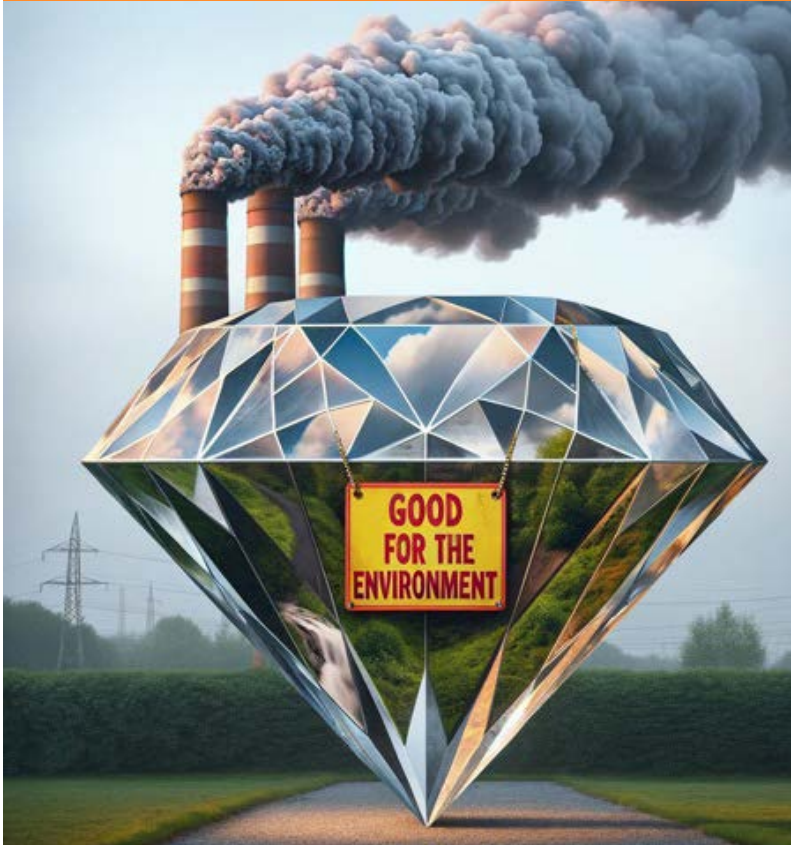


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JVC WARNS: FAKE GREEN CLAIMS COULD CAUSE A REAL LEGAL CATASTROPHE

In an era where environmental awareness is more pronounced than ever, low or positive environmental impact seems to be a fundamental feature for virtually every product sold today. Claims such as “eco-friendly” or “sustainable” are now found attached to virtually anything with a price tag. But, according to the Federal Trade Commission, marketers who falsely attach these claims to their products are perpetrating a calculated fraud commonly known as “greenwashing.” As the prevalence of greenwashing grows, so has the frequency of class action lawsuits targeting the perpetrators. Tiffany Stevens, president and CEO of the Jewelers Vigilance Committee (JVC), worries that due to this practice, the jewelry industry may soon be navigating a minefield of potential legal peril.

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LETTER FROM THE EXECUTIVE DIRECTOR



Dear Friend,

It was the coolest of times, it was the creepiest of times. With apologies to Charles Dickens, allow me to explain.

Take a moment to look back at the front cover at the admittedly odd image next the cover story about “greenwashing.” The report centers on a warning from the Jewelers’ Vigilance Committee about the legal pitfalls of attributing phony claims of environmental bona fides to products offered for sale.

While the story is itself pretty straightforward, finding a suitable image was not. Depending on the month, the quest for the perfect cover image generally ranges from no effort whatsoever—the picture is provided by the story source—to minimal effort, thanks to the vast library of stock images currently available.

But there are times coming up with a front cover image requires a bit of thought. I recall a cover story a few years ago when the best we could do was to digitally superimpose a surgical mask between the two diamond poles on the corner of 6th Avenue. A bit weird, but it turned out well.

This month was more of a stretch. The brief for the image was “something obviously bad for the environment being passed off as good.” The results were uninspiring. Then I wondered how AI would weigh in.

After a few false starts, we refined the query to “A sign that says, ‘Good for the environment’ hanging across a diamond with a smokestack belching smoke on top.” I wasn’t sure what to expect, but it all came together in a matter of seconds and I think you’ll agree the AI result is pretty cool. The coolest of times.

Which is what gives rise to the most of many existential questions and concerns surrounding the rise and spread of AI technology—the fear of machine-made creative output surpassing the value and utility of human-made art, whether musical, verbal, or graphical. The fact that the technology is sophisticated enough to warrant the question of artist-obsolence is very creepy; the creepiest, in fact.

Consider the irony. The existential question and concern of our industry centers on whether lab-grown, i.e., human-made, diamonds will surpass the value and utility of naturally occurring gems. The subsequent dread is that someday, soon, they will.

Were we to extend the same mindset to lab-grown diamonds as we apply to AI-generated art— you would expect we’d be rooting for the human-made diamond variety. You’d think that until now, we would’ve been shrugging our shoulders at a bunch of shiny rocks in the ground until the glorious day when smart humans in lab coats figured out how to create them at will. And to argue that there’s a difference between something made by a machine and something made by nature, well, we tend to overlook nature, too.

After all, we don’t rock out to claps of thunder or award Grammys to the howling wind. Put 50 real, live guys named David in a room and no one will care. But scores of real, live people will travel hundreds of miles for a glimpse at Michelangelo’s famous man of marble. The greatest literary artist of all time, Shakespeare, gained eternal fame creating fake life so people could escape the real one. Are fake diamonds so different?

In a word, yes. A newspaper published in my community has an advice column that I enjoy reading. Each week, a group of panelists answer questions based on their life experience. A prospective groom recently wrote to ask for opinions about buying a lab-grown diamond engagement ring. He felt his future-bride would be happy he saved the money.

The best answer came from a panelist named Jeffrey Galler who observed that of the many pieces of jewelry most women accumulate through life, the one most married women never go without is their engagement ring. The reason why, he explains, is because that ring is an everlasting symbol of a couple’s eternal and unbreakable love and commitment. Any degree of artificiality breaches that symbolism.

