

The J Report

THE OFFICIAL NEWSLETTER FOR JEWELERS OF AMERICA MEMBERS

JA Readies Major Member Education Initiative: J-Biz

A task force of JA members, regional affiliate directors, and JA Board members and staff met in Chicago in May to draft the final report of its recommendation for a major new initiative to provide education to JA members and their staffs. This initiative, dubbed "J-Biz," is designed to provide equal access to high-quality learning opportunities for JA members and their employees wherever they are located.

Originally titled, "Smart Business," the J-Biz project grew out of discussions at last year's JA Affiliate Leadership Conference in Washington on how to expand participation in educational

programs. "JA's mission statement makes it clear that providing members with access to meaningful education programs is one of our key objectives," notes JA Chairman, John Cohen, of Carlyle & Co., in Greensboro, NC. "We want JA to be the source of assistance and information for our members when it comes to meeting their education needs."

At the center of this important effort is the development of multiple ways in which this education can be delivered: in-person, online, or at home/in store. David Peters, JA's Director of Education, sums it up this way: "We recognize that different people learn in



Members of the J-Biz Task working on its final report in Chicago

different ways, and that many JA members have only limited access to in-person programs. So, we are working on ways to present the same education program in different formats."

Using surveys and interviews, the J-Biz Task Force identified these priority areas for member education: customer management; business planning; pricing and vendor relations; employee education (e.g. selling skills, product knowledge, ethics); and, electronic business. "We don't want to duplicate what already exists," says JA President and CEO Matt Runci. "Our objective is to meet our members' education needs in these areas through partnerships with other associations and industry educators in adapting the best existing programs to this effort and in developing new programs when needed."

The J-Biz Task Force final report will be presented to the JA Board of Directors at its meeting in July. The report will also be discussed at this year's JA Affiliate Leadership Conference during the JANY Summer Show in New York. More information will also be provided to members on the JA website (www.jewelers.org) and in upcoming issues of the *J Report*.

The J-Biz Task Force is comprised of: Robert La Perla, of La Perla Limited (CT Jewelers Assn.); Robert Marks, of Rogers Jewelry (CA Jewelers Assn.); Artie

(Continued on next page)

Diamonds in Botswana



JA Director of Public Affairs Peggy Jo Donahue traveled to Botswana in May to witness all the good that diamonds have accomplished in the diamond-rich country, located just north of South Africa. Here she shares her camera with children who are being cared for at an SOS Children's Village near Gaborone, Botswana's capital.

The children are among the many orphaned when their parents died of complications from AIDS. The pandemic disease hit Botswana hard, but government revenues from diamond production have helped create villages like these, where children live in normal, home environments and are cared for until they are ready to take jobs out in the world.

Donahue also visited the University of Botswana, a school for the disabled, a free medical clinic where people are able to obtain the anti-retroviral drugs they need to manage HIV infections, and a cutting factory where local people are learning to polish diamonds. All are aided by the diamond revenues Botswana's government receives as part of its 50-50 partnership with De Beers at four mines located in the country.

(See page 3 for more)



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.



JEWELERS OF AMERICA

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JA Scholarships Available to Members and Their Staffs

Employee education can be the most effective tool to increase sales, improve profitability, and enhance customer loyalty. And with the holiday selling season just a few months away, here's a great way for JA members and their staff to receive financial assistance in taking advantage of some of the most effective training available: JA Scholarships.

Do you want to brush up on selling skills, increase your staff's product knowledge, or enhance their technical skills? JA members and their employees may apply for scholarships for home study/distance learning courses from Diamond Council of America (DCA), Gemological Institute of America (GIA), Jewelers Education Foundation (JEF), Gemmological Association of Great Britain, and JA's Bench Jeweler Certification program. Scholarships are also available for GIA extension classes. In many cases, JA's Scholarship program covers as much as half or more of the tuition cost of eligible courses.

Each year, JA awards hundreds of scholarships to store owners and their staffs all over the United States. To be eligible, applicants must be at least 18 years old and have at least two years' experience in the industry or at least one year working at a JA member store. To ensure the widest possible distribution of scholarship funds, JA limits awards to one scholarship per store location per state per year. (Complete eligibility and application requirements can be found on JA's website www.jewelers.org).

To take advantage of this exclusive benefit for JA members and their employees, download the 2006 Scholarship Application packet from the JA website, or contact JA Member Services at 800-223-0673.

