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June 3, 2016

The Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue N.W.
Suite CC-5610- (Annex O)
Washington, D.C. 20580

Via email: <https://ftcpublic.commentworks.com/ftc/jewelryguidesreview>

RE: Jewelry Guides, 16CFR Part 23
Project No. NO G71101
Comments of Jewelry Television®

On behalf of America's Collectibles Network, Inc. d/b/a Jewelry Television® ("JTV"), we appreciate the opportunity to submit comments responsive to Federal Register Notice issued by the Federal Trade Commission ("FTC") on December 28, 2015, regarding its proposed revisions to the Guides for Jewelry, Precious Metals and Pewter Industries (the "Guides"). This supplements the letter we sent to the FTC on September 26, 2012, responsive to the FTC's earlier request for comments about the Guides.

JTV participated on committees of the Jewelers Vigilance Committee ("JVC"), which addressed topics being considered by the FTC, including fineness of gold required for electroplating, below 10k gold alloy products, and lead-glass filled gemstones, among others. On May 9, 2016, after numerous meetings, JTV was supplied by JVC with JVC's draft report to the FTC. JTV responded to the JVC's draft report and was advised that the substance of the draft report to the FTC would not change. We requested a copy of JVC's final report, which we understand was available to signing members on May 25, 2016, but that final report was not supplied to JTV. Nevertheless, in making our comments in this letter, we are assuming that the JVC's report is essentially the same as the report that was supplied to us on May 9.

While we had and do have much agreement with the draft report of the JVC, we had and do have significant differences with the JVC regarding the topics of (i) alloys with precious metals in amounts below the general threshold for gold and silver and (ii) disclosures for lead-glass filled stones. The JVC is proposing changes to the FTC's proposals on these subjects, and we favor instead the FTC's proposals as a good balance that properly address disclosures so that the consumer will be reasonably informed about available product but not unreasonably foreclosed from the availability of product that consumers desire.

Before addressing our disagreements with the JVC, we would like to note specifically our areas of agreement. We concur with the JVC's comments relating to surface applications of precious metals (including specifically gold electroplating), synthetic diamonds and the use of the term "cultured," and disclosing the treatment of pearls. As to the JVC's comments on the surface applications of precious metals, we compliment the JVC for its excellent work in digesting and explaining this complicated subject and why some of the FTC recommended changes should not be made. We would like to add the following additional points to the JVC's comments:

1. In calendar year 2015, JTV sold 746,650 units of jewelry which include various metals which had been electroplated with a gold alloy. As explained by the JVC report, various underlying metals and substrates can be important relative to the fineness of the electroplated gold, its durability, its tarnish resistance and the ultimate color of the final jewelry product. Specifications used by JTV merchandisers for gold over product were either 14k or 18k. These specifications (coupled with the various underlying metals and substrates) result in the gold finish colors desired by JTV's customers, including the colors of 14k, 18k and rose gold.

2. Gold over jewelry product which JTV sells is primarily manufactured in Asia, with the electroplating done by Asian plating companies. Our testing of electroplated product purchased from Asian vendors, pursuant to JTV's specifications for 14k and 18k gold, has not disclosed issues with compliance with these 14k and 18k specifications for the gold coating in the electroplated product.

3. Our extensive customer satisfaction and survey information reveals very little dissatisfaction with the durability and tarnish resistance of the 14k and 18k gold over jewelry product JTV sells.

4. JTV is indifferent about the JVC's recommendations for a minimum coating thickness of gold as JTV's specifications call for a minimum thickness of 0.5 micron (higher than either the JVC proposed minimum of 0.175 micron or the FTC proposed minimum of 0.381), and the minimum we use may have been a factor in customer satisfaction with JTV's coated product.

Reports from our Vice President of Marketing and from our official responsible for overseeing metals testing are attached. Specific reference to those reports is made.

Alloys with Precious Metals in Amounts Below Minimum Thresholds for Gold: We support the FTC's proposal on this subject, as well reasoned and properly designed to allow the marketing of below-threshold (10k) gold with disclosures designed to inform and protect consumers from deception. Frankly, JTV has experimented with but has been unable to develop to date a below-threshold gold product with materially similar properties to above-threshold products. Nevertheless, the FTC proposal has the wisdom of allowing technology to expand and bases its Guides on this subject to be dependent upon technology as it changes.

