

# The J Report

THE OFFICIAL NEWSLETTER FOR JEWELERS OF AMERICA MEMBERS

## JA, MJSA, AJM to Offer Bench Jeweler Demonstrations

Jewelers of America, Manufacturing Jewelers and Suppliers of America (MJSA), and *AJM* magazine are teaming up to offer live demonstrations of bench jeweler techniques in 2006. *AJM*'s "At the Bench Live" presentations will be given in several venues across the country throughout the year.

JA members are invited to watch and learn as the nation's best bench educators share their passion, knowledge, and skills during real-time demonstrations projected via high-resolution video cameras onto a large viewing screen.

"By collaborating with MJSA and *AJM*, we are able to offer our members and others a year-long opportunity to learn from bench jewelers working at a bench in real time," said JA President and CEO Matthew Runci. "Jewelers can witness a visually dynamic presentation filled with important tips and techniques."

The first "At the Bench Live" program will be the first day of education in the Jewelers of America classroom during the winter JA New York Show, on January 22, 2006, in Manhattan's Jacob Javits Center. There, Arthur Anton Skuratowicz, owner of Anton Nash, will present two seminars, "Working with Gemstones" and "Tool Modification." Blaine Lewis, President of the New Approach School for Jewelers, will offer "Channel Setting Made Easy," and Karen Christians,



"Tool Modification" is one of two seminars to be offered by Arthur Anton Skuratowicz during the winter JA New York Show.



Blaine Lewis will present "Channel Setting Made Easy," where jewelers will be able to see demonstrations such as the one pictured here.

owner of Metalwerx, will present "Making the Most of Your Flex-Shaft."

The slate of educators and presentations will differ at each event. Other "At the Bench Live" programs are currently scheduled for the Midwest Jewelry Expo in Madison, WI (March 25-26), the summer JA New York Show (July 30-August 2), and the Oklahoma Jewelers Association's 100th anniversary event in Oklahoma City (September 15-17).

## JA Launches Recovery Network

In response to the destruction wrought by Hurricane Katrina, Jewelers of America created the JA Recovery Network, a peer-to-peer support and mentoring service for retail jewelers who are seeking help or advice as they work to recover and rebuild.

The network is online at [www.jewelers.org/forum](http://www.jewelers.org/forum).

"Having this network in place as our colleagues in Louisiana, Mississippi, and Alabama get back on their feet will be a big help and a tremendous resource just when it is needed most," said JA Chairman John Cohen of Greensboro, NC-based Carlyle & Co.

Working closely with its state and regional affiliates, JA will maintain a database of members and others who are willing to offer support and advice in specific areas of business recovery. Network members will offer insight based on their own experiences or expertise for no fee.

JA is hoping to reach beyond its membership for building this network. JA President and CEO Matthew Runci said, "The jewelry industry is well-known for its culture of support and for rallying to the cause. The JA Recovery Network builds on this

spirit to provide direct help to retailers in need."

JA is inviting its members and others in the jewelry industry who have experience with rebuilding or recovering after a fire, flood, or other disaster to join its Recovery Network. Volunteers select the specific areas of support under which they wish to be listed; these areas include rebuilding/reconstruction management, employment support, housing/temporary lodging, and financing/cash flow. JA will not qualify volunteers.

The network will continue beyond its initial mission, well after the recovery from Hurricane Katrina is complete, in the event of future tragedies. "Our intent is to build a permanent resource that retail jewelers can rely on both now and in the future when faced with natural disasters or other catastrophes," said Runci.

Aside from the JA Recovery Network, many individual retail jewelers are doing their part to help those in need. For example, Worthmore Jewelers in Atlanta, GA, is donating \$2

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### About Jewelers of America

Founded in 1906, Jewelers of America is the national association for retail jewelers.

JA represents more than 10,000 jewelers nationwide and serves as a center of knowledge and as an advocate for professionalism and high social, ethical and environmental standards in the jewelry trade. Each regular JA member is also a member of its state or regional association, of which there are 40 across the nation.