His closing words should be displayed in every jewelry store in our district: “Even if a very good natured woman would agree that it makes sense to save money and buy a lab-grown diamond, I fear that over time, disappointment would grow into a permanent, seething resentment.”

On the topic of what’s real, while the real first sentence of *A Tale of Two Cities* will endure forever, my paraphrase will be forgotten by next month. But I hope my intended use leaves some lasting effect: Instant AI-art is certainly cool. So is saving money. But something about the art is creepy, though no less creepy than pledging to be true with an object that is inherently fake.

Warm regards,

A handwritten signature in black ink, appearing to read 'Avi Fertig'. The signature is stylized and cursive.

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IN THE NEWS

Rolex Plans Revival of the Watchmaking Art at New Dallas Training Center



Rolex signaled that it aims to usher in a next generation of master watchmakers when it announced the opening of a new Rolex Watchmaking Training Center in Dallas, Texas. Aimed at bridging the gap created by the global shortfall of skilled watchmakers, this tuition-free institution

is poised to equip a fresh cohort of artisans with the expertise required to sustain the esteemed tradition and craftsmanship of luxury timepiece creation and maintenance. The introduction of this center underscores Rolex's commitment to preserving the intricate art of mechanical watchmaking amidst a digital age that saw the craft's decline post the quartz revolution of the 1970s.

Scheduled to open its doors in fall 2024, the Rolex Watchmaking Training Center is strategically situated within the Rolex Service Center in Uptown Dallas, emphasizing a hands-on learning experience deeply rooted in Rolex's legacy of excellence. The center's 18-month curriculum is carefully designed to offer a blend of technical training and conceptual education, dedicating a significant portion of the program exclusively to the servicing of Rolex watches—a distinction that sets this program apart as the sole provider of such specialized training in the United States.

"For decades, mechanical watchmaking has been experiencing a resurgence as new customers learn to appreciate the tradition and craftsmanship that goes into making these special timekeepers. But crucially, there aren't enough watchmakers to keep up," said Rolex in a statement announcing the program, highlighting the pressing need for skilled artisans in the industry.

The training center not only aims to address this shortage but also to instill a deep appreciation for the heritage and artistry that defines luxury watchmaking. "We expect employment opportunities to continue to be plentiful across North America and beyond," says Rolex.

The new Dallas training center is not Rolex's first foray into watchmaking education within the United States. The brand has been operating the Lititz Watch

Technicum in Pennsylvania since 2001, also co-located with a Rolex service center.

With its inaugural class set to commence in September, the center plans to admit 15 students bi-annually in March and September. Upon graduating, new Crown-certified watchmakers from the program will be invited to join Rolex's service network across North America.

SOURCE: Emmanuel Abara Benson for BNN; The Centurion

U.S. Launches Self-Certification Import Strategy to Enforce Russian Diamond Ban



The United States implemented a new policy starting on March 1st that requires importers of polished diamonds of at least one carat to self-certify the non-Russian origin of these diamonds.

The U.S. Customs and Border Protection declared that these imports must now be accompanied by a PDF file on the importing company's letterhead, containing specific attestations that differ depending on the type of diamond being imported.

For non-industrial diamonds weighing one or more carats the required certification statement is: "I certify that the nonindustrial diamonds in this shipment were not mined, extracted, produced, or manufactured wholly or in part in the Russian Federation, notwithstanding whether such diamonds have been substantially transformed into other products outside of the Russian Federation."

A similar statement must accompany diamond jewelry and unsorted diamonds, also from one or more carats: "I certify that the diamond jewelry and unsorted diamonds in this shipment are not of Russian Federation origin or were not exported from the Russian Federation."

This new measure mandates only a single document for each import entry and is being perceived as less stringent than the documentary supply chain evidence some G7 stakeholders anticipated. At present, other G7 members, including the United Kingdom, the European Union, and Canada, have not disclosed their enforcement strategies for the new ban.

Reflecting on the policy, Sara Yood, deputy general counsel for the Jewelers Vigilance Committee, remarked, "This is essentially a self-declaration upon import, which is what's been happening with seafood. I'm not sure Customs is staffed or equipped to be looking for

documentary supply chain evidence for every shipment of diamonds coming into the United States.”

Yood did express relief at the clarity the new guidelines provide after a period of great uncertainty about U.S. policies. However, she pointed out the lack of directives for pre-existing stock or recycled items without clear origin information, highlighting that “The movement of old stones through the G7 is still an open question.”

Looking ahead, the G7 plans to extend the ban in September to include diamonds of half a carat and above, necessitating G7 certificates for all such stones entering member countries. Yood optimistically noted that the current period allows for self-declarations in the U.S., urging stakeholders to explore traceability programs.

Longtime JSA President, John Kennedy, Announces Retirement



Outgoing JSA president John Kennedy. Image by Jewelers' Security Alliance

In a significant announcement from the Jewelers' Security Alliance (JSA), John Kennedy, the esteemed president who has helmed the organization for 32 years, is set to retire by the end of 2024. Kennedy's retirement marks the end of an era for JSA, an institution dedicated to crime prevention within the jewelry industry,

which has seen only four presidents since its founding in 1887. His departure ushers in a period of transition as the JSA board now turns its attention to finding a successor capable of continuing Kennedy's legacy of leadership and commitment to industry safety.

Kennedy, whose career spans over four decades of combating crime, expressed a desire to shift his focus towards personal interests and family, stating, “I've been dealing with crime for 45 years, long before I came to JSA. I want to take it easy. I want to do more gardening and golfing and seeing my grandchild.”

Kennedy's tenure at JSA is highlighted by his background as a lawyer and his previous roles, including assistant commissioner of the New York City Department of Investigation, showcasing a career deeply intertwined with public service and security.

His contributions have been widely recognized, earning him numerous industry honors such as the American Gem Society's award for lifetime achievement in 2008, the Gem Award for Lifetime Achievement from Jewelers of America in 2021, and the Stanley Schechter Award from the Jewelers Vigilance Committee in the same year.

Notably, the AGS has named an award in his honor: The John J. Kennedy Award, bestowed annually to individuals who have made significant contributions to the safety and security of the industry.