Under the FTC's proposed Guides, only 10k product and above would have safe harbor protection. If a retailer markets gold product with fineness below 10k, the retailer must disclose the karat fineness (e.g., 8k) and that it may not have the same attributes or properties as above 10k gold product (or must have competent and reliable scientific evidence to demonstrate that it does so perform). The burden is thus placed upon the retailer, and there is no safe harbor if the retailer does not have definitive information. We concur with the FTC that this is the proper balance. While it is recognized that differing 10k product could perform somewhat differently, that certainly does not make the FTC proposed standard unintelligible. In our opinion the FTC proposed standard presents a reasonable basis for comparison and that standard fully protects the consumer.

We do strongly object to the JVC's suggested term of "low gold" to describe below-threshold gold. This term was not proposed by the JVC during any of the committee meetings and is to our knowledge unused in the industry. While JTV recognizes, as discussed in the FTC Notice, that consumers do not fully understand all aspects of the karatage nomenclature, our experiences with consumers, as well as studies, suggest that consumers are fully aware that the higher the karatage the more the gold content/fineness and the lower the karatage the lower the gold content/fineness. Likewise as to value. The term "low gold" is unnecessary to communicate to the consumer that 8k gold is "lower" (in content/fineness/value) than 10k, 14k, 18k, etc. We believe that the use of a degrading term such as "low gold" to further describe the already described difference is unnecessary and unwarranted.

Disclosures For Lead-Glass-Filled Stones: Again, JTV is satisfied with the FTC's proposed Guides with respect to this subject and believes the JVC's recommendation would unnecessarily foreclose a higher quality product from the market. The JVC approach would not allow a proper description/distinction between composite and true lead-glass-filled product. Specifically, product that contains bits of gemstone and filler material is clearly composite product. However, there is a wide difference between that composite and a true gemstone piece with its crevices filled. We believe there should be a distinction between these two, and the FTC has already found the correct balance. This is not a distinction without a difference as suggested by the JVC. Lead glass filled rubies differ from composites in that they are made from a single piece of gemstone to which a filler is added. In contrast, when the product starts with disparate pieces that are bonded together with filler material to create a finished product, that finished product is a composite.

We believe that consumers are entitled to pick which product is preferable for their taste and budget, but to have both products available in the marketplace. The FTC's proposed Guides allow both products with indicated disclosures. It is respectfully suggested that the FTC's role is to address consumer deception not to foreclose from the market a product desired by consumers after indicated disclosure about its composition.

As stated in the attached report of Renata Lafler, M.S. Earth Science and JTV's Director of Gemstone Advancement and Education, JTV makes the following additional recommendations:

In addition, we would like to recommend that the phrase "with good transparency" be removed from the definition of ruby as it is written in the FTC recommendation to the proposed terms for addition to section 23.25 (1-2). Transparency is a descriptor of clarity and clarity is a gemstone property, not a factor upon which its identity hinges. It is well-established in the industry that ruby is a varietal name for red corundum. There is a wide range in the quality of ruby with price points to match and this fact is known to consumers. Clarity is only a single property to consider. Even the finest quality star ruby, for example, will never be transparent. Another example is ruby in zoisite (anyolite), a popular ornamental material used in jewelry and carvings which contains opaque ruby in opaque green zoisite matrix.

For these reason, we assert that adding the caveat "...with good transparency..." to the definition of ruby is inappropriate and would unnecessarily impose a new and unsubstantiated limitation to what is already ethically marketed as ruby. Other gem materials like rhodonite and rhodochrosite are found in both opaque and transparent to translucent forms and a name change to distinguish the two based on clarity has not been imposed on either material.

Reference is made to the above referenced and attached report of Renata Lafler. This report addresses JTV's position on this topic, and JTV relies upon the Lafler report in support of its position on this topic.

Again, we appreciate very much the opportunity to comment.