### The JA Mission

Jewelers of America is the national trade association for the retail jeweler. JA is both a center of knowledge for the jeweler and an advocate for professionalism and high social, ethical and environmental standards in the jewelry trade. The JA mission is to assist all members in improving their business skills and profitability. JA will provide access to meaningful education programs and services, leadership in public and industry affairs, and encourage members with common interests to act in their and the industry's best interests.

### JA Code of Ethics

JA and its members value the respect and confidence of the public and the jewelry industry. To attain this respect and confidence, JA members maintain the highest possible ethical standards in their business dealings. All members of JA are required to sign and abide by the JA Code of Ethics.



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# JA Launches Recovery Network

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from every purchase to the American Red Cross, and J. Bacher Fine Jewelry Design & Repair in Harrisburg, IL, is asking customers for a \$10 donation to relief efforts in lieu of payment for watch battery replacements. Many other jewelers are also donating portions of their sales or contributing directly themselves.

For information on the JA Recovery Network, call JA Member Services at 800-223-0673, or visit [www.jewelers.org/forum](http://www.jewelers.org/forum).

# Special Delivery Show Set for October

Following the success of last year's inaugural event, VNU Expositions has organized the second annual JA New York Special Delivery Show. The show, to be held

October 23-25, 2005, at the Jacob Javits Convention Center in Manhattan, will provide retail buyers with holiday shopping opportunities.

Over 450 exhibitors and over 5,000 retail buyers are expected to attend the event, as jewelry from around the world will be showcased. This year's Special Delivery Show is anticipated to be even bigger than last year's successful debut.

At the Special Delivery Show, retail buyers will be able to purchase jewelry directly from the exhibit floor in a cash and carry format. This will allow retailers to buy last-minute merchandise for the holiday season without having to worry about shipping delays. Retailers can also take advantage of the latest emerging trends that their customers will look for during the busiest selling season of the year.

Any jewelers attending the show are invited to stop by JA's booth on the show floor.

Interested retail jewelers should contact VNU Expositions directly at 800-650-1591. Further information and registration is also available online at [www.ja-newyork.com](http://www.ja-newyork.com).



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## Ask a Gemologist

Jewelers of America offers members an opportunity to ask a gemologist about problems and challenges that have arisen while selling jewelry to customers.

The gemologist is JA Director of Education David Peters, who works on the design and delivery of educational services to JA's nationwide membership. He also conducts seminars and educational programs at industry events.

Peters holds a master of science in education and educational technology from Pepperdine University. He is a Graduate Gemologist (GIA) and a Certified Gemologist (AGS), and has more than 16 years

of experience in the retail jewelry industry. Prior to his work at JA, Peters spent seven years as an instructor at GIA.

JA members can email their questions to Peters at davidpeters@jewelofam.org or fax them to 213-607-7655. He will personally respond to all questions, and selected questions will appear under "Ask a Gemologist" in future issues of *The J Report*.



*My customers have asked me about the difference between a "precious" and "semi-precious" gemstone? Is there a difference?*

Many people are confused about the terms "precious" and "semi-precious." In truth, these terms have more to do with archaic import/export tariff definitions than they do with gemstone quality or value. U.S. import/export laws written early in the 20<sup>th</sup> century used the two terms to establish different levels of taxes and duties on gemstones by dividing them into two different groups: precious and semi-precious. Both the jewelry industry and the buying public quickly adopted these terms. At the time, only diamonds, rubies,

sapphires, and emeralds were considered precious gems. All others were lumped into a category described as semi-precious and subsequently (and incorrectly) considered less valuable and desirable.

The common perception that so-called semi-precious gems are less valuable, beautiful, or desirable than precious gems is misleading at best, and in many cases grossly inaccurate. Most jewelry professionals and educators strongly recommend that these terms be avoided when discussing gemstones with consumers. Many gemstones that fall into the semi-precious grouping have a much greater value and price than their precious counterparts. Consider gem materials like fine quality tanzanite, imperial jadeite, or tsavorite garnet. All three of these gemstones can easily sell for several thousands of dollars per carat—as much or more than most rubies, sapphires, or emeralds.

As a jewelry sales professional, you will be much more successful conveying the beauty, rarity, and desirability of all colored gemstones to your customers by discussing the value factors of cut, color, clarity, and color, while avoiding outdated terms like precious and semi-precious.

