

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

COMMISSIONERS: Jon Leibowitz, Chairman
Edith Ramirez
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright

In the Matter of)	File No. 0823199
THE NEIMAN MARCUS GROUP, INC.,)	AGREEMENT CONTAINING
a corporation.)	CONSENT ORDER
)	
)	

The Federal Trade Commission (“Commission”) conducted an investigation of certain acts and practices of The Neiman Marcus Group, Inc. (“proposed respondent”). Proposed respondent, represented by counsel, is willing to enter into an agreement containing a consent order resolving the allegations contained in the attached draft complaint. Therefore,

IT IS HEREBY AGREED by and between The Neiman Marcus Group, Inc., by its duly authorized officers, and counsel for the Federal Trade Commission that:

1. Proposed respondent is a Delaware corporation with its principal office or place of business at 1618 Main St., Dallas, TX 75201.
2. Proposed respondent admits all the jurisdictional facts set forth in the draft complaint.
3. Proposed respondent waives:
 - A. Any further procedural steps;
 - B. The requirement that the Commission’s decision contain a statement of findings of fact and conclusions of law; and
 - C. All rights to seek judicial review or otherwise to challenge or contest the validity of the order entered pursuant to this agreement.
4. This agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this agreement is accepted by the Commission, it, together with the draft complaint, will be placed on the public record for a period of thirty (30) days and information about it publicly released. The Commission thereafter may either withdraw its acceptance of this agreement and so notify proposed respondent,

in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision in disposition of the proceeding.

5. Proposed respondent neither admits nor denies the allegations in the draft complaint, other than jurisdictional facts, merely by entering into this agreement.
6. This agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Section 2.34 of the Commission's Rules, the Commission may, without further notice to proposed respondent, (1) issue its complaint corresponding in form and substance with the attached draft complaint and its decision containing the following order in disposition of the proceeding, and (2) make information about it public. When so entered, the order shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The order shall become final upon service. Delivery of the complaint and the decision and order to proposed respondent's address as stated in this agreement by any means specified in Section 4.4(a) of the Commission's Rules shall constitute service. Proposed respondent waives any right it may have to any other manner of service. The complaint may be used in construing the terms of the order. No agreement, understanding, representation, or interpretation not contained in the order or in the agreement may be used to vary or contradict the terms of the order.
7. Proposed respondent has read the draft complaint and consent order. It understands that it may be liable for civil penalties in the amount provided by law and other appropriate relief for each violation of the order after it becomes final.

ORDER

DEFINITIONS

For purposes of this order, the following definitions shall apply:

1. "Respondent" shall mean The Neiman Marcus Group, Inc., its successors and assigns, subsidiaries and divisions, and their officers, agents, representatives, and employees.
2. "Commerce" shall mean commerce among the several States or with foreign nations, or in any Territory of the United States or in the District of Columbia, or between any such Territory and another, or between any such Territory and any State or foreign nation, or between the District of Columbia and any State or Territory or foreign nation.
3. "Covered product" shall mean any article of clothing or covering for any part of the body that (a) is made in whole or in part of fur or used fur or (b) respondent advertises as containing fake or faux fur.

4. “Fur” shall mean any animal skin or part thereof with hair, fleece, or fur fibers attached thereto, either in its raw or processed state, but shall not include such skins as are to be converted into leather or which in processing shall have the hair, fleece, or fur fiber completely removed.
5. “Fur product” shall mean any article of clothing or covering for any part of the body made in whole or in part of fur or used fur.

I.

IT IS ORDERED that, subject to the guaranty provisions of the Fur Products Labeling Act (“Fur Act”), 15 U.S.C. § 69 *et seq.*, and the Rules and Regulations Under the Fur Products Labeling Act (“Fur Rules”), 16 C.F.R. Part 301, Respondent, directly or through any person, partnership, corporation, subsidiary, division, trade name, or other device, in connection with the labeling, advertising, promotion, offering for sale, sale, or distribution of any fur product in any advertisement disseminated through the mail, on any website, or in any catalog, in or affecting commerce, is hereby permanently restrained and enjoined from engaging in, causing other persons to engage in, or assisting other persons to engage in, violations of the Fur Act and the Fur Rules, including, but not limited to, falsely or deceptively advertising any fur product by misrepresenting or failing to disclose:

- A. That the fur in any fur product is faux or fake;
- B. The name or names (as set forth in the Fur Products Name Guide, 16 C.F.R. § 301.0) of the animal or animals that produced the fur, and such qualifying statement as may be required pursuant to 15 U.S.C. § 69e(c);
- C. That the fur is used fur or that the fur product contains used fur when such is the fact;
- D. That the fur product or fur is bleached, dyed, or otherwise artificially colored fur when such is the fact;
- E. That the fur product is composed in whole or in substantial part of paws, tails, bellies, or waste fur when such is the fact; and
- F. The name of the country of origin of any imported furs or those contained in the fur product.