Though he is stepping down from his role at JSA, Kennedy plans to maintain a role within the jewelry community, specifically by continuing to serve as secretary of the 24 Karat Club of New York, a position he has held for 22 years. “I'm not really saying goodbye,” he says.

SOURCE: Jewelers' Security Alliance; Rob Bates for JCK

Diamond District Jeweler, Avi & Co., Buys Playboy Club for the Architecture



The iconic Midtown building at 5 East 59th Street, once home to the glamorous Playboy Club, has become the latest entry on a growing list of prestigious Fifth Avenue address to be acquired by luxury retailers as a brand headquarters.

The nine-story structure will serve as the flagship location of high-end jewelry and watch retailer, The nine-story structure, Avi & Co. The owner, Avi Hiaeve, purchased the building at a foreclosure auction for \$26.7 million.

The Playboy Club, a symbol of 1960s luxury and leisure, was part of Hugh Hefner's expansive Playboy Enterprises, known for its exclusive membership model and the iconic Playboy Bunnies. Its prestigious Fifth Avenue location served to attract a cosmopolitan crowd, embodying the era's glamour. However, as decades passed, the allure of the Playboy Clubs waned, leading to their gradual disappearance.

A comprehensive renovation will soon be underway. The plan is to transform the lower two levels into a retail space for Avi & Co., while the upper floors will house the company's offices. Additional space within the building will be leased out.

Hiaeve's move to 5 East 59th Street from its previous Diamond District location is a significant transition for Avi & Co., and part of a broader pattern of luxury brands seeking to own their retail spaces. Among several high-profile transactions this year, Kering, known for brands like Gucci, Balenciaga, and Alexander McQueen, acquired the retail portion of 715-717 Fifth Avenue for \$963 million. Similarly, Prada secured 724

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The Fight to Save Lab-Grown Diamond Detection from Going Sideways



All that glitters is not diamond in this new world of precious gems. Lab-grown diamonds (LGDs) have introduced more problems than challenging balance sheets. Mainly, telling them apart from their natural counterparts.

Jennifer Heebner, a reporter for Rapaport News, recently spoke to a series of individuals in various aspects of the diamond industry to discuss the evolution of industry awareness. A director of gemstone procurement from Lafayette, Louisiana, noted the change over the years: "Five years ago, I asked attendees how many were screening for lab-grown diamonds [LGDs] and one hand went up," he recalls. Despite the growth in awareness, he adds, "the majority are still not checking."

The urgency of this situation is underscored by a spate of recent incidents where undisclosed synthetics were sent to labs. "In the last two months, four labs — comprising one in Italy and three, including the Gemological Institute of America (GIA), with US outposts — have reported incidents of synthetic diamonds submitted for grading under the guise of being natural," illustrating the sophisticated attempts to deceive within the industry.

Marc Altman of B&E Jewelers in Southampton, Pennsylvania, shared his firsthand experience with the cunning nature of synthetics, stating, "It was one ring. It was a big order,

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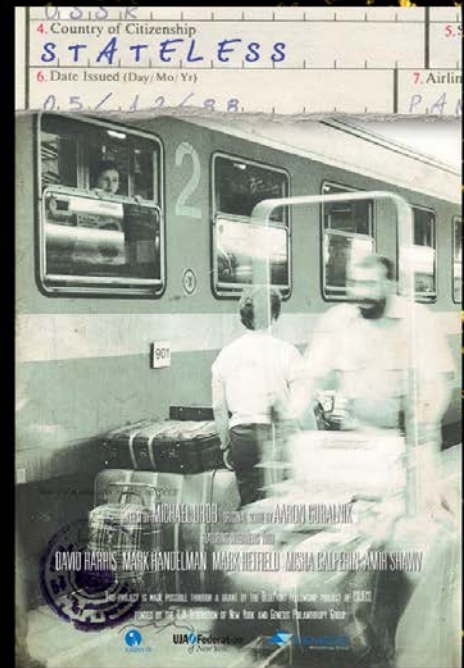
About the Film: "Stateless"

uncovers the harrowing escape of Soviet Jews from the Former USSR to the United States, navigating the perilous Vienna-Rome pipeline. Directed by Michael Drob, himself an emigre of this historic migration, "Stateless" captures the essence of perseverance and hope that defined their quest for freedom.

In the decade since its release, "Stateless" has been viewed by countless audiences worldwide and continues to stand as a testament to the resilience of the human spirit.

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Double Dip Leads to Diamond Sales Disaster in China



In China, the world's second-largest market for diamond gemstones, a notable downturn has emerged within the diamond industry, influenced by a blend of economic challenges and societal shifts. According to Paul Zimnisky, an independent diamond analyst, the Greater China region experienced a 3% decline in diamond jewelry sales, totaling \$12.8 billion last year. This downturn, which spans both mainland China and territories such as Hong Kong, Macau, and Taiwan, signals a concerning trend for what was once considered a burgeoning market for diamonds.

De Beers' CEO, AI Cook, pointed to several factors contributing to the faltering demand in China, including a significant drop in new homeowners and a shift towards gold jewelry. The pandemic's stringent lockdowns, which limited opportunities for social gatherings, have also played a part. Cook remarked, "We're going to need to see those factors unwind but I'll be honest, I think that's going to take longer than a lot of people thought. This Chinese consumer issue looks like it's going to be hanging around for a while."

The real estate crisis, deflation, and diminishing investor sentiment in China have further complicated the scenario, as Cook observed, "It's the people who bought a flat or house in China who would aspire to buy a diamond."

Amidst these challenges, the demand for natural diamonds has notably declined, with consumers showing a marked preference for gold. This preference has led to a 7.97% increase in gold jewelry sales, culminating in 706.48 metric tons in 2023, as reported by the China Gold Association. Concurrently, Swiss gold exports to China surged to a seven-year high in January, indicating a robust demand for gold ahead of the lunar new year.

The decrease in marriages, as reported by China's civil affairs ministry—with only 6.8 million couples getting married in 2022, down from 13.5 million in 2013—further underscores the changing societal landscape. Lai Ming Yii, a research manager at Beijing-based Daxue Consultancy, highlighted the shift in priorities among young people, who are "choosing to be single" for professional and academic reasons, compounded by financial constraints.

