



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Division of Enforcement
Bureau of Consumer Protection

February 2, 2005

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Dear Ladies and Gentlemen:

I am writing to express my appreciation for your interest and input into issues surrounding Karat Platinum, LLC's request for an interpretation of the applicability of the platinum section of the FTC's Guides for the Jewelry, Precious Metals, and Pewter Industry (Guides) to an alloy consisting of 585 parts per thousand (ppt) platinum and 415 ppt non-precious metals. I wanted to let you know that we have decided to issue a staff opinion on the narrow issue Karat Platinum posed and to recommend that the Commission publish a Federal Register Notice soliciting comment on the platinum section of the Jewelry Guides.

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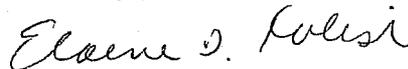
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The staff opinion states that, in our opinion, a literal reading of the Guides indicates that they do not address the marketing of the Karat Platinum alloy, except to the extent that they require a minimum of 500 ppt pure platinum. The letter further states that the marketing of this alloy would be subject to Section 23.1 of the Guides, which contains a general prohibition on deception, as well as Section 5. The letter will be posted on the "jewelry" page of the FTC's website, <http://www.ftc.gov/os/statutes/jewelryjump.htm>.

Our intent is to publish in the near future a Federal Register Notice soliciting comment on whether the Guides should be amended to address products composed of 500-850 ppt pure platinum and no other platinum group metals. We appreciate the comprehensive and informative comments that you have submitted already, and that the JVC has formed an Industry Advisory Task Force representing industry associations, platinum producers, refiners and manufacturers, and retailers to examine this issue further. The views of the task force, individual industry members, and others will be most appreciated. We will inform you when a Federal Register Notice is published and of the deadline to submit comments. We look forward to receiving your input in response to the Notice.

If you have any questions, please do not hesitate to contact Robin Spector at 202-326-3740, rspector@ftc.gov.

Sincerely yours,



Elaine D. Kolish
Associate Director