Pursuits

Knitting Conventions Vanish, Leaving Behind Thousands in Unpaid Bills

- Knitting events organizer owes purveyors thousands for fees
- Crafters, knitting teachers left in the dark about wind-down



A Stitches event in Sacramento in March of 2022 Julie Gillespie

By <u>Jonathan Randles</u>
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Most knitters saw no hint the relationship was in serious trouble. A few of them, now that they think about it, say there were recent warning signs they missed. But in the end, all of them suffered the ultimate betrayal – they got ghosted.

The source of their ire? XRX Inc., which – after running one of the biggest American knitting events, Stitches, for more than 30 years – has vanished with minimal explanation.

Its disappearance has shocked the network of small, mostly woman-owned yarn businesses that paid thousands of dollars to register up to a year in advance for shows. Knitting instructors who taught Stitches workshops over Zoom, meanwhile, haven't been paid for their work.

"A company ghosted everyone," said Karida Collins, owner of Neighborhood Fiber Co. in Baltimore, Maryland which is owed about \$5,000 in registration fees. "It feels very weird."

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That bizarre development began spreading through knitting circles on May 15 after Stitches – which Collins described as the community's Comic Con – <u>said</u> its future events were canceled, its parent company was dissolving and that it "no longer exists." It gave little explanation other than blaming "the present economic climate."

Social media accounts for South Dakota-based XRX have since vanished. Chief Executive Officer Benjamin Levisay's Facebook and Instagram accounts? Gone.

XRX didn't return messages seeking comment and attempts to reach Levisay through his email, work phone and <u>LinkedIn</u> account weren't successful. Emails to Levisay and other XRX employees trigger automatic reply messages indicating the company has closed; a recorded message for a mobile phone number linked to Levisay says the number has been changed, disconnected or is no longer in service.

XRX said more than two weeks ago creditors will be contacted by its lawyer "in the near future" and that it plans to pool its assets into a trust to repay as much as possible. The company said future communications must go through its lawyer, though the site doesn't provide a name or contact information for an attorney. XRX said it has received instructions from a bankruptcy lawyer but no company named XRX has filed bankruptcy as of Tuesday.

Knitty Magazine

The dearth of information from XRX has led to an outpouring of online complaints from people who don't know when or if they'll get any of their money back. Knitters are offering support for shops and teachers impacted by XRX's closing, including Knitty Magazine, which is providing free advertising for affected businesses.

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Posts on the "Screwed by Stitches" <u>Facebook group</u> – which counts nearly 1,000 members – have instructed shops that used credit cards to pay registration fees to contest those charges. Collins said she's contested her charges with American Express. But some vendors paid in cash because the company offered hundreds of dollars off if they immediately signed up for next year's event, vendors who spoke with Bloomberg News said. Others paid so far in advance they're beyond the window some credit card companies allow for contesting charges, vendors said.



Oink Pigments booth at Stitches West in Sacramento last year Julie Gillespie

People who attended past Stitches events said, in retrospect, there were signs suggesting the company may have been in trouble. XRX gave vendors credits after their largest annual event in California was canceled because of the Covid-19 pandemic and this year's event in March seemed to have lower attendance than usual. A well-liked XRX employee who worked with yarn businesses was let go late last year, vendors said. But Stitches attendees said they didn't suspect XRX was in serious trouble.

Emails sent by XRX employees in late April and early May encouraged shops to pay \$895 to register for Stitches' Minneapolis event in August and provided a schedule of Stitches events through early 2025. Knitting instructor Ann Weaver of Baltimore said she's owed hundreds of dollars for a Zoom teaching event she participated in just hours before XRX announced it was closing.

"It's labor theft," Weaver said. "They basically just packed it in and disappeared."

Weaver also edits textbooks, which she said will help soften the financial blow from XRX closing.

'Ghosted'

From the perspective of Oink Pigments – a yarn business with outposts in California and Indiana owed more than \$7,000 – there was no indication XRX was in dire financial straits, shop co-owner Helena Bristow said. The shop was preparing for the Minneapolis show and doesn't expect to get its money back, Bristow said, saying Levisay "ghosted" the community.

Kalliope Sabrina Famellos, owner of Anzula Luxury Fibers in Fresno, California, said her shop is owed about \$4,500 and that she was shocked XRX announced it was closing on its website without first messaging Stitches teachers, vendors and customers. Famellos said the loss of the registration fees would have a major impact on Anzula, which could have used the money for rent, payroll or other expenses.

The end of Stitches events leaves a void in the yarn community because the shows were a major destination for knitting enthusiasts. Yarn proprietors, customers and teachers have been supporting those who have been negatively impacted, she said

"The wonderful thing about our industry is we're all so supportive and support each other and lift each other up," Famellos said.

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