
KARAT PLATINUM™

September 27, 2005

Office of the Secretary
Federal Trade Commission
Room 135-H (Annex Y)
600 Pennsylvania Ave. N.W.
Washington, D.C. 20580

Re: Jewelry Guides, Matter No. G711001

To Whom It May Concern:

I am writing on behalf of the management team at Karat Platinum Corp. to state our strong support of the current guides. We believe that they are sufficient for the proper marking, marketing and distribution of Karat Platinum's 585 alloy.

As background, Karat Platinum Corp. is a sister company of Gold Force International, a major manufacturer, importer and distributor of 10K and 14K Gold and Sterling Silver. For over 20 years, Gold Force has been doing business with major retailers across the country. Gold Force has an impeccable reputation for exacting adherence to the Jewelry Guides in the marking and marketing of Gold alloys.

The CEO of Gold Force International, David Neuberger, is also the CEO of Karat Platinum Corp. David's extensive experience in marketing 585 Gold alloys to retailers and to consumers, has proved invaluable in understanding the importance of clear and consistent marketing of Karat Platinum's 585 alloy. This experience has literally shaped Karat Platinum's philosophy – if consumers know exactly what their options are, they will choose the product that is the right price, has the right value, and has the right qualities for them.

Until now, consumers have had few options. They have been able to buy 950 Platinum, or traditional 585 Platinum alloys, which are combined with equally expensive Platinum group metals, such as the 585 alloy produced by APG. Therefore, the options available to consumers up to now have been exceedingly expensive.

Thanks to technology and innovation, we can bring a 58.5% Platinum with 41.5% non-precious Cobalt and Copper alloy to market that removes a longstanding barrier to entry – price – and, at the same time gives consumers a harder, stronger and more castable alternative. Our simple goal in introducing this alloy is to provide to those consumers who are interested in jewelry products that are the right price, the right value, and have the right qualities for them.

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The FTC's existing comments, letters and guides have provided us with comprehensive instructions on how to inform accurately our retailers and customers about Karat Platinum's 585 alloy. Our product is clearly marked as 585Pt.415Co.Cu. Our marketing materials also clearly explain the composition of the alloy.

We understand that many in the industry are urging the FTC to prevent our marketing of this alloy as they believe it will interfere with the market for 950 Platinum. Alarmists in the industry are fearful that our product will somehow diminish the perceived value of 950 Platinum by reaching a larger customer base at a lower price point. They are concerned that competition will denigrate the image of Platinum, and thus decrease its allure.

In their effort to disparage Karat Platinum's alloy, a few in our industry's trade associations, and their retailer skills, have sought through a campaign of misinformation to tell our industry that retailers will find our product confusing. This is simply not the case. Retailers are accustomed to the type of marking Karat Platinum is using, and are extremely cognizant about the relative values of different types of metals (including Platinum, Cobalt, and Copper). These industry detractors also claim that consumers will be confused. Again, we know this will not be the case since any reputable jeweler will explain the differences between our alloy and 950 Platinum; just as reputable jewelers explain the difference between 585 (14K) Gold and 750 (18K) gold, and just as reputable jewelers explain the difference between 585Pt.415Pd. and 950Pt.

These industry organizations have spread other misinformation about Karat Platinum's product. For instance they have stated that our product should not be called "Platinum" when, in fact, its composition of 58.5% Platinum is above the 500 part Platinum minimum suggested by the Guide. They have gone as far as to suggest that our Platinum alloy "might require a bench jeweler to use atmosphere control equipment to avoid damaging the product" – which is just flat wrong and is nothing more than a truly desperate attempt to impugn our product. The fact is that a leading testing facility—the Jewelry Institute of Pforzheim – concluded that "the working characteristics of the alloy . . . are such that articles of jewelry can be made using advanced, but well known industrial manufacturing techniques . . ." We think that all of these efforts to keep our lower-cost, high quality product from the market are deceptive, misleading, and designed to accomplish only one thing – to limit consumer choice and industry competition.

Industry members' fear that our alloy will harm the 950 Platinum market is misplaced. Our market is quite different. Our customers are people who desire to pay approximately half the price of 950 Platinum jewelry to receive jewelry which contains approximately half as much valuable Platinum, but possesses a similarly brilliant and appealing luster, long lasting durability, and is hypoallergenic. We sincerely believe that by meeting these consumers' demand for such Platinum products, we will create more demand for Platinum generally, which will benefit everyone in our industry.

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We urge the FTC to do nothing which would prevent Karat Platinum from continuing to market its new Platinum 585 alloy and from continuing to give consumers a choice when buying jewelry.

Sincerely,

Gary M. Jacobs
Chief Financial Officer/Chief Operating Officer