

Suit Alleges Neiman Marcus Outlet Prices are Deceptive

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In February, we [posted](#) that four members of Congress sent a letter to the FTC expressing concerns that consumers are being deceived by pricing at outlet stores and asking the FTC to investigate. Although the FTC has been fairly quiet on this issue, so far, plaintiffs' attorneys have started to take notice.

Last week, a plaintiff filed a class action against Neiman Marcus, alleging that the retailer's outlet pricing violates California laws. Items in Neiman Marcus Last Call stores bear price tags with a sale price, the words "compared to," and a higher price. According to the complaint, the "compared to" language gives the false impression that items were sold in Neiman Marcus stores at the higher price. In reality, the plaintiff alleges, the "Last Call clothing is actually not intended for the sale at the traditional Neiman Marcus stores . . . but rather strictly for the Last Call Store."

The complaint seeks monetary damages and a permanent injunction that would prevent Neiman Marcus from continuing to engage in allegedly deceptive sales practices.

As we've noted before, there has been an increase in cases involving retail pricing in recent months. If you're a retailer, you should pay close attention to recent cases and state pricing laws, particularly when you're advertising discounts, sales, or other price reductions.