of $50,000 of fees from the Company for general accounting services rendered and for services rendered in connection with the Reorganization.

Stock Option Plan

The Company has adopted the 1989 Stock Option Plan (the "Plan"), pursuant to which options to acquire an aggregate of 300,000 shares of Common Stock may be granted to key employees, consultants and directors of the Company or any of its subsidiaries. The Plan authorizes the Board to issue incentive stock options ("ISOs"), as defined in Section 422A(b) of the Internal Revenue Code (the "Code"), and stock options that do not conform to the requirements of that Code section ("Non-ISOs"). Consultants and directors who are not also employees of the Company may only be granted Non-ISOs. The exercise price of each ISO may not be less than 100% of the fair market value of the Common Stock at the time of grant, except that in the case of a grant to an employee who owns (within the meaning of Code Section 422A(b)(6)) 10% or more of the outstanding stock of the Company or any subsidiary ("10% Stockholder"), the exercise price shall not be less than 110% of such fair market value. The exercise price of each Non-ISO will not be less than 85% of the fair market value of the Common Stock at the time of grant. Options may not be exercised prior to the first anniversary, or on or after the tenth anniversary (fifth anniversary in the case of an ISO granted to a 10% Stockholder), of their grant. Options may not be transferred during the lifetime of an optionholder. No stock options may be granted under the Plan after October 17, 1999.

The Plan is administered by a Committee chosen by the Board of Directors. Subject to the provisions of the Plan, such Committee has the authority to determine the individuals to whom the stock options are to be granted, the number of shares to be covered by each option, the option price, the type of option, the option period, the restrictions, if any, on the exercise of the option, the terms for the payment of the option price and other terms and conditions. Payment by optionholders upon exercise of an option may be made (as determined by the Committee) in cash, by promissory note (approved by a majority of the outside, disinterested directors) or by shares of Common Stock. It is contemplated that an optionholder would be personally liable on a promissory note used as payment for the exercise of an option.

Effective as of the date of this offering, ISOs to purchase an aggregate of 92,000 shares of Common Stock will be granted under the Plan at an exercise price equal to the offering price set forth on the cover page of this Prospectus. Of these options, Barry Dratel, Carl Katz and Jeanette Nostra Katz will be granted ISOs to purchase 7,500, 10,000, and 10,000 shares of Common Stock, respectively. None of such options will be granted to either Morris or Aron Goldfarb. All executive officers as a group will be granted ISOs to purchase 57,000 shares of Common Stock at such offering price.

CERTAIN TRANSACTIONS

In September 1986, the New York City Industrial Development Agency ("IDA") issued $1,442,000 of floating rate Industrial Development Revenue Bonds to a commercial bank for the purpose of acquiring and renovating real property located at 345 West 37th Street in New York City. Simultaneously, the IDA leased, for a 15-year term, the property to 345 West 37th Corp. ("345 Corp."), a company owned and managed by Morris and Aron Goldfarb. As contemplated by the lease agreement, 345 Corp., in turn, subleased the property to G-III for the same term of years and upon the same terms and conditions as are provided in the underlying lease. Rental payments are equal to the payments of principal, redemption premium, if any, interest and other amounts due under the bonds, plus real estate taxes and building expenses. The bonds, which provide for monthly payments of principal of $8,011 plus interest until maturity in October 2001, bore interest at the rate of 75% of the bank's prime rate through December 31, 1986, 75% of the bank's prime rate plus 1.96% from January 1, 1987 through June 30, 1987, and 92% of the bank's prime rate (10.5% as of October 31,

1989) plus 1.48% from July 1, 1987 and thereafter. Operating expenses of approximately $153,000 were also paid under the sublease to 345 Corp. in the fiscal year ended July 31, 1989.

Concurrent with the execution of the lease and sublease agreements, 345 Corp., G-III, Siena and Aron and Morris Goldfarb entered into lease guaranty agreements whereby each company or individual, as applicable, jointly and severally, guaranteed the payments and obligations under the lease and the payment of principal and interest on the bonds. Under the terms of its guaranty agreement, G-III has agreed to abide by various covenants concerning corporate activities and has agreed to maintain stipulated levels of net worth, ratio of funded debt to tangible net worth, working capital, current ratio and debt service coverage. G-III is not in compliance with certain of these covenants and is currently seeking a waiver thereof.