JA Readies J-Biz

(Continued from previous page)

Bennos, of Simms II Jewelers, and member of JA's Board of Directors; Michael White, of White's Jewelers and JA Treasurer; Bill Blair, Executive Director of MO Jewelers and Watchmakers Assn.; Sandy Brown, Executive Director of New England Jewelers Assn; and, David Peters and David Lafleur of JA. Robert Leaver, of New Commons in Providence, RI, was the facilitator for the Task Force's work.

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Industry Prepares to Answer Questions on DiCaprio Film

From a Warner Bros. Pictures press release:

“Set against the backdrop of civil war and chaos in 1990s Sierra Leone, ‘The Blood Diamond’ is the story of Danny Archer (Leonardo DiCaprio), a South African mercenary, and Solomon Vandy (Djimon Hounsou), a Mende fisherman... While in prison for smuggling, Archer learns that Solomon – who was taken from his family and forced to work in the diamond fields – has found and hidden an extraordinary rough stone.”

When WB released this partial description of "The Blood Diamond" in February, it had just started film production on location in Africa. Its press release triggered a maelstrom of activity in the diamond industry, which began worrying almost immediately that the movie would confuse consumers and lead them to believe the war was ongoing.

In fact, the Sierra Leone conflict, perhaps the most horrific in which diamonds were misused to fuel the fighting, has been over since 2002.

While great challenges remain before this small country in western Africa begins to reap significant benefits from its diamond resources, work has begun on many levels by industry, government and civil society to better the lot of the mostly poor diggers who work in open diamond mining claims there.

Because diamonds were involved in the war in Sierra Leone and other African conflicts, the industry, along with nearly 70 governments that export and import rough diamonds, created the Kimberley Process. In collaboration with human rights groups that called the world's attention to the problem, the industry lent its technical and on-the-ground expertise to Kimberley, which now certifies nearly all rough diamonds in the world.

What to tell your customers

If a customer should ask you about conflict diamonds after the release of "The Blood Diamond" (either holiday 2006 or first quarter 2007), you are in a uniquely strong position among retailers, due to your membership in Jewelers of America. Here's what to say:

- You require your suppliers to agree to the JA Supplier Code of Conduct. Among its rules is the requirement that each of your suppliers of diamonds and diamond jewelry must give you a warranty statement on invoices, which was created by the World Diamond Council's System of Warranties. The warranty statement, which you can share with your customers, reads:

“The diamonds herein invoiced have been purchased from legitimate sources not involved in funding conflict and in compliance with United Nations resolutions. The seller hereby guarantees that these diamonds are conflict free, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds.”

- JA is working diligently on ongoing matters of ethical, social and environmental concern, due to its founding membership of the

international Council for Responsible Jewellery Practices (CRJP). CRJP's system will ensure that members from mine to retail are monitored by independent third party agencies, to affirm their complete compliance with the Kimberley Process, along with many other responsible practices.

- JA is also a member of the World Diamond Council's 2006 alliance with U.S. trade organizations to ensure that every member of the jewelry and diamond trade understands the Kimberley Process. The alliance is working on a series of materials to be released later this summer that will help you train your newest sales associates. You will find these materials at www.diamondfacts.org, a new WDC-sponsored website that's open to both trade and consumers.

Diamonds in Botswana

Though "The Blood Diamond" film, due out this winter, will call attention to the tragic way in which diamonds were exploited during a 1990s civil war in Sierra Leone, there's another side of the story to tell your customers. In Botswana, for example, diamond revenues have been used to benefit the people of this diamond-rich country. In the first photo, children orphaned when their parents died of complications due to the AIDS virus, are given schooling and live in warm, home settings until they reach adulthood. In the second photo, young adult workers are learning to cut diamonds, here at a Eurostar factory in Gabarone. Four factories have already opened in Botswana and licenses for almost a dozen more have been granted.



Counter Points

A JEWELERS OF AMERICA PUBLICATION

This is the first in a series of CounterPoints articles designed to help you, the professional sales associate, better communicate some of the most common jewelry repair processes and repair quality factors to your customers. These articles will also help you recognize the unique challenges that some repairs pose, and prepare you to discuss repair jobs with your store manager and bench jeweler. The final installment in this series will focus on selling repairs for increased profitability and customer satisfaction.

