



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

Division of Enforcement  
Bureau of Consumer Protection

October 28, 1997

Susan S. Lanigan, Esq.  
Vice President, Associate General Counsel  
Zale Corporation  
P.O. Box 152777  
Irving, TX 75015-2777

Re: In the Matter of Zale Corporation  
FTC Docket No. C-3738

Dear Ms. Lanigan:

The Division of Enforcement staff has reviewed your submissions, dated July 2, 1997, September 12, 1997 and October 10, 1997, which you have filed to show the manner and form of Zale Corporation's ("Zale") compliance with the Order referenced above and issued on April 28, 1997. The staff has concluded, on the assumption that all information submitted is accurate and complete, that no compliance action is indicated at this time. We will not be precluded from recommending to the Commission an appropriate action if the information submitted is inaccurate or incomplete or if Zale violates the terms of the Order.

Staff is rejecting certain Exhibits submitted with respondent's compliance report, listed in Attachment A hereto, because, as explained in staff's August 26, 1997 letter to respondent, these materials contained claims that either contravened Parts of the Order or did not comply with the Federal Trade Commission's Guides for the Jewelry, Precious Metals and Pewter Industries ("Jewelry Guides"), 16 C.F.R. Part 23.

The conclusion that no compliance action is presently warranted is based, in part, on respondent's revision of its advertising materials and/or corporate procedures to bring them into compliance with the Order and/or the Jewelry Guides. These revisions were described in respondent's submissions dated September 12, 1997 and October 10, 1997.

Thank you for your cooperation in this matter.

Sincerely,

Elaine D. Kolish  
Associate Director  
Division of Enforcement

## Attachment A

### Rejected Exhibits:

Exhibit F, "Semi-Annual Jewelry Sale 25-50% Off" Daniel's Jewelers brochure.

Exhibit F, "Mother's Day Sale" Gordon's Jeweler's brochure.

Exhibit F, "Gifts, Gifts, Gifts" Gordon's Jewelers brochure.

Exhibit F, "to mom, with love" brochures (all stores).

Exhibit F, "Gayfers South/Maison Blanche 5/8 Mother's Day Broadsheet/Fine Jewelry."

Exhibit F, "Spring Sale" Gordon's Jewelers brochure.

Exhibit F, "Moonlight Sale" Castner-Knott Co. 6/19 -64.5.

Exhibit F, Castner-Knott 5/7 Mother's Day Broadsheet/Fine Jewelry.

Exhibit F, ZALES Cultured Pearl Promotional Materials binder: Birthstone flyers; "30% Off Pearl Jewelry" flyer; "April 1997 Spring Mail and Phone, Eff. 4/1/97 - 7/31/97;" "April 1997 Special Occasion Mail and Phone, Eff. 4/1/97 - 7/31/97;" "April 1997 Spring Catalog Remail, Eff. 4/1/97 - 7/31/97;" "May 1997 Mother's Day Insert, Eff. 4/14/97 - 5/11/97."

Exhibit F, SKU tags bearing descriptions: "Bailey's Best, Raymond Weil Parsifal, Mini with Mother-of-Pearl Diamond Dial and Bezel;" "Bailey's Best Ebel Mini Sport Classic with Mother-of-Pearl Diamond Dial;" "Bailey's Best, Omega Constellation, Ladies' with Mother-of-Pearl Dial and Diamond Bezel;" "Bailey's Best Sterling and 14K Gold Cable Bracelets, Pearl Accent;" "Frshwtr/Neck/9;" and, "Pearl - June Birthstone."