Respectfully submitted,



Charles A. Wagner III
Vice Chairman

REPORT OF JTV MARKETING VICE PRESIDENT TO FTC

At the request of Charles Wagner, Vice Chairman and Legal Counsel of Jewelry Television ("JTV"), I have prepared this report to the Federal Trade Commission ("FTC"). The report addresses our customers' satisfaction with JTV's electroplated gold product.

The Marketing Team at JTV is responsible for managing the brand, influencing cross functional teams for strategic planning, integrated campaign development, execution and management, leading and managing Voice of Customer (VoC)/consumer insights research efforts, managing all public relations strategies, event management, corporate awareness campaigns and PR campaigns that position the brand in the marketplace as a leader in the category.

As VP of Marketing, my role is to ensure that all of the aforementioned marketing focus areas are led, managed and executed to industry standards and validated. Specifically, with VoC research efforts. The VoC team studies survey analysis to ensure statistical significance (supported by the JTV Business Intelligence team), and key findings that are relevant to decision making for business goals. Additionally, the VoC team is responsible for strategy planning and development for customer initiatives including key customer groups, monthly customer satisfaction survey development, and customer insight initiatives (research). When the VoC team reports survey analysis, a key component of that is to make recommendations to the business to improve product quality, customer experience, as well as inform other general business initiatives.

Since the beginning in 2007 of the dramatic increase in the price of gold, JTV has increased the units of "gold over" jewelry product it sells. In calendar year 2015 (CY15), JTV sold 746,650 units of jewelry which included various metals which had been electroplated with gold. The specifications for gold fineness used by JTV's merchandisers for gold over product was either 14k or 18k. These specifications result in the gold finish colors desired by our customers, including the colors of 14k, 18k and rose gold.

As part of the VoC insights the marketing team regularly reviews sales, online item ratings and warranty usage, as well as satisfaction survey responses. Below is a summary of sales, reviews and warranties sold on gold plated items. In addition, you will see an overview of customer satisfaction survey responses, related to gold electroplated items. Attached, you will find a more detailed report of customer satisfaction survey responses.

JTV.com customer ratings in CY15 for gold over product totaled 5,235 (0.7% of total units sold), with 102 negative comments (1.9% of total ratings/comments) for gold over product, and 0.013% of total gold over product sold in CY15.

Jewel Safe Warranties sold on gold over product in CY15 totaled 64,820 units. Of the 64,820 units, only 235 (0.0036% of warranty units sold for gold over product) resulted in claims related to plating. JTV offers replating as a service that Jewel Safe provides.

Attached, you will find methodology used for JTV Customer Satisfaction Surveys from June 3, 2015 – April 15, 2016. JTV surveys customers within one month of purchase, and during this time frame sent 629,678 surveys via email, and received 14,373 completed responses or 2.3% of the customers to whom surveys were sent. This is a statistically significant sample by industry standards for brand research.

The JTV Customer Satisfaction survey includes quality related questions on up to 2 items in a customers cart (regardless of category). We review items that are gold plated over another metal, and below are statistics on the responses.

97,208 of customers who were sent a survey had purchased a gold plated jewelry item as their only item or highest price point item in their most recent purchase when surveyed (Item 1).

2,215 completed responses were received

45,924 of customers who were sent a survey had purchased a gold plated jewelry item as a second lower price point item in their most recent purchase when surveyed (Item 2).

1,038 completed responses were received

When reviewing satisfaction with item quality, we found the following:

1st item in cart:

Overall satisfaction with item quality was approximately **78%** (respondents who reported satisfied or very satisfied with their item)
Satisfaction with item quality among respondents who had purchased a **gold plated item** was **79%** (respondents who reported satisfied or very satisfied with their item)

Of the **overall** respondents who reported “neutral”, “dissatisfied”, or “very dissatisfied” and had purchased a jewelry item, **3%** stated that they had had an issue with the metal of the piece (tarnish, turned color, plating wore off)

Of the respondents who had purchased a **gold plated jewelry item** and reported “neutral”, “dissatisfied”, or “very dissatisfied”, **6%** stated that they had had an issue with the metal of the piece (tarnish, turned color, plating wore off)

There was an insignificant amount of respondents who had purchased a gold plated item in our loose gemstone and non-jewelry item categories.