*One of my customers recently told me that the marquise diamond I was showing her was not well-cut because she couldn't see the bowtie. What is a "bowtie," and how does it relate to the way a diamond is cut?*

A "bowtie" is an optical effect seen as a dark area stretching across the width of the middle of the table on many fancy cut diamonds. It's only seen when you view the diamond in a face-up position and can vary from light to very dark in appearance. It



The "bowtie" effect seen in this diamond is a sign that something is wrong with the stone's proportions.

Photo courtesy of DCA



This alexandrite, seen on the left in fluorescent light and on the right in incandescent light, is extremely rare and valuable because of its overall quality and its ability to change color when exposed to different types of light. Fine alexandrite can easily sell for many thousands of dollars per carat and would be considered "precious" by any standard.

Photo courtesy of AGIA

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# Counter Points

A JEWELERS OF AMERICA PUBLICATION

## Communicating Color: Selling the Value And Beauty of Colored Gemstones

Some of the most beautiful and permanent examples of nature's breathtaking colors are found in gemstones. It's important as you help your customers make the decision to add a quality colored gemstone to their jewelry wardrobe that you take a little time to share with them the value factors that make each gem unique.

The first mistake many people make when shopping for a colored stone is trying to apply what they know about diamond quality and value to other gemstones. Diamonds are unique in every way, from formation to mining to cutting and polishing. Even though the terminology we use to describe the quality of a colored gemstone is somewhat similar, the inherent uniqueness of each and every gemstone demands that we evaluate each gem variety individually, and definitely not using the same standards applied to diamonds.

With that said, there are some general value factors that we can relate

to most gemstones, namely the four Cs (color, clarity, cut, and carat weight), and one consideration that's even more important when selecting a colored gemstone—personal taste and preference.

### Color

In almost every gemstone variety, color is the value factor that has the strongest impact on price. Here are some general guidelines to follow:

#### *Darker doesn't usually mean better.*

Many people are under the impression that the darker the color, the more valuable the gem. This is not necessarily true. If a gem is too dark its value actually decreases, because the true color is hidden. For example, there are lots of blue sapphires on the market that look more black than blue. The most valuable gemstone colors are pure and vivid with a medium to medium-dark tone. The value of a gemstone will usually begin to decrease as the color moves toward a very light or very dark shade. Value will also drop in many gem varieties as the color moves from pure hue (red, blue, green, etc.) to something in between (such as orangey-red or yellowish-green).

#### *Lighting makes a difference in the way a gemstone looks.*

Be sure to show your customers a colored gemstone under different lighting conditions. A ruby viewed under one type of light source may appear a beautiful red color, but under a different light it may look brownish-red and dull. Incandescent lights, such as a normal light bulb, give off much more of the warm shades of the spectrum—red, orange, and yellow. Using incandescent light to illuminate a



Photo courtesy of GIA

While the amethyst on the left is more valuable per carat because of its rich, vivid color, your customer may prefer the hue of the lighter, brighter amethyst on the right.

gemstone in this "warm" color range will make the gem much more attractive. Fluorescent lights usually contain more of the cooler shades of the spectrum—blue, green, and violet. Gems in this "cool" color range will always look more attractive under fluorescent light. You can also use this information to display your gemstones so that they look their most beautiful in your cases.

The real test of a gem's beauty is to see if it looks attractive under both types of light, incandescent and fluorescent. Also, check how the gem looks in sunlight. You can be sure that gemstones photographed for print ads, catalogs and websites are very carefully lit with specially designed lights to ensure they look fabulous. The big question is will they look as good under normal lighting conditions. Be sure to point this out to your customers so they know that there's really no other way to buy a colored gemstone except by seeing it in person.

*A gemstone expert can tell you which colors are the most rare and most expensive, but only your customer can decide which colors are the most attractive.* When talking about something as subjective as color it is impossible to equate cost and rarity with beauty. Quite simply, beauty is in the eye  
*(Continued on next page)*



Photo courtesy of AGTA

The award-winning piece from the AGTA's 2004 Platinum Honors competition demonstrates the amazing diversity and beauty of the colored gemstone world.

