



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

Office of the Secretary

July 18, 2013

Marcia Kramer
 State of Illinois

Re: <i>In t</i>	<i>he Mat</i>	<i>t</i>	<i>er</i>	-4407
<i>In t</i>	<i>he Mat</i>	<i>t</i>	<i>er</i>	-4408
<i>In t</i>	<i>he Mat</i>	<i>t</i>	<i>er</i>	-4409

Dear Ms. Kramer:

Thank you for commenting on the Federal Trade Commission’s proposed consent agreements in the above-referenced proceedings. The Commission has placed your comment on the public record pursuant to Rule 4.9(b)(6)(ii) of the Commission’s Rules of Practice, 16 C.F.R. § 4.9(b)(6)(ii), and has given it serious consideration.

Your comment raised concern that the agreements may not impose “meaningful consequences” on the respondents. You also criticized the orders for providing that respondents’ advertisements will not violate the orders under certain conditions if the respondents do not know or should not know that the advertisements are false.

After consideration of your comment, the Commission has determined that the relief set forth in the consent agreements is appropriate and sufficient to remedy the violations alleged in the complaints. First, the orders prohibit the respondents from web, mail, and catalog advertisements that violate the Fur Act and Rules. In addition, the orders provide significant consequences for future violations. Under federal law, a violation of an FTC order is punishable by a civil penalty of up to \$16,000 per violation. Therefore, if the respondents’ websites falsely advertise fur products as “faux” in the future, the respondents may be liable for significant civil penalties. Moreover, respondents have offered refunds to all consumers who purchased the falsely advertised products.

Second, the orders’ exemption for certain advertising is limited and reflects pre-existing Commission policy. Specifically, this exemption incorporates the Commission’s Enforcement Policy Statement regarding directly imported textile, wool, and fur products. Specifically, the policy statement only applies when retailers neither know nor should know that an advertisement is false and: 1) cannot legally obtain a guaranty regarding the advertised product; 2) neither embellish nor misrepresent claims provided by the product’s manufacturer; and 3) do not market the product as a private label product.¹ By incorporating this policy, the orders ensure that respondents can compete with other fur retailers by providing a level playing field. Robust competition should benefit consumers by providing more choice and lower prices.

¹ The Statement is available on our Website at

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Accordingly, the Commission has determined that the public interest would best be served by issuing the Decision and Order in each of these matters in final form without modification. The final Decisions and Orders and other relevant materials are available from the Commission's website at <http://www.ftc.gov>. It helps the Commission's analysis to hear from a variety of sources in its work, and we thank you again for your comment.

By direction of the Commission.

Donald S. Clark
Secretary