2nd item in cart:

Overall satisfaction with item quality was approximately **78%** (respondents who reported satisfied or very satisfied with their item)

Satisfaction with item quality among respondents who had purchased a **gold plated item** was **78%** (respondents who reported satisfied or very satisfied with their item)

Of the **overall** respondents who reported "neutral", "dissatisfied", or "very dissatisfied" and had purchased a jewelry item, **3%** stated that they had had an issue with the metal of the piece (tarnish, turned color, plating wore off)

Of the respondents who had purchased a **gold plated jewelry item** and reported "neutral", "dissatisfied", or "very dissatisfied", **9%** stated that they had had an issue with the metal of the piece (tarnish, turned color, plating wore off)

There was an insignificant amount of respondents who had purchased a gold plated item in our loose gemstone and non-jewelry item categories.

In conclusion, our continued survey and analysis efforts, cross tabulating several sources of customer feedback, specifically for gold electroplated product, show no level of customer complaints that would cause concern for the business overall or result in recommendation to the business to improve product quality and the customer experience. This analysis exhibits that there are no significant customer satisfaction issues with JTV's electroplated jewelry product, including issues with durability and tarnish/corrosion resistance.

This 1st day of June 2016.

Jill Johnson
VP, Marketing
Jewelry Television



JTV Post-Purchase Customer Satisfaction Survey Gold Plated Item Satisfaction

Survey Methodology

Customers Targeted:

- Online survey sent via email at end of each month beginning June 2015 (measuring May 2015 purchases) to customers who ordered during the prior fiscal month (approximately within last 30 days)
- Survey only includes customers who have an email address on file
- Each month's distribution list excluded customers who had taken the survey in the prior two months (so that each customer takes the survey no more than once per quarter)
- Survey only includes customers whose estimated in-home date was prior to survey launch
- Captured up to two items in cart to survey:
 - Item 1 is the item with the highest price point in the most recent cart, if the cart contained multiple items
 - Item 2 is the item with the next highest price point in the same cart (not included if only one item in most recent cart)

Only questions focused on item quality are included in this report.

Response Collection Dates: June 3, 2015 - April 15, 2016

Total Surveys Sent: 629,678

Total Responses Received*: 14,801 / 14,373 Completed Responses

Response Rate: 2.4% / 2.3% (Completed)

**Responses capped each month to manage yearly survey response allotment with survey vendor.*

Responses with Gold Plated Items

- Includes any response in which the item purchased (Item 1 or Item 2) contains gold plated over another metal.
- Of the surveys sent between June 3, 2015 and April 15, 2016:
 - 97,208 of customers who were sent a survey had purchased a gold plated jewelry item as their only item or highest price point item in their most recent purchase when surveyed (Item 1)
 - We received 2,215 completed responses from customers who had purchased a gold plated jewelry item as their only or highest price point item in their most recent purchase (Item 1)
 - 45,924 of customers who were sent a survey had purchased a gold plated jewelry item as a second, lower price point item in their most recent purchase when surveyed. (Item 2)
 - We received 1,038 completed responses from customers who had purchased a gold plated jewelry item as their second, lower price point item in their most recent purchase (Item 2)

Total Responses by Month

Month of Purchase	Total
2015-05 May	2454
2015-06 June	1505
2015-07 July	1508
2015-08 August	1506
2015-09 September	1468
2015-10 October	1203
2015-11 November	1151
2015-12 December	978
2016-01 January	956
2016-02 February	1051
2016-03 March	1021

Responses by Month - Item 1 Gold Plated

Month of Purchase	Total
2015-05 May	427
2015-06 June	218
2015-07 July	221
2015-08 August	239
2015-09 September	220
2015-10 October	200
2015-11 November	170
2015-12 December	135
2016-01 January	132
2016-02 February	168
2016-03 March	167

Responses by Month - Item 2 Gold Plated

Month of Purchase	Total
2015-05 May	221
2015-06 June	107
2015-07 July	113
2015-08 August	133
2015-09 September	88
2015-10 October	104
2015-11 November	67
2015-12 December	65
2016-01 January	53
2016-02 February	79
2016-03 March	57

2 Regarding your purchase of the following item, how satisfied were you with the quality of the item after you received it?