Reflecting the broader economic apprehensions, Bobo Liang, a 25-year-old wealth manager from Nanjing, expressed a cautious stance towards luxury purchases, stating, "The economy is slowing down and our expectations about our future income are pessimistic. I'd rather stay away from things that lose their value as soon as I buy them."

Despite the dip in diamond sales, China's luxury market has seen overall growth, driven by purchases in fashion, jewelry, and handbags. Yet, as Cook and others have highlighted, the diamond industry faces a challenging path ahead, requiring a nuanced understanding of the evolving consumer behaviors and economic realities in China.

SOURCE: Harry Dempsey for FT

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JVC WARNS: FAKE GREEN CLAIMS COULD CAUSE A REAL LEGAL CATASTROPHE



JVC president and CEO, Tiffany Stevens, warns of possible legal risks to the diamond jewelry industry associated with fake environmental claims. Image by JVC

In an era where environmental awareness is more pronounced than ever, low or positive environmental impact seems to be a fundamental feature for virtually every product sold today. Predictably, a whole new generation of marketers are already touting this newly-found and somewhat nebulous selling point. Claims such as “eco-friendly” or “sustainable” are now found attached to virtually anything with a price tag. From jellybeans to jewelry, if it’s for sale, you can expect assurance that no rocks, trees, water, or people were harmed or displaced in the process of manufacture.

Many marketers attach these claims to their products accurately and with verification. Many others, however, are simply perpetrating calculated fraud. The term for this form of fraud is “greenwashing” — a practice where businesses make exaggerated or false claims about the environmental benefits of their products to gain consumer trust and market advantage. As the prevalence of greenwashing grows, companies across various sectors are being scrutinized for their eco-friendly claims.

To be fair, many tout eco-friendly accolades such as sustainable, socially responsible, and ethical, viewing these claims as empty buzzwords they are free to use as they see fit. But as the frequency of class action lawsuits targeting greenwashing practices grows by the day, it’s apparent that to do so could be a serious and costly error.

As reported by Rob Bates of JCK Online, Tiffany Stevens, president and CEO of the Jewelers Vigilance Committee (JVC), highlighted during the Plumb Club’s Symposium ’24 on March 11, the jewelry industry could soon be navigating a minefield of potential legal peril.

Released several years ago by the Federal Trade Commission (FTC), the Green Guides offer a comprehensive framework outlining how and when these terms may be used in marketing. For the most part, the Green Guides discourage broad, unqualified general environmental benefit claims like “green” or “eco-friendly,” which are challenging, if not impossible, to substantiate. Marketers are directed to qualify general claims with specific environmental benefits, ensuring that such qualifications are clear, prominent, and specific. For instance, claims around carbon offsets must be backed by scientific evidence, and disclosures must be made if emission reductions won’t occur immediately.

In January, a New York judge ruled in favor of plaintiffs suing Danone Waters of America, who accused the company of falsely advertising its Evian water as “carbon neutral,” leading consumers to pay a premium

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for what they believed was environmentally friendly water. The judge found the term "carbon neutral" to be ambiguous and potentially misleading, allowing the class action lawsuit to proceed on charges including fraud, unjust enrichment, and other charges.

Stevens warned that for the lab-grown diamond industry, these guidelines are particularly relevant. As marketers tout the environmental benefits of lab-grown diamonds over traditional mined diamonds—such as reduced carbon emissions or ecological disturbance—they must navigate the FTC's directives with caution. Claims of sustainable sourcing or the use of renewable energy in the production processes must be explicitly backed by credible evidence. Furthermore, the recycled content used in lab-grown diamonds or their settings must be accurately quantified, reflecting a commitment to transparency and truth in advertising.

"I get a notification every day about a new greenwashing class action lawsuit," Stevens told Symposium attendees. "You can no longer think, 'I'll make these vague claims and hope for the best.' We have entered a new space where vague claims are now actionable. If you say something and you can't back it up, you may face legal consequences."

In an interview with JCK, Stevens said that at present she has not yet seen jewelry businesses targeted by these eco-suits, explaining that the present targets are food and fashion companies. She warns, "If I were a general counsel or CEO of a major jewelry brand, I would be worried about this and would be directing my marketing team to be incredibly cautious."

SOURCE: Rob Bates for JCK; Tiffany Stevens for JVC



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TURN “THANKS. I’M JUST LOOKING” INTO “THANKS FOR YOUR PURCHASE!”



What does “I’m just looking” actually mean? Different things to different people, most likely. It ranges from “I’m looking for ideas,” to “I’m looking for something special...” to “I’m looking to get you to leave me alone and let me browse in peace.”

Getting to the next step requires trying to view everyone who walks through your doors as someone who really wants to leave with something, whether it’s a battery, repair or the purchase of a lifetime. It’s your job to hold on long enough to let you know what that is and for you to let them know how they can get it. Some good responses to get that process started are:

- ◆ “Great, I’ll help you let’s get started.”
- ◆ “I’m so glad you came in. Do you actually know what you’re looking for?”
- ◆ “That’s great! Because if you’re just looking, I’m just selling.”
- ◆ *[make up your own]*

Great job! They didn’t run away. But that’s just the start. Have you given thought to ideas for responses that will keep the client engaged? The “experts” say that 60-70% of all potential customers cannot make up their mind. They’re paying us for what they buy, but relying on us, as the real professionals, to help them

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Environment. Shmenvironment. Young Buyers Prioritize Savings Over Sustainability



Diamonds have always been marketed on the promise of eternal value, but modern consumers, the so-called millennials and Gen Z, are rewriting the rulebook. There are many assumptions about what motivates this new breed of buyers. Many of those assumptions are wrong.

Alexander Lacik, CEO of the world’s largest jewelry retailer, Pandora, sheds light on the real motivations behind the younger consumers choosing lab-grown diamonds over their mined counterparts. Contrary to popular belief, sustainability factor steering this trend but rather two primary considerations: design and price.