# Counter Points

*(Continued from previous page)*

of the beholder. Don't allow your own personal feelings or gemological knowledge to get in the way of helping your customer choose what they like best. You should help your customers select colors that appeal to them, their style and their fashion sense. If they prefer paler shades of a gemstone, then it's your job help them find the perfect color at the best value. They'll be happier with their purchase and with their experience shopping from your store.

## Clarity

Colored gemstones form in unique environments, and these environments have a lot to do with the clarity of the gem. For example, the formation process of aquamarine usually results in a highly transparent and inclusion-free gemstone when viewed with the unaided eye. On the other hand, emerald forms in an environment that almost always produces some inclusions visible to the unaided eye. This means that finding an emerald with no visible inclusions would be extremely unlikely, while inclusion-free aquamarines are relatively common. Knowing what to expect in regard to the clarity of each gem variety will help you better understand a gem's value.

As a general rule, a gemstone with no visible characteristics will command a higher price than a similar gem with visible inclusions. But this is not always the case. For example, shiny platelet inclusions in sunstone create a sparkling effect that adds to the stone's value. Small intersecting needle inclusions help



This emerald is considered to be very high quality, though it has some minor inclusions visible to the unaided eye.

to create the highly prized stars in some sapphires and rubies.

Think of inclusions as birthmarks, not flaws. It's a good thing to buy a gem with some inclusions, as long as you don't think the inclusions negatively impact the gem's overall beauty. In fact, a gemstone's inclusions add individuality and help make the gemstone one-of-a-kind.

## Cut

The way a gemstone is cut can have a tremendous impact on the gem's beauty. Gemstone cutters strive to do two things. First, they try to create an attractive finished gem, and second, they struggle to save as much weight as possible from the rough gem crystal with which they're working. If they try too hard to save weight they will sometimes end up with a stone that's either too deep or too shallow. This overzealousness in regard to weight retention will often have a negative impact on the finished gem's beauty.

A well-cut gemstone should show large areas of brilliance and color when viewed in a face-up position. Light and color should be reflected evenly from inside the entire gemstone as you slowly rock the gem back and forth. Large dark areas and areas that look washed-out or transparent indicate a gemstone that was not cut with maximum beauty in mind. As a general rule, at least 60% of the overall face-up area of a well-cut gem should reflect strong brilliance and sparkling color.

## Carat Weight

The majority of gemstones are sold based on weight using the "carat" as the standard unit of measurement. The per-carat price of a gem will usually increase as the size of the gem increases. The amount of the increase depends upon the factor of rarity. A good comparison that illustrates the effect of rarity on per-carat price is blue topaz versus ruby. Because it is common to find blue topaz in large sizes there is very little increase in the per-carat price between a one-carat and a four-carat specimen of similar quality. On the other hand, it is

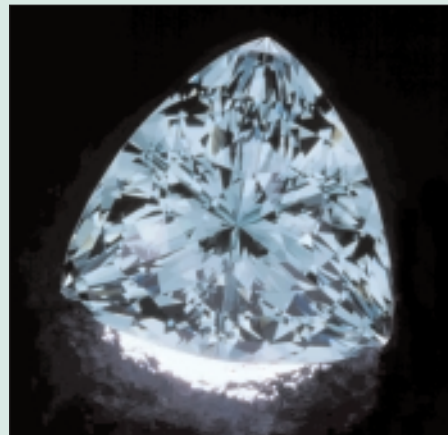


Photo courtesy of AGTA

This aquamarine, a 2004 AGTA Cutting Edge competition award winner, owes its incredible beauty and brilliance to the quality of its cut.

extremely rare to find a ruby in sizes over a carat. A one-carat ruby might sell for \$2,000 per carat while a similar quality four-carat gem could reach as high as \$5,000 per-carat, all because of its rarity.

## Personal Preference

Specific varieties of gemstones can come in a wide color range. For example, blue sapphire can vary from extremely light (pale blue) to very dark (black-blue). The hues can also range anywhere from a strong greenish-blue to an almost pure violet. Which one is the best? That's easy; it's the one your customer likes the most! Don't confuse price with beauty. Encourage your customers to trust their eyes and their hearts to pick out the colored gemstone that's right for them.