[1st item in cart]

All Responses

Answer	Bar	Response	%
Very Dissatisfied		982	6.83%
Dissatisfied		1155	8.04%
Neutral		1073	7.47%
Satisfied		3130	21.78%
Very Satisfied		8033	55.89%
Total		14373	100.00%

Top Two Boxes: 77.67%

Responses with Gold Plated Items

Answer	Bar	Response	%
Very Dissatisfied		146	6.59%
Dissatisfied		172	7.77%
Neutral		149	6.73%
Satisfied		483	21.81%
Very Satisfied		1265	57.11%
Total		2215	100.00%

Top Two Boxes: 78.92%

3 [Presented to respondents who stated "Neutral", "Dissatisfied", or "Very Dissatisfied" and item was a jewelry item]
Please tell us which issue(s) you experienced with your jewelry purchase. Select any that apply.

Respondents could choose more than one option

All Responses

Answer	Bar	Response	%
Item was missing a stone		122	4.23%
Item didn't appear as expected		1147	39.74%
Stone fell out shortly after wearing it		174	6.03%
Received a broken item		106	3.67%
Item broke shortly after wearing it		132	4.57%
> Metal tarnished / turned color / plating wore off		86	2.98%
Stone was damaged		96	3.33%
Color or clarity of stone did not meet expectation		697	24.15%
Stones didn't match		87	3.01%
Clasp broke		103	3.57%
Item didn't fit		233	8.07%
Watch stopped functioning shortly after wearing it		2	0.07%
Received a broken or damaged watch		0	0.00%
Other (please specify)		1108	38.39%
Total		4093	100.00%

Top 5 Key Words in Overall Other (please specify) Responses

Word	Count
Stones	157
Ring	133
Item	105
Ordered	81
Earrings	81

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Responses with Gold Plated Items

Answer	Bar	Response	%
Item was missing a stone		16	3.45%
Item didn't appear as expected		197	42.46%
Stone fell out shortly after wearing it		25	5.39%
Received a broken item		20	4.31%
Item broke shortly after wearing it		17	3.66%
> Metal tarnished / turned color / plating wore off		29	6.25%
Stone was damaged		5	1.08%
Color or clarity of stone did not meet expectation		87	18.75%
Stones didn't match		10	2.16%
Clasp broke		16	3.45%
Item didn't fit		38	8.19%
Watch stopped functioning shortly after wearing it		0	0.00%
Received a broken or damaged watch		0	0.00%
Other (please specify)		185	39.87%
Total		645	100.00%

Top 5 Key Words in Gold Plated Other (please specify) Responses

Word	Count
Stones	19
Item	18
Ring	18
Looked	17
Ordered	16

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4 [Presented to respondents who stated "Neutral", "Dissatisfied", or "Very Dissatisfied" and Item was a non-jewelry item]

Please tell us which issue(s) you experienced with your purchase from our gemstone, jewelry making, and gifts department. Select any that apply.

Respondents could choose more than one option.

All Responses

Answer	Bar	Response	%
Stone(s) was scratched, chipped or broken		29	9.15%
Stone does not fit casting or semi-mount		15	4.73%
Color or clarity did not meet expectations		109	34.38%
Matched pair stones did not match		6	1.89%
Stone size did not meet expectations		81	25.55%
Stone(s) did not have identification information		19	5.99%
Item did not have easy to use instructions		11	3.47%
Item didn't appear as expected		127	40.06%
Received a broken item		13	4.10%
Other (please specify)		99	31.23%
Total		509	100.00%

Top 5 Key Words in Overall Other (please specify) Responses

Word	Count
Stone	24
Color	16
Item	10
Order	8
Received	8

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Responses with Gold Plated Items

