



Division of Enforcement

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

May 28, 2009

Christie L. Grymes  
Kelley, Drye & Warren  
3050 K Street, NW, Suite 400  
Washington, DC 20007-5108

Re: Neiman Marcus, FTC Matter No. 082-3199

Dear Ms. Grymes:

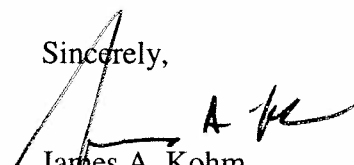
As you know, the staff of the Federal Trade Commission conducted an investigation of Neiman Marcus, relating to possible violations of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, the Fur Products Labeling Act, 15 U.S.C. § 69 *et seq.* ("Fur Act"), and the Rules and Regulations Under the Fur Products Labeling Act, 16 C.F.R. Part 301 ("Fur Rules"). The investigation focused on whether Neiman Marcus advertised on its website that certain coats contained a faux fur trim collar, when the collar was made of real fur, and whether the company sold other coats labeled "100% polyester trim," when some of the trim was made of real fur.

The staff of the Enforcement Division has completed its investigation and has determined that no further action is warranted at this time. According to the information that Neiman Marcus provided, the company sold a small number of the two types of coats in question. With respect to the coats Neiman Marcus advertised on its website, the company stated that when it learned of the advertising issue, it offered each purchaser a full refund. With respect to the coats labeled as "100% polyester trim," a third party labeled the coats and supplied them to the Neiman Marcus. That third party has agreed to label garments in a manner that distinguishes between trim made of real fur and trim made of other material.

In light of the above, the staff has decided to close the investigation. For the future, we would like to clarify that if Neiman Marcus wishes to rely on a guaranty from a supplier affirming that fur products are not misbranded, falsely advertised, or falsely invoiced, the guaranty must comply with the specific requirements of the Fur Act and Fur Rules. *See* 15 U.S.C. § 69h and 16 C.F.R. §§ 301.47 and 301.48. Such a guaranty, however, would not immunize Neiman Marcus from liability if it is independently responsible for a deceptive representation.

The decision to close this matter is not to be construed as a determination that a violation has not occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take further action as the public interest may require.

Sincerely,



James A. Kohm  
Associate Director