

KARAT PLATINUM™

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September 15, 2005

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

Re: Jewelry Guides, Matter No. G711001

To Whom It May Concern:

Karat Platinum is the sole US licensee of an innovative new technology for producing jewelry composed of 585 Platinum and 415 Copper and Cobalt. Although Karat Platinum plans to submit a comment to the FTC addressing, in detail, each of the topics for which the Commission has sought comment, as the Chief Executive Officer of Karat Platinum I write separately to clearly describe to the Commission, to the industry, and to consumers Karat Platinum's product and marketing.

Karat Platinum's Product

Karat Platinum's product has been extensively tested, and we are extremely proud of those results. In a test pitting Karat Platinum's alloy against a standard 950 platinum alloy, and a 585 platinum 415 PGM alloy, Karat Platinum's alloy passed with flying colors. Not only were its forming properties and color tone comparable to those of the two conventional alloys, its casting ability, wear, and abrasion and polishing properties were far better than traditional alloys! I have attached a summary of these results to dispel any unfounded suggestion that platinum does not mix well with large quantities of base metals or that 585 platinum alloys which contain no other platinum group metals are inferior products which are not consistent in color, are not structurally stable, or cause allergies. The facts are simple: *In addition to being far less expensive than traditional platinum alloys, tests show that Karat Platinum's alloy is superior in several respects.*

Karat Platinum's Marketing

We believe that consumers have a right to choose between different products. For instance, when purchasing gold jewelry consumers choose between 14K (585 ppt), and 18K (750 ppt) products. These products are alloyed with other metals such as silver, nickel, zinc, and copper. Consumers have the opportunity to choose which gold alloy best meets their needs and I believe they are entitled to the same range of choices when purchasing platinum

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jewelry. In order to exercise that right when buying platinum, consumers, and their jewelers, deserve clear, accurate and complete information so they know *exactly* what they are purchasing. This is why all of Karat Platinum's jewelry is marked "585Pt.415Co.Cu." This clearly conveys to consumers, in the format that the industry has been using for years, that Karat Platinum's product contains 58.5% Platinum, and 41.5% Copper and Cobalt.

As this is a new product we have also decided to include a tag or sticker on every piece of Karat Platinum jewelry that emphasizes that the product contains no precious metals other than platinum. The tag indicates that the product contains: "58.5% Platinum (precious metal) 41.5% Copper/Cobalt (non-precious metals)." Furthermore, Karat Platinum's advertising emphasizes that this is a new or innovative product and describes its features as compared to traditional alloys. This marketing is designed to ensure that a consumer, or a jeweler, will not mistakenly believe that jewelry composed of our alloy contains more than 58.5% platinum, or contains any additional precious metals.

Conclusion

People make choices every time they go to the store – whether that be the supermarket, a gas station, or a jewelry store. Having the most options available to them means that they can choose the product that makes the most sense for them based on its price, its appearance, its inherent value, and its performance.

I am saddened and frustrated that some in the jewelry industry appear to take the position that consumers should not have the option to buy less expensive 585 platinum jewelry because "platinum" jewelry should be reserved only for high-end customers. I am equally disheartened that some in the jewelry industry believe that sellers of 500 – 850 platinum jewelry that contains no other platinum group metals should be forbidden from truthfully telling consumers that platinum is contained in these products. Consumers can not make a choice if they are denied the information necessary to evaluate the alternatives.

In our submissions to the FTC, and in our marketing and advertising to the public, we as an industry should be focused on how to provide consumers with the *most options*, and *the most information* when choosing among those options. We are all jewelers whether we are manufacturing, distributing, or actually selling jewelry. As jewelers it is our duty to provide our customers with products that suit their needs, and to explain to them the differences between those products. We should not be asking the Federal Trade Commission to "protect" the US marketplace from competition; rather we should be discussing how to increase selection, increase consumer information, and ensure that companies continue to innovate new and better products so that the market can determine, free of artificial impairments, the choices of American consumers.

Sincerely,

April 30, 2004

COMPOSITION	585/Pt non PGM	Pt 950/CU50	585/PtPd ALLOY
DENSITY (g/ccm)	13,6	20,8	16,2
COLOR	Platinum White	Platinum White	Platinum White
MELTING RANGE (°C)	1360-1410	1730-1745	1670-1685
CASTABILITY	Excellent	Fair	Fair
HARDNESS			
SOFTENED STATE	170	110	78
20% COLD ROLLED	260	185	105
40% COLD ROLLED	285	210	160
60% COLD ROLLED	300	235	185
TENSILE STRENGTH [N/mm²]			
SOFTENED STATE	650	320	280
80% COLDED ROLLED	~1000	~800	~650
YIELD STRESS [N/mm²]			
	350	130	95
ELONGATION AT BREAK [%]			
	>30%	>30%	>45%
CORROSION TEST			
	passed	passed	passed
POLISHING			
	excellent	fair	fair

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