Understanding and Communicating Jewelry Repairs – Part 1: Ring Sizing

Recent research shows that a large percentage of customers who actively seek out a new jewelry store do so because they are in need of some type of repair service. Additionally, customer loyalty and overall satisfaction are based in part on a store's ability to offer a complete range of services, including jewelry repair. Because of this, it is critical that all professional sales associates be prepared to discuss repair processes and repair quality factors with customers in an easy-to-understand and comprehensive manner. The information in this installment of CounterPoints will help you to both explain the process of ring sizing to your customers and, when delivering a ring-

sizing repair, clearly demonstrate to the customer that the repair your store performed was done to the highest of professional standards.

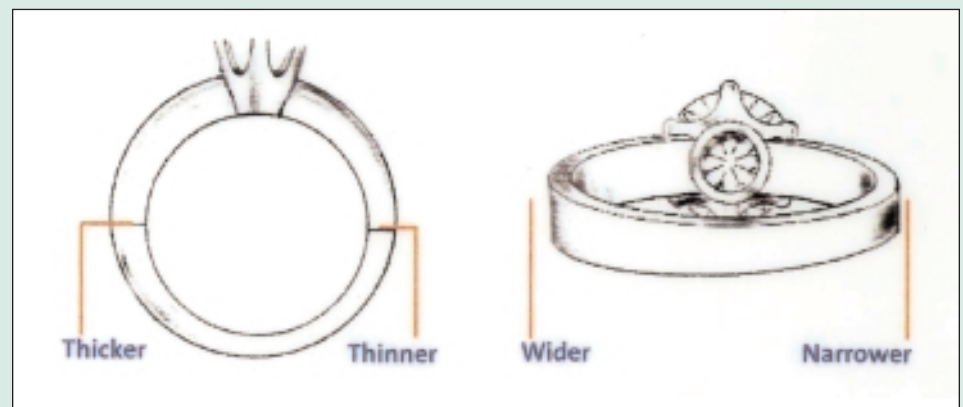
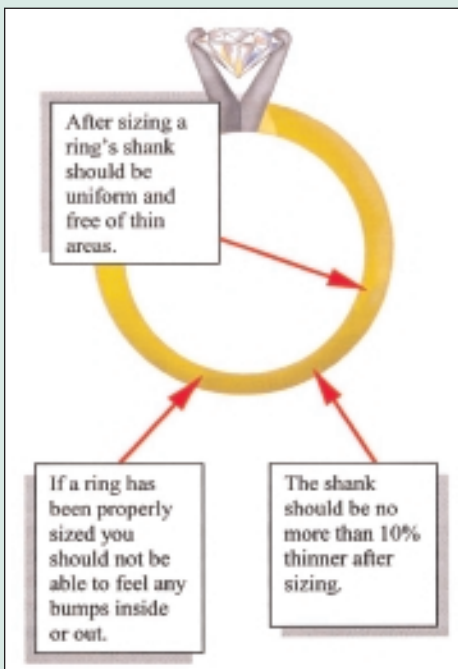
After a ring has been sized, filed, buffed and polished, it's important that opposite sides of the shank, both in profile and when viewed on end, be the same size and follow the natural contours of the original ring shank. The illustration below shows what can happen when a jeweler isn't careful during the filing, buffing and polishing steps of the ring-sizing process. Notice how the left side of the shank is thicker than the right side and how the left side is also wider than the right side. You may also see examples of mismatched shank sides in poorly manufactured rings whether they have been sized or not.

Most rings should be sized in the center at the bottom of the shank unless, in rare cases, the design features of the ring make this difficult to accomplish. Sizing a ring in the exact center bottom usually

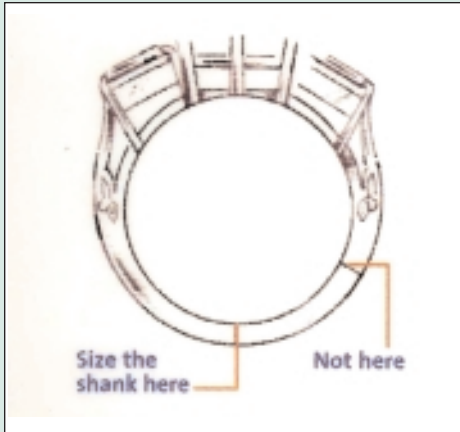
results in a more symmetrical and balanced shank. Some jewelers will elect to size off-center if the ring is stamped with its trademark or quality mark in the bottom center, but most manufacturers stamp their rings somewhere other than the bottom inside of the shank.