In April 1988, 345 Corp. and G-III received a loan in the principal amount of $1,153,000 from the New York Job Development Authority (the "Authority"), to assist 345 Corp. in its renovation of the property located at 345 West 37th Street in New York City. The loan, which is financed by long-term bonds issued by the Authority, is for a period of 15 years and is repayable in principal installments of $10,689 monthly, plus interest. The loan bears interest at a variable rate, initially set at 7½%, but will not exceed 1½% above the Authority's cost of the funds loaned. At July 31, 1989, the interest rate on the loan was 9.5%. Each of G-III, Siena and Aron and Morris Goldfarb entered into corporate and personal guarantees, respectively, with regard to this debt. The outstanding principal amount of this debt was approximately $1,102,000 as of July 31, 1989. G-III is not in compliance with certain of these covenants and is currently seeking a waiver thereof.

In August 1989, 345 Corp. obtained a loan commitment from Lyle Berman in the amount of approximately $2,292,000, in the event of a need to refinance the IDA debt and the Authority debt referred to above. The loan, if extended, provides for 60 monthly payments of the principal amount, amortized on a ten-year basis, and of interest monthly, in arrears, at the rate of fifteen percent per annum, with the remaining unpaid principal and accrued and unpaid interest payable on the 61st month. The commitment, which expires on February 1, 1991, is conditioned upon certain events, including Morris Goldfarb serving as Chief Operating Officer of 345 Corp. and the joint and several guarantee of repayment by each of the Company, G-III, Siena and Morris and Aron Goldfarb.

Morris and Aron Goldfarb extended loans to G-III in the aggregate principal amount of $425,000. The loans are payable on demand and bear interest at the applicable Federal rate of interest published by the Internal Revenue Service, which was 8.39% during the month of November 1989. Messrs. Aron and Morris Goldfarb have subordinated these loans to the guarantee of the debts owed under the IDA and Authority loans referred to above and amounts owed to a bank under the Company's line of credit.

On November 17, 1988, in connection with the sale of his interest in Bermans to Wilson's, a wholly owned subsidiary of the Melville Corporation, Lyle Berman entered into a Noncompetition Agreement (the "Berman Non-Compete Agreement"). Pursuant to this Agreement, Mr. Berman is prohibited from (i) inducing any employee of Bermans from terminating such employment; (ii) interfering with the relationship between Bermans and any of its customers, clients, suppliers or consultants; and (iii) performing services (including as a director, consultant or 5% stockholder of) for any entity in the specialty retail leather apparel or accessory store business, until January 1, 1991. As discussed below, in connection with the Reorganization, each of the Company and Aron and Morris Goldfarb have undertaken not to take any action which would cause Lyle Berman to breach the Berman Non-Compete Agreement and have agreed to indemnify Mr. Berman against 92.3% of any losses suffered by Mr. Berman resulting from a breach of such undertaking.

During the three fiscal years ended July 31, 1987, 1988 and 1989, the Company had combined net sales of approximately $4,472,000, $4,594,000 and $7,815,000, respectively, to Wilson's and its subsidiary, Bermans. Lyle Berman was a minority stockholder and President and Chief Executive Officer of Bermans prior to its acquisition by Wilson's in November 1988. See "Management—Directors, Executive Officers and Significant Employees."

During the three fiscal years ended July 31, 1987, 1988 and 1989, the Company had net sales of approximately $1,016,000, $1,453,000 and $1,969,000, respectively, to a company owned by a relative

of the Company's principal stockholders. At July 31, 1988 and 1989, such company owed the Company $359,000 and $803,000, respectively, for merchandise purchased.

During the three fiscal years ended July 31, 1987, 1988 and 1989, the Company had sales of approximately $528,000, $2,122,000 and $1,339,000, respectively, to a corporation which is presently one-third owned by, and which prior to January 1, 1989 was fifty percent owned by, Morris Goldfarb. As of July 31, 1988 and 1989, such corporation, of which Morris Goldfarb is also an officer, owed the Company $839,000 and $783,000, respectively, for merchandise purchased. As of January 1, 1990, amounts owed to the Company by such corporation bear interest at the rate in effect for the Company on its working capital line of credit. Morris Goldfarb has personally guaranteed to the Company the payment of up to $450,000 of the amount owed by such corporation until January 31, 1991. See "The Reorganization." In addition, such corporation and G-III have executed an agreement subordinating all amounts owed to G-III by such corporation to the debt obligations owed to a bank by the corporation.