Because each and every gemstone variety is unique, it's important that you do a little research to better understand the gemstones that your store sells. You may discover that a fine quality one-carat ruby is out of many of your customers' price range, while a fabulous red spinel is both affordable and the exact color they are looking for. Perhaps your customer thought they wanted a blue sapphire only to later discover (after you showed them an alternative gem) that they really prefer the violet-blue hues of tanzanite. Investigating colored stone possibilities is both fun and exciting. The more you learn, the more confidence you'll have in helping your customers select a beautiful gemstone that fits their tastes, preferences, and personal styles.

# ATTENTION: JA Members



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## FinCEN Deadline Approaching

The deadline for compliance with new anti-money laundering regulations from the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) is January 1, 2006.

The interim final rule, implementing section 352 of the USA Patriot Act, affects those whom the Treasury Department classifies as "dealers" of precious metals, stones, or jewels. Most of JA's retail members do not fit the rule's definition of "dealers" and will not be required to create anti-money laundering programs inside their stores. However, members should be aware of the new anti-money laundering rules.

Guidance can be found in the members' section of the JA website, [www.jewelers.org](http://www.jewelers.org). JA advises each of its members to review the online materials to determine whether FinCEN classifies them as a "dealer."

## MJSA Announces AVA Design Contest

Manufacturing Jewelers and Suppliers of America (MJSA) recently announced guidelines for its 15th annual American Vision Awards Design Competition.

The awards will be presented on March 11, 2006, at MJSA's Designer Day symposium, and all winning designs will be displayed during Expo New York on March 12-14, 2006. This could be an excellent opportunity for those JA members whose state affiliates do not sponsor design contests of their own.

Entries—images, not actual jewelry—must be postmarked by October 30, 2005. For submission guidelines, jewelers should call 800-444-6572, or visit [www.mjsainc.com](http://www.mjsainc.com).

## JFC's Fundraising Total Surpasses \$18 Million

Jewelers for Children (JFC), the jewelry industry's charity, has now raised over \$18 million for children who are victims of catastrophic illness, life-threatening abuse, or neglect since the organization's inception in 1999.

The jewelry industry's generosity has benefited JFC's four recipient charities—the Make-A-Wish Foundation, the Elizabeth Glaser Pediatric AIDS Foundation, St. Jude Children's Research Hospital, and the National CASA (Court Appointed Special Advocates) Association.

During the charity's annual Facets of Hope fundraising dinner held in June in Las Vegas, JFC announced it would donate \$4,150,000 to the four charity partners this year. In addition, \$150,000 will be donated to the Make-A-Wish Foundation International to continue funding of wish granting in India.

JFC also announced the creation of the Jeffrey W. Comment Memorial Endowment Fund, named after the late Helzberg Diamonds CEO, to provide for outreach to additional charities that support children. Comment was a board member of JFC, as well as of JA. The charity has initially allocated \$100,000 to the endowment fund.

"The members of the jewelry industry continue to shine in their generosity toward JFC and our efforts to help children. It's an honor to work with so many outstanding people who are making a real difference," said JFC



JFC Chairman Terry Burman, Jake Glaser (son of Elizabeth Glaser), Elizabeth Glaser Pediatric AIDS Foundation President and CEO Kate Carr, and Finlay Fine Jewelry President and CEO Arthur Reiner hold up a check for JFC's recipient charities.

Chairman Terry Burman of Akron, OH-based Sterling, Inc. "Through the efforts of this fine industry, we have helped countless children with medical research and care, wish granting, and advocacy."

In addition to the Facets of Hope dinner, JFC raises money through other programs, including JFC holiday cards, in-store collection canisters, Hero for Hope membership, charity golf tournaments, and raffles.

Following Hurricane Katrina, JFC donated \$250,000 to the American Red Cross to help those recovering from the storm in the Gulf Coast region.

Jewelers for Children is a non-profit, 501 (c)(3) charitable organization. Further information is available at [www.jewelersforchildren.org](http://www.jewelersforchildren.org). Donations are accepted online.