One of the most common problems with ring sizing is a visible seam or solder joint. In most situations, a ring that has been professionally sized will have no visible joint or seam. There should also be no noticeable thinning of the shank in either the profile or bottom view. A visible seam is often an indication that the two sides of the shank were not aligned properly, the solder used to join the two sides wasn't handled correctly or both. A ring with a visible sizing joint may also be weaker and more likely to break at the place it was sized.

Sizing seams may be visible to varying degrees. The illustration on page 5 shows two seams. One runs the entire width of



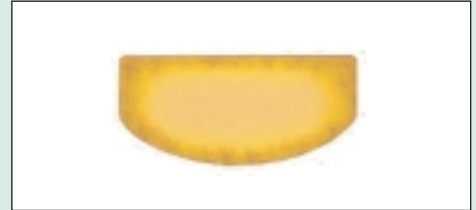
Route To: ___ Sales Associate
 ___ Sales Associate
 ___ Bench Jeweler



the shank; the other is only visible through part of the shank's width. Both of these types of visible seams can result from an uneven heating and working of the sizing solder. When the solder used to size a ring

does not get hot enough it may not flow uniformly through the entire length of the solder joint. Besides being aesthetically displeasing, the joint will be weak and may break over time. When the solder is overheated you may see visible pitting in the seam. These pits weaken the joint and can cause a sizing joint to break open under normal wear. When a pitted joint is visible, the affected area should be cut out and the metal replaced.

Another type of sizing problem is referred to as a "cold" solder joint. Cold joints occur when the ring is not heated enough for the solder to flow into the entire joint, top to bottom and front to back. The solder only flows around the outside of the shank, and even though the joint may appear to be complete, there is



This shank cross section of a cold solder joint shows that the solder did not flow into the interior. The only solution is to open the joint and re-solder.

only a surface joining of the two sides of the shank. Cold joints will often break open during normal wear.

Being able to recognize the characteristics of both properly and improperly executed jewelry repairs is an important part of being a professional sales associate. You'll be better prepared to identify needed repairs on your customers' jewelry and you'll have the knowledge and confidence to discuss repair options with your customers in a way that builds their trust and loyalty. And when delivering a finished piece to a customer, you'll be able to demonstrate and ensure that all expectations were met. The result? Greater levels of customer satisfaction and higher sales and profits for you and your store!



JA Professional's Guide to Fine Jewelry Craftsmanship

The JA Professional's Guide to Fine Jewelry Craftsmanship is an important tool to help you and your employees talk to customers about ring sizing and other repair and fabrication topics. This illustrated reference guide promotes the importance of quality craftsmanship and industry skills, a must for any jewelry store. The descriptions and illustrations contained in the guide can serve as a visual aid to help educate consumers and enhance sales presentations. It is also ideal as a training aid for bench jewelers, managers, and sales associates.

The laminated, spiral-bound guide is suited to stand on the sales counter, the repair counter, or next to the work bench. The front of each page features large illustrations for customers to view while associates explain jewelry repairs. The reverse side lists talking points for sales or bench associates in communicating with customers.

The JA Professional's Guide to Fine Jewelry Craftsmanship is available to JA members at a discounted price of \$49.99, plus shipping and handling. Non-members may also purchase the Guide for \$69.99. Orders can be placed at JA's website (www.jewelers.org), or by calling JA's member services team at 800-223-0673.



A Louisiana Jeweler Reports on Recovery From Hurricanes Katrina and Rita

By Caroline Bleakley, Executive Director, Jewelers of Louisiana

In late August 2005, the 60th Annual Jewelers of Louisiana Convention was well under way in Monroe, LA, as the Welcome Reception was winding down late on Friday night. Several party-goers were in the hotel lobby watching the Weather Channel and observing what was about to happen: a Category 5 Hurricane was approaching the coast of Louisiana.

Our convention seminars began Saturday morning at the Monroe Civic Center and ended abruptly at noon as the facility was being prepared for use as a shelter for hurricane evacuees. Many of the convention attendees had to leave to secure their businesses and homes. And that was the end of the 60th Annual Convention for Jewelers of Louisiana.