Prior to its initial public offering of the Common Stock, Ante Corp., on separate occasions, sold an aggregate of 300,000 unregistered shares of Common Stock to certain individuals, including Morris Goldfarb, Lyle Berman and Thomas J. Brosig (as joint tenant with Mr. Brosig's wife). Messrs. Goldfarb, Berman and Brosig purchased 10,000, 144,000 and 21,000 of these shares, respectively, at an average price per share of $2.16, $.72 and $1.20, respectively. Mr. Berman also purchased 100,000 shares of Series A Redeemable Convertible Preferred Stock, no par value per share ("Preferred Stock"), at a price of $.05 per share. Mr. Berman subsequently transferred 15,000 of such shares of Preferred Stock, and converted the remaining 85,000 shares into 141,666 shares of Common Stock at a price of $6.00 per share of Common Stock. See "The Reorganization."

The Company has recently entered into an arrangement with ELC Co., an apparel brokerage company '50% of which is owned by Morris Goldfarb, pursuant to which the Company's South Korean office will inspect, on behalf of ELC Co., merchandise produced in South Korea., It is anticipated that the Company will charge a commission of approximately 3% of the landed cost of the product for performing such inspection services. To date, no such services have been performed on behalf of ELC co.

The Company believes that the agreements and transactions described above were on terms no less favorable to the Company than could have been obtained from unaffiliated parties. The Company does not presently intend to enter into any additional financing arrangements or transactions with affiliates other than those discussed above. However, any transaction which the Company may enter into in the future with affiliates will be on terms no less favorable to the Company than could be obtained from unrelated third parties and will be approved by a disinterested majority of the Company's' Board of Directors.

The Reorganization

Effective July 31, 1989, Ante Corp. acquired from Morris Goldfarb and Aron Goldfarb all the outstanding stock of G-III and Siena for 3,947,777 shares of Common Stock, representing approximately 85% of the Common Stock outstanding after such acquisition (the "Reorganization"). Contemporaneously with and pursuant to the terms of the Reorganization, the then holders of Ante Corp.'s Preferred Stock converted an aggregate of 100,000 shares of Preferred Stock, constituting all the outstanding shares of Preferred Stock, including 85,000 shares of Preferred Stock owned by Lyle Berman and 15,000 shares transferred by him without consideration to two persons who are not affiliated with him or the Company, into 166,667 shares of Common Stock. The Preferred Stock was converted at a price of $6.00 per share of Common Stock, or $1,000,000 in the aggregate. In addition, in connection with the Reorganization, the Company effected a one-for-two reverse stock split effective August 15, 1989.

Pursuant to the terms of the Reorganization, Morris and Aron Goldfarb, G-III and Siena undertook certain obligations, including to cause the Company's securities to be listed with NASDAQ; to use their best efforts to obtain appropriate waivers of all defaults under the IDA and Authority documents referred to above; for Morris Goldfarb to personally guarantee the payment of $450,000 to the Company owed for merchandise purchased from the Company by a corporation partially owned by

Morris Goldfarb; and not to take any action or fail to take any action which would result in or cause Lyle Berman to breach the Berman Non-Compete Agreement. The last undertaking effectively precludes the Company, until January 1, 1991, from, among other things, soliciting employees of Bermans or engaging in retailing of leather apparel.

In addition, in connection with the Reorganization, each of Morris Goldfarb and Lyle Berman have agreed, in general, not to sell any shares of Common Stock owned by him until August 1.5, 1991, or, if earlier, 90 days following the effectiveness of a public offering of the Common Stock or such other date as the underwriters of such public offering request. The Underwriters of this offering have requested, and Morris Goldfarb has agreed to grant the Underwriters, an over-allotment option to purchase up to 300,000 shares of Common Stock. See "Underwriting."