The appeal of lab-grown diamonds to a demographic that spans from teenagers to senior citizens, but predominantly resonates with millennials and Gen Z, lies in their aesthetic allure and affordability. Notably, celebrities like Selena Gomez and Jennifer Lawrence, despite their wealth, are drawn to these man-made alternatives, underscoring the importance of design quality in jewelry selection. “If it had looked like cr*p, they wouldn’t put it on,” Lacik notes, emphasizing that the attractiveness of the product is paramount, regardless of its origins.

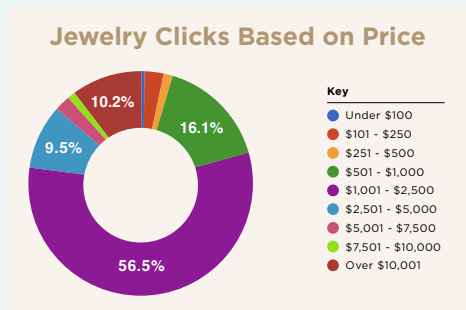
The financial advantage of choosing lab-grown over mined diamonds cannot be overstated. With lab-grown options costing a fraction of their natural counterparts, consumers are empowered to opt for larger stones, enhancing their value proposition without compromising their budgets. Lacik’s observation that “women like bigger stones” speaks to this trend, highlighting a shift towards maximizing what one gets for their money, especially in significant life moments such as engagements.

While some younger consumers vocalize their preference for lab-grown diamonds on ethical and environmental grounds, Lacik suggests that sustainability, though a commendable attribute, is merely a “nice to have” rather than a driving force in the purchasing decision.

“I’ll be dead before somebody comes into my shops and says, ‘Can you show me your sustainable products?’ It’s just not in people’s minds when they’re shopping this category,” says Lacik.

SOURCE: Orianna Rosa Royle for Fortune

Web Data Reveals Consumers’ Preferred Jewelry Price Point Below \$2500



Jewelry price preference chart by GemFind and The Centurion

Exclusive insights from GemFind, a specialist in digital marketing and website design for jewelers, reveal that a significant majority of potential buyers on independent jewelers’ websites focus their attention on items priced between the range of \$1,001 and \$2,500.

GemFind’s analysis, shared exclusively with The Centurion, indicates that 56.5% of consumer clicks on websites managed by GemFind are on products within this price range.

Other findings from the study include 16.1% of clicks target products in the \$501 to \$1,000 range, with 10.2% of consumers exploring items priced between \$101 and \$250, and 9.5% showing

interest in higher-priced items ranging from \$2,501 to \$5,000.

SOURCE: GemFind; The Centurion

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make that choice. And once a customer says, “I’ll be back,” there’s a more than 90% chance they never will.

Another helpful statistic is that 70-80% of all shoppers buy within the first two hours after leaving your location. People don’t have time to shop tomorrow if they’re shopping today.

In most cases, when a customer walks out emptyhanded, you can assume that something was left out of your presentation. If they don’t buy from you, ask yourself these questions:



- ◆ Did you do a show-and-tell (instead of a show-and-sell) presentation?
- ◆ Did you ask enough relationship questions? Always make it about them, not the item or the price.
- ◆ Did you ask enough selling-specific questions to find out what they really wanted?
- ◆ Did you ask the right questions to help you figure out what their budget was? (Never ask straight out — they’ll think you think the money is more important than they are.)
- ◆ Did you listen to, consider, and sincerely try to address all their objections?
- ◆ Did you romance the product enough to prove that the price on the tag is real? (This also helps prevent negotiating later.)
- ◆ Did you let the client talk, or did you talk too much?
- ◆ Before they left, did you do a team-sell to save the sale? Nobody owns a client.
- ◆ If you didn’t match personalities, did you bring somebody else in at the beginning?
- ◆ After they left, did you do proper follow-up to bring them back in?
- ◆ Throughout, did you leverage the magic power of ALPC (ask-listen-paraphrase-close)?
- ◆ Did you say, “Go ahead and look around, and if you find something, let me know”? (Some people think that means, “I don’t want to wait on you unless you’re giving me money.”)

If you neglect the “I’m just-looking” customers, chances are they’ll just look elsewhere to leave their money. Bridal season, which goes from April 16 through the end of September, is here and is usually the biggest “I’m just-looking” season of all. If you can master the moves, you can start turning the “just-lookers” into lifetime customers.

SOURCE: Shane Decker for INSTORE

Section continued from page 5

Fifth Avenue, where its flagship store resides, for \$425 million and also bought the adjacent 720 Fifth for \$410 million.

"This just happened to be the best thing to do - to buy it and own the building. I think I got a very good deal on it," Hiaeve said.

SOURCE: Elizabeth Cryan and Matthew Elo for The Real Deal

GIA Creates High School Scholarship Program



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GIA's (Gemological Institute of America) Spring scholarship application cycle is

open March 1-31, 2024. GIA is allocating up to \$2 million in scholarships to support student tuition in 2024. Among the new initiatives introduced in this scholarship cycle is the GIA Aspire Scholarship.

"Receiving a scholarship let me take more risks after graduating. Since I didn't have a mountain of student debt, I was free to explore all sorts of interesting opportunities" said Chris James T. Boehner, GIA Graduate Gemologist (GG) and 2020 scholarship recipient. "It also helped me fast-track my education because I no longer needed to save for tuition. I started my GG program two months after receiving my scholarship!"

The GIA Aspire Scholarship program is specifically designed for graduating high school seniors or recent alumni from four San Diego County high schools: Steele Canyon High School, Rancho Buena Vista High School, Alta Vista High School, and Health Sciences High and Middle College.

"We believe that investing in the education of aspiring professionals is key to the continued growth and success of the gem and jewelry industry," Robyn Burrell, GIA director of financial aid. "By providing opportunities for students to pursue their passion, we aim to create a diverse and skilled workforce that will shape the future of our industry."

Up to \$100,000 in scholarships will be allocated for the GIA Aspire Scholarship. Recipients may receive partial or full scholarships for any On-Campus program starting between July and December 2024 at the GIA Carlsbad campus, ranging from 7 to 26 instructional weeks.

