



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

Division of Advertising Practices

Mary K. Engle  
Associate Director

December 22, 2009

**VIA FEDERAL EXPRESS AND EMAIL**

Colleen Cording, General Counsel  
Crabtree & Evelyn, Ltd.  
102 Peake Brook Road  
Woodstock, Connecticut 06281

Re: Crabtree & Evelyn, Ltd., FTC File No. 092-3177

Dear Ms. Cording:

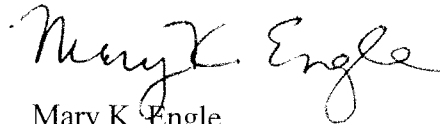
As you know, the staff of the Division of Advertising of the Federal Trade Commission ("FTC") conducted an investigation of Crabtree & Evelyn, Ltd. ("Crabtree & Evelyn") for possible violations of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45 ("FTC Act"), in connection with the post-bankruptcy advertising and sale of gift cards. Specifically, we were concerned that Crabtree & Evelyn, Ltd. violated Section 5 by failing to disclose, after its Chapter 11 bankruptcy filing, its bankrupt status to consumers who purchase gift cards. Pursuant to the bankruptcy, Crabtree & Evelyn has closed 30 of its 136 stores to date.

Upon careful review of the matter, we have determined not to recommend enforcement action at this time. We considered a number of factors in making this determination, including the facts that, according to its bankruptcy filings, Crabtree & Evelyn plans to soon emerge from bankruptcy, and that in its bankruptcy filings, Crabtree & Evelyn has agreed, upon emerging from bankruptcy, to honor all gift cards whether purchased pre- or post-bankruptcy filing. Additionally, although Crabtree & Evelyn closed a number of its stores, consumers have been able to redeem their gift cards throughout the bankruptcy by calling Crabtree & Evelyn's customer service department. Lastly, although Crabtree & Evelyn does not currently sell its gift cards online, it has agreed that if it sells gift cards on its website during the pendency of its current bankruptcy case, it will clearly and prominently disclose information about the bankruptcy prior to a consumer's purchase of a gift card.

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The staff appreciates Crabtree & Evelyn's cooperation in the prompt resolution of this matter. This action is not to be construed as a determination that a violation of law did not occur, 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 such further action as the public interest may require.

Very truly yours,

A handwritten signature in black ink that reads "Mary K. Engle". The signature is written in a cursive style with a large, looping initial "M".

Mary K. Engle  
Associate Director  
Division of Advertising Practices