From August 1, 1987 to July 31, 1989, G-III was treated as a Subchapter S corporation for income tax purposes. As a result, earnings of G-III for such years have been taxed, for Federal and New York State income tax purposes, directly to Messrs. Morris and Aron Goldfarb, G-III's sole stockholders during such period. As a result, G-III made annual Subchapter S corporation distributions to its stockholders. Effective August 1, 1989, G-III terminated its Subchapter S election and became a C corporation for tax purposes.

On July 31, 1989, in connection with the Reorganization, the Company distributed an aggregate of $5,900,000 to Morris and Aron Goldfarb as a Subchapter S distribution. Such distribution represented an estimate of the Company's Subchapter S corporation earnings through July 31, 1989 in excess of the amount required to satisfy the net equity requirement ($3,000,000 less expenses of the Reorganization) pursuant to the Reorganization. The funds used to make the distribution were borrowed from a bank and evidenced by two promissory notes, in the principal amounts of approximately $2500,000 and $3,400,000 payable on August 31, 1989 and August 31, 1990, respectively. The notes bear interest at the rate of ¾% above the bank's prime rate. The notes were secured by certificates of deposit purchased by Messrs. Goldfarb with the proceeds of the Subchapter S distribution and assigned to the bank.

On August 1, 1989, in recognition of the $3,000,000 net equity requirement, Messrs. Goldfarb redeposited $1,400,000 into the Company which, in turn, was repaid to the bank, reducing the amount outstanding under the $3,400,000 note to $2,000,000. The promissory note in the principal amount of $2,500,000 was paid on August 16, 1989, upon consummation of the Reorganization, with the consequent release to Messrs. Goldfarb of certificates of deposit in the amount of $2,500,000 previously used to secure the loan. Repayment of the remaining secured debt of $2,000,000 is due on November 1, 1990. It is anticipated that a portion of the net proceeds of this offering will be used to repay such $2,000,000 debt, and the certificates of deposit currently held by the bank as security for the debt will be released to Messrs. Goldfarb.

As of July 31, 1989, the Company owed an aggregate of approximately $3,008,000 to Morris and Aron Goldfarb, $2,678,000 of which represented Subchapter S corporation earnings through July 31, 1989 in excess of the amount of the net equity requirement pursuant to the Reorganization not previously distributed on July 31, 1989 as an estimated payment and approximately $330,000 of which represented income tax benefits to be received by the Company relating to taxable income, in excess of book income, recognized personally by Messrs. Goldfarb when G-III was treated as a Subchapter S corporation. The Company will receive the future benefit of such difference between taxable income and book income now that G-III is a C corporation. As of October 31, 1989, $1,165,000 had been paid to Messrs. Goldfarb as a result of which the amount owed to Messrs. Goldfarb had been reduced to $1,843,000.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of the Common Stock as of October 18, 1989, and as adjusted to reflect the sale of 1,500,000 shares by the Company and the sale of 500,000 shares by the Selling Stockholder, by (i) each director of the Company, (ii) each person known to the Company to be the beneficial owner of more than 5% of the outstanding Common Stock and (iii) all executive officers and directors of the Company as a group. Each of such persons has the sole voting and investment power with respect to the shares owned, subject to applicable community property laws.

	Shares Owned Prior to the Offering		Number of Shares Being Offered	Shares Owned After the Offering	
	Number	Percentage		Number	Percentage
Aron Goldfarb(1)	1,579,111	34.0%	500,000	1,079,111	17.6%
Morris Goldfarb(1)	2,378,666	51.2%	—	2,378,666(2)	38.7%(2)
Lyle Berman 433 Bushaway Road Wayzata, Minn. 55391	285,666	6.2%	—	285,666	4.6%
Carl Katz(1)	—	—	—	—	—
Sigmund Weiss c/o Green & Weiss 225 West 34th Street New York, NY 10001	1,500	*	—	1,500	*
Willem van Bokhorst c/o Smeets, Thesseling & van Bokhorst 1350 Avenue of the Americas New York, NY 10019	—	—	—	—	—
All executive officers and directors as a group (12 persons)(2)	4,265,943	91.9%	500,000	3,765,943	61.3%

* Less than 1%.

(1) The address of such individual is c/o G-III Apparel Group, Ltd., 345 West 37th Street, New York, New York 10018.