GIA's scholarship offerings extend beyond the GIA Aspire Scholarship, including needs-based scholarships and Veteran's scholarships. Need-based scholarships are

accessible year-round for prospective U.S. students and require a completed Free Application for Federal Student Aid (FAFSA).

For more information about GIA's scholarship opportunities and application process, go to GIA.edu/scholarships. The fall application cycle is from September 1-30, 2024.

SOURCE: GIA

Billionaire's Buying Spree Includes \$65 Million in Jewels for 7-Year-Old Daughter



Hong Kong real estate mogul, Joseph Lau, is definitely loaded. But is he loco? Many seem to think so after confirmed reports surfaced about his recent two-day buying frenzy in which he purchased jewels worth valued at north of \$65 million for his 7-year-old daughter.

During consecutive jewelry auctions in Geneva, Lau, whose fortune is estimated at \$8.45 billion, acquired two exceptional diamonds, which he named 'The Sweet Josephine' and 'The Blue Moon of Josephine' in honor of his daughter, Josephine, shared with his girlfriend and former aide, Chan Hoi-wan.

Josephine has previously been the beneficiary of her father's grandiose gifts—including the 'Star of Josephine', a blue diamond purchased for just under \$17 million in 2009. The recent acquisitions, including a rare 16.08-carat pink diamond for a record \$23.5 million, further expands Josephine's collection of namesake gems.

Lau, ranked by Fortune as the world's 114th richest person, navigates life with his immense wealth as a fugitive in Hong Kong following his conviction in 2014 for bribery and money laundering in Macau. Because the city does not have an extradition agreement with Hong Kong, Lau has avoided Macau ever since and has never served his five-year sentence.

Of course, there are critics with plenty to say about Lau's lavish expenditures. Most have focused on demanding greater transparency and ethical accountability among the super-rich, and parroting questions about the morality of using wealth in ways that seem so out of synch with the needs of society. And, of course, such arguments are fatuous and misplaced. As any thinking person would conclude, Lau's new gems were not purchased to take up more

room in a spoiled child's toybox, rather as an investment in the future. So, is Lau a loon? The answer is doubtful.

SOURCE: Jastine Beatrice Yap for IBT UK

Morgan Stanley Report Says Rolex Outsell All Competitors Combined



In an unprecedented surge in the luxury watch market, Rolex retains its crown as reigning king. According to a comprehensive report by Morgan Stanley and Swiss

firm LuxeConsult, Rolex has notably outpaced its competitors by achieving an estimated more than \$10 billion in sales for the first time.

The Geneva-based timepiece titan, founded in 1908 by Hans Wilsdorf and now overseen by a charitable trust bearing his name, sold approximately 1.24 million watches in 2023, amounting to sales of \$11.5 billion. This marks an 11% increase from the previous year, securing Rolex's position as the market leader with an "unprecedented" market share of just over 30%.

Rolex's stunning success selling iconic models such as the Daytona, Submariner, and Datejust, is a stark contrast with other luxury brands. Underscoring Rolex's dominance, The Morgan Stanley and LuxeConsult report further noting that Rolex's sales surpassed those of the next five leading brands—Cartier, Omega, Audemars Piguet, Patek Philippe, and Richard Mille—combined.

SOURCE: Andy Hoffman for Bloomberg.com

Anti-Money Laundering Group Removes UAE from "Gray List"



Financial Action Task Force plenary. Image by FATF

In a decisive move that underscores the evolving landscape of global financial oversight, the United Arab Emirates (UAE) has been officially removed from the Financial Action Task Force's (FATF) "gray list." This significant development, announced during the FATF's

annual plenary, marks a pivotal moment for the UAE, particularly its renowned diamond hub, Dubai, signaling a noteworthy enhancement in its anti-money laundering and terrorist financing controls.

The FATF, an influential intergovernmental body dedicated to combating money laundering and terrorist financing, places countries on its gray list to indicate concerns over deficiencies in their financial control mechanisms.

Being gray-listed implies an increased scrutiny from the FATF, alongside a commitment from the listed country to implement reforms aimed at addressing these deficiencies. For the financial sector, a gray listing often signals a heightened level of caution from international institutions when conducting business with entities based in the affected countries.

The UAE's gray-listing in March 2022 represented a landmark decision by the FATF, given the country's significant stature on the global stage, especially within the diamond trade. This move was initially deemed "the most significant" in the FATF's history, highlighting the scale and impact of the UAE's inclusion on the list.

However, the UAE's efforts to align with FATF standards and implement substantial financial reforms have culminated in its removal from the gray list. Following an on-site evaluation, the FATF acknowledged the UAE's "necessary political commitment" and the execution of "key reforms" aimed at bolstering its financial controls. This acknowledgment serves as a testament to the UAE's dedication to enhancing its regulatory framework and addressing the FATF's concerns.

Despite this progress, the decision has its critics. Prominent anti-corruption NGO Transparency International voiced concern in a post on X, the social media platform formerly known as Twitter, that referred to the FATF decision as "hasty" and "premature."

The organization's criticism centers on what it considers insufficient time to fully assess the impact of the UAE's reforms. "Even if the UAE is finally cooperating on sanctions, that's far from enough to address its dirty money problem," states Transparency International.

SOURCE: Rob Bates for JCK

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and my assumption was that they also made jewelry with LGDs." His discovery through the GIA ID100 screening tool highlights the necessity of vigilance, "If I didn't [screen], my reputation would be at risk," he says, emphasizing the potential consequences of failing to detect synthetics.

Not everyone is convinced the mix-ups are intentional or driven by malicious intent. Tehmasp Printer, CEO of IGI, believes it's a combination of deliberate and accidental occurrences. "Initially, some did try to push LGDs as naturals and then labs learned how to ID the material," he said. "Now, there are mistakes and errors, but most are not intentional." It's a view that underscores the complexity of the issue, and how that is further complicated by findings like those described by Debbie Azar, cofounder and president of GSI, who recalled once being presented with "mounted brown diamonds with linear graining and polished surfaces 'to try to pass it as natural.'" There was nothing accidental about them.