Answer	Bar	Response	%
Stone(s) was scratched, chipped or broken		0	0.00%
Stone does not fit casting or semi-mount		0	0.00%
Color or clarity did not meet expectations		0	0.00%
Matched pair stones did not match		0	0.00%
Stone size did not meet expectations		0	0.00%
Stone(s) did not have identification information		0	0.00%
Item did not have easy to use instructions		0	0.00%
Item didn't appear as expected		0	0.00%
Received a broken item		0	0.00%
Other (please specify)		2	100.00%
Total		2	100.00%

Other (please specify) - Only Two Responses in Gold Plated Items

Magnet was not as strong as expected. Feared losing my diamond solitaire pendant while using it.
 Cheap made and doesn't hold the magnets together good. Necklace falls off from time to time. Weak magnets!!

5

Regarding your purchase of the following item, how satisfied were you with the quality of the item after you received it?

[If respondent had more than one item in cart - 2nd Item in Cart]

All Responses

Answer	Bar	Response	%
Very Dissatisfied		339	5.32%
Dissatisfied		505	7.92%
Neutral		573	8.99%
Satisfied		1477	23.17%
Very Satisfied		3481	54.60%
Total		6375	100.00%

Top Two Boxes: 77.77%

Responses with Gold Plated Items

Answer	Bar	Response	%
Very Dissatisfied		51	4.91%
Dissatisfied		87	8.38%
Neutral		94	9.06%
Satisfied		253	24.37%
Very Satisfied		553	53.28%
Total		1038	100.00%

Top Two Boxes: 77.65%

6 [Presented to respondents who stated "Neutral", "Dissatisfied", or "Very Dissatisfied" and item was a jewelry item]
Please tell us which issue(s) you experienced with your jewelry purchase. Select any that apply.

Respondents could choose more than one option

All Responses

Answer	Bar	Response	%
Item was missing a stone		48	3.81%
Item didn't appear as expected		475	37.70%
Stone fell out shortly after wearing it		69	5.48%
Received a broken item		51	4.05%
Item broke shortly after wearing it		43	3.41%
> Metal tarnished / turned color / plating wore off		41	3.25%
Stone was damaged		29	2.30%
Color or clarity of stone did not meet expectation		247	19.60%
Stones didn't match		21	1.67%
Clasp broke		37	2.94%
Item didn't fit		112	8.89%
Watch stopped functioning shortly after wearing it		0	0.00%
Received a broken or damaged watch		1	0.08%
Other (please specify)		520	41.27%
Total		1694	100.00%

Top 5 Key Words in Overall Other (please specify) Responses

Word	Count
Stones	79
Item	44
Ring	38
Earrings	38
Small	37

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Responses with Gold Plated Items

Answer	Bar	Response	%
Item was missing a stone		7	3.06%
Item didn't appear as expected		95	41.48%
Stone fell out shortly after wearing it		13	5.68%
Received a broken item		12	5.24%
Item broke shortly after wearing it		9	3.93%
> Metal tarnished / turned color / plating wore off		21	9.17%
Stone was damaged		5	2.18%
Color or clarity of stone did not meet expectation		38	16.59%
Stones didn't match		5	2.18%
Clasp broke		9	3.93%
Item didn't fit		20	8.73%
Watch stopped functioning shortly after wearing it		0	0.00%
Received a broken or damaged watch		0	0.00%
Other (please specify)		92	40.17%
Total		326	100.00%

Top 5 Key Words in Gold Plated Other (please specify) Responses

Word	Count
Small	10
Stones	9
Earrings	8
Gold	8
Item	7

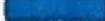
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7 [Presented to respondents who stated "Neutral", "Dissatisfied", or "Very Dissatisfied" and item was a non-jewelry item]

Please tell us which issue(s) you experienced with your purchase from our gemstone, jewelry making, and gifts department. Select any that apply.

Respondents could choose more than one option.