This tragedy has affected everyone and totally changed our lives and everything around us. Many JA members were affected by the hurricane, with some losing their businesses and homes to flood water, wind damage, and/or looting. We estimated about 50 stores were affected with the dollar amount of losses in the millions.

The response of the jewelry industry has been very supportive. The Iowa Jewelers Association held a fund-raiser at their annual convention in Des Moines and they raised \$859.00. We presented Randall Brooks, owner of Carats Jewelry & Designs of Arabi, LA, a check for \$859. Mr. Brooks lost his home and business in the storm.



Carats Jewelry & Designs of Arabi, Louisiana was destroyed by last summer's hurricanes.

His father was a jeweler and helped him accumulate some tools so that he can do jewelry repairs. Jewelers of Louisiana also donated money to an employee of Roussel's Antiques, Gifts & Jewelry in Gramercy, LA, and an employee of Armentor Jewelers in New Iberia, LA. These employees lost all of their possessions during the hurricanes; however, they have continued to work each day.

Help has come from across the country. Jewelers for Children made a donation of \$250,000 to the American Red Cross Disaster Relief Fund. Citizen Watch Company contributed \$100,000 in relief support to the American Red Cross. Arthur Groom & Associates held an Emerald Show and donated 10-15% of all sales to the American Red Cross. The Red Cross in New York held a raffle and expected to raise \$50,000-\$75,000 for people affected by the hurricanes. Past-President of Jewelers of

Louisiana Linda Norred opened her home to 25 of my family members as our hotel costs were escalating. Janisue Rigel, Executive Director of Arkansas Jewelers Association was instrumental in relaying job openings for those seeking employment due to the loss of their businesses.

For those of us who were blessed to continue operating our businesses, the increase in sales has been remarkable. Our businesses continue to grow. Amid the suffering and loss due to these hurricanes, life does go on.

Without the support of everyone around us and of our colleagues around the country, we could not have survived this terrible tragedy. We will continue to be active and look forward to our next convention to be held in August 2006 in the town of New Iberia, under the leadership of our new President Mike Armentor.



Al Schwarzenberg, IDC Sales Rep and Jewelers of LA Associate Board Member, presenting donation from Iowa Jewelers to Randall Brooks, owner of Carats Jewelry & Designs.

JA Recovery Network Gearing Up for 2006

In response to the destruction wrought by Hurricanes Katrina and Rita last summer, Jewelers of America formed the JA Recovery Network, a peer-to-peer support and mentoring service for retail jewelers who are seeking advice, experience sharing, or a sympathetic ear as they work to recover and rebuild in the wake of a catastrophic event.

Designed to be a permanent resource that retail jewelers can rely on when faced with natural disasters or other catastrophes, JA is working hard to get the Recovery Network ready for summer 2006. "Already this year, we've seen JA members affected by tornadoes in the Midwest, floods in New

England, and other terrible events," says JA's chairman John Cohen, of Carlyle & Co., in Greensboro, NC. "We want to be prepared to step in whenever and wherever retail jewelers need assistance in these emergency situations."

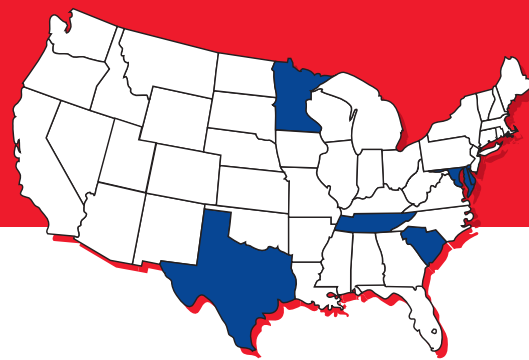
JA is recruiting association members and others in the jewelry industry to help spread the word about the Recovery Network and to help coordinate disaster response. "The more people we can get to help us make the industry aware of this resource, the better able we will be to render help when it's needed," says Cohen.

In addition, JA members who have

experience with rebuilding or recovering after a fire, flood, or other disaster are urged to sign on to the Recovery Network. Volunteers select the specific areas of support under which they wish to be listed; these areas include rebuilding or reconstruction management, employment support, housing/temporary lodging, and financing/cash flow. JA does not pre-screen or qualify volunteers.

To learn how you can be part of JA's Recovery Network, contact JA's member services team at members@jewelers.org, or by phone (800-223-0673), or fax (646-658-0256).