(2) In the event the Underwriters' over-allotment option is exercised in full from Morris Goldfarb (see "Underwriting"), the number of shares owned after the offering and the percentage ownership for Morris Goldfarb would be 2,078,667 and 33.8%, respectively, and for all executive officers and directors as a group would be 3,465,943 and 56.4%, respectively.

Shares Eligible for Future Sale

Upon completion of this offering, the Company will have 6,144,444 shares of Common Stock outstanding. The existing 240,000 publicly held shares, as well as all 2,000,000 of the shares sold in this offering (plus any additional shares sold upon the Underwriters' exercise of their over-allotment option) will be freely transferable without restriction or registration under the Securities Act of 1933, as amended (the "Act"), except for shares purchased by "affiliates" of the Company (within the meaning of the rules and regulations under the Act), which may be sold in the public market in accordance with Rule 144 as currently in effect under the Act.

The remaining 3,904,444 outstanding shares, which were acquired in reliance upon the "private placement" exemption provided by Section 4(2) of the Act, among others, will be deemed restricted securities within the meaning of Rule 144 ("Restricted Shares"). Restricted Shares may not be sold unless they are registered under the Act or are sold pursuant to an applicable exemption from registration, including an exemption under Rule 144. Beginning 90 days after the date of this Prospectus, 466,666 of the 3,904,444 Restricted Shares may be sold in accordance with Rule 144 if the conditions of that Rule have been met, subject to agreements with the Underwriters. Restricted Shares may not be sold under Rule 144 unless they have been fully paid for and held for two years. After such

two-year holding period, the shares may be sold in brokers' transactions in an amount in any three months not in excess of the greater of 1% of the number of shares of Common Stock then outstanding or the average weekly trading volume for a four-week period prior to each such sale. After they have been paid for and held for more than three years, Restricted Shares held by persons who are not affiliates of the Company may be sold without limitation. However, under Rule 144, Restricted Shares held by affiliates must continue after the three-year holding period to be sold in brokers' transactions subject to the volume limitations described above. The foregoing is a summary of Rule 144 and is not intended to be a complete description thereof.

The Company and its officers and directors and the Selling Stockholders (who hold an aggregate of 3,765,943 shares of Common Stock, assuming the Underwriters' over-allotment option is not exercised) have agreed with the Underwriters not to sell, grant any option for the sale of, or otherwise dispose of any shares of Common Stock for a period of 180 days after the date of this Prospectus without the prior written consent of the Representative.

In connection with the Company's initial public offering in May 1988, certain stockholders of Ante Corp., including Lyle Berman, entered into an Escrow Agreement with the Commissioner of Securities and Real Estate for the State of Minnesota, pursuant to which such stockholders placed an aggregate of 217,000 shares of Common Stock and 100,000 shares of Preferred Stock (since converted to 166,667 shares of Common Stock) in escrow. In general, the shares are to be held in escrow until April 1991, until which time they may not be sold or transferred.

In May 1988, Equity Securities Trading Co., Inc. ("Equity Securities"), the underwriter of the initial public offering, was granted a warrant to purchase up to 20,000 shares of Common Stock at an exercise price of $7.20 per share (120% of the public offering price). Equity Securities subsequently transferred, and the Company issued a warrant to a principal of Equity Securities granting such principal, the right to purchase 14,000 shares and Equity Securities retained a warrant for the balance of 6,000 shares of Common Stock. The warrants, which are exercisable for a four-year period ending May 5, 1993, contain anti-dilution provisions with respect to the number of shares for which the warrants are exercisable and the exercise price therefor, as well as certain "piggyback" registration rights which may be exercised during the period that the warrants are exercisable. Such "piggyback" registration rights have been waived in connection with this offering. The warrants also granted Equity Securities and such principal a right of first refusal with respect to underwriting any public offering undertaken by the Company or any of its affiliates during the three year period immediately succeeding such offering and certain demand registration rights, all of which rights were waived.

Prior to this offering, the trading market for the Common Stock has been limited. No precise prediction can be made of the effect, if any, that market sales of shares or the availability of shares of Common Stock for sale will have on the market price prevailing from time to time. Nevertheless, sales of substantial amounts of the Common Stock in the public market could adversely affect prevailing market prices.