All Responses

Answer	Bar	Response	%
Stone(s) was scratched, chipped or broken		8	5.37%
Stone does not fit casting or semi-mount		7	4.70%
Color or clarity did not meet expectations		38	25.50%
Matched pair stones did not match		3	2.01%
Stone size did not meet expectations		29	19.46%
Stone(s) did not have identification information		8	5.37%
Item did not have easy to use instructions		6	4.03%
Item didn't appear as expected		40	26.85%
Received a broken item		8	5.37%
Other (please specify)		56	37.58%
Total		203	100.00%

Top 5 Key Words in Overall Other (please specify) Responses

Word	Count
Item	9
Color	9
Stone	8
Order	5
Chains	4

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Responses with Gold Plated Items

Answer	Bar	Response	%
Stone(s) was scratched, chipped or broken		0	0.00%
Stone does not fit casting or semi-mount		0	0.00%
Color or clarity did not meet expectations		1	33.33%
Matched pair stones did not match		0	0.00%
Stone size did not meet expectations		0	0.00%
Stone(s) did not have identification information		0	0.00%
Item did not have easy to use instructions		0	0.00%
Item didn't appear as expected		0	0.00%
Received a broken item		1	33.33%
Other (please specify)		1	33.33%
Total		3	100.00%

Other (please specify) - Only One Response In Gold Plated Items

weak magnet

Report

At the request of Charles Wagner, Vice Chairman and Legal Counsel of Jewelry Television ("JTV"), I have prepared this report to the Federal Trade Commission ("FTC"). It is to address JTV's testing of metals in its jewelry products, specifically including compliance of product electroplated with gold alloy to meet fineness specifications of 14K and 18K gold for the gold coating.

I am the Senior Shop Manager of Jewelry Television. I attended the University of Tennessee studying graphic design and have a Graduate Jeweler Diploma from the Gemological Institute of America. I have worked with JTV for over 8 years and in total have over 23 years of bench jeweler experience.

My responsibilities at JTV as Senior Shop Manager include managing, maintaining, and tracking the workflow of all functions within my scope of management such as repairs, warranties, pre-owned merchandise, melt, and special orders. I oversee the daily operations of our team of jewelers, which includes functions such as stone setting, repairs, ring sizing, and breakdowns. In addition, I manage the relationship between the shop and the company's other departments to ensure productive and effective collaboration. I also coordinate with our Quality Control department to ensure the products we sell are compliant with the company's specifications and of the quality required for our customers.

We test inbound product SKUs in collaboration with JTV's Quality Control and Receiving departments. Upon arrival, 1 in 5 silver and plated silver SKUs are tested for metal composition, and 1 in 3 gold SKUs are tested for metal composition. We use an XRF Spectrometer for metal testing, which is capable of detecting a wide range of elemental concentrations. This generates a report that outputs the percentages of which elements make up any tested piece. Our XRF is calibrated on regular intervals as the machine recommends. These tests are run on products we purchase in order to ensure compliance as it relates to the products' metal contents. In addition, we pull random samples of each SKU's bulk quantity to be subjected to destructive testing we call "Breakdowns," which are used to further verify metal composition, metal weight, and stone carat weights. To begin our breakdown process, one of our jewelers removes the gemstones from the sample piece. The sample piece is then melted into a button form and any remaining stones are separated from the metal button. The stones are then weighed to verify carat weights and the metal is weighed to verify the gram weight. Once all weights are verified, the metal button is tested on the XRF machine for metal quality.

JTV sells products of 14K and 18K gold electroplated over several different types of base metals, including sterling silver, brass, and bronze. Our current vendor specifications require the gold electroplated coating to be either 14K or 18K fineness, with a minimum thickness of 0.50 microns. Our testing equipment is suitable for testing for gold fineness of the coating but not for thickness of the coating. We do occasionally have independent tests to verify thickness.

The compliance tolerances for gold and silver content that we maintain are as follows

- 10K @ 41.37% minimum (soldered 40.97%)
- 14K @ 58.03% minimum (soldered 57.63%)
- 18K @ 74.70% minimum (soldered 74.30%)
- Sterling Silver @ 92.10% minimum (soldered 91.50%)

If our XRF machine picks up any lead or cadmium above the compliance levels listed below, we reject the product and return it to the vendor

- **Lead: Maximum tolerance 0.03%**
- **Cadmium: Maximum tolerance 0.0075% (Adult Jewelry)**
- **Cadmium: Maximum tolerance 0.0040% (Children's Jewelry)**

Our metal testing has revealed consistent compliance with JTV's specifications for 14K and 18K electroplated finish.