The industry's response has been robust, employing advanced testing processes to

maintain consumer trust. GIA, for instance, has introduced services to combat fraudulent practices, with Pritesh Patel, GIA's senior vice president and chief operating officer, asserting, "We should all be doing everything possible to ensure consumer trust."

Yet, the identification of synthetics, particularly in jewelry adorned with tiny stones, remains a daunting task. "Our biggest challenge is testing items encrusted with micro-pavé — jewelry set with 0.005-carat and smaller diamonds," admits Angelo Palmieri, president of GCAL by Sarine. The laborious nature of this task is echoed across the industry, emphasizing the ongoing struggle against undisclosed lab-grown diamonds.

In their quest for integrity, retailers and labs alike wield a variety of tools and techniques, from microscopy to the GIA ID100 and beyond. The importance of a multifaceted approach is clear, with Dror Yehuda of Yehuda Diamond Company emphasizing, "Each instrument has its own advantages and limitations. No one machine can give you all the answers."

SOURCE: Jennifer Heebner for Rapaport

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Signet Reports Rising Consumer Awareness About Plummeting Lab-Grown Prices



Signet Jewelers is spotlighting a shift in consumer awareness about the declining value of lab-grown diamonds, which could signal a boost for the natural diamond market in the foreseeable future. This insight was shared by CEO Gina Drosos during an analyst call, highlighting the impact of significant discounts on lab-grown diamonds by independent jewelers on Signet's financial performance. The company noted a 6% decrease in sales, dropping to \$2.5 billion for the fiscal quarter ending February 3, as reported by Joshua Freedman for Rapaport.

Drosos pointed out the growing consumer savvy about the diminishing prices of lab-grown diamonds, contrasting their value against the timeless, unparalleled allure of natural diamonds. "I think that consumers are becoming more aware that lab-created diamond prices are falling," Drosos remarked. "And so, while they might be great for fashion jewelry, there's something very, very rare and individual about a natural diamond. [W]e think that that is a potential tailwind for natural diamonds in the year ahead."

SOURCE: Joshua Freedman for Rapaport

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Diamond District Jeweler Arrested for Wire Fraud, Illegal Money Transfers



Monishkumar Kirankumar Doshi Shah, a jewelry business owner in New York City's Diamond District, faces charges related to wire fraud and illegal money transfers, as announced by federal authorities. Shah is accused of

conspiracy to commit wire fraud and operating an unlicensed money transmitting business.

Federal court documents from New Jersey detail how Shah allegedly used his businesses to evade U.S. Customs duties by rerouting shipments through South Korea. "From January 2015 through September 2023, Shah engaged in a scheme to evade duties for shipments of jewelry from Turkey and India to the United States," states U.S. Attorney Philip R. Sellinger. Shah reportedly had jewelry shipped from Turkey or India to South Korea, where labels were changed to suggest the items originated from South Korea, thus avoiding customs duties.

Shah's operation also involved illegal financial transactions through his companies—MKore, MKore USA, and Vruman Corp. "Prosecutors said that Shah and co-conspirators sometimes converted more than a million dollars of cash a day into checks or wire transfers, in exchange for a 2% fee," according to the complaint. These companies were not registered as money-transmitting businesses, a violation of regulations.

Arrested last weekend, Shah was released on a \$100,000 bond, subject to home detention and location monitoring. The case brings to light ongoing concerns about illegal money transfers in the jewelry industry, with similar charges filed against other dealers last September.

The wire fraud conspiracy charge Shah faces could lead to a maximum of 20 years in prison, while the illegal money transmitting business charge carries a maximum penalty of five years in prison. Each count could also result in a fine of up to \$250,000 or twice the gain or loss from the offense.

Special agents and task force officers from IRS – Criminal Investigation, Homeland Security Investigations, U.S. Customs and Border Protection at the Port of New York/ Newark, and other agencies were credited by U.S. Attorney Sellinger for their role in the investigation.

SOURCE: Rob Bates for JCK; INSTORE



Thieves abandoned stolen safe near freeway exit. Image by KTVU

Locked Jewelry Store Safe Dumped By Thieves Near L.A. Freeway Off-Ramp

In a bold early morning heist at an Oakland jewelry store, thieves attempted to steal a large safe containing about \$300,000 worth

of jewelry and watches using a van and a chain but were forced to abandon their loot as police intervened.

The incident unfolded around 3:45 a.m. at Grand Jewelry Repair on Grand Avenue when a man and a woman, armed with a crowbar, broke into the store while accomplices waited outside. Christopher Tran, the owners' son, recounted the thieves' efforts to haul away a hefty safe from the shop. "The first time they did it, they used a rope and it snapped. So, the next time they came back it was a heavy chain," Tran explained.

Security footage captured the moment the burglars looped a long chain around the safe, dragging it out onto Grand Avenue and causing a commotion by toppling garbage cans along the way. Assisted by individuals in a Dodge Challenger, the thieves attempted to hoist the safe onto the van using a winch, only partially succeeding and creating a trail of sparks as they fled.

Two Oakland police officers promptly pursued the van as it merged onto westbound I-580. Despite the escape attempt, the safe was ultimately left behind on Harrison Street at the MacArthur Boulevard off-ramp from I-580, after it seemingly became dislodged or fell from the vehicle.

The abandoned safe, damaged from the ordeal yet still containing the valuable contents, required a tow truck for removal and is now stored in a secure, undisclosed location. "We're extremely happy that they dropped it," said Tran, relieved that the valuables were recovered but dismayed at the chaos left in the store, now littered with debris and shattered glass.

This incident marks the second significant break-in at Grand Jewelry Repair since 2020, stirring a mix of sadness and frustration in Tran. Reflecting on his parents' journey as immigrants who fled the Vietnam War and established their business, he lamented the impact of the burglary. Insurance will cover the physical damages, yet the emotional toll and potential early retirement for his parents after 34 years of dedication weigh heavily on the family.

SOURCE: Henry Lee for KTVU Fox2

Smash & Grab Thieves Free to Flee After Owner with a Gun Blows It



Scene of latest smash and grab robbery. Image by KABC

In a brazen daytime robbery, thieves targeted Geneva Jewelry in Riverside's Canyon Crest Towne Center, managing to steal thousands of dollars' worth of jewelry. The entire episode, occurring on a Saturday morning, was caught on the store's surveillance cameras.

