

Guess Inc. Investigates Allegations against Co-Founder, Paul Marciano

By Daisy Franco, J.D. Candidate 2020 | February 13, 2018

Paul Marciano, co-founder of fashion retailer Guess Inc., is under [investigation](#) for alleged improper sexual conduct. In a tweet late January, model Kate Upton [accused](#) Paul Marciano of sexual harassment and of using his power to intimidate her while she was 18 and working for a company campaign, tweeting: “It’s disappointing that such an iconic women’s brand @Guess is still empowering Paul Marciano as their creative director #metoo.” A week following the tweet, in an [interview](#) with Time Magazine, Upton detailed the harassment and stated that she was fired after refusing Marciano’s advances. Her allegations of Marciano’s lengthy misconduct were corroborated by the campaign photographer, Yu Tsai, who was also fired during Upton’s time at Guess Inc.

Guess Inc. shares fell nearly 18 percent following Upton’s allegations, after having [risen](#) 16 percent in the last year. It was the [worst](#) day for trading of the company since the year 2012. Guess Inc. denied any misconduct on the part of Marciano in their February U.S. Securities and Exchange Commission filing, but stated it would look into Upton’s allegations against Marciano “once they are known to determine if they have any merit.” As a response, the Guess Inc. board has formed a special committee made up of two independent directors to oversee “an extensive and impartial [investigation](#)” into the allegations of sexual misconduct against Marciano. Upton is not the only woman [accusing](#) Marciano of sexual harassment; a lawsuit was filed against Marciano in 2009 by another model but later dropped.

Marciano and his brother founded Guess in 1981. He currently serves as the chief creative officer and chairman of the company, after leaving his position as CEO in 2015. He is one of the largest company shareholders, owning 12,367,360 shares, and the early February stock plunge cost him about \$40 million. Marciano has denied the allegations.