**Thank you very much,
Tony Thompson**



JTV Summary of Recommendations Regarding Lead-Glass Filled Rubies

Jewelry Television's team of international experts consists of eleven Graduate Gemologists (GIA), five Fellows of the Gemological Association of Great Britain (Gem-A), a Senior Accredited Gemologist (AGA), a mineralogist, a department of experienced educators, and many more experts in gemstone and jewelry marketing and merchandising.

Members of our team are actively involved in the most respected organizations in the industry including the American Gem Trade Association (AGTA), the Jewelers Vigilance Committee (JVC), the Accredited Gemologists Association (AGA), the Diamond Council of America (DCA), and also the International Colored Gemstone Association (ICA).

Our experienced buyers are authorities in their trade and have forged well-established relationships with gemstone dealers and treaters worldwide allowing us to offer consumers the best products for the best prices. – in which the starting material is intact

Our expansive online library of constantly evolving jewelry and gemstone-related content showcases our commitment to not just educating and empowering our employees, but also our customers. We pride ourselves on accurate disclosure of the identity, treatment, and care of our products to ensure the highest level of consumer confidence.

The discussion regarding the proper disclosure of lead-glass filled rubies has been carefully researched, vetted, and articulated by our team of experts. We strongly believe that these recommendations are in the best interest of the consumer. Our recommendations are as follows:

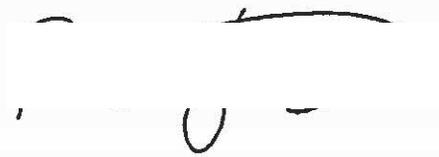
- We support the changes proposed by the FTC that appropriately distinguish between lead-glass filled ruby or corundum and composite ruby or corundum. In our view, the term *lead-glass filled* is more descriptive for product in which the original material remains intact and only has its fissures filled with glass than *composite* which refers to material that is an aggregate composed of pieces of two or more materials held together by a bonding agent, as is the case in composite turquoise. We assert that a single crystal of ruby that is later filled with lead glass is not a *composite* material, but is instead a lead-glass filled ruby. Similarly, another gem material, Blue John fluorite, begins as a single piece with a fixed composition that is then heavily stabilized with epoxy. The properties of Blue John before treatment render it unusable in jewelry, however, after this stabilization, it becomes an attractive gem that can be set in jewelry. Blue John is disclosed as a treated material, not a *composite*, and this practice is accepted in the industry. We assert that a truly composite ruby or corundum is one in which the resulting material has not remained intact after treatment, and is therefore disparate pieces held together by glass.

We disagree with the JVC regarding the use of the term "manufactured" when referring to this product and agree with the FTC's position to refrain from using this term due to lack of evidence regarding how this term is perceived by consumers.

- In addition, we would like to recommend that the phrase “with good transparency” be removed from the definition of ruby as it is written in the FTC recommendation to the proposed terms for addition to section 23.25 (1-2). Transparency is a descriptor of clarity and clarity is a gemstone property, not a factor upon which its identity hinges. It is well-established in the industry that ruby is a varietal name for red corundum. There is a wide range in the quality of ruby with price points to match and this fact is known to consumers. Clarity is only a single property to consider. Even the finest quality star ruby, for example, will never be transparent. Another example is ruby in zoisite (anyolite), a popular ornamental material used in jewelry and carvings which contains opaque ruby in opaque green zoisite matrix.

For these reasons, we assert that adding the caveat “...with good transparency...” to the definition of ruby is inappropriate and would unnecessarily impose a new and unsubstantiated limitation to what is already ethically marketed as ruby. Other gem materials like rhodonite and rhodochrosite are found in both opaque and transparent to translucent forms and a name change to distinguish the two based on clarity has not been imposed on either material.

We appreciate your consideration in this matter.



Renata R. Lafler, *M.S. Earth Sciences*
Director of Gemstone Advancement and Education
Jewelry Television