DESCRIPTION OF CAPITAL STOCK

The Company's authorized capital stock consists of 20,000,000 shares of Common Stock, $.01 par value, and 1,000,000 shares of Preferred Stock, $.01 par value. As of October 18, 1989, 4,644,444 shares of Common Stock and no shares of Preferred Stock were outstanding.

On November 1, 1989, the Company was reincorporated under the laws of the State of Delaware. In addition, the Company effected a one-for-three reverse stock split effective November 1, 1989.

Common Stock

Each share of Common Stock has one vote on all matters presented to the stockholders. Since the Common Stock does not have cumulative voting rights, the holders of more than 50% of the shares may, if they choose to do so, elect all the directors and, in that event, the holders of the remaining shares will not be able to elect any directors. Subject to the rights and preferences of any Preferred Stock which may be designated and issued, the holders of Common Stock are entitled to dividends when and as declared by the board of directors and are entitled on liquidation to all assets remaining

after payment of liabilities. The Common Stock has no preemptive or other subscription rights. There are no conversion rights or sinking fund provisions with respect to the Common Stock.

Preferred Stock

Shares of Preferred Stock may be issued from time to time in one or more series as may be determined by the Board of Directors. The voting powers and preferences, the relative rights of each series, and the qualifications, limitations and restrictions thereof may be established by the Board of Directors without any further vote or action by the Company's stockholders. Such preferences and rights, if granted, may adversely effect the rights of the holders of Common Stock. The issuance of Preferred Stock may also have the effect of delaying, deterring or preventing a change in control of the Company. The Company has no outstanding Preferred Stock and has no present plans to issue any shares of Preferred Stock.

Registrar and Transfer Agent

The Registrar and Transfer Agent for the Common Stock is Norwest Bank Minnesota, N.A.

UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement among the Company, the Selling Stockholders, and Oppenheimer & Co., Inc., as the Representative of the Underwriters, the Underwriters named below have severally agreed to purchase from the Company and a Selling Stockholder, and the Company and a Selling Stockholder have agreed to sell to the Underwriters, the respective numbers of shares set forth opposite their names below:

Underwriter	Number of Shares
Oppenheimer & Co., Inc.	612,500
Bear, Stearns & Co., Inc.	35,000
The First Boston Corporation	35,000
Alex. Brown & Sons Incorporated	35,000
Dillon, Read & Co., Inc.	35,000
Donaldson, Lufkin & Jenrette Securities Corporation	35,000
Goldman, Sachs & Co.	35,000
Hambrecht & Quist Incorporated	35,000
Kidder, Peabody & Co., Incorporated	35,000
Lazard Freres & Co.	35,000
Merrill Lynch Capital Markets	35,000
Montgomery Securities	35,000
Morgan Stanley & Co. Incorporated	35,000
PaineWebber Incorporated.	35,000
Prudential-Bathe Capital Funding	35,000
Robertson, Stephens & Company	35,000
Salomon Brothers Inc	35,000
Shearson Lehman Hutton Inc.	35,000
Smith Barney, Harris Upham & Co. Incorporated	35,000
Wertheim Schroder & Co. Incorporated	35,000
Dean Witter Reynolds Inc.	35,000
Allen & Company Incorporated	25,000
William Blair & Company	25,000
J.C. Bradford & Co.	25,000
Dain Bosworth Incorporated	25,000
A.G. Edwards & Sons, Inc.	25,000
McDonald & Company Securities, Inc.	25,000
Piper, Jaffray & Hopwood Incorporated	25,000
The Robinson-Humphrey Company, Inc.	25,000
Tucker Anthony Incorporated	25,000
Wheat, First Securities, Inc.	25,000
Arnhold and S. Bleichroeder, Inc.	17,500
Bateman Eichler, Hill Richards Incorporated	17,500
Blunt Ellis & Loewi Incorporated.	17,500
Boenning & Scattergood, Inc.	17,500
Brean Murray, Foster Securities, Inc	17,500
Crowell, Weedon & Co.	17,500
Fahnestock & Co. Inc.	17,500
Furman Selz Mager Dietz & Birney Incorporated	17,500
Gruntal & Co., Incorporated.	17,500
Jesup & Lamont Securities Co., Inc.	17,500
John G. Kinnard & Company, Incorporated	17,500
Ladenburg, Thalmann & Co. Inc.	17,500
C.J. Lawrence, Morgan Grenfell Inc.	17,500
Legg Mason Wood Walker, Incorporated	17,500
Needham & Company, Inc.	17,500
Neuberger & Berman	17,500
The Ohio Company	17,500
Pennsylvania Merchant Group Ltd.	17,500
Prescott, Ball & Turben, Inc.	17,500
Raymond James & Associates, Inc.	17,500
Seidler Amdec Securities Inc.	17,500
Stifel, Nicolaus & Company, Incorporated.	17,500
Sutro & Co. Incorporated	17,500
Wedbush Morgan Securities.	17,500
Wessels, Arnold & Henderson	17.500
Total	2,000:ooo