The footage revealed two masked individuals entering the store, seemingly through a door that hadn't properly shut. Without hesitation, they began breaking the glass displays with hammers to grab the jewelry inside. Amid the chaos, a customer found herself trapped, initially unable to open the front door to escape, eventually hurrying out through the back.

The situation escalated when the store's owner responded by firing shots at the robbers, aiming to frighten them rather than inflict harm. Michelangelo Torchia, the owner's son, recounted the event: "He shot once at the ground. Immediately as he shot at the ground, they ran. One of the guys, you'll see in the surveillance video, he fell to the floor, scared. grabbed his hammer because he dropped his hammer and one of our bracelets he was stealing."

Thankfully, no injuries were reported following the robbery that left the longstanding business, operational since 1989, and its owners deeply shaken but relieved that it wasn't worse.

The Riverside Police Department is currently following up on leads to apprehend the suspects. Officer Ryan Railsback commented on the incident, noting that the store owner's actions did not seem criminal under the circumstances. He highlighted the decision-making process regarding the use of a firearm for self-defense or to protect others when faced with immediate danger.

This robbery adds to the growing concern over smash-and-grab crimes across the state, frustrating business owners and law enforcement. Officer Railsback expressed this shared frustration, questioning what emboldens these criminals to brazenly steal with seemingly little fear of repercussions.

SOURCE: KABC

Florida Cops Nab \$1 Million Houston Jewelry Store Robbery Suspect



Asdrubal Rodriguez. Screenshot from Youtube

Asdrubal Rodriguez, 35, was arrested in Palm Coast, Florida, marking a significant break in the case of a jewelry store heist in Houston that resulted in the theft of over \$1 million worth of jewelry and cash. The Flagler County Sheriff's Office, upon arresting Rodriguez, found him with approximately \$79,000 in cash and stolen gold jewelry.

The capture was a result of vigilant police work, utilizing surveillance technology to flag Rodriguez's vehicle, which bore a Maryland license plate connected to the armed robbery at Bawa Jewelry in Houston. The Flagler County deputies' timely intervention led to the uncovering of the concealed SUV and the subsequent traffic stop that brought Rodriguez into custody. Without a valid driver's license and identified through Rapid-ID fingerprinting, Rodriguez's situation quickly unraveled.

Upon searching Rodriguez's vehicle under a warrant, authorities recovered significant evidence of his involvement in the Houston robbery. Rodriguez himself confessed to the crime, revealing he assaulted store employees using pepper spray and a firearm and was responsible for collecting the jewelry. He admitted part of the loot was sold in Houston, with plans to transport the rest to Miami.

Facing charges of aggravated robbery with a deadly weapon, Rodriguez now awaits the possibility of extradition

to Houston, as the police seek to bring him to trial. An ICE Detainer has been issued against him, hinting at the complexity of his legal troubles and potential ties to a larger criminal network. This arrest underscores the critical role of surveillance and rapid identification technologies in apprehending suspects across state lines.

SOURCE: The Centurion



Jewelry Factory Chief in Cuffs for Purloined Precious Metals

Benjamin Preacher, a former manufacturing supervisor at a Rhode Island jewelry factory, has been charged with money laundering. He allegedly pilfered gold, silver, and platinum scraps from his workplace, selling them off at local pawn shops. This revelation came after company cameras caught him hiding white gold "flat stock" in his pocket during a shift in early March. The piece of gold he stole was valued at over \$2,000.

According to an affidavit by IRS special agent Rebecca Limage, Preacher confessed to the theft after being confronted by company officials, admitting he had been taking precious metals from the factory since 2018. His dealings with a Massachusetts dealer, where he sold the stolen metals at least once a month for three years, reportedly amounted to over \$1 million.

A law enforcement search at Preacher's home in North Attleboro, Massachusetts, uncovered more stolen metals, some of which employees from the jewelry company identified as originating from their facility. At 54, Preacher now faces a charge of unlawful monetary transactions, with the potential for a 10-year prison sentence. His lawyer has yet to respond to requests for comment.



DC Retailer Loses \$200K in Rolex Watches Through Sledgehammered Display Window

Nine Rolex watches, collectively valued at over \$200,000, were stolen from Tiny Jewel Box, a downtown D.C. jewelry store by three men, including one who used a sledgehammer to break the store's exterior window.

Two additional suspects immediately reached through the broken window to take the watches, which ranged in value from \$8,300 to \$42,500, before fleeing the scene in a Honda Accord.

Despite a search, police were unable to find the suspects, who are now wanted for first-degree theft and destruction of property. The theft has prompted an ongoing investigation as authorities work to recover the stolen items and hold the responsible parties accountable.

SOURCE: Dana Sukontarak for WTOP



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2024 MEMBERSHIP APPLICATION

The Diamond District Partnership / 47th Street Business Improvement District (BID) is a non-profit organization established to provide important supplemental services to elevate the commercial viability of the Diamond District.

All property owners, commercial tenants, and residents of W. 47th Street between 5th & 6th Ave. (Excluding 580 Fifth Avenue & 576/578 Fifth Avenues) are eligible to become a registered member.

**** PLEASE NOTE: There is no cost or fee to become a Registered Member. ****

Membership entitles you to vote for various issues related to BID operations at our annual meetings, serve on the board, and receive timely information related to the Diamond District, and a special "FIRST LOOK" at our official publication—Diamond District Monthly.

IT'S EASY TO APPLY:

(1) Fill out application (2) Take a picture of it (3) Email to: signup@diamonddistrict.org

Please check one:

- Property Owner (You own property located on 47th Street)
- Commercial Tenant (You own a business, but not property, on 47th Street—excluding 580/576/578 Fifth Ave)
- Residential Tenant (You reside on 47th Street)

Name: _____ Title: _____

Company (if applicable): _____

Property/properties owned within the 47th Street Diamond District: _____

District Business Address: _____

Mailing Address (if not same): _____

Phone: _____

Email: _____

Signature: _____ Date: _____