News From the Affiliates... Summer Is Here!



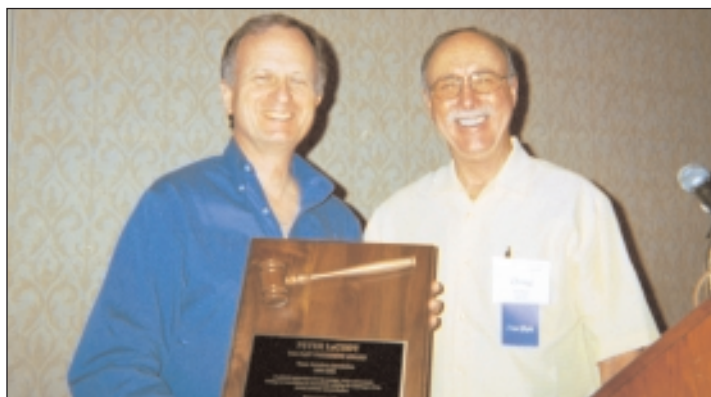
South Carolina Jewelers Association elected new officers at its annual convention in April. Newly installed officers of SCJA are (from left): Britton Moseley, of Galloway & Moseley, President; Terri Stokes, of Bay Street Jewelers; and, Ruth Ann Lynn, of Hale's Jewelers.



Kock's Jewelers of Hutchinson, MN lent their support to the Winthrop (MN) Kiwanis Club Queen Pageant by donating their JA tiaras for the event. Crowned from left: First Princess Kayle Lauwagie, Miss Winthrop Samantha Woods, Second Princess Roxanne Miller and Miss Congeniality Jackie Fritz. (Photo taken by Steve Muscatello.)



The Southeast Jewelers Leadership Conference recently finalized the speakers for the 2nd Southeast Jewelers Leadership Conference, to be held in Memphis, TN on March 24-25, 2007. Members of the JLC advisory board pictured above (from left): Arthur Back, Leslie's; Scott Kinard, Kinard Jewelers; Randy Arnett, Randy Arnett Jewelers; Lori Blagg, co-chair, Faye's Diamond Mine; Don Overstreet, Overstreet Jewelers; Richard White, Ed White Jewelers; James Gattas, James Gattas Jewelers; Mark Sanders, co-chair, Sissy's Log Cabin. For more information about this event, visit the JLC website, www.jewelersleadershipconference.com.



The Texas Jewelers Association held its 68th Annual Convention in Austin earlier this Spring. Peter LeCody (left), of Fast-Fix Jewelry Repairs was presented with a plaque by incoming TJA President Doug Jackson, of Jewel Mart in Paris, TX. LeCody's two-year term as TJA president ended at the convention.



Becka Johnson presents the JA seminar, "Relationship Selling" to attendees at the TJA convention.



Jack Walters (left), eBay Educational Specialist, made a presentation on How To Sell On eBay at the Maryland-Delaware-Washington, D.C. Jewelers Association Convention on May 21. To Jack's right is Conrad Mann of David Mann Jewelers who was convention chairman.



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Upcoming Events

July

Alabama Jewelers Association
- Saltwater Seminar July 20 – 23
Island House Hotel
Orange Beach, AL 770-751-8622

New York State Jewelers Association Dinner July 29
The Ritz-Carlton – Battery Park
New York, NY www.newyorkjewelers.org

JA New York July 30 - August 2
Jacob Javits Convention Center
New York, NY www.ja-newyork.com

August

Nebraska/South Dakota Jewelers Association
Embassy Suites Hotel August 11 – 13
Lincoln, NE 913-661-0084

Arkansas Jewelers Association August 11 – 13
Peabody Hotel
Little Rock, AR 972-641-7707

Atlanta Jewelry Show August 12 – 14
Cobb Galleria Centre
Atlanta, GA www.atlantajewelrysthshow.com

Tennessee Jewelers Association August 18 – 20
Opryland Gaylord Hotel
Nashville, TN 813-988-0737

Columbus Jewelry Show August 19 – 20
Great Columbus Convention Center
Columbus, OH www.ohiojewelers.org

West Coast Jewelry Show August 20 – 21
Anaheim Convention Center
Anaheim, CA www.westcoastjewelrysthshow.com

Louisiana Jewelers Association August 25 – 27
New Iberia, LA 985-653-9020

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