Provided that, in the event the Fur Act or Fur Rules are amended or modified:

1. Respondent shall comply fully and completely with all applicable requirements thereof, on and after the effective date of any such act or rule; and
2. That nothing in this Paragraph shall impose upon Respondent obligations beyond what is required under the amended or modified version of the Fur Act or Rules.

Provided further that if Respondent (1) cannot legally obtain a guaranty when it takes an ownership interest in a fur product, (2) does not embellish or misrepresent claims provided by the manufacturer about that product, and (3) does not sell the product as a private label product, then Respondent shall be liable for a violation of this Paragraph only if it knew or should have known that the marketing or sale of the product would violate this Paragraph.

II.

IT IS FURTHER ORDERED that Respondent shall maintain and, upon request, make available to the Commission, for inspection and copying, all records that will demonstrate compliance with the requirements of this order, including, but not limited to:

- A. All acknowledgments of receipt of order obtained pursuant to Paragraph III.B.
- B. For three (3) years after the last date of dissemination of any representation by Respondent about any covered product in any advertisement disseminated through the mail, on any website, or in any catalog;
 - 1. All advertisements and promotional materials containing the representation;
 - 2. All materials that were relied upon in disseminating the representation;
 - 3. All tests, reports, studies, surveys, demonstrations, or other evidence in the possession or control of any of the persons covered by Paragraph III.A that contradict, qualify, or call into question the representation, or the basis relied upon for the representation; and
 - 4. All complaints and other communications with consumers that call into question the representation, or the basis relied upon for the representation, in connection with a specific product purchased by a specific consumer, and all communications with governmental or consumer protection organizations that contradict, qualify, or call into question the representation, or the basis relied upon for the representation.

III.

IT IS FURTHER ORDERED that Respondent shall:

- A. For a period of three (3) years, deliver a copy of this order to all employees, agents, and representatives having responsibilities with respect to Respondent's marketing or advertising of any covered product in any advertisement disseminated through the mail, on any website, or in any catalog and to any manager or officer in the chain of command of such employees, agents, and representatives, within thirty (30) days after (1) the date of service of this order, or (2) the person assumes a position covered by this paragraph.

- B. Secure from each person receiving this order pursuant to this paragraph a signed and dated statement acknowledging receipt of this order.

IV.

IT IS FURTHER ORDERED that Respondent shall notify the Commission in connection with compliance with this order as follows:

- A. At least thirty (30) days prior to any change in the corporation that may affect compliance obligations arising under this order, including, but not limited to, a dissolution, assignment, sale, merger, or other action, that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. *Provided* that, with respect to any proposed change in the corporation about which Respondent learns less than thirty (30) days prior to the date such action is to take place, Respondent shall notify the Commission as soon as is practicable after obtaining such knowledge.
- B. Within sixty (60) days after the date of service of this order, file with the Commission a true and accurate report, in writing, setting forth in detail the manner and form of its own compliance with this order. Within ten (10) days of receipt of written notice from a representative of the Commission, it shall submit additional true and accurate written reports.
- C. Unless otherwise directed by a representative of the Commission in writing, all notices required by this Part shall be emailed to Debrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: *FTC v. The Neiman Marcus Group, Inc.*, File Number _____.

V.

IT IS FURTHER ORDERED that this order will terminate twenty (20) years from the date of its issuance, or twenty (20) years from the most recent date that the United States or the Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later. *Provided* that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order, if such complaint is filed after the order has terminated pursuant to this Part. *Provided*, further, that if such complaint is dismissed, or a federal court rules that the Respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though the complaint had never been filed, except that the order will not terminate

between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

Signed this _____ day of January, 2013.

THE NEIMAN MARCUS GROUP, INC.

FEDERAL TRADE COMMISSION

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