The Underwriting Agreement provides that the obligations of the several Underwriters thereunder are subject to approval of certain legal matters by counsel and to various other conditions. The nature of the Underwriters' obligations is such that they are committed to purchase and pay for all of the above shares of Common Stock if any are purchased.

The Underwriters propose to offer the shares of Common Stock directly to the public at the public offering price set forth on the cover page of this Prospectus, and at such price less a concession not in excess of $.53 per share of Common Stock to certain other dealers who are members of the National Association of Securities Dealers, Inc. The Underwriters may allow, and such dealers may reallow, discounts not in excess of $.10 per share to certain other dealers. After the public offering, the initial offering price and other selling terms may be changed by the Underwriters.

The Underwriters have been granted a 30-day over-allotment option to purchase up to an aggregate of 300,000 additional shares of Common Stock, exercisable at the public offering price less the underwriting discount. Such shares will be sold by Morris Goldfarb, a principal stockholder, director and the President of the Company, unless he elects to have the Company provide the shares for the over-allotment option. If the Underwriters exercise such over-allotment option to purchase from Morris Goldfarb any of the 300,000 additional shares of Common Stock covered by the option, then each of the Underwriters will have a firm commitment, subject to certain conditions, to purchase approximately the same percentage thereof as the number of shares of Common Stock to be purchased by it as shown in the above table bears to the 2,000,000 shares of Common Stock offered hereby. The Underwriters may exercise such option only to cover over-allotments made in connection with the sale of the shares of Common Stock offered hereby.

The Company, its directors and officers and the Selling Stockholders have agreed that they will not sell, grant any option for the sale of, or otherwise dispose of any shares of Common Stock, for a period of 180 days after the date hereof without the prior written consent of the Representative, except for the shares of Common Stock offered hereby and shares of Common Stock reserved pursuant to the Plan.

The Company and the Selling Stockholders have agreed to indemnify the Underwriters against certain liabilities, losses and expenses, including liabilities under the Act, or to contribute to payments that the Underwriters may be required to make in respect thereof.

The Company has agreed to sell to the Representative for an aggregate price of $200,000, five year warrants to purchase an aggregate of 200,000 shares of Common Stock (the "Warrants") at a price per share equal to 120% of the public offering price set forth on the cover page of this Prospectus. The Warrants are not transferable (except to certain officers and affiliates of the Representative) and may be exercised commencing one year after the date hereof. The exercise price and the number of shares may, under certain circumstances, be subject to adjustment pursuant to anti-dilution provisions. The holders will have certain registration rights with respect to the Common Stock issuable upon exercise of the Warrants.

There has been no previous public market for any of the Company's securities, other than a limited and sporadic trading market for the Common Stock. See "Common Stock Market Information." The public offering price for the Common Stock offered hereby has been determined by negotiation among the Company, the Selling Stockholders and the Representative. The factors considered in determining the public offering price included the history of and the prospects for the industry in which the Company competes, the ability of the Company's management, the past and present operations of the Company, the historical results of operations of the Company and the trend of its earnings, the prospects for future earnings of the Company, the general condition of the securities markets at the time of the offering and the prices of similar securities of generally comparable companies.

Oppenheimer & Co., Inc. will pay a finder's fee to the law firm of Bell, Kalnick, Klee & Green which has represented the Company.

The Underwriters have advised the Company that they do not intend to make sales to discretionary accounts in excess of 5% of the total number of shares of Common